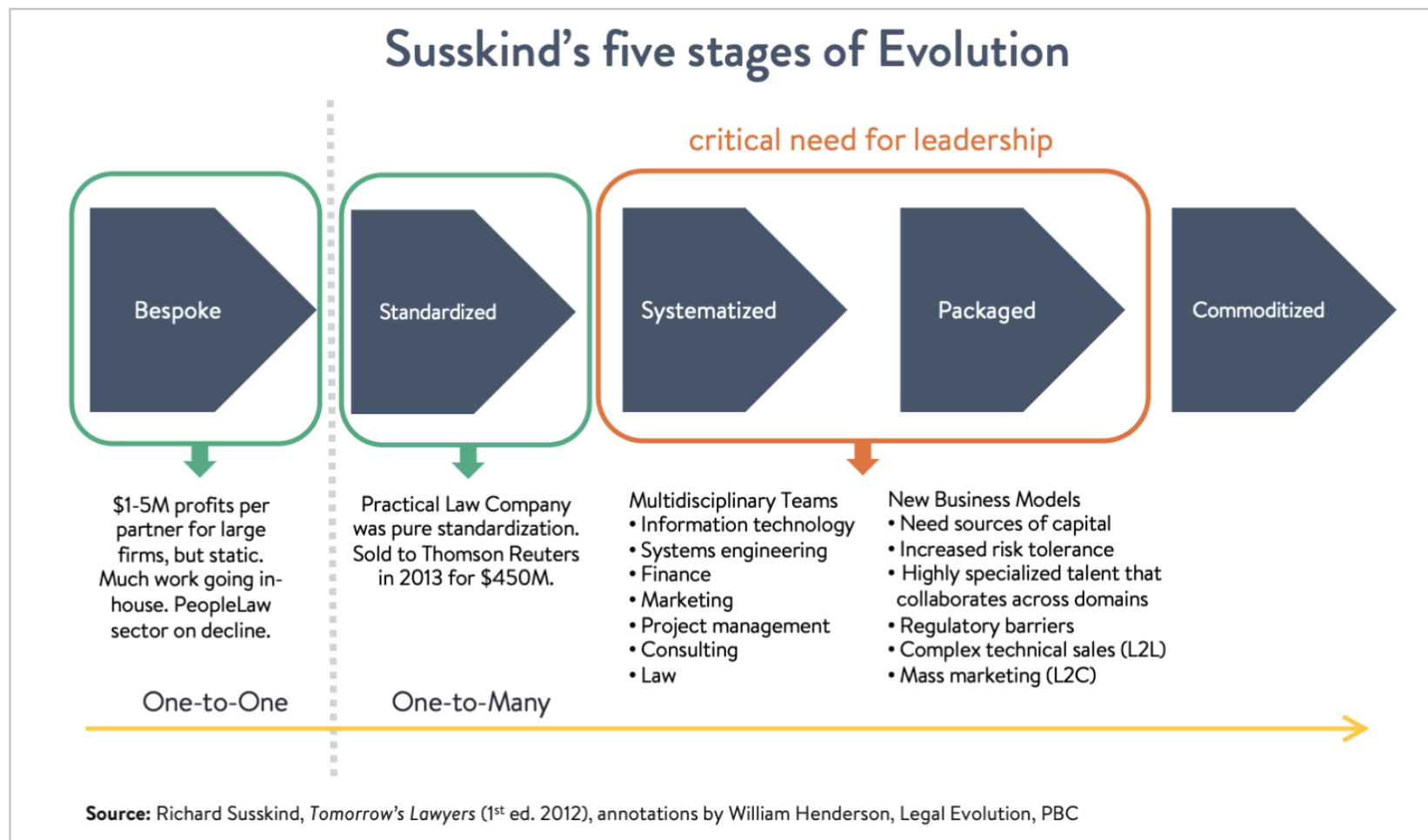




# How Chief Revenue Officers are making legal tech better (284)

By Kenneth Jones on January 9, 2022



### An emerging role in legal tech companies that ties together sales, marketing, and customer success.

At Legal Evolution, we often return to the above “five stages of evolution” graphic as a reminder that the legal industry has entered a period of profound tumult and uncertainty.

The tumult is driven by the cost, quality, and service delivery advantages of systematized & packaged legal solutions, which has set off a gold rush in legal tech. See [Post 255](#) (Zach Abramowitz tracking legal tech investment). The uncertainty is driven by the need for new business models combined with the lack of established, sales channels that

enable end-users to buy with confidence. Cf [Post 279](#) (Jae Um observing that legal vertical is composed of multiple markets that are both fluid and segmented in nonobvious ways).

Well, what about solutions—is anything on the horizon?

As a legal technologist who works in a law firm and is closely connected to corporate legal departments and legal tech vendors, I am heartened by the emergence of the Chief Revenue Officer (CRO) role, as they are shifting the focus from short-term sales to client problem solving — what the graphic above refers to a complex technical sales. This is resulting in a gradual shift to mutually beneficial long-term relationships between not only the legal tech company and legal ops professionals but also other legal tech suppliers.

In this post, I tap my professional network to answer a series of questions on the emerging CRO role and some of the features that make it so effective.

## What are the main functions of the CRO role?

According to [Jake Heller](#), the CEO of the legal technology [Casetext](#), an advanced legal research technology powered by artificial intelligence, the primary function of a CRO is to set the company up for revenue growth that is both significant and sustainable. According to Jake, this is accomplished by consolidating three core business development functions—Marketing, Sales, and Customer Success—into one.

Traditionally, each of these roles has different functions (generating leads, closing deals, maintaining and expanding existing relationships) which can, at times, conflict. In Jake's view, considerable value is added by the presence of a coordinating executive leader.



Jake Heller

LE contributor [Carlos Gámez](#) is another person in legal tech who are given significant thought to the CRO role. Prior to his current role as VP of Product & Growth at [TermScout](#), which helps corporate legal departments quickly evaluate a contract against industry benchmarks, see [Post 211](#), Carlos served as Chief Revenue Officer at [Frontline](#), a legal managed services provider.



Carlos Gámez

According to Carlos, the goal of a CRO is to retain and grow the customer base and spend per customer. How is this accomplished? By helping your customers—who are also service providers—get into alignment with their customers, thus enabling them to achieve their ultimate objective that is driving the buy decisions. The more customer lifecycle data inform an overall commercial strategy, the greater the opportunity to build reinforcing loops that ultimately leads to better **Language-Market-Fit** and **Product-Market-Fit**.

By having all functions under one leader, explains Gámez, the CRO is in a position to identify dependencies or acceleration opportunities to increase revenue through targeted programs such as pricing improvements, segmentation, and cross and upselling, all while keeping the best interests of the customer front and center. Gámez explains:

Since CROs have actual authority to set the go-to-market plans for the company, customers are likely to find a strategic and responsive ally in a CRO. The CRO also understands that healthy customer relationships are those where the company will pull no punches in doing what is best for the customer if it makes strategic and economic sense for the company.

Given Heller's and Gámez's framing of the emerging CRO role in the legal industry, a CRO is much more than a traditional salesperson, as they have the resources and insights to sign up the company for commitments they can deliver. They can also say no quickly and reasonably when something is unfeasible, which is just as valuable in building trust and credibility within the relationship.

This brings us to an especially important topic.

## Why is trust a key metric for CROs?

Attorneys and legal operations leaders much engage with technology because, among other reasons, technology is destined to become a key form of leverage for completing complex legal tasks. See **Post 248** (Rob Saccone noting work formerly given to lawyers and paralegals can and will be given to machines).

Unfortunately, this journey is seldom comfortable, as attorneys and legal operations leaders struggle to effectively communicate with those in the information technology industry. Topics such as automation of workflows, business intelligence (BI) reporting, advanced security issues, or artificial intelligence (AI) can be intimidating topics, often poorly described with hackneyed terms and undefined acronyms rather than easy-to-digest legal use cases.

Another complicating factor is the sheer pace of technological change. As more and more data moves into the Cloud, the number of vendors and range of offerings is exploding. In the past, the most common models were software and tech services being offered by two classes of entities: law firms or legal technology companies. But now, additional categories of players have entered the fray, including Alternative Legal Service Providers, major consulting companies, software that can be procured on portals offered by enterprise software companies (for example, [Advologix](#) on the Salesforce legal ecosystem), specialty legal offerings offering private cloud, containerized solutions (like [Reynen Court](#)) or on the portals/marketplaces of large legal software or service providers (like [Clio](#) or [Thomson Reuters](#))

In this confusing and chaotic landscape, what most customers (i.e., lawyers and legal ops professionals) want are reliable and trustworthy tour guides who take a sincere interest in their business challenges. Cf [Post 203](#) (LexFusion model using trust to solve same coordination problem for its clients).

## How do CROs build that trust?

In my view of the market, I see this happening this three ways:

### 1. Helping build broader functional relationships with other tech providers

Increasingly, there is value in delivering broader suites of services, a trend present in many professions. For example, physicians often strive for vertical integration operating surgical centers and labs that provide diagnostic testing services. Similarly, the behemoth Amazon strives to dominate not only the sale of goods but the logistical aspects of warehousing, shipping, and last-mile household delivery.

In most cases, the goal of bundling, or vertically integration, is to provide an end-user with a cost, quality, or convenience benefit that competitors cannot easily replicate, thus protecting and enlarging future revenues and profit.

The legal technology is quite similar. For years, law firms have bundled legal services with e-discovery technologies. Alternative legal service providers are looking to do the converse (offering consulting and technology along with their current set of services), especially those legal tasks which are more transactional in nature.

According to **Dan Bellopede**, Chief Revenue Officer of **AdvoLogix**, a leading enterprise legal management company built on Salesforce, the opportunity for the CROs is to help clients assemble solutions that integrate the offerings of several complementary legal technologies. Dan observes that in the legal tech field, consulting companies are consolidating with technology support/engineering companies to provide broader server offerings. In almost every case, the goal is to provide “single platform” approaches for lawyers to manage their matters.



Dan Bellopede

Bellopede explains:

Providing legal entities with an integrated platform is essential as legal organizations focus on data as a basis to make decisions. Having a single source of truth that provides intelligent dashboards enables legal executives to make critical, evidence-based decisions, and focus on the business of law. When these platforms integrate industry-leading solutions like iManage [document management], UniCourt [Legal Data as a Service], and Microsoft Teams [collaboration platform], this enhances the legal executives' experience for their single source of truth.

By being proactive in helping clients assemble bundled solutions that truly work, CROs are earning the trust of clients and setting themselves up for future add-on products and services.

## 2. Grounding the relationship in client's desired outcomes

A second way for legal tech companies to leverage the CRO is to help define mutually beneficial relationships. A good example of this approach is the philosophy of **Andrew Shimek**, the CRO of **DISCO**, a leading legal technology company offering a cloud-native, AI-powered solution that simplifies e-discovery, legal document review, and case management for enterprises, law firms, legal services providers, and governments.



Andrew Shimek

According to Andrew, dialogue between legal professionals and technology providers produces the most benefit when focused on how to optimize the working relationship. In the case of an e-discovery, this is often how a law firm or legal department can maximize speed to evidence without forsaking quality.

Shimek notes that traditional e-discovery focused on relationship selling to lawyers. Yet, a frank, open conversation on client outcomes enables the CRO to share experiences and knowledge that might not otherwise get discussed. Shimek explains:

Some strategies [to achieve desired outcomes] include more refined examination of business models like cost margins and revenue targets to ensure that a software offering is complementing, as opposed to cutting against, the desired targets of law firms and corporate legal departments.

As Shimek suggests, openness is vital. The more a potential buyer is willing to share with a CRO, the more they can partner with the buyer to create a model best for everyone (e.g. working towards productivity, expanding capabilities, a particular cost/billing model, or whatever happens to be most important to the buyer). Shimek stresses that each client is unique, so this collaboration and finding a mutual understanding of key business challenges is a critical part of the process.

### 3. Increasing use of data and analytics in the BD Process

Like most functions in today's business world, more of the technology sales process is influenced by analytics and quantitative metrics. Understanding this is an important element of working with a technology service provider.

A good example of this analytics-quantitative approach is provided by **David Carns**, Chief Revenue Officer of **Casepoint**, another leading legal discovery platform providing advanced functionality supporting litigations, investigations, and compliance, for his experiences in this area.

David notes it is increasingly common in the industry to integrate advanced data and analytics in the sales processes. This includes, in his experience and role, the tracking of government/institutional opportunities in an organized manner and the use of advanced



David Carns

Customer Relationship Management (CRM) techniques to identify the best potential customers. One way this is done is to define organizational characteristics and marry that with organizational litigation volumes.

The advantage of this approach is that the CRO is locating buyers that justify a potentially large investment of time and resources. Likewise, it is useful for the buyer to understand that they may have been vetted in a sophisticated way based on data from CourtLinks, Lexis Nexis, and other sources.

Why is this important? Well, a lawyer understanding their potential value as a client of a particular tech company is advantageous during the negotiation and client relationship building process. Perhaps your company or law firm might be able to serve as a key reference account for a provider. If so, that is important to know for bargaining purposes.

Alternatively, perhaps the buyer offers a unique business process or opportunity which might result in a new product offering for a legal tech provider (the legal practitioner's process knowledge + the provider's advanced technology). This offers both parties a superb reason to partner together.

When lawyers and legal ops professionals understand that a legal tech company is using data and analytics to better target their business development process, they can spend less "informing" providers how good an account they would be and more time sharing their corporate philosophy, department objectives, hosting and security requirements, etc.

## Wrap Up

Anything having to do with legal technology—analyzing how to use it, deciding which capabilities to invest in, determining fair pricing, and building out implementation models — is increasingly complex. Attorneys and legal ops professionals can not be expected to solve these technological **Rubik's Cubes** all on their own.

Fortunately, the advent of the Chief Revenue Officer (CRO) role appears to be a recognition by the legal tech community that the road to prosperity requires a long-term approach to client education and success. Cf Victoria Hudgins, "**5 Sales Tactics Legal Tech Companies Shouldn't Bring Into the New Year.**" Legaltech News, Dec 28, 2021 (summarizing the annoying, counterproductive tactics that are frustrating potential buyers). The next step is for buyers to get more comfortable being open with service providers, sharing information about operations and organization goals so a true dialogue can commence on how to solve the buyer's most pressing business challenges.



## Legal Evolution



Copyright © 2023, Legal Evolution PBC All Rights Reserved.