So Many CRM Categories, So Little Time

Since categories make it easier to segment and reach key Clients, it would seem like the more categories you have, the better, right? Not necessarily.

With categories, sometimes less really is more. You don't want to give people too many choices. In fact, one firm decided to make it mandatory that before a new matter was opened, the assistant had to pick from a huge list of NAICS industry codes when entering a Client into the CRM. They were later amazed to discover that they were working with literally thousands of Accounting firm Clients. I'm sure this was the result of a very focused business development effort to target accounting firms and had absolutely nothing to do with the fact that 'A' just happened to be at the top of their enormous industry code list.

On the other hand, one category may not be enough. Another firm assigned practice area categories their contacts. This meant that most of the people who were known by the labor and employment group had been assigned that category. However, they were not further broken in to status types to describe their relationship to the firm. As a result, several labor leaders who happened to be in the database were almost invited to a seminar aimed at preventing union organization in the workplace. Not a comfortable position to be in. So when it comes to categories, you really have to be strategic and make sure you find a happy medium.