

# How LexisNexis Is Winning on the Web

by Russ Mitchell

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# How LexisNexis Is Winning on the Web

CEO Andrew Prozes on why his company needed to transform itself to survive in the highly competitive online data and content marketplace.

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LexisNexis Group is one of the oldest networked content and data providers, and for many years its fustiness showed. What started in the early 1970s as an innovator in distributing legal information and news archives had — by the 1990s — become an old-school laggard, as such Internet-savvy data companies as Bloomberg L.P. surpassed its technology by offering a more generous menu of timely information, faster access, and better search tools.

That all changed in 2000 when Andrew Prozes was named CEO by LexisNexis's corporate parent, the Anglo-Dutch publisher Reed Elsevier. His charge: turn the business into a data service powerhouse fit for the 21st century. By and large, he has succeeded. Through acquisitions and internal development, Prozes added software to tailor content to individual customer needs, livening up what had been a static catalog of information and turning it into an interactive, customizable system. Judging by the numbers, the strategy is paying off: After growing at an annual pace of about 10 percent between 2001 and 2006, LexisNexis' sales rose 22 percent in 2007 and 36 percent in 2008, to US\$3.6 billion.

LexisNexis is still best known for providing law firms and similar professional organizations with legal and archived research documents, but Prozes is focusing on high-growth, high-margin business content. For

example, last year the company acquired ChoicePoint Inc., which provides data for background and criminal investigations, making LexisNexis a leader in risk analytics. (ChoicePoint drew negative attention in 2006 when identity thieves easily broke through the company's security protocols to steal the personal records of more than 100,000 Americans. A Federal Trade Commission [FTC] settlement cost the company \$15 million, and the FTC required ChoicePoint to set up strict privacy controls.) In April, Prozes spoke with *strategy+business* about the changing electronic content landscape and tactics for attracting customers who have so many other Web-based options for data and information.

**S+B:** Why do so many information providers fail to make money online?

**PROZES:** You will make money if you have content that people need, and if you deliver that content using technology that allows people to do their jobs faster. You must have comprehensive content along with easy tools for customization and clean navigation so individuals can get information quickly and in the right context. Any company with that combination is going to make money. Look at Bloomberg, Thomson Reuters, and Reed Elsevier.

But don't assume you know what data the customer

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needs. You've got talk to customers. And don't think of information as the product itself: The product has to be what we call a "workflow solution," which incorporates all types of content into a single source that can be accessed from any number of search parameters.

**S+B:** Why is a database by itself no longer a sufficient business model?

**PROZES:** Pieces of information on their own don't solve problems or get work done anymore. You need a process for culling the information and putting it together in ways that make sense for your customer's individual project, case, or specific business. When I'm at cocktail parties and I mention LexisNexis, people think of the legal database or the database of news and periodical stories, but we are a lot more than that.

An example would be the case of an intellectual-property attorney who has to file a patent. Not so long ago his search would have been limited by the lack of available databases, and browsing through a single patent database typically would have had to suffice. Today, we allow him not only to easily complete the search for similar and possibly competing patents but also to collect pertinent background information about similar patents, the patent holders, and the legal claims that have been made. In other words, in one search he can prepare much of the documentation that he will need either to apply for the patent or to defend it later.

In a similar vein, we're experiencing especially fast growth in what we call risk information and risk analytics. We have what is probably the largest and most complete database of personal information in the United States. And we access, through legal means, information about people's past employment, driving records, prior

insurance claims, and a variety of other data. This allows us to offer law enforcement, insurance companies, financial institutions, employers, and lawyers the background they need on their clients, customers, witnesses, or opponents in a case.

**S+B:** What about social networks? Are they valuable research tools?

**PROZES:** Some social networks are better adapted to casual networking and some are better for business. Recently, we've created a variety of professionally focused online communities. For example, we're transforming our Martindale-Hubbell (M-H) unit, which has traditionally been the database to go to when looking for a lawyer, into a set of tools to help lawyers take advantage of what the Web has to offer and to participate in social networks just for lawyers. We're trying to help lawyers use the Web to find other professionals who might be able to lend their expertise or provide needed information. We'll also build a small firm's Web site or help it get on the front page of Google search results using search engine optimization.

Among other features, M-H Connected is tied into the LinkedIn social network. We have well over 3,000 lawyers participating. I encounter a lot of people using LinkedIn to try to sell me services. I wouldn't necessarily call that helpful, but it does allow me to be aware of who's out there. Facebook is different. It seems to me that it mostly offers an opportunity to connect with people from your past.

**S+B:** How do you maintain an innovative, entrepreneurial approach in a large organization?

**PROZES:** Whether a company is small or large, an entre-

preneurial environment starts with the customer. You've got to understand what the customer needs. You've got to build something that specifically addresses those needs. You have to provide a complete service, a complementary service — not just technology, not just content.

You can't simply intuit what customers want, or rely on sporadic, undisciplined feedback. You've got to have a methodology. We're big believers in an approach for measuring customer service called Net Promoter Scores (NPS), which I introduced into the organization to measure just how happy customers are.

NPS is much more straightforward and simple than other ways of measuring customer satisfaction. Surveyed customers offer a response, on a 1 to 10 scale, to the question, Would you recommend us to others? They are then grouped into three categories: Promoters, Passives, and Detractors. The percentage of Detractors is subtracted from the percentage of Promoters to arrive at the NPS. The simplicity of the methodology leads to clarity on what steps need to be taken to improve quality.

**S+B:** What is the most important advice you'd give top managers?

**PROZES:** I think the most important thing that top managers can do is to walk the talk. In my case that means going and seeing customers or calling customers myself and following through with those customers on what they like and don't like. It's the same thing with employees: Managers must get out and listen to them. For instance, at four o'clock this afternoon I've got another in an ongoing series of telephone conferences for all employees to talk about what's happening at LexisNexis.

**S+B:** What changes have been made to assure customers that LexisNexis has put ChoicePoint's privacy problems behind it?

**PROZES:** Maintaining security is not a static process; it requires continuous evaluation and adjustment of security procedures to address new threats. We continue to adapt our systems to respond to evolving security threats and have made significant changes. We've established a privacy, security, and compliance organization to reinforce the responsible use and protection of information at LexisNexis. We have limited the access to sensitive, personal information by screening customers, vendors, and employees more strictly, and we've enhanced our data audit and compliance procedures with better technology and monitoring. +

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## Resources

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Brett Burney, "Storing Your Firm's Data 'In the Cloud,'" *Law Technology News*, April 2, 2009: The pros and cons of storing legal data with online services like LexisNexis. [www.law.com/jsp/legaltechnology/pubArticleLT.jsp?id=1202429581722](http://www.law.com/jsp/legaltechnology/pubArticleLT.jsp?id=1202429581722)

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Net Promoter Web site: Information on Net Promoter Scores, the customer satisfaction tool used by LexisNexis, and background on measuring interest in products and services. [www.netpromoter.com/netpromoter\\_community/index.jspa](http://www.netpromoter.com/netpromoter_community/index.jspa)

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The Net-Savvy Executive blog: Trends in social media and user-generated content and how to integrate them into a business setting. <http://net-savvy.com/executive/>

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