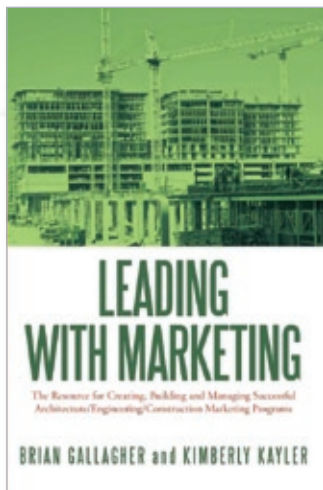


BOOK EXCERPT:

Leading with Marketing

The Resource for Creating, Building, and Managing Successful Architecture/Engineering/Construction Marketing Programs

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How do successful A/E/C firms become leaders in their markets? Superior client service, a focus on niches, a deep understanding of client needs, creation of value, impeccable quality, exceptional services, great relationships, a strong brand, a stellar reputation... the list could go on and on.

While there may not be a consistent formula for success for all leading A/E/C firms, a common characteristic is marketing. These leading firms don't view marketing as an expense but as a strategic approach to business. *Leading with Marketing* embodies how a company approaches its business, its marketplace, and its clients. When companies lead with marketing, they choose which markets to target, what services to offer, how to differentiate, how to communicate, and how to win.

Marketing is an integral part of the business world. However, too many leaders in the A/E/C industry do not understand how to use and apply marketing tools and strategies that can help them establish a leadership position and impact their bottom line. Today's marketplace is more competitive than ever, and decision-makers are savvier than ever. If there is ever a time to take the lead and embrace a strategic and integrated marketing program, it is now.

Ultimately, the role of marketing in an A/E/C firm is a summation of activities designed to identify opportunities, win projects, satisfy client needs, and win more work. Marketing is the art and science of creating awareness, delivering value, selling your service, satisfying needs, and getting clients to buy again. It includes a range of activities, including advertising, public relations, direct marketing, crisis communications, Web 2.0, Internet, and more. While marketing is a critical component of every business, it is one of the least understood and underutilized components, particularly within A/E/C firms.

For A/E/C firms, marketing must support the company's business plan and strategic objectives. In the construction industry, marketing is about projects. Architects, engineers, and contractors earn revenue by successfully completing projects. The marketing efforts of an A/E/C firm must be built around strategies and actions to position the firm to get more projects on which it makes a profit.



As a key leader or marketing professional in your organization, your responsibility is to provide leadership to the marketing process. So how can you lead with marketing in your company?

Marketing's strategic role must include researching, segmenting, and targeting markets; establishing a competitive advantage; developing a value proposition; positioning and messaging; as well as implementing integrated marketing communications programs.

Defining Marketing's Role in Your Firm

In *Kotler on Marketing*, Phillip Kotler defined marketing's role as understanding, creating, communicating, and delivering value. Thus, an A/E/C firm's marketing strategy must set the direction and scope of the organization for the long term that is consistent with the firm's business strategy. The marketing strategy should outline how the firm will achieve this through its configuration of resources, while considering the external environment, and meeting the needs of markets and fulfilling stakeholder expectations. Strategic marketing is conceived and planned to leverage organizational strengths, while taking advantage of opportunities in the marketplace. This process includes researching, segmenting, and targeting clients.

Establishing a Competitive Advantage

Like other industries, the A/E/C industry is very competitive. More firms enter the market every day. Existing firms grow and diversify into new markets. To survive and thrive, a firm must establish a competitive advantage. An A/E/C firm's competitive advantage can be derived from a number of sources but ultimately is based on the value a firm brings to its clients. This advantage can be a unique combination of resources, a cost advantage, a market position, niche focus, financial resources, reputation, or experience.

"The marketing function must be the strategic thought leader within an A/E/C firm. Marketing, whether an individual or a department, must look at the key drivers to the firm's success and growth and help align resources to deliver profitability and build firm value."

Firms can choose to establish a competitive advantage based on a single strategy or a combination of strategies. There are numerous examples of A/E/C firms that focus on differentiation, serving a segment or specific niche in the market or pursuing a cost advantage.

Differentiating Your Offering

Differentiation is the process of distinguishing your service offering from your competition. Not all design or contracting firms are the same. Every company has attributes that make it different from others, but not every firm capitalizes on their differences and translates them into meaningful value for the client. Part of the marketing process is to identify those differences and turn them into meaningful value propositions for the market. Simply put, differentiation is creating a benefit that clients perceive as being of greater value than what they can get from others. The more effective your differentiation, the more easily you can compete on non-price factors.

A/E/C FIRMS CAN LEAD WITH MARKETING TO:

- Frame the vision and direction for your firm
- Gain commitment to strategy
- Provide direction and lead your company to focus on certain markets by researching, targeting, and segmenting markets, understanding client needs
- Make strategic choices and decisions
- Align resources to invest in and grow the business
- Define your competitive advantage
- Differentiate your offering and define your value proposition
- Define strategies targeting and communicating with your audiences
- Link marketing plans, business development plans, and account plans
- Demonstrate a return on investment
- Uncover unmet client needs
- Establish a basis for how your firm creates, delivers, and manages client value
- Set objectives, strategy, and metrics
- Measure performance
- Make a profit

“Leading A/E/C firms don’t view marketing as an expense but as a strategic approach to business.”

Crafting Your Value Proposition

The client value proposition consists of the sum of the benefits and value derived in return for payment of the product or service. Simply stated, the value proposition is what the client gets for their payment. For A/E/C firms, the value proposition must move beyond the specific features of a service and be articulated in terms of the benefits and values received by the client. How do you create and deliver value to the client?

From a marketing and business development perspective, you need to craft a value proposition that doesn’t speak to the feature of your service, but rather, focuses on the benefits derived from that service and the value created for the client. A simple but effective illustration of this is grass seed. People don’t buy grass seed because they want grass seed. They buy grass seed because they want a lawn. The marketing challenge is to look at the product or service through the eyes of the client or potential client and to translate the product or service features to benefits and communicate value.

The value proposition is an essential element of an A/E/C firm’s marketing and business development strategy. For example, the value proposition may provide a guide for a firm to target a specific market, help contribute to a differentiation or positioning strategy, be central to a marketing communications strategy, and/or be part of the business development communication process. Most important, the fulfillment (or delivery of the service) must be consistent with the expectations set forth in the value proposition.

Positioning

Positioning your firm is an important element of the marketing process and is aligned with your differentiation strategy. In fact, the decision on how to position your firm’s offering of services and products needs to flow from your business plan.

Positioning is the process by which a company creates an image or identity for a particular service or brand in the minds of its target audience. A position is considered relative in comparison to competitive offerings. Positioning also represents a strategic choice. One company cannot be all things to all people. Positioning strategies flow down through the marketing mix and articulate how firms create and deliver value. Companies trying to be good at everything typically are not great in anything.

While positioning is something that happens in the mind of the client, it is the result of the aggregate perception of clients in the marketplace. Ultimately, positioning should help the client answer the question, “Why should I buy from you?” From a global perspective, positioning should help you understand how your strategies and tactics will differentiate your business and give you an advantage over your competitors.

Messaging

Well-developed marketing messaging has been the backbone of branding since the dawn of marketing strategy. Given the rapid pace of technology today, the marketing message has taken on new forms and is engaging with audiences at an unheard of rate. With advances in technology—the Internet, mobile technology, and digital media—it no longer matters if you are smack-dab in the middle of Times Square in Manhattan or nestled in a quaint village in the heartland—a clear marketing message can have a far-reaching impact, especially in the construction industry.

The development of an effective marketing message is essential to building your brand and implementing your marketing strategy. Considering that a potential client receives and views thousands of messages from multiple sources each day, your message has to be compelling and leave a lasting impression. But it’s not enough just to create a strong message—you must consistently position and brand the message in order to achieve the desired impact.

Integrating Marketing Communications

Marketing communications are designed to deliver a clear, compelling message to the right decision-maker or influencer. However, today, there are more ways to communicate this message than ever before, and therefore marketing efforts must continue to evolve to more effectively build brand awareness and preference, while also delivering a measurable return on investment. That's why savvy A/E/C marketers are increasingly embracing the concept of integrated marketing communications as a systematic way to coordinate marketing efforts across all possible channels.

Integrated marketing communications is a strategic approach designed to harness all aspects of marketing communication such as advertising, direct marketing, public relations, business development promotion, e-marketing, collateral, and other programs to work in coordination as a unified force. This approach enables the consistent delivery of coherent brand positioning through all marketing communication mediums. An integrated effort consists of planning, coordinating, and controlling the marketing communications process with the end result being a synergistic, seamless, client-focused marketing program.

The integrated marketing communications concept particularly applies to professional services firms, where everything communicates and creates an impression with prospects and clients.

The Role of Business Development in an A/E/C Firm

Leading A/E/C firms don't stop at marketing. Rather, they have business development plans that are a natural extension of the marketing plan. In today's challenging A/E/C business environment, it's important to develop a systemic approach to growing business in order to maintain a competitive advantage. Having an integrated marketing and business development strategy in place makes it easier to formulate valuable decisions, create and deliver value, and measure performance.

There's no one-size-fits-all business development strategy that will work for every A/E/C firm. However, certain core principles of a successful business development strategy can be tailored to each business's specific needs. A business development approach requires a strategic, systematic method for identifying, satisfying, and keeping clients.

Business development efforts in A/E/C firms include proactive skilled business development professionals who focus on specific activities and relationships that lead to profitable results. There are also relationship-based business development activities executed by engineers, project managers, and others in operational roles. Each activity is important and must be aligned to satisfy client needs.

Once your market focus and business development team are in place, you can begin to develop systems that will define how you sell your services to clients. These business development activities are predictable, repeatable, and measurable and are designed to facilitate the acquisition, retention, or development of account revenue and relationships. Typical business development systems might include standard practices for tracking leads, managing accounts, proposing, determining project capture strategies, estimating the projects, and measuring performance. These systems must be designed from the business development professional's perspective, not the operational or design professional's perspective.

Marketing as a Strategic Thought Leader

The marketing function must be the strategic thought leader within an A/E/C firm. Marketing, whether an individual or a department, must look at the key drivers to the firm's success and growth and help align resources to deliver profitability and build firm value. If done correctly, marketing should provoke thought in your organization and with your clients. Marketing is more than branding and creativity. It is about setting the direction and driving the firm to attract clients and keep business coming in the door.

To truly lead with marketing, a firm's marketing strategy must be an ongoing, dynamic process that enables a company to focus its resources on the right opportunities to increase profitability while satisfying the clients' needs and achieving a sustainable competitive advantage.

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This is their first contribution to *Marketer*.