



ExpertiseMarketingSM

The Integration Imperative™ March 2008 Survey

Are PSF Marketing and Business Development Functions *Stuck in a Rut?*

Survey Results, Respondent Comments and Analysis of Findings

by
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The professional services marketplace is rapidly changing, but many professional service firms (PSFs) have yet to keep pace by evolving the functional scope of their non-revenue generating Marketers and Business Developers.

We're told many Marketers feel they're treated like 'cruise directors,' stuck continuously putting out non-strategic fires. Their Business Development counterparts feel stuck, too, in an incessant 'shut-up-and-get-me-a-meeting' mode.

The survey results and Suzanne Lowe's analysis are intended to help you find out how your professional firm compares to other PSFs at working to evolve the functional scope of its Marketing and Business Development positions.

Q1: Is your PSF *deliberately* working to make its current staff-side (i.e., non-revenue generating) Marketers' and Business Developers' job positions more strategic, deeper, broader?

RESPONDENT COMMENTS

STRONGLY AGREE

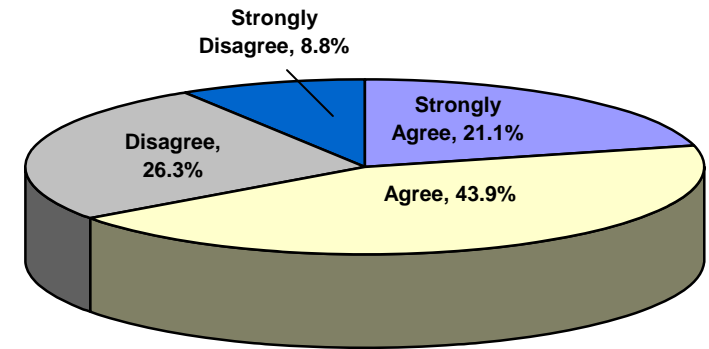
- This is imperative to the strategic fabric of our firm.
- We are working to fundamentally change the direction of the department from being reactionary communicators to strategic partners who can help identify where the richest opportunities to match client needs and practice solutions exist in the market.
- Because they are [our company's most important] asset for future business expansion.
- Given the current downturn in the economy, firm leadership is actively engaging marketing to "right the ship."
- Marketing staff did not exist in my company 6 years ago and Business Development staff did not exist in the company prior to this year. We are aligning our marketing and business development efforts around functions (i.e. brand communications, internal communications, business development, etc) instead of having "marketing specialists" that do it all.
- The legal services sector is facing accelerating competition. [It is imperative for our Marketing and business development to be aligned to our firm's current strategic thinking.]
- We're upgrading the skills of our teams.
- Business Development and Marketing meet together at least once a month to review each others' plans and activities.

AGREE

- We have mapped out annual goals for 2008. We hope that the past experiences of fire fights will be reduced due to the goals themselves acting as the fires to fight.
- This is happening on a corporate level, but not as much on the local level.
- In addition to tactical execution - which must be perfect due to our high-end brand positioning, our Marketing group is expected to direct the firm strategically as well.
- Marketing role is new, and engaged with senior leadership on strategic planning issues.
- I think there is a strong change going on in many companies and agencies. Finally the top management and the marketers themselves are starting to see that marketing is much more than just marketing communications. Myself I never took the highest possible academic degree in order to deal with pieces of company collateral, ads, events, etc. I want to be involved with the strategic decision of the whole company. Marketing as a word does not come from the word material, but instead out of the word market -> how to bring the product into the market, how to build your position in the market.
- Integration of marketing goals and business goals, same journey/destination, different train.
- My staff is all becoming account managers so each of them is able to make decisions and do account work with authority and without my constant guidance. I do most of the business development because we are small and I'm good at it.
- My role continues to develop as I do, and my boss (the President) has been supportive of the change.
- We always share new resources for our client to use.
- We have re-defined the scope and strategic intent of our marketing function to move away from supporting activities to be the strategic partner of each of our business leaders.
- In our strategic planning for next year, we made a conscious decision to expand our marketing efforts and, consequently, our staff. In addition, we are working to transition one of our principals out of engineering and into a full-time marketing and BD effort.
- Still focused on driving revenue, we are involved with strategic decisions to support go to market strategies, thought leadership development and channels for positioning and disseminating messaging.
- I'm the firm's Marketing Communications Manager: when I interviewed, I was thrilled that they even knew they needed someone with pr/advertising expertise.

DISAGREE

- The President feels he is effectively handling the job and mistakenly believes it is the job of marketing to bring in new clients.
- Our marketing people are execution, not strategy people. We have few pure business developers and I see no evidence of any training or expectation of increasing their strategic abilities.
- They say they are, however their actions are just the opposite.



- Not yet. I think I will see this happen as early as next year, but right now the firm is still learning basic marketing skills.
- We are experiencing difficult times and have cut the positions.
- Say it but don't do it.
- They spend their effort either developing business or programs and materials to support developing business.
- The company still has a break between operations and sales that is reflected both in the personnel and the decisions that they continue to support.
- Probably should be.
- Management really does not understand the marketer's role and therefore seems happy with status quo rather than broadening marketing's strategic reach.

STRONGLY DISAGREE

- My PSF just tells PMs to market and call friends for work, and not to spend too much time on it, or proposals.
- BD generates ALL sales and therefore all revenue! But yes, these positions are more strategic, deeper & broader than in the past.
- Senior management still views marketing as a clerical function.

Q1 Analysis

The idea behind this survey was simple: to determine if PSFs were "stuck" in evolving the scope of their Marketing and Business Development functions. Now, beyond anecdote, we can confirm that most firms report they are indeed taking definitive steps to improve the effectiveness of these critical functions.

A clear majority of respondents - 65 percent – provided details on their firms' very conscious efforts to increase the strategic imprint of Marketing and Business Development functions. Even a quick glance at the comments reveals the importance of these initiatives -- "fundamentally change," "actively engaging marketing to right the ship," "upgrading the skills," "engaged with senior leadership," and "strong change going on." These remarks reflect positive intentions, forward-thinking cultures, and the kind of critical flexibility that successful professional service firms employ to capture and maintain market share.

This subset of survey participants described, in very positive terms, how their PSFs are managing these important changes. Respondents remarked on new developments of their roles, redefining the scope of the marketing function, and making new or different allocations of staff in order to achieve new strategic goals. This investment mentality bodes well for the eventual success of these organizational changes.

That's the good news. For the other 35 percent, however, comments ranged from cautious optimism to outright bitterness and resentment. For respondents in these firms, there is a distinct tone of frustration and marginalization. One wonders how likely it will be for these firms to make bold marketplace gains.

Q2: How is this evolution being done?

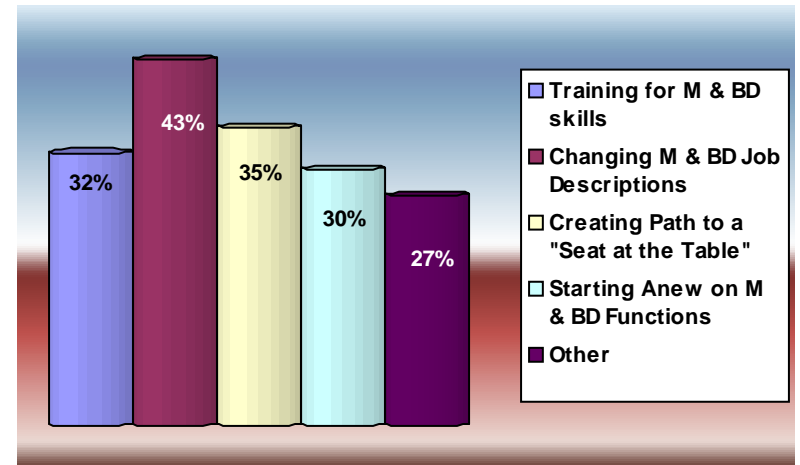
(If *Strongly Agree* or *Agree* to Question 1)

RESPONDENT COMMENTS

- Redesigned the marketing department, added new positions, redefined existing positions and have identified new metrics to measure success of activities.
- It's been more about training advisors to be better listeners, mentors and initiators of communications, not just receivers of information.
- This training is to improve their managerial knowledge and skills, and to keep updated with the current business situation.
- Changing the job descriptions of our current Marketing and Business Developers
- I was recently made an Associate at the firm, and when my boss gave me the news, he talked about sending a message to the rest of the firm that marketing (specifically, me) brings value to "the table."
- Our plan is to elevate our current staff into leadership roles and fill in from below. Of course, if an experienced marketing person came along, we'd grab them.
- The challenge with this evolution is that we, the marketers and business developers, must constantly make all of the above happen through continuous internal marketing and communication. A few of us in leadership positions need to keep beating the drum, or we end up falling back into familiar traps and less than satisfying pigeon-holes.
- More accountability for marketing results/metrics.
- Just saying so.
- Changing titles to encapsulate a 2 for 1 professional to managing existing responsibilities while adding a new layer.
- Emphasizing integration of all market facing functions and focusing on business understanding. Encouraging individualized training for Marketers and Business Developers.
- Our approach is not exactly the "creating a pathway" but instead we have strengthened the accountability of marketing & BD to the executive team.
- We are just starting this process and working on an internal campaign. This internal campaign will hopefully start to pave the way for this to happen, by changing the mindset of the partner group and showing the value (ROI) of marketing.
- I don't believe that equity will come my way soon, but the "seat at the table" appears on the horizon.

"OTHER" COMMENTS

- He screams yells and throws a tantrum. Really.
- Educating our own marketing people's strategic understanding.
- Pulling the global team together and highlighting the value we bring more directly to the executive leadership team.
- I guess our firm is backwards. We don't do any of these things because we don't employ any pure business developers beyond our practicing principals. Maybe we should. Sounds like everyone else does.
- It is my belief that our firm is utilizing a little bit of all the above.
- We developed a notebook of resources for our audiologist clients and promote the note book in our advertisements. We call it "The Practice Development Program."
- We're specializing, trading up and centralizing some teams to concentrate skills.
- Same person heads both functions.
- Some of us know we should be doing these things.



Q2 Analysis

For this question, we encouraged our respondents to tell us about as many of their initiatives as they have underway at their firms. Clearly, many of them are deploying multiple programs.

The answers to this question reveal two very important issues, and they offer an early glimpse of the challenges -- and opportunities -- facing PSF leaders in their hopes to affect changes in their Marketing and Business Development functions.

First, the good news. These PSF respondents report they are indeed implementing a variety of internal change and restructuring programs, in a very deliberate manner. Their answers and comments provide clear evidence of astute organizational thinking, careful planning and the management of changes that will benefit an entire enterprise, not just a few people.

The two programs with the highest votes (43 percent for "changing Marketing & Business Development job descriptions" and 35 percent for "creating a pathway to a 'seat at the table'" for marketers and business developers") illustrate *functional* approaches to increasing Marketing and Business Development's effectiveness. Training marketers and business developers to increase their skills was cited by 32 percent. It's clear that these PSFs are beginning to understand the interdependence between internal restructuring and training to reeducate people to deliver on the enterprise's new expectations.

Also, it's notable that 30 percent of these firms are starting fresh, by bringing in entirely new staff members, or starting with a clean slate regarding the purview of the marketing and business development for the entire firm. Twenty-seven percent of the respondents answered "Other." Their widely variable answers illustrate the broad spectrum of perspectives on how to address the effectiveness of marketing and business development functions.

But these findings left me with another question, and raise a second issue. Remember, in Question 1, 65 percent of this survey's respondents said their organizations are "proactively working" to make Marketing and Business Development functions more strategic. As much as we might celebrate the answers for this Question 2, and even if we give PSFs credit for undertaking multiple initiatives, none of the responses about specific programs even approached 50 percent! Why didn't more of our respondents identify the specific initiatives that they have underway? Why didn't more of them outline alternative formal processes in our "Other" option?

The simple answer? Perhaps my definition of "proactively working" differs from our respondents' definitions. I had hoped to track well-defined programmatic initiatives, when in fact PSFs appear to be adopting more culturally diffuse and possibly *softer* set of processes to make their Marketing and Business Development functions broader, deeper and more strategic. There appears to be less formality here than what I had hoped to see.

It's important to recognize the level of sophistication that PSF leaders possess about making significant organization changes. I'd wager that PSF leaders are in the early stages of their own learning curve about driving their firms' internal evolutions. Arguably, there is a place for cultural osmosis in evolving the functions of an enterprise. Perhaps just the simple act of *having a conversation* about increasing the functional effectiveness of Marketing and Business Development feels like a proactive organizational change to many PSF leaders. Our findings appear to corroborate this impression.

But PSFs will need both informal and formal initiatives to ensure that they evolve the scope of the Marketing and BD functions. If applied intentionally, and as an accompaniment to a defined set of formal initiatives that are deployed across the enterprise, a soft cultural-osmosis definition of “proactively working” can be effective.

Otherwise, I fear PSF Marketing and BD functions will still be in danger of getting stuck in a rut.

Q3: How's the effort going?

(If answered Question 2)

RESPONDENT COMMENTS

ABSOLUTELY FANTASTIC SO FAR

- We constantly work to create the environment in which our marketers and BD's will not only succeed but feel appreciated.
- Good business performance and strengthen client relationship.
- My people are ready for this next step. It is necessary for me to run my own accounts, and for them to run theirs. I also spend time with all clients, and need to be free to make sure that they all hear from me on a regular basis.
- Our leadership team sees the value of having focused marketing and business development staff. As a result, they get the attention they need from business development staff to sell and the business development staff get the support they need from marketing to "make things happen."

IT'S OK SO FAR

- Can't answer definitively since we are less than 1Q into the plan.
- Things are getting better, but the US business continues to struggle to stay involved in the global effort because the rest of the company is based in Europe.
- It is impossible to ignore the tactical issues, but the effort has proven its success for the past four or five years.
- Just started 2/1.
- The main challenge is the engineering and financial [backgrounds of] top management where the marketing understanding is zero.
- Skills are all over the place. Strategy is hard to teach and few really "get it."
- I believe we are in a typical change pattern some are adapting very well some not so well. Some new systems are readily accepted by both the department and practice staff some things have to go back to the drawing board. In general progress is positive and measurable. I can't say fantastic however progress is better than just OK.
- Early days, 8 months into launch of new branding and new concepts. Pathways forward are beginning to reveal themselves.
- Even with the title and support of the president, it's still a challenge with the "old school" crowd.
- Audiologists are a tough bunch to sell to. But once on board, they appreciate the added value of the program.
- Change is slow, but we're trying.
- Those who have the skills are doing what is required and BTW- working unbelievable hours to now do two jobs.
- Puts a time strain on person.
- We are experiencing the expected level of resistance to change among all the parties involved. However, change is taking place.
- We have some boundary issues, but the skills are definitely improving.

IT'S NOT SO GREAT SO FAR

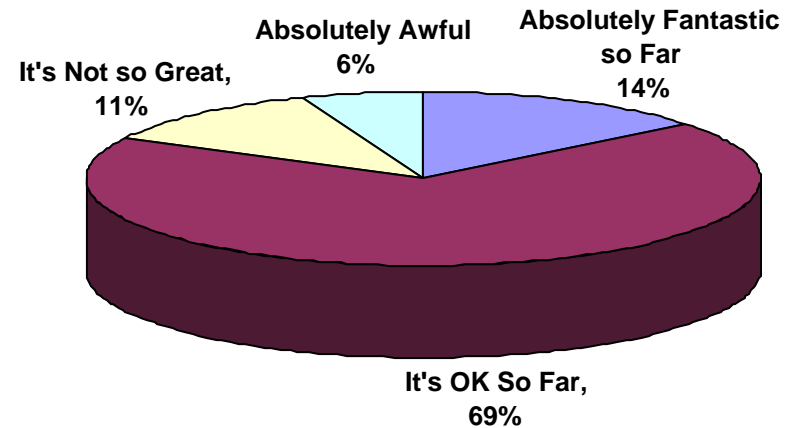
- Rarely works because "owners" of the business always know better.
- Just starting to plan for the future role of marketing and constantly stating the value of Marketing & Sales. The PSF is also creating a strategic plan, which has not been done before and marketing is a part of this process.

ABSOLUTELY AWFUL SO FAR

- Unfortunately, we often feel like it's one step up, two steps back

OTHER

- Unable to measure at this time.



Q3 Analysis

Only 14 percent labeled their PSFs' efforts to increase the strategic effectiveness of Marketing and Business Development as "absolutely fantastic so far." And little wonder. As we saw in the responses to Question 2, there has yet to be a strong coalescence around well-identified functional restructuring initiatives. Respondents once again remarked less about formal programs than they did about softer issues, including "focus," "support," and "pathways forward... reveal themselves." Some respondents commented about individuals having to work "unbelievable hours ... to do two jobs," "boundary issues," "resistance to change," "skills are all over the place. Strategy is hard to teach and few really 'get it,'" "some are adapting very well, some not so well," and "it's still a challenge with the 'old school' crowd."

Clearly, PSF leaders are encountering classic change-management issues.

Despite this rather depressing 14 percent, a solid 69 percent appear to have a strong sense of practicality and reason about the magnitude of the shifts underway. There's a distinct sense of staying the course with determination to continue toward an optimal goal.

As PSFs begin to see positive marketplace results from their decisions to evolve the scope and increase the strategic impact of their Marketing and Business Development functions, their perceptions of the value of these efforts will also increase. And, the more they embrace and manage the balancing act of their internal change – structurally and culturally -- the faster these positive perceptions will rise.

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