



ExpertiseMarketingSM

The Integration ImperativeTM May 2008 Survey

PSF Marketing/Business Development Integration – Does it Benefit Clients?

Survey Results, Respondent Comments and Analysis of Findings

by
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Our study findings, and those from others' research, indicate that erasing the functional silos between Marketing and Business Development improves professional service firms' (PSFs') go-to-market effectiveness. But does erasing Marketing and Business Development functional silos make a positive difference for *the clients*?

These survey results represent the fourth of four online surveys that we deployed in order to explore some issues that Suzanne Lowe will feature in her upcoming book, *The Integration Imperative*TM. These findings and Suzanne's analysis are intended to help you find out if other PSFs think the effort to break down Marketing and Business Development functional silos will benefit their clients – and how.

Q1 Do you think there are *benefits to clients* if PSFs erase the functional silos between Marketing and Business Development?

RESPONDENT COMMENTS

STRONGLY AGREE

- Greater likelihood of feeling a relationship with the firm than with its selling function.
- Functional silos are inherently barriers to cohesiveness and innovation, especially the type of innovation that can tackle the issues of the 21st century, unlike the past 20th century.
- Benefits to clients of PSF's who erase the functional silos between Marketing and Business Development are probably less easy to quantify by statistical means, but I believe they occur, none the less. Erasing these functional silos, when properly done, improves communication within the PSF, leading to a clear focus on targeted clients and services. With Marketing and BD functions on the same page, the firm's energies are directed toward the client in a way that can benefit both the bricks and mortar and financial outcomes of any project.
- Marketing and BD are also services to clients and should provide the direct feedback loop need to tell us if clients are satisfied; if we are making good on our promises; if our marketing claims accurately reflect our performance and the client's experiences.
- Goals are intertwined and should be in alignment.
- Marketing can offer the customer purchase criteria to business development, marketing should be part of business development since the main role of marketing is to bring products to the market and to build the position there.
- Since PSFs are relationship-driven firms, most biz dev work is done by senior partners or leaders who engage in direct--and challenging--conversations with customers. They also hear from unhappy customers after a project and engage in damage control. This is exactly the time that the most learning takes place on what the core issues facing a client are. It is imperative that Marketing know--and understand--these core issues that are so much deeper than the messaging usually crafted by marketing teams. It also cuts down on the amount of imagining that many of us have to do when trying to "get into the customer's head."
- Clients then have a single source of people that understand their needs. It's even MORE important that there be no silos between marketing/BD and the next step -- either programming or master planning or SD.
- We assume that Marketing and Business Development are meant to support client service. Both functions work together to better understand what clients want and need and communicate that understanding to lawyers.

AGREE

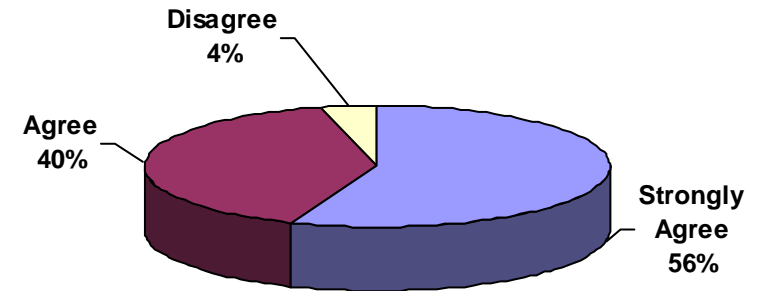
- Often business development is so focused on making the sale that the key messages about what differentiates us get lost or are not consistent.
- If marketing and business development are working in sync - it ensures that clients are hearing a single, unified message from the firm. Messages from marketing reinforce the messages coming from sales, and vice-versa.
- Anytime you can erase silos, you get benefits. Clients may not benefit as much as the PSF itself.
- Some clients will confuse Marketing and Business Development ... because of how their own M and BDM functions are established, so they are already confused!
- Anything that interferes with clear communication and goal sharing can hurt the firm.
- Professional firms rely on the public profile of their partners and senior staff, and these individuals' networks, to generate new business. Raising profile and going after new work therefore go hand in hand.
- It should eliminate confusion by integrating or at least coordinating communication.
- It gives us the ability to help position and market our clients with them as we develop our relationship.
- Doing so presumably shortens the sales cycle for the client, and presents a more integrated professional services firm for the client.
- Supports the integration of corporate services which is essential to developing innovative solutions to today's complex problems.

DISAGREE

- The client's interaction with the marketing and business development functions in a firm are not necessarily improved by having one integrated marketing and business development function. How the client benefits is by their interaction with a person who best represents their PSF by developing trust and building long term relationships with their client. In many cases if the same person did both marketing and business development, it would dilute their effectiveness. Also most people don't have time to do both effectively and have different skill sets.

MISCELLANEOUS COMMENT

- If a firm organizes itself in the best interest of its clients, the clients should perceive nothing at all about the firm's internal organizational structure.



Q2: What do you think is the most important reason why erasing the functional silos between Marketing and Business Development helps (or could help) a PSF positively benefit its clients?

RESPONDENT COMMENTS

HELP US DEVELOP A BETTER VALUE PROPOSITION OR SOLUTION FOR OUR CLIENTS

- Both unity of ideas and novel innovations contribute to the development of a better value propositions for our clients. And in my opinion, these so-called silos are meant for bureaucratic organizations and not reliable for modern firms.
- Ends the artificial barrier between selling and relationship maintenance.
- Coordination of the messaging and the selling process always results in a better value proposition.
- The responsiveness to the client's needs should improve if the right and left hands are working together.
- It allows us to be seen as a marketing resource for them and not just someone who wants to do their work.
- Functional integration is critical to developing solutions to today's complex problems
- Continuity of information and consultant contact from the client's perspective.

SUPPORTS BETTER QUALITY SERVICE AND DELIVERY

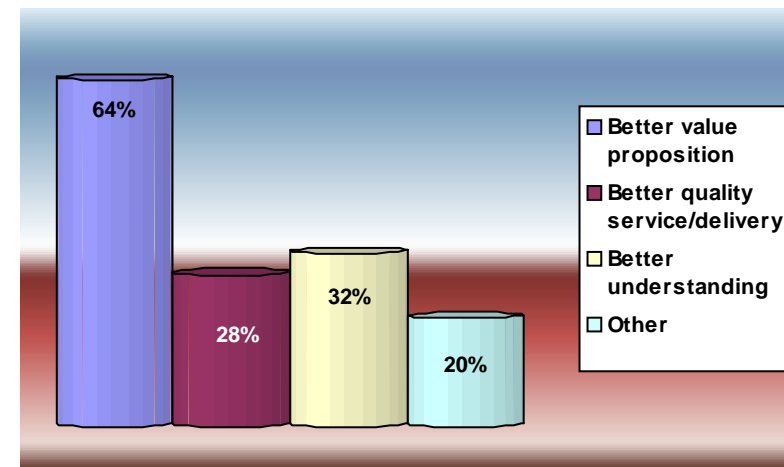
- This reasoning may sound a bit circular, but is really born out of common sense. --- A better quality service delivery to the PSF's client is often the end result of a better value proposition or solution for the client. Erasing functional silos eradicates barriers to internal communication at PSFs. If internal PSF communications are clear and direct, it paves the way for an improvement in communications with the client during project planning, and in deliverables during project design and construction.
- Erasing the silos prevents the likelihood that marketing will over promise something that the delivery team cannot accomplish. Erasing the silos keeps marketing promises more in line with actual services delivery.
- In working with PSFs, client seem to respond to honesty and authenticity more than anything else--especially a sales pitch or glossy website.

HELPS US BETTER UNDERSTAND OUR CLIENTS AND THEIR NEEDS

- By better understanding our clients and THEIR needs we can provide better service and solutions that meet their needs. Which also provides better quality service.
- But we must understand how the client views their M and BDM functions.

OTHER

- The value proposition is not just the written proposal. It encompasses all elements of the service relationship - including the other two choices in the question.
- Business development decisions would be made based on customer approach. It would help business development to understand the strategic decisions from the customer benefit point of view, marketing has that knowledge. that would in return support better brand experience in all aspects and our offerings would be better structured
- It keeps the client outreach and service delivery sides of the business honest and accountable to each other.



[Respondents were allowed to choose more than one answer.]

Suzanne's Analysis

Although the response for this online survey was small (just 25 firms), respondents' answers and comments on our two questions provide a strong endorsement for professional service firms to erase internal silos between Marketing and Business Development. An overwhelming 96 percent agreed that there are indeed benefits to clients if PSFs move deliberately toward integrating these functions. Respondents recognized that not only do clients benefit from a more integrated marketing and business development process, but also the firms themselves.

We asked respondents what they think is the most important reason why integrating Marketing and Business Development could help a PSF positively benefit its clients. We offered three reasons, even knowing it's hard to parse out where one rationale begins and the other ends. Happily, the respondents' comments offer us the chance to explore some important nuances.

The largest vote-getter (at 64 percent) was that PSFs should integrate because they could develop a better value proposition or solution for clients. Anecdotally, we know professional service firms spend too little time examining their true value to their clients, both for the present moment, as well as what that value could be in the future. And from my previous studies (chock full of statistically significant findings), we know that PSFs have traditionally underfunded innovation endeavors.

When I saw this 64 percent vote total, I thought, "Does this mean what I hope it does?" Do these survey respondents, giving a huge thumbs up to Integration because they could build a "better value proposition," realize the real opportunity at hand -- that they could structure their integration endeavors to innovate *ahead* of their clients' unmet needs? Or, in my more cynical moments, does this vote total represent just another *kumbaya* moment?

I hope this vote total signals that PSFs are beginning to embrace a more deliberate approach to managing their service portfolios. If indeed these respondents meant it that their work to erase marketing and business development silos will now include a focus on innovation, I'd say "Hooray" and "Finally!"

Only 28 percent felt that erasing Marketing and Business Development silos could help PSFs better deliver their services. Despite this apparently low endorsement, respondent comments highlighted the benefits of more direct processes for capturing client feedback, streamlining the firm's understanding of clients needs, and, my favorite, preventing "the likelihood that marketing will over promise something that the delivery team cannot accomplish." Also, referencing their own internal productivity, respondents noted that integration could help them ". . . cut down on the amount of imagining that many of us have to do when trying to 'get into the customer's head'." Another comment underscored another result of integration: increased responsiveness to clients and better accountability inside the PSF.

Thirty-two percent of respondents -- a surprisingly low total -- said an important reason for integrating Marketing and Business Development was that it could help them better understand their clients. Of course this rationale is closely tied to the improvement of a value proposition and service delivery. But besides the rather obvious logic that "better understanding clients" could be the result of erasing Marketing and Business Development silos, respondents offered little insight.

Although I'm keeping in mind this survey was not statistically significant or broadly distributed, this score reminds me once again of my recent study findings about how poorly PSFs rated the importance of defining and identifying their most strategically appropriate targets. Does this low total signify that respondents don't feel the need to integrate for the purpose of understanding their clients? Does it mean

they think they already do understand their clients? Or, as I fear, does this low endorsement once again indicate PSFs' lack of attention to the importance of undertaking formal initiatives to understand their clients?

There were additional -- and very interesting -- comments that fell into the "Other" category about why erasing Marketing and Business Development "disconnects" could benefit clients. In particular, a few respondents pointed out that integrating Marketing and Business Development functions could help their firms consistently develop, implement and communicate their differentiation and brand strategies, and moreover, that clients would experience less confusion about what they could expect from their professional service firm.

One of the respondents disagreed that integrating Marketing and Business Development would benefit clients. This individual articulated a reasonable caution to those firms who might blindly rush toward integration, namely that the competencies to market and sell business vary among individuals. We shouldn't expect every person to be an equally effective marketer and business developer. These functions require different skills! PSF leaders should be mindful of these differences, especially as they march toward breaking down their internal functional silos.

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