Flying with Eagles:
An Interview with Marilyn Jordan Taylor, FAIA, Urban Design and Planning Partner, SOM
Most professional service firms pursue some sort of differentiation. According to one of the studies Expertise Marketing conducted prior to the development of the soon-to-be-released book Marketplace Masters, 81% of professional service firms reported they used differentiation as a marketing approach in the previous three years. Unfortunately, a majority thought of differentiation as simply an exercise in image enhancement. But, like the adage "beauty is only skin deep," image-oriented differentiation strategies only go so far in their ability to deliver an effective marketplace advantage.

The reality is that, when it comes to differentiation, the more complex and operationally deep the differentiation strategy is, the more competitively potent it is. The "easier" and more operationally shallow methods reap the least rewards.

It also appears that the most-used differentiation approaches were not necessarily the most successful (for example, developing a new positioning, repackaging current services, or using new techniques and tools to deliver services). The operationally “deep” differentiation strategies (for example, those requiring the implementation and alignment of human resource, financial, change management, technology, or training and development processes) were reported to be the most successful. Examples of competitively advantaged differentiation methods include adding new-to-the-firm services that blend into the services of another industry or implementing a formal relationship management program to strengthen a firm’s bonds with its current clients.

Ultimately, the most competitively robust differentiation strategies are grounded in a firm’s professionally driven and culturally supported processes, protocols, and methods; many of these are already unique to each firm. But beyond that, professional service firms are building differentiation strategies upon a number of foundations besides the already mentioned “image” foundation: These include:

- a firm’s geographical focus
- service offerings
- client needs addressed
- a project’s “point of entry”
- staff
- service delivery
- value delivered (this goes much deeper than price)
- targets
- position—if it’s first
- the consistent and intentional delivery of a unique emotional “experience” to clients.

Interestingly, some firms are blending some of these foundations to become even more difficult to copy.

A Successful Differentiation Strategy

Malcolm Pirnie, Inc., an environmental engineering, science, and consulting firm, incrementally differentiated itself by making a series of choices to distinguish its service offerings from its competitors. Over the course of 15 years (and still underway) Pirnie embraced a quality- and performance-improvement strategy that required the firm to monitor and measure the work of its people and develop increasingly high standards for excellence. After undertaking a series of internal-, client-, and competitor-research initiatives to assess the success of its performance-improvement strategy, in the mid-1990s the firm found itself making an intentional
choice to differentiate from competitors by no longer accepting engagements to provide facilities management services (as part of many utilities' move to privatization) or design-build services. (These trends, the firm believes, could compromise its dedication to objectivity and its standards for providing the highest quality.) Pnicie's "declaration of independence" has today become the foundation for its competitively advantageous early move into the highly valued arena of leadership and performance consulting for its client base of municipalities and utilities. The firm's results as of the writing of *Marketplace Masters* were impressive:

- Pnicie became one of the most honored firms in the environmental profession, recognized for engineering excellence in competitions nationwide; many of these projects reflect the firm's differentiation strategies.
- Always profitable, the firm doubled in size since its initial forays into differentiation.
- Its employee retention has been higher than industry norms.

### Guidelines for Developing a Competitively Potent Differentiation Strategy

How does one truly approach competitive differentiation and embed these concepts into the firm? Following are guidelines and a methodology for developing a differentiation strategy that can work well for your firm and also can be competitively preemptive in the marketplace.

**Past track record on differentiation:** Has your firm ever undertaken any kind of differentiation initiative? What was the outcome? All too often it's a blandly broad statement, residing in a pretty report or perhaps on a firm's web site that expresses how your firm is different.

**Knowledge about differentiation:** How well do your firm's leaders "get it" about differentiation? That means your firm is the only firm to be, to do, or to have something that can't be copied; something that no other firm is, does, or has? Many professionals (and marketers too) have varying definitions of the terms 'differentiation,' 'positioning,' and 'branding.' Often, they treat these strategies as if they are the same (they are not!), or at least interchangeable (again, not at all!). What does each platform mean separately, and in relation to the other?

**Leadership:** How keenly do your firm's leaders perceive the crucial role of differentiation in a professional service firm's corporate strategy? Is it viewed as a critical firm-wide strategy that is supposed to be implemented, as it should be? Or instead is it viewed as a marketing communication initiative—evidence of a lightweight approach to differentiation? (It's lightweight if you see that your firm has not set up any processes or tools to operationally support its differentiation strategies.)

Do your firm's leaders understand how to assess the criteria for determining the most robust possible differentiation platform for your firm (value for clients, credibility, etc.)?

- continued on page 35

---

**Projects are what you do.**

At Axium our objective is to help you build your business, maintain a competitive edge and grow profitably; to be a partner in your success every step of the way. Our twenty-year focus and experience in the A/E industry allows us to provide you with comprehensive solutions, to manage your firm's finances in the same way you handle business — project by project. Axium moves beyond generic software packages to provide a complete business management solution from developing relationships to winning projects to delivering projects on time and on budget.

**Helping you increase profitability and productivity is what we do.**

We believe in helping you focus on your time. Time spent developing new business and managing project resources. Saving time by streamlining your marketing and business development processes. Time working on projects you enjoy rather than trying to understand where the profits went. Time gives you an accurate measurement of productivity and overall project costs. Managing time is more than capturing time spent on a project; it is a measurement of how your staff is being utilized and how you can improve.

You need solutions that are about time, productivity, and profitability. Solutions that help you account for, manage and save both your time and your money. You need a company that understands the complexities and intricacies of your business and is willing to grow with you today — and when you expand tomorrow.

**Axium, we are your partner.**

To find out how your firm can benefit from Axium's solutions go to www.axiumae.com or call us at 800.872.1540

---

**SMPS Marketer**
Differentiation

continued from page 14

attractiveness, sustainability, narrow focus, and protection against copycats?

Attitude about differentiation: Do many of your firm’s professionals scoff at the notion of real differentiation, that it cannot be achieved? If so, this is a signal they may not understand the elements or foundation of differentiation strategies. Are your firm’s leaders convinced the firm is different, when in fact this is nowhere near the case (and everyone else knows it)?

Differentiation champions and influencers: Does your firm have a professional-side partner or director whose voice on marketing has earned his or her colleagues’ respect? This would be a person who is not viewed as so avant-garde that s/he is held on the firm’s metaphorical “sideline.” (“There goes Jean-Philippe again—he has such a strong voice that people have just begun to tune him out.”) This could also be someone who has demonstrated successful leadership on previous firm initiatives. If so, how tired or skeptical is the organization of seeing this person step up to the plate to push the firm toward a new initiative? (“Nadia really pulled out all the stops last year to get us to do the XXX project; I think people are tired of hearing from her!”) Does your firm have a staff-side chief marketing officer or marketing director? If so, is this person mainly responsible for marketing communications activities (anything related to building visibility and not the development of marketing strategy)? What is the level of power of this person in your firm?

Knowledge, leadership, and attitudes about differentiation will indicate how ready and willing your firm is to undertake the process. With a differentiation champion, you can make inroads into the firm’s differentiation process and truly create a compelling competitive position in the marketplace.

Construction

DIRECTOR - SALES

(Construction)

Prominent, Chicago-area general contractor (BAGC member) and leading ASA Award Winner proudly announces a search to staff this newly-created position as the understudy and eventual successor to our VP Sales & Marketing. The ideal professional brings commercial contractor or subcontractor experience in building relationships within the industrial, financial services, telecom, healthcare, educational, religious and club facility sectors through referral-source architects, owners and owner reps. Advancement potential to senior management required. Attractive compensation, bonus program, and other perks. Replies held in total confidence by our professional advisors: William E. Hay & Co., 20 S. Clark Street, Suite, 2305, Chicago, IL 60603, hrbox1@yahoo.com, fax 312-795-0490.

Does Your Firm Truly Embrace Differentiation?

Competition, commoditization, and client demand will push most professional service firms to pursue some form of differentiation. Many will pursue it vigorously but will not go below the “skin-deep” surface of their organizations; their competitive results will reflect this organizationally shallow commitment. Some, though, like Malcolm Pirnie, Inc., will truly embrace differentiation down to the core of the firm’s processes, culture, service portfolio, and even client base. Make sure your firm “gets it” that the most competitively robust differentiation strategies are those that dig deep.

About the Author

Suzanne Lowe is President of Expertise Marketing LLC and author of the recently released book, Marketplace Masters: How Professional Service Firms Compete to Win (Greenwood: 2004). She can be reached at slowe@expertisemarketing.com.