Survey your clients ... and glean info!
by Judith Nitsch, PE

"You're going to talk to my clients?! And not about our projects?!" I can hear the project managers' reactions already. Wary, hesitant, apprehensive, nonsupportive, worried... you pick the adjective. But - what a novel thought - firms should be talking to clients to learn what they are thinking, whether it's about your firm's performance or about the outlook for their industry. After all, most unhappy clients don't tell you they're dissatisfied - they just call another firm for their next project. Get their feedback before that happens! And the happy ones are more than pleased to tell you why they are satisfied and share what you might have thought was "inside" information.

Client surveys come in a variety of forms, including satisfaction surveys, image surveys, perception surveys, and market research surveys. Each serves a different purpose, depending on whether or not you want feedback on your firm's performance, your clients' opinion of your firm in the marketplace and as compared to your competitors, or your clients' outlook on project opportunities during the coming year.

Performing client satisfaction surveys is not an activity for the faint of heart. You will hear (and learn) all kinds of information about your firm, and that data should inform your activities for the months and years to come. Clients know more about us than we realize ... and our perceptions of our firms had better align with our clients' views. The one caveat to performing client surveys is that if you learn about problems and then don't acknowledge or correct them, you've probably done more damage than if you had never performed the survey.

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- Judith Nitsch, PE, Founder, Judith Nitsch Engineering, Inc.

Learning how your firm is perceived in the marketplace among your competitors can be both enlightening and disheartening. After all, there are many highly qualified firms in our industry in general and within our specific areas of expertise within the industry. The nuances that differentiate your firm from others are what will help you form your firm's future. Although Arthur D. Little did prove that one can turn a sow's ear into a silk purse, the subtleties that make our firms unique are what flavor our clients' impressions of us. Many are surprisingly good and some we know we need to fix; the balance are the eye-openers which, if identified and fixed, can jump-start your firm's projection from "doing fine" to "stellar" performance. And who wouldn't want their firm to be known as a stellar performer?

This issue of Insights includes three articles by esteemed professionals who consult to the A/E industry on public relations, management, client service, and other important issues. Also included is a "raving fan" reaction to her firm's client survey and how they used the results to successfully implement change based on the survey results.
Client Research: Looking Out and Digging Deeper
by Suzanne Lowe

Increasingly, professional service firms from all sectors, including architecture, engineering and construction (AEC), are beginning to see client research for what it is — a competitive necessity. Our own research about the emerging strategies and best practices of professional service marketing confirms this fact: organizations that have formal market research budgets are two to five times more likely to report they are effective at getting closer to their clients.

For AEC firms — indeed for any organization that conducts client research — it is important to be mindful of two critical research foundations: “Looking Out” and “Digging Deeper.” Looking Out means using client research for much more than a simple “are you satisfied?” or “what do you think about us?” exercise. Looking Out means committing to focus externally on the clients’ unmet needs and challenges, with a new purpose to identify competitively pre-emptive marketplace opportunities. It also means watching for looming marketplace danger spots that might have previously gone unnoticed. “Digging Deeper” is about making the research effort count. Digging Deeper means developing a meaty-enough research instrument so your firm can actually use the information it captures is important. This is where the Digging Deeper mindset can be very helpful. Ask yourself, “What will we do with the information we gain from this research?” Try to imagine the possibility of answers you’ll get from your research initiative. If you can’t picture your firm’s operational responses to the information you’re about to get from your clients, then ask yourself if you’re truly making the research effort worth everyone’s time.

Let’s look at a client satisfaction research project where “doing the research well” didn’t happen.

Tip-Top Engineers just completed its first-ever client satisfaction survey. The firm received a 52% response (very good!) to a 25-question, multiple-choice survey. Unfortunately, most of the responses tell Tip-Top management very little. A sample of questions, with our commentary, is featured below:

| Please rate your satisfaction with the quality of the services you received on Tip-Top’s most recent assignment for your company. | __Totally satisfied | __Somewhat satisfied | __Not at all satisfied |
|---|---|---|

There are two problems here. 1) Having only three options left most respondents with only the middle choice as a viable selection. How many are truly “totally” or “not at all” satisfied? 2) There was no place for respondents to say WHY they chose the option they chose. Tip-Top therefore still has no idea what aspects of its work are and aren’t satisfying to its clients.

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Market Research: Recharge the Marketing Plan
by Michael J. Reilly

The season for marketing plans is here, and it often arrives in silence. You can hear a pin drop in the Monday morning meeting when each practice group or business unit in the firm is asked to come up with a new sales forecast and a marketing plan for next year.

Last year’s plan never quite got past the draft stage. By mid-March it was safe to go to the marketing meeting again without the ’02 plan being brought up. Everyone was too busy anyway, including the marketing department—and who needed planning when the phone was ringing with new projects?

For 2003, the marketing plan will likely be more urgent. What should be considered this year to make the process not only more dynamic, but also more effective? You can recharge the planning process by using an overlooked but valuable tool: market research.

What is Market Research?

According to Douglas MacLachlan, business author and professor of marketing at the University of Washington’s School of Business, market research “involves the study of the characteristics of markets; i.e., of customers, competitors, and the business environment in which the company operates.”

For professional service firms, marketing research can be scaled up or down to meet the needs of the firm. If your firm is expanding geographically, launching new services, or breaking into new markets, the need is obviously large.

But for the purposes of completing a marketing and sales plan for your organization, chances are that you can gather a lot of valuable data without breaking the bank or giving up your day job.

Where to Start: Secondary Research

Before you can come up with a sales forecast, you need some data. The charge is to target growing markets and look for the places where your firm’s experience can meet the need of new and emerging markets. You also want to spend less time and dollars on declining markets, including some that may have been past anchors for you.

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Client Research: Looking Out and Digging Deeper
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Were our engineers responsive to your needs?

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Responsiveness about what? The yes-no format of this question left Tip-Top in the dark. It still doesn't know why respondents answered as they did, and the firm therefore can't make any substantive performance changes.

This study was too simplistic, unenlightening and narrow. Tip-Top should dig for deeper nuances.

Beyond a client satisfaction survey, there are surveys that reveal service opportunities that Tip-Top could pursue, including where its clients' most painful challenges lie, how intense those challenges are for the clients, and how clients currently address those challenges (usually inadequately!).

Image and Perception Research

Image and perception research holds the promise for helping architecture, engineering and construction firms to gain a substantive (and pre-emptive) competitive advantage in the marketplace. The goal of this research is to uncover an opportunity that your firm can pursue before the competitors can do so.

Research can be used to find out about your clients' interactions with, and perceptions about, your competitors. What are these competitors saying about your firm? How do their service offerings compare with yours? How does their service delivery compare with yours? Ask potential clients who have never used your firm's services the same questions. How do the answers compare? Use the information you learn to develop new ways to uniquely market and sell your services, and to serve your clients differently.

For example, let's imagine you've learned that your municipal prospects and clients would welcome more direct contact with top engineers working at the country's biggest municipalities. Perhaps you've also learned that:

- These clients are tired of your competitors' boring, overly promotional seminar series
- Their real, unmet need is to gain knowledge in order to be promoted within their organizations
- A more direct, mentor-oriented knowledge exchange would be a refreshing change for them

As a result, you build a roundtable program in which you pair senior municipal engineers from larger cities with their counterparts in emerging, rapidly growing cities. Bingo. You've just done three things: 1) developed a first-mover advantage against your competitors; 2) built a more robust link to your current clients; and 3) developed a highly attractive vehicle for beginning new relationships with prospects.

"Firms can make more substantive marketplace decisions if they can capture the underlying motives behind a client's decisions or perceptions."

- Suzanne Lowe, President, Expertise Marketing

Final Words: Make Client Research WORK for You

Okay, so you've decided you want to conduct client research. You're excited about the possibility of finding out things you never knew before and besting those pesky rivals in the marketplace.

Make a commitment to do what it takes to make your client research really work for you. For example, put your research findings into a database that is linkable to your firm's accounting, operations and/or enterprise software. Mine your data for pattern-comparison and deeper analysis. Watch for shifting patterns that signal an opportunity to get closer to your clients and/or gain a competitive advantage over your rivals. For example, watch for changes in the way clients purchase your services. Watch for evidence of client "service fatigue" or commoditization of your services. Watch for an increase in your clients' attraction to a particular service or service delivery approach.

Look out – these shifts are an indication of the evolution of your marketplace. Dig deeper – don't miss them.