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MARKETING FUNDAMENTALS

Five Pillars of Wisdom

In professional services firms, branding can be a strategic asset—but only if important questions are answered first.

BY SUZANNE LOWE

In late July, the Federal Reserve reported that the country's economic conditions had worsened. For the professional services sector (a trillion-dollar arena that includes accountants, lawyers, architects, engineers, ad agencies, a host of consultants and many more), that feels like another black cloud in an already too-dark sky.

The Fed's news means continued competition to win a share of extremely tight budgets from edgy clients and the dubious honor of having to manage razor-thin profit margins afterward. Imagine the thoughts of a typical professional services firm marketing leader: "We love being consultants/lawyers/architects (fill in the profession blank here), but how can we escape this struggle?" What happens next in this familiar story? Extremely intelligent and deeply credentialed people are about to invest those too-thin profits into initiatives they hope will bring competitive relief.

The latest panacea? This time it's branding, the new trend in professional services firms' gallop to ease their marketplace pain. But unless they truly address their core strategic issues and stop grasping at quick competitive fixes, they will continue to be buffeted by the economy, and their branding efforts will fall flat.

Not that there's anything wrong with branding. Branding is, in fact, an extremely savvy marketing initiative. But among professional services firms, too many branding programs amount to the tail wagging the dog. Branding is something you do after you've figured out exactly what it is you're trying to brand. The reason some branding initiatives are doomed is that the firms don't first understand where branding fits along a spectrum of other strategic initiatives.

Branding should be the fourth in a series of five linked strategic marketing pillars, each playing a sequential role in a firm's ability to compete effectively. Those pillars are strategy, differentiation, positioning, branding, and marketing and sales communications.

Strategy. Most firms haven't addressed their corporate goals (beyond, say, growing their partners' wealth). Yet strategy is where branding should begin. The goals of a branding program should hew as closely as possible to the firm's overall business strategy. Firm leaders should first answer the critical marketplace questions: What are we in business to do? What services do we provide? Where, along a continuum of value, do we provide significant benefits to our clients? What is our firm's "end-game" or strategic goal? Answering such questions may seem easy, perhaps, to a company that has bothered to ask them, but a five-year study I recently completed shows that only a minority of firms have completed this kind of inquiry with a degree of objectivity and rigor.

Differentiation. Robust differentiation strategies are the foundation of real competitive advantage. Yet, based on our research, most firms are seriously grappling with the concept of becoming—and staying—uniquely valuable to their clients. Prior to
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The core

devolving their positioning and branding approaches, firms should be able to understand the ways in which they are uniquely valuable today. That requires that they must be, do or have something that no other firm is, does or has. And they must be able to look ahead to the future to determine what they will do to become matchless and "uncopyable."

Positioning. Many firms’ marketing leaders confuse positioning with branding and differentiation. Positioning is a separate marketing principle; it relates to a firm’s placement on the client’s mental map, in the context of all that client’s known alternatives. But again, our research shows that less than 50 percent of firms have investigated their market positions from their clients’ points of view. That is vital information for any branding effort. Before creating a branding program, a firm should know what market “spot” it occupies today. Is it at the top of the pile or in the middle of the pack? Do the firm’s strategic objectives anticipate the clients’ future perspectives? And is there some attractive, as yet unoccupied, position the firm could seize tomorrow?

Branding. This most esoteric of marketing strategies is, for many, the hardest to grasp. Branding is more about fulfilling an intangible emotional promise to the client than about a logo or color scheme. Professional services firms should be able to clearly articulate their covenant with the client—the promise that all of their business practices, services and messages (indeed, everything the firm says and does) will conform to client expectations as evoked by the brand.

Marketing and sales communications. This piece of marketing strategy is the most familiar for many professional services firms. But many haven’t really aligned their firms’ resources to effectively communicate branding promises through carefully chosen images and messages. CMOs at professional services firms should consider which words and images most successfully convey all of the strategies articulated above.

A surprising number of marketers insist they lack the internal support, budget or bandwidth to do all of the precursor strategy work. Instead, they decide to just tackle branding and come back to the rest of it later.

That kind of thinking illustrates an insidious form of marketplace myopia. Professional services firms don’t need billions in resources to address these elements of strategy. An increasing number of smaller firms are able to do the work and arrive at sophisticated branding strategies on a modest budget and a reasonable timeline—"including doing the most relevant strategic work first.

Consider the law firm of Winstead Sechrest & Minick. Digging deep into its strategic core, in 2001 Winstead used sophisticated qualitative research techniques (projective interviewing, laddering and hierarchical value maps) to identify would-be clients’ underlying motivators and value-based purchase criteria. The result was an award-winning website that featured astutely crafted brand images and messages that would appeal to the firm’s attorneys as much as to its targeted clients. (As the “branded products” of the firm, the attorneys must be highly motivated to convey and reinforce brand messages effectively.)

In the field of architecture, planning and design, New York-based Rockwell Group built an innovative R&D function that allowed it to effectively evolve its brand image beyond providing traditional architecture services to becoming creators of physical spaces that evoke emotional experiences. (Rockwell designed Los Angeles’ breathtaking new Kodak Theater and the Mohegan Sun resort and casino in Connecticut.) Introduced in 2002, the firm’s new R&D process helps it identify potential clients with an interest in creating not just structures but three-dimensional branded experiences. This process brings unexpected value to clients and redirects the brand image of Rockwell Group itself. This kind of evolution is possible only when branding is integrated with all of the foundational elements of marketing.

The management consulting firm Maralon Associates concentrated on a critical aspect of its personality. Maralon’s consultants have honed an ability to challenge clients to consider new concepts, but they do this in a nicely empathetic, rather than pushy or aggressive, way. This allows clients to embrace change more easily. The firm has established a program to effectively harness the delivery of this brand promise. The result is unquestioned leadership in its business environment—its revenues per professional are among the highest in the management consulting industry, and its clients outperformed their peers by an average of 100 percent during a five-year period ending in mid-2002.

It’s true that, compared with other business sectors, professional services firms are relative newcomers to marketing practice (some must overcome bygone ethical or professional codes that restricted marketing activity). But professional services firms need to move quickly to get smarter and more sophisticated in managing their marketplace destinies.

Branding can play a crucial role in the journey. Most brand initiatives ensure that professional services firms at least become more thoughtful about what they represent to their clients and the value they hope to deliver to them. But they have to be careful not to let branding projects drive the strategy. To succeed, branding efforts must be deeply integrated into the foundational strategies that arise out of nuanced client, competitor and market research and must be implemented through embedded processes and protocols. This important work should be viewed as if it were the most critical client project ever undertaken.

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