

More Than Embossing The Wallpaper

More Than Embossing The Wallpaper

June 2007

The twelfth annual PM Forum Global Conference in September will address one of the biggest challenges facing professional service firms today; how does a firm create an environment in which innovative thinking can flourish, that allows clients and firms to create deep bonds and where the best ideas are used to create compelling marketing propositions?

What a long way we have come!

Professional services' marketing has come a long way over the last twelve years. In those days, many firms treated marketing as "communications wallpaper"; departments were instructed to present the image that the firm wanted the world to see, often dislocated from the reality of true client experience, and the marketing function was a long way from shaping the strategic agenda. Marketing back then was defined by broadcast communications aimed at telling the client how good the advisor was. The over-riding message was "We're really good, if the client can't see this (more fool the client) then the marketing department is to blame!"

Since then progress has been incremental, driven in part by a maturation of the professions as well as the performance of leading practitioners who have earned the right to a place at top-table. The campaigning of organisations like PM Forum and the Managing Partners' Forum has also played an important part in challenging current thinking and creating an agenda for change.

Peter Drucker, the world renowned management guru, once defined marketing as "not a specialised business activity... it is the whole enterprise seen from the customer's point of view". Twelve years ago such a view would have been met with incredulity by many professionals. His words have far more resonance today where forward thinking firms recognise the central role that marketing has to play in the development of new business streams, the integration of services and the communication of value propositions to target audiences.

Marketers have come of age. Clearly there is much more to do, but the foundations are strong and the critical mass of experience and skills in the professions will provide the impetus needed.

Over the same era, other streams of management have also been crystallising and contributing to the growth of firms and improvements in client service. Of these, the field of knowledge management has undergone rapid growth and is now seen as a key area.

However, for many firms, the term knowledge management has become synonymous with the technical know-how embedded in their core professional skill. It is owned by the professional

support and information management communities and runs the risk of becoming yet another silo in the multi-compartmentalised structure that afflicts many firms.

It would be far better to define knowledge management in a more expansive way. After all, when boiled down to its essence, what does a professional service firm do if not manage knowledge and ideas (in the broadest definition of these words) and develop relationships. Indeed from a business development perspective one of the most interesting areas to explore is the knowledge embedded in client relationships, both individual and systemic, that can be used to shape better ways to build a strong client franchise.

Innovate not Imitate

Insight and innovation are of crucial importance in a world which is fast-changing and where product life-cycles are ever shortening. Firms need to be better at horizon-gazing, both for themselves and for the markets that are affecting their clients, if they are to be well positioned to take advantage of emerging opportunities.

Used correctly, superior knowledge drives better decision making. Better deployment of resources and leveraging of assets creates a strong market proposition which in turn drives profitable growth.

However, there also needs to be an effective filter. Commercial testing of innovative ideas is crucial if businesses are to ensure that their limited resources are used to best effect. Choosing which horses to back and which to put out to pasture is a key competency in organisations that are innovation-led. They need to ensure that they go to market on a basis that is both attractive to clients and commercially viable for themselves.

Alongside marketing and knowledge management, the finance function clearly has an important role to play.

The potential to be a great imitator rather than market leading innovator is reduced as shortening business cycles drive firms towards more innovative approaches. Historically captures market share, exploits it to the full and moves on to the next big idea before the imitator is off the starting blocks.

Firms wishing to compete on more than just price must start using ideas to create competitive advantage and install processes and systems that galvanise this sort of activity within their organisations. Some of these ideas will centre on their core technical skills but many more will innovate in the areas of service, delivery, pricing and relationship management.

Understanding what clients want today, the things they will desire in the future and how competitors are shaping their services are insights that every marketer should seek relentlessly. Sophisticated clients recognise the value that can be generated through partnering with their professional advisors; the advantages that flow from such collaborations are well documented and smart firms will use these incubators to generate insights and approaches that produce much wider

benefits across their general client base. They produce a competitive context within which a firm can shape its own plans; seeking always to increase value-added in the areas that are of most importance to the client.

Thought Leadership For All?

Being recognised as a thought leader is an aspiration for many firms. However, a recent research project, *White Space 2007* published by Arkimeda, found that the reality of thought leadership programmes lagged far behind this objective.

It is axiomatic that there can only be one thought leader in a particular subject field. This fact seems to have been over-looked in a world where firms make simultaneous claims to be leading the thinking in their particular industry, practice area, sector or service line. Indeed, for many organisations it is clear that the badge of thought leadership is no more than a superficial label applied to thinly veiled sales and promotional materials.

According to the findings of *White Space 2007*, the websites of the world's forty largest consulting firms carry an incredible 3500 articles, reports, white papers and books which claim to be genuine thought leadership pieces. This is quite aside from the many thousands of promotional brochures and flyers that are more overtly in the vein of mainstream marketing communications materials. The research found that good thought leadership, whilst inevitably having a commercial purpose for the organisation that produces it, displays four characteristics:

- It is relevant and practical;
- It is backed up by thorough research;
- It says something different or new;
- It does not try too hard to sell the services of the firm that produced it;

Using these as a scorecard against which to rigorously assess the material produced by your firm provides insight as to the amount of genuine innovation. This needs to be contrasted with efforts that are directed at "me-too" communications that seek to grab a share of awareness in a hugely over-communicated market place.

Making Waves In The Firm and The Market

Firms that are able to redefine their perspective on knowledge have taken the first step in a new approach to the way in which they develop products and services through inclusive and expansive thinking. The alignment of marketing and knowledge assets will ensure that great ideas receive commercial attention and are communicated effectively.

Innovative firms are already acting, for example, Freshfields has recently merged its business development and knowledge management departments.

It will be necessary to link the idea-factories that exist across the firm, create accelerator programmes to take the very best concepts to market and ensure rigour in pursuing excellence.

Client focussed initiatives will provide opportunities for career development and intellectual stimulation that will be eagerly grasped by a broad college across the firm.

Delivered successfully, such a vision will create both superior value for clients and exciting career opportunities for those charged with building sustainable competitive advantage into the 21st century.

The Future for Marketers

Marketers should invest time to build the network of relationships and knowledge that will place them in the vanguard of this movement. This will require both vision and tenacity.

It means a less formulaic approach to business development and preparedness to challenge the status quo in order to create new ways of working.

It will be tough on occasions, stressful at times and incredibly satisfying when successful. It is not a journey for those who wish to remain in their silos, who see other parts of the firm as interferers or whose perspective is insular. This opportunity will only attract those who wish to build a better, more dynamic business model.

However, for those who find comfort in the “marketing as wallpaper” approach the future is less rosy. Wallpaper covering cracks is no substitute for the structural engineering that is sweeping the professions.

