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A/E

Rainmaker

The Guide to Attracting and Keeping Great Clients

ARE YOU SURVIVING...OR THRIVING?

In an economy when any signs of an upward tick are met with overwhelming enthusiasm, when 70 percent of attendees at the recent *Surviving...or Thriving? AEC Market Outlook & Opportunities* webinar said their firm's business was down over last year, but there were signs of improvement, it echoed a recurrent theme in the AEC industry.

"We are cautiously optimistic," said Mark "Rusty" Sherwood, vice president, market development with McGraw-Hill Construction and speaker at the May 5 webinar sponsored by the Society for Marketing Professional Services. "We believe we will swing into the positive late this year and have a positive GDP in 2010. We are cautious, but we have reasonable expectations that some of the recovery is starting to occur."

Sherwood based these projections on the impact of the \$787 billion American Recovery and Reinvestment Act. "Money is flowing. We are

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UNDERSTAND THE THREE IRON LAWS BEFORE ENTERING THE FEDERAL MARKET

When I am approached by clients who want to develop a strategy for entering the federal market, I almost always start by explaining three "iron laws" of the federal market. Last month, we talked about Iron Law #1 (all federal markets are niches). This month, we'll cover the other two.

Iron Law #2: Contract vehicles will make or break your attempt. In the federal market, the phrase "contract vehicle" is simply an overblown (but much-used) word for "contract." You might have the perfect credentials for a particular federal project, with the capacity to start work almost immediately. The prospective federal client might be convinced that you would do a great job, and cost effectively to boot. But unless your firm has a contract vehicle that is accessible by that federal client, you will not get the project.

The "recovery" and "stimulus" programs are putting tremendous pressure on federal agencies to initiate projects quickly. But it is often difficult for federal agencies to establish new contract vehicles quickly. The rules that govern federal procurement—the centerpiece of which is the roughly 2,000-page "Federal Acquisition Regulation (FAR)"—can often result in year-long processes just to issue a single contract.

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Are You Surviving...or Thriving? (cont. from page 1)

beginning to see projects moving through the pipelines in various agencies. Some agencies are better equipped to handle it than others. Some agencies are reaching out to the private sector for guidance with project management services to manage their backlog. The clock is ticking. The intent of the bill is to get people working quickly. They have to move quickly from concept to design to breaking ground to move project forward. There's a lot of pressure on agencies to move things along. That's creating opportunities beyond the original opportunities perceived by the rollout of the stimulus bill."

Thriving in Today's Economy

Sherwood also discussed how A/E firms can not only survive an economic downturn, but position themselves for success. He said that firms need to understand the environment and when markets change, aim and then fire. "Markets don't crumble, they evolve. Those that are able to adapt will succeed. Also, changing markets require flexible thinking as to what your market might be. Assess your market reach to determine your likely opportunities. Examine geographic areas beyond your traditional operations zone, review a broader spectrum of project type opportunities (retail vs. office), and analyze the market by the dollar size of projects."

Taking it a step further, assess your position in the market. Consider advantages you have over your competition, examine resources available to

you, find out if you have the right information to capitalize on the market, and investigate if you are playing to your strengths, Sherwood said.

Is it a good idea to cut marketing budgets in a recession? Sherwood said that a McGraw-Hill study of 600 businesses found that those companies which maintained or increased their ad spending during the 1981-82 recession averaged higher sales growth during the recession and in the following three years and that by 1985 businesses that maintained or increased their ad spend during that recession, on average experienced sales 256 percent greater than those who cut back their advertising. In 2001, another study found that aggressive recession advertisers increased their market share 2.5 times the average for all businesses in post-recession.

Conversely, in 2002, the Strategic Planning Institute illustrated that during economic expansion, although 80 percent of businesses increased their advertising expenditure, there was no improvement in market share. The impact was less because all companies increased spending.

Sherwood said that while it is uncertain how long the next cycle will last, the actions you take today will determine your success tomorrow.— **ED HANNAN** (ehannan@psmj.com)

To order a copy of *Surviving...or Thriving? AEC Market Outlook & Opportunities* for \$49 for SMPS members, \$79 for non-members, visit <http://eo2.commpartners.com/users/smps/session.php?id=1913>.

WHEN YOUR CLIENT CONTACT GETS THE PINK SLIP

Making sure that your nurturing and relationship-building stay intact.

In these unpredictable economic times, it is not unusual to discover that one or more of your client contacts has been transitioned to a different role or even right-sized (aka 'let go'). This can be awkward, sensitive, and personal. You may be tempted to give the contact some breathing room, and try to catch up with him again once he lands in a new position.

Think again. Put yourself in the shoes of the contact.

Cindy was a real estate professional at a Fortune 100 company. Every year, Cindy was the coveted client to spend time with at the big conferences. She was pursued by AEC owners and business development professionals, all of whom sought to get more business with her firm. In a mass layoff a few years ago, her position was eliminated. Once she was in job transition, Cindy experienced a shift in the dynamics. At that point, she discovered which relationships were sincere, and which ones were built for the sole purpose of accessing her ability to select service providers.

Regardless of the reason for your client/prospect's departure, it's a delicate matter requiring thoughtful action steps. Whether your contact leaves voluntarily, or gets the pink slip, you need to do two things: 1. Continue to nurture the relationship, and 2. Mobilize quickly to identify their successor or another contact with the same level of decision-making weight or higher in the client organization.

1. Continue to nurture existing relationships. Even if their new position will not overtly nor directly 'serve' you from a business perspective, continue to treat contacts-in-transition just as you would treat every contact in your pipeline. And as always, monitor the frequency and nature of your touches.

When they depart involuntarily:

It may seem like a no-brainer, but your contacts will appreciate well-intentioned outreach. Even though they will be processing personal feelings and you will want stay within professional boundaries, it's certain that they will remember your consideration and attentiveness for years to come.

- Do you have talents that you could provide during this process? Perhaps a second set of eyes for resume review, or offering people from your network with whom they could set up informational interviews.
- Offer a monthly toast/boost to keep their spirits and energies high. Or, serve as a sounding board for them to express frustrations. (Note: take care to uphold your own boundaries; you are not obligated to become the go-to person every time they have a mini-meltdown.)

When they depart voluntarily:

- Acknowledge congratulations with a handwritten note or phone call; propose a celebratory get-together.
- Place a welcome call or gift once your contact enters their new position. Anything I can do to help you get settled and acclimated in your new role?

2. Mobilize to identify and connect with a new contact at the client firm. If your firm has approached the client organization strategically from the onset, then you will have mapped out multiple relationships between your own firm and their buyers, influencers, and informants. In that case, it will be straightforward to continue the business-to-business relationship with the client organization.

If, however, you placed all of your energies into just a single decision-maker who has now departed, what will you do? This is particularly worrisome if you think the replacement will bring over favorite firms and/or will want to handpick 'new blood.' But never, ever, let go of a prospect/client without a fight!

- If your contact is laid off, take some time before asking them about their suggestions on how you can remain in contact with their former firm. When the initial emotions have subsided, and when you sense your contact will continue to trust your intentions, then let him know that you will be contacting their former organization. Ask if he has any advice or insight that he'd like to share, but do not push. Be prepared that you may be on your own in terms of forging ahead. This may be particularly true if it's a prospect rather than a full-fledged client.
- Voluntary departure is typically a more palatable occasion. Directly ask your contact for inside scoop on the best people to stay connected with at their former firm. Who will be taking over your responsibilities? Will you be replaced, or will your responsibilities be distributed to existing staff? And, is there anything I can do to help them to secure a new person? Remember, if you are deeply intertwined in your contact's industry, then you could add great value to their former organization by sourcing a replacement.

Even if your prospect or client contact doesn't land into a position to give you business or to return the favor, keep in mind what we already know as seasoned business developers: what goes around does eventually come around.

One last thing: insincere touches will be transparent, almost insulting. Put aside any of your own discomforts with the situation (do not let your personal deficiencies in dealing with disappointment or conflict get in your own way of doing what's right). Take on these suggestions only for positive reasons: to demonstrate empathy and to exhibit best practices in nurturing your network. Over time, you can certainly hope for— but do not count on— prosperous, fruitful returns for your kindness and attentions.

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SERVICES SELLING: WHAT YOU CAN LEARN FROM MY NEW CAR PURCHASE EXPERIENCE

by Dr. Dennis Schrag, The Longview Group

Not so long ago, I decided to purchase a new car. I knew exactly what I wanted. I studied the car sites intensely. Online, I compared various models: fuel efficiency, rater scores, value in five years, and so on. Like most other purchases, I ended up shopping for the car that looked best to me...regardless of the facts. Purchasing anything involves both logic and emotion. But emotion tends to win out.

I was in Des Moines, Iowa, and drove past the Cadillac dealership. There she was. A black DeVille with a moon-roof. That was the car. Now was the Des Moines dealership the right seller?

The young fellow who rushed from the showroom to greet me was new at selling. We chatted. I flipped the table on him...a mean thing for a customer to do, but I had less than an hour until my appointment. "Josh, if we can reach agreement on that black DeVille, will you sell it to me today?" I just stole his thunder! He was awestruck.

"Well, ahhh, ahhh, ahhh. Yeah!"

"Great," I said, "Let's go inside and you give me a price." He explained that his sales manager expected US to test-drive the car. I explained that I was in a hurry, that I had driven the car elsewhere, and that all I wanted was a price. He said he HAD to have me drive it. I was not pleased, but agreed.

"I'll drive it around the block and then you can get me a price, OK?" I was sliding into the driver's seat as he told me about the power seats and lumbar controls, the heated leather seats, and the padded steering wheel. This car comes with XM radio, he explained. He provided one feature after another...eating up my valuable time. I tuned him out.

Lesson 1: When clients are ready to buy, forget about marketing them. It's too late. In fact, it makes them mad. Many times, service sellers think they should load up a sales proposal with a ton of marketing brochures. Big mistake. A

request for proposal is an invitation to BUY, not a request to market. There is a big difference.

Josh never asked me how I used the car. He never engaged a conversation about ME and my needs or my issues. He was too busy telling me about the features. He was worried about pleasing his sales manager. Josh could have asked how I used the car. I would tell him I drive to Chicago and to Minneapolis frequently. I want a big car for the long trips.

He never took the features of the car (heated seats, great acceleration, reasonable gas mileage, and the XM radio) and converted them to benefits for me. As he explained XM radio, I told him I was old and was cheap. I told him I would never spend money to listen to the radio.

I bought the car. It came with free XM for three months. I would never buy a car without XM radio. You see, Josh couldn't move beyond the FM radio feature to the XM radio BENEFIT. The benefit of XM to me is I can disco all the way to Minneapolis and can Beatles all the way back. It makes the five-hour trip seem like three hours.

Lesson 2: Clients only buy benefits that really help them. If you cannot convert your service features into personalized benefits, you don't know your client enough.

Tell me about the features...YAWN.

Convert the features into how they make my life easier, how they save me time, or conserve my money...I like you!

I bought the car from another dealer.

Dr. Dennis Schrag is the president of The Longview Group, a management consulting organization that provides training services nationally and internationally. He has more than 20 years of experience in executive management, marketing, and human resource leadership. He is a Fellow of the Society for Marketing Professional Services and a trustee of the SMPS Foundation. He can be reached at dennis@longview-group.com.

Understand the Three Iron Laws Before Entering the Federal Market (cont. from page 1)

The typical federal agency manager who is trying to initiate new projects quickly, therefore, will often turn to multi-year, task order contracts that are already in place with existing federal contractors; or (b) issue new contracts, within the FAR rules, where the procurement cycle will be as short and as predictable as possible.

This plays to the strengths of well-established, experienced federal contractors. They know that one of their key competitive advantages is the ability to tell a prospective federal client: “Not only can we do a good job on this project— but we also have an existing contract vehicle in place. You can ‘get’ to us with a minimum of paperwork and delay.”

To enter the federal market quickly, therefore, your firm will need a carefully crafted strategy for contract vehicles. For example, to what extent should your firm pursue subcontracting relationships with firms that already have multi-year contracts in place? How likely is it that federal agencies in your target niches will procure new contracts? What types are most likely (e.g., GSA; accelerated SF330 processes)? How can you position your firm to win such competitions as a prime contractor? Or, is your best strategy to develop teaming relationships now, where you will act in a subcontracting role in the new competitions?

Also, given your firm’s specific characteristics, to what extent can you offer federal agency managers a good option for accelerated procurement methods? For example, would your firm qualify for participation in a contract that the federal agency could issue under the FAR’s “Simplified Acquisition Procedures” rules? Can you realistically obtain a GSA contract quickly—one that has an appropriate scope?

Iron Law #3: Federal government agencies want “safe buys”— a tough hurdle for first-time entrants. When federal government agencies select firms to perform projects, technical and pricing considerations are always important, but so is the issue of “safety.” A federal agency selection committee can be perfectly satisfied that your firm can do a particular project well, on time, and within budget— and still award the

contract to a firm with lesser technical skills or that proposed a higher price— if that other firm appeared to be a “safer” buy.

Federal agencies want to award contracts to firms that can be trusted to understand the special administrative and contractual requirements of doing business with the government. They want to select firms that understand that submitting properly formatted invoices and progress reports— on time— are important. They want firms that will not inadvertently bill the client for charges that are perfectly acceptable on commercial contracts, but on federal projects. They want to do business with firms that are savvy enough to warn the client ahead of time if it appears that the client will need to seek approval from his or her contracting officer for special, long lead-time contract modifications to accommodate new circumstances.

If your firm is considering entry into the federal market for the first time, you need to understand how you will build the infrastructure and procedures to truly make your firm a “safe buy” in the federal market, and how to convey that theme in proposals. And keep in mind that the “recovery” and “stimulus” programs will make your job even tougher. For example, these programs bring with them new reporting requirements for almost all federal contractors. Are you prepared to report regularly on how your firm’s new federal contract is affecting job growth or retention within your firm? With sharp increases in federal spending, there will be tangible, new types of reporting, new constraints, and new scrutiny.

All of this can be handled with aplomb by firms that are willing to invest in additional procedures and infrastructure, but as the hurdles get higher, the decision on market entry becomes more complex than simply declaring, “There are a lot of new federal projects out there. Let’s compete for some of them.”

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PUT YOUR MONEY WHERE YOUR MOUTH IS

by Jenifer Johnson, Bliss & Nyitray, Inc.

It's a fact of life. When the economy tanks, budgets get cut. Even the most forward-thinking groups in the AEC industry, companies who understand business development and the value of branding, firms who recognize the time and money that needs to be put forth to see growth and prosperity for the firm, are doling out budget cuts. And the first item on the list – conferences.

So when I went in to speak with the president of our firm, I knew that the Society for Marketing Professional Services (SMPS) *Build Business* conference in Las Vegas in July was going to be a candidate to become a cost-savings casualty. I knew that how I defended our participation would dictate if I attend this year or not.

The conversation started off even worse than I imagined: *Build Business* was put head-to-head against one of our biggest and most important market segment conferences and the question was asked “which is more important?” My answer: In my mind, this is not a question of “should I go?” or “should we spend the money?” but rather “why we can't afford not to.” I believe that the next year will not be as productive or as energy-driven if I don't attend *Build Business*.

I know that many of you are now faced with the same question. I hope that some of the key facts I made to my president to support our 2009 participation at the *Build Business* conference will be helpful to your discussions.

Networking: Now more than ever, every person in our network is invaluable. It is from our network of colleagues that we learn about potential projects and chases. Our network feeds us the resources, the insights, and the information we use on a daily basis to stay on top of the news that will lead us to the next opportunity.

National vs. Local: While some of your firms may not be working at a national level, the information that is out there is critical. With work being so scarce, national firms are looking closely at local markets. *Build Business* will give every attendee the chance to talk to firms

that you may be able to team with to make for stronger local chases. If you are with a firm with offices nationwide, there is no other event that brings the knowledge base of opportunities into one place and under one roof.

Education: Continuing education is what keeps us sharp. Whether you have your CPSM and need learning credits or not, the sessions that are available at *Build Business* are essential tools to make marketers stronger, more creative, and much more business-savvy. Our firms' architects, engineers, contractors and other professional associates are all required to keep their professional knowledge base up-to-date. Marketing is no different. Our clients require us to be cutting edge in our pursuit of their projects. *Build Business* is the place to sharpen our skills and learn new ones. Further, the cost savings from learning from the lessons of other— rather than repeating them by investing in the wrong software, the wrong market, or the wrong direct mail campaign— can often justify the entire cost of the conference.

Inspiration: We are on the front lines. Marketers are being asked to do the impossible: find work, keep up the morale of our colleagues whose livelihoods depend on us bringing in projects, and do it all on a stretched budget and under a microscope. That kind of pressure is something only other marketers can understand. *Build Business* is a place where like-minded individuals who are dealing with the same pressures will be able to help each other get through this tough time. The energy and enthusiasm that I bring home from *Build Business* is nothing short of a jolt of adrenaline straight into my veins. I come back with new ideas, new approaches, and the inspiration to hit the ground running again.

Then I got down to the real nitty-gritty. I have always found that when I put my money where my mouth is, it gets the point across.

Investing in your own future: If *Build Business* is as important to you as it is to me, be willing to invest your own dime in it. I offered to pay for all my expenses if the company was willing to pay for the cost of the conference — the cost of the

‘education.’ Look at options to split the costs with your firm, maybe they will pay for one or two days expenses and you can cover the rest.

In the end, passion for the work that I do, the education required, and the network that I can’t do my job without won out.

I’ll be there and the conference won’t be the same if you aren’t... so give it your all and

help your firm see what so many of us already know... that we all need each other to get through this recession. *Build Business* will help us all do just that.

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COE: HIRING FULL-TIME SALESPEOPLE

At PSMJ’s 2009 *Circle of Excellence Conference* in Orlando, Florida, panel discussions centered on a variety of hot-button issues facing A/E firms, including the challenge of deciding when to hire full-time salespeople and what to do with partners who are no longer seller/doers.

In upcoming issues of *A/E Rainmaker*, we’ll share questions posed to the panelists at the conference and their responses. This month’s questions revolve around whether firms should hire full-time salespeople.

Should A/E firms have dedicated full-time salespeople?

“We have a full-time BD person who operates as a scout – staying in touch with clients and prospects at a casual level. When a serious project opportunity arises, the client then becomes the responsibility of the seller-doers in the organization. Do not hang your hat on a single salesperson! We’ve never had any luck bringing in sales people who do not have an A/E background. We find ways to help technical people grow into the role and try to energize young people who are motivated to sell.”

“We have a full-time sales force. We have challenged everyone in our firm to participate in a culture of sales and ‘find value for clients’- then we put that value proposition in the proposal. We get former and current clients to network and advocate on our behalf. We’ve hired experts on our clients’ industries and also experts on helping clients in our industry get funding.”

“We’ve not had any luck hiring experts in our clients’ industries to get us work – they have

historically had trouble getting us in the door. We much prefer to hire A/E professionals with experience serving our clients’ industries.”

“We tried establishing and measuring new business development goals, but the exercise became a game— a non-productive event. The process became an internal competitive bloodbath. A better approach is to communicate what the firm needs, ask for help getting what the firm needs, and have everyone collaborate to reach a company goal.”

What do you do with a partner who is no longer a seller/doer?

“We try to understand the psychology of why the partner is not selling. We try to couple a really busy doer with a rainmaker in a dry spell. We set a timetable to get the rainmaker going again and agree to take action if the partnering tactic does not work— you can’t afford to pay someone just to be mentor because eventually, staff outgrows the partner.”

“You can’t put too much ownership stake in the hands of non-revenue generating people— you need to take the emotion out of it when doing it.”— **BRUCE LYNCH** (blynch@psmj.com)

Stay tuned for more information on PSMJ’s 2010 Circle of Excellence Conference. Visit www.psmj.com or call 1-800-537-7765 for more information.

FOOD FOR THOUGHT

In these difficult economic times, new work is the lifeblood of your firm. Anything that can be done to generate projects must be a priority, but it is safe to say that the incubation period to turn a new prospect into a client will not solve any current workload shortfall. The lowest hanging fruit for immediate work is through existing clients.

However, this is the time to be planting the seeds for the future. Progressive firms are doing the networking and outreach that will cultivate new relationships and solidify existing ones. These methods include all of the traditional promotional avenues including print, direct mail, digital messages, enhanced web sites, publishing, professional meetings, and any sort of networking opportunities that can put firms in front of clients and prospects.

A bit off the traditional menu of promotional actions is the brown bag lunch. While anyone who has conducted educational lunch programs for prospective clients will vouch for the efficacy of delivering a focused message to interested members of target firms, they will also tell you that they require a concentrated effort, will take time, and cost some money. The value of this distinct promotional tactic is evidenced by a West Coast environmental graphics and architectural signage practice that has made a concerted commitment to expanding its network through its 'Lunch and Learn' program.

Early this year, the firm decided that it had a great story to tell about how its methodology could add significant value to any project and were trying to determine the optimal way to deliver this message. Like many professional services firms, it had been extremely busy through the boom times of a few years ago and had let its marketing efforts lapse while concentrating on doing the work. The result is that many great clients from the past had not heard from the firm in years and potential clients had never heard from them.

They made the commitment to conduct two 'Lunch and Learn' programs a week for the entire year. Four months into the program, they are

already seeing results. Their program works like this:

- They create a list of firms that includes those they believe are candidates for their services or past relationships with whom they would like to reconnect.
- The marketing director contacts each firm to determine their interest and sets up a date with those that are interested.
- They design a structured program that can easily be modified for each type of firm they visit.
- They train a number of people to deliver the presentation so there is always someone available.
- The presentation is relatively informal — no *PowerPoint* or other logistical challenges — to make the setup and information flow and to assure a more personal and interactive session.
- A few days before the presentation, they coordinate to learn how many people will be attending and whether there are any special dietary considerations. They then locate a deli in the neighborhood and arrange to have food delivered for the presentation.
- They show up, make the presentation, and come away with an understanding of the firm's needs, issues and a list of individual contacts.
- They follow-up. If the prospect has identified issues that are of current concern, they respond immediately with how-to information or referrals to sources for solving technical problems. For example, an architectural firm was trying to figure out how to clad interior columns with light, the firm was able to point them in the right direction for a solution.
- They follow-up again. Thirty days after the presentation, they contact the firms to maintain the connection and goodwill created by the visit. They make sure that their ongoing promotions continue to 'touch' the prospect.

Fundamental to a successful meeting is the relevance of the presentation. It must be

targeted to the prospect's business, it must have educational value for the attendees, and it should clearly differentiate your firm's intellectual property, proprietary approach, value propositions, and innovation. This is not the forum for just showing pretty pictures.

Through four months, they have conducted 36 "Lunch and Learn" programs and are already experiencing tangible results. The firm has been invited to join a number of teams in response to RFPs and have been awarded a few small projects. "When we committed to getting in front of over 100 firms this year, it was a strategic decision to up our profile. When the economy turns around we want to be front of mind for everyone who can use of our services," explains the firm's president.

Some observations on 'Lunch and Learn' Programs.

- The current relatively slower period has made access easier and generated more interest and participants.
- The visits have allowed more people in the firm to be a part of networking while honing their presentation skills.
- The prospect firms more fully understand and appreciate the value proposition and how it can support the work they do for their clients.
- Meeting a cross-section of firms has provided a great opportunity to understand what's happening in the market. The discussions that are part of each visit elicit observations on the state and future of

different market segments and provide insight into how firms are addressing the market.

- Conducting the presentations on the prospects' home turf provides insight into their culture and practice dynamics.
- Providing lunch is greatly appreciated and creates sufficient incentive for firms to assemble more participants.
- Senior management and decision-makers have been key participants in the sessions.

Investment or Expense?

What's the allocation of resources (time and money) required? It costs a few hours of time for each presentation, the price of the leave-behind materials, and the bill for the food-- typically about \$8 to \$10 per person. While this can be a significant expense over the course of the year, they believe it is one of the most direct ways to expand their network and to connect with the firms with whom they want to do business. They have very specific short- and long-term revenue targets they expect from the program. They track the costs carefully and will be able to quantify the ROI at the end of the year. As with any promotion program, they will monitor results and will know if lunch will be served again next year.

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SUPERIOR SERVICE: BEING DEPENDABLE

by Mel Lester

The essence of your brand can't be created in the marketing department. It's lived out in customers' distinct experiences with your firm. That's why this series on superior service appears in a newsletter devoted to developing new business. Your greatest marketing asset is not the selling points you deliver, but the serving points you demonstrate. Superior service, by the way, is first demonstrated in how you interact with the client during the sales process.

This month, our focus turns to dependability. To provide great service, you must prove yourself trustworthy— that is, deserving of the client's complete trust. That starts with consistently keeping your commitments. We all realize this, yet failing to keep the promises we make to clients occurs all too often in our industry. Some of this is inadvertent, some due to neglect, some simply because project managers care too little.

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Superior Service: Being Dependable (cont. from page 9)

I suspect that most everyone in our business wants to be viewed as dependable. But sometimes we need a little help putting things into perspective and into practice. Below are a few insights and strategies to consider:

- **Don't promise what you can't deliver.** Project managers often feel pressured to agree to client requests even when there's considerable doubt they can be fulfilled. And some PMs are quick to acquiesce to seemingly whatever the client asks. Such attempts to please the client for the present usually lead to disappointment later. Worse still, the inability to keep your word compromises your trustworthiness in the eyes of the client. This can ultimately poison the relationship.

So the advice is self-evident: Don't do it! Your good-faith efforts to satisfy the client in the moment too often result in broken promises later. If you value your integrity, guard against agreeing to anything you're not reasonably confident you can deliver. Think long term. A happy client in the middle of a project is a desirable thing, but a happy client at the end is even better.

- **Clarify the client's expectations upfront.** I touched on this previously in this series, but it bears repeating. Fulfilling the established scope, schedule, and budget is necessary to provide great service, but it's far from doing enough. You must also satisfy expectations that usually go unstated unless you ask. So by all means ask. In conducting client surveys over the years, I've learned that most service breakdowns result from a misunderstanding of expectations. Sometimes, expectations aren't clearly established, even in the client's mind; it usually works best for both parties when they are defined and shared. To be perceived as dependable, you need to first understand all that is being expected of you.

- **Don't overlook the importance of keeping commitments internally.** External service and quality problems are nearly always hatched in the office. You can tweak policies, procedures, and practices in an attempt to achieve better output. But one of the most effective solutions is simply to embrace the principle I mentioned earlier in reference to clients: Keep your commitments. One example is the common

problem of failing to meet internal milestones. This is one of the most significant factors impairing quality and on-time performance. Being dependable for the client requires being also dependable to colleagues.

- **Exceptions happen, but don't be too quick to excuse them.** No matter how dedicated you are, there will inevitably come times when you make a mistake, miss a deadline, or otherwise fail to meet expectations. Clients are usually forgiving, and that can become a problem. For example, I know PMs who are routinely late with deliverables. Why? Because whenever they ask clients for an extension, they nearly always get one. Thus the habit is formed. Let me suggest that just because the client says it's okay to break your word doesn't mean it's really okay. Each schedule extension— or other accommodation for your failure to do what you said— chips away at the client's perception of your trustworthiness.

- **Agree in advance on how to deal with contingencies.** Yes, the client's dissatisfaction sometimes results from unforeseen circumstances over which you had little control. When the unexpected happens, however, you will be greatly served if you've taken steps in advance to manage expectations. For example, have you and the client agreed on a process for managing changes? Have you jointly assessed project risks? Do you openly talk about potential or developing problems? Such proactive steps help shape the client's expectations of your firm when things take an unanticipated turn. Then your dependability in such situations can be judged more by how you responded than by outcomes you can't fully control.

Mel Lester of The Business Edge (www.bizedge.biz) helps engineering, architectural, and environmental firms improve business performance by applying best practices in client service, business development, organizational leadership, and project management. He can be reached at 540-268-2300 or mel@bizedge.biz.

SELL ON VALUE, NOT JUST PRICE

Build your sales approach around defining and delivering value for each customer.

As important as price has become in the selection process, it typically isn't the most important factor in a buying decision. If not price, then what? Many times the key factor is perceived value to the customer. The challenge with selling value is that it is very personal, defined by an individual for a particular product, application, and situation. So you can't sell value to me in the same way you sell it to someone else.

Here's a personal example of product value. I buy Johnston & Murphy shoes; not exclusively, but I have many pair. I was in a store recently and told the manager that their shoes are a great value, which in this case is the sum of: durability (I've had one pair for more than 10 years), style (they have a classic look), comfort (I can stand all day and my feet feel great), and customer service (they provide free shipping, and I have even returned worn shoes and received money back). Chances are that you wouldn't define "shoe value" this way.

Enough about me, let's talk about you and selling value. In order to do this, you need to define and deliver value, specific to a client and situation.

Defining Value. Since value is defined by an individual, not an organization, you need to ask your customer what their value equation looks like. Better yet, ask a cross-section of people in the customer organization. Build on what you know is important to them based on what you found from previous meetings. This takes some work, and some hands-on interviewing. Ask for examples of when they received great value in the past, and have them describe the experience. Was it the technical approach, the project team, or perhaps a high level of executive attention? Maybe a combination of these and other factors created a lasting impression. "Dig deep to find out their concept of value!"

Delivering Value. When you know what value is from the eyes of the customer, determine how your firm and project team will deliver that value. Responsive? Establish a system to return calls quickly and turn around paperwork within a

defined timeframe. Innovative? Put a focus on incorporating best-in-class and new ideas into your work. Schedule? Maintain flexibility to add staff if necessary to handle additional work or changing requirements. Make these value factors part of your sales proposal. Then work with your team to hold each other accountable for delivering on them as you execute the project, and follow up periodically with the customer to make sure you are hitting the mark.

Next understand that:

- **Low prices aren't enough.** Cutting your price just makes you vulnerable to somebody else who is willing to sell cheaper.
- **High quality is not enough.** Customers expect quality, and have no tolerance for products and services that don't work right away.
- **Good service is not enough.** While good service is expected and appreciated, customers tend to take it for granted, too.

Based on my experience, most salespeople define value from their perspective, say what they think the customer wants to hear, and move from one transaction to the next claiming to sell value. When you define and deliver value, you create a lasting experience for your customers. Maybe that's the difference between a salesperson and a sales professional.

Recall my shoes? Price wasn't part of that value equation. So the next time you say "we deliver great value," pause and ask yourself if that's true from the customer's perspective. If not, drop the generic marketing phrase, and get to work defining and delivering value.

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