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A/E Rainmaker

The Guide to Attracting and Keeping Great Clients

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In This Issue

Market Heat…and an Action Plan

In PSMJ's *2010 AEC Firm U.S. Market Sector Forecast*, I wrote, "People often use the terms 'hot' and 'cold' to describe the outlook for markets in industry forecasts. But those terms may not be appropriate for the situation— especially this year."

The point is that a fast-growing market is not necessarily "hot" if it is climbing out of a massive hole. Nor is a shrinking market automatically "cold" — it may be coming off record high levels of activity and, even if it is "cooling," there still may be substantial heat remaining in terms of work for AEC firms.

For example, the residential market is projected to grow more than most or all others in 2010. However, because it sank so low over the last couple of years, it is hardly going to be a "hot" market for most of 2010. Health care, on the other hand, is projected to contract in 2010 due to budgetary challenges and industry uncertainty. Yet it will likely remain one of the strongest markets overall this year.

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Let's Talk Price

Make buyers more comfortable by discussing price early and often

Successful sales require a discussion of price. But whether you're the seller or the buyer, that's not always a comfortable situation.

A common "strategy" employed by business development professionals is to avoid talking about price until you absolutely have to, and instead keep your customers focused on value and service. Sound familiar? In the worst case, when price discussions are delayed, buyers may draw a dangerous conclusion that you think the price is too high. But when you are comfortable talking price, you can come away with better deals and more satisfied customers. Here are a few tips on how to do it.

Bring up price on your terms, when you are ready. This tells the prospect that you view your price as a possible advantage for them. It will also help frame future discussions and keep all parties focused on value.

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Market Heat…and an Action Plan (cont. from page 1)

With this in mind, the PSMJ *Forecast* ranks the power, health care, higher education, water/wastewater and dams and flood control markets as the "Best" for 2010.

The "Mixed Bag" includes single-family residential, roads and bridges, K-12, retail, transit and the military market. This category constitutes markets anticipated to grow quickly from historically low rates, as well as markets with steady, but unspectacular results expected in 2010.

Of these "mixed bag" markets, retail stimulates the most disagreement. Some believe that the modest housing rebound will set off a similar revival in retail, while others expect retail to suffer that same fate as other markets beholden to private developer-based financing (e.g., spec office, hotels).

Consistent with this view, the Forecast predicts that the office, hospitality, and multifamily residential markets will be hit hardest in 2010.

In addition to these market predictions, the *Forecast* offers some strategies that AEC firms can employ to capitalize on the information in the book. Here are a few:

Diversify strategically. People who got sucked in by the allure of the private development market in the early and mid 2000s, going all in and leaving themselves exposed to a downturn in that market, surely felt more than their share of pain in 2009. As management consultant Ray Kogan says, you can't predict cycles enough to choose markets that are perfectly countercyclical. You can, however, operate in a comfortable number of markets that don't rely on the same drivers and in which you can create a solid expertise and reputation.

Market the firm aggressively. Now is not the time to be shy or humble. Get out to clients and potential clients, new and old, and let them know you want their work. You can do it in traditional ways, such as with phone calls, personal visits and hard-copy marketing pieces, or more modern ways (e.g., e-mail newsletters, web site). You can also try the latest marketing methods, most notably online networking through sites such as Twitter and LinkedIn. Think *seriously* about adding a blog to your web site.

Invest in low-cost, high-impact forms of publicity. Writing a monthly press release and e-mailing it to a list of newspapers, business journals and magazines costs almost nothing. Pitching an article to a publication that your clients read is far more cost-effective and carries much more credibility than an expensive ad. If you do it right, you can spruce up your web site without breaking the bank.

Track and monitor cash flow religiously. You've heard it before: cash is king. Having great projects and an enviable backlog don't count for much if you can't pay your bills or your people. Employ cash flow management techniques, including making billing a priority, ensuring good invoicing practices, and forecasting cash flow thoroughly and far enough out to head off any major problems.

Other strategies elaborated on in the Forecast include:

- Pursue access to credit.
- Stay up on project trends.
- Plan for ownership and leadership transition.
- Stay apprised of the various funding bills and relevant legislation.
- Be selective about training, but don't let it slide—especially at the top.

Tough times come and go. The expectation heading into 2009 was that it would be brutal for the economy and the industry— and in many ways, it was. But a recovery was sure to come, as it seemingly has in 2010. Keep the firm's vision and mission in mind, stick to your ethics and principals, don't panic and, most of all, never give up.

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Let's Talk Price (cont. from page 1)

To do this, you must first rehearse what you'll say, and pinpoint the best time to bring price into the sales conversation. Preparing replies to common objections, such as "I can get it for less from another vendor" or "I didn't pay that much last time," will reduce the chance of an off-the-cuff answer that may open the door to discounts.

Speaking of discounts, don't bend, even when you feel weak. It's almost a natural reaction for buyers to question or challenge your price, no matter what it is or when it's brought up. Any hint that price negotiation is a possibility gets the other party thinking of ways to whittle it down. So if it appears that your price is a surprise, or perhaps higher than the buyer expected, be prepared to stand firm. Then explain your position clearly, such as "I realize that our price may be higher. The reason we charge more is …"

Provide details on the level of expertise you have, the support you will provide throughout the project duration, resources required to meet all schedule milestones, and experience they will get for their money. In short, sell the value.

Always use price to your advantage. It actually ranks relatively low on the list of why people buy. Just think for a minute about a recent purchase you made. When buying clothes, I look for comfort, quality, and style, then rationalize the price as I hand over my credit card. I don't give my wife a chance to say, "You paid how much for that tie?"

Once price is out of the way, customers go back to looking for what they really want, like a better technical solution or the comfort of working with an experienced team. Bring up price at several points during the sales cycle to see if objections exist or persist. As benefits start piling up, your price will start looking more like a bargain, and will become the benchmark that others must sell against.

In summary, price is always a consideration, even when "money is not an option" and you are counting on a "best value selection." So why not reduce the anxiety and discomfort for both parties and get price into the discussions early. I'd rather hear "no" three times along the way, and "yes" at the end, than one final "No."

Give this approach a try; I think you'll be pleasantly surprised with the results.

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Four Challenges to Successful Marketing Execution— and How to Beat Them

There never seems to be a lack of ideas when it comes to marketing, but there is often a lack of execution.

What is execution? Execution is "the missing link between aspirations and results." When a strategic plan or initiative is done right and achieves its objective, it has been executed. Sounds easy enough, but why do marketers find it so hard to execute?

Here are four things that stop execution in its tracks, along with some suggestions on how you, as a marketer, can combat them.

1. Plans with no clear actions. Did you ever attend a meeting where an objective was identified, but when you left the meeting, you had no idea who was responsible for doing it, how it was going to be done, and when it was going to be complete? My sense is you have. This is a prime example of making plans without clear actions.

Don't leave a meeting until you clarify what the objective is (what does it look like when it's "done"), who will be held accountable for making sure it gets done, and what the milestones are.

Never enter a meeting without a notepad on you. It's a good practice to create a separate blank page at the start of the meeting called "actions." On this page, you can list open items and next actions identified during the meeting.

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Four Challenges to Successful Marketing Execution— and How to Beat Them (cont. from page 3)

I also have an "effective meeting tracking tool" spreadsheet that gives some examples of how you can strategically track and execute action items. You can download it free at *www.helpeverybodyeveryday.com* (in the Downloadable Resources section).

2. Delegation without follow-through. Follow-through is essential to execution. However, many marketers, managers, and leaders will delegate tasks but never follow through to see that they have been done. I often give the analogy of the famous basketball player, Shaquille O'Neal. After Shaq shoots the basketball, what does he do? Does he turn around and start running to go play defense? No. He runs towards the basket. He confirms that the ball went in the basket or he tries to grab a rebound. When you delegate a task, always follow through and make sure it gets done.

One great tool that you can use to beat this challenge is the "waiting for" list. Keep a list of all the stuff you are waiting for from your co-workers and direct reports. Review this list every week and check back with people to see that tasks were completed.

3. Not knowing your business and setting unrealistic goals. "Let's grow by 15 percent this year," sounds great. But what does that mean in revenue? Do you have the resources and capacity to grow 15 percent? Many people set goals without basing them on anything, let alone reality.

Don't set a goal without knowing and recognizing the realities of your business. Henry Ford said, "Thinking is the hardest work there is, which is probably the reason why so few engage in it." Before you set a goal, sit down with your group and THINK about the current realities of your business and how exactly you are going to achieve this goal. It's fine to be ambitious with your goals, but it is not fine to set goals that you know you don't have the resources and capabilities to achieve.

4. Too many objectives/priorities. The marketer who says, "I have 10 priorities," has no priorities and no concept of what priorities are. Three priorities is a lot. You are more likely to execute if you and your team focus on one or two clear priorities.

The challenge here is that we are often pulled in many directions. That's a reality of today's corporate environment and our profession, but here is something that will help. Identify your priorities by writing them down in a list. Review that list the first of every month to make sure the things you are doing connect directly to your objectives and priorities.

If you can use these tips and hurdle these four common challenges, you'll be able to bridge the gap between aspiration and results in 2010. It will be the year you execute!

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RETHINKING SHORTLIST INTERVIEWS

I spent most of last week helping an engineering firm prepare for an important shortlist interview. While each interview is different, there are some common themes in my approach. Some of my advice seems to diverge from the conventional wisdom in our industry. Yet, I've enjoyed good success, and my discussions with clients validate my ideas about the process. Here are some examples of this advice:

Remember, it's all about comfort. Clients, of course, claim that other, more objective criteria are in play. But it ultimately boils down to how comfortable the client feels about the prospect of working with your firm. Acknowledging this will guide how you approach the interview, as the points below illustrate.

Strive for authenticity over polish. Many presentation coaches focus on performance— a well-crafted message, smooth delivery, professional presence, etc. I don't want to dismiss the value of good execution, but you can make a polished presentation and come off as phony. That won't help you create comfort. One of my foremost objectives is helping the presentation team be themselves— genuine, confident, enthusiastic, and trustworthy.

Engage your audience rather than talk at them. The client asked for a 25-minute presentation, but do you really want to waste that valuable time talking at the selection committee instead of *with* them? In my experience, you can typically add some dialogue to your presentation by asking a few well-placed questions. This makes the interview seem a little less formal and imposing, which should put your team in position to better show their strengths.

Don't rehash your qualifications. You made the shortlist, so you're qualified. One of the most common mistakes is to spend much of the interview making a sales pitch. Unless the client specifically asked for such information, don't go there. Talk instead about your understanding of the client's needs, your proposed solution, and how you're going to execute the project. In other words, focus on the client instead of your firm.

Talk about the working relationship. Almost no one does and yet this issue is at the forefront of the client's concerns: *What's it going to be like working with these guys? Will they be responsive? Do they understand what we expect?* Obviously, if there is an incumbent, these questions become even more relevant (they already know what to expect from the incumbent). If you really want to be different, talk about your process for delivering great service to the client.

With time limited, say less and slow down. Most presentation teams I work with start out trying to cover too much ground in their allotted time and add more detail than necessary. Inevitably, this forces them to rush through their presentation. A better approach is to do more with less. Narrow your content, avoid unnecessary elaboration (often a sign of nervousness), and talk slower. Adding a couple of seconds of silence at strategic points in your presentation increases audience attention and comprehension.

Don't go overboard with speaking parts. I've seen teams try to fit 4-5 speakers within a 20- to 25-minute presentation. It's awkward and usually puts some people in speaking roles who aren't very good at it. A better approach is to involve some team members informally, by asking them pre-rehearsed questions. They can then demonstrate what they know with more confidence and credibility than struggling through a formal speaking part.

Make sure your visual aids are really aids. *PowerPoint* has gained a bad reputation for a reason— most people don't know how to use it effectively. When you throw five or six lengthy bullet points on the screen at once (which is common), your slide is competing with you, not assisting you. Keep this point in mind: People can't read and listen at the same time. Don't use your slides as notes. Bring up one brief bullet point at a time. Better still, use graphic images to illustrate your points.

Prepare for the most difficult questions the client could ask. Firms often focus all their attention on the presentation and ignore preparing for the Q&A. That's a mistake. The presentation is usually pretty open-ended; the client's not really sure what to expect. But the Q&A portion of the interview is planned by the client, often to test the competing firms. Sometimes their questions are related to specific concerns they have about your firm, and if you stumble in your answer, it serves to reinforce those concerns. So try to anticipate those tough questions and have your answers ready.

Take measures to counteract your vulnerabilities. The shortlist interview is as much a process of elimination as it is one of selection. The client is looking for both positives and negatives in an effort to distinguish your firm from the others. So you would be wise to consider where your firm might be perceived as deficient and determine how you can combat those concerns. I prefer a frontal attack. Suppose, for example, that you are preparing for an interview with a new client and the incumbent is also shortlisted. Do you simply ignore mentioning the obvious, hoping the client won't notice? I don't think so. I'd suggest saying something like, "The incumbent obviously has an advantage we don't— they've had the privilege of working with you. Let me tell you what steps we propose to close the gap between them and us in terms of the working relationship." Such honesty, in my mind, helps build trust.

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SMPS Foundation Panel Examines BD-Marketing Relationship

How are firms fostering greater integration among direct activities (business/client development) and indirect activities (branding, communications, research, resources) to create strategic advantage?

That was the question posed by the Society for Marketing Professional Services (SMPS) Foundation in mid-November at its second Think Tank. The full-day workshop at McGraw-Hill Company headquarters in New York featured two panel discussions, including an examination of the relationship between business development and marketing.

This discussion, "Recalibrating the Relationship Between Marketing and Business Development," featured the following panelists:

• Nancy Egan, FSMPS, Principal at New Voodou (moderator)

• David Harkleroad, Chief Marketing Officer and Managing Director, Global Marketing, Hay Group

• Suzanne Lowe, President, Expertise Marketing, LLC

• Sheryl Maibach, FSMPS, Chief Marketing Officer, Barton Malow Company

• Kirsten Sibilia, Assoc. AIA, Chief Marketing Officer, JCJ Architecture

• William Viehman, AIA, LEED AP, Principal and Chief Marketing Officer, Perkins + Will

However, before the panel could address this question, it needed some consensus on what the terms "business development" and "marketing" mean. This wasn't as easy as it sounds.

Egan began the session by asking, "Can we establish a working definition of what we mean by marketing and business development/sales that will set a baseline for our conversation?" While the panelists generally agreed that there is a difference between marketing and business development, each offered their own perspective on this difference.

"Marketing is about positioning for internal and external audiences, and business development is the process of earning trust and winning profitable work," said Maibach.

Viehman took that theme a step further, referencing the battle between feeling and thinking. "Marketing is an emotional process, where you're dealing with individuals' emotions to get them to like you, to have a positive impression of you. Sales is a cerebral process to get your prospective client to arrive at a specific decision."

For Lowe, the difference lies in the audience: "Marketing is a one-to-many activity, while sales, or business development, is one to one," she said.

And for Harkleroad, it's simply about the outcome. "Marketing opens the door, while sales (business development) closes it," he said.

Sibilia stressed the similarities over the differences. She said business development is a subset of marketing and needs to work in conjunction with it. "Oftentimes in our practices, business development is seen as a very separate activity from marketing, and I don't think that is helpful." Marketing needs to be an umbrella for business development, she said.

Lowe emphasized that, when she was researching her recent book The Integration Imperative, this was the single most vexing question. "The fact that this was the first question posed to the panel, and we have so much difficulty defining these terms, explains why marketing and sales are not working so well together. The fact that we can't define these terms easily lies in the origination, the founding of the firm. It's based on where the firm started, its sense of mission, and how it has evolved. In your organization, what does it mean?"

Egan wondered how we can be sure there is a disconnect between BD and marketing if we can't even reach consensus on what these activities are. She asked, "What are the symptoms of the disconnect?"

Sibilia said that the biggest symptom is when you have a breakdown of communications, when things are not working. In many firms, she said, you can't even use the term marketing; it is taboo. It's considered the dirty side of the practice that we really don't want to do.

"When people don't have enough respect for the various aspects of marketing, they're not likely to be successful," Sibilia added.

From Viehman's perspective, inconsistency is the most tangible indicator of the disconnect between marketing and BD.

"An inconsistent use of brand utilization or an inconsistent approach to selling tells me that there's a lack of belief in a philosophy. (Firms have to) establish their philosophy relative to their approach to marketing and business development/sales. Things can evolve if you're willing to have a clear philosophy that you are able to articulate, that you doggedly pursue."

Lowe noted two key disconnects: structural and cultural. She said she found about a half-dozen examples of cultural disconnect in her research, but that the most striking example is a sense of distrust when people avoid accountability. She related the story of a marketing director who put together a first-rate conference—great speakers, powerful content— only to see a major storm derail attendance. When her principal criticized this "failure" as part of her evaluation, it only created more distrust. There was no sharing of accountability.

Lowe said that a key structural disconnect is about skills and having the skills to do things well. "How many marketing directors have had to write the report or the white paper because the person who had the content simply could not articulate it? There is an important lesson here. If you have a culture of mistrust, those content leaders won't try to improve their skills in marketing or business development. And marketers won't try to increase their business skills."

For Maibach, the chasm between marketing and BD is most evident "when people start questioning value. (That's) one of the reasons why value metrics are so important, whether for social media and the ties to business success, or if you're chasing a new market. When people start saying, 'Why do we do this?' they're questioning value."

Harkleroad drew on his experience from one of his large-scale projects at IBM in defining the marketing process. The lesson was clear: It starts with the client. What is the firm really trying to do?

He recalled the declaration from management guru Peter Drucker that there are really only two essential functions in a firm: innovation and marketing. Everything else can be outsourced, whether writers or accountants. It doesn't mean you have to outsource these services, only that you can. It really gets back to the strategy of the firm. What is your client acquisition strategy?

Harkleroad quoted the advice of Sergio Zyman, CEO of Coca-Cola: "The sole purpose of marketing is to sell more stuff more often to more people for more money. If you are not doing this, what are you doing?" If your measurement is, for example, awareness, that's great; but how does that help you sell more stuff? "My job, ultimately, is to increase revenue."

You can find more information about the SMPS Foundation Think Tank and the "Report for Foundation Think Tank" at *www.smps.org/foundthinktank*.

Benchmark Report Questionnaire Coming Soon

Be watching your e-mail— the 2010 *PSMJ Management Salary Benchmark Report* questionnaire will be e-mailed out for participants in just a few days!

PSMJ needs your help to accumulate the information on current conditions in this vital area of importance, not only to firms, but to your clients.

We have made this survey as easy as possible for you to complete – Excel spreadsheet input, e-mail your response, interactive instructions, and on-screen editing to help you provide correct information.

When you participate, you will receive the exclusive 2010 *PSMJ Management Salary Benchmark Tool* that will benchmark your firm to other firms by your choice of criteria, size, type, or client type. Your data will be preloaded and the tool will be ready to provide your firm's key management with both charts, and graphs on how your firm compares.

Don't forget to watch your e-mail for this important survey and the opportunity to receive information on how you stack up against the market.

Six Essential Initial *Qualitative* Research Tasks for the Federal Market

In last month's issue of *A/E Rainmaker*, we focused on quick quantitative research you could do if you are considering marketing your firm's services to a particular federal agency. This month, we'll look at a half-dozen qualitative research tasks you can perform in about a week or two that, in combination with your numbers-based analysis, will help you and your colleagues determine whether this part of the federal government merits further research as you drive toward a market entry decision.

1. Review recent, relevant solicitations. If the first time you learn about a particular solicitation is through an announcement in FedBizOpps, you're almost always too late— to enter the competition, that is. But this web site can be an excellent source for an agency's procurement practices, likes and dislikes, spending trends, and other information. Set a goal: in the next week, look at the agency's most recent 10 solicitation announcements for contracts in your firm's areas of interest. This is very easy to do on FedBizOpps, using its many search tools.

Read each announcement. Download and review any available documents. For example, the right-hand side of the announcements often sports a long list of draft or final procurement documents, Q&A summaries from the pre-solicitation conferences, and other downloadable material. Flip through these documents, focusing on issues such as the following:

• **Structure.** How are these solicitations typically structured?

• **Scope.** Get past the headlines, and dive into the scopes of services. Are they consistent with your firm's strengths and interests?

• **Evaluation criteria.** Take a close look at the evaluation criteria. Do they favor your firm?

• **Pricing.** What types of cost or pricing data do the solicitations tend to require? Can your firm handle these requirements?

There's no guarantee that the agency's next procurement in your firm's areas of interest will look like the ones you just reviewed. But chances are, after looking deeply into 10 recent examples, you'll get a sense of how the agency procures your types of services, and whether the general approach tends to make it a good playing field (or not) for your firm.

2. Chat with a few contracting officers (COs). Through your work in Step 1, you'll have a list of COs from the agency that are active with solicitations of potential interest to your firm. Call a few and ask questions. Explain that you are exploring the idea of submitting proposals in the future, and that you are not seeking specific information about any currently active competition. (Don't blow it by immediately launching into questions that belie your assurance.) Be pleasantly confident; your interests and the COs' often intersect. They usually like to stimulate industry participation in future procurements. You need more information in order to decide whether to take the leap.

If you are unsure about how to start the conversation, do some research on the agency's specific procurement rules (see Step 3). This will help you think of some sophisticated and insightful questions about the agency's procurement policies. In combination with the research you did in Step 1, this typically impresses COs, and will set you apart from folks in other firms who start with clumsy questions ("So, what kinds of procurements are you planning?").

3. Read about the agency's supplement to the government-wide Federal Acquisition Regulation (FAR). All federal agencies abide by the FAR, but major agencies also have their own supplement, such as the Veterans Administration Acquisition Regulation (VAAR), or the GSA Acquisition Manual (GSAM). While agency-specific supplements cannot override the FAR, they can set agency-specific policies, some of which might have a major impact on how you think about whether or not the agency merits further consideration by your firm. For example, the VAAR gives the VA additional flexibility for issuing contracts to Veteran-Owned Small Businesses and Service-Disabled Veteran-Owned Small Businesses. This flexibility might make the Veterans Administration a better market for your firm in certain functional areas, even if other agencies spend more money overall on contractors in these areas.

Unless you are seeking an aid for insomnia, don't just start reading an agency-specific supplement to the FAR. Start by doing research on the web. Many articles, blogs, and other resources offer succinct summaries of agencies' FAR supplements. You'll often find articles that answer questions exactly targeted at the types of services you are thinking of offering. You can then focus your reading of the agency supplement to only relevant sections.

4. Read information provided by industry associations. There are several industry associations tightly focused on federal procurement policies, practices, and trends for virtually every corner of the market for architectural, engineering, planning, and construction services. With a little bit of searching, you almost certainly will find relevant information on procurement practices of the federal agency you are researching.

5. Read material on the agency's web site. Virtually every major federal agency devotes a section of its website to "how to do business with us." If you dig hard enough, you will almost certainly find nuggets of information that will help you with your initial marketing research on the agency.

6. Review the agency's budget materials. You can typically find relatively detailed information about an agency's budgetary plans online and through other sources. The agency also probably submits periodic reports to Congress about its progress in meeting the goals of the American Recovery and Reinvestment Act. These reports are often rich in information about current and pending spending plans.

These relatively quick and inexpensive qualitative research strategies, along with the quantitative research steps described in last month's article, are a good starting point for researching an agency before developing a marketing strategy. For a modest investment of time, you'll know a lot more about this market niche. You'll also be in a much better position to decide whether you should consider entering this agency's competitive arena and, if so, what you know and don't know as you drive toward developing a full-blown strategy.

Dave Alexander of Lincoln Strategies, LLC (*www.LincolnStrategies.com*) helps A/E firms, construction firms, and others enter and thrive in government markets. He assists in areas such as market research, strategic planning, and pursuing federal contracts. Contact him at *dave.alexander@LincolnStrategies.com* or 978–369–1140.

The Birds and the Bears

There were two bird watchers. They liked one another as people. But that was it. Each was seeking to be the first to record the same obscure aves. Each felt he had superior skills and abilities when it came to their vocation.

The two bird watchers were off hiking in the Montana wilderness. They were excited about seeing so many unique birds. Each ridiculed the other, good naturedly, when they recorded a win. One would gloat as he showed a photo of the rare bird.

While walking up a trail, they encountered a furious female bear. The incensed bear began chasing them. The two naturalists figured the livid bear was probably attacking them in revenge for other hikers who had spoiled her topography. The ornithologists weren't waiting around to find out. The two began running as fast as they possibly could. The infuriated, heavy, flat-footed carnivore was a distance behind them, but coming on strong. She had big white teeth. She was showing them. BIG teeth.

All of a sudden, one naturalist stopped dead (so to speak) in his tracks. He sat down. He quickly rummaged through his backpack. He retrieved his running shoes and put them on. As he laced up his running shoes, the other birdwatcher couldn't believe his eyes.

"Are you crazy? You can't outrun that grizzly by changing shoes!" As the Nike-shod camper jumped to his feet and resumed running, he shouted back, "I don't have to outrun the bear. I just have to outrun you!"

We are in the middle of a bearish situation. It's not looking good. The future looks a lot like the recent past. A few weeks ago at the Society for Marketing Professional Services Think Tank conference in New York, participants openly used the words "business survival." Commodity service providers pondered how they could survive with far fewer opportunities. They wondered aloud if they could outrun their competitors. They confessed that their contenders were both much larger organizations and much smaller ones.

The big white teeth of the economy are still too visible. To survive (and maybe even prosper), organizations have to be better, faster and smarter. For those who believe "doing good professional work gets business,"

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be prepared to be devoured. The business is out there. The only question is who is going to win it and survive the race? Will it be you or the other guys?

What is the condition of your running shoes? More firms are stopping right now and re-investing scarce resources. They are retraining their doer-sellers and business developers. They are returning to tried and tested skills for winning trust-based work.

Does each seller know how to:

• Connect with clients and prospects as people?

• Make frequent organized contacts?

• Develop a focused list of high-potential past clients and prospects?

• Have a win strategy for each?

How do you develop a win strategy for each client and prospect? Return to the basics of your business:

• Learn how to ask probing, diagnostic, questions.

• Ask those probing questions of many people in the client/prospect organization.

• Listen and record the responses.

• Process the responses. The answers hold the key to winning work.

• Know what your firm does well and what you do poorly. How do you get this cruel data accurately? Engage a third party to conduct a reputation study. Be prepared for the results. You may find out you are not as great in customer service as you thought.

• Focus your energy on what you can do successfully. You have neither the time nor the resources to repair your running shoes now.

• Say thank you to your past clients. Say thank you again. And again. Ask them for help in finding leads.

• Seek ways to make your clients more efficient/effective. In tough markets, everyone is seeking better, smarter, faster ways. There are a lot of white teeth bears out there.

• Revisit your organization's strategic plan.

Holy crap, those teeth are big.

Have a much better 2010.

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Marketing Hit Rates and Staff Compensation

As explained in the table below, someone found a lead on a transit project and pursuit was approved. A team prepared and submitted an SOQ, resulting in an invitation to submit a technical proposal. The firm was short-listed and invited to make a presentation.

Another firm was awarded the project.

Who succeeded? Who failed? Did anyone fail? Who should be rewarded, and at what level?

John Doe was asked to make the initial contact. He did so, succeeding at his task. It took two phone calls and a lunch.

Betty Green led the SOQ effort. She spent 30 minutes with Jill Jones, transit principal, discussing projects and resumes. She spent 10 minutes with John Doe talking about his lunch with the contact. She spent 20 minutes with Bill Black, graphic designer, talking about images.

Then she spent 15 hours finding, developing and editing text about the firm, its services, relevant projects, and people who lead the firm's transit practice. Bill spent 3.5 hours on graphics. Jill spent 1.5 hours reviewing the document and Betty spent 30 minutes on Jill's revisions.

Market Sector	Contact Made	SOQ Sent	RFP Rec'd	Proposal Sent	Short-listed	Presentation Made	Won
Transit	Yes	Yes	Yes	Yes	Yes	Yes	No

The SOQ won an opportunity to submit a technical proposal, so our SOQ team succeeded in its task.

The proposal kick-off meeting involved Jill, Betty, John, Bill, the proposed PM and two senior technical specialists, and lasted 2 hours.

The proposed PM wrote up two new projects for Betty, and Bill started identifying project photos. The PM drafted an organization chart and noted specific projects for individual resumes. Then he and the two technical folks started developing the understanding, approach, and schedule.

Betty started assembling materials about the firm more specific to transit projects, and developed a flow chart of the firm's transit project planning and design process. Bill worked with the technical folks on images for the technical approach.

Betty assembled and edited a final draft of the document and distributed it to the team. A half-day "Red Team" review was held to determine final revisions. Bill spent half an hour tweaking graphics and Betty spent two hours tweaking text.

The proposal resulted in a short-listing and the opportunity to make a presentation. Therefore, our proposal team was successful.

The short-list presentation began with a kick-off session, with all seven team members contributing to the determination of presentation contents. Then, Betty and Bill developed the slides, Jill and the PM reviewed the slideshow, and two one-hour rehearsals were held for the presentation team with Betty, John and two other technical folks sitting in.

Another firm was selected to undertake the project. Our presentation team was not successful in its effort.

Now, let's assume that marketing and business development staff are being paid base salaries, plus additional compensation for successful efforts.

• Do we bonus John for his success— making initial contact and convincing the client to consider our SOQ?

• Do we bonus the SOQ team for its success— a document that resulted in an invitation to submit a technical proposal?

• Do we bonus the proposal team for its success – a document that resulted in short-listing?

• Do we bonus the team for developing a great presentation, even though we weren't selected?

• Do we somehow penalize the actual presentation team for not winning, despite such a strong set-up?

Given the foregoing, how would we determine bonus (or penalty) levels? Should we base them on estimated project value? A flat rate determined for projects that didn't win?

How do we recognize the effort of business development and marketing staff working on successful parts of unsuccessful pursuits? Would bonus levels be based on position in the hierarchy, or on level of effort (individual hours as a percentage of total hours)? Could a marketing person earn a larger bonus than a principal based on the numbers of hours put in on the successful portions of the pursuit?

Perhaps our presentation team made a compelling presentation, but the other team was simply more compelling. Perhaps, regardless of the quality of our presentation, there were aspects of the other team we didn't consider in our strategy and interview. Or perhaps our team had a PM who is technically brilliant but whose English is hard to understand – a problem faced by many design firms today.

So the question is— did our presenters lose, or did they simply not win? Is there any real difference? Only a debriefing will help us understand.

Bernie Siben is principal with The Siben Consult, LLC. His firm provides strategic/marketing consultation and SOQ/proposal development for AEC firms. He can be reached at *Bernie@sibenconsult.com*. His latest book, "A Horse of a Different Color: Marketing to the Public Sector" is available at *www.psmj.com*.

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