



# WHAT'S YOUR VALUE?

Every professional service firm agrees it needs to excel at marketing and business development, but where do these disciplines make the biggest contribution?

BY JENNIFER SMOKEVITCH

Inspired in part by early signs that both the world and Asia-Pacific economies seemed to be emerging from a period of unprecedented challenge and pressure, last year APSMA investigated the ever-changing role of marketing and business development in the professional service organisation. This prompted the undertaking of the association's most significant and comprehensive research initiative to date, titled 'The Value Proposition'.

"It was time for us to consider what we've learnt, look to the future and get very clear on how marketing and business development contributed to the success of the professional service organisation," explains Cat Wirth, Director of Clients and Marketing for DLA Phillips Fox and former APSMA President, who spearheaded the initiative.

"It came down to the fundamental question of 'what is the value of marketing and business development in professional service firms in the Asia-Pacific region?'"

According to the CEOs and senior executives we spoke to in the course of our research, marketing and business development managers are a key source of value to the firm, and have been identified as critical to the growth and success of firms in this post-crisis environment.

"This is where the rubber really hits the road," said one partner.

As this article details, our survey respondents emphasised that marketing and business development professionals are not simply adding value in traditional marketing and business development areas, such as branding. They are also critical in shaping the culture of the firm and aligning priorities.

This highlights the high-value role that marketing and business development professionals should play in supporting their organisation's drive for growth and profitability in the coming year. They have the opportunity to look beyond traditional boundaries and assist their colleagues throughout the firm in getting focused and aligned.

## WILL THE REAL VALUE PLEASE STAND UP?

Our core question was what value do marketing and business development professionals bring to the table that no one else in the firm can.

To define this, we drew extensively on input from executive leaders in some of the top firms in the region. We were privy to some of their best practice and best thinking about how to maximise the value of marketing and business development.

As a result, we discovered five key value factors:

1. enhancing the ability to win work
2. developing and marketing the brand
3. driving culture change and alignment
4. engaging the partnership through discipline, process and skills
5. creating efficiency (see Figure 5 for more detail).

## IMPORTANT CONTRIBUTIONS, DIFFERENT PERSPECTIVES

Our research included in-depth interviews with CEOs, senior partners and chief marketing officers (CMOs). Our goal was not only to speak to professional service firm marketers but also to understand the views of their internal customers and stakeholders.

The message from CEOs and senior executives was clear – marketing and business development are directly contributing to the success of the firm.

In fact, it was unanimous among senior executives who responded to our online survey that marketing and business development are directly contributing to existing client outcomes in particular.

All of the senior executives who responded indicated they believed marketing and business development directly contributed to retaining existing clients and protecting the existing client base.

Next most important, according to these executives, was marketing's contribution to increasing marketing and sales skills and building firm brand and reputation (87.5% each).

Interviews with senior executives and partners echoed these sentiments. "The marketing team's most important contribution is in the sharpness and edge that it delivers to our direct relationships with the client ... the way we touch them," said Andrew Bullock, Clients Partner for Gilbert + Tobin.

"Their role can be quite crucial in managing existing clients and growing share of wallet."

However, the study also showed that CEOs and CMOs saw value quite differently. While CEOs ranked retaining existing clients on top, CMOs responding to the online survey indicated marketing's greatest direct contribution as:

1. increasing marketing and sales skills (89%)
2. building firm reputation and brand (83%)
3. creating a client-focused culture (79%).

Figure 1: Top direct contributions made by marketing and BD

ACCORDING TO CMOs		ACCORDING TO SENIOR EXECUTIVES
1	Increase the firm's marketing & sales skills	Retain existing clients
2	Build firm brand and reputation	Protect the current client base
3	Create a client-focused culture	Build firm brand/reputation
4	Create awareness of firm expertise with target buyers	Increase the firm's marketing & sales skills
5	Facilitate an effective sales/BD process	Create a client-focused culture
6	Marketing tools & technology – maximise productivity	Acquire new clients
7	Analyse external information so the firm can be proactive	Analyse external information so the firm can be proactive

**"Part of our task as leaders is to take people to where we think they should go, not to where they want to go. Marketing plays a hell of a role in making that destination seem attractive."**

**GIAM SWIEGERS, CEO, DELOITTE**

Senior executives also saw these contributions as key, but ranking them numbers 3 through 5 respectively (see Figure 1).

It seems that the view from the top – senior executives and CMOs – is that marketing and business development are contributing to a range of important outcomes. These not only include traditional marketing areas but also the skill development of fee earners and culture change.

However, there is also a gap in perspective between senior executives and CMOs on the significance of marketing’s contribution to existing client outcomes.

Curiously, the two areas so highly ranked by CEOs were not among the top-10 direct contributions identified by CMOs responding to the online survey.

Only half of CMOs cited retaining existing clients as the greatest contribution, and only 44% cited protecting the current client base. Instead, CMOs’ focus was on client relationship management.

During seminars held around Australia in late 2009 to discuss the research, many APSMA members expressed surprise that senior management saw them making such a significant contribution to existing clients.

Part of the reason is that these marketers tend to view client relationship management as an internal activity. As one marketing

leader explained, “Since we are generally not on the front line with the client, but more behind the scenes, I was seeing this as indirect rather than direct.”

There are further insights to gain by examining the different perspectives of CMOs and senior executives. Grouping outcomes by type, as shown in Figure 2, shows clear distinctions between an external and internal focus.

CEOs and senior executives are more concerned about financial and client outcomes, whereas CMOs focus more on internal drivers and enablers.

While neither focus is right or wrong, this reflects a disconnect that suggests different conversations are occurring. This is a gap that may detract from alignment at the highest decision-making levels of the firm, therefore impacting the outcomes that can be achieved. This will be important to address for marketing to maximise the value it can deliver.

### IT’S ALL ABOUT BEHAVIOUR

During the seminars it became apparent that one value factor stood out as outside the traditional domain of marketing – driving culture change and alignment. This role was described by one CMO interviewed for the research as “supporting the engineering of change”.

Notably, this value factor was of great importance to CEOs.

“Changing our behaviours is my strongest conversation with marketing,” explained Robert Quant, CEO of Grant Thornton.

“We can roll out programs or advertise, but we have to change behaviours to live the proposition and deliver that proposition.”

Giam Swiegers, CEO of Deloitte, reiterated marketing’s key role in supporting alignment in the firm.

“Part of our task as leaders is to take people to where we think they should go, not to where they want to go. Marketing plays a hell of a role in making that destination seem attractive.”

This also surprised some, yet, as Cat Wirth highlighted in the seminars as co-presenter, it is possible to find real examples of marketing and business development impacting on behaviour and alignment in nearly everything they do.

Marketers could particularly relate to the importance of working closely with the HR team, as emphasised by the research.

According to the seminar discussions, this was already happening in many firms but marketing professionals were often crediting HR as the primary player.

It seems that marketers have not always been acknowledging this important area of value-add.

“Part of their goal is to focus on the growth and get it aligned in a direction,” said Darren Watt, Managing Director for Golder Associates. “That’s still totally in the forefront of my mind ... and marketing plays a big role in this.”

Figure 2: Top-10 contributions, senior executives and CMOs, by type of outcome

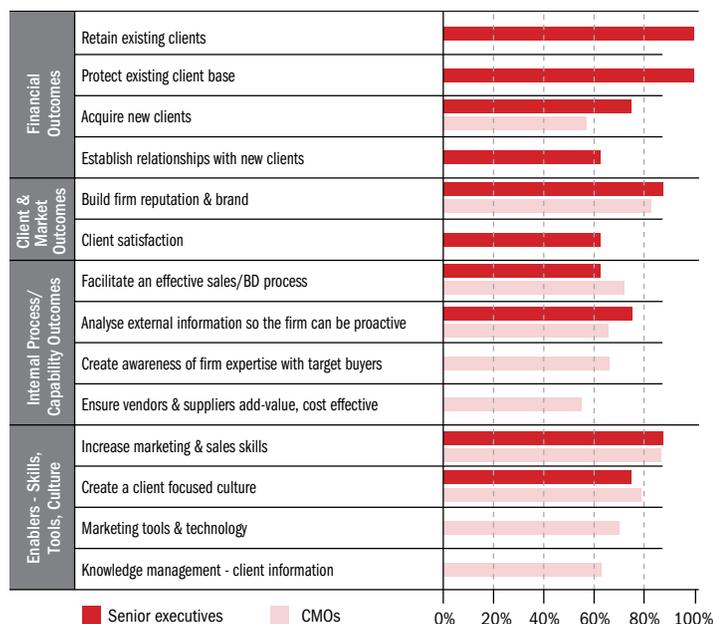
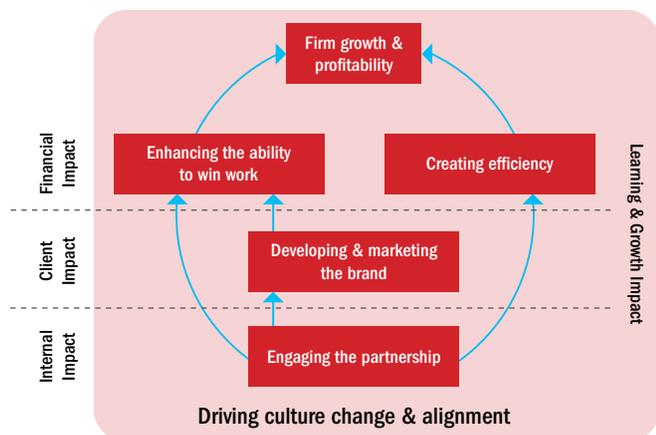


Figure 3: The contribution of marketing and BD across all activities



Indeed, behaviour change and alignment are a feature of every other marketing/business development value factor, from approaching tenders in a different manner to interacting with prospects in a more in-depth way, working collaboratively in the organisation, sharing knowledge and spending more time on relationships, internally and externally.

As described by the leaders interviewed for the research, behaviour change is pervasive and everywhere in the effect that marketing has within the professional service organisation.

With this knowledge and feedback in mind, the model of cause and effect shown in Figure 3 helps capture marketing and business development's value in driving a firm's alignment, behaviour and culture change.

According to this model, culture and alignment provide an underlying foundation and are key drivers to success in each of the four other value factors. The ways senior executives talk about marketing and business development are evidence of this in action:

- “[Get] you to focus on the right things” – Senior Partner
- “Communicating [the firm’s priorities] in both words and images in a way that makes it exciting to people” – CEO
- “Marketing is about ... getting our marketing position right so we can tell our story and align our resources” – CEO

The senior executives and partners interviewed expected marketing to guide and align both the external and internal behaviours of the firm. This means the way the firm interacts with its clients and portrays itself with the marketplace, as well as how it works internally to deliver to its clients and focus on priorities.

As one CEO explained, “It’s about ... being able to consistently deliver services that are aligned to the brand, internally and externally. I can’t put a value on it, but it’s so important to the organisation.”

Marketing is uniquely suited to this role in the professional service organisation.

According to one CMO: “As long as the professional service firm is focused on client relationships as its central activity, marketing and business development will be instrumental in supporting change because client relationships is what we do.”

## MARKETING AND BUSINESS DEVELOPMENT AS CHANGE DRIVERS

In the recovering business environment, where alignment and focus on growth are key, marketing and business development have a vital role to play as catalysts for action.

To get started and build skills in the non-traditional area of driving culture change and alignment, where marketers may have had less experience, we would highlight three key success factors revealed in the research and from subsequent conversations with marketing leaders.

### 1. GET VERY ALIGNED WITH FIRM LEADERSHIP ON OUTCOMES AND EXPECTATIONS

Earlier we saw that senior executives and CMOs have different perspectives on marketing’s contribution, particularly when it comes to views on existing client outcomes.

The senior executives and marketing leaders said a “unified drive from the top ... seeing people lined up shoulder to shoulder” was key to ensuring value was delivered.

This suggests that alignment should begin at the top, yet there are different perspectives about marketing’s contribution at the highest level of the firm.

Further, marketers spoke of the importance of a “remit from the top” specifically for culture change to be effective.

The first step is aligning marketing’s expectations. Wirth explained why this is so important during the seminars:

“Marketing and business development are the change agents within the organisation.

“But to realise the full extent of the change, ensure what you are driving is on the CEO and executive agenda ... that way, working together you really can drive behaviour change and results.”

### 2. DEVELOP THE NECESSARY SKILLS AND KNOWLEDGE WITHIN THE MARKETING AND BUSINESS DEVELOPMENT TEAM

According to the research, marketing and business development’s biggest impact comes from working closely with partners and fee earners.

This close working relationship is a key opportunity to influence and implement behaviour change. Hence, strong relationship-building skills are one of the most essential pieces of equipment in any marketer’s change toolkit.

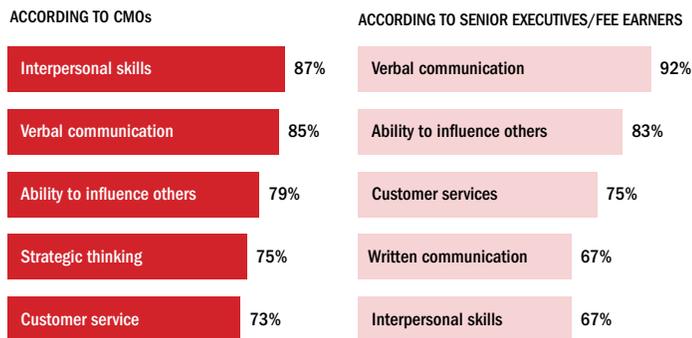
**“Our core question was what value do marketing and BD professionals bring to the table that no one else in the firm can.”**

The importance of these skills was recognised by the CMOs who responded to the study's online survey. CMOs ranked interpersonal skills most highly, with 87 per cent saying they were of the highest importance for a marketing and business development professional to be effective. Coming in at second was verbal communication skills (85%), followed by the ability to influence others (79%).

Senior executives agreed about the importance of these skills, ranking verbal communication skills most highly, with 92 per cent saying this was of highest importance. This was followed closely by the ability to influence others, with 83 per cent indicating this was of highest importance for marketing professionals.

According to Wirth, "Technical competence as a business development and marketing professional is expected. I look for people with financial literacy, an ability to influence, capacity to handle ambiguity and stakeholder management skills."

Figure 4: Most important skills for a marketing/BD professional to be effective



In addition to skills per se, she emphasised complementary knowledge that would equip her team to better understand the world of the fee earner – specifically, understanding the partnership model, financial metrics and the management performance measures used in the firm.

Taking from Wirth's comments, we'd suggest that relevant knowledge is equally important to the relational skills themselves when it comes to working more effectively, whether it be with a fee earner or a client. From the perspective of culture change, this is an important prerequisite to building the credibility and trust necessary to influence behaviour.

### 3. COMMUNICATE! LEVERAGE THIS EXPERTISE

Professional services marketers have core responsibility for external and internal communication.

**“Communication is essential, especially when driving change through the organisation. I encourage people to use a variety of tools, styles and forums to create dialogue among the people within the firm.”**

CAT WIRTH

Marketers communicate the brand, the services, the benefits and the firm's expertise.

CEOs interviewed in the research in particular highlighted the significant value that marketing and business development can add to internal communication in the firm: “Communicating (firm priorities) in both words and images in a way that makes it exciting to people.”

It seems that good communication is key to engaging people in the desired direction and focus of the firm.

To support behaviour and culture change, or any substantial change, strong and effective internal communication is essential to the success of the initiative. Hence marketing and business development's expertise and skill set in this area is vital in helping drive culture change within a firm.

To add value to culture change and alignment, marketing and business development professionals can ensure thorough, structured communications plans are developed for specific initiatives.

Stakeholders interviewed in the research indicated that they value the discipline, coordination and information that marketing and business development provide.

Good internal communication enhances this. As one managing partner recognised, “this leads to better outcomes”.

This is also an ideal time to work closely with HR colleagues, which was also highlighted as a key source of value.

Applying their valuable discipline and coordination roles, marketers could add value by helping to consolidate communication activities across HR, marketing and business development into a single cohesive plan with clear roles and responsibilities.

Emphasising the importance of communication in culture change, Wirth said the way the message is delivered is key: “Communication is essential, especially when driving change through the organisation. I encourage people to use a variety of tools, styles and forums to create dialogue among the people within the firm.”

To remain relevant and engaging, marketers should understand the communication preferences and style in their organisation. This may assist in selecting the tools that will be most effective.

For example, earlier we saw that stakeholders ranked verbal communication highly. By using technology, marketers could explore how to respond to this preference while designing a practical and cost-effective approach.

### OPPORTUNITIES FOR THE FUTURE

As the research shows, marketing and business development are highly valued by the rest of the business.

There are some interesting differences in perspective between CEOs and CMOs on the specific nature of marketing and business development's contribution.

For marketers, different thinking can be a benefit by bringing new ideas and opening opportunities to raise the bar even further for their value.

At the same time, what is compelling is the strong agreement across the board that marketing and business development are key drivers of culture change and alignment in the professional service firm.

As we've learnt, their impact here transcends the entire organisation. Couple this with their traditional client- and business-building role, and these two areas of the firm are vital to growth and profitability.

This puts marketing and business development professionals in a unique position to make a difference and add value to the professional service organisation.

Moving forward, marketing and business development leaders should ensure that an understanding of their contribution and value exists throughout the firm.

I hope that by better identifying this value, and finding a few surprises, this research will make this easier and help marketing and business development leaders to achieve greater alignment around client-facing activities – the very activities CEOs have identified as vitally important to delivering results for the firm.

Professional service organisations that can harness the essential value provided by marketing and business development will only improve their competitive position and ability to capture the opportunities presented by the improving economic climate. ■

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For the complete Value Proposition report, visit the APSMA website, [www.apsma.com.au](http://www.apsma.com.au).

The author and APSMA wish to thank the individuals who participated in this research and shared their experiences during seminars.

Figure 5 : How marketing and BD add value and make a difference in professional service firms

<p><b>1. ENHANCING THE ABILITY TO WIN WORK</b> Increasing share of wallet from existing clients, acquiring new clients and helping fee earners grow their practice.</p>	<ul style="list-style-type: none"> <li>Increasing share of wallet from existing clients – through assisting fee earners with account management and a consistent approach to relationship development.</li> <li>Acquiring new clients – developing tender and proposal responses that are compelling and differentiate the firm; assisting the firm to attract the opportunity in the first place.</li> <li>Practice growth – strategies for fee earners to grow their business and achieve fee targets.</li> <li>Providing an objective perspective, to assist fee earners in working 'on their business' as well as delivering the work product.</li> </ul>
<p><b>2. DEVELOPING AND MARKETING THE BRAND</b> Opening doors to profitable work the firm wants, and delivering a consistent experience to the client.</p>	<ul style="list-style-type: none"> <li>Opening doors to the work the organisation wants – through a strong brand in the market, putting the firm in the position of getting the type of work the firm wants at the margins the firm wants.</li> <li>Delivering a consistent service experience to the client – ensuring every touch point and experience the client has with the firm reflects who the firm is and how the firm wishes to come across.</li> </ul>
<p><b>3. DRIVING CULTURE CHANGE AND ALIGNMENT</b> Changing and aligning behaviours across the firm to support the value proposition. Communicating firm priorities in a way that engages all staff.</p>	<ul style="list-style-type: none"> <li>Changing firm behaviours – supporting the development of behaviours across the firm which support and deliver the value proposition.</li> <li>Operating strategically – asking the bigger-picture questions of how to engage with and address the market and clients.</li> <li>Support ongoing alignment – reinforcing the importance of the behaviours that impact the client and market perception of the firm.</li> <li>Communication of priorities and common purpose – supporting firm leadership in communicating strategy and vision to the broader organisation in a way that is meaningful. Ensuring growth and client activities are aligned.</li> <li>Working closely with human resources so as to combine strengths it has with those of marketing and BD in this area.</li> </ul>
<p><b>4. ENGAGING THE PARTNERSHIP THROUGH DISCIPLINE, PROCESS AND SKILLS</b> Supporting execution of client-facing activities through process, follow-up and client-relevant information. Improving fee-earner BD skills through tailored one-on-one coaching.</p>	<ul style="list-style-type: none"> <li>Process and coordination – providing discipline through specific processes and follow-up to ensure client relationships are developed and new work won.</li> <li>Client-relevant information – providing industry, sector and commercial information and knowledge that will benefit clients and BD activities. Consolidating, maintaining and disseminating all information pertinent to a client and prospect.</li> <li>BD skills and coaching – improving fee-earner marketing and BD skills, by working closely and taking a coaching approach to guide the fee earner in real time during these activities.</li> </ul>
<p><b>5. CREATING EFFICIENCY</b> Improving process across the firm to improve how the firm operates, and ensuring the right person is performing the right client-facing activity.</p>	<ul style="list-style-type: none"> <li>Through impacting a variety of important processes throughout the organisation, marketing and BD assist the firm to operate more effectively.</li> <li>This occurs through better coordination, less rework and greater skills, which improve time to market and the ability to win work.</li> <li>In addition, through better allocation of resources – the right person doing the right thing – productivity improves, especially fee-earner productivity that is central to revenue growth.</li> </ul>