



AIA Best Practices: Maximizing your marketing and business development ROI

Contributed by Rich Friedman

Summary

We've been living in the midst of a rapidly fluctuating economy. One day there is a renewed sense of optimism that the economy has turned the corner. The next day there are concerns of a double-dip recession. Two strategies that work in both good times and bad are:

- Involving as many staff as possible in the business development (BD) process
- Employing marketing and BD strategies that yield the highest return on investment (ROI)

Getting more staff involved in BD—especially project personnel—in ways commensurate with their roles, career junctures, and skills is preferable to relying on a few key rainmakers. This approach also requires a commitment to training, coaching, and mentoring.

Return on investment

Complicating the ROI equation is the inherent challenge of measuring marketing and BD ROI, as the overall sales process for a professional services firm is nonlinear, serendipitous, and circuitous. It can be a “black box,” with multiple strategies and touches contributing to a new client or new project. That said, there are a number of marketing and BD metrics that industry firms should measure. These metrics typically fall into four different “buckets”:

- Sales volume (segmented by client type, existing versus new clients, and potentially other parameters)
- Proposal dollars outstanding (weighted according to a realistic probability of winning)
- Competitive proposal performance (i.e., those shortlisted and won)
- PR and positioning achievements (e.g., articles published, talks and workshops presented, project awards)

Maximizing BD ROI starts, of course, with selling additional services to existing clients. Two of the most effective strategies include:

- Treating the project delivery process as a BD opportunity by using open-ended questions to identify additional needs and other potential buyers and influencers within the client organization (and then cross-selling, if necessary)
- Involving past and current clients in your marketing efforts (e.g., interviewing them for a newsletter article, co-presenting with them at a conference, and teaming on award submittals)

Now is *not* the time to cut back marketing and BD to minimize overhead expenses. Any benefit your firm may accrue in the short term will be negated in the long run when competitors that have continued to invest in marketing and BD gain a greater market share. It is, however, time to take a really hard look at marketing and BD budgets to ensure that yours is not on “autopilot”—that is, investing time and money in strategies that may have made sense (or were less objectionable) when backlogs were hefty and work was flowing through the door. Examples of strategies that require further scrutiny include:

Advertising. As with many marketing strategies, it can be very difficult to measure ROI from advertising. In fact, one of the only ways to assess ROI is to include a separate phone number or email address for each ad, and then track responses and inquiries on an ad-by-ad basis. This is not a common practice. When this does occur, there are no instances in which ads have yielded inquiries or leads that have justified their typically expensive cost.

Many architectural firms advertise because that’s what they’ve done in the past and have never questioned this practice, and it’s easy to simply renew an advertisement. Further, it has a “placebo effect” that makes companies feel like they are proactively building name recognition (but at what opportunity cost with respect to more effective strategies?). Since most ads do little to position a firm as an industry expert or thought leader, there are typically better uses for the money.

Conferences/Trade Shows. If your firm has not already done so, reevaluate target venues and associated expenditures (e.g., booths/displays, marketing materials, and trinkets). Determine which areas can be cut back without sacrificing the value of the venue. If a venue does not attract the clients that you seek (or the individuals who can make or influence the decision to hire your firm), or does not allow opportunities to give talks or workshops or serve on committees, then attendance at that venue should be questioned due to the hefty costs associated with booth preparation, travel, lodging, and entertainment.

With respect to conferences and trade shows:

1. The first priority is to speak or serve on a panel discussion.
2. The second priority is to serve on a planning committee.
3. The last priority is to have a booth/attend, unless the firm is hosting a hospitality event in conjunction with the venue and has strategically invited key past, current, and/or target clients. Some firms view it as sacrilegious not to have a booth after doing so for 20 years in a row, but now is a good time to question the value of this expense.

Once you’ve made the decision to attend, take the following measures to maximize ROI:

Limit the number of attendees at each venue. Attendance is a privilege and a responsibility given to select individuals for the purposes of lead generation and/or professional development.

If someone in your firm is giving a talk and you've decided to have a booth, be sure to leverage the two by promoting the talk (and white papers and article placements) at your booth, and encouraging workshop attendees to stop by your booth.

Require attendees to prepare a debrief report on the venue. Such reports could contain:

- Market intelligence
- A listing of current and prospective clients with whom that person met
- Resulting leads
- Potential new hires
- Potential new teaming partners
- Ideas for future abstract submittals
- Recommendations for how your firm can maximize its ROI from that venue next year

From the standpoint of ROI maximization, your firm's goal should be to condense or "short-circuit" the BD process by hitting as many buyers and influencers at once in a manner that:

- Conveys the value of your firm's services (and in particular, hiring your firm over a competitor) in the context of the issues that keep your clients up at night.
- Positions your firm as a subject matter expert and thought leader.
- Differentiates your firm from its competitors.

Strategies that meet these criteria include:

Giving talks and workshops (assuming your content provides valuable information, tips, resources, and/or case studies instead of promotional material. Some of the benefits include:

1. Typically, audience members with needs and questions approach you after a talk, yielding qualified leads.
2. The professional association helps promote your talk through their website and direct marketing.
3. If approached intelligently, there is tremendous "repackaging" value in a talk or workshop. You can convert it into:
 - An article to be pitched to a trade journal.
 - A newsletter article in which several clients and prospects are interviewed.
 - An in-house lunchtime workshop for a client or prospect.
 - A talk or workshop for another target professional association by tweaking the title and content a bit.

This can help you be a better consultant. Giving talks forces you to codify your consulting message and hone your listening skills, an essential component of Q&A (allowed throughout your talk, when possible). Further, talks provide an ideal opportunity to gather market intelligence that will make you more effective in the BD process.

Public Relations (PR). The A/E/C industry's PR Achilles' heel is the tendency to focus on intra-office content such as employee promotions, new hires, and office growth. In PR efforts, firms focus less on company achievements and focus more on:

- Issues keeping specific target audiences up at night.
- Strategies, tips, and resources for addressing these issues.
- Project case studies that illustrate how the company has tackled these issues for clients and what the takeaways are for other client organizations (versus writing about projects won and project milestones).

Even press releases and story ideas in which firm leaders, senior technical staff, and/or client sector leaders are interviewed regarding key trends and challenges impacting a particular client type can be very effective. Press releases and story ideas focusing on such strategic content can:

- Help preposition your firm for a particular project.
- Increase the likelihood that editors of key target publications will pick up these story ideas (because they're more likely to connect with readers).
- Help develop a stable of content that can be repackaged into articles for other publications and into talks for various professional association/conference venues.

Maximizing marketing and BD ROI requires an analytical mindset, a willingness to identify and track the appropriate marketing/BD accountability measures, a knowledge of how to leverage the firm's strategies to maximize ROI, and the confidence to address skeptics.

About the contributor

Rich Friedman, president of Friedman & Partners, has extensive experience in strategic market planning, market research and analysis, PR and positioning strategy, and business development consulting and training for technical and marketing professionals. He has also assisted firms with implementation of growth strategies, including merger/acquisition searches for target firms and executive searches for key talent.

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Chapter 06 – Marketing and Business Development

Section 04 – Networking and Business Development