

# Business Marketing: We Don't Do It Well. Why?

Jay Rosenfeld  
Crescent Solutions, LLC

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***Differentiate our businesses***, that is. We know we need to. We think we do it. In reality, far fewer IT professional services firms are differentiated than you might think.

## The Issues

The potential consequences of not achieving differentiation include:

- Stagnant growth relative to sales and revenue
- Participation in more RFPs than sole-source opportunities, because we have not separated ourselves from the competition
- Increased pricing pressure and resulting lower gross margins, because of more competition
- Greater challenges in lead generation, because prospective clients are less able to single out our companies for the services they need

Having 30 years experience in this industry with the last six being a business growth strategy consultant to firms like yours, I can attest to the fact that most of us sound alike.

- “We have in-depth technical experience in \_\_\_\_\_” (fill in the blank).
- “We provide business solutions”.
- “We have the best (most-talented) team around”.
- “We deliver quality on time and on budget”.
- “We understand our clients’ industries and businesses”.
- “We provide value to our clients”.
- “We exceed our clients’ expectations”.

These are just a few of the comments I hear repeatedly. Generally they are true. If not, our companies would not still be in business.

Compounding the differentiation issue is the inconsistent manner in which companies deliver these messages. When asking a company’s leaders and its top staff how they would describe their firm, you typically get as many different answers as there are people in the room. If this audience is not in agreement, how do think the marketplace views the company? Also, this lack of internal clarity about the business strategy can cause conflicting messages to show up on the company website and in marketing materials further confusing the public.

Why don’t we differentiate our businesses better? I often hear:

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- “We are differentiated”.
- “We don’t have (or make) time”.
- “We don’t have the skills”.
- “We don’t know how to do it”.
- “We don’t have the discretionary funds to do marketing”.

For the long-term health of our businesses, we cannot afford to sweep differentiation under the rug for the reasons discussed earlier.

## **How to Differentiate Yourself**

Differentiation starts with a commitment to marketing. This is very important. Many firms consider marketing a cost center. You should think of it as part of implementing your strategic plan, not as a company department. Without marketing you cannot achieve two of your key business objectives – differentiation and qualified lead generation.

Specific activities or steps to take include:

1. Ask yourself a number of open-ended questions:
  - a. So what is it that really makes your company different or unique?
  - b. Are you in your current business space (industry, customers, technology, etc.) by plan or by circumstance/accident?
  - c. What does the marketplace (prospects, clients, vendors, competitors) think about your company? Remember “perception is reality”.
  - d. What do you really know about your clients’ industries? Their businesses?
  - e. What is your company known for?
  - f. When do your clients or prospects think of you? Is it what you want them to think of you? Ultimately, how would you like them to respond to this statement?

“When I need \_\_\_\_\_, I think of \_\_\_\_\_”.

(type of service) (your company)

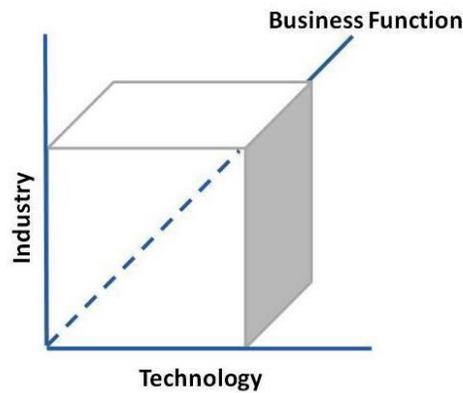
2. Analyze your areas of business specialization based on the three components (technology, industry, business function) shown in the diagram below.

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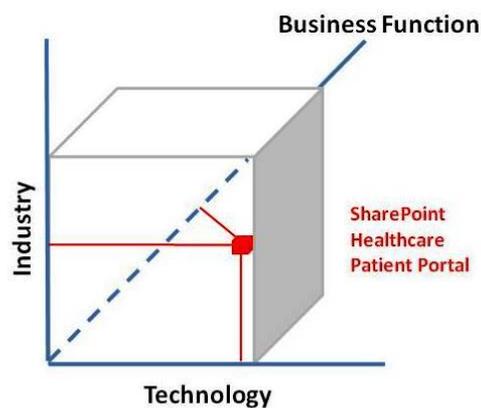
## Business Specialization Areas



Most IT professional services firms start with technology expertise and continue to be horizontally focused for the long-term. The issue here is that over time one area of specialization (one axis) is not a differentiator. For example, Microsoft has thousands of partners that provide SharePoint services. Thus, in any market the competition is significant based on this expertise alone.

The diagram below shows an example where skills in all three areas better define a company's business differentiation in turn reducing competition in its marketplace.

## Business Specialization Areas - Example



So how do you identify more skill sets to refine your differentiators?

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- a. Do an analysis of revenue for at least the last 2-3 years. Look at the number of projects and income by technology, industry and business function. Look for trends over time.
  - b. Determine where you have been most successful in terms of profit, client satisfaction and knowledge gained.
  - c. Identify where you have the opportunity to grow in your current (and planned) markets – size of industries, breadth of functionality, follow-on opportunities, prospects, competition, etc.
  - d. Talk to your clients to see what they need and determine their willingness to use you for other projects.
3. Select the areas of specialization with the best upside potential for your business. Commit to them with the idea that eventually you will sell only those services and turn away from non-specialty work. Incorporate your specialization into your corporate strategic plan, and sell it internally across the company.
4. Empower marketing to develop new or enhance the following:
- a. Messaging for the marketplace
    - i. Standardized verbiage describing your company, services, etc.
    - ii. Elevator pitch – your 20 second, 1-2 sentence statement which generates interest to hear more
    - iii. Key words to be used for Internet search engine optimization (SEO)
  - b. Standards for formats enabling you to present a consistent/common look and feel across all documentation
  - c. Collateral materials including:
    - i. Corporate brochure
    - ii. Service offering one-pagers
    - iii. Case study (i.e., problem, solution, benefits) one-pagers
    - iv. Testimonials/references
  - d. Website(s)
5. Ensure that all written communication depicts your business accurately and succinctly. In many cases this is where true differentiation is not communicated well enough to convince the marketplace. Hire an outside business writing expert, if you don't have the skill internally. It is a smart investment.
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6. Train all company personnel to ensure your messages, differentiators, etc. are delivered accurately and consistently. Remember that everyone in your company markets and sells for you either directly or indirectly. Equip them to do it well.
7. Ensure you have the skills to sell and deliver your specialized work. This includes sales people, technology consultants, subject matter experts and project managers.
8. Participate in industry and/or business function (e.g., accounting or human resources) trade associations. This is where you begin to get the “When I need \_\_\_\_\_, I think of \_\_\_\_\_” blanks filled in to your advantage.
9. Continue to build channel partner relationships. Be selective – focus on fewer partners with relevance in your chosen specialization. Being one of the best in your areas of expertise results in more leads coming to you from third parties, which is a cost-effective way to leverage your marketing.
10. Collect and evaluate information periodically on how your company is doing and make adjustments, as necessary:
  - a. Financial performance
  - b. Marketplace perceptions starting with clients, then prospects and vendors/partners, if possible – what they think is what counts
  - c. Web statistics – website hits, website ratings and search engine/key word effectiveness
  - d. Reputation analysis – comments on blogs, forums, Twitter, etc.

These suggested steps require proactive, dedicated time and effort. And it is not a one-time project. You should review the differentiation process annually as part of your business planning and budgeting. If you do this effectively, you increase your chances for long-term marketplace differentiation and growth. As an added benefit, you will have more success with recruiting and retention of staff, one of the ongoing issues in our industry.

Can you afford not to differentiate your business? Assume your competition is and will actively drown out your messages, if you do not proactively stay ahead of them.