

Great Jakes Thought Leadership

The Future: A New Business Landscape for Professional Service Firms



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The internet has created a world without borders. Just as this new business reality has shaken industries such as manufacturing and IT — it is now hitting professional service firms. While the full ramifications of the “borderless” world are not yet clear, one thing is for sure: clients are now increasingly willing to engage professionals halfway around the world.

As traditionally local practices are forced to compete in a much wider marketplace (regional, national or even international), many firms will need to rethink the way they develop business — or risk losing out to new competitors.

This beckons two questions: *How did this happen?* and *How do I win at the new game?*

How did this shift happen?

The shift in the business landscape resulted from changes in three areas:

- 1. Communications Technologies.** Inexpensive phone service, ubiquitous internet connectivity, and online collaboration tools like WebEx have all greatly reduced the relevance of geographic proximity. Furthermore, these technologies have changed cultural norms, as people have become accustomed to the idea of developing relationships with people they’ve never actually met in person.
- 2. Information Flow.** The internet has made the process of researching professionals much easier. We no longer have to rely so heavily on gatekeepers to guide us. For example, if you want to find out which doctors are pioneering treatments for a particular ailment, you no

longer have to rely on your family doctor. You can use the internet to research it yourself. And increasingly, people do.

- 3. Economics.** Like all economic downturns, The Great Recession has hastened change. Businesses have been forced to reconsider how they do business and find a better, more efficient way.

Is the shift over?

There is no chance that this shift is over. In fact, it looks as though this shift is just beginning to gain momentum. So, now is a good time to consider how your practice will adapt to the new environment. To really understand what's happening — and how you can adjust — you have to consider the traditional paradigm of business development for professional service firms.

The traditional business development paradigm

Traditionally, professional service providers have been hired based on the strength of the personal relationships they have built over the years. This tried-and-true method of garnering business is characterized by the following:

- ▶ **Geographic Proximity** – Most business is developed within a few miles of the office.
- ▶ **Old Boys Club** – It's important to know the right people and be part of the right organizations.
- ▶ **Force of Personality** – Much of business is developed based on face-to-face meetings, so personal chemistry plays an important role.

The upside of this traditional paradigm is that you often got connected with a reasonably good professional. Furthermore, you could generally trust this person since he or she came recommended — and was at least indirectly part of your business network.

The emerging business development paradigm

The traditional paradigm of business development is slowly withering. While it's hard to imagine that the old boys club will go away, its value will be diminished as people use the internet to search the globe for the professionals with *exactly the right expertise*.

This new business landscape raises a big question for every professional: *If clients can select from any expert on the planet, why should they pick you?*

Winning at the new game

In the new business landscape, your business prospects may never meet you and most of what they know about you will come from what they read on the internet. As a result, the process of business development will fundamentally change. So, what's the secret to success in this environment? It all comes down to this: *building a reputation as "the" expert in a particular niche of your professional service area.*

Picking a niche

Specialization will increasingly be recognized as a key factor to success in the new business landscape. For example, it would be nearly impossible to create a reputation as the "go-to" expert in all aspects of structural engineering — it's too wide a field. A niche that would better facilitate the development of one's online reputation would be "Structural Engineering using Polymer Composites."

Building a reputation

How do you build your reputation online? You need to demonstrate your specialized expertise through "thought leadership." How do you do this? In a nutshell, there are three steps:

- ▶ **Creating Content** – This means regularly writing cutting-edge material about the issues facing your area of specialization — and making them available to the world for free. The goal here is to educate people, not to give them a hard sell. Types of thought-leadership content include articles, blog entries, case studies and presentations.
- ▶ **Posting it to Your Website** – You will want your website to be a repository for all of your thought-leadership content. This way, when people refer to your bio, they will immediately understand the depth of your expertise. Since your website is the center of your marketing universe, it's vital that you have a website that reflects well on your firm and serves to promote each key individual in your organization.
- ▶ **Distributing Your Content** – This is all about getting your content in front of the right eyeballs. In the Web 2.0 world, this is increasingly accomplished by using social networking technologies like LinkedIn and Twitter. However, you can simply email it out in the form of a newsletter and/or get it published in a professional journal.

Is relationship marketing dead?

Relationship marketing is by no means dead — your prospects will continue to hire people they know and trust. The new business landscape is merely changing the way that you develop and maintain those relationships. In order to be successful, it is vital that you always think of your marketing efforts as relationship-building exercises. At the end of the day, the better that your prospects feel they know you, the more comfortable they will be in hiring you.

How long does this take?

Building a reputation doesn't happen overnight. If you see any results within the first year, you're lucky. However, if you've been consistent about generating thought-leadership content, the process will become self-perpetuating. You will be asked to speak at conferences and participate in panel discussions. Journals will reach out to you to write articles. The press will quote you in articles.

The results

Once you've succeeded in establishing yourself as the go-to expert in a narrow niche of your professional service area, you will find that there are many benefits to reap, including:

- 1. You will receive more new-business inquiries.** Once you distinguish yourself from the ocean of look-alike providers, people will seek out your specialized expertise.
- 2. You will start landing more lucrative client engagements.** Clients will be willing to pay more for your highly specialized services.
- 3. You can spend less time developing business.** Your reputation will precede you, and the difference between you and a generalist will be immediately apparent.

For many people, there is a bonus: a less stressful work life. This stems from charging more, pitching less and taking only business for which you can offer tremendous value. Sounds nice, eh?

The new rainmakers

Most professional service firms rely on the business development efforts of a few partners to support the entire firm. These rainmakers tend to be sociable folks with big personalities. While these folks will probably continue to be successful, the new business landscape presents excellent opportunities for attorneys that do not have traditional rainmaking skills. With the help of a well-crafted online

business development plan, these folks will be able to exploit their vast expertise to create the kind of cutting-edge thought-leadership content that attracts new business. Best of all, they can do so without ever having to attend a cocktail party.

A Brief Case Study

In its ten-year history, Great Jakes has hired three different business development consultants. When we hired Blair, the most recent consultant, we realized that we had become a case study for the new business landscape. We’ve never met Blair in person. We simply read his thought-leadership content, spoke to him on the phone and called a few references. We hired Blair three days after we first spoke with him. His thought-leadership content was so strong and the focus of his practice was so narrow (he only serves marketing firms) that we knew exactly how he could help us. It didn’t matter that he was located in rural Canada — over 2500 miles away.

	Consultant 1 - Hired 2002	Consultant 2 - Hired 2005	Consultant 3 - Hired 2009
How we first learned about the consultant	Networking.	Referred by consultant #1.	Read an article written by him.
Distance between our offices and consultant’s	25 miles	30 miles	2500+ miles
Number of in-person meetings prior to hiring	2	2	0
Consultant’s focus	Serves all types of businesses.	Serves all types of businesses.	Exclusively serves marketing firms.
Method of consulting	In person.	In person and via phone.	Entirely virtual. We’ve never met him in person.
Time between initial contact and date hired	2 months	1.5 years	3 days