

TRENDS TO WATCH

The **Army Corps of Engineers** suspended work this month on about 150 congressionally approved water projects to review the economics used to justify them in response to mounting criticism of the evaluation criteria. Maj. Gen. Robert H. Griffin, civil works director of the Corps, announced that his agency will pause work on billions of dollars worth of active projects that are not yet under construction. The affected projects range from a \$165 million flood-control pump in the Mississippi Delta to a \$690 million barge-canal widening in New Orleans to a \$108 million jetty project in North Carolina. The decisions came after the suspension of the \$311 million deepening of the Delaware River in response to a critique by the General Accounting Office which cited serious questions in regard to the accuracy and currency of the review process for some projects.

As states struggle to fund capital improvements to higher education in the face of declining tax revenues, legislators would do well to follow Georgia's lead which has actually quantified revenues generated by its university system. The state's 34 public colleges and universities generated \$8 billion for the state in 2001. A study by the university system's Board of Regents examined each institution's economic impact based on payrolls, construction projects and estimated student spending in local communities. The University of Georgia alone contributed \$1.7 billion to the Athens economy.

Why Marketing People Fail

In many firms, the marketing function is like a revolving door: a new director comes in; the coordinator resigns; the director stays for six months only to leave the AE industry. Two coordinators later, a new director is hired, doesn't work well with the market sector leaders, and is asked to leave the firm. Pick up any "People on the Move" section in your local Business Times and there will inevitably be the smiling face of a new Marketing Manager or Director for some design firm in your town.

Why does the marketing role experience such a high churn rate in design firms? Over the past three decades, the marketing departments of many firms have been simmering away in maintenance mode based on some unsound thinking:

1. Begrudging acceptance of an unclear concept: In the '70s and early '80s, principals slowly ...and often begrudgingly ...bought into the idea that design firms needed marketing specialists. (My favorite aphorism on this subject is this: most designers regard marketing as the price they have to pay for not being famous). Once they realized that they could benefit from greater exposure and that a big load would be taken off their technical professionals, most firms over 20 people recognized that they needed help. But they didn't know exactly what they needed. Was it publicity? Lead identification? Proposal preparation? Client development and maintenance? Strategy? Collateral material preparation? All of the above?

2. Fitting the job to the person: Because they were unfamiliar with exactly what marketing could do for their firm, many principals let the strengths and the interests of the individuals they hired dictate the direction of the marketing function. If the Marketing Manager wanted to represent the firm at events, that became the focus of marketing for that firm. If the person didn't like cold calling, then prospecting focused on publicly-announced project opportunities or the person's own established network. Often other important functions like public relations, database management, or presentation training received limited attention.

3. Accepting enthusiasm as a substitute for competence: The combination of an uncertain job description and relief that some odious tasks were removed from the shoulders of technical professionals caused many principals to think that an outgoing personality and a perky attitude nicely complemented the firm's other staff. Satisfied that their marketing needs were covered, design firm principals allowed their firms to evolve organically (rather than in response to a clear vision), looking to the marketing person to be the firm's external voice.

This sequence is all the more interesting because there was so much promise in the '80s when the profession began to embrace marketing. Nationally recognized marketing leaders like Sandy D'Elia, Margaret Spaulding, Laurin McCracken and others paved the way for marketing to become an

integral part of the practice of architecture. They were (and are) serious professionals, offering well organized, strategic and business-based ideas for creatively building the bridge between design professionals and a receptive client population. But the promise of a cadre of smart, tough, creative business-people helping to drive the direction of the business never quite materialized for most firms.

What happened?

Meanwhile, businesses other than professional services increasingly depended on their marketing departments to position their brand in the minds of potential customers. They expected their sales departments to introduce their products and services to their customers in a compelling manner resulting in an advantageous financial exchange. Working in tandem, marketing and sales departments with significant budgets demonstrated that they could be instrumental in building a valuable enterprise. But in many design firms, the slim group of people known as "the marketing department" was expected to do it all.

To varying degrees, principals looked to their marketing groups to identify projects, create publicity, win awards, monitor client satisfaction, prepare proposals, develop new approaches to saturated markets, get speaking engagements, assemble teams of consultants, and know, somehow, exactly what the firm needed to do, be, and say to win each project as it surfaced. In design firms, the distinction between marketing and sales, two very different sets of activity requiring different competencies, was never

made clear. In fact, the respective roles of the two were further muddled when they became hybridized into "business development."

To this confusion between marketing and sales, add very tight budgets and the nearly impossible task of learning multiple market sectors and the relentless pressure of recurring deadlines: many firms set up the marketing department to fail.

There are two ways to look at it. In the eyes of the technical professionals, marketing people are chronic underperformers. They don't bring in enough work, can't seem to get the firm on the front page of the Wall Street Journal, never quite capture the essence of the firm in collateral, can't provide the right images when they're needed, always seem harried and, regardless of what their budgets are, to them, it is never enough.

But viewing the complex set of responsibilities from the inside captures a different picture. Many marketing people feel unsupported and undervalued. They often feel that they were hired to do something they didn't sign up for or that is outside their realm of expertise. They know that their marketing colleagues outside professional services make more money, are relied on as vital members of their enterprise, and have sizable budgets to work with.

The result

What happened in the last couple of decades among marketing professionals has been a process of slow demoralization, disintegration and defection of the people who take marketing seriously from the industry. The initial awakening of

INTELLIGENT CHOICES

At a time of great uncertainty for many design firms, the forthcoming **SMPS National Convention** promises to provide a great deal of meat for firms concerned with making strategic decisions to digest. Among the plethora of sessions which DI staff found most appealing were:

- Key Tenants of Strategic Marketing
- Leading for Innovative Marketing
- The Visionary's Story
- Change Management for Marketing Professionals
- Marketing Solutions
- The Power of Anticipation in Marketing Leadership
- The Marketing Check List
- The Price of Great Marketing
- Branding and Marketing: Key Tactical Implications for the Future

To be held July 27-31 in Chicago, for more information contact www.smeps.org.

Are You Winning Clients for Life?

In a rapidly changing business world, what was once excellent service is now commonplace. The client-service bar is constantly being raised, and if you are not improving daily, you're falling behind. In *Customer Once, Client Forever*, Richard Buckingham tells you exactly what steps you need to take to convert a one-time customer into a lifetime client.

Customer Once, Client Forever presents all the steps necessary to develop a lifetime client relationship, and Buckingham points out that everyone in the organization, from head of sales to support staff and accountants, can use his techniques to help build, maintain and strengthen that relationship.

He presents his strategies as 12 tools, each one building on the one before it, and serves his readers with:

- Margin notes offering an overview of the book
- Chapter-ending checklists of "Things to Do Monday Morning"
- Thought-provoking "Questions for You"
- True stories that illustrate the principles of excellent customer service
- Worksheets to help you plan your strategy for achieving lifetime clients.

Available from Kiplinger.com for \$18.00

Kohn Pedersen Fox to Design the Tallest New Tower at 2000 Ft.

A 2,000-foot tall tower with a restaurant and observation deck is being planned for Governors Island, New York City. Kohn Pedersen Fox has been commissioned to design the \$200 million structure. Annual maintenance of the building is projected to be 20 million plus. The tower's basic purpose is for broadcasting and would provide a new capabilities for television and other communications that have been compromised since 9-11.

Tallest Current Towers:

Indosat Telkom Tower Jakarta	1831.ft.
CN Tower Toronto	1815 ft.
Ostankino Tower Moscow	1772 ft.
Xi'an Telephone and Television Xi'an	1542 ft.
Oriental Pearl Tower Shanghai	1535 ft.
Tehran Telecom Tower Tehran	1427 ft.

Tallest Current Buildings:

Petronas Towers Kuala Lumpur	1483 ft.
Sears Tower Chicago	1450 ft.
Jin Mao Tower Shanghai	1381 ft.
CITIC Tower Guangzhou	1283 ft.
Shun Hing Square Shenzhen	1260 ft.
Empire State Building New York City	1250 ft.

Questions for Success

As we enter the second half of the year, one of the key questions to be asking is what are the key questions to be asking? Author Bill Morton identified five questions all firm executives should be asking themselves today as they prepare for the future.

1. From which age group has your revenue traditionally flowed?
2. Where will your most loyal, reliable, well-educated and service-oriented employees come from the ranks of 25- to 40-year-olds or 55- to 70-year-olds?
3. Is it possible to successfully market a project or service to both first-halfers and second-halfers in the same message?
4. How are the second-halfers' bodies, emotions, learning styles and spirits different from the clients you currently design for and sell to?
5. What are five new potential strategic second-half business initiatives your traditional business might evolve over the next decade?

many firms to the promise of a well-executed marketing strategy and marketing participation in firm-wide direction has stalled out. There are some wonderful exceptions: anyone who has worked at HOK in the past 15 years can tell you that the firm "gets" marketing and incorporates it into the fabric of the firm. Other good news is that many technical professionals got the message (or innately understood the need) and focused their efforts on client development. Today, many firms are flourishing under the leadership of design-trained professionals who have happily embraced the sales side of the business as one of their executive responsibilities. John Atkins of O'Brien/Atkins, Joe Brown of EDAW, Bob Hillier of Hillier, Jim Wilson of Ewing Cole and Frank Duffy of DEGW all come to mind as substantive, serious and earnest masters of the art.

This is a good thing, but it is not sufficient. Firms need marketing leadership outside of the CEO's office. The kind of energy and focused leadership provided by people like Bruce Lea of Gilbane who concentrates his efforts on brand management ... in all of its facets ... Ann Althoff who leads the corporate business devel-

opment effort at HOK or Leo Daly's Lucinda Ludwig who ensures the ongoing compatibility of strategy and resources, is remarkable. These are senior-level contributors who are valued...no, make that depended-on...by their firms for the facet of marketing they do best.

Moral of the story

For your marketing effort to be more successful, dig deeper into that gap between what you think marketing and business development should be and what they are. By knowing what you need for your firm, clarifying that for all involved, hiring right, and then developing an ongoing plan to value those who perform these functions, you'll see a substantial return on your investment. Don't hamper them by marginalizing them. If you're embarrassed to bring them to the management table, you've succumbed to the "personality" school of marketing. Hire substantive, smart people to represent and strategize about your firm, and then trust them enough to let them succeed. ●

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Missed opportunities: Are You Leaving Money on the Table?

An industry leader called and asked me to develop a customer relationship management (CRM) program. They sensed they were leaving money on the table. Their instincts were right. In researching their top five clients, we found something

very interesting. While their firm did \$30 million in revenues, their top five clients sent \$41 million to their competitors. That's \$41 million that they left on the table. In talking to the top two clients, one client freely said, "If your client improves their service, we will