

Charting a Course to Growth: How a Thought Leadership Assessment Can Help Professional Services Firms Get the Most from Their Marketing Efforts

By Bernie Thiel, Susan Buddenbaum and Sam Brown

The sheer volume of content—books, white papers, articles, case studies, and the like—published by professional services firms is staggering. Every year thousands of such documents hit the market, all vying for the attention of busy executives and attempting to demonstrate the issuer’s unique and valuable expertise on important business challenges—or, in other words, thought leadership.

To rise above the noise, firms must publish content that is not only of the highest quality, but that also focuses on topics that are highly relevant to target executives. In this paper, we explore an assessment-based approach that can help a firm identify the issues most critical to their target audience, uncover aspects of those issues insufficiently covered by competitors, and develop content that showcases the firm’s most relevant and differentiated experience and insights.

Deriving Greater Value from Thought Leadership Investments

For years, leading firms have relied upon thought leadership marketing to play a central role in their pursuit of growth. Through points of view, research studies, case studies, and other forms of content, professional services firms strive to demonstrate their deep and unique insights on the nature of and solution to pressing business problems.

The recent recession only has heightened the importance of high-quality thought leadership marketing programs to helping services firms grow. Executives leading companies in the wake of the recession are still being very cautious with their money and, thus, when they do spend, they choose professional services firms that are “safe bets”: those with demonstrated expertise in the areas about which they are most concerned. In other cases, companies that are still struggling to gain a solid footing in a time of weaker demand are literally betting the existence of the company on their choice of a consulting firm to help them. In such a case, they’re going with the experts.

In this paper, we explore how services firms can use a unique approach to help them ensure their thought leadership materials achieve the dual goals of high quality and relevance.

Consulting firms, of course, aren’t immune from the effects of economic conditions. Many have tightened their marketing budgets considerably, which makes it even more vital that their thought leadership spending results in materials of the highest quality. Yet they’re not always succeeding. As Gartner observed, “Thought leadership marketing can be a powerful tool for improved marketing success...But because it can account for as much as 20 percent of the

service marketing budget, much of it may be wasted.”¹

One way firms can minimize such waste is by being more strategic about where they place their thought leadership marketing bets. The key is to publish novel and compelling content that addresses target executives’ most pressing business challenges and capitalizes on inherent strengths or expertise the firm possesses. This can mean either covering issues that are relevant to target executives but for which there is a lack of published content, or finding new insights or angles on already well-covered topics.

Consider, for example, a firm that has substantial expertise on how companies can enter emerging markets successfully, and that wants to publish a major study on the topic. The firm is rightly concerned the topic is not only a popular one, but a broad one as well. Thus the first question the firm should ask is, “Which aspect of this topic should our research study target?” A quick review of content published by competing firms would show that many companies, academics and general business newspapers already have published numerous pieces on the general topic of entering emerging markets. Thus, the firm would need an innovative angle to gain attention for its proposed study and avoid revisiting the same issues other publications have covered. Such an angle would help the firm avoid wasting money on the study and squandering an opportunity to differentiate its thinking and expertise from competitors.

A firm facing such a situation could benefit from what Alterra Group calls a “thought leadership assessment.” In our experience, such an assessment can be a valuable tool for services firms wanting to ensure they are concentrating their thought leadership marketing resources on topics and publications that will be the most likely to provide a strong return on investment—in the form of a higher number of sales leads, deeper conversations with prospects and, ultimately, more sold work.

While a thought leadership assessment can take a variety of forms, it typically has three critical steps: identifying a list of “top issues” the firm’s clients are grappling with; narrowing that list down to a few the firm could focus on (given its expertise and the revenue potential of the topic); and assessing how well these topics have been covered by competitors and other thought leaders (Figure 1).

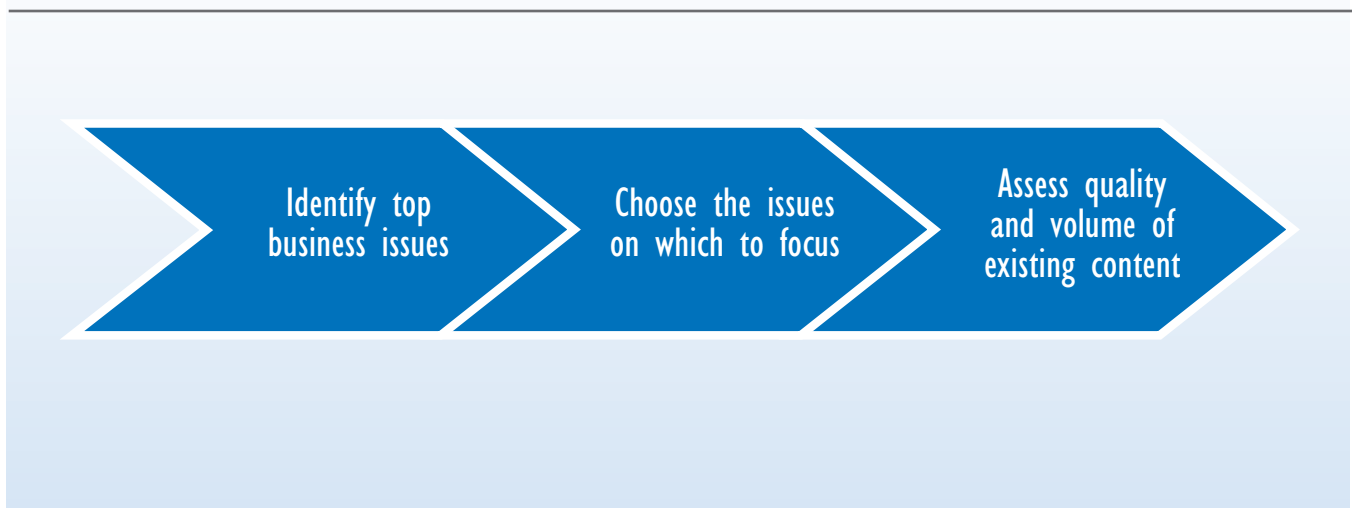
Identify top business issues

Nothing makes a marketing piece fail like irrelevance. If it doesn’t address an inherent client or prospect need, it will be quickly ignored. Thus, the first step of a thought leadership assessment is designed to help a firm identify the most important business issues in the minds of the firm’s clients and prospects and thereby ensure the firm’s content will be relevant to these targets. The challenge is doing this as rapidly and cost-effectively as possible while achieving accurate results. Professional services executives—especially those on the client “front lines”—have a good understanding of which business issues are most important to their clients. However, their understanding can be biased and limited, especially if they spend most of their time with a single company. Therefore, it can be valuable to validate consulting executives’ viewpoints with some form of research.

Because it can be tailored to a given company’s target executives and areas of focus, dedicated primary research often delivers the most usable insights. For instance, one Alterra Group client annually conducts a comprehensive survey of clients on their biggest challenges, concerns and goals. The results of this survey help the firm set its strategies for the coming year and guides its practices on which services they should develop or focus their time on. By extension, the survey also provides guidance for the topics on which the firm should publish.

However, conducting such research can be both time-consuming and expensive and, particularly for smaller firms, may consume an inordinate amount of marketing’s budget and time. In such cases, a good alternative is to perform a meta-analysis of studies, articles,

Figure 1:
Three Critical Elements of a Thought Leadership Assessment



and even conference proceedings published by leading authorities in relevant vertical segments and functional areas. These authorities can be publications, associations, or scholars. The key is to gather a large volume of high-quality research focused on the top business issues relevant to the executives who are being targeted, and then synthesizing that research together into a “master list” of top issues for each segment or functional area.

The biggest challenge at this stage of a thought leadership assessment typically is scope. To avoid “boiling the ocean” in what is necessarily a broad research effort, a firm should impose clear boundaries on the historical timeframe of the content being evaluated and the number and nature of sources that will be studied.

Choose issues on which to focus

The next major step of a thought leadership assessment is to identify the specific issues on which the firm should develop intellectual capital. Scope also is a central theme in this subsequent phase of the assessment. The initial phase of the project typically will result in a long list of business issues for consideration. Even for a firm with substantial resources, such a list generally contains far too many topics to cover in a meaningful (and cost-effective) way. Thus, firms must carefully choose the issues they address to ensure they generate the biggest returns on their thought leadership investments. What drives these decisions? The answer is expertise.

The right issues on which to focus are those for which the firm’s most substantial expertise overlaps with the issues most important to target buyers (Figure 2). There are a number of ways to arrive at this narrower list of topics. For some firms, a half-day session involving lead consultants and subject matter experts can suffice. For others, it’s necessary to conduct a brief survey of firm experts. Other helpful inputs can include such things as recent sales histories (which show the areas in which the firm has sold work most successfully) and current business plans (which should reflect the areas of greatest potential for the firm).

Assess quality and volume

The final step in the assessment process involves understanding two critical points: the quality and quantity of the content the firm itself has developed and marketed in the past 12 months, as well as the quality and quantity of the content published by the firm’s major

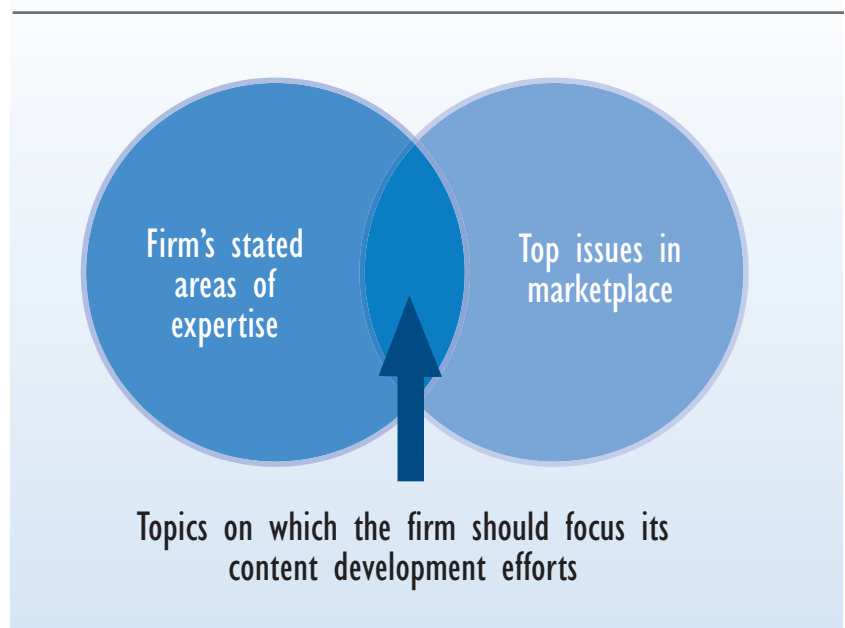
competitors on the topics chosen in the second phase of the assessment.

Such an understanding will serve two purposes. First, it will enable the firm to pinpoint strengths and weaknesses in its current content, and adjust its future content development efforts accordingly. Second, it illustrates the extent of the competition in the areas recommended for future content development—clearly showing which competitors are producing high-quality, mediocre and poor content on those topics. In doing so, a firm uncovers the “white space” in those areas—i.e., those aspects of the recommended topics that are not adequately being addressed by competitors and, thus, provide the opportunity to say something new and compelling.

For many firms, settling on a definition of something as subjective as “quality” is a significant challenge. Ultimately, quality might include such things as the use of hard data versus opinion in pieces, breadth and depth of coverage, or the quality of the writing. Alterra Group bases such quality assessments on seven specific criteria which, in our experience, make the difference between effective and ineffective content. As shown in Figure 3, these are focus, novelty, relevance, validity, practicality, rigor, and clarity. Using a predetermined scale, a firm can rate any piece of content on these seven criteria and arrive at a score that enables the firm to “quantify quality.”

But while quality is critical, the volume and depth of coverage on each topic of interest also must be taken into account. A firm can do this by generating

Figure 2:
The “Sweet Spot” for Content Development



a composite score for itself and its competitors that incorporates quality with the number of pieces each has produced on a given topic and the nature of those pieces: book, major study, white paper, bylined article, etc. The underlying assumption of this step is that the more comprehensive and substantive the piece (e.g., a book or research study), the more a company is able to demonstrate the depth its expertise and thought leadership on the topic.

It is essential to tie all of these elements together into one inclusive viewpoint that drives decisions for the firm. Figure 4 shows one such hypothetical treatment. The company in question had determined that developing deeper customer insights was a key priority for its retailer clients. By systematically assessing the thought leadership materials of its competitive set on this topic, it was able to determine that while many competitors had, in fact, published related content, much of that content was of low quality. Furthermore, many of its competitors had not published extensively on the topic, and thus had not “staked a claim” as an authority. Thus, the firm determined that a real opportunity existed to create a series of in-depth, research-based pieces on the topic that would enable it to draw a clear distinction between itself and its competitors in target executives’ eyes.

By creating such a view for all of the topics it’s considering as focus areas, firms can make clear, fact-based determinations about which should receive priority status.

Yet the best content in the world will fail to deliver its full business value without effective marketing to help it reach target executives. That’s why a firm must support its content development with an equally comprehensive marketing strategy that helps it create awareness for the firm’s content among a broad range of target buyers; generate relationships with a smaller group of prospects through more intimate interactions; and create customers by convincing buyers the firm has the appropriate skills, expertise and service offerings to solve the problem at hand.

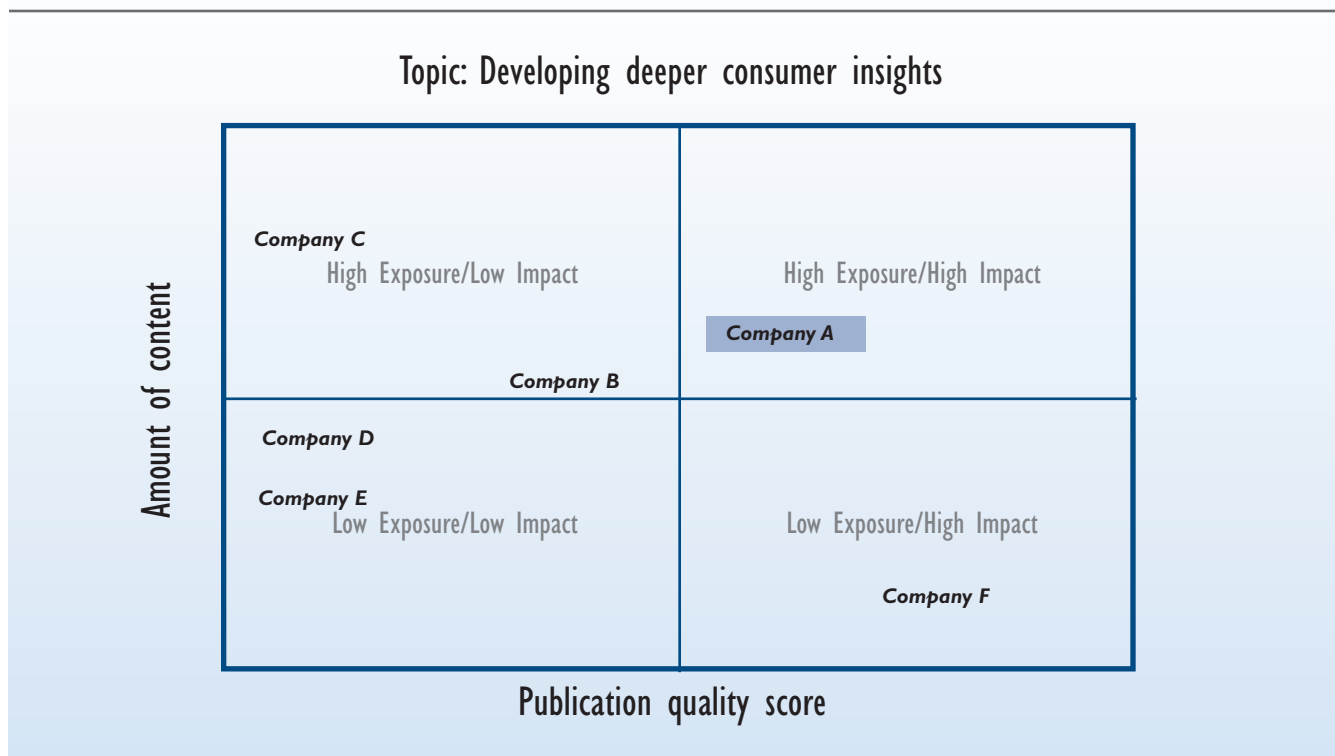
The Right Time for a Thought Leadership Assessment

There are a number of situations in which a thought leadership assessment can be beneficial. One of the most common is new market entry, whether it involves the launch of a new product or service offering, the debut of a new or refocused practice, or the re-positioning of the entire firm to take advantage of new opportunities. In these cases, a thought leadership assessment can help firms determine how to position

Figure 3:
Seven Criteria for Evaluating Thought Leadership Materials

	What Is It?	How To Achieve It
1.	Focus Having a single, fundamental message	Create a theme statement and structure for the argument
2.	Novelty Being unique, breaking new ground	Conduct literature searches on topic to ascertain its ubiquity
3.	Relevance Meeting a critical and specific market need (case for action)	Gather trend and anecdotal data, conduct broad surveys, and analyze examples
4.	Validity Supported by case examples, trend data, and other evidence to prove that the cure works	Do case study interviews and write-ups of client work and other best-practice companies
5.	Practicality Demonstrating that one has an approach that can be implemented	Develop prescriptions from client work and outside best-practice companies
6.	Rigor Having tight, consistent logic	Produce an early document that sets down the message, arguments, and evidence; get feedback from select internal people and client executives
7.	Clarity Making a clear argument, with words and concepts that are easy to understand	Get feedback from select client executives on the white paper and/or a presentation

Figure 4:
Exposure/Impact of Content Produced by a Firm and Its Competitors (illustrative only)



their offering relative to the competition, as well as support it with relevant, differentiated content that demonstrates compelling value to target executives.

The rapid emergence of a new, critical issue also can spur firms to perform an assessment. Whether the onset (or aftermath) of the recession, the implementation of new industry standards, or the use of an innovative technology, such emergent issues generally are accompanied by widespread anxiety and confusion among companies over how the developments will affect them. In such anxiety and confusion are rich opportunities for professional services firms to educate and guide their prospects and clients. A thought leadership assessment can help ensure that relevant expertise is focused on the aspects of the issue least understood by executives or most likely to have a significant impact on clients (or both)—and subsequently position the firm early as an expert in a field offering great revenue growth potential. Firms that are successful will establish themselves as the “expert of choice” and be in a better position to capitalize on the market as clients begin seeking a consulting partner to help them respond to the development.

Social media is a great example. Companies everywhere are struggling to figure out how to most effectively

incorporate this new channel into their operations and are looking for firms that can help. That’s why Amazon currently offers nearly 145,000 books with “social media” in their title, and why organizations from ad agencies to “marketing gurus” to consulting firms are rushing to get their insights on social media into the marketplace. Those with the best ideas, marketed most effectively, ultimately will benefit the most.

The emergence of new competitors or rapid changes to the competitive environment also can lead professional services firms to perform a thought leadership assessment. In particular, as some areas of IT consulting and business process outsourcing become increasingly competitive and commoditized, incumbent firms can boost their positive differentiation from lower-cost competitors by demonstrating their deep understanding of the business problems facing clients and prospects. Conversely, low-cost competitors that sell primarily on price can use a thought leadership assessment to guide content development efforts that will help them secure a more valuable and differentiated market position.

This was the very challenge faced by an Alterra Group client that had only recently entered the U.S. and European IT outsourcing markets. While the firm had grown rapidly through high-quality, low-cost work, its

incumbent rivals had effectively readjusted their rates in response. At the same time, clients had made a perceptible shift toward valuing deep industry and functional knowledge over the lowest available cost.

To address these changes in the marketplace, the company approached Alterra Group for help shifting its market position from a low-cost technology implementer to a business process improvement firm. At the heart of this shift would be new, distinctive intellectual capital that communicated the company's expertise to clients and prospects. Alterra Group used a thought leadership assessment to lay the foundation for this new content. Our team conducted research to identify the most relevant business issues, studied the firm's body of work and business strategy to narrow this list down to those issues within the firm's "sweet spot," assessed the quality of the firm's existing intellectual capital as well as that of the competition, provided a detailed content development plan, and developed a multi-channel marketing program for the new content.

Thought leadership assessments can be valuable for professional services firms with tight marketing budgets and limited resources—especially boutique consultancies with a narrow market focus. With only a small number of content experts (who also are billable full time), less money to work with, and few or no internal marketing resources, such firms must be extremely mindful of where they spend their time and money. In essence, they have no room for error: A white paper that's only relevant to a few companies or a book that says nothing truly new about a topic will not only squander the money spent on those efforts, but also will leave the firm with no resources to allocate to something that could have had a significant impact on sales. An effective assessment can help such firms weed out the lower-quality, less relevant content and develop a more focused portfolio of material that aligns closely with the firm's differentiated capabilities and its target executives' top concerns—and, thus, has the highest potential to generate a positive return for the firm.

Given the dynamic nature of the industries served by professional services firms, some choose to perform assessments on an ongoing basis. To make this as manageable and affordable as possible, firms may focus their recurring assessments on the specific topic areas or subsets of target executives that are most important to their growth strategies.

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Conclusion

Clearly, not all professional services firms can be thought leaders on all topics. Yet, judging by the content being published by services firms, too many are pursuing thought leadership status on too many topics. Without a competitive edge driven by uncommon insights, their investments are unlikely to result in compelling content and, ultimately, substantial attention from executives.

The solution, then, is focus. To break through the cluttered marketplace for expertise, companies must identify the topics that provide them with the most promising opportunities. This, in turn, means balancing the firm's capabilities with market demand and what competitors are saying—as Christine Adams, managing vice president at Gartner, has averred. "External intelligence on competitive activity is critical [to

creating effective content]," she noted, "as is a good understanding of what is already being done in your company and why."ⁱⁱ

In Alterra Group's experience, one of the best ways to achieve such an understanding is a systematic, comprehensive thought leadership assessment. Such an assessment must encompass the identification of issues relevant to target executives, the appraisal of the quality and volume of the firm's existing material and that of its competitors, and the development of concrete, detailed plans to develop differentiated content and put it in the hands of target executives.

Such an assessment, done correctly, can help professional services firms make the most of their investments in thought leadership by publishing high-quality, relevant content that generates lasting differentiation and robust demand. ▲

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ⁱ Marketing Essentials: How to Use Thought Leadership Marketing for IT Services Providers, www.gartner.com, December 30, 2009.

ⁱⁱ Gartner Says Thought Leadership Marketing Can Be a Powerful Tool for IT Services Providers, www.gartner.com, February 1, 2010.

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