Professional firms often get thought leadership marketing or sales right, but not both. When they do, they are far better able to grow profitability in good times and bad.

By Ford Harding and Robert Buday

URC, a New Jersey-based, operations-improvement consulting firm, grew from $20 million to $100 million in fees in three years, largely through a sales process, a process far more sophisticated than that of any other firm of its time. This kind of approach is often called a push strategy, defined as one by which the professional firm seeks out potential clients to begin a sales process. URC was sold and merged with another firm, and the successor firm continued its torrid growth to over $500 million. Then it imploded, an event the successor firm recovered from long ago.¹

There were undoubtedly multiple reasons for this sudden change in fortune. Not least among them was the publication of a now-classic Harvard Business Review article, later developed into a bestselling book, Reengineering the Corporation² by an ex-MIT professor and the head of a small and little-known consulting firm called Index (later CSC Index). At the time of the book’s publication (1993), American businesses were suffering from foreign cost pressures and inefficiencies resulting from, among other things, poorly integrated acquisitions. The reengineering concept swept through corporations in North America and Europe, and senior executives swarmed CSC Index’s public seminars to learn more. CSC Index converted many of them into clients and became a major player in consulting.³ This is commonly called a pull strategy, meaning one in which prospective clients seek out the professional firm, attracted by the offer of valuable intellectual capital.

UP TO THAT POINT CSC INDEX SPECIALIZED in improving corporate IT functions. Reengineering, of course, was a form of operations improvement, resulting in the firm going head-to-head in the marketplace against the URC successor company, by then an established player in this much larger consulting segment. The speed with which CSC Index became a large player in the field was stunning. A former URC executive salesperson told one of us, “That book really took the wind out of our sails.” It did this by freshening and increasing the relevance of operations improvement, rebranding it with a new name tied to the firm itself, and then using seminars to pull in the most interested potential buyers to spend two days with the firm’s top people. URC sales people couldn’t get to the potential clients as quickly or with as compelling a message.

¹ Information on URC based on Ford Harding’s interviews with URC employees back in the 1990s.
² Reengineering the Corporation, by Michael Hammer and James Champy, was a mega-selling business book in the 1990s, with more than 2 million copies sold.
³ Based on Bob Buday’s work at Index from 1987 to 1997, and from interviews with former members of Index’s management team.
Index firm grew from $40 million in fees to $250 million over seven years and then it too imploded and eventually went out of business. The rapid growth had swept a lot of its consultants up through the ranks to partnership. Many of them never learned how to generate business during the era when the firm’s seminars, publications and PR initiatives flooded the firm with leads. Once the re-engineering craze ended, the organization was top heavy with many partners who were neither billing nor selling, a formula for massive losses. The leadership was working to solve this problem, but started too late to save the firm. In short, CSC Index lacked the ability to adopt a push strategy as quickly as it needed one.

These examples show the power of good push and pull strategies and also their weaknesses. It is our premise that firms which integrate powerful intellectual capital to create market pull with a strong business development, or, if you will, sales push, will do far better than firms doing just one or the other.

For consultants, this premise begs the following 2x2 matrix:

Here firms or practices in the upper left quadrant (pull) with strong intellectual capital and weak selling skills survive largely on the pull of strong, well-packaged ideas. Firms in this quadrant can do well as long as they can sustain a continual flow of powerful ideas. However, they generally suboptimize their revenue potential by not pursuing lower-probability, high-payoff clients that have shown little or no interest in their ideas, and because IC has a life cycle. They risk a nasty collapse in revenue when the service comes to the end of its time and there is no replacement – or when they are supplanted by a new, blockbuster concept.

Firms with strong selling skills and weak IC (lower right quadrant; push) do well because their one-to-one sales efforts exceed those of competitors in both volume and effectiveness. They tend to have deep relationships with their clients and can get in to see them even in downturns, when other firms can’t. However, they also suboptimize and risk having their efforts undercut by a firm offering good IC, well-packaged and promoted.
Firms not strong in either area (lower left quadrant, “wait for the phone to ring”) either die shortly after birth or represent the failing body of firms built on just strong IC or sales ability. They usually lose their way after a founder or generation of effective marketers and sellers retire or leave. Their disappearance, either through death or acquisition, can be sudden or lingering, but it is inevitable.

The most secure firms, those in the upper right quadrant, have both strong IC and effective sales processes and skills. They get more out of IC by combining the pull of IC and enhancing its effectiveness with a disciplined sales process. They generate higher revenue and longer life cycles from their IC. When their flow of new IC slows down, these firms can turn to the push side of the sales effort to sustain revenue until the next big idea is ready for market. After the client has implanted the big idea, the push sales force is there to sell new work.

Nonetheless, it is hard to get into this quadrant, let alone stay there. Why do so few professional firms excel at both pull and push? Isn’t it obvious that the people who package and market ideas and the people who sell assignments based on the ideas should work together with the focus and flexibility of a hospital emergency room team?

It is to us, but it often doesn’t happen. Failure comes in many forms and is symptomized by many lapses. A simple example that any professional will recognize is the way partners sometimes treat speeches, a prime opportunity to use IC to pull in an audience of potential clients. The partner arrives at the place where he is scheduled to talk minutes before he is supposed to go on and then rushes back to his client work as soon as the speech is over, instead of working the room or, better still, the whole event, before and after he speaks. Nor does he follow up with anyone from the audience later. This reduces the speech’s sales and marketing value to almost zero. In other words, the firm provides intellectual content without a follow-on effort to convert it to capital.

There are many reasons for the gaps between the packaging of intellectual content and the use of it to generate business. First, firms that base their success on a flow of powerful ideas tend to have guru cultures in which thought leadership is the most prestigious accomplishment. Those who sell, whether partners who both sell and client work or dedicated business developers, tend to be less admired, have their egos well under control and don’t necessarily think of themselves as rainmakers. Indeed, the term, rainmaker, doesn’t even exist at some of these firms. Push firms tend to have rainmaker cultures, where being a partner who has built a large book of business is the high-prestige position. These rainmakers are confident they can bring in business without marketing. They look on marketers as service providers subservient to their commands – i.e., as brochure writers and providers of other sales support resources -- or as costly overhead to be kept to a minimum.

Such deep-seated cultures are hard to change. Yet the intellectual capital marketers and sales sides of the house need each other today far more than they realize. With just about every professional services firm trying to become a “thought leader,” competition for client share of mind has escalated. As a result, professional firms need a “push-me-pull-you” strategy that uses compelling ideas to attract prospects in droves and systematically converts them into clients.

To get both sides to adopt this strategy, it helps to understand why they typically move in different directions. We’ll start with the intellectual capital side.

**VALUING INTELLECTUAL CAPITAL**

Many firms casually refer to any articles, white papers, blog posts, books, and methodologies that they possess as intellectual capital. All of it is intellectual property, but it certainly isn’t capital until it can be converted into money. In other words, to qualify as intellectual capital, an idea must help the firm do one or more of three things (see exhibit on page 5):

1. Generate more leads, thereby giving the firm more opportunities to sell.
2. Improve the firm’s conversion rates from leads to new business.
3. Allow the firm to charge higher prices.

CSC Index’s HBR article, book and other publications and seminars on reengineering did all three. The events brought in senior, buyer-level executives and put them...
together with the Index partners for several days. This generated so many leads that the firm ultimately decided it could not afford to pursue opportunities estimated to be worth less than a million dollars. Turning away smaller, less profitable business helped the firm move up its pricing. It led to high conversion rates, the clients being moved a good way toward the buying decision by the time they left a seminar.

Good ideas, well packaged are fundamental to push-me-pull-you strategies. But four fundamental mistakes on the marketing side can reduce their value:

1. **Marketing selects the wrong ideas for packaging.** This can be because the firm has inadequate services or an insufficient number of staff to deliver them. A powerful well-packaged idea can deliver a sudden surge in opportunities. But if a firm can’t deliver in scale to meet the demand, it will face several problems. The most serious is poor work. The most fundamental requirement to successful consulting is delivering a high-quality solution. If you don’t do good work, neither marketing nor sales will save you.

A second outcome of promoting the wrong idea is the potential to help competitors more than you help your own firm. We saw this at one mid-sized consulting firm, which developed and marketed compelling intellectual capital in articles and speeches. Unfortunately, only a handful of its consultants could deliver the work promoted by through the intellectual capital. The concepts did not fit neatly into any one of the firm’s practices, and so they were treated as orphans. And the firm was unwilling to devote resources to hiring additional staff to deliver them, or to create new practices. When this happens, consulting firms like these can create bigger opportunities for competitors that can scale up their services in an area far more quickly. CSC Index was guilty of this in the 1990s by under-investing in methodology development and internal training and development around reengineering. Firms like Accenture (then Andersen Consulting) and Deloitte, which had traditions of methodology development and which invested heavily in training and development, wound up taking away the reengineering market. Accenture backed up its strong methodology with a well-funded marketing campaign. As a result, a market survey showed that Accenture’s name became more closely associated with the term “reengineering” than CSC’s as the demand for the service grew.

2. **Marketing doesn’t improve the quality of professionals’ ideas.** For a pull strategy to work, the ideas have to be compelling. They need to be novel, proven (i.e., with real examples showing big benefits), and practical. Professionals often lack effective approaches to developing their ideas, as well as the time to do it. But someone needs to help a firm’s professionals develop their ideas for external dissemination. By “develop,” we mean such activities as gathering data that underscores the severity of the problem that the firm’s professionals are pointing to; collecting case examples of companies that have followed the professionals’ approach to solving the problem and have results to show for it; and helping the professionals stand back from their body of client work and connecting the dots on why they generated much greater value for some clients than for others. This is role – call it intellectual capital developer, if you will – is one that marketers could fill but often abdicate. When they abdicate the role, the intellectual capital typically suffers. Clients notice. Research that one of our firms has conducted over the last six years shows that both sellers and buyers of professional services find most intellectual capital published by professional firms to be lacking. We’ve seen this up close in a number of firms that opt for quantity of output over quality. In these firms, marketers typically view their role as packaging, not idea development. However, strategy firms such as Booz, BCG, Bain, Oliver Wyman and McKinsey tend to be better than most. Their marketers realize that helping professionals get their ideas down on paper is not enough. The professionals usually need help in developing those ideas to make them market-ready, even if “idea development” merely means bringing real examples to the table and thinking harder about why an idea is different than those of others.

3. **The marketing programs are inadequate.** It not only takes compelling intellectual content to make a pull strategy work, it takes extensive marketing of that content. The typical marketing mix for a professional firm’s intellectual content should include activities of two types:

   a. **Those that create broad awareness** (e.g., firm-by-lined articles in management journals and the opinion pages of key business publications; self-published and emailed white papers; blog posts; Twitter tweets, LinkedIn community group, and Facebook fan page posting; and sometimes a book, to mention a few), and...
b. Those that generate many initial personal relationships (i.e., seminars, conference speeches and other marketing events).

Forced to go to market with too many ideas, some professional firms devote just one or two marketing activities to each piece of intellectual content. This is a recipe for failure, at least in getting quick market uptake of a compelling new idea. Consultants in one firm we know of conducted an extensive study on how executives in an industry were addressing an emerging issue. The firm collected leading-edge practices and developed an exceptional point of view on how companies should pursue the issue. But as the marketing director’s priorities shifted to other practices, marketing conducted an underweight campaign around the research – an email of a high-level report to research participants and meetings with 10 companies that participated in the case study interviews. That was not nearly enough to get its target market to recognize the substantial expertise the firm had developed.

Much of the value of intellectual capital derives from its ability to quickly bring buyers to your people, buyers who are prescreened because they have been impressed enough by your ideas to seek you out before they talk with a competitor. But this can only happen if you get the word out.

4. Marketing does an inadequate job of selling the ideas internally, because it lacks ability, effort or influence. There are many cases of the marketing staff working for months to line up a speaking opportunity at a relevant industry association or a meeting with an executive at a potential client, only to have a partner cancel it at the last minute to go to a meeting with a current client. Of course, sometimes such cancellations are necessary, but not often. Partners do this because they don’t respect the marketing staff or don’t feel any obligation to deliver on the commitments that the marketers make. It takes exceptional marketers to get a seat at the table with partners.

HOW INTELLECTUAL CAPITAL BOOSTS FEES

Developed, packaged and marketed effectively, a consulting firm’s ideas can boost revenue in three ways. If you do all three at once, you get geometric growth.

<table>
<thead>
<tr>
<th></th>
<th>No Creating and Marketing of Intellectual Property</th>
<th>Creating and Marketing Intellectual Property</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Increase leads</strong></td>
<td><img src="image" alt="Increase leads" /></td>
<td><img src="image" alt="Increase leads" /></td>
</tr>
<tr>
<td>(from 10 to 20)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2. Increase conversion rates</strong></td>
<td><img src="image" alt="Increase conversion rates" /></td>
<td><img src="image" alt="Increase conversion rates" /></td>
</tr>
<tr>
<td>(from 2/10 to 3/10)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3. Increase billings/client</strong></td>
<td><img src="image" alt="Increase billings/client" /></td>
<td><img src="image" alt="Increase billings/client" /></td>
</tr>
<tr>
<td>(from $100 to $120)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL FEES** $200 $720
PUSH-ME-PULL-YOU

GOING TO MARKET

The sales organization, whether composed of partners who also bill their time, full-time business developers or a mix of both, must also do their part for a push-me-pull-you strategy to work.

On the business development side, causes of failure at capitalizing on intellectual property include cases where:

1. **The professionals don’t trust the value of ideas** selected for marketing and capitalization or the way those ideas are packaged. The “If-it-isn’t-made-here-I-don’t-trust-it” mindset is all too common in professional firms. We have seen the sabotage of a firm’s attempts to increase its presence in a growing field through willful lack of cooperation among the partners. This happens most frequently when a partner feels his ownership of a client outweighs that of the firm, or if a partner depends too heavily on a relationship with one client, and so avoids the risk of bringing a colleague in who might damage it. This problem has been especially severe in firms in which one practice has evergreen relationships (such as audit or pension advisory services), and other practices based on shorter-term projects.

2. **Not giving enough away up front.** Professional firms should view a white paper or research report as a way to give potential clients a meaty sample of their expertise. But some professionals balk at giving away such a sample, feeling that the full document contains so much information that the client may use them to do the work themselves. Instead, they send a summary first as bait for a meeting at which they promise to give the full report. This hasn’t worked for at least 25 years and there no reason to think it will today, given the fast access to articles and reports that clients have through the Internet.

   If, after reading your research study or white paper, a client finds it sufficiently self-explanatory to do the work without you, you don’t have a marketable service to begin with. The authors are fooling themselves by calling it intellectual capital. You are much more likely to get meetings with potential clients who have received a complete document.

3. **Not understanding the intellectual capital well enough to know how to sell it and to whom.** Too few partners who are asked to sell ideas they didn’t create will rise to the challenge without considerable training. After marketing packages and gets an idea out into the market, those responsible for developing business must be able to convert it into a paid assignment. Potential clients who show interest want to know how to apply the idea in their companies. Business developers who can’t spell it out are likely to come home without a sale. They must distill a big idea down to a series of steps that allow the consultant to price it and his colleagues to execute it. That requires a thorough understanding of the intellectual capital. Firms often don’t devote enough time to an education program that will give the sellers the information they need to talk about it with clients.

4. **They lack sales skills and processes.** Some consultants have good selling skills, but more don’t. One reason that effective push strategies are so rare in firms the lack professional business developers is the acute discomfort that most consultants feel at conducting sales meeting that are initiated at their own request. They will typically argue that such meetings are ineffective, rather than acknowledge that much of the problem results from their own lack of selling skills. Pull strategies typically result in pull meetings, those held at the client’s request. Most consultants feel they do well in these cases, comforted by clients’ willingness to talk and their own grasp of the subject matter. But these consultants are usually overrating themselves. The examples of insufficient selling skills are legion. We have seen all too many professionals start talking upon entering a room with a prospective client and keep doing so through the entire meeting while the client nods, then leave the room and declare it a “great meeting.” They never hear from the client again. We have seen them interrupt a client in the midst of her intense description of her concerns, in order to score points (against whom?) about their brilliance or experience. We have seen them selling the wrong service, when they had superb qualifications to address the right one, because they didn’t take the
time to hear what the client really wanted. We have seen them sell to someone who couldn’t hire them (as competitors ingratiated themselves with someone who could), while alienating someone who could make sure they never were. The list goes on. These are all issues that can be addressed with training and coaching. The absence of a process is also common, sometimes astoundingly so. In one case, a firm had devised a simple method for turning its intellectual capital into opportunities by asking those who were signing up to receive regular deliveries of content or providing changes of address to respond to the question, “Are you planning to change x, y or z over the next twelve months?” By answering, the respondents identified themselves as having a need for the firm’s services. But this produced no leads or new business because no one had put in place a process to make sure each person who responded got a call! Six months later, none of the respondents had been contacted by the firm.

WELL-EXECUTED PUSH-ME-PULL-YOU strategies are effective but difficult to execute. First, they require good ideas supported by strong selling and delivery abilities; if the delivery isn’t good, marketing and sales will not help you. They also require support from senior firm leadership, funding for marketing efforts and training, and the coordination of sales and marketing. All of this can require a culture change.4

But when well-executed, push-me-pull-you strategies can be amazingly effective. Consider the example of IBM’s Global Business Services division, the global IT giant’s $18 billion consulting unit. Since 2004, the division has conducted four massive studies on top issues of CEOs, the most recent of which was published 2010. Each study is based on extensive primary research. The 2010 report features in-person interviews with 1,541 CEOs, general managers, and public sector leaders in 33 industries and 60 countries. We italicize the term “in-person” here to point out how IBM blends a push-me-pull you strategy from the

start. It uses the data collection phase of its “pull you” activities to build both intellectual capital and relationships at the top of large organizations.

As one might predict, IBM goes into marketing overdrive with the study once it packaged the results, using the full complement of offline (radio advertising, press and analyst briefings, a book, print and direct mail, events, etc.), online (the web, email, webinars, videos, etc.) and social media channels (blogs, online client collaboration, etc.). But it was how the firm conducted the research that enabled its consultants to inject “push me” into it from the beginning. The 1,500+ interviews were conducted by hundreds of IBM consultants. These meetings were not sales calls, however. “Not a single question contained the term ‘Smarter Planet,’” wrote Sam Palmisano, IBM chairman and CEO, in the 2010 research report. IBM sales teams were given extensive training and tools to deliver the findings in follow-up briefings with CEOs and their management teams.

But does all this generate business for IBM’s consulting unit? Apparently it does, although the firm hasn’t published a dollar figure on it. IBM said its 2008 CEO project helped its sales teams spawn more than 550 leads around the world and generate more than 33,000 requests for information on the firm’s strategy and change management services.5 And IBM GBS’s success with its every-two-years CEO study has emboldened it to use the push me-pull-you approach with other C-suite studies. The firm now has versions of it for heads of IT, finance, marketing, HR and supply chain.

Despite IBM’s apparent huge investment in its C-suite studies, firms with more limited resources can also develop push-me-pull-you strategies to generate business. In fact, firms can spend far more modest sums and still get a sizable return.

What’s more important for a professional firm than making big investments is properly developing, marketing and selling remarkable intellectual capital to executives hungry for valuable new insights. That requires marketers and the professionals who sell their firm’s services to work in uncommon ways.

---

4 Suzanne Lowe has written eloquently on the great divide between professional services business development and marketing professionals, including in her book The Integration Imperative: Erasing Marketing and Business Development Silos Once and For All, published in July 2009.

5 According to an IBM presentation delivered at ITSMA’s annual conference in 2009, which can be found on the ITSMA website here.
ABOUT THE AUTHORS

**Ford Harding** is the founder of Harding & Company, a firm that helps professionals make the transition from doing and managing client work to selling it. He is the author of *Rain Making* 2nd Edition and *Creating Rainmakers*. He can be reached at fharding@hardingco.com. His firm’s website is [http://www.hardingco.com](http://www.hardingco.com)

**Robert Buday** is president of Bloom Group LLC ([www.bloomgroup.com](http://www.bloomgroup.com)), a firm that helps professional services and other B2B companies use thought leadership to attain market leadership. He can be reached at bbuday@bloomgroup.com

© 2011 Harding & Company and Bloom Group LLC