

## Marketing in the New Millennium: Mapping the Evolution of the Marketing Model

Over the last year, everyone has had stories about how busy their firm is, how they can't find enough qualified staff to do the work, or how big their backlog is. Then, just recently, we heard about layoffs in some of the largest firms, especially on the West Coast where the effects of the Asian market quake are still reverberating. Too, there are those long, off-the-record conversations with friends and colleagues about how hard it is to stay ahead of the demand for market support. What do they expect anyway?

For those of you who, like us, have lived through more than one recession or boom-or-bust cycle in this industry, the questions are haunting. If you just had your best year ever, why aren't you having more fun? And if, as you suspect, you really do have to change the marketing program in your firm, how do you get the support of your overlooked principals and wary senior managers? Where do you begin?

If it makes you feel any better, it's not just our profession. Consider the titles of some of the recent best-selling business books, like *The 500-Year Delta: What Happens After What Comes Next*. Or if that doesn't make you nervous, try *BLUR: The Speed of Change in the Connected Economy*. Even our friend, Tom Peters, isn't reassuring with his latest title, *The Circle of Innovation: You Can't Shrink to Greatness*.

What these authors offer us is a glimpse behind the issues affecting all industries, including ours. The growing list includes:

- speed-the compression of cycle time
- customization
- raised expectations of quality in content and form
- technology-the advances and the need for access
- globalization
- market segmentation
- brand awareness.
- "internal client" satisfaction
- perceived delivery processes
- innovation
- quality of presentation
- promotion/protection of the brand
- ease of access to information/material
- competitive intelligence
- market position.

That's only from the outside looking in-the client's point of view. What about inside the firm? Here we get back to those year-end numbers. You made the sales goal. You met the budget. You were rewarded. \$\$\$\$.

Many firms measure and reward success based primarily on quantitative measures. Success measures are increasingly sophisticated and include:

- profitability
- sales volume
- wins
- shortlistings
- marketing costs
- cycle time
- market share.

However, performance is multi-dimensional. While salaries and bonuses remain linked to "hard" metrics in most firms, we believe "soft" issues are playing a far greater role in the success of marketing programs and professional careers than is acknowledged. These metrics may not be official, but more and more they are a critical part of the review and evaluation process:

Yes, it's still true that "nothing happens until somebody makes a sale," or as a recent New Yorker cartoon noted, "No one ever went broke making a profit." But the challenges to our ability to make sales and a profit are myriad and complex. On one hand, the cycle of change, makes our jobs more demanding, and on the other, it has given us the opportunity to create richly varied careers that keep us constantly on the edge of new territory.

So whether you are a veteran marketer or have just entered the ranks, it may be interesting to look back at the changes that have reshaped our world, our profession, and our personal careers in the 25 years since SMPS was founded. Refer to the "Marketing Models in Transition" and the "Cycles of Change" timeline which follows.

# MARKETING MODELS IN TRANSITION

## 1975 - 1985

### *Modus Operandi*

- Use principals to pursue opportunities

### *Characteristics*

- Project focused
- Business development led
- Multiple partner "closer/doers"
- Centralized marketing
- Need for multiple opportunities

### *Marketing Mission*

- Keep work in the pipeline
- Produce lots of qualification packages, proposals, etc.

### *Strategy*

- Stay flexible
- Work at the behest of principals

### *Organization*

- Director of marketing (BD focus)
- Marketing coordinator
- Support - writers, graphic designers, etc.

### *Delivery Technology*

#### *Process*

- Word processing & paste-up
- Preprinted material
- Reasonable lead times; postmarks

Since the early seventies, marketing has become an integral part of design and construction firms. It's true that different firms have evolved different marketing organizations to support their needs, yet there seems to be a reigning model in each period of change. And while we can think of some best-of-class examples for the 1975-85 and 1985-95 decades, we are not certain that any one organization has yet defined the next best solution. However, we are convinced that our response to the change drivers that have accelerated both our current success and our discomfort will have a profound impact on the future of the industry and the profession.

We offer no conclusion. Instead, we invite your comments and corrections on our attempt to map the milestones and models that have brought us to the edge of the millennium. None of us is as smart as all of us - that's one of the reasons SMPS was formed. We look forward to hearing from you.

## 1985 - 1995

### *Modus Operandi*

- Use project experience to get clients
- Reach down into organization

### *Characteristics*

- Client focus
- Network led
- Multiple office studios
- Strong client managers
- Centralized databases & resources
- Need to establish long-term client relationships

### *Marketing Mission*

- Keep the firm visible
- Position the principals as specialists

### *Strategy*

- Get organized
- Create identity
- Customize messages

### *Organization*

- Marketing partner or marketing director (network focus)
- Marketing manager
- Writer, visual librarian, graphic designer

### *Delivery Technology*

#### *Process*

- PCs networked through offices
- Color copies, CD-ROM, & laser prints outsourced
- Fax & FedEx/Shorten cycle times

## 2000 -

### *Modus Operandi*

- Use market knowledge (experience & expertise) to get opportunities
- Use market leadership & brand identity to position the firm

### *Characteristics*

- Market focus
- Idea led
- Cyber-base, as many outlets as PCs
- Market sector leaders
- Need to lead the markets
- Generate long-term & multiple opportunities

### *Marketing Mission*

- Be nimble
- Information central
- Develop & protect the brand
- Be part of leadership & vision

### *Strategy*

- Get smart
- Innovate - create markets  
Speed up

### *Organization*

- Director of strategic marketing
- Manager of marketing resources
- Market sector leaders
- Market researcher
- Visual librarian
- Writers

### *Delivery Technology*

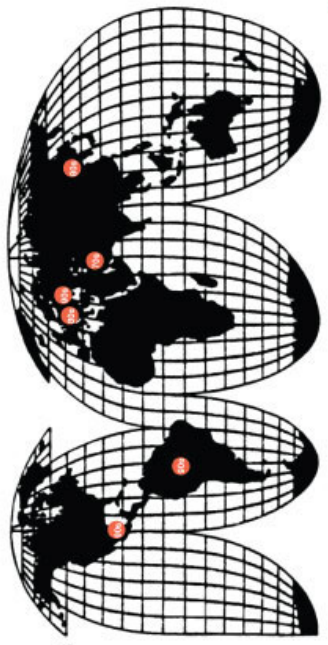
#### *Process*

- Internet & intranet
- Video & CD brochures, web pages, etc.
- In-house color copies, CD-ROM, & laser prints
- Hyper-speed

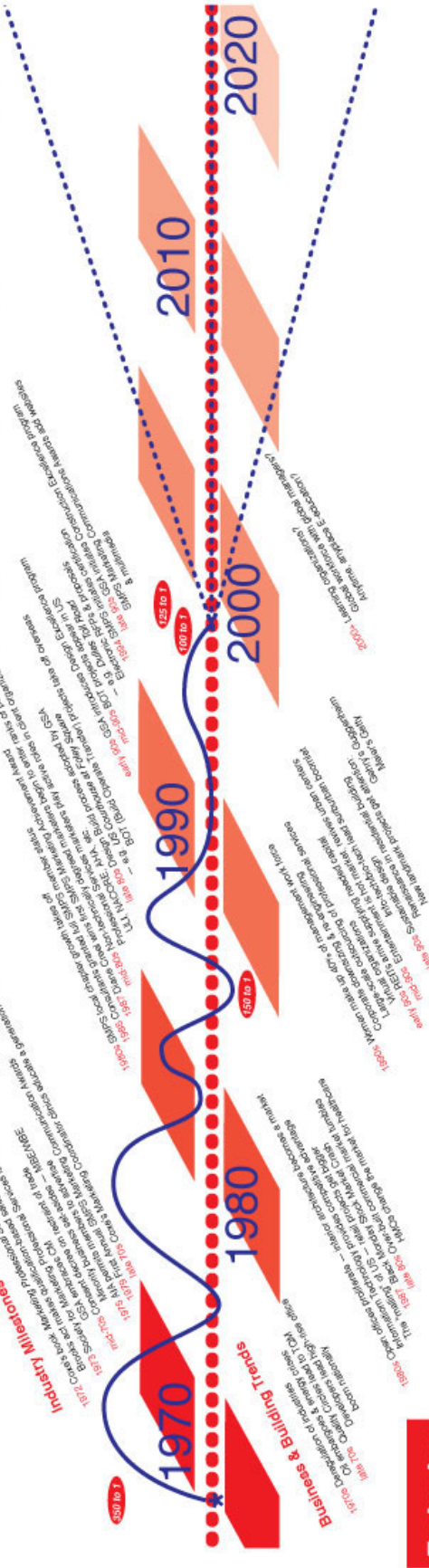
# Cycles of change

\* US economic cycle ● Yen vs Dollar

## Global expansion



- 1970s**
  - Construction boom in Middle East
  - University of Petroleum & Minerals
  - Jeddah Airport
- 1980s**
  - mid-80s US firms in UK & Continental Europe
  - Euro Disney built outside Paris
  - Canary Wharf goes up in London
  - late 80s Asian markets open to US firms
  - 6.6.88 Bank of China in Hong Kong
  - 1989 Berlin Wall comes down
- 1990s**
  - early 90s US firms participate in Mexican market boom & bust
  - 1994 Chunnel links UK & Continent
  - mid-90s Eastern European economies grow
  - US firms enter market
  - late 90s South America revives with privatization
  - US firms head south
  - US firms take on Russian projects
  - 1998 Hong Kong International Airport
- 2000+**
  - Global geographic boundaries disappear?
  - ECU first step toward global currency?
  - Global capital resources?



## Technology

- 1970: Relational databases
- 1970: Invention of fiber optics
- 1971: Handheld digital calculator introduced
- 1973: FedEx launched
- 1975: Bill Gates & Paul Allen form Microsoft
- 1976: Wang introduces first word processor
- 1981: IBM PC introduced
- 1984: Apple Computers unveils Macintosh
- late 80s: Fax machines become common office equipment
- late 80s: Laptop computers developed
- 1990: Microsoft introduces Windows 3.0
- 1991: Government opens internet to private enterprise
- 1993: WWW becomes public domain
- late 90s: Internet becomes a major tool in information economy
- E-mail & New Media proliferate
- 2000+: Disappearance of long-distance telecom costs?
- + Multimedia browsers available?
- + E-cash?
- + Encryption technologies impact all sectors?