

# The future of professional services marketing



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**The professional world has changed...but what about marketing and business development? James Newberry and Maeve Jackson explore what the future marketing department might look like.**

“The world has changed” is the opening line of Peter Jackson’s movie trilogy of Tolkien’s Lord of the Rings. Whilst we are not suggesting an end quite as cataclysmic as this story, the world of professional services marketing is also changing dramatically – and we mean step change rather than incremental.

New technologies, much tougher market conditions, and the impact of legislation are transforming the business position of many legal, accounting and other branches of the professions. Can we expect such transformation now to be wrought on the marketing department? If we can, how much will the current marketing operations in professional firms have to change over the next five years?

From talking to partners, directors and managers in a range of firms, and experience of working in the sector, it is our belief that we are about to enter, Tolkien-like, a new age of marketing and business development in professional services. This new era is going to demand more and different things of the structures and people that make up the commercial function.

## Key issues for 2010-2015

The question we pose is how, going forward, current and future market developments are going to affect the way that marketing is structured. There are a number of relevant trends here.

### Limited scope of “marketing”.

One of the universal truths of the last 20 years is that, despite a growing structural sophistication, there is still no clear or widely accepted view of what ‘marketing’ and ‘business development’ are. Indeed these two terminologies can appear interchangeable.

And although it has expanded out of its original marcoms remit, the prevalence of truly strategic marketing - as practised in the wider business world - is playing serious ‘catch-up’ in a lot of professional firms. Taking the classic 4Ps. Professional services marketing’s real impact on and control over

Pricing, what and how Products are developed, and how service is delivered to clients (Place) is generally weak. About the only area of significant expansion that we are seeing is in the areas of Promotion based around new media.

**Partner role disaggregation.** Whilst marketing’s role remains limited currently, the opportunities to break out of its strait-jacket are beginning to appear. Under pressure from clients to adopt more business-like practices and, in the law, from the potential impact of market liberalisation, partners and other professionals are struggling to cope as the traditional ‘jacks of all trades’. We see real responsibility for operations management, pricing and project management being granted to a small but growing cadre of non-professionals.

### Product/service development.

Previously neglected, product/service development is now becoming important as firms seek to differentiate their offering to complement better operational efficiency. This requires marketing/BD and practice groups to work together to create client-centric solutions that cut across existing structural boundaries. Imaginative solutions are also being created in some firms by using third parties or other branches of the professions (e.g. between law firms, pension consultants and others), and this too requires product development and project management skills.

**Turbulent uncertainty.** A number of firms have led a trend in recent years to combine business development and knowledge management teams into one unit for what appear to be logical reasons, for example getting closer to the professionals.

At the extreme, either for budgetary or perhaps ideological reasons, one or two have dispensed with BD specialists altogether and handed the job to professional support staff. But then some other firms have all but abandoned their use of in-house professional support relying on external contracted provision.

These examples highlight to us that economic turbulence and client demands are producing major knock-on effects that are rippling through: old orthodoxies are being actively challenged everywhere – especially in the last few traumatic years. So if firms can successfully outsource routine, low value areas of professional activity, why not do the same thing for support services and marketing or BD in particular? This is more than just a twinkle in the eye of a few managing partners or chief executives. It is happening.

In conclusion, we believe that the marketing operations of many professional firms will, indeed must, have a different look five years from now if they are to meet the challenges we highlight. The potential exists for marketing in the professions to move beyond the limitations of its ‘promotion-plus’ role, into a wider remit as part of a commercially-relevant operational ‘team’ with partners/professionals and other non-professional specialists. In the most progressive firms, marketing will begin to drive pricing strategy, tactical implementation and project management – as we believe that it should do. Increased emphasis and expertise will be needed to cover new media activities and new product development.



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To implement this successfully will require greater expertise from marketing and BD staff than many departments currently possess. Therefore, firms will adopt a more complex and fluid organisation structure, moving away from the simplicity and relative straightforwardness of traditional functional structures. The typical department of 2015 will more closely resemble a matrix operation, but with even more complex dimensions as external contractors and other professional service co-providers join the mix.

We are also likely to see the rise of what we have called the ‘stakeholder structure’. In it, specific parts of the marketing function are outsourced and managed by a small central team using clearly-defined contracts for agreed services: for example, knowledge and research, PR, and event management. In this paradigm, the efficient management of direct and indirect target-setting and reporting will be vital for success.

Today, this is one for the future but, with the unstoppable drive from clients for greater operational efficiency, it is likely to be taxing professional service minds pretty soon.

Of course, we have no crystal ball. Our version of the future shape of the marketing function is only one possibility, but it is one for which all the signs are observable now.

What are you and your firm doing to be ready for it?

A fuller version of this article is available to view online at [www.psmg.co.uk](http://www.psmg.co.uk).

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