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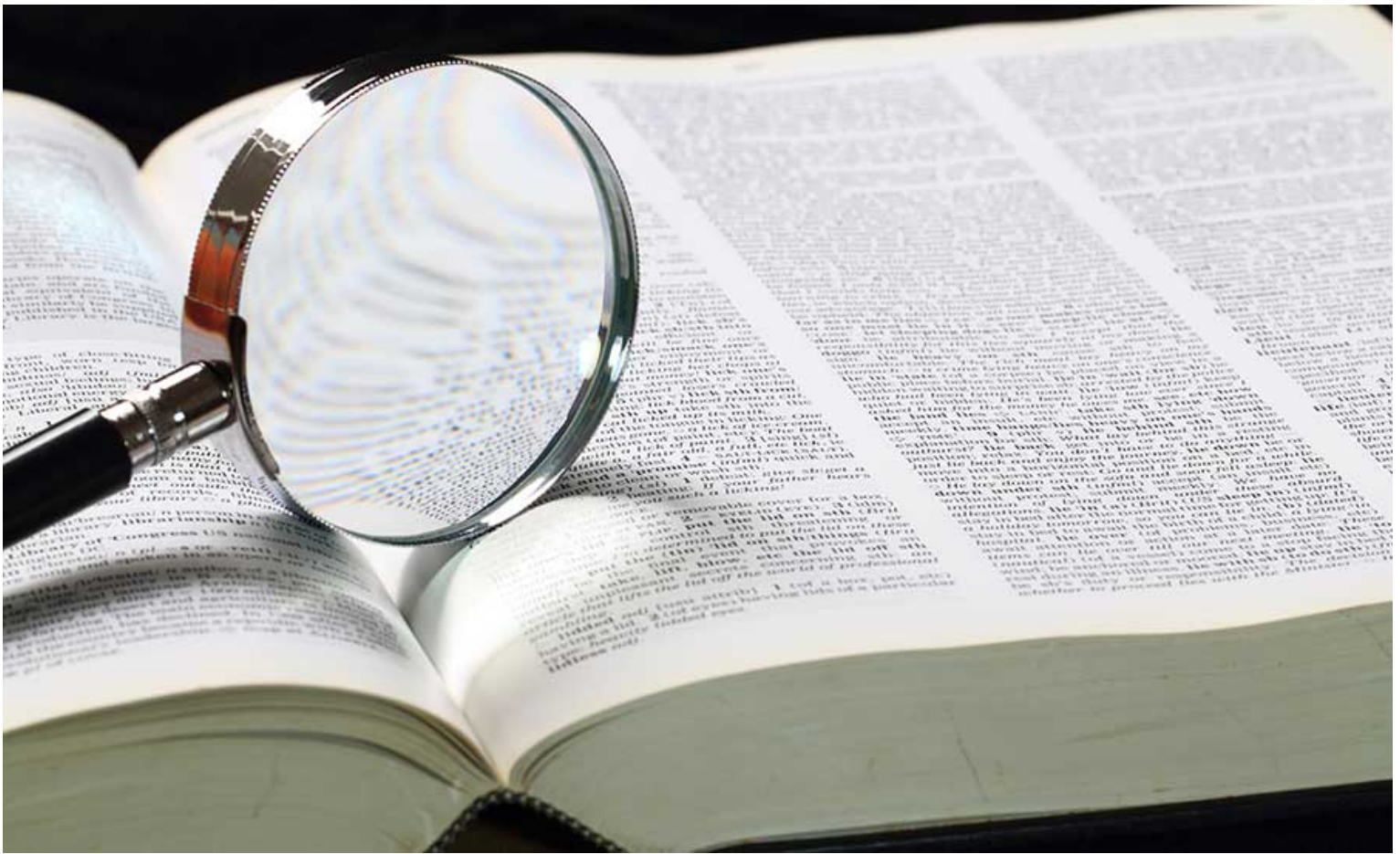
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Scott D. Butcher, FSMPS, CPSM, is a marketing and business development consultant, trainer, and facilitator focused on the architecture, engineering, and construction (AEC) industry. He's worked with firms of all types in the areas of marketing strategy, content marketing, business development, seller-doer model, branding, and more. Scott is a past president of the SMPS Foundation and a former director of the Society for Marketing Professional Services.

It's Time to Redefine Marketing & Business Development

SMPS Releases New Definitions



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What is marketing? And business development?

Ask ten A/E/C professionals these questions, and you are likely to receive ten different answers. As an industry, we're certainly not short on opinions and definitions, and yet these definitions often don't align with the broader definitions accepted by other industries.

Philip Kotler, the "father of modern marketing" and author of many college marketing textbooks, views it this way:

Marketing is the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines, measures and quantifies the size of the identified market and the profit potential. It pinpoints which segments the company is capable of serving best and it designs and promotes the appropriate products and services... In my 11th edition of Marketing Management, I describe the most important concepts of marketing in the first chapter. They are: segmentation, targeting, positioning, needs, wants, demand, offerings, brands, value and satisfaction, exchange, transactions, relationships and networks, marketing channels, supply chain, competition, the marketing environment, and marketing programs. These terms make up the working vocabulary of the marketing professional.

Unfortunately, there is has been no uniform definition for marketing – and business development – in the A/E/C industry.

Many A/E/C firms use “marketing” and “business development” interchangeably. I was recently involved with some informal research that found little differentiation between the two at the C-suite level – it’s all about getting work.

For other firms, there are distinct responsibilities between the two:

Marketing = brochures, resumes, proposals, presentations, website

Business Development = selling, networking, trade shows

In this context, however, too many firms have “marketing” staff with little or no marketing responsibilities. Sure, they are busy. They’re putting in 50+ hour work weeks busting their butts pushing out proposals. For them it seems that every week brings a new proposal to work on. (Or multiple proposals in a given week.) And while we could wax loquacious about the merits of a robust go/no-go process for determining pursuits to minimize time and money wasted on low-probability proposals, we’ll save that for another post.

What’s important here is a fundamental misunderstanding of proposals, which are a function of business development, not “marketing” – as least not as many A/E/C firms define marketing.

The Four P’s

I went to college for marketing, and everything revolved around the “Four Ps”: Product, Price, Place, Promotion.”

Product is your offering – be it a physical item or an abstract service.

Price is how much it costs to purchase your Product (service).

Place is where your Product is available, and incorporates distribution strategy.

Promotion is the act of generating interest in your Product through various types of outreach.

Note that “Proposal” is not one of the Four Ps.

In the original Four P model, Promotion is further broken down into advertising, public relations, sales promotion, and personal selling. Although this is an older model of marketing, it’s interesting to note that selling is viewed as an element of the overall marketing umbrella.

Thirty years ago, the 4Ps began evolving to the 7Ps, adding People (staff), Processes, and Physical Evidence (think brochure here).

We now have seven p-words, and yet not one is “proposal.”

In the A/E/C industry, we’ve never really bought into the 4Ps. Product development is not typically a function of a marketing department. It is handled at the principal level, and at many firms the Product is essentially unchanged over the years or even decades.

Pricing is also typically handled at the principal or operations level. Budgets are set, multipliers are tweaked, and rate schedules are published. Project managers then use the current rates and historic data to set project fees. Most marketing teams have absolutely no say or involvement here, although many

business development professionals have been heard muttering under their breath, “Our fee is way too high to land this project!”

In some firms, marketing teams are brought in for Place. They may be asked about trade shows, market expansion, new offices, and other items related to where to deliver – or Promote – services to potential clients. In the 21st century, for many industries a website is part of Place. Most A/E/C firms don’t actually “sell” their product online, but companies like Amazon and Zappos were built on taking Place onto the Internet.

Promotion, however, is where we typically find marketing’s role in A/E/C firms – although sales promotions (coupons, discounts) are rarely-used marketing tools. In larger firms, the public relations function may be handled by a dedicated communications department. Of course, in many other firms, there is no PR function!

So let’s return to our challenge: far too many firms don’t understand that proposals are a function of business development. Marketing coordinators who spend their days in the trenches preparing proposals are really internal business developers.

Now, before we get too deep into that, let’s first define business development as sales-related activities. “Sell” is a four-letter word, after all, and is often avoided in A/E/C firms! Some people define business development differently than sales. For instance, business development is the process of developing relationships with potential clients – or enhancing relationships with existing clients – while sales is the effort required for a specific project pursuit: writing a proposal, participating in a project interview, negotiating a contract.

"Selling is only the tip of the marketing iceberg." – Dr. Philip Kotler

As a general rule, at least in the A/E/C industry, business development and sales are typically used interchangeably, and include both developing relationships and closing the deal.

Transactions, relationships, networks – these are all elements of Kotler’s marketing definition, and they are components of business development.

Those firms that truly differentiate marketing from business development, and understand that developing proposals and project interview presentations is a function of business development, typically view marketing as “one-to-many,” and business development as “one-to-one.”

Marketing in this context is about building brand, creating name recognition, and generating demand. It’s about figuring out where the prospects are and getting your message in front of them. It’s about delivering your product (services) to the right markets, and having an understanding of those markets. Tools used by marketers include websites, eblasts, direct mail, advertising, public relations, research, and content like blogs, articles, and general presentations (at community programs, conferences of professional societies, or client organizations).

Business development is about focusing on specific prospects and converting them into clients. Tools used by business developers include personal emails and phone calls, social selling, networking, trade shows, in-person meetings, proposals, and client or project-specific presentations and interviews.

The marketer's focus here is on the many, helping to convert suspects into prospects. The business developer's focus is on the few – or the one – moving prospects to opportunities and converting them into clients.

In the past, business development generally signified some element of interaction – a phone conversation, personal meeting, networking conversation, email exchange, etc. Marketing, on the other hand, was lacking in interaction. Perhaps someone saw an advertisement, read a press release, or checked out a website. But with social media, blog comments, and product reviews, engagement with clients and prospects is becoming more common in marketing.

New SMPS Definitions

The Society for Marketing Professional Services (SMPS) is an organization of marketing and business development professionals serving the A/E/C industry. Their members have diverse responsibilities: branding, communications, research, public relations, digital marketing, proposal writing, presentation development, brochure creation, graphic design, selling, networking, and more. At the end of the day, however, their roles are to generate awareness, build brand, and create new business opportunities for their firms.

SMPS recently adopted new definitions for marketing and business development, bringing back the traditional big-picture view of marketing – and the one taught in collegiate marketing programs for decades.

***Marketing** = The process of creating firm awareness; building and differentiating the brand; driving business development activities; and identifying, anticipating, and satisfying client objectives to achieve profitable business goals.*

***Business Development** = A component of marketing, the process of identifying clients and opportunities, developing relationships, and securing profitable work for the firm.*

What I love about these is that they go beyond the common definitions. Awareness and differentiation are critical activities of marketing – but they play an important role in business development. They make it easier for business development to occur. Furthermore, marketing is defined in the context of client objectives and profitability. Too often this aspect is forgotten or neglected. If your marketing messaging ignores the prospective clients' needs and objectives, your marketing will be wasted.

Likewise, the SMPS business development definition includes “securing profitable work for the firm.” BD without results is meaningless – and A/E/C firms are not nonprofit organizations, as much as some try to be! – so the importance of “profitable work” cannot be understated. Landing a project is *hypothetically* not

that difficult: just go in with a crazy low fee! But is that what you want from your BD activities: bankruptcy? Quality work resulting in profit for the firm is a key element of successful business development.

Note that the word “proposals” does not appear in these definitions, either. Yes, proposal development is an essential function of an A/E/C firm. It is often an outcome resulting from successful marketing and business development: marketing activities generate name recognition, create demand, and drive business development, then the business development function swoops in to convert a prospect, and a company is asked to prepare a proposal. (Or, a firm simply responds to publicly-advertised projects, competing with ten or twenty other firms, and simply plays a numbers game with limited marketing or business development – although this is common strategy for too many firms, it sure isn’t “strategic.”)

These new definitions mark a return to the "marketing umbrella" I was taught in college, and also recognize the convergence of the disciplines. As Martech (marketing technology) has increasingly become part of our everyday lives, business developers are playing expanded marketing roles, and newer marketing tools are part of the BD arsenal. Business developers are front-line brand champions for a company. Furthermore, the older view of marketing as one-to-many and BD as one-to-one has also evolved, with personalized marketing (one-to-one) being a major trend right now. Convergence is all around!

Who Are Your Marketers?

Based upon these definitions, who are the marketers in your firm?

The titles are myriad:

- Chief Marketing Officer
- Chief Communications Officer
- Marketing or Communications Director
- Marketing or Communications Manager
- Marketing or Communications Coordinator
- Graphic Designer
- Business Development Director
- Business Development Manager
- Business Development Representative
- Sales Director
- Graphic Designer
- Public Relations Director or Manager

However, because business development is a component of marketing, there are many other roles in your company with marketing responsibilities, too:

- CEO
- President

- Vice President
- Principal
- Market Champion or Leader
- Project Executive or Manager
- Lead Designer / Architect / Engineer / Scientist / etc.
- Branch Manager
- Department Manager
- ...and more

These roles fall into what the industry generally terms “seller-doer,” and demonstrate that marketing must penetrate deeply into the organization. In fact, anyone who touches the client in any way – sending an email, attending a meeting, surveying a building or site – has a marketing role and responsibility. And those employees that aren’t client-facing still play a critical role: they need to live the brand in their actions, interactions, and the deliverables they create.

Perhaps it’s time to rethink these vital functions and redefine marketing in your firm. Marketing is the top-line driver, with branding, communications, public relations, and business development all playing vital roles in your marketing program!

There’s no reason to pigeonhole your staff into narrow, incorrect definitions for marketing and business development. Redefine these terms and free your talented professionals to do what they do best!



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