

## **Dick Maggiore: Positioning delivers for professional service firms**

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By Dick Maggiore Special to The Canton Repository

Legion are the tales of marketing battles waged by brands that consumers see on retail shelves. But a huge number of businesses go to market every day with no tangible product — yet they are locked in marketing combat.

For the past several months, we have shared a variety of successes and failures by brands familiar to many readers. We have examined cases about products finding how they are different from others in their categories.

Maybe the product is healthier, faster, cheaper, sweeter, lighter or fancier. But retail brands are just a fraction of the business world. How do accounting firms, law offices or even advertising agencies differentiate themselves from their competitors?

The fact is, and you can take this to the bank, positioning works for professional business firms just as it does for companies that sell tangible goods.

Most professional business firms look like all other professional business firms. They are indistinguishable.

Differentiation gives brands their backbone and traction. Yet it is a challenge with which most firms struggle. Most professional business firms simply do not understand differentiation.

For firms desiring to grow from being a smaller local firm to a regional or even national firm, proper positioning is paramount. To get there, to arrive at the Holy Grail in marketing your professional business firm, consider these steps:

First, ask, “What is the most basic benefit you provide?” At the end of the day, the best positions are simple.

Harvard University’s Michael Porter is famous worldwide for his work on competitive strategy. He cites only two ways to gain a sustainable advantage over your competition. One is to compete on price and the other way is to stand for something.

Clearly, he’s an advocate of the latter — of being different. If you want to stop competing on price alone, you might want to consider positioning strategy, how to differentiate your firm.

Competing on price is a strategy that usually doesn’t last. Sooner or later, a competitor will undercut your price, thus eliminating your competitive advantage.

Instead, find a way to distinguish your offering in a way that is relevant and important to your prospects and customers. That difference is your “position” in the marketplace.

Your law firm, for example, could become a focused specialist by zeroing in on a single industry. You could become the oil and gas experts. We call this the “narrow and deep” strategy.

Note that going deep is a more effective strategy than going wide. The toughest mental paradigm to overcome is to stop trying to be everything to everybody. The strongest position is built on taking away. Think reduction.

By becoming known as experts in an industry, your geographic reach would expand naturally. We call this “jumping geography.” If skillfully promoted, you would be sought after nationally. Also, you wouldn’t compete on price, but instead be able to charge a more favorable rate.

There is a downside. The industry you chose might diminish (as would your income). In addition, prospects in other industries might not look to you because you would not be perceived as knowledgeable in their industry.

Many firms have done well by becoming the focused specialist. You also could focus on a particular discipline within your industry. In law, for example, you might focus on becoming the experts in litigation, international law, contract law, labor law, immigration, criminal law or family law, and so on.

Consider accounting firms. They, too, can focus on certain industries (manufacturers, technology companies, auto dealers, retailers, distributors, franchise operations, etc.) or disciplines (tax, international, public or private accounting, government, small business, Sarbanes-Oxley compliance and more).

If you’ve narrowed your focus and found a unique vertical position, you might have created a new category. The next challenge is to own the leadership position in the minds of your prospects and customers in this subcategory. This demands skillful communication using digital marketing as your primary tool.

Today, most professional business services firms acquire the majority of their leads online, although referrals and other, more traditional methods remain in the toolbox.

As the focused specialist, you ideally are suited to create content as the expert in your differentiated position. Content — articles, blogs, photos, illustrations, white papers and more — is the primary tactic used to help prospects find you online. Your prospects will find your content — and you.

The strategies described above are “vertical” ways to differentiate, so named because you expand your business by narrowing your focus. There also are “horizontal” differentiating strategies.

Horizontal positions are most associated with tighter geographies. Few companies have the resources to carry a horizontal position nationally.

An example of a horizontal position is to get paid for results, pay-for-performance, rather than get paid by the hour. Your customer might like that you have “skin in the game,” but the risk is you might not get the agreed-on results. You might consider compensation by way of a fixed fee rather than the customary hourly billing.

It’s also possible to differentiate by offering a proprietary process or technology to deliver your service. The assumption is the unique process will deliver higher value for your customer.

In addition, you can target a particular audience with a tailored message. You could focus on catering to the purchasing agent, human relations folks or the bookkeeper. Other possible differentiations include your hiring more of a certain type of employee with advanced degrees, special certifications or other distinguishing attributes.

Horizontal positions work best with a more balanced combination of traditional and digital marketing tactics focused on smaller geographies.

Be different. Be relevant. Above all, be focused.

Confucius knew the value of focus. He said, “Man who chases two rabbits catches neither.”

*Dick Maggiore is president and CEO of Innis Maggiore, founded in Canton in 1974 and today the nation’s leading positioning ad agency, building strong brands for companies in competitive markets here and across the country.*