

Attaining Thought Leadership

Highlights of The Bloom Group's Survey
on How Professional Services Firms
are Developing, Capturing and Marketing
Their Intellectual Capital

September 2006
Boston, MA

Defining Our Terms

“Intellectual Capital”

The expertise of a professional services firms’ experts (present and past) that embodies the knowledge and methods they use to solve client problems

- “IC” for short
- Often not codified; many times it’s “in their heads”
- Key role of marketing:
 - Codifying IC when it’s not
 - Creating awareness of it in the most effective and efficient ways possible



“Thought Leadership”

Intellectual capital that has been codified and marketed -- and (most important) that the market views as superior

- For most professional firms, an aspiration, not a reality
 - Not a tag to be slapped on any white paper or book you write
- Signs of thought leadership:
 - ... A bestselling book
 - ... Dozens of speaking requests
 - ... A Harvard Business Review article that generates many reprint sales (that are not from your firm!)



Focus of The Bloom Group Study

- How important is it for professional services firms to attain thought leadership?
- What leads to thought leadership?
- What is marketing's role in helping firm experts become recognized as thought leaders?
- What marketing activities or programs are better than others at establishing thought leadership?

Research Process

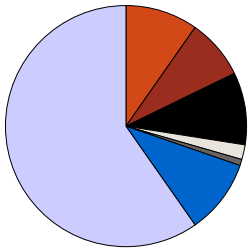


- Created structured online survey questionnaire
 - 28 questions for marketing and non-marketing managers
- Solicited respondents through email
 - From Bloom Group and PM Forum databases
- Analyzed data
 - Overall, across all respondents
 - Marketing vs. non-marketing respondents
 - Size of firm
 - Type of firm (consulting, IT services, etc.)
 - “Leaders” and “laggards”
 - Respondents who said their IC was “far superior” vs. those who said their IC was “inferior” or “far inferior”

Who Responded: A Look at the 179 Survey Participants

Types of Firm:

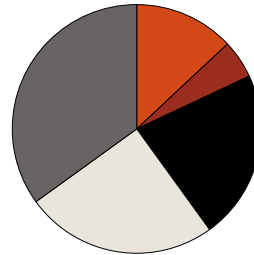
Most consultancies, some IT services, law, accounting and training firms



- 61% consulting
- 10% IT services
- 8% law
- 5% accounting
- 5% training and development
- 2% research
- 1% engineering
- 10% other

Sizes of Firm:

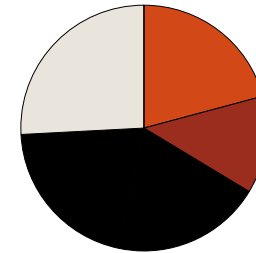
About half over and half under \$100 million in annual revenues



- 35% less than \$25m
- 13% for \$25m-\$50m
- 5% for \$51m-\$100m
- 17% for \$101m-\$500m
- 5% for \$501m-\$1b
- 25% for over \$1b

Roles in Firm:

About half CMOs and other marketing managers; one-third CEOs, MDs or heads of practices/service lines



- 26% for CMO/marketing head
- 21% for other marketing managers
- 13% for CEO/managing director
- 20% for head of practice or service line
- 21% other

Finding No. 1:

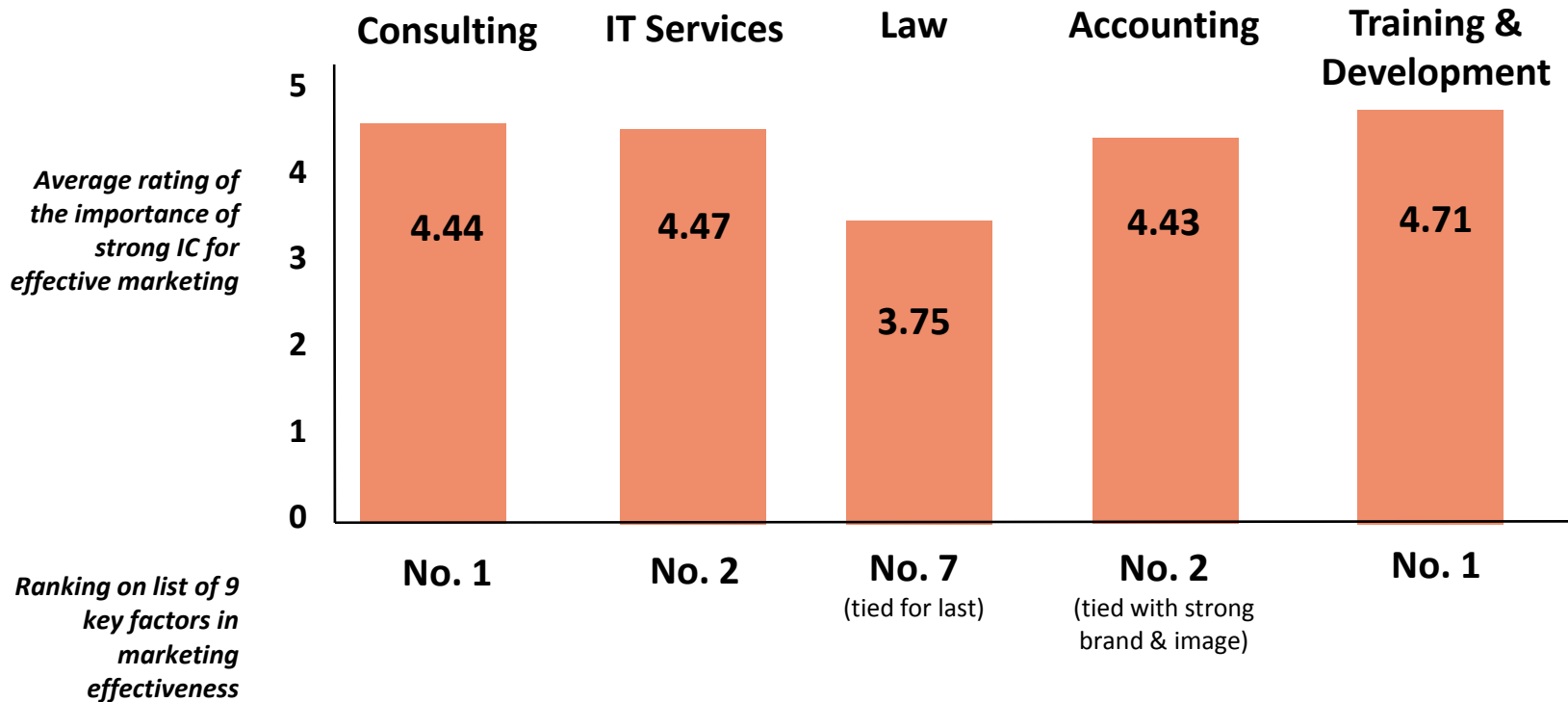
In Professional Services, the Key Factor in Marketing Effectiveness is Strong IC

1 to 5 Rating:

Strong IC	4.40
Referenceable client work	4.29
Strong sales/business development capabilities	4.15
Sound marketing strategy	4.02
Strong brand and image	3.99
Firm focus	3.94
Sufficient financial resources	3.83
Marketing staff with PS backgrounds	3.75
Recognized experts already on staff	3.75

Average ratings on a scale of 1=not at all important to 5 =of highest importance

Who Values Thought Leadership the Most?



Finding No. 2:

Firms With Strong IC are Far More Likely to Generate Substantial Market Awareness and Business Leads Than Firms with Weak IC

Response Percent:

Very effective	31%	IC Leaders
	5%	IC Laggards
Effective	50%	IC Leaders
	5%	IC Laggards
Average	13%	IC Leaders
	24%	IC Laggards
Ineffective	6%	IC Leaders
	48%	IC Laggards
Very ineffective	0%	IC Leaders
	19%	IC Laggards

What Thought Leadership Can Do

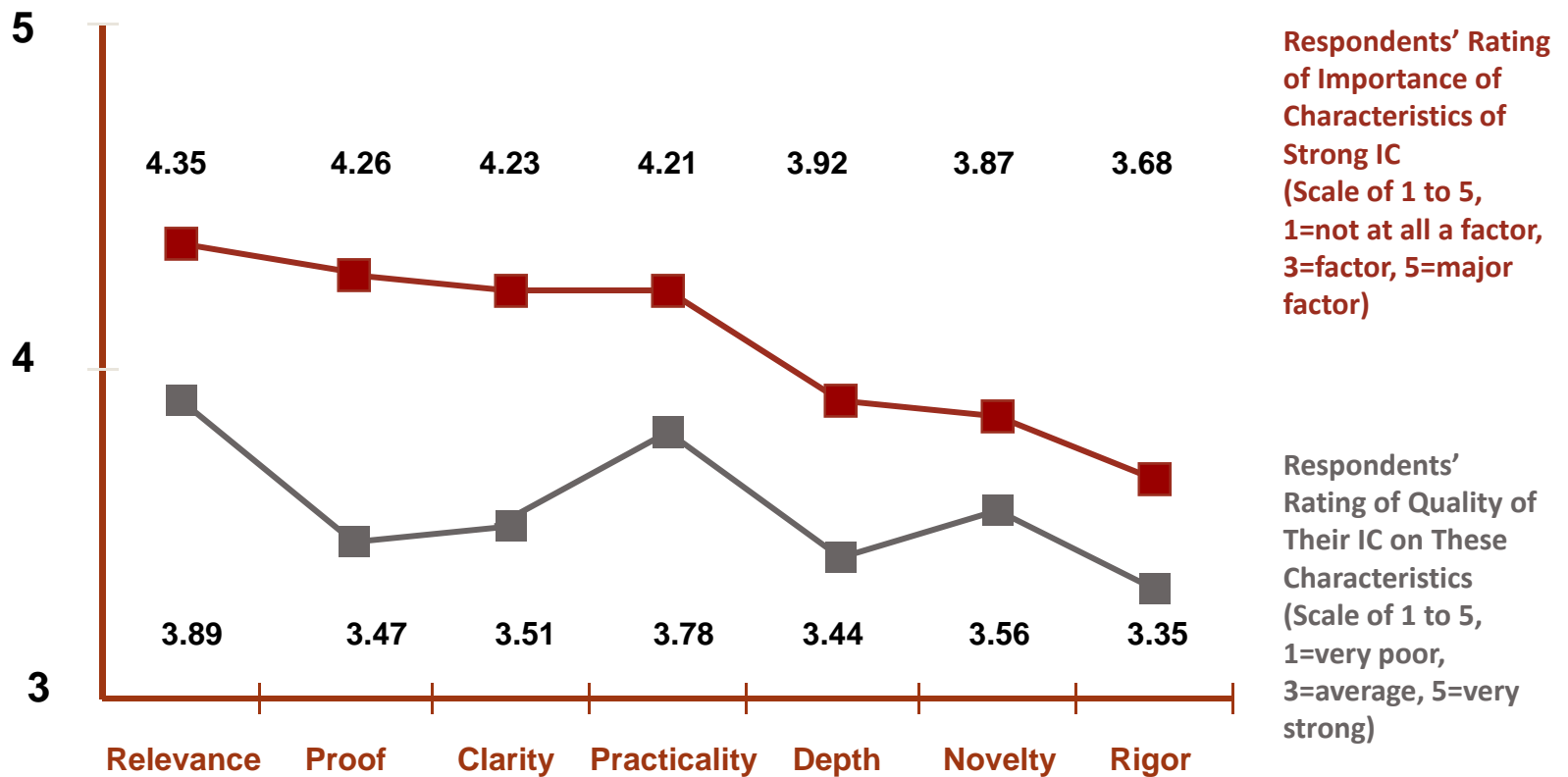
Thinker	Concept	Market Impact
Michael Hammer/ CSC Index	<i>Business reengineering</i>	Creates blockbuster book (2 million copies) Turns ex-computer science professor into business guru Boosts Index's revenue in 7 years from \$40m to \$250m
Frederick Reichheld	<i>Customer loyalty management</i>	Rescues Bain & Co. from bankruptcy Fuels a market for CRM software
Jim Collins	<i>Companies that are "built to last" and go from "good to great"</i>	Two mega-bestselling books ("Good to Great," "Built to Last"); mega-conference speaking fees
Ram Charan	<i>Profitable growth, executing strategy</i>	Bestselling author and advisor/confessor to the CEO (Jack Welch, Jacques Nasser, Lawrence Bossidy et al)
Michael Porter	<i>Competitive strategy</i>	Helped launch consultancy Monitor Co. Reigning strategy guru and Harvard Business School star
Peter Drucker	<i>Knowledge worker and dozens of other ideas</i>	31 books and numerous <i>Harvard Business Review</i> articles

Hallmarks of Thought Leadership

	What is it?	What we do
Focus	Having a single fundamental message	Clearly define issue/problem to research; create a theme statement/structure for the POV
Novelty	Coming up with a unique diagnosis of the problem or solution	Conduct literature searches to review other POVs on topic and position for “white space”
Relevance	Meeting a critical and specific market need (making case for action)	Gather evidence on prevalence and importance of problem through survey, case interviews and literature surveys
Validity	Proving that the solution you offer is effective	From client work and analysis of best practice case studies, collect examples of companies that have followed the solution you prescribe
Practicality	Demonstrating you have a solution that can be implemented	Develop tool, frameworks and methodologies that companies can use to solve the problem
Rigor	Having tight, consistent logic	Produce an early white paper that sets down the message, arguments and evidence; test core frameworks and methods with internal group
Clarity	Making a clear argument, with words and concepts that are easy to understand	Identify and eliminate jargon, unclear concepts, and other confusing material from the POV

Finding No. 3:

The Average Professional Firms' IC is not Thought Leadership



Finding No. 4:

Developing Thought Leadership Requires Resources and Research

IC Leaders

57% of resources devoted to developing IC

43% of resources devoted to marketing IC

Favorite IC Development Techniques

1. Professionals develop their own ideas (75%)
2. **Research consortium (44%)**
3. Marketing helps professionals develop/capture ideas (38%)
4. **Internal research group (25%)**

IC Laggards

41% of resources devoted to developing IC

59% of resources devoted to marketing IC

Favorite IC Development Techniques

1. Professionals develop their own ideas (67%)
2. Marketing helps professionals develop/capture ideas (38%)
3. **Internal research group (14%)**
4. **Research consortium (0%)**

Resource Requirements for IC Development: Key Skills

Substantive Research

Tasks

- Design research plan, case interview guides and survey questionnaire
- Interview executives at client & other best practice firms
- Write case study reports
- Conduct thorough lit. search
- Interview/debrief consultants

Skills

- Strong mgt. interview skills
- Strong research, case, & survey design
- Strong business writing skills
- Business research/lit. search

Sources of Talent

- Academia, business journalism, research firms

Rigorous Analysis

Tasks

- Synthesize & analyze research findings (analytic)
- Identify patterns/trends (creative)
- Develop descriptive & prescriptive frameworks and methods for making decisions

Skills

- High analytic and creative ability
- General topic knowledge
- Group facilitation

Sources of Talent

- Consulting firms
- Business schools
- Research firms
- Business journalism

Compelling Communication

Tasks

- Organize and structure research data and findings for focus, novelty and rigor
- Write findings in clear, compelling prose
- Identify logic gaps, unsupported arguments and other POV weaknesses

Skills

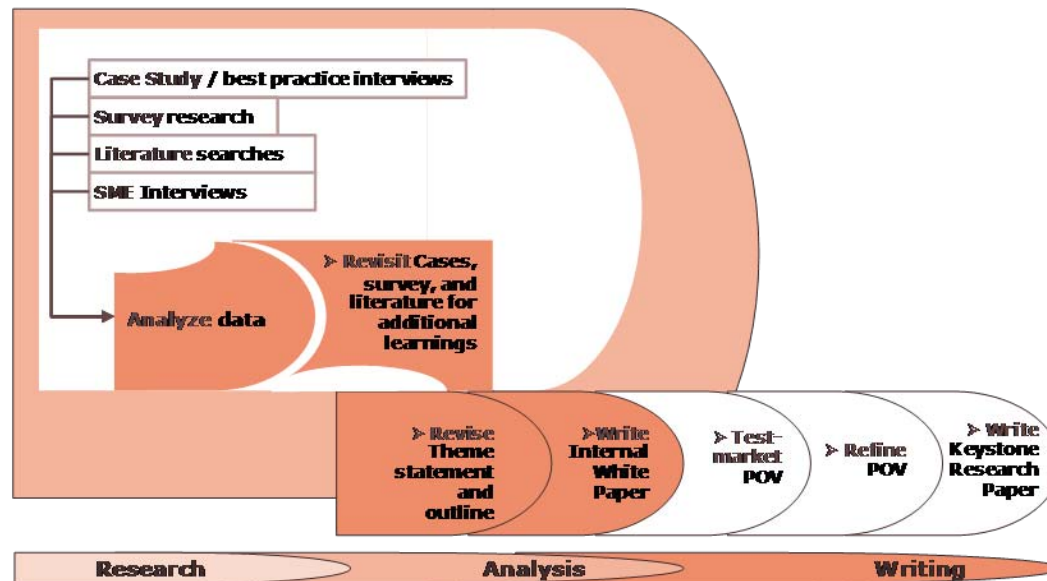
- Top-notch business writing skills
- General topic knowledge
- High analytic skills

Sources of Talent

- Business journalism
- Academic/management publications
- Freelance writing

Intellectual Capital R&D Process Can Be Lengthy

- Business reengineering → Three years
- Jim Collins' ideas → Five years
- Most ideas that become "thought leadership" → At least 6-9 months



Finding No. 5:

Thought Leadership Can Level the Playing Field for the Smaller Professional Firm

	Group A \$0-25M	Group B \$25-100M	Group C \$101M-\$1B	Group D >\$1B
Our IC is far inferior	0%	0%	3%	3%
Our IC is inferior	12%	19%	19%	13%
Our IC is about the same	17%	35%	25%	33%
Our IC is superior	56%	39%	41%	44%
Our IC is far superior 15%	8%	13%	8%	
	71%	47%	54%	52%

The Bloom Group

The Bloom Group powers up marketing for professional services firms. We specialize in helping professional services firms determine their marketing strategy, attain thought leadership and grow their business through effective thought leadership marketing and campaign execution.

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