



R E C O U R S E S

POSITION STATEMENT

Positioning Challenge: Combining Strategy & Execution

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INTRODUCTION

For just a few minutes, I want to get you thinking about how the mix of things you do for clients can have a significant impact on the value they place on your services. Your clients typically have this need to compartmentalize what you do for them, separating the higher and lower level activities and then drawing inferences that put you in a box. Even more than the services you do for them, how you position those services will have a significant impact on the nature of the relationship. After laying out the rationale behind this thinking, this position paper concludes with five very specific suggestions on wedding strategy with execution.

In many cases there's no simple way to avoid providing both higher and lower level services to clients, but unless you combine them in a manner that carefully takes your positioning into account, you may find yourself swimming upstream all the time, wishing for a different kind of client relationship.

HOW IT LOOKS FROM THE OUTSIDE

You know what you do, and you aren't bothered so much by the mix of activities that consume your day. You know what you are capable of and what role the more implementation-oriented activities play in your business. But what does it look like to an outsider who is trying to absorb every little clue about your positioning? Be honest for a minute and just consider these areas:

First, does your web site highlight implementation? What do the images capture—the thinking process or the implementation outcome? Does your presentation feature any strategic work you do for clients that might be presented to them in nothing more than text? Would the look of how you tell these stories vary all that much from how the commercial printers you work with might tell the same story?

Second, look at your billing structure. If you have a tiered hourly rate structure (which you should not), at what level is most of your client activity billing? Is the weighted average toward the lower end of the hourly rate options?

Third, look at the titles of all the people your clients interact with, and see how many of them are upstream or more on the implementation side.

Fourth, if a new client has limited time and/or money, what part of the process do you reluctantly compress at their insistence? I'll bet it's the analysis and strategy in order to dive into the implementation quicker because they are coming to you more for short-term solutions.

Fifth, get a cheap digital voice recorder and record just your side of the conversation by setting it on your desk during the phone call. Then listen to it and analyze the type of questions you are asking your clients. Are you guiding them or are you reactively getting the information you'll need in order to fulfill their implementation requests?

Sixth, look at where your clients have stepped out of the relationship they already have with you to buy related services. When they do so, are they typically buying upstream or downstream from your firm's

role? Are they spending money on services you think you should be doing for them (if you were positioned appropriately in their minds), or are you glad you don't have to muck with the stuff they're giving to someone else?

Seventh, who have they assigned on the client side to manage the relationship with you? How high up the ladder are they, and do you think you should be working at a higher level within the client organization?

Here's what this means: when clients have a choice in cuing their positioning for you based on the higher level things you do or the lower level things you do, they are inevitably drawn to the lower things. So with them both lying side by side on the table, their eyes are drawn to the lower level implementation activities and the more strategic ones don't register like they could.

Here's a simple illustration of that. Suppose it isn't ordinarily your role to answer the phone, but one day you hear it ringing at the front desk as you walk by, with no one there to answer it, and so you decide to answer the call before it goes to voicemail. What happens if it's your client on the other end? If this has happened, you know that they'll crack some joke about you being demoted, couching the surprising (and jarring) positioning message you've just sent with humor. They've thought of you at a higher level than what you've just done (answering the phone), and they aren't sure how to reconcile the two extremes.

THE TRUTH ABOUT IMPLEMENTATION

Regardless of your positioning, doing lower level activities for clients can be problematic. So the more you can do to steer the right sort of work your way, the better off you'll be. For example, if the very same implementation you do for clients flows from a strategic relationship, it's a lot less annoying. With this in mind, what is the truth about implementation?

First, it draws your worst clients. These are the ones who may not be forthright about the project's budget, want to see estimates/invoices that break out each activity, and basically view you as an extended staff they can order around. They don't come to you for a diagnosis, for sure. In fact, they don't even come to you for a prescription! You're just the pharmacy...with a drive-up window.

Second, implementation is what draws the most competition, both from below and (more recently) from above. Your competitors are drawn to the volume of work because of their own cashflow issues or because of their unsophisticated dismissal of the need for profit.

Third, the key to making money in a volume business is high efficiency and low cost. How good are you at those two areas? My guess is that those are not your strong suits or you'd be in a different line of business.

Fourth, your management and personnel issues are more pronounced in this area, and not just because there are more people staffing implementation, but because it can take on an assembly line mentality where unchallenged minds have more time to comment on the management environment and look elsewhere for better opportunities. In addition, you typically hire less experienced people who need more training.

Fifth, your financial risk may be more heavily concentrated on the implementation side of your business (think people, work stations, and office space).

Sixth, deadline pressure is more concentrated on the implementation end of the spectrum because the “drop dead” dates don’t change, regardless of how late the client is on their part of the work or approval process.

THE VALUE OF IMPLEMENTATION TO CLIENTS

Needless to say, all these truths paint an interesting picture of implementation and the foibles that accompany it, particularly if your positioning is too dependent on downstream work. But even absent watertight processes and a more factory-like setting, most firms still must do some implementation, if only because clients require it.

Why? Because of three reasons. First, clients sometimes value one-stop shopping because it is easier for them to deal with one partner. Second, one-stop shopping provides more accountability because vendors can’t point fingers at each other when disputes arise. Third, clients value the continuity that comes from buying implementation from the same people who made the recommendations in the first place because the solutions follow the recommendations with greater integrity.

MARRYING STRATEGY AND EXECUTION

What this means is that you’re going to have to find a way to live with the uneasy bedfellows of strategy and implementation. After counseling hundreds of firms like yours on just this issue, let me offer some suggestions on how to deal with the dilemma you are facing.

First, craft your positioning entirely on your strategy and not your execution. Don’t mention the latter, don’t feature it on your web site, and don’t give it any prominence in your presentations. Quit hiding behind the things your hands do and learn to stand naked in front of a crowd of prospects, without props obscuring your ability to think and ask the right questions. The fact that you do implementation is simply a convenience to your clients, not your prospects.

Second, craft every first time engagement to assess the client’s situation and determine (typically in great detail) what they need. At that point, they can hire you to do it, hire you to manage another outside entity to do it, or do it themselves. It’s about leading with strategy, first, and then offering execution, next, but unbundled from the former. Prospects smell desperation, and they are also suspicious of upstream services (strategy) that appear to be nothing more than a loss-leader to actually sell downstream services (implementation). But if you unbundle these two, and if you really don’t care if the client uses you to do the work that you recommend, the client is actually more likely to hire you for the whole package. They just don’t like pressure.

Third, drop the irrational fear that to keep a client you have to meet all their needs. Only insecure, paranoid boyfriends never let the girl they brought dance with someone else at the party. The honest and ethical thing to do is to pair your client with someone whose strength is a match for what the client needs. The more you force yourself into meeting all a client’s needs, the less credibility you have, and the sooner they’ll leave you.

Fourth, use what I call the R21E approach: “two rooms, but only one entrance.” Most firms are allowing new clients to enter either room from the outside, buying either a defined strategy plan first (their preference) or moving straight to execution (the entrance that tends to get the most use). Instead, close off the outside entrance to the larger implementation room, forcing all new clients to enter by the strat-

egy room. From there, they can choose to make their own arrangements or use the connecting door to the implementation room. But that bigger room is largely hidden to the public and is only there for the convenience of clients without any pressure to use it.

Fifth, let the dividing wall between these two rooms move over time, so that the strategy room gets larger, taking over space from the implementation room. Eventually you may end up with only enough implementers to illustrate/model your strategic recommendations without fully executing them.

FINALLY

There you have it. Do strategy, obviously, and even do implementation. Just be careful how you do them together.