Made to measure.

Effectiveness & efficiency in professional services

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We love a fight in marketing. We're constantly pitching different concepts & ideals in opposition, hoping to pronounce one dead & the other the future.

Traditional marketing vs. digital marketing. Creativity vs. data. Millennials vs. well, everyone else.

These debates are disingenuously positioned as binary zero-sum games by people trying to sell you something. They do nothing to actually help marketing's cause. Instead, they distract us from the real job of making money.

However, the discussion about effectiveness vs. efficiency, reminding us to prioritise the former over the latter, has been a welcome jolt.

In the excellent How ~~Not~~ to Plan, Les Binet & Sarah Carter explain the difference between the two:

"Effectiveness is the extent to which you've achieved your goals. Efficiency is a measure of effort needed to meet them".

This reminder is particular pertinent for professional services firms.

For a start, we're under constant pressure to demonstrate the value of our efforts, but typically do so with measures of efficiency - acceptance rates, open rates, win rates, engagement rates & the like.

Added to this, there are typically numerous different people involved in winning work, which can take months or even years.

So while the ultimate measures of effectiveness are rightly financial - increasing sales & profit, decreasing price sensitivity, market share growth - it can be difficult to isolate & quantify the contribution of the marketing team.

Thankfully, there are steps we can take to help ourselves.

The marketing funnel's been widely derided by digital marketers & social sellers. But they're often guilty of last-click attribution, believing a single blog post on its own will win you a £5m account. This is patently ridiculous.

To win a significant piece of work, you'll probably have to pitch for it in some form. To be asked to pitch you'll need to have met & built some sort of relationship with the buyer. That will be a lot easier if they know you exist & you have a good level of brand awareness.

So yes, there are plenty of new tactics & channels at our disposal to perform each of these essential tasks, but the broad process is pretty much the same as it's always been - build brand awareness, build relationships, pitch for the work & grow the account.

So on the next page I've used a modified marketing funnel as the basis for a simple measurement guide, in which I've suggested some useful effectiveness-type measures for each stage of the process.

	You need to:	So focus on metrics like these:
1	Build awareness	Brand awareness - with all buyers in the market Brand preference & salience Brand perception vs. defined positioning
2	Build relationships	Enquiries received Face-to-face meetings held Requests to pitch for work (Compare for existing clients vs. new prospects)
3	Pitch to win work	Number of pitches won & lost Value of pitches won & lost (Compare for existing clients vs. new prospects)
4	Grow the account(s)	Incremental revenue growth Profitability of work Number of instructions across service lines Value of instructions across service lines

On the next page is a 13 point checklist to support the framework & help you measure the right things in the right way.

The metrics I've suggested are by no means absolute. Measurement should follow objective setting & you'll rightly have different objectives depending on your firm's strategy.

However, I think these suggestions are a good starting point because they do three things:

1. They help you demonstrate tangible, meaningful value to the business. Being able to say *"this campaign delivered 27 face-to-face meetings with target people"* is more powerful & relevant than saying *"this event had a 91% acceptance rate"*. It's not your fault if the partners cock up the meetings.
2. They're channel agnostic. Starting with an objective - say, increasing brand preference with finance directors of AIM companies - gives you the freedom to pick & choose the right tools & tactics to do it. It's more sensible than just deciding you need to do some thought leadership because everyone else is.
3. They link to revenue. Increasing brand awareness will help you secure more meetings with more people, which will lead to more pitch opportunities, which will help you win more work. And linking everything to money will help get your CFO on board. Which is always a good thing.

1	You can't separate measurement from objective setting. Each year have two or three big marketing objectives that link clearly to your firm's strategy. Then have specific objectives for each campaign.
2	Always priorities effectiveness - the extent to which you achieve your objectives - over efficiency - how easy it is to achieve them.
3	Remember you need to balance short & long term marketing communications, which work in different ways & need to be measured differently.
4	Open rates, acceptance rates, attendance rates, win rates & engagement rates are, at best, poor measures of efficiency.
5	ROI can be a dangerous efficiency measure. The best way to increase ROI is to spend less, which leads to cuts in budget. Which is why unscrupulous CFOs love it.
6	Remember Goodhart's Law: "When a measure becomes a target it ceases to be a good measure".
7	Brand measurement is essential but costs money. Set aside some budget each year to do this & measure changes over time.
8	If you pitch for panel appointments, measure how much money you make from the panel. There's no point wasting effort pitching for panels that never give you any work.
9	A client that's big & growing before you put it into your KAM programme will probably continue to be big & grow afterwards. It doesn't mean your KAM programme's successful.
10	It's difficult to justify the value of marketing as an amorphous thing. So see point 1.
11	Beware of last click attribution. Winning business is always the result of lots of little nudges built up over time.
12	Just because something's easy to measure doesn't make it useful.
13	The ultimate goal of marketing should always be financial. We're here to deliver a sustainable profit. Everything else (yes, even brand) is just a tool to help us do it.

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