



The Value of Tracking Pursuit

BY LINDA M. KOCH, FSMPS, CPSM,
AND DONNA J. CORLEW, FSMPS, CPSM

One of the most common questions in marketing discussions today is, “What is the ROI?” Successful marketing leaders realize a truly effective marketing effort encompasses many different types of activities:

- research and strategy development
- prospect identification and relationship building
- development of appropriate collateral materials and social media content
- responses to specific project pursuits with compelling arguments as to why your firm is the best choice

Responding to RFQ/Ps accounts for a large expenditure of marketing dollars, and yet many firms don’t know the impact of those activities on your firm’s bottom line. With marketing departments tasked with doing more with less, understanding the true value of a pursuit can provide guidance about where to spend precious dollars and resources that reap real results for your firm.

Costs

WHY MEASURE?

Firms have tools to capture time and expenses incurred by technical teams on billable projects. These same tools can be used to collect information on how marketing and business development professionals—as well as technical staff supporting a pursuit—spend their time.

Tracking efforts of marketing, business development, principals/management, and technical staff engaged in a pursuit provides the true picture of the cost of a pursuit. If your team is making the effort to convey your understanding of the client’s needs and bringing your best ideas to the client, then it is a full-team effort to produce the proposal, deliver a presentation, and negotiate a contract. By tracking the efforts of all individuals involved, no matter their role in the pursuit process, principals gain an understanding of where costs are incurred and how resources are used. This information allows firm leaders to make informed decisions about how best to utilize finite resources to generate the greatest impact on the firm’s bottom line.

For example, you’ve been invited to propose on a project where you know you have only a one-in-five chance of winning. You know this type of project yields a low profit margin. Having an historical database of pursuit costs allows you to determine whether the cost to pursue is worth the investment (and the risk). Is your time better spent on developing an existing relationship or creating a content-rich newsletter to help gain visibility in a new target market? Measurements allow you to analyze ROI on various efforts and allocate time more effectively.

For a true measurement of a firm’s investment, begin tracking as early as possible in the pursuit to capture time spent on positioning efforts.

Marketing managers can use this historical database to identify trends in peak workload and adjust to keep balance and sanity among the team. If, over an extended period, your team is consistently working overtime, an examination of the firm's go/no-go process could be in order. Documenting the number of hours spent on pursuits also could support the argument for adding resources.

DEFINE WHAT YOU ARE TRACKING

Once you've decided to track pursuit costs, how do you do it? Does your time get charged to a general proposal/pursuit category? Or by client? Do you drill down into effort expended on each pursuit? Do you track the time technical talent is engaged in developing schedules, approaches, or other client-specific information that sells your team as the one that understands the client?

For a true measurement of a firm's investment, begin tracking as early as possible in the pursuit to capture time spent on positioning efforts. Each firm has different systems and processes for tracking labor and expenses. Ideally, you should work with the accounting team to set up standard task codes to track effort and expenses in four areas for each client you pursue:

- client contact and strategy/positioning (activities in advance of the RFP)
- proposal (once the RFP goes live)
- presentation (preparation and performance)
- negotiation

If you mirror the process used for tracking billable project time, it will help ease staff members' angst since they are familiar with that approach. Use these codes on timecards and expense reports, so you can develop reports to track progress against budget and watch for "creep."

Documenting the number of hours spent on pursuits could support the argument for adding resources.

Some firms track time only after the RFP is released. Honestly, that's not an optimal situation, but some tracking is better than none. If that's the only tracking you can do, then do it.

Implementing a process requires support from firm leadership to encourage everyone to charge their time accordingly. Engaging the accounting team in the process also is important to successfully tracking pursuit costs.

VARIABLES ON INVESTMENT

In over two decades in this industry, we have yet to see a "one-size-fits-all" proposal. So, why do we think there is a "one-size-fits-all" cost? A number of variables influence pursuit costs.

■ Large scope versus smaller scope

Multi-million-dollar scopes of work require a longer lead time to reach decision-makers, identify pain points, create your strategy, and develop technical approaches. Even as a subconsultant, the effort needed to provide focused, relevant qualifications and technical insights can be staggering.

■ Public sector versus private sector

A public-sector pursuit often requires much more effort because of strictly-regulated procurement requirements. There are generally more steps in the process and greater competition because of the public nature of the solicitation. It can take more effort to make a client take notice of you in a sea of 50 other submissions. Conversely, private-sector proposals are generally less complicated and take less time to prepare (although there are always exceptions).

■ Potential profitability of project type

Most firms we know would rather put their efforts into pursuing projects that offer higher potential for profitability. Knowing what those project types or markets are should be a factor in your decision to pursue.

■ Size of firm

While small firms can compete with the mega-firms, they may not have the resources or capacity to generate the same level of effort. Teaming with another firm could bolster your efforts and also distribute the risk.

■ Your competitors

What will they do? What are they capable of? Can you compete on the same scale, or differentiate your capabilities and talent to offset any competitive edge they might have?

IT'S A BALANCING ACT

Not all pursuits require the same effort. On a pursuit-by-pursuit basis, consider the level of effort required to win the job. Have frank, honest discussions with the pursuit team about when to pull out all the stops, and when to scale back. Consider your priorities when preparing multiple submissions. Be realistic about what your team can accomplish. A thoughtful, well-crafted message can go a long way. Don't ever fall into the "let's-just-submit-something" trap. It will come back to haunt you in the end.

PROPOSALS AS INTRODUCTIONS

Just say no. Really.

Invest those dollars and your team's energy in getting to know the client and their drivers in preparation for the next opportunity.

IMPACT ON GO/NO-GO DECISIONS

One of the questions pursuit teams despise is, "We've spent XX amount of dollars on this client over the past two years on eight opportunities. Why do we think this one will be different?" It's a valid question—are we making progress toward working with that client, or are we still just one of the pack? What other efforts, pursuits, or billable work will suffer for the time spent on this pursuit? If you've spent considerable time and effort pursuing a client over an extended time period, with little or nothing to show for it, your leadership needs to decide if it's worth the continued investment. Tracking pursuit costs will help them do that. **m**

About the Authors



Linda M. Koch, FSMPS, CPSM, is director of marketing and business development for Pfluger (www.pflugerarchitects.com/), a regional architectural firm with a focus on education facilities in San Antonio, Austin, and Houston, TX. Linda is a past president of SMPS Boston and Northeast Ohio. She can be reached at lindak@pflugerarchitects.com.



Donna J. Corlew, FSMPS, CPSM, as Chief Whatever It Takes Officer for C*Connect in Nashville, TN, works with firms across the United States to facilitate market research, make connections, build chemistry, and coach sales and marketing teams. Donna served as president of SMPS in 2007–08. She can be reached at djcorlew@yourconnectedge.com.

This is their first contribution to *Marketer*.

It's Here: Marketing Handbook for the Design & Construction Professional, Third Edition



Marketing Handbook for the Design & Construction Professional, Third Edition

Published by SMPS, SMPS Foundation, and Building News Inc.

\$69.95 plus shipping and handling (SMPS members: Log onto www.smeps.org to access the 10% discount code.)

To order, visit www.smepsbooks.com or call 1.800.896.0793.

Marketing Handbook for the Design & Construction Professional is an indispensable resource for those engaged in professional services marketing and dedicated to building business for their companies. Reflecting the remarkable changes in business practices and technology that have developed over the last decade, this third edition encompasses 64 chapters—including nearly 20 new chapters—authored by 72 industry leaders and practitioners with bottom-line accountability for the success of their A/E/C companies.

Chapters are organized into six sections covering all aspects of professional services marketing: market research; strategic, business, and marketing planning; client and business development; qualifications/proposals; promotional activity; and marketing and business performance.

New material addresses metrics for marketing and sales, crisis communication, social media strategies and tools, strategic branding, media relations, building consensus, go/no-go strategies, positioning, sustainability, proposal writing and the SF330, client feedback initiatives, technology, and the evolving role of the chief marketing officer.

New features added in the third addition—a glossary, chapter take-aways, and recommended supplemental reading—help to make this a must-have reference for marketers and business developers as well as principals, CFOs, COOs, CEOs, project managers, graphic designers, HR directors—virtually anyone whose job description includes marketing and business development responsibilities.

The handbook is a primary reference book for SMPS' Certified Professional Services Marketer (CPSM) Program.