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How Competitive Analysis Leads to Better Business

What makes your architecture, engineering, or construction firm special? If you don't know the answer, it's time to find out. Understanding your competition and how they sell their services will help you discover your A/E/C firm's unique positioning possibilities.

You could be losing work to less qualified, less experienced firms if you neglect proper positioning. It's fairly common for firms to list the work they do, the number of years in business, or even their financial achievements. But none of those facts tells a client what value you bring to their project.

Competitive analysis is one of the essential studies you need to perform in your firm's strategic positioning efforts. It's important enough that you must spend time on a regular basis studying your competition and understanding how they market their business. When you know where you stand, you can set your firm apart—and that can lead to stronger bids, more winning opportunities, and a more profitable, successful business.

The How-Tos of Competitive Analysis

If you've never completed a competitive analysis, these steps will get you started.

Adopt what works for your firm and commit to a consistent, quarterly review to see the results of your work over time.

Here are the steps:

- **Write down the first three or four firms that come to mind when you think of competitors.** You may see them frequently at pre-bid meetings or in the hallway before and after client presentations. Then dig a little deeper to find five or six other firms that should be included in your review. You may not have competed directly on the same pursuit before, but that doesn't mean they should be excluded. If you aren't sure which firms to list, ask your coworkers. They will have suggestions about who they are competing against every day.
- **Now, list firms who are doing the kind of work your firm would like to do more frequently.** Studying these competitors may help your team visualize where the firm could be in two or three years, either because of specific project types or new service offerings. Competitive analysis can be a powerful way to visualize business expansion into specialized markets, or even areas that your firm has expertise but has not yet exploited.
- **Does your firm operate in multiple locations or different geographical areas?** If so, complete a separate competitive analysis for each region, following the steps outlined above.
- **Write down the data you collect on your competitors.** Document it using Excel, or cloud tools like Evernote or OneNote (especially useful if you're completing this exercise with a team). The data should be easy to reference and update as new information emerges.
- **Set a policy to review the list of competitors and the resulting research at least twice a year, but quarterly is better.** The business environment can change quickly due to market trends, personnel changes, or even the introduction of new competitors within the marketplace.
- **Consider the following questions as you work through your research, focusing on specific areas within your positioning and market strategy.** It may be important to capture brand observations as well. For instance, if you're considering a website refresh, include competitor sites and functionality in your analysis. Logos and taglines should also be included.

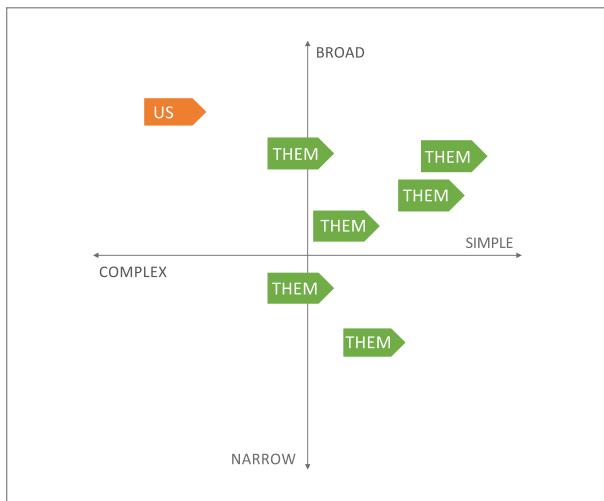


Figure 1. Quadrant grid helps firms compare themselves against the competition. *Courtesy Giba Group.*

- ✓ What industries or markets do your competitors serve? Do they specialize in a particular project type or service skill?
- ✓ What strengths do they possess?
- ✓ What disadvantages do they have to overcome?
- ✓ What percent of the marketplace do they own?
- ✓ What do clients say about them?
- ✓ What is it like to work with them?
- ✓ How do they position their work?
- ✓ What are their key messages?
- ✓ Do they have a slogan or tagline?
- **Be sure to include your firm in the analysis.** Doing so will help you complete a more comparative analysis. The purpose of this exercise is to not only establish where your firm is positioned in the market, but also where you need to improve as a firm.

Analyze the Results

Once you've gathered your research, look at the data collectively. Print out the completed forms and hang them on the wall, or use an Excel spreadsheet to compare them line by line. Try to isolate trends, and points of interest. Which A/E/C firm has a broader list of services? Does your firm have any of those same services? How are your services different or better?

Provide context using a quadrant grid.

One way to spot the opportunities available is to plot the data on a grid. Organize features and services on a continuous line from one extreme to another: complex to simple messaging, or broad to narrow service offerings. Estimate where your

competitors fit on the grid, and plot them on the chart. (See Figure 1.) Be sure to include your firm. This visual comparison clearly illustrates the areas in which your firm could improve to be more competitive. Once you have implemented strategic activities, you can come back to this tool and measure improvements over time.

Notes on Successful Research

Below are some of the best lessons I've learned through years of helping A/E/C firms perform successful analyses:

Minimize operational bias. It can be harder to uncover actionable insights when your internal team conducts the research. This approach is similar to self-diagnosing an illness with a Google search. Get outside help.

Sell competitive analysis to the executive team. Whether or not you are successful may depend entirely on factors beyond your control. Make sure that your company leadership is open to strategic positioning and business development.

Search deep and wide. Involving the leadership of the firm is essential, but if that isn't possible, include the contributions of as many employees as possible. The different levels of customer and partner interaction across the employee population can uncover valuable insight into corporate strengths and weaknesses.

Look beyond your party of one. If you are the sole marketing practitioner at your firm, you may not be able to overcome executive objections to this deep-dive exercise. You can still uncover valuable insight into the competition and

incorporate that insight into proposals and marketing campaigns, but the level of insight may be limited to a singular point of view—yours. Keep that in mind as you proceed and validate your assumptions when you can.

Gather a team of three. A team of at least three within your department strengthens the effectiveness of competitive analysis even without formal leadership participation. Perform the research independently, then share results and impressions with each other. Each observation will bring new insights to the research and validate your assumptions with greater certainty.

Perform covert operations. It is possible to perform informal analysis with your leadership team using brief, probing questions to capture their responses. Act like a reporter and ask a quick question before or after a business meeting: "I've been thinking about XYZ firm. What do you think is their strongest service? Are we able to compete against that skill set?" It won't take much to uncover opinions and find new opportunities if you listen.

Marketing your firm isn't always easy, but you can rack up more successes and build credibility when you perform the research and develop analytics to help your firm gain market share. Be wise, time your actions well, and really dig deep into the research. You'll be proud of your work and may be surprised about what you learn about the competition and about yourself. ■