

By Jennifer Van Vleet, CPSM

Setting a **Baseline** To Measure Trends

In the A/E/C world, business is dynamic, constantly evolving, innovating, and adjusting. As marketers, we want to help our firms stay on the leading edge of the market so we can continually position our services well to our clients. We want to ensure we're offering the latest thinking coupled with the tried and true. So, how do we do this? The answer is market research.

Market research allows a company to make evidence-based business decisions. It establishes clear insight and informed awareness of the political, economic, social, technical, environmental, and legal (PESTEL) contexts within which an A/E/C firm operates. Informed planning and positioning allow understanding of the live dynamics at play that will help companies navigate future change.

Understanding market trends strengthens a company's competitive position in its operational decisions, business development opportunities, and strategic choices. Research yields the data that permits a company to consider significant changes and take calculated risks with less heartburn.

Why Research?

According to Ridhima Sharma, senior market intelligence analyst for Stantec in Pune, India, "One of the core functions of market research involves helping the firm recognize new areas for expansion and increasing the customer base. This allows companies to discover potential customers and their needs and incorporate them into their firm's services. It helps set achievable targets for business growth and sales, as well as keeps the firm up to date on the latest product developments." She says that another valuable output of research is being able to make well-informed market decisions about services and develop effective strategies to run a successful business.

Sharma further notes that research allows companies to utilize their strengths and turn weaknesses into challenging opportunities by building robust short-term strategies. These short-term strategies are built by using forecasting models, which consider future scenarios and any possible threats to the performance of the company. Market research not only helps assess the near future, but also helps firms understand what likely scenarios may be in three to five years' time.



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Sharma's colleague, Deepika Talreja, also senior market intelligence analyst, adds, "Every market has a different set of opportunities/clients. Doing comprehensive research on that market will help to assess the strengths and weaknesses pertaining to that specific client and opportunity."

Clare Kelly, MS, CPSM, principal consultant for Fuse Marketing in Denver, CO, reminds us that research is fundamental to the discipline of marketing, regardless of industry. For the A/E/C firm, she notes, "Research informs a team's ability to deliver on the fourth component of the SMPS definition of marketing: anticipating and satisfying client objectives to achieve profitable business goals."

Setting a Baseline

Looking ahead is critical for good business. To plan for and assess what potential changes may mean to a company, both in the short and long run, the business must first establish a baseline.

Market research sets a baseline for companies, creating a point of reference from which advancements and retractions can be measured. The baseline identifies a current position in the market compared to peers, enabling a more

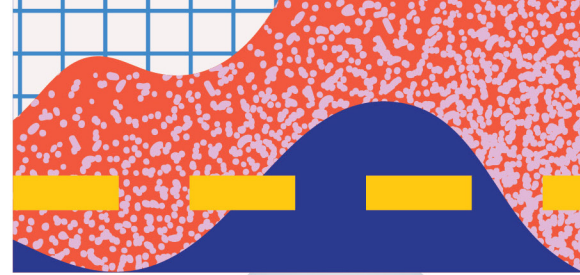
accurate measurement of strengths and weaknesses on a go-forward basis. Kelly explains, "A solid understanding and documentation of opportunities and constraints ... creates a well-founded baseline for strategic decisions. A robust baseline helps instill confidence in decision-making and positions a firm for quicker action." She adds that when research is kept current, there are fewer unanswered questions to explore when a market disruption occurs.

This baseline is especially critical for firms operating across a wide array of markets. Kelly notes, "Markets tend to influence each other, as well as have different lifecycles. When a firm operates in diverse or multiple markets, it's important for the firm's research to cast a broader net."

Matthew Wilson, head of research and intelligence, global, for Stantec, based in Warrington, United Kingdom, says, "In any market, for any company, there will be a number of high impact, high uncertainty global dynamics or trends like climate change, demographic shifts, and digital change at play. There will also be wild-card events and



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- **Scalability.** Is the information applicable across the company or more focused on a sector or geography? Does it scale up and down?
- **Timeliness.** Is the development new and emerging or currently popular?
- **Positioning.** How well-positioned is your firm to support the trend or has your competition captured the market?
- **Experience.** Does your company have enough relevant experience and expertise to leverage?

Types of Research

Research is classified as primary or secondary, qualitative or quantitative, and internal or external. As with any marketing tactic, it's important to choose a custom approach based on your firm's needs and resources.

Good research should flow through the entirety of the organization and benefit multiple departments. Those charged with bringing in work benefit from client, competitor, people, product, and partner recruiting information. Operational leadership appreciates benchmarking, market sizing, competitive landscape assessment, country, geography, and risk inputs. The entirety of the business gains from emerging signals analysis, scenario planning, and forecasting. If companies are looking to partner or merge, analysis of items like culture, services, and risk averseness are key. Of course, companies need to balance against bias by using sources from different types of organizations, which will provide multiple perspectives on any of these data inputs.

Firms that put forth surveys to clients about project performance are already conducting primary research. This type of research generates the data, while secondary research synthesizes existing inputs and data already available. There are also various models that can be used as frameworks for research including PESTEL analysis, SWOT analysis, or Porter's five forces model to understand the market and its dependencies.

Paradigm Talent Agency, New York, NY.
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developments that may be difficult to predict or form tipping points." Wilson explains that, similarly, for regions and countries, PESTEL forces will influence developments. At the sector or industry level, as well, there will be specific trends that further shift the landscape. He notes, "A baseline informed by market research therefore helps a company navigate change at a number of interlinked levels—and ideally helps a company anticipate market developments to create an advantage over rivals."

Of course, the latest wild-card event has been the COVID-19 pandemic. Companies that were already active in conducting market research might be arguably adjusting quicker and with more ease given established baselines. Knowing normal market conditions and trends and having calculated potential "what if" scenarios will support the firm's astute and speedy response when unforeseen events occur.

Wilson further comments, "Having a deep understanding of a market's ecosystem, e.g., clients, competitors, services, sectors, and geographies, means a company can take well-informed, evidence-led market moves and make clear choices on what to do, and, as importantly, what not to do, when a market disruption event occurs." He elaborates that being attuned to market shifts usually goes hand-in-hand with being close to clients, which allows for positive co-create opportunities to pivot with them.

So, how does one proceed with research to establish a baseline? How do you prioritize? Some things to consider are:

- **Impact.** What's the potential impact of the trend/data on your firm and is it measurable? Does it impact top clients and pursuits?

Research can be done by internal teams if the business has allocated investments to this area or through external vendors. There can be advantages and disadvantages to both.

According to Alana Rutherford, director of market research and intelligence for Stantec, based in Toronto, Canada, "In-house research enables you to search for the information that is specifically relevant to the company, team, and project needs." Rutherford explains that individuals grow their knowledge with each project, making them more effective over time, and more consistently able to provide ongoing support. Outsourcing enables firms to identify needed tools or resources within the organization and invest specifically in that area. She adds, "My experience is that a robust program will use a combination of in-house and outsourced/subsidiary services. This enables the day-to-day support to be supplemented with tools where needed. The in-house researcher is then able to manage and extract greater value from the outsourced program on behalf of their organization."

Fuse's Kelly agrees, adding that internal skills may not match up to the level of research needed, and in-depth client satisfaction conversations are often more effective with a neutral party. Additionally, outsourcing research means you're hiring professionals who focus on research and have ready access to tools and data they have vetted and trust. She also notes, "It can be valuable to have an outside perspective. The size and depth of research needed may not make sense to tackle in-house, as it will take your team away from other critical marketing activities."

If you choose to engage an outside consultant, Kelly recommends that you do the following:

- Identify the questions you want the research to answer
- State why you want these questions answered
- Define the value you believe this knowledge will bring to your firm

- Summarize what your firm knows about the research topics you've identified
- Determine an initial timeline as a starting point for discussion
- Ask your colleagues for referrals or if they're willing to share their experience with managing outsourced research projects

Discuss all of the above with the research professional to give them an idea of where the gaps are. This will give you insight into their level of experience and ability to find valid information for your firm.

Adjusting the Sails

Trends evolve over time, so understanding them is an ongoing activity. Trends are macro-environmental factors that influence an organization and its clients, but are out of its direct control. Yet, they have long-term impact. Continuous market research allows a company to maintain a firm grasp on trends and awareness of other outside influences that affect the course of business. As marketers helping our companies, adjusting the sails when the time is right is an important part of the marketing function, whether it's a one-off event, or simple ups and downs in the market.

Stantec's Sharma notes, "Market research as a function is much wider than what people usually understand. In my experience, we have supported businesses not only to know their client/competitor but also to know about new markets in which the business wishes to expand." She adds that research not only helps the company understand their current positioning in the market, but build future strategies by using strong, evidenced-based market research analysis to make informed decisions on growth prospects."

So, whether you hire a consultant or add to your marketing team by bringing in a researcher, the important thing is to begin today. Weave market research into your everyday business practices and help chart a course of informed success. ■