

strategy / management

Who Is Your Competitor?

BY JERRY YUDELSON, P.E., LEED® AP

Recently, I was reading an article about the growth of the *competitive intelligence* industry, and I began to think about how our industry deals with the issue of competition. My thinking on this subject was also aroused earlier this year during the annual valuation of the stock of my previous company—a West Coast engineering firm of about 125 people—when I was asked for a list of competitors. Most firms would say, quite logically, their competitors are firms that do the same thing and go after the same markets.

For example, for my engineering firm, the competitors could be listed as:

- 1. Regular direct competitors.** By most local architects, we were regularly assessed against three other mechanical and electrical engineering (MEP) firms in our largest market area. In the past two years, a large regional, single-discipline firm began to take away local projects in the health care arena, adding another layer of complexity to the issue of competition.
- 2. Occasional direct competitors.** We occasionally lost work, typically smaller projects, to smaller engineering firms, sometimes with a single specialty (mechanical or electrical) or with a long-standing relationship with the architectural firm or the potential client organization. Sometimes, we lost work on public projects that had explicit MBE/WBE hiring goals where the architect seeking the work would rely on minority or women-owned subconsultants.
- 3. Larger national and international engineering firms (indirect competitors).** Especially those with multiple offices, some in the Northwest. Typically, we were not measured against those firms; they were the consultants of choice for the very largest architectural firms in most cases, especially for large or complex projects.


The reality of competition is often quite different. In the A/E/C industry, relationships mean a lot since so much of the business is based on trust, promises, and past project performance. Since our firm, like our regular direct competitors, had been around for more than 20 years, many of these relationships were deeply embedded in the fabric of doing business. (This also points out the difficulty most local and regional markets pose for larger engineering competitors: Without local office leadership from people who've been in the area for some time, many architects are unwilling to take a chance on people they don't know, no matter how sterling their resumes.)

Therefore, we decided a few years back to focus a lot of our marketing efforts on relationship management: identifying key clients and prospects and assigning specific individuals to manage those relationships. Our goal was to have one *touch* outside of normal project meetings at least once a quarter, preferably once a month. A *touch* could be anything from a phone call (“Hi, I was just thinking about you, Mr./Ms. Client, and wondering how things were going”), a lunch date, a project postcard, a golfing outing, or tickets to an NBA game. Whatever was appropriate for that relationship, our principals and associates were supposed to do.

In my opinion, this program was not highly successful. Some people had the idea that eating lunch at their desk while they continued working on their clients' projects was the best form of relationship management. Other principals and associates were not that sociable in general. Others were too busy with project work and internal management to expend the energy to consistently schedule lunches with clients, let alone prospects. So it often fell to the marketing director to arrange the lunches and drag the principals along. Sounds familiar, right?

So, I began to think, who really *is* your competitor? The person in a competing firm, or yourself? The other firms responding to an RFP or an RFQ, or the person you see in the mirror every

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morning? Think about it. How often do we as individuals consistently execute our own plans and carry out our own heartfelt intentions and resolutions?

Really successful people do this, almost without thinking about it. But many of the rest of us get distracted by personal issues, internal corporate issues (the *Dilbert* boss is not just confined to a comic strip!), the exigencies of the day, and so on without taking care of the “Quadrant II” activities such as relationship management which are “Important” but not “Urgent.” These are the activities that build businesses and build successful careers.

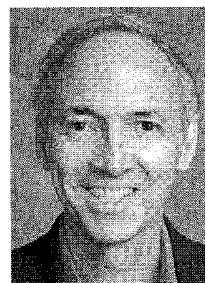
In this sense, marketing competition is more like golf. You play against the course with your best game and only at the end when all the scores are added up can you determine who wins. This is unlike all the team sports, and some individual sports like tennis, where there’s always an opponent. In golf, unlike most other games, the primary opponent is yourself, your willingness to practice and to learn the game. Even Tiger Woods re-tooled his swing not long ago.

I would argue, based on my experience, that a firm’s internal competitors (e.g., poor people management, internal distractions, lack of clarity about goals) are a lot more significant than the external competitors. For example, does your firm have a strategic plan? Are all the principals on board with the plan? (One architect friend of mine, a principal in his firm, in response to a question about why his firm had so many principals said, “Every time someone threatens to quit, we make him a principal.” He wasn’t really joking. To hazard a guess, this firm will most likely not have everyone on board with the overall strategic plan.)

The strategic plan answers key questions such as, “What should I do with my most precious resource, my time?” “Which piece of paper should I pick up next to work on, which phone call to return, which phone call to initiate?” “What type of person should I hire next: a person with better technical skills or someone with better people skills, and why?”

In my opinion, the failure of most firms to even have a current strategic plan every key person buys into, and which every employee understands, is the key competitor for most companies. But more than that, the failure of a firm to execute its strategic plan consistently, and to support the plan with budgets and people’s time, is a much larger competitor, wouldn’t you agree?

So the next time someone asks, “Who is your competitor?” give some thought before you answer. If you’re honest, you might say, like Pogo, “We have met the enemy, and it’s us,” and begin to do something about it. **M**



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