



**AUTHENTIC  
IDENTITY**

From Identity to Value: *Brands that you live*

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# Identity and Expertise: Twin Engines to Power You Through the Downturn

By Tony Tiernan and Robert Buday

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**WHY ARE SO MANY CONSULTING FIRMS STRUGGLING AT A TIME WHEN  
SO MANY CORPORATE CLIENTS NEED HELP?**

*On the face of it, this recession ought to be a boom time for consultants, with so many companies embattled or on the brink of extinction. Yet, while a few consultancies are thriving, most are scrambling for business. So what's going on?*

***A consulting firm's ability to attract clients during tough times begins with having a strong identity***

For more than 20 years we have helped some of the world's fastest-growing consulting firms increase demand for their services. Over that time we have talked to dozens of their clients, senior business executives who are savvy consumers of consulting services, about how they choose consultants. For these managers, it boils down to two questions: Am I convinced you can solve my business problem better than anyone else? And are you compatible with me and my people (because if you're not, no matter how capable you are, you won't move me and my people to change)? To win the work, the consultant has to get a “yes” to *both* questions.

Answering them well will depend largely on the strength of your firm's overarching “identity” and on how well it demonstrates its expertise in the client's problem at hand. Either one can be a powerful differentiator. The core role of marketing is to communicate both. But a lot of consulting marketing falls short on these counts, often despite the fact that the firm has a strong, but unarticulated identity and superior, but not codified expertise.

Consciously or not, clients make choices based on the combination of identity and expertise. That combination is the source of your differentiation and the compelling reason to buy your services (*see illustration, Figure 1*). Yet many consultancies focus only on describing their services, which are often the least differentiating thing about them. The ones that struggle the most during economic downturns are those whose blurred identity and questionable expertise (at least from the outside) portray them as very risky purchases by executives whose companies and own jobs are on the line. The shame of it is that many of these consulting firms are, in fact, great at their game. Their problem is they

**Figure 1:  
How clients choose: Identity + Expertise**

*Consulting clients tend to make choices based on a combination of Who You Are and What You Excel At*

	Identity	Expertise
<b>What</b>	<ul style="list-style-type: none"> <li>• The meaning and purpose in your business</li> <li>• The difference you want to make in the world</li> <li>• The values you bring to your work</li> <li>• The business problems you solve</li> </ul>	<ul style="list-style-type: none"> <li>• Your capabilities and methodologies</li> <li>• Your insights and point of view</li> <li>• Your track record</li> <li>• The sum of your experience and wisdom</li> </ul>
<b>Why</b>	<ul style="list-style-type: none"> <li>• Compatibility (fit, chemistry, congruent values and beliefs)</li> <li>• Emotional value</li> </ul>	<ul style="list-style-type: none"> <li>• Comfort (results, evidence)</li> <li>• Business value</li> </ul>

*Consulting firms, possibly more than any other type of business, really need the consistency and direction provided by a clear identity*

can't explain it convincingly to companies that need more clarity and proof than ever - both what they are about and why they're superior at it.

But it doesn't have to be this way, and in a deep recession we argue it can't be this way for consultancies that want to grow (or in some cases, remain in business). In this article, we explain why consultancies more than most other businesses must demonstrate a strong identity and compelling expertise, a notion typically overlooked by traditional marketing theory and practice. We discuss ways to determine whether your firm's identity is clear enough and its expertise sufficiently convincing to prospects. We then explain how to begin clarifying identity and demonstrating the expertise necessary to increase the lead stream and convert a far greater number of prospects to clients.

## Why Consulting Firms Need Clear Identities

A consulting firm's ability to attract clients during tough times begins with having a strong identity. In a business whose services, policies and behaviors are all highly malleable, identity is the guiding compass. A strong identity is what keeps a consulting firm's services focused and its expertise deep and current, its policies and ways of treating people unwavering (clients and employees), and its ethics intact when ethical shortcuts become enticing.

### What's my line (and if you knew, would you care)?

You only have to look at consulting websites to see that the current economic and competitive pressure is not yet causing firms to sharpen their acts. Take a look at these self-descriptions (they're all real, taken from current consulting websites and disguised to protect the guilty):

1. "We help organizations grow in all the ways that are most important to them. We work with the world's leading corporations, governments and social sector organizations as their integrated resource for growth"
2. "We are the strategic advisor of choice for CEOs and business leaders throughout the world because we have a unique approach that delivers superior results for our clients"
3. "Our approach is designed to produce positive change in your business that lasts. **What We Do:** Take time to understand your needs, analyze your challenges, and deliver measurable, sustainable results. **How We Do It:** We change behaviors; our people work closely with your people so they're completely on board. **Where We Do It:** With industry leaders globally; in back offices and board rooms; wherever we're needed"
4. "Our purpose is clear: Deliver innovative business and technology solutions that help our commercial and government customers worldwide achieve what they want most - results"

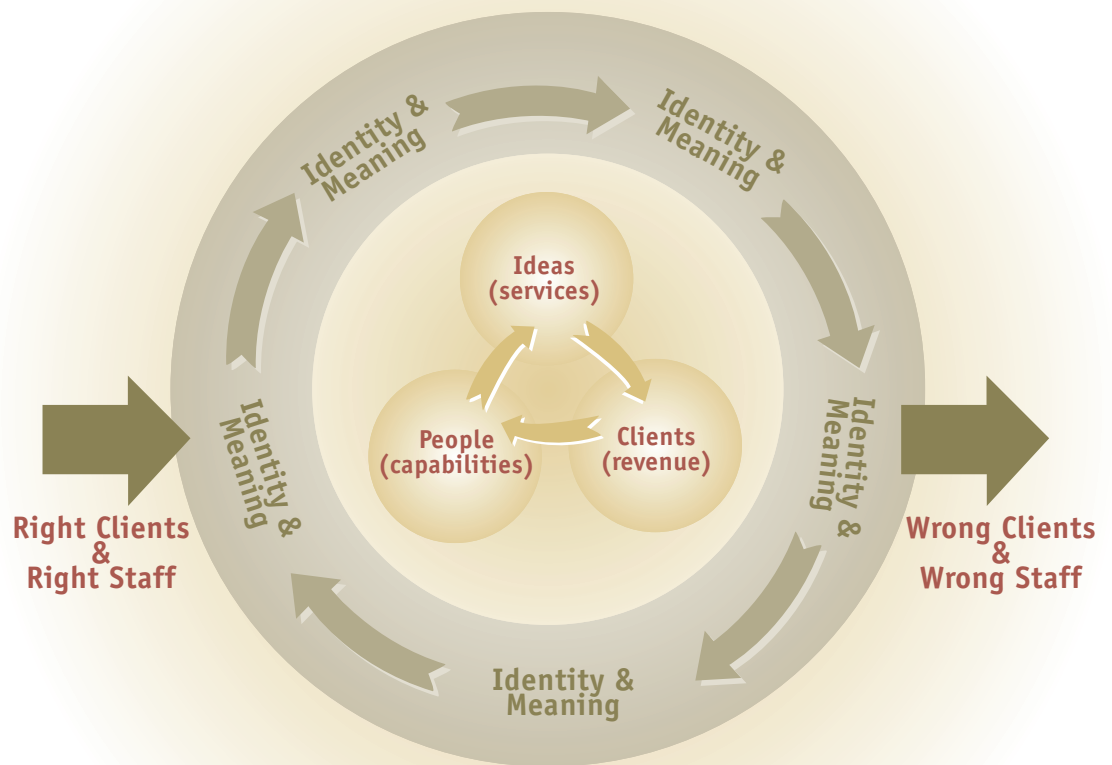
Can you tell what any of these firms actually does? Can you tell how any one of them is different to the others? And if you could figure out both of those answers, would you care - as a prospective client or recruit, what is the value you are being promised? Equally as important, are any of those descriptions clear enough to guide behaviors and decisions within the business, i.e., could you really live by them?

**A powerful identity helps you attract and keep the right clients and the right staff**

What do we mean by identity? A consulting firm's identity is essentially the sum of *what it does* (the business problems in the world that it chooses to own and solve) and *the way it operates* (the meaning and purpose that drives its business; the values that shape its relationships with clients and staff; the difference it is trying to make in the world; and the emotional value that it delivers).

A consulting firm that does the hard work of discovering and articulating its identity can use it as a tool to shape the organization's three core business processes: developing clients; developing people; and developing ideas (*see illustration, Figure 2*). The result is an organization that is “all of a piece” - inherently differentiated and coherent without being overly rigid.

**Figure 2:  
Building an Identity-Driven Business**



DEVELOPING PEOPLE	DEVELOPING IDEAS	DEVELOPING CLIENTS
<p><b>Build Capabilities &amp; Grow Talent</b></p> <ul style="list-style-type: none"> <li>• Identity attracts the <i>right</i> staff and bind them to the firm. It also enables you to say “no” to the <i>wrong</i> staff.</li> <li>• By using identity intentionally (for example in development and promotional criteria), a consulting firm can deliver a differentiated and compelling career experience.</li> <li>• Stories are powerful tools to help the “tribe” develop a sense of collective identity and to enable individuals to connect with the meaning of the organization.</li> </ul>	<p><b>Build Insights &amp; Grow Services</b></p> <ul style="list-style-type: none"> <li>• Interaction between your people and your clients generates insights and ideas. Those ideas fuel your practice development and your marketing.</li> <li>• Used intentionally, identity helps you choose which ideas to pursue — those that tell your authentic story and build your practice appropriately.</li> <li>• Identity also enables you to say “no” to the wrong ideas — those that would dilute, blur or even contradict the firm’s core meaning.</li> </ul>	<p><b>Build Relationships &amp; Grow Revenue</b></p> <ul style="list-style-type: none"> <li>• Identity attracts the right clients and helps bind them to the firm. It also enables you to say “no” to the wrong clients.</li> <li>• By using identity intentionally to shape every client encounter, a consulting firm can deliver a differentiated consulting experience for its clients.</li> <li>• Stories are powerful tools to help clients connect intellectually and emotionally with the meaning in your organization.</li> </ul>

## Two Tales of Identity Built, Abandoned and Renewed

Because their services are so fungible, it is easy for consulting firms to lose their identity over time. This is especially true during difficult economic periods when the temptation to take on any work is great, whether or not the firm has strong capability. But ironically, consulting firms can lose their identities during times of strong growth as well. A rapid increase in revenue from a new service line can lead a consulting firm far astray from the core issues it once “owned” and result in abandoning that focus.

The boom and bust of the pioneer of business reengineering, CSC Index, provides an excellent case in point. In the mid-1980s, the Cambridge, Mass.-based consultancy had carved out a small but lucrative niche advising chief information officers of large companies on how to manage their IT functions (whose budgets often surpassed \$1 billion a year, even back then). The issues that Index (a \$40 million firm in 1988) owned at the time were at the intersection of business and IT, specifically how to manage the IT function and help IT's internal customers (i.e., the business functions of a company) capitalize on information technology.

In launching its reengineering consulting service in 1990, Index (with the help of reengineering guru Michael Hammer) expanded its offering to include IT-based business process redesign, the blockbuster consulting concept of the 1990s. Reengineering fit perfectly within the set of issues Index wanted to own - i.e., how companies should use IT to streamline their businesses (in addition to how to run the IT function effectively).

Reengineering became a huge hit, increasing Index's annual revenue sixfold by the mid-1990s to about \$250 million. The firm launched a strategy service in 1993 that connected corporate strategy to operating strategy (the value disciplines approach) and operating strategy to reengineering. But by this time, Index had all but abandoned its consulting services to IT managers about improving the IT function, a niche picked up by consultancies such as Diamond Management and McKinsey.

Meantime, Index was facing fierce competition on the reengineering and strategy fronts from a flock of imitators and began backing away from its services in these domains. But it didn't know where to go next. The company had lost the identity that came from its focus on issues at the intersection of business and IT. For example, Index completely missed the Internet consulting boom of the late 1990s, failing to recognize that companies needed strategic and operational advice on how to capitalize on the fast-developing World Wide Web. Had it remained true to its core identity, the firm

might have ridden the Internet consulting wave of the late 1990s. But it didn't. Instead, by 1999 Index was out of business.

### Evolving and renewing

In contrast, a strategy consulting firm we know successfully navigated changing client expectations by staying true to its core value-creating identity and expanding its value proposition in a way that built upon and complemented the identity.

This large international consultancy had built a very successful business based essentially on its intellectual horsepower and its ability to solve highly complex, often one-off problems. Its culture valued brainpower, detachment, creative problem-solving skills and a certain intellectual combativeness. Over the years, the firm's partner promotion process had evolved to select for these attributes. The unintended and long unnoticed consequence was the de facto devaluation of emotional intelligence and relationship-building skills.

The firm had an exemplary history of developing thought leadership and using it to market. The culture valued and rewarded partners who developed and published “big ideas” and telling business insights. The firm's thought leadership was typically strategic in perspective and intellectually elegant.

But as the consulting market evolved, there were increasing signs that the firm's value proposition (essentially “we will help you understand”) was no longer sufficient. Clients increasingly needed help to move from understanding to action. In addition, there was a perception that the firm's partners were often more interested in the problem than the client. Consequently, many clients experienced the firm as transactional. Many of the firm's behaviors, large and small, and most of its thought leadership tended to reinforce the perception of the firm as more intellectual than pragmatic. Things needed to change.

The partners had the wisdom to see that intellectual horsepower and creative problem solving were and would always be critical components of the organization's value-creating identity. The challenge then was to honor and build upon those core attributes, while evolving to meet the changing demands of the marketplace.

The firm set about adjusting its recruiting profile and its partner promotion criteria to value and reward emotional intelligence and relationship-building skills. It expanded its capabilities to offer clients more help with implementation. It developed thought leadership that, while still strategic, was more focused on action and results. It became deliberate and intentional about expressing the “creative” and “relational” elements of its identity in the behavior of its people and in the voice and tone of its communications. In all of this (and there was much more), the business never lessened its commitment to intellectual horsepower and creative problem-solving.

**Compelling  
thought leader-  
ship lowers the  
risk of choosing  
a consulting firm**

Consulting firms, possibly more than any other type of business, really need the consistency and direction provided by a clear identity. There are at least three good reasons.

The first is precisely because their services are hard to explain, and because whatever those service lines are, they can proliferate and change rapidly. Without a clear, shared sense of the real meaning and purpose that underpins the business, the problems that it solves, and the value that it creates, a consulting firm can so easily morph into whatever the client - any client - wants it to be at any given time, or whatever each new senior hire thinks it should be. That's a recipe for immediate dilution, eventual mediocrity and ultimate disaster.

Staff retention is the second reason why consulting firms need the compass of a clear, value-creating identity. A consulting firm's assets are its people, and these assets appreciate significantly with seasoning - i.e., their expertise builds over time. A clear, shared sense of the purpose and meaning (therefore value) in the organization helps bind your best people to the firm, and helps elevate morale and motivation during tough times

The third reason is differentiation. The sheer proliferation of consulting firms, and the relative ease with which concepts and marketing messages can be copied by a competitor, mean that the stated differences between firms are often onion-skin thin. Add to that the fact that a consulting firm's "brand" is conveyed in large part via its people, and you have a uniquely difficult industry in which to create meaningful differentiation or build a brand. A clear, strong value-creating identity is the foundation for a strong organizational brand.

Consulting firms that use the current recession as an opportunity to demonstrate who they are and what they stand for will find that, when the recovery comes, they have built a magnet that attracts the *right* clients and the *right* staff.

### **Why Consulting Firms Need to Demonstrate Expertise**

If a consulting firm's identity is its well-considered decision on what issues in the world it solves and how it operates in that world, its expertise is the sum total of the capabilities it has developed over the years and which it can bring to bear in solving those issues. Simply *stating* that you have certain expertise - "We are supply chain experts for process manufacturers," or "We are strategy advisors to the telecommunications industry" - provides little proof of those capabilities.

## Four Foundation Stones for Sustainable Success

Consulting firms that weather the economic storms and are successful over the long term focus relentlessly on attracting and keeping the *right* clients and the *right* staff. They are very clear about who they are and what they do best. They use their identity and expertise to drive their thought leadership and marketing.

By taking an integrated approach to the four issues below, you can build an organization that does meaningful work and is built to last.

### Identity

- Uncover and communicate your firm's core value-creating identity
- Operationalize your identity in your core business processes (if you were truly living that identity to its fullest, what would it mean for how you develop your clients, your people and your ideas?)
- Determine what business problems you solve - and don't solve - and thus what services you provide and don't provide
- Develop a clear positioning and value proposition to both clients and recruits (including both the business value promised and the emotional value - the latter is an often-neglected source of differentiation for professional services brands)
- Translate the value proposition into benefits-based messages for business development presentations and marketing materials
- Design your consulting engagements and other client encounters deliberately to enhance the emotional value that clients get from their relationship with you

### Issue Ownership Strategy

- Crystallize your firm's over-arching position on the key business problems it addresses
- Choose a handful of issues that you want your brand to own over the next few years. The focus that this provides will enable you to create cumulative impact as your insights and messages build upon each other over time

- Design your thought leadership development process to deliver a flow of new insights and capabilities around those brand issues

### Thought Leadership

- Make your investment in thought leadership work harder by focusing your efforts on your chosen brand issues (see above)
- Produce more in-depth points of view on these issues - novel and deep insights that are rooted in your client experience and supplemented by additional primary research. To be the magnet for new business that they can be, these points of view must be supported by persuasive evidence (i.e., case studies of named companies that speak about big results)
- Persuade your clients to reveal themselves in the above - and to discuss the financial and other impacts of your work. Of course, consulting firms can never take sole credit for such improvements. But we have found many consulting firms' clients who are willing to give credit where credit is due - and share that credit publicly

### Integrated Marketing

- Treat the marketing of each piece of thought leadership as a campaign, not a single, one-off event. It must be sustained over time
- Create cumulative impact for each insight that you take to market by narrow-casting to your specific audiences and orchestrating your message across a variety of communication vehicles (by creating client databases, doing mailings, website, seminars, conference speeches, PR and media coverage, client presentation decks, etc)
- Ensure that each insight-based marketing campaign has a parallel face-to-face business development campaign. Every new piece of thought leadership you produce represents an opportunity to talk with clients, deepen your relationships and provide unexpected value.

We recognize, of course, that this represents a high-level road map and that the devil is in the detail of execution. So we will take a deeper dive into each of the above issues in future articles.

***If you cannot say “no” then you do not have a strategy and you certainly do not have an identity***

Only when consulting firms gives samples of their expertise and the impact on clients do those claims begin to ring true. By sample, we mean in-depth, educationally oriented content on the issues on which it consults, plus case studies of named clients it has helped, with benefits quantified.

Capturing and marketing such content is the focus of “thought leadership” marketing campaigns, which have become the rage in many consultancies. This strategy drives the lion's share of marketing programs at large firms like McKinsey, Bain, Boston Consulting Group and Booz. It is also becoming the focus of many mid-sized (AT Kearney, Kurt Salmon Associates) and even small consultancies.

Content that is compelling - novel, substantiated with examples of named companies, rigorous, and well-written - can generate significant market attention and open executive doors once firmly closed to a consulting firm. Consulting firms as a whole are peddling lots of concepts. The truly compelling ones get attention, but they are in the minority.

Why does compelling thought leadership work? It lowers the risk of choosing a consulting firm. Like a grocery store sample, a *Harvard Business Review* article, insightful white paper or page-turning book enable consulting firms to offer a slice of their expertise free and thus without risk. It makes the intangible service of consulting more tangible and helps a client see how a consulting firm thinks about an issue.

## **Seven Symptoms of Marketing Malaise**

A blurry identity and scant evidence of expertise rightfully will make prospective clients pause before asking for a sales meeting (if they ask for one at all). In contrast, consultancies that are crystal clear about who they are and what they do, and can prove their expertise attract clients like magnets, even in tough times. They are a ray of light in the darkness, providing coherence and reassurance amid the chaos of an executive's day.

Is your firm a beacon of light during these difficult times? See if you recognize any of the following symptoms in your own consulting business:

- 1.** How long does it take a prospective client to understand what your firm does? If it seems to take far too long, you most likely have an identity problem - or at least a problem in communicating your identity. Many consulting firms struggle to articulate clearly who they are and what it is they do. Indeed, some consulting firms seem to willfully avoid doing so. Their self-descriptions are so vague, high-level and broad that they could be anything (*see sidebar, page 3*). Often this results from a fear that being specific will deter some prospective clients. So it should: if you cannot say “no,” then you do not have a strategy, and you certainly do not have an identity.

*Use the current recession to clarify your firm's core value-creating identity and deploy it as a tool to help you deliver unexpected value to current and lapsed clients*

2. Do you show or just tell? Could a prospective client or employee infer from your behavior, language, perspective, etc. those values and qualities you say make you distinctive, or are they just words on a page? For example, if you really mean it when you say “Your success is our success,” shouldn't you be offering a guarantee or sharing risk and reward?
3. Do you blend in or stand out? We constantly see firms claim to be “collaborative,” to “partner” with their clients, to “deliver results,” to provide “objective, fact-based advice,” and so on. Those are a client's minimum threshold expectations, completely unremarkable in the professional services category. It's the equivalent of trying to sell a car by telling us it has an engine and four wheels - we pretty much assume that, so what else have you got?
4. Take an honest look at the “thought leadership” that you produce. Do few people download the articles on your website? Do the leading management journals usually reject the articles you submit? Do your thought leadership mailings generate few enquiries? Do your conference speeches yield few follow-up conversations? Good thought leadership (insightful, fact-based material that really gives a reader something of value) is a powerful marketing tool that simultaneously displays the caliber of your thinking and gives readers a taste of your consulting abilities. But we commonly see material masquerading as “thought leadership” that is nothing more than thinly disguised sales promotion. We also see consulting firms that don't invest at all in thought leadership, firms that devote a lot of effort to producing material on issues that are not strategically important to their business, and firms that say a little about a lot of different issues and so end up not being compelling on any one.
5. Do you offer convincing proof of expertise - stories of your client engagements in which you name names and quantify results?
6. Do you tell prospective clients about *all* the factors that contribute to a superior client result - including but going beyond having superior insights and approaches to doing the work - e.g., great hiring and training practices, incentives and measures that focus on quality of work, etc?
7. Do your communications and interactions with clients display empathy with and curiosity about their world? We often observe that everything from the language some consulting firms use in their marketing materials to the way they interact with potential clients is inward-looking. They may talk about partnering and collaborating with clients, but they are signaling that their relationship is with the problem, not the client.



## AUTHENTIC IDENTITY

### From Identity to Value:

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### How to stand out

So what can you do to stand out from the pack and attract and keep the clients and recruits you really want (and, of course, say “no” to those you do not want)?

Short term, take advantage of the current recession as an opportunity to clarify your firm's core value-creating identity and use it as a tool to help you deliver unexpected value to current and lapsed clients. If you were fully living that identity, what would it mean for how you behave in those relationships? If you really mean it when you say “your success is our success,” or “we partner with our clients,” what could you do now to show that? If you have good people on the bench, and you want to keep them motivated, how could you use them creatively to pleasantly surprise clients?

At the same time, unlock the value in your collective experience and expertise - then give it away. What insights and learning could you distil into thought leadership that would be of genuine objective value to your clients? Why not bring that to them, just to be helpful (with no immediate expectation of a sale)? It will cement your relationships, bring you back into contact with your client base, and give them a reason to think well of you when they are ready to spend.

Meanwhile, build the momentum that will power you through the recovery into long-term sustainable success by addressing Identity, Issue Ownership Strategy, Thought Leadership and Integrated Marketing (*see sidebar, page 7*).

The combination of a clear value-creating identity and rigorously demonstrated expertise is the key to true differentiation and powerful marketing for consulting firms. Consulting firms who use the current recession to develop both will bind their best clients and their best people to them. Come the recovery, those firms will soar. Will you be among them?

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