

## **Quality in Market Positioning**

This chapter is organized to address three key facets of market positioning. We begin by offering working definitions of market “position” and market “positioning.” We then outline a variety of issues to be considered as the Design Professional focuses on market positioning. We conclude by describing a straightforward method that can be used to identify desired market position and necessary positioning actions.

### **“Position” vs. “Positioning”**

Design Professionals who seek to be successful may initially see “quality” as both a given in the marketplace, and as a fundamental interest of potential clients. Unfortunately, these assumptions, while well intentioned, do not do justice to the intricacies of determining “position” in the market.

*Position is a noun, positioning is a verb.* While that may seem a bit basic for readers as sophisticated as those who invested in this Handbook, *making and understanding this distinction is as important as anything you will do to further your cause as you include quality as an issue in establishing your position in the market.*

Building on that recognition, let's add that both “position” and “positioning” are relative terms. Each term, and all the associated actions and reactions, requires a benchmark or reference of some kind. Finally, note that your “position” as well as your “positioning” actions will simultaneously influence and be influenced by the marketplace and your fellow Design Professionals' market positions.

While the specifics vary depending on which dictionary you consult, *“position” is fundamentally your place, your situation, your desirability or your esteem related to something or someone else in the marketplace.* It follows logically that *“positioning” is that set of actions which enhance or achieve your desired place, situation or esteem.*

### **Position is Relative in Three Dimensions**

Our consulting practice is focused on the A/E/C industry. In our consulting and training work with successful Design Professionals, and those who seek to become more successful, we stress position in three dimensions. Position is relative in terms of process, product and perception. As we work with our Design Professional clients, as well as those who purchase design services, we find three similar and consistently important “dimensions” regarding quality position.

While both providers and purchasers see quality position as important, each ranks the three dimensions of position in a different hierarchy of influence and significance.

Throughout the Handbook you will find ample descriptions and definitions of quality. We need not repeat them in this chapter. Suffice it to say that in the simplest of terms quality is the fulfilling or exceeding of pre-determined and pre-agreed expectations between the "Client" (i.e., purchaser) and the Design Professional (i.e., provider). *How and how well a Design Professional fulfills this quality definition determines market position.*

What then are these three key dimensions? Simply put, they are process, product and perception. When you as a Design Professional focus on the marketplace -- the physical and/or operational place of commercial exchange between willing participants -- we as consultants and trainers encourage you to consider your quality position in terms of how you provide quality (i.e., process), what level of quality do you in fact deliver as an interim or end result (i.e., product), and how do you're your clients and others view your quality performance (i.e., perception).

Design Professionals will do well to focus logically and progressively on three questions -- where we are (i.e., current position), where do we want or need to be (i.e., desired position), and what do we need to do to get there (i.e., positioning).

*In our work with both Design Professionals and with Client entities, we use the same three working definitions:*

- **Process** pertains to design and service activities. Process positioning encompasses how design is conceived and how projects are delivered, client relations, the manner in which a client is served (not to be confused with the types of services that are provided) and the overall workings of design from beginning to end.
- **Product** pertains to result. Product positioning encompasses the physical results of the design process (e.g., a building, a piece of equipment, a systems installation), the interim deliverables and instruments of service (e.g., models, drawings, CADD files, images, contracts), the design project goals (e.g., functional performance, budget and schedule achievements, aesthetic image) and the overall "finished project" itself
- **Perception** pertains to feelings and impressions. Perception positioning encompasses the awareness, observations, sensations, feelings and mental image of the Design Professional -- in terms of both process and product.

## **Process vs. Product Orientation**

Both Design Professionals and Clients assert that process and product go hand in hand. While this makes sense on the surface, wise Design Professionals know that *there is always a more/less important relationship between process and product.*

We have found that either hierarchy is appropriate, and either will produce the perception of “good” or “high” quality. Nonetheless, it is of foremost importance for the Design Professional and the Client to agree upon which is more important -- process or product. This agreement is best when reached early in the life of the project, and tested frequently throughout the term of project work.

We have also found that the critical hierarchy which is established early in the project life cycle markedly influences “perception.” If both the Design Professional and the Client agree on the hierarchy, both other likely to develop similar perceptions regarding quality in market position. However, if there is not agreement on the hierarchy relationship, it matters little how much effort the Design Professional puts into process nor how accomplished the ultimate product -- the Client's perception will, at least initially, be that desired quality was not achieved. *This agreement is so important that we have found it helpful to force a distinction by suggesting that the two cannot be considered of equal importance.*

It is incumbent on the Design Professional to address and establish the “process vs. product” relationship with the Client. Defining the relationship is important for two reasons. First, the Design Professional must come to grips with the relationship and hierarchy before a desirable market position can be defined. Second, the Design Professional must know the Client's view of the hierarchy before the desirable market position can be achieved. Put succinctly, *Design Professionals cannot define desired market position until they determine their own view of process vs. product.* In our work with Design Professionals, we note consistently that *Design Professionals cannot achieve desired market position until they consider and fundamentally determine the Client's view.*

Adding to the richness and importance of making this distinction, Design Professionals are wise to acknowledge and address the fact that Clients may on occasion see a certain “quality” position as either a positive or a negative. We'll address that later in this chapter.

## **Design Professionals and Clients View Position Differently**

It is both enlightening and to a degree amusing to observe how differently Design Professionals and Clients approach the issues of quality in market position – yet, how consistently they arrive at common ground viewpoints. Each begins from a seemingly “totally different” point of departure -- yet both end up at the same position!

When we help Design Professionals define position (either current or desired) and/or determine their positioning actions, we see common and predictable behaviors. Most Design Professionals want to begin with either process or product – in fact, there is an almost unsettling consistency among Design Professionals. Most move through a labyrinth of progressive steps along a common logic path which is based on the premise “if we have a good process then we will produce a good product which will then put us in a desirable market position.”

Some modify the progression to follow a logic map of “good products and good processes produce desirable positions in the market; therefore, we should do our best to integrate process and product.” For the most part, this logic will consistently lead to the Design Professional's desired quality position in the market.

As we work with Clients, we see a fundamentally different dynamic at work. Their approach to quality-based market position is more varied and unpredictable. Some Clients are distinctly focused on process. Those Client entities usually follow the same logic path used by the Design Professionals referenced in the previous paragraph. Other Clients are demonstrably more interested in product. These tend to adopt a logic that says “it really doesn't matter how you get there, just produce a great project result.” Still other Clients rely primarily on their trust-based perception. That is, they form an opinion -- a perception -- of the Design Professional's quality position, and rely on the assumption that this perception will become reality in both process and product.

*Despite these differences in approach among Design Professionals and Clients, there is a consistent end result -- the desired quality position in the market.*

## **Exclusive Positions Are Not Always Good/Bad**

For many Design Professionals and Clients, emphasis on “high” or “low” quality is a form of relative exclusivity. That is, so the logic is implied, a Design Professional can achieve a clearly differentiated and exclusive position in the market by producing or providing “high quality” end results or interim services.

Few however seek the exclusivity of being a Design Professional associated with "low quality." *The often overlooked fact is that an emphasis on "high quality" is not always beneficial, and an emphasis on "low quality" is not always detrimental.*

Experience indicates that most Design Professionals will attempt to set themselves apart from others by emphasizing "high" quality in process, product and/or perception. In many cases the Design Professional's vocabulary of quality related to market position highlights words such as "high," "rich," "robust" and "optimum."

It is my personal experience, and consistent advice to Design Professionals, that a more successful approach is embodied and implied by such words as "tailored," "market responsive" and "client-specific." Finally, it is not hard for any Design Professional to admit that words such as "satisfactory," "low" and "poor" simply do not seem to blend well with quality and desired market position.

While these thoughts appear sound at first consideration, they must be examined in more detail. Moreover, it is this insightful and perceptive analysis that yields the best material for identifying and securing an appropriately desirable market position.

Again, Design Professionals must look to and know their own and the Client's view of the process, product and perception hierarchy. It is not uncommon for a Client to assume (i.e., perception), either correctly or incorrectly, that "high quality" will cost more, take longer and be more arduous to achieve than "low quality." Similarly, Design Professionals may be disappointed to discover that a particular Client prefers what appears to be "low quality" rather than "high quality" in terms of process or product. For example, if a Client chooses, or is forced, to focus exclusively on first cost rather than life-cycle cost of a project, a "high quality product" market position may well work to the detriment of the Design Profession.

In a similar example of seeming paradox, a Design Profession may be perceived by peers as providing relatively "low" process quality because design conclusions are reached rapidly and without extensive alternative study -- yet, this process approach may be perceived as very desirable by the Client (i.e., high quality perception).

We could sight other examples, and no doubt many readers have at one time or another experienced similar paradoxes. The point is that *any exclusive market position -- whether based on process, product or perception -- must be tailored to and weighed in comparison to the Client's view of that market position.* Without a client and market-specific focus, exclusive positions and seemingly desirable distinctions related to quality may be ineffective -- or counterproductive.

Indeed exclusive distinctions if not well-taken literally backfire and exclude the Design Professional from desirable market positions and their benefits.

### **Quality Position is Time-Dependent**

Yet another essential consideration is the time-dependent nature of quality as it relates to market position. While the various combinations are seemingly endless, let's look at three general rules regarding the time-dependent nature of quality. Based on our experience with both Design Professionals and the Clients who retain them, we developed the following *axioms related to the Design Professional's market position*:

- *Process Quality Axiom* -- Design phase processes are relatively more influential than construction phase processes in determining market position. Moreover, process quality is most influential on market position before and during the design phases of a project.
- *Product Quality Axiom* -- Final project results are more important than interim project results. Moreover, product quality has increasingly greater influence on market position after the project is complete and as subsequent similar projects are completed.
- *Perception Quality Axiom* -- Current perception is more important to Clients, while long-term perception is more important to Design Professionals. Moreover, perceptions, regardless of their origin or factual basis, will weigh more heavily than logical or objective arguments in determining market position.

### **Quality Position Is Both Independent or Linked**

Design Professionals are well advised to consider the subtleties of independent and linked market positions.

*An independent market position is one that is established and maintained solely, or in great measure, by the positioning actions of the Design Profession. A linked market position is one that is established and maintained by the Design Professional either through associating with or identifying with a group of similar or related professionals.*

A Design Professional can create an independent market position by asserting and proving that its process, product or perception is unique when compared to other Design Professionals. For example, an independent position can be created and characterized by employing special processes or copyrighted approaches to a design function.

A unique "product" position may be established by producing exceptional deliverables and/or a final project result that is unparalleled by other Design Professionals. Finally, elements of approach and characteristics of the Design Professional (e.g., style, demeanor, cost, speed, relationship, image, charisma, brand, etc.) can be effective elements in crafting an independent perception-based market position.

Conversely, a Design Professional may wish to create a "linked" market position in terms of quality. In these cases, the Design Professional relies on positioning tactics that foster "attribute by association" connotations. For example, a Design Professional may describe a particular approach (e.g., design/build) so as to imply that the Design Professional performs in a manner similar to other great design/build providers. When describing "products" or "perception" a linked position may be established by using such words as "similar to" and "not unlike."

Another proven "linking" approach is to refer to a common standard that is, or can be, applied to multiple participants occupying a common market position. Current international quality standards or environmental design guidelines are prime examples of this form of standards-based linkage.

As we work with Design Professionals as well as Clients, we integrate all of these elements before crafting a final "linked" market position. Moreover, we encourage our Design Professional clients to keep in mind that it is possible to establish and maintain multiple linked positions simultaneously.

### **Quality is Positive, Negative or Neutral**

Design Professionals are well advised to put quality in relative perspective as they seek to establish a desired market position. In fact, *Design Professionals must put quality in perspective as a basis for crafting an effective market positioning action plan.* In our work with both Design Professionals and Clients, we recommend a simply gradient regarding quality and market position. We suggest that quality be defined as either "positive," "negative" or "neutral" in its influence on market position.

As Design Professionals in particular consider the three variables of process, produce and perception, it is important to recognize that at times one or more of the three key variables will become "apparently" insignificant. Our experience is that never does one of the variables become truly insignificant. Rather, the emphasis placed on a variable may be minimal, and/or the emphasis placed on another variable may be so great, that one or two of the variables will *appear to be* insignificant.

In these cases, we might say the variable in question is somewhat “neutral” with respect to decision making and in regard to determining market position.

### **Defining and Positioning Methodology**

In our quality-related work with Design Professionals as well as Clients we use the following step-by-step methodology to define desirable market positions, to analyze existing market positions, and to craft action plans which will achieve desired positions in the market. Our suggested methodology is listed in sequential order.

- Identify the market sectors or marketplaces which will be the focus of your analysis and action planning.
- Determine the position, or positions, to which you may wish to aspire.
- Concurrently, identify the positions to which you may be assigned by Clients.
- Divide these various positions into two categories -- “attractive” and “unattractive.” (Note that these adjectives refer to your perspective, your desires and goals vis-à-vis the market position.)
- Catalog the characteristics and determine how you would best describe your firm as it exists today. Use the three categories of “process,” “product” and “perception.” (We refer to these classifications at this stage as “current” characteristics.)
- Determine if these “current” characteristics contribute to, detract from or do not influence your ability to achieve the desired market position.
- Repeat the thought and analysis process by identifying those characteristics that would most clearly align your firm with the desired market position. (We refer to these as “target” characteristics.)
- Analyze the list of current and target characteristics from the Client's point of view. Make adjustments as appropriate
- Consider and refine the characteristics with regard to “timing” and other variable influences.
- Conduct a resource analysis based on what is available, what will be required and necessary return on investment or return on resource utilization.
- Create an action plan for each of the characteristics and your desired market position. Include how the current characteristics can and/or should be evolved to support the desired market position, who will be involved (i.e., both internal and external resources), degree of influence and control you have, schedule and required commitment of resources. We encourage our clients not to forget performance and progress metrics.

- Finally, test the approach before, during and after desired positions are secured. If you have difficulty with objective appraisal, or if you become too invested to be dispassionate, you may benefit by seeking help from a trusted colleague or independent/outside observer and advisor.

Quality position and positioning are essential elements for any Design Professionals success equation and plan. We have found that these considerations, combined with this methodology, produce a genuinely worthwhile and effective approach for the Design Professional who seeks to employ "quality" as a driving factor in defining and achieving market position.