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Your strengths, passions, and
enjoyment
are keys to your marketing success

**Branding Out of the Lowest Bidder
Mentality, Before It's Too Late!**

**Social Media:
Beyond the Hype**

**Creating
An UNFAIR
ADVANTAGE!**

**Uncle Sam Has It and Is
Trying to Spend a Huge
Amount on Construction**

**A refreshing
approach to
business**





Branding Out of the Lowest Bidder Mentality, Before It's Too Late!

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Special to *The Design and Construction Report*

The construction industry is under massive economic and competitive pressure nationwide. For companies to survive and thrive in this environment, they need to set their brands apart from their competitors through strategic positioning, brand differentiation and awareness, and execution of the customer experience. And NO... we're not talking about the Disney construction crew!

Now is the time for companies to get serious about implementing brand building initiatives and techniques to facilitate growth and continued success. Otherwise, they and the industry will succumb to the "lowest bidder mentality," construction quality will continue to decline, and only a few major players with significant economies of scale will thrive. So, what can you do now to fight this trend? We have some thoughts for you, so read on.

Value pricing: What your services, products, and experience are really worth

One of the most challenging branding initiatives for construction companies to complete is the establishing of a "true" value proposition that lays the groundwork for all other branding efforts. Often when asked what really sets them apart from their competitors, the answer is always the same. So, how would you answer? Think hard. What are three unique factors that make you different from the guys across town? What's your answer? Usually we hear: "We're

on time and on budget! We build long-lasting, trusted relationships! We deliver quality work! It's our people!" Sound familiar? Don't feel stressed—these characteristics define many great construction companies and many of them will say these same things when asked the brand differentiation question.

So, how can you formulate and communicate your true brand differentiating characteristics to a prospective customer? You first must establish a Value Proposition for your company. What is a Value Proposition, you ask? Well, a value proposition is "A statement or paradigm of the benefits, costs, and value an organization delivers to customers or others within or outside the organization." Basically, $Value = Benefits - Costs$.

A company without a clearly established value proposition is a 'commoditized business.'

Commodities cannot charge more for their products or services. Next time you're in the grocery store, stroll down the coffee aisle. You'll see hundreds of product choices, all priced about the same. So, how do they try to differentiate to grab the customer's attention? They use fancy packaging and a lower price. Then, they put their product on sale, thus lowering the price further. Then they run a special and give away some of their product, thus lowering the value further. Do you see the trend? How can anyone survive? Do you think the lowest price is the coffee roaster that packages the best beans, roasts them carefully in small batches, and delivers the product as fresh as possible? Nope...And why

not? Because they are stuck in the lowest bidder mentality and they can not afford to produce a quality product or good brand experience. Now, we may be exaggerating here a little, but we think you can get the gist of what we're saying. You have to KNOW what your true Value Proposition is before you can communicate it to prospective customers!

So, what's the moral of the story? Price your product according to the value you provide. Be the lowest "QUALIFIED" bidder, not always the lowest bidder. After all, only you know what your product and services are really worth, but you must be able and ready to substantiate your claims. Have examples readily available and collect testimonials from your customers to build your reputation proof file. Reputation matters even more now! If we were a sub-contractor and could guarantee you, the general contractor, less headaches because of our specific experience with the kind of work you're bidding out, the job done right because of past projects, and on-time because we understand the contingencies that may arise, and without work change orders, would you pay us 10 per cent more?...20 per cent more? How much is it worth to you to know that the job won't go over bid because we can guarantee it? How much is it worth to you knowing your client will not call to complain about our performance, or another sub telling you they can't start work because our team is still in their way? There's a thought. Here's another thought for you: Which would you rather have: more money or more clients?

Build and nurture your brand for success

Now that you've taken the time and made the painstaking effort to formulate and cultivate your company's Value Proposition, it's time to build your Brand. Begin inside your organization. You have to get your own house in order, so to speak, before you can walk-the-walk. If you do this the right way, you'll find that you are already walking-the-walk, but you and your staff may not have known how to think about and talk about your brand's unique differentiation and positioning. So put an end to that by establishing brand-delivery expectations internally and training your team on them! What does your company stand for? How do you want to be viewed by your community? Where is the company headed in the future? Answer these questions and form a vision for why your company is relevant.

Define your company culture, and its place in the "grand scheme of things," and provide a vision of the future so they can see the long-term value of a relationship with your company. Then, establish and communicate the repercussions that will occur should the brand experience not be delivered as expected. This is vital! Don't assume your people know or understand your brand! It takes time to develop a brand's awareness and full value, but it only takes one screw-up to ruin the value and reputation.

Carve out a special place in the world for yourself!

Once your vision is set, it's time to think about market position. You must define your strengths and weaknesses (Google: SWOT analysis), so you know what type of business you want to go after, and what type of business you can go after but may struggle to get. This process will form the basis for your "branding" efforts. You may be surprised by the niche markets you have slowly developed over the

years where your competitors can't touch you because of lack of experience. Niche experts can demand higher rates for their expertise and proven record.

Branding efforts include establishing a look-and-feel for your company starting with your logo and stationery package, design and content for your website, newsletters, advertising and communications, and building a functional and viable social media strategy. Your competitive advantage should really stand out through these tools. The tools communicating your differentiation should help with convincing your prospects your company is the best choice. Specialization, capabilities, equipment, expertise, team, past projects, cost-saving techniques/value engineering, etc. should be spotlighted in your brand marketing tools. They should also work cohesively to establish your brand's true market position and value. Your expertise and project history should raise questions about your competitors' experience. Does your RFP simply state your qualifications or does it make you stand out as the best, possibly being the only viable option for the client?

So, where do we go from here?

Branding your construction company or design/build firm is no longer an optional undertaking. Your competitors are doing it, and their efforts may just be the nail in your proverbial coffin. After reading this article, you have the knowledge of where to begin, and if you're still not sure, then ask for help.

Establishing a unique value proposition, defining and communicating your vision for the company's relevance, and building and utilizing a full complement of brand marketing tools to relentlessly promote and nurture your brand will give you a strategic advantage over your competitors. Having the infrastructure ready to apply to website development, advertising creative, internal/external newsletters, RFPs and proposals, award submittals and press coverage can make your branding efforts go smoothly while significantly reducing marketing costs. (Yes, we're saying you're marketing costs could go down while your profits go up.)

Make this current business environment work in your

favor. Build and nurture your brand now, establish your brand dominance and win more of the right kind of projects for your company while increasing your profits!



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