

EXECUTIVE SUMMARY

# 2018 HIGH GROWTH STUDY

All Professional Services Edition



**2018 High Growth Study: All Professional Services Edition | Executive Summary**

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# Acknowledgements

We would like to thank the following organizations. Without the support of their staff and members, this study would not have been possible.



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# Introduction

**Welcome to the 2018 High Growth Study, the cornerstone of Hinge's ongoing commitment to conduct and publish the most advanced research on high-growth professional services firms. This is the most extensive study of its kind.**

Each year, we update the study with the latest data and insights. In addition to studying the professional services in aggregate, we look at key industries in depth. This summary report explores the marketing performance and choices of the full spectrum of professional services.

By comparing your firm's marketing practices to those of high performers, you can start building a firm that is more visible and grows faster.

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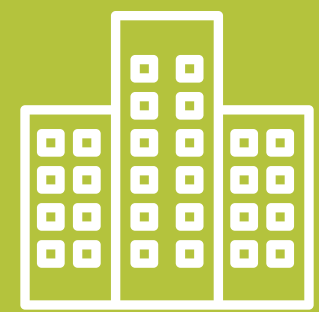
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# About the Research



# The 2018 High Growth Study is the most comprehensive study of its kind.

Now in its third year, the 2018 High Growth Study was created by Hinge to provide detailed insight into how professional services firms go to market.



Over

**1,000**

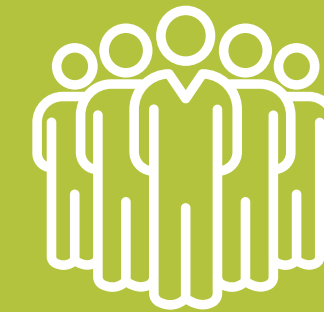
participating firms



Over

**\$176  
BILLION**

combined revenues



Over

**ONE  
MILLION**

full-time employees

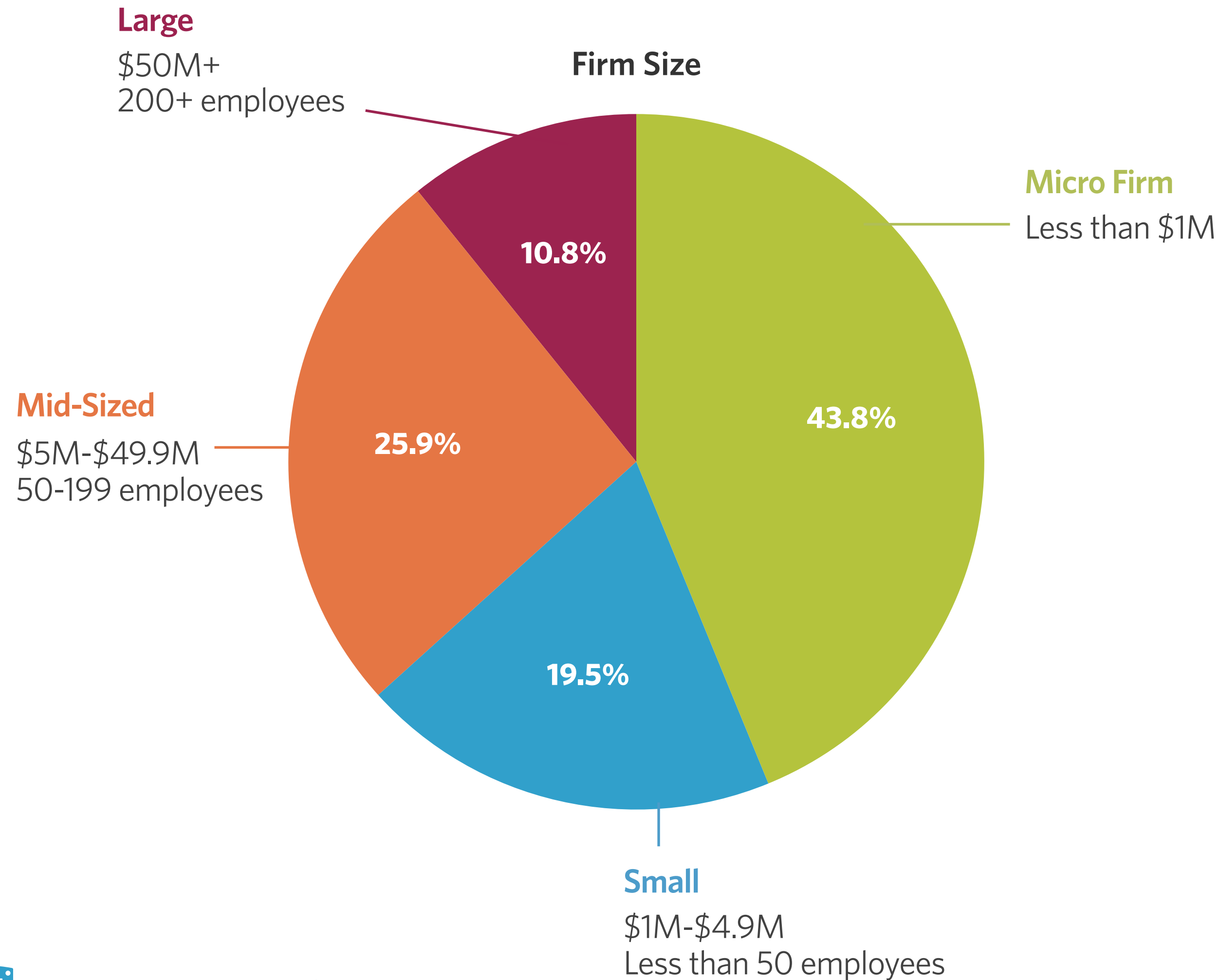


Over

**\$20  
BILLION**

in marketing budgets

# The sample includes firms of all sizes.



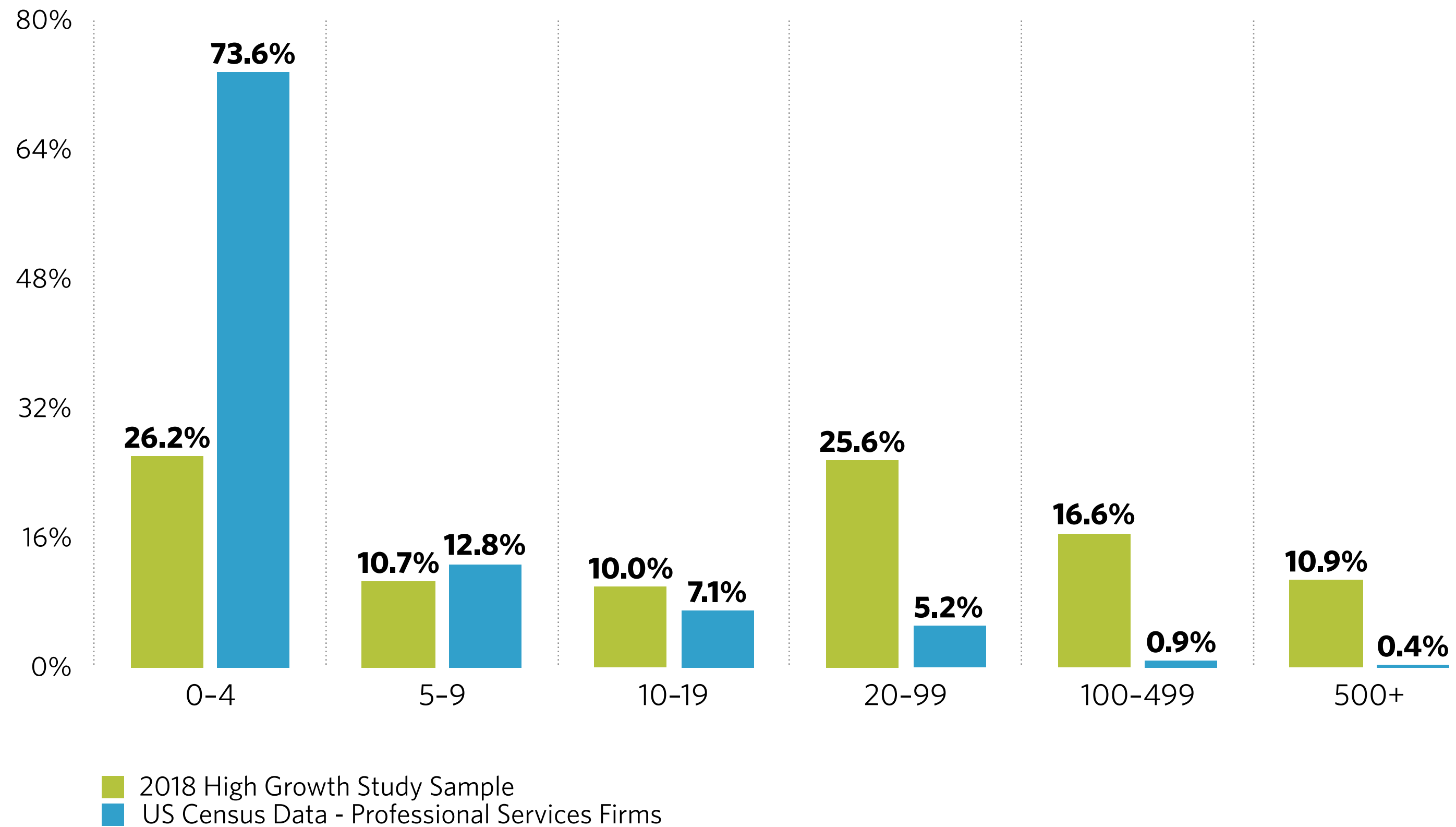
Respondents were asked to provide gross revenue for 2015, 2016 and 2017. Firms were classified into four size categories:

- > **Micro** — annual revenues less than \$1 million
- > **Small** — annual revenues between \$1 million and \$4.9 million and fewer than 50 full-time employees
- > **Mid-Sized** — annual revenues between \$5 million and \$49.9 million and between 50 and 199 full-time employees
- > **Large** — annual revenues exceeding \$50 million and more than 200 full-time employees



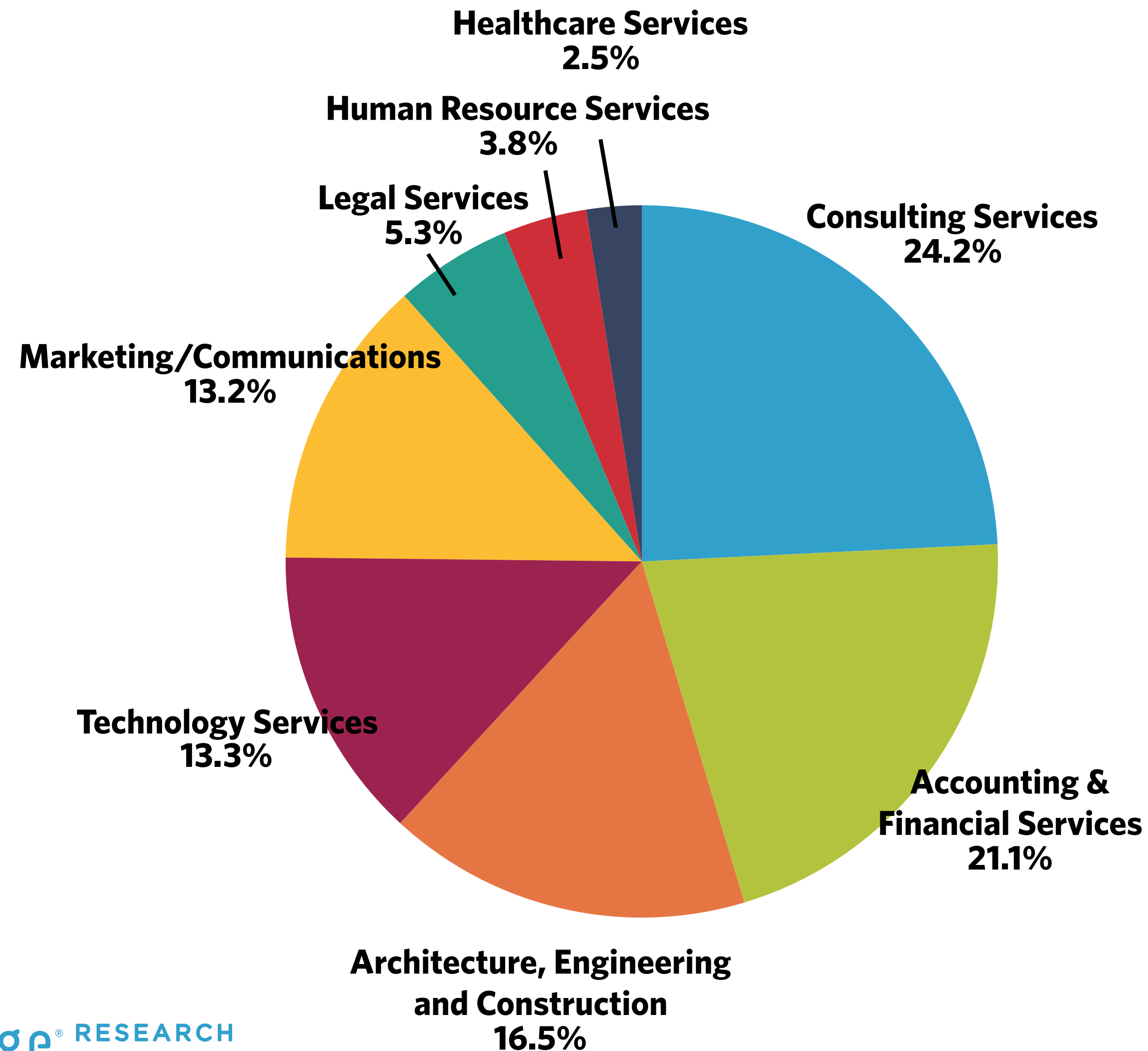
# We designed our sample to capture sufficient data on firms of every magnitude.

Number of Full-Time Employees



- > This chart illustrates the sample compared to 2015 US Census data of professional services firms.
- > The study deliberately oversampled larger firms so we could draw accurate conclusions about firms of all sizes.

# The sample is representative of the broad professional services marketplace.



- > Respondents were asked to identify the services their firm provides. This chart illustrates the proportion of services identified by sample respondents.

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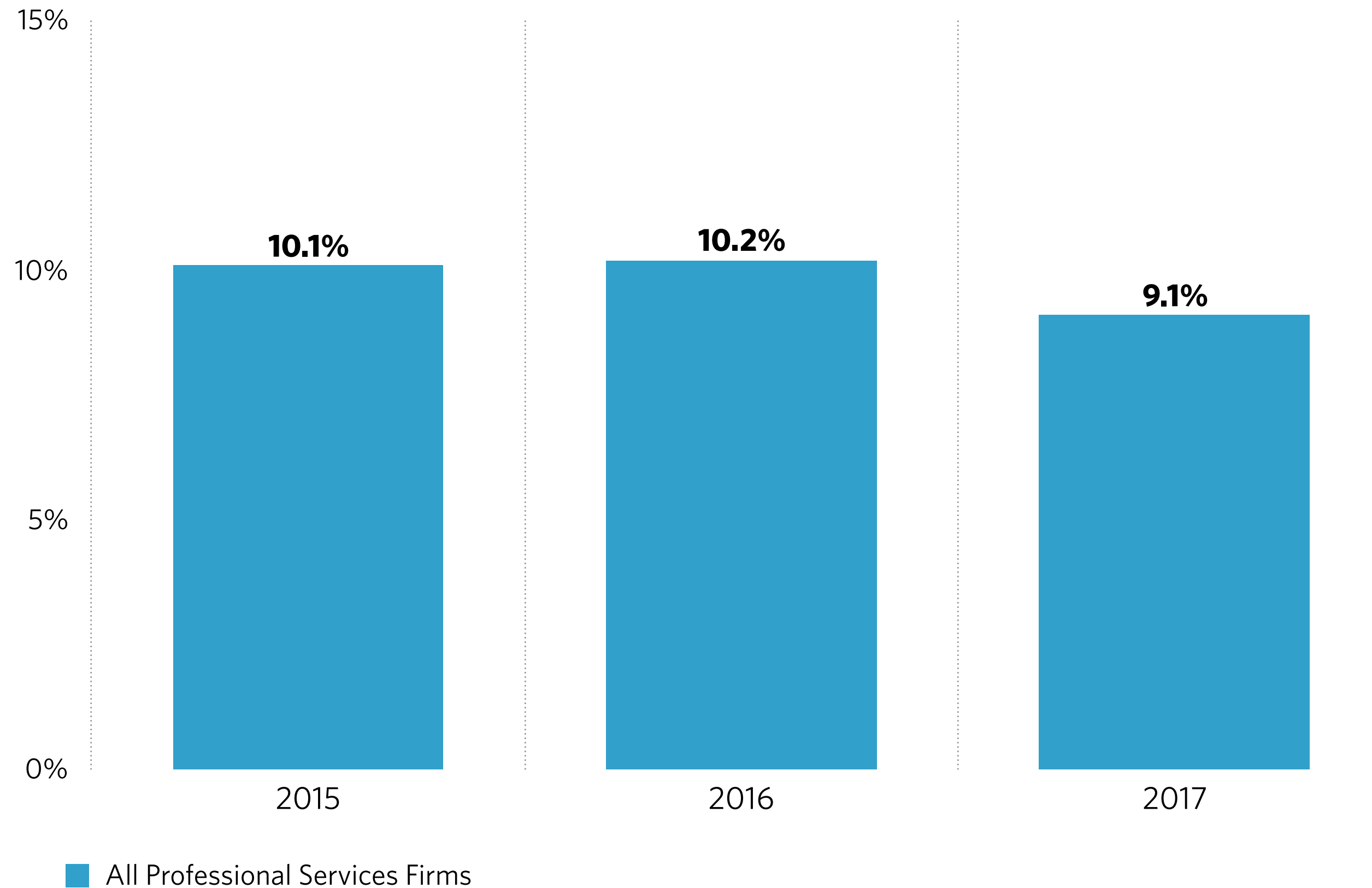
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# Industry Growth Profile



# Growth across all professional services slowed in 2017.

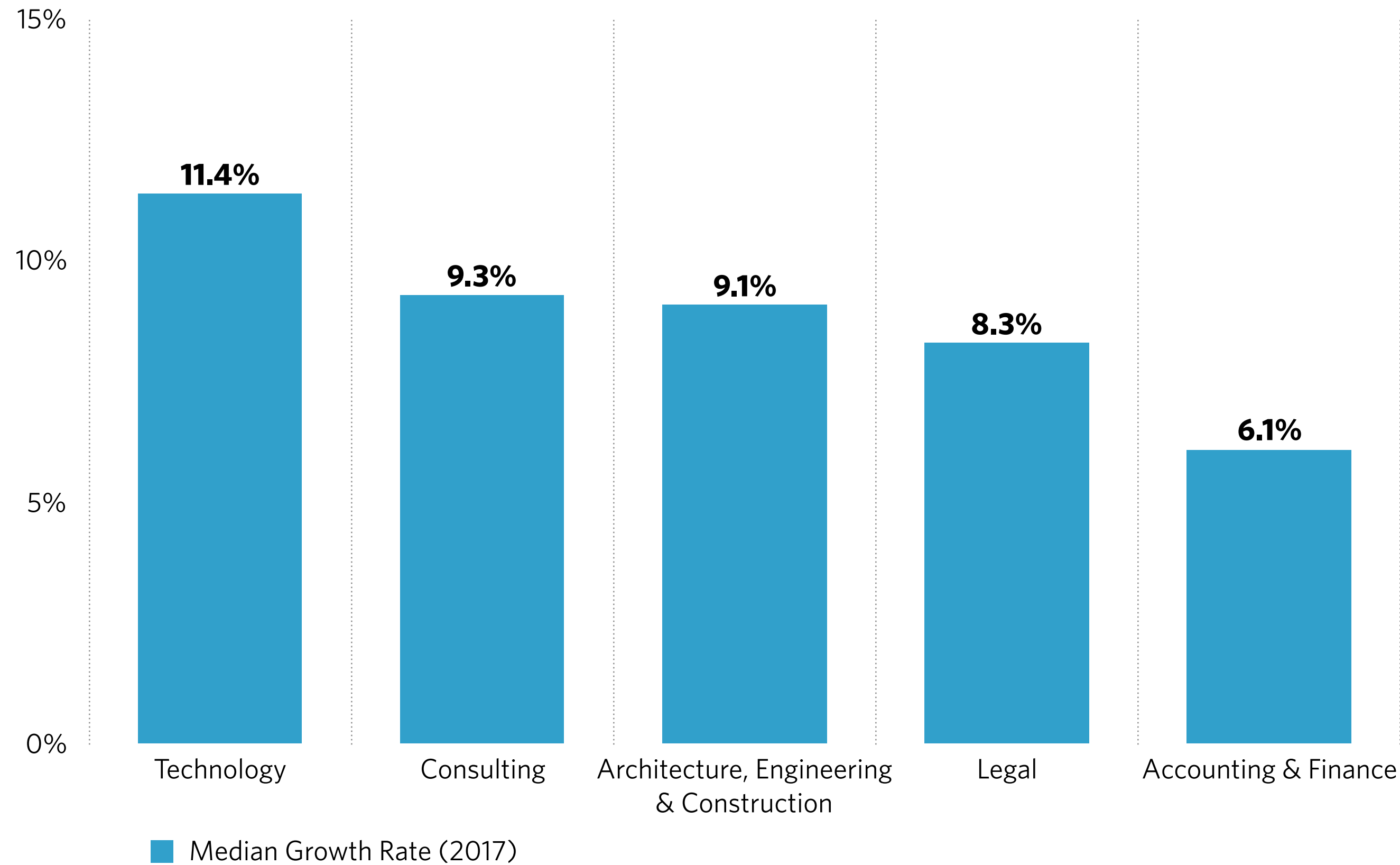
Professional Services Firm Growth by Year



- > This chart illustrates the median annual growth for professional services firms recorded in each of the past three years.
- > After remaining relatively steady for two years, the median growth rate for professional services firms dropped a full percentage point in 2017.

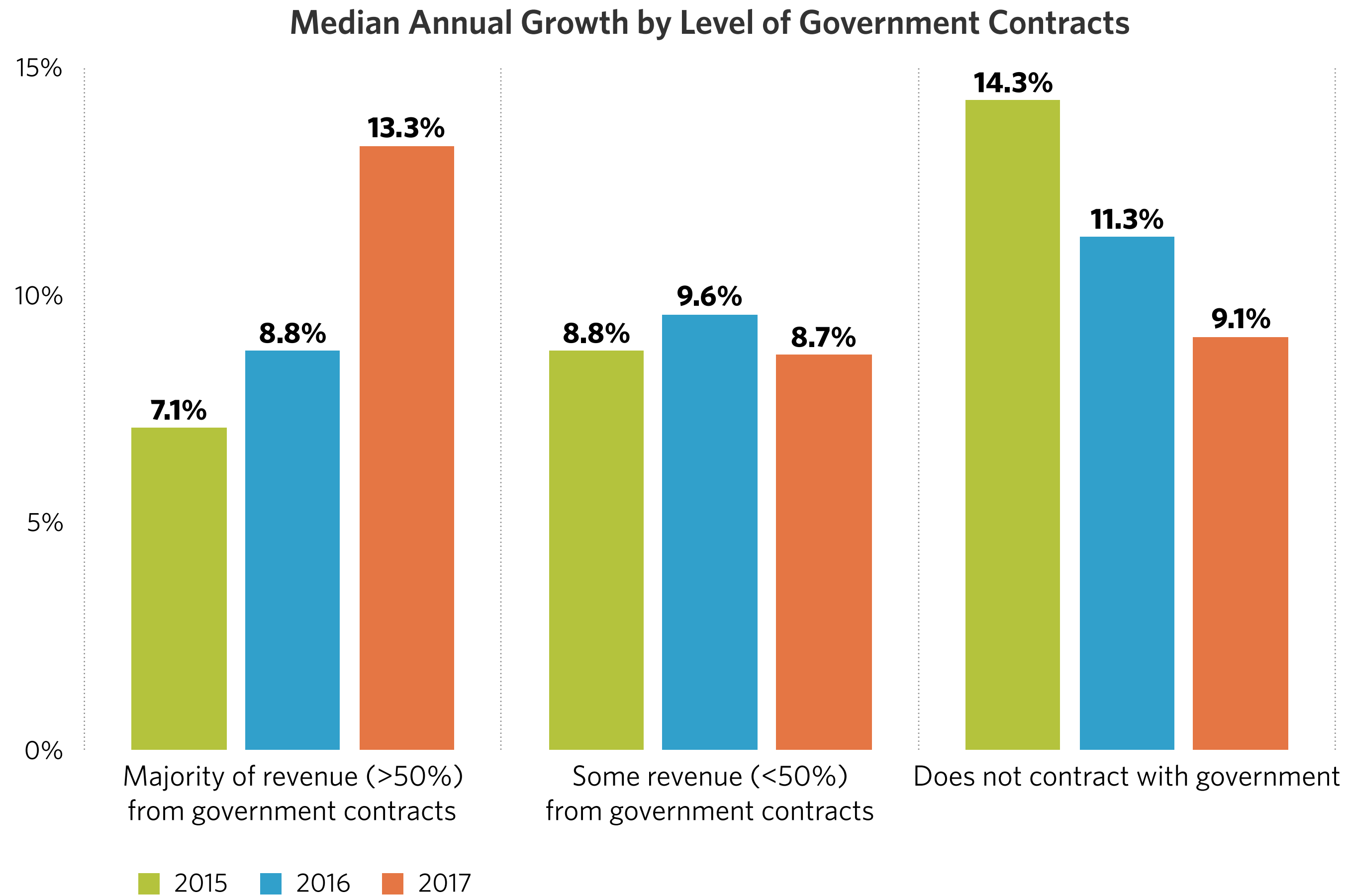
# 2017 growth rates varied by industry.

2017 Median Growth by Professional Services Industry



- > This chart illustrates the median annual growth of firms in each professional services industry.
- > Technology firms grew faster than professional services firms as a whole, followed by consulting and A/E/C. Legal and accounting & financial services firms grew more slowly than the 9.1% professional services median rate.

# In 2017, growth at firms selling primarily to the government outpaced those selling to non-government buyers.



- > This chart illustrates the median annual growth rate by year of firms with different levels of government contract activity.
- > In 2017, the median annual growth rate for firms that generated more than half of their revenue from government contracts was far larger than those that did no government business. These firms saw median annual growth jump by 87% over the previous year.
- > By contrast, firms that did not sell to government buyers experienced less rapid growth in 2017.

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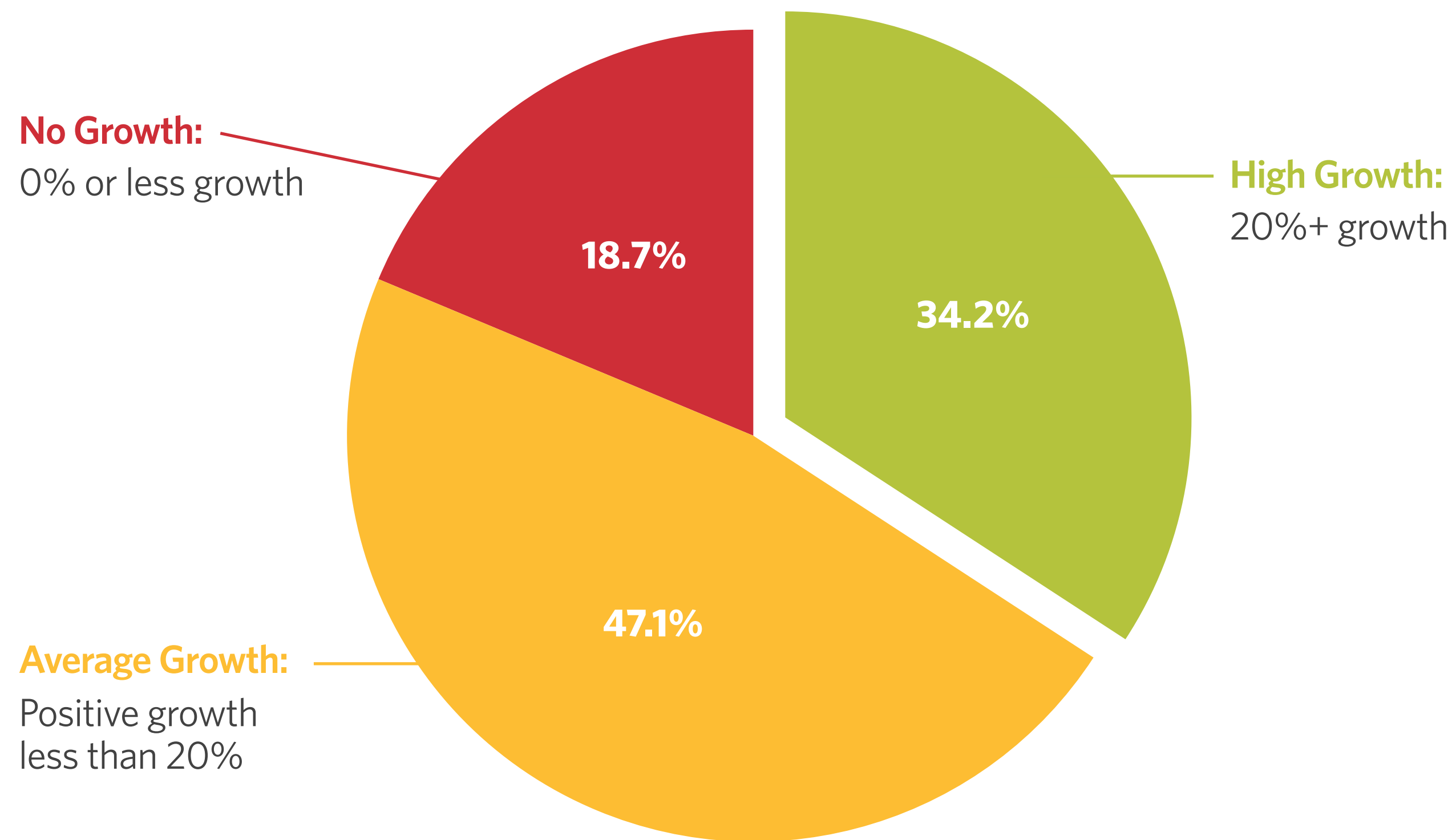
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# Meet the High-Growth Firms



# There is a segment of firms that have a significantly higher growth rate than their peers.

Professional Services Firms by Growth Category



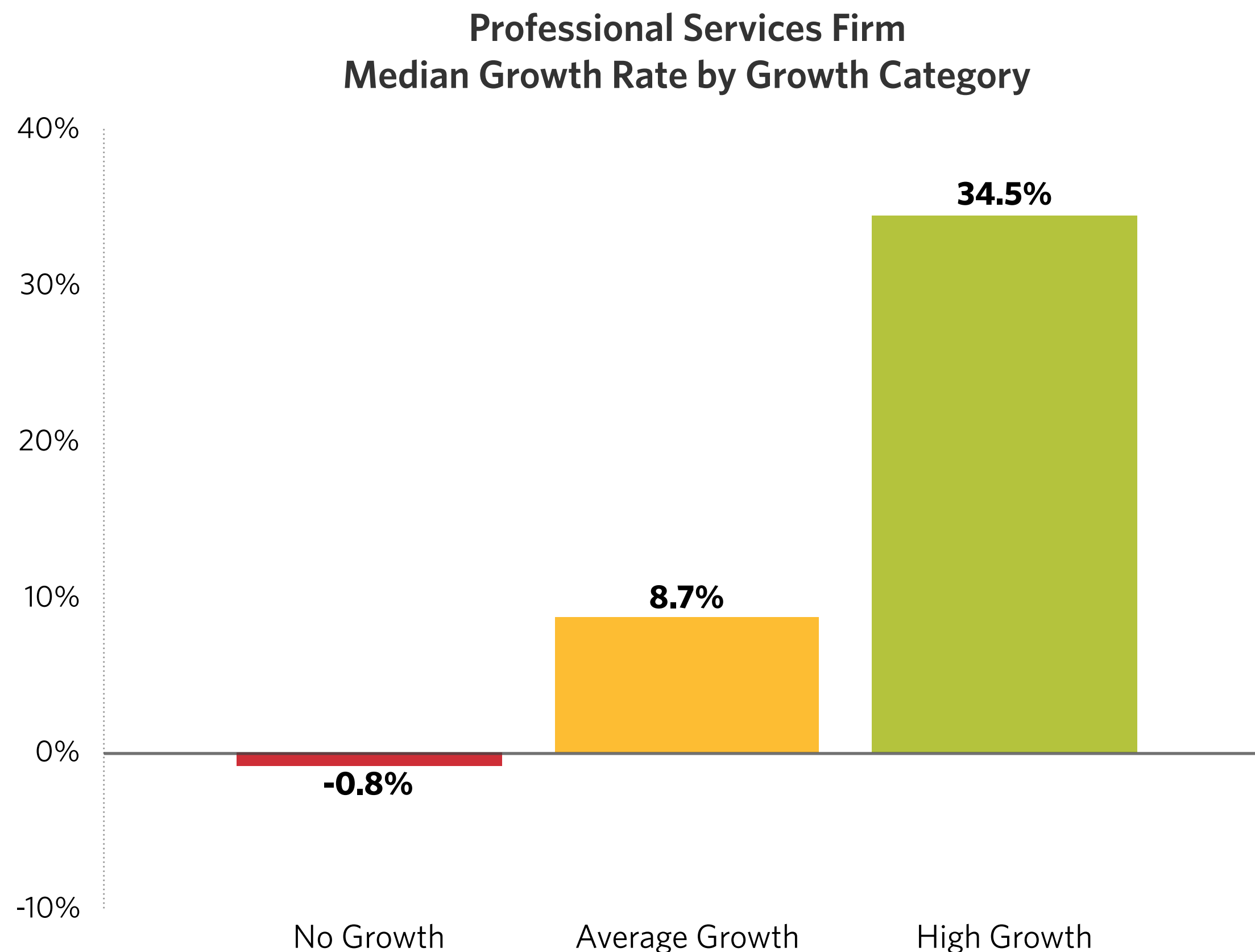
## How do we define High-Growth firms?

High-Growth firms are those that experienced 20% or greater compound annual growth in revenue over a three-year period.

- > Respondents were asked to provide gross revenue for 2015, 2016 and 2017.
- > In this analysis, we included firms that generated more than \$1 million in annual revenue and provided requisite financial data. 535 firms met this criteria.
- > These firms are compared against No-Growth firms to maximize the sensitivity of the analysis.



# Among the High-Growth cohort, the median annual growth rate is more than 34%.



- > This graph illustrates the median annual growth rate for each growth category.
- > High-Growth firms grew nearly 4X more rapidly than the average firm.

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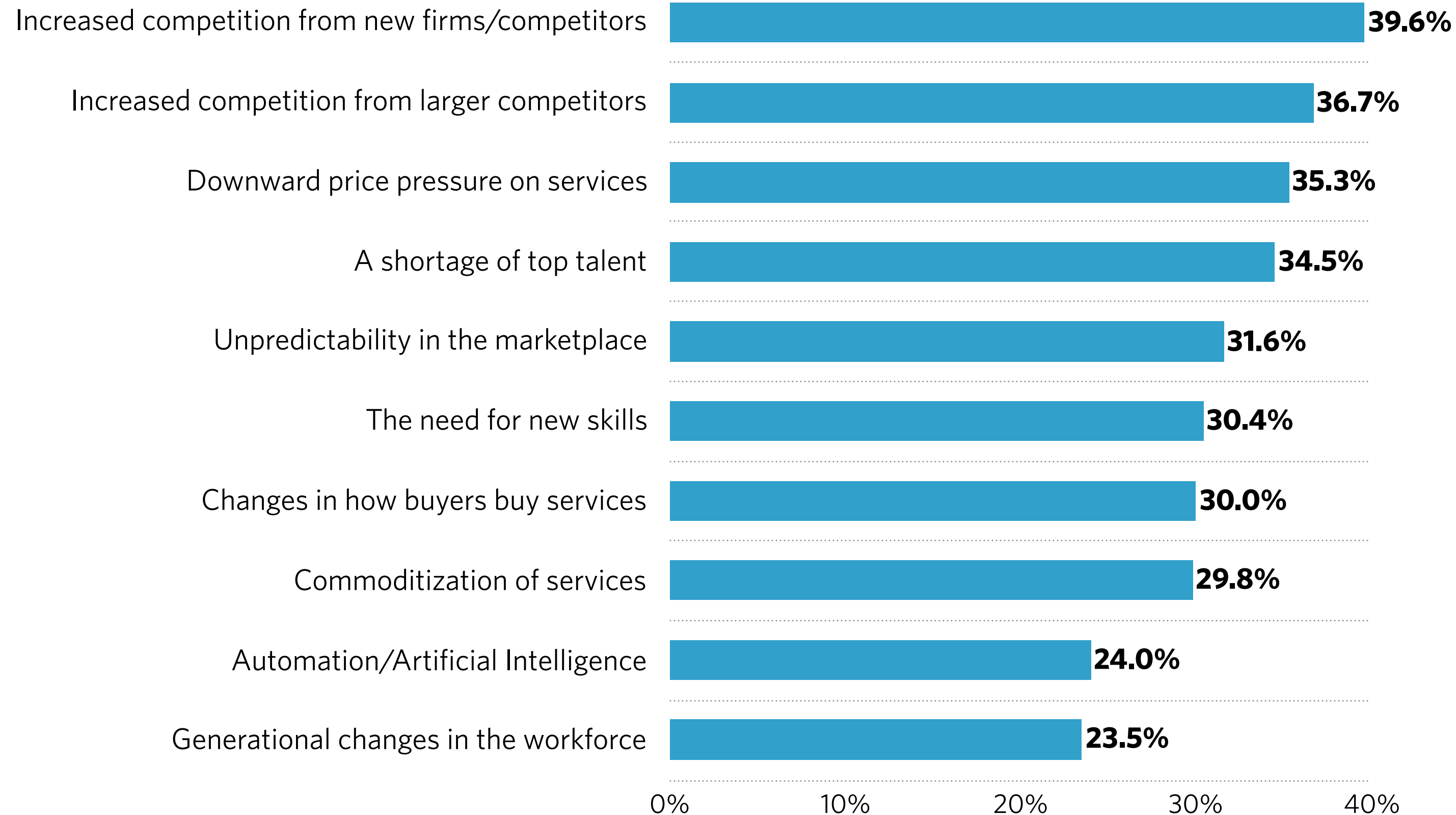
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# The High-Growth Perspective



# Firms anticipate a range of threats in the future.

**Top 10 Future Threats to Professional Services**

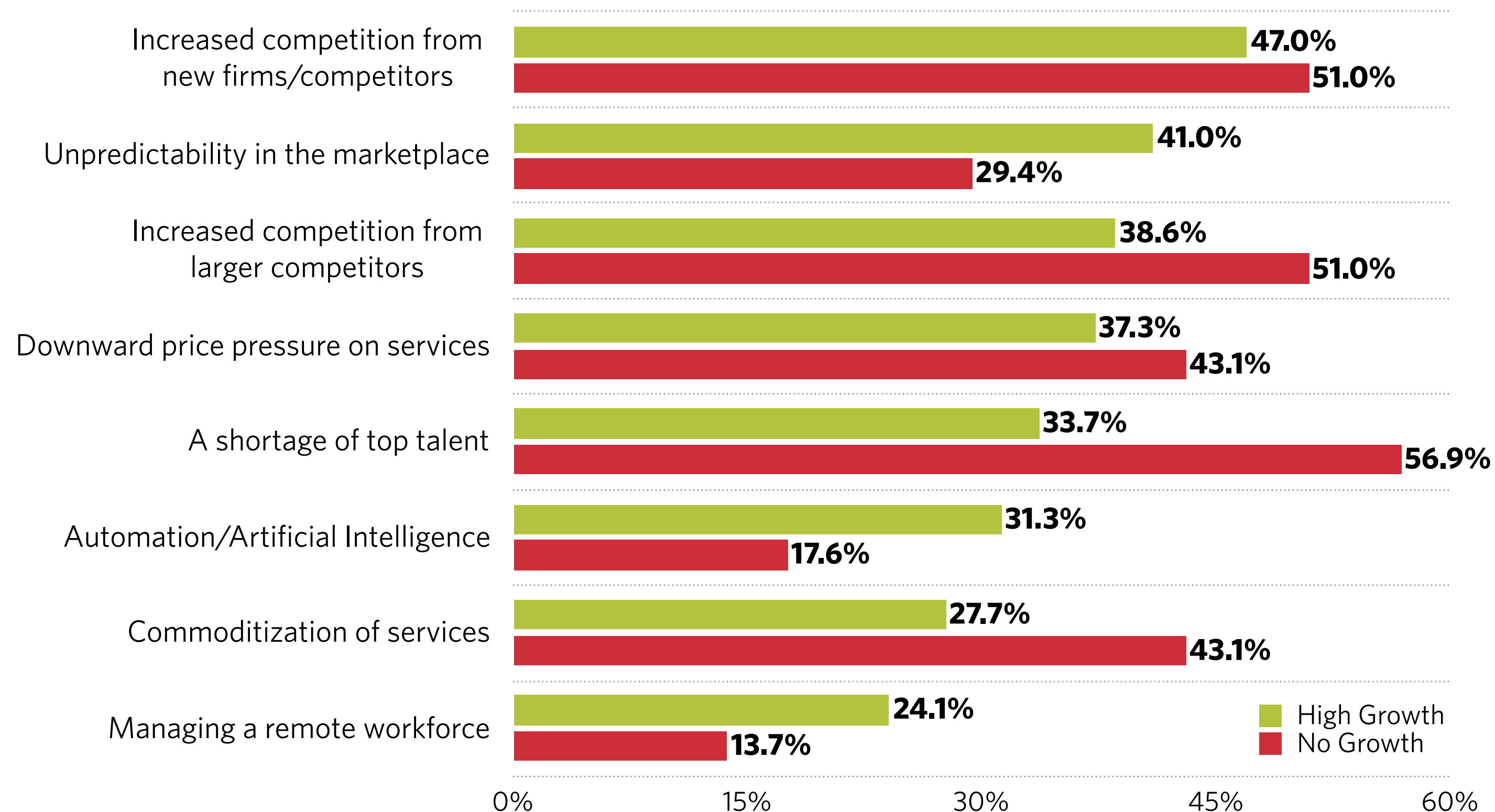


Additional results are available in the [full research report](#)

- > Respondents were asked to look ahead over the next 3-5 years and identify what they expect to impact or threaten their industry or firm. This chart illustrates the results for all professional services firms.
- > The top answers featured increased competition, price pressure, a shortage of talent and unpredictability in the marketplace.

# High-Growth firms see future threats very differently than their No-Growth peers.

Future Outlook for the Professional Services Market by Growth



Additional results are available in the [full research report](#)

- > Respondents were asked to look ahead over the next 3-5 years and identify what they expect to impact or threaten their industry or firm. This chart compares the responses of High- and No-Growth firms.
- > No-Growth firms are more concerned by competition, downward price pressure, the commoditization of services and a shortage of top talent.
- > High-Growth firms are more focused on unpredictability in the marketplace, threats from automation and other emerging technologies and how to manage a remote workforce.

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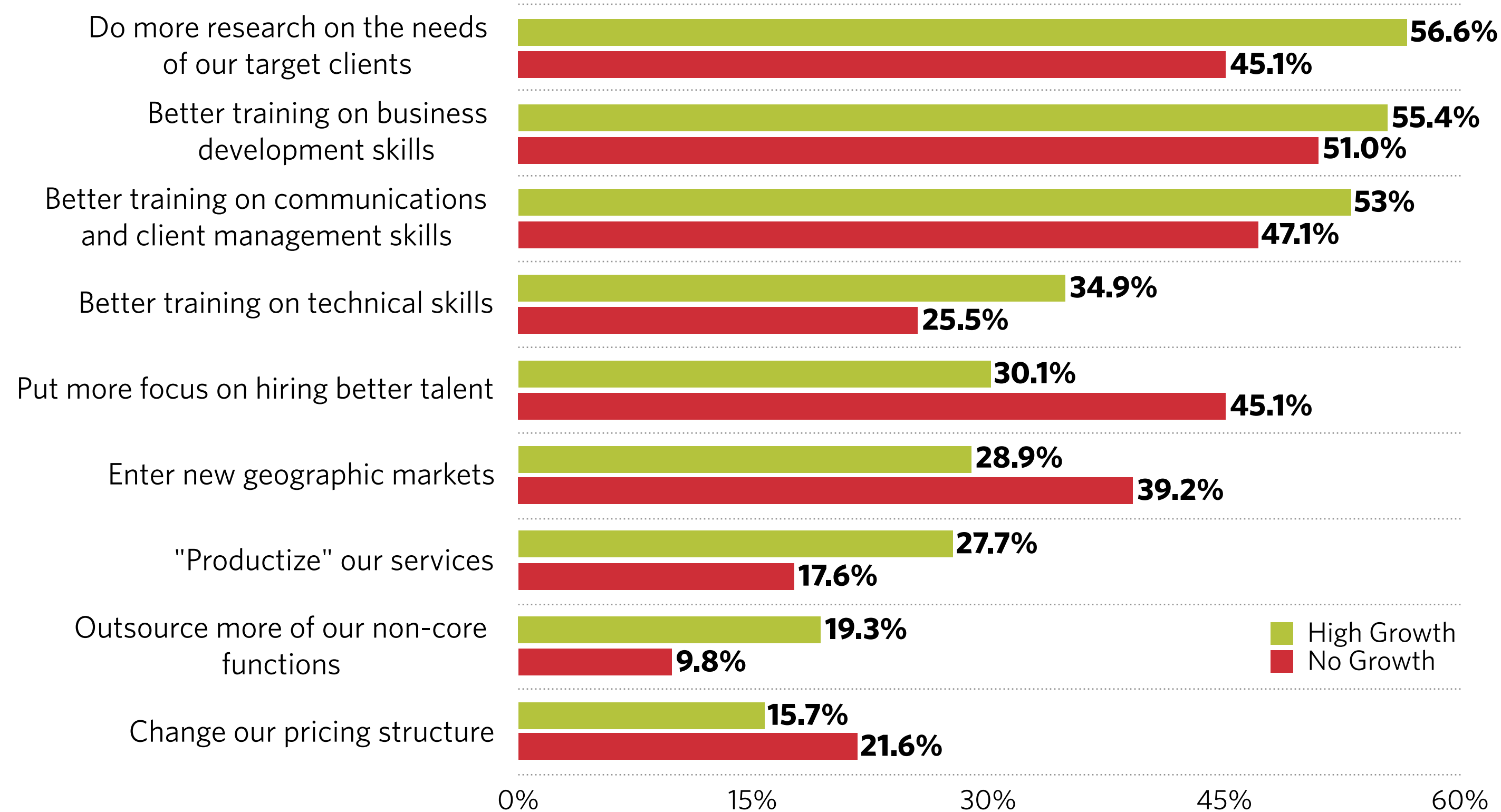
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# High-Growth Strategies



# High-Growth firms have very different strategies to address future threats.

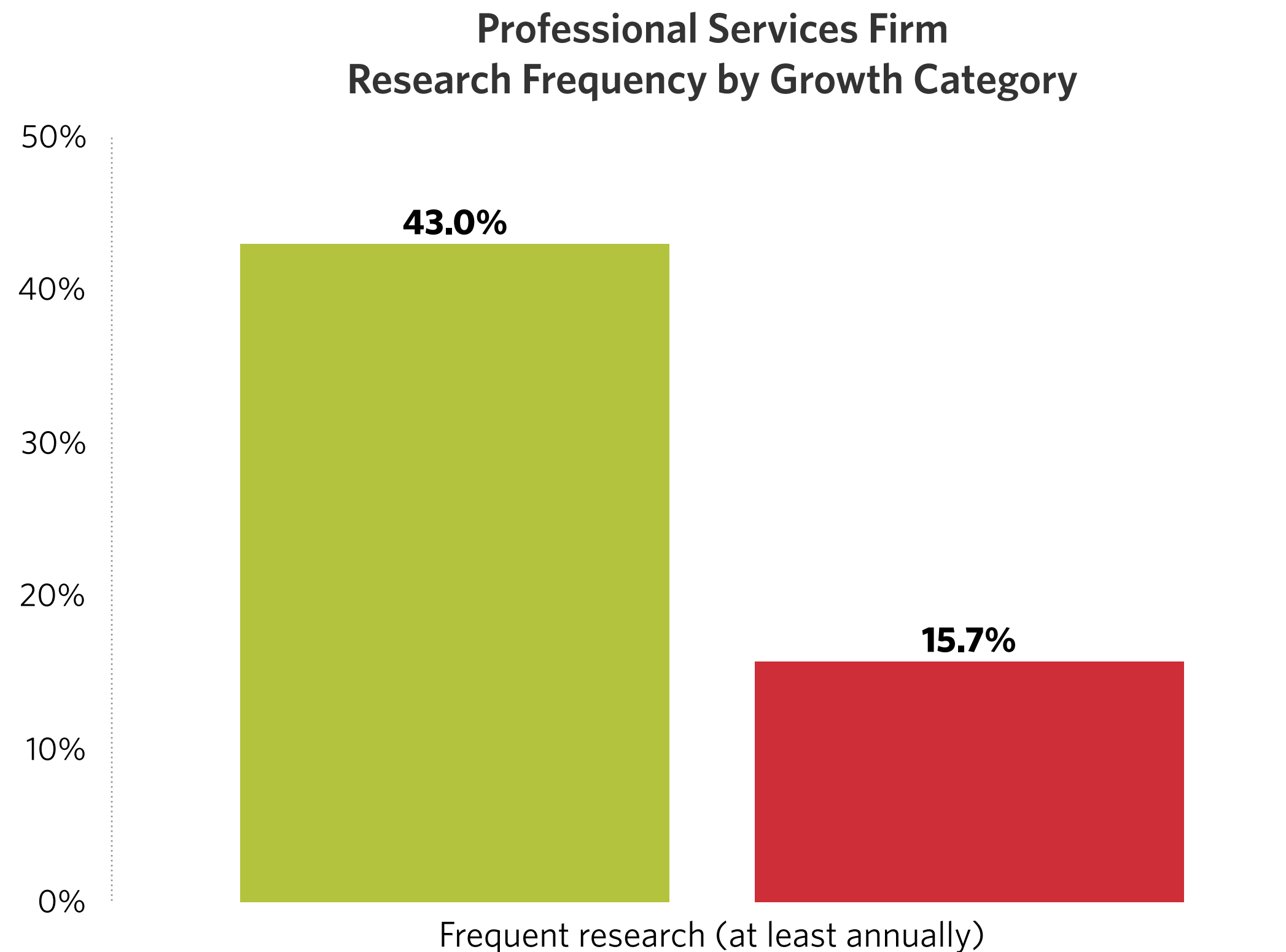
Strategies to Address Industry Threats by Growth Category



Additional results are available in the [full research report](#)

- > Respondents were asked to identify the strategies they believe they will need to employ in order to address future threats to their firm or industry.
- > High-Growth firms were more likely to do research on their target clients, train on a variety of skills, 'productize' their services and focus on core competencies.
- > No-Growth firms are more likely to focus on hiring new talent, entering new markets and changing their pricing.

# High-Growth firms are nearly 3X more likely to conduct frequent research on their target market.



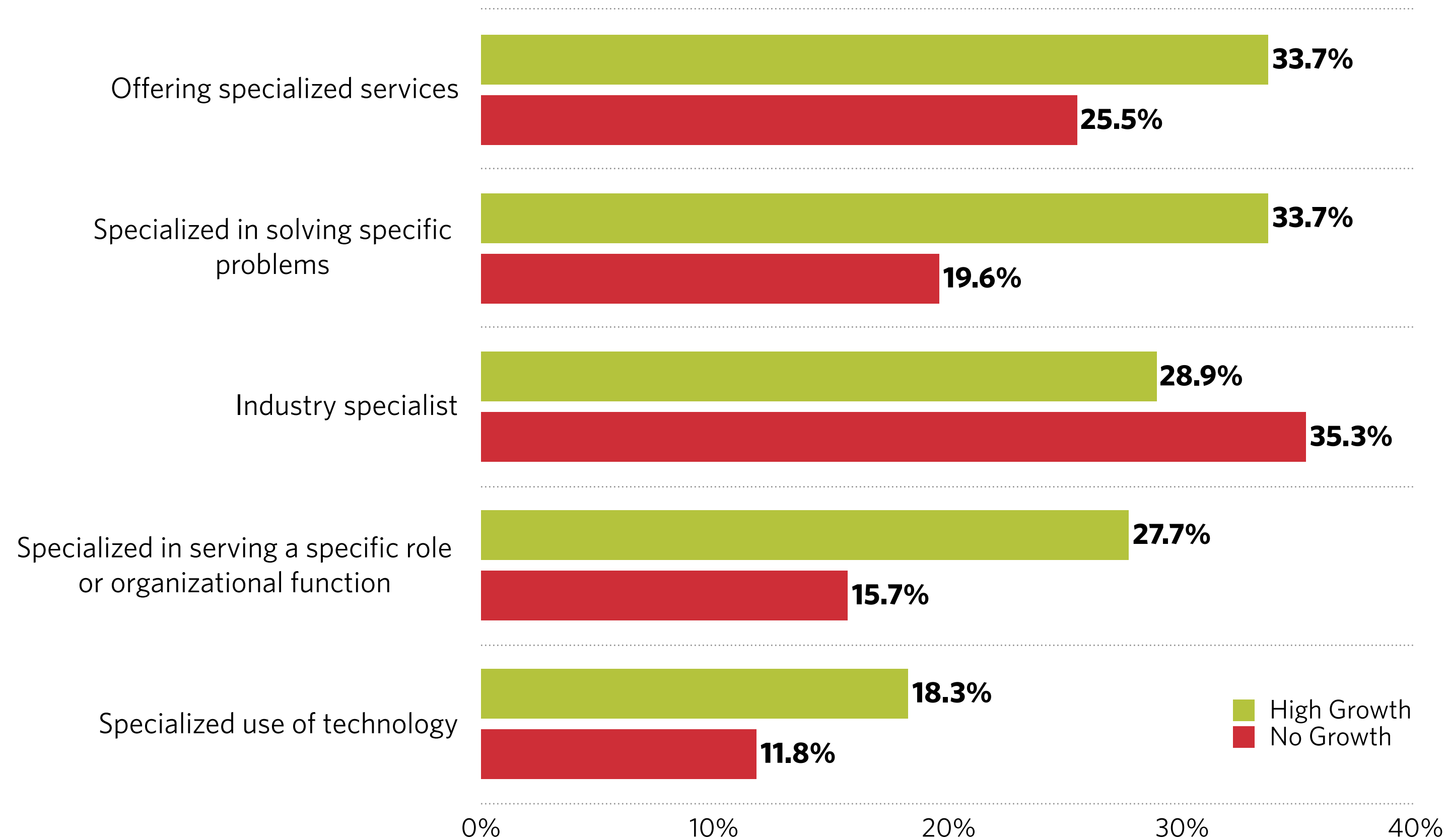
Additional results are available in the [full research report](#)

■ High Growth  
■ No Growth

- > Respondents were asked to identify the frequency in which they conduct systematic, structured research on their target market.
- > 43% of High-Growth firms conduct such research at least once a year. Only about 16% of No-Growth firms made that same commitment.

# High-Growth firms are much more likely to be highly specialized.

Professional Services Firm Specialization by Growth Category



Additional results are available in the [full research report](#)

- > Respondents were asked to rate their firm's level of specialization on five different dimensions. This chart shows the proportion of High- and No-Growth firms who gave ratings of 9 or 10 for each.
- > High-Growth firms are more specialized in four key areas: offering specialized services, solving specific problems, serving a specific role or specializing in the use of technology. They were less interested in industry specialization, which is embraced by No-Growth firms.



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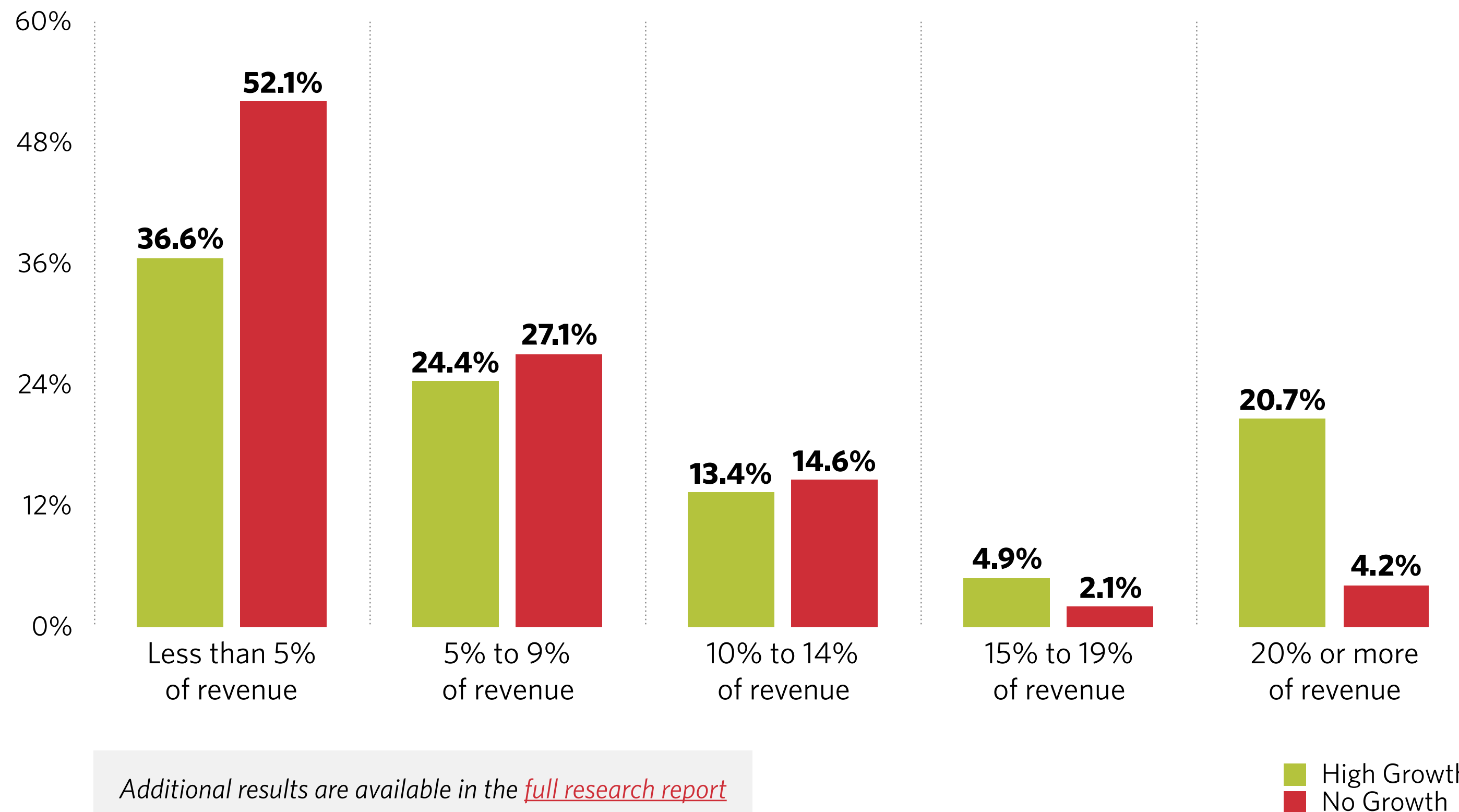
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# High-Growth Marketing



# For the first time in 10 years, some High-Growth firms outspent No-Growth firms in marketing.

High- and No-Growth Professional Services Firm Marketing Budgets



- > Respondents were asked to identify the proportion of annual firm revenue devoted to marketing budgets, excluding marketing department compensation or salaries.
- > High-Growth firms are investing more in marketing — in some cases, dramatically more. One in five High-Growth firms is directing a whopping 20% of revenue to the marketing budget. Less than 5% of No-Growth firms are making that kind of commitment.

# High-Growth firms invest differently in traditional marketing.

Effort Invested in Traditional Marketing Techniques

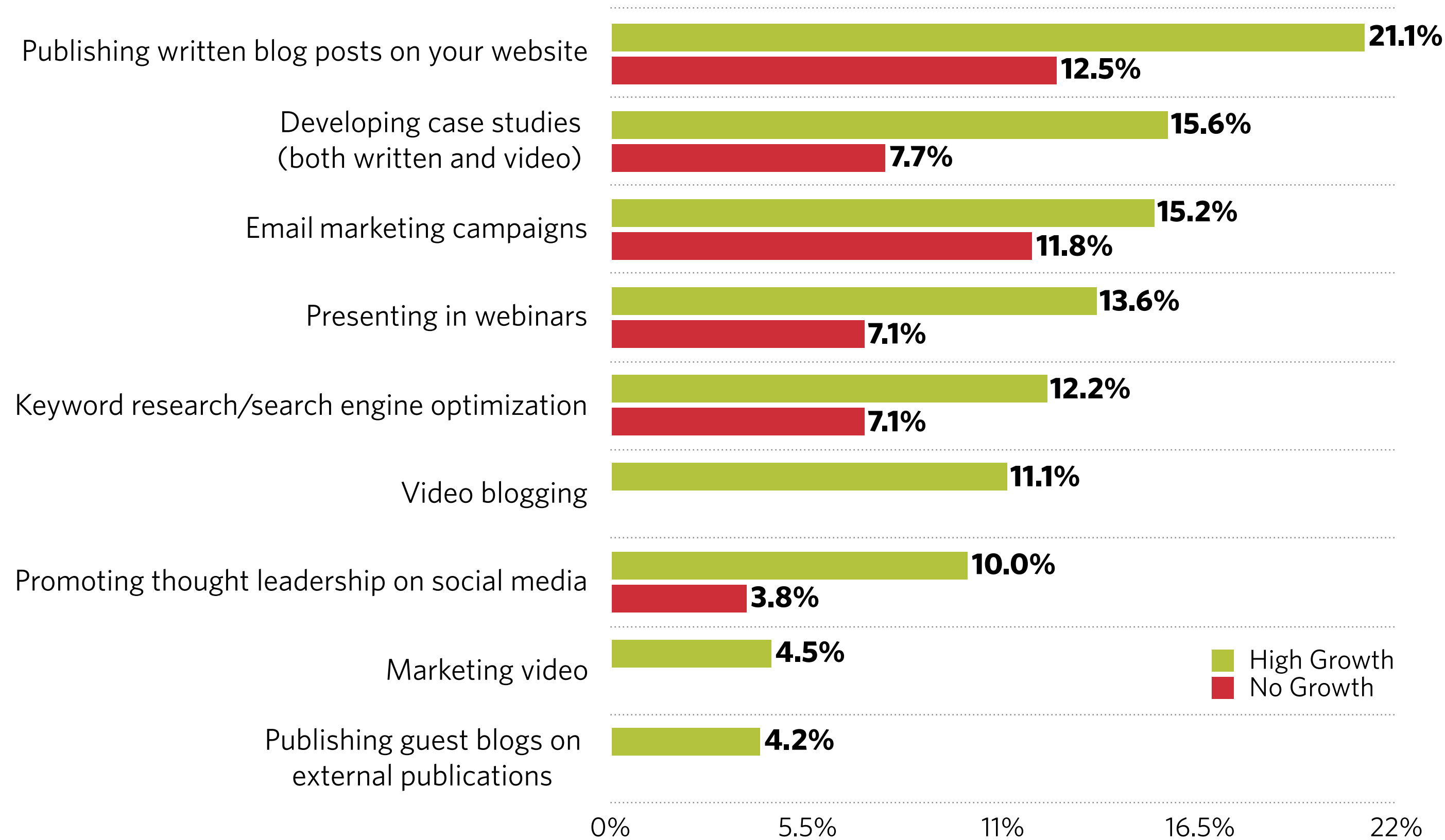


Additional results are available in the [full research report](#)

- > Respondents who indicated using a particular technique were asked to rate the perceived level of effort invested on a scale from 0-10. This chart shows the proportion of High- and No-Growth firms indicating high levels of investment.
- > High-Growth firms were much more likely to nurture prospects over the phone and provide assessments or consultations than their No-Growth peers.
- > No-Growth firms were relatively more likely to employ cold calls, networking, speaking and industry awards.

# High-Growth firms invest more in digital and content marketing techniques.

Effort Invested Towards Digital & Content Marketing Techniques

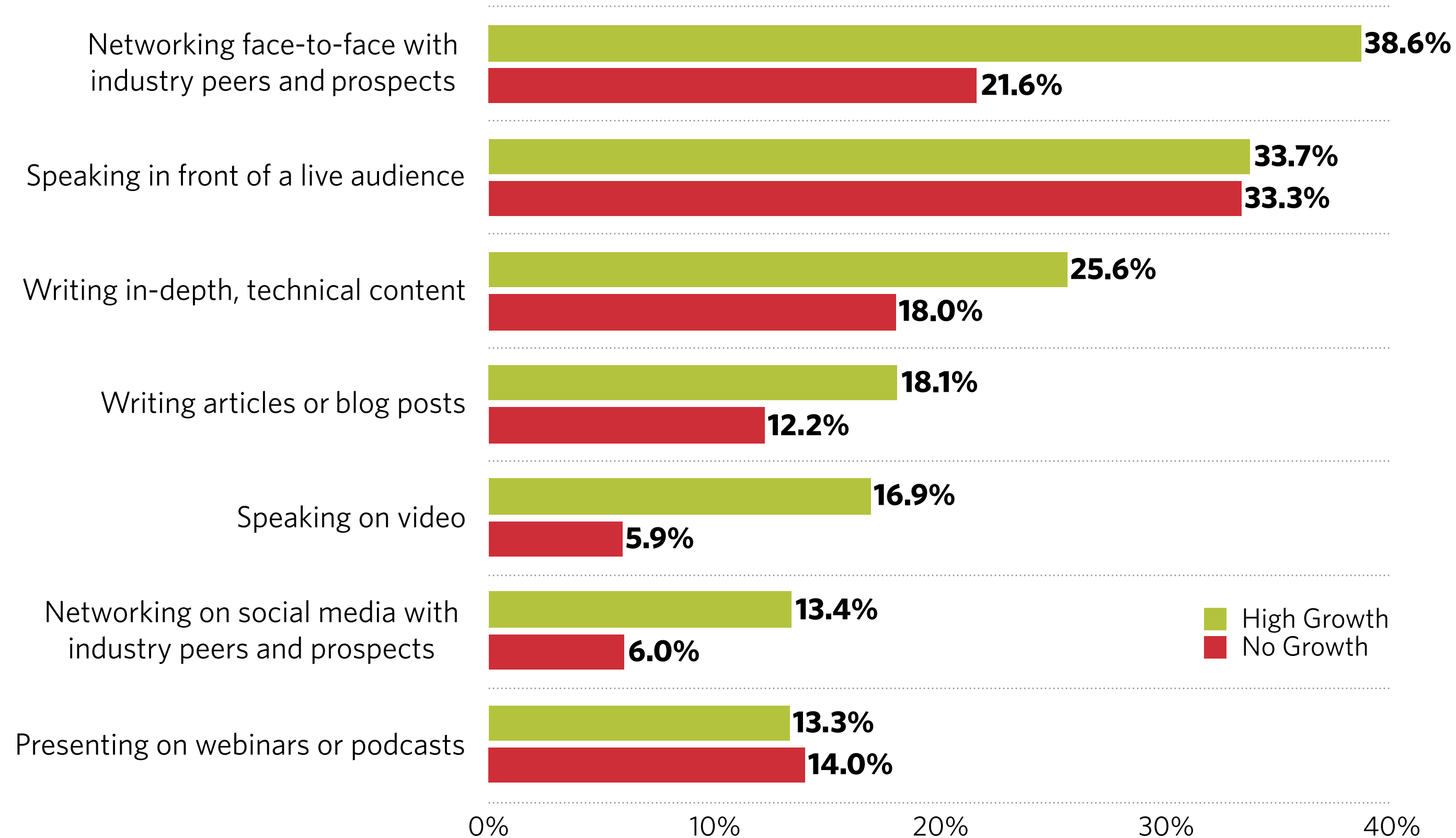


- > Respondents who indicated they use a particular technique were asked to rate the perceived level of effort invested on a scale from 0-10. The chart shows the proportion of High- and No-Growth firms indicating high levels of investment.
- > High-Growth firms invested 25% more effort in digital and content marketing. They edge out their No-Growth counterparts in nine of the 13 digital techniques studied.
- > No-Growth firms did not invest any significant marketing effort in video blogging, marketing video or guest blogging for external publications.

Additional results are available in the [full research report](#)

# High-Growth firms enjoy a skills advantage in five of seven critical business development skill areas.

Professional Services Firm Subject Matter Expert Skill Level by Growth Category

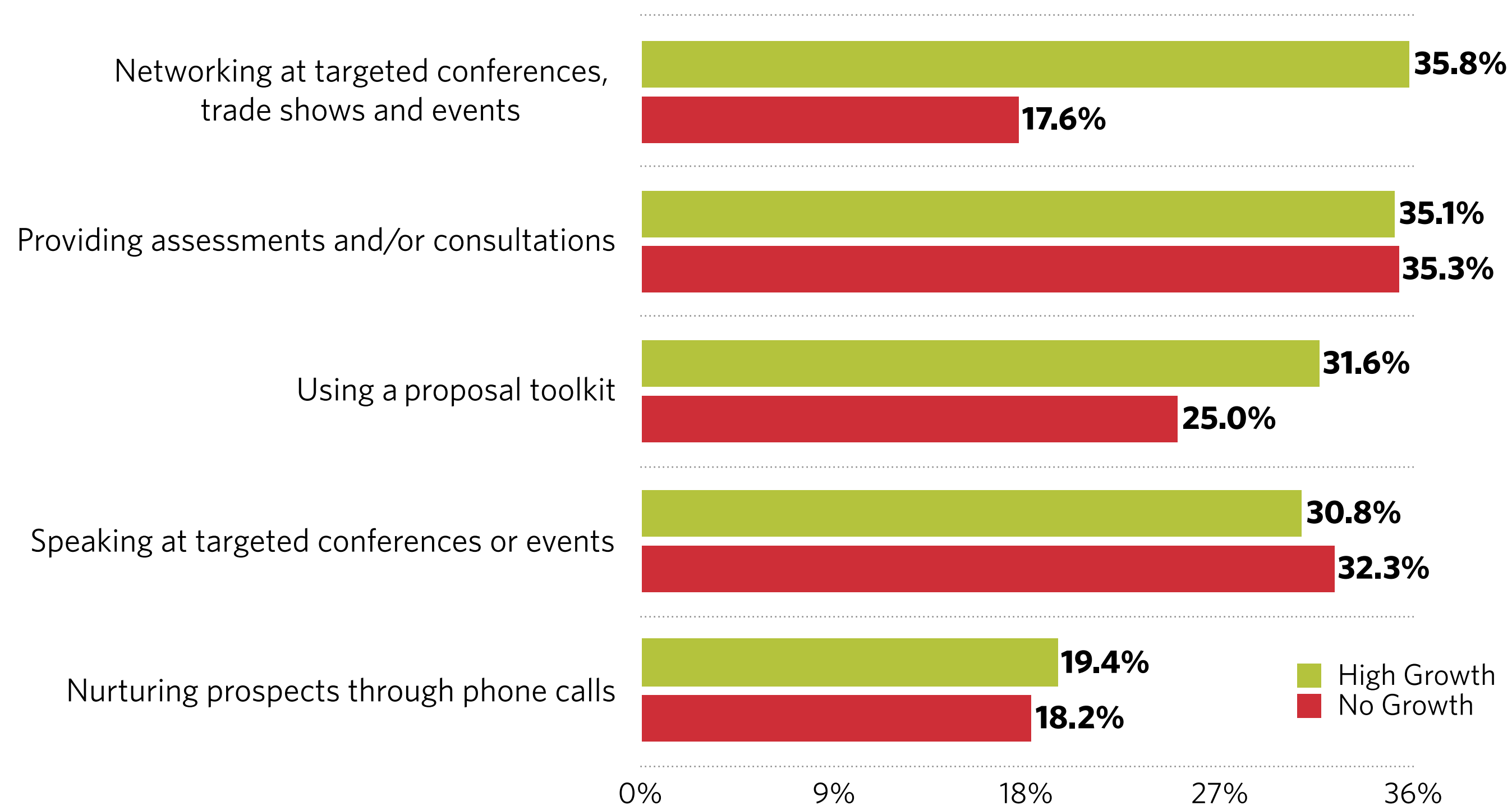


- > Respondents were asked to rate their firm's subject matter experts on a scale of 0-10 — as a whole — based on their ability to demonstrate expertise in a variety of ways. This graph shows the proportion of High- and No-Growth firms who gave ratings of 9 or 10 for each.
- > High-Growth firms have an advantage when it comes to making their experts visible in multiple channels, including networking (in person and online) and creating content (technical articles, blog posts, videos, etc.).
- > No-Growth and High-Growth firms report a similar level of skill in online presentations.

Additional results are available in the [full research report](#)

# Of the top traditional marketing techniques, High-Growth firms see greater impact from targeted networking and use of a proposal toolkit.

Impact of Top Traditional Marketing Techniques

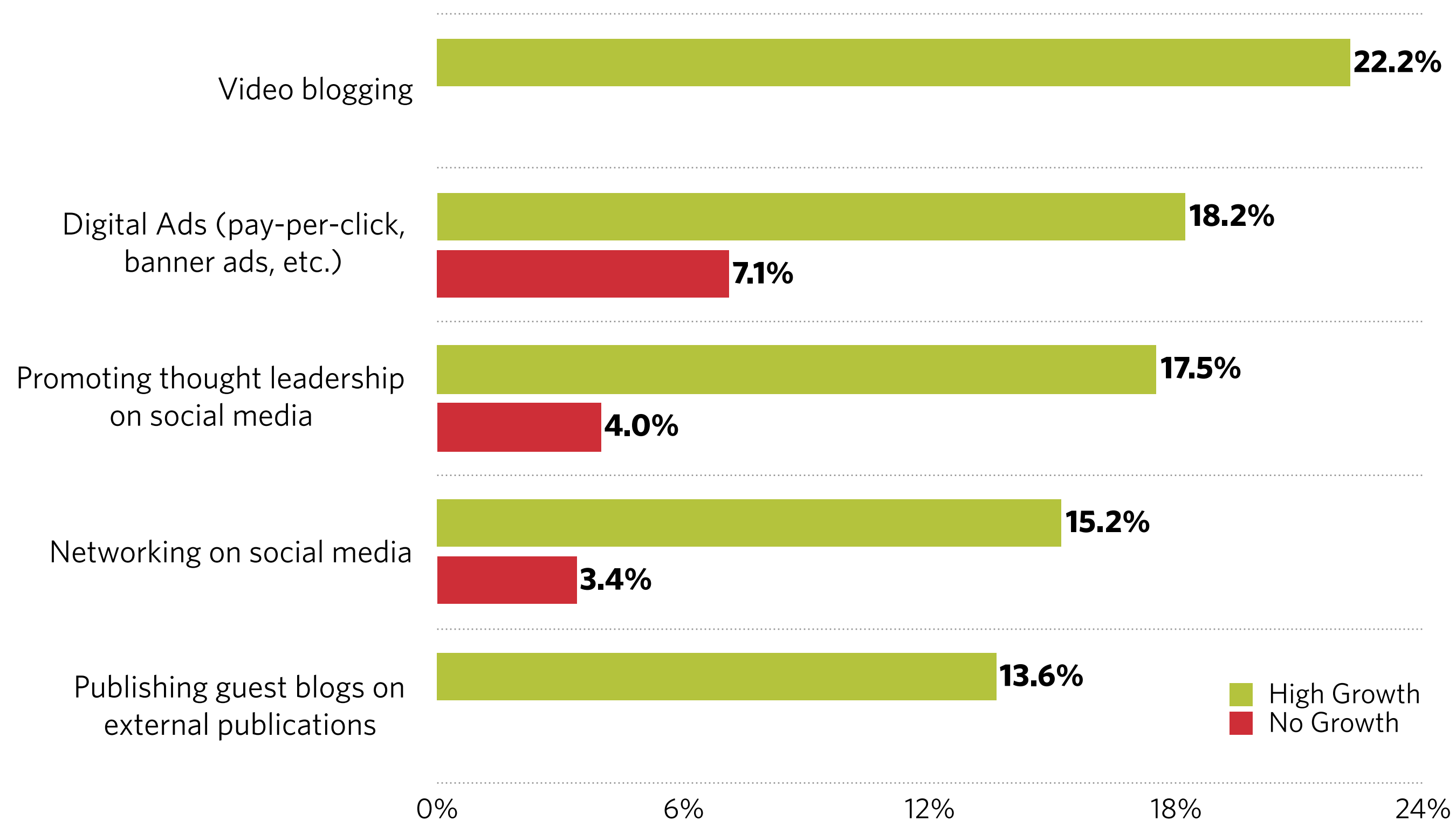


Additional results are available in the [full research report](#)

- > Respondents who indicated using a particular technique were asked to rate its perceived marketing impact on a scale from 0-10. This graph shows the proportion of High- and No-Growth firms giving a rating of 9 or 10.
- > High-Growth firms were twice as likely to see significant impact from networking at targeted events compared to their No-Growth counterparts.

# High-Growth firms see much greater impact across digital and content marketing.

Impact of Top Digital & Content Marketing Techniques

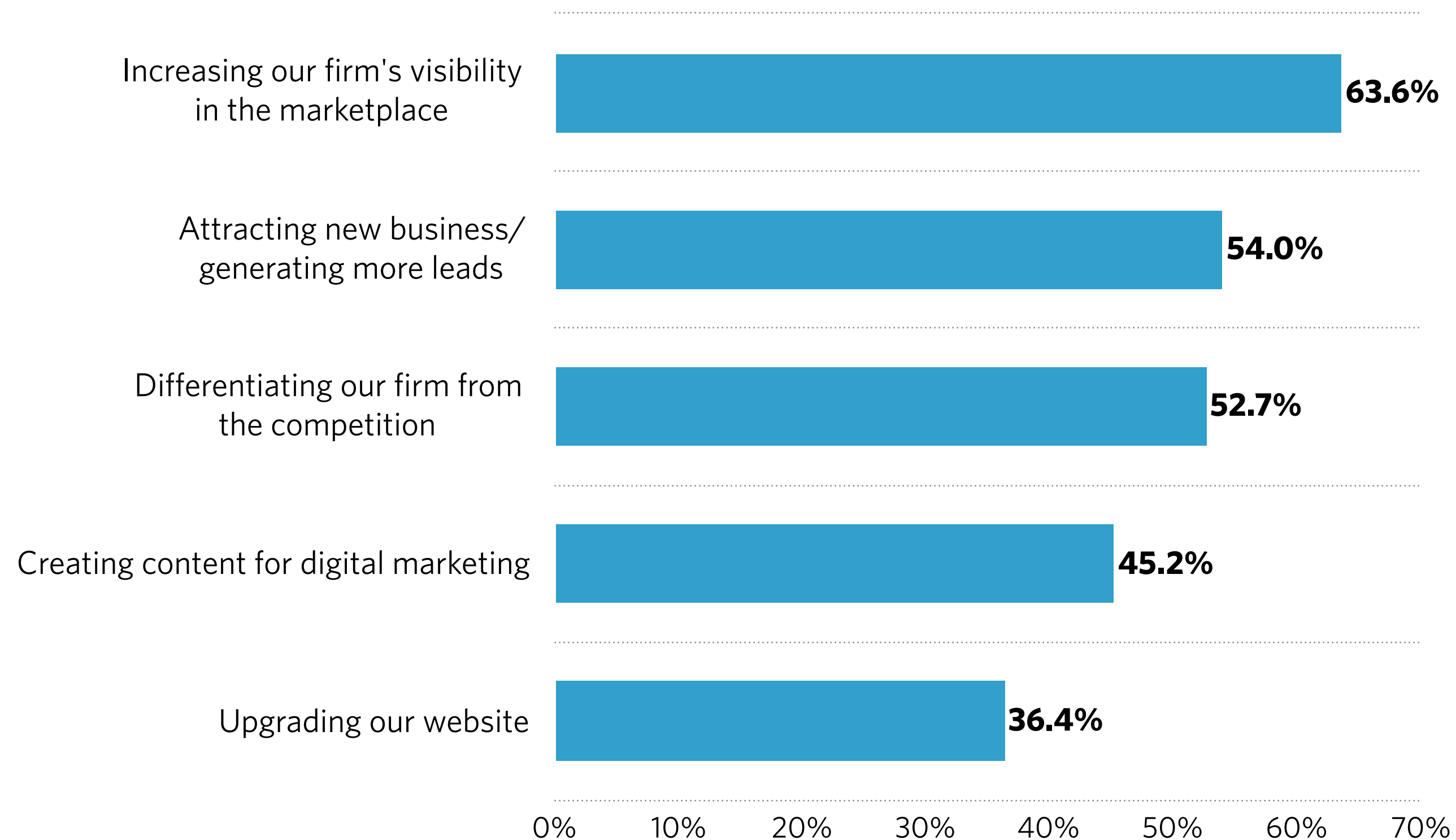


Additional results are available in the [full research report](#)

- > Respondents who indicated using a particular technique were asked to rate its perceived marketing impact on a scale from 0-10. The chart shows the proportion of High- and No-Growth firms giving a rating of 9 or 10.
- > High-Growth firms were at least 50% more likely to realize major impacts from digital marketing techniques, such as networking and promoting thought leadership on social media, video blogging, publishing on external sites and purchasing online advertising.

# Visible expertise and digital strategy are top marketing priorities for 2018.

Top 5 Professional Services Firm Marketing Priorities for 2018



Additional results are available in the [full research report](#)

- > Respondents were asked to identify their marketing priorities for 2018.
- > Increasing visibility was the highest priority, identified by almost two-thirds of respondents.
- > Digital strategies such as creating more content and upgrading the company website were also high on the list.



# Final Thoughts



# Final Thoughts

**In 2017, growth rates were down in most professional services industries, yet a certain cohort of firms were able to achieve growth rates of 20% or more year after year. This year's findings should be of particular interest to firms that want to jumpstart their marketing programs and grow with greater vigor.**

For the first time in ten years, some High-Growth firms are spending more than their No-Growth counterparts. Those high performers are investing increasingly in content marketing and digital marketing techniques. They write and use video more than their peers. And they favor greater market visibility over diversifying their services.

We believe there are salient lessons in this data to help firms that find today's marketplace a challenge. Often, High-Growth firms make starkly different choices. And now you can, too.

## How to Learn More

This research summary is made available as a public service to the professional services community. More detailed results are available for purchase.

If you would like to participate in future studies and gain free access to detailed results, analysis and advice, please contact us at [info@hingemarketing.com](mailto:info@hingemarketing.com).

To learn more about Hinge's branding and marketing services, please contact us at [info@hingemarketing.com](mailto:info@hingemarketing.com) or call us at 703 391 8870.

# Gain Exclusive Access to the Full Data Set

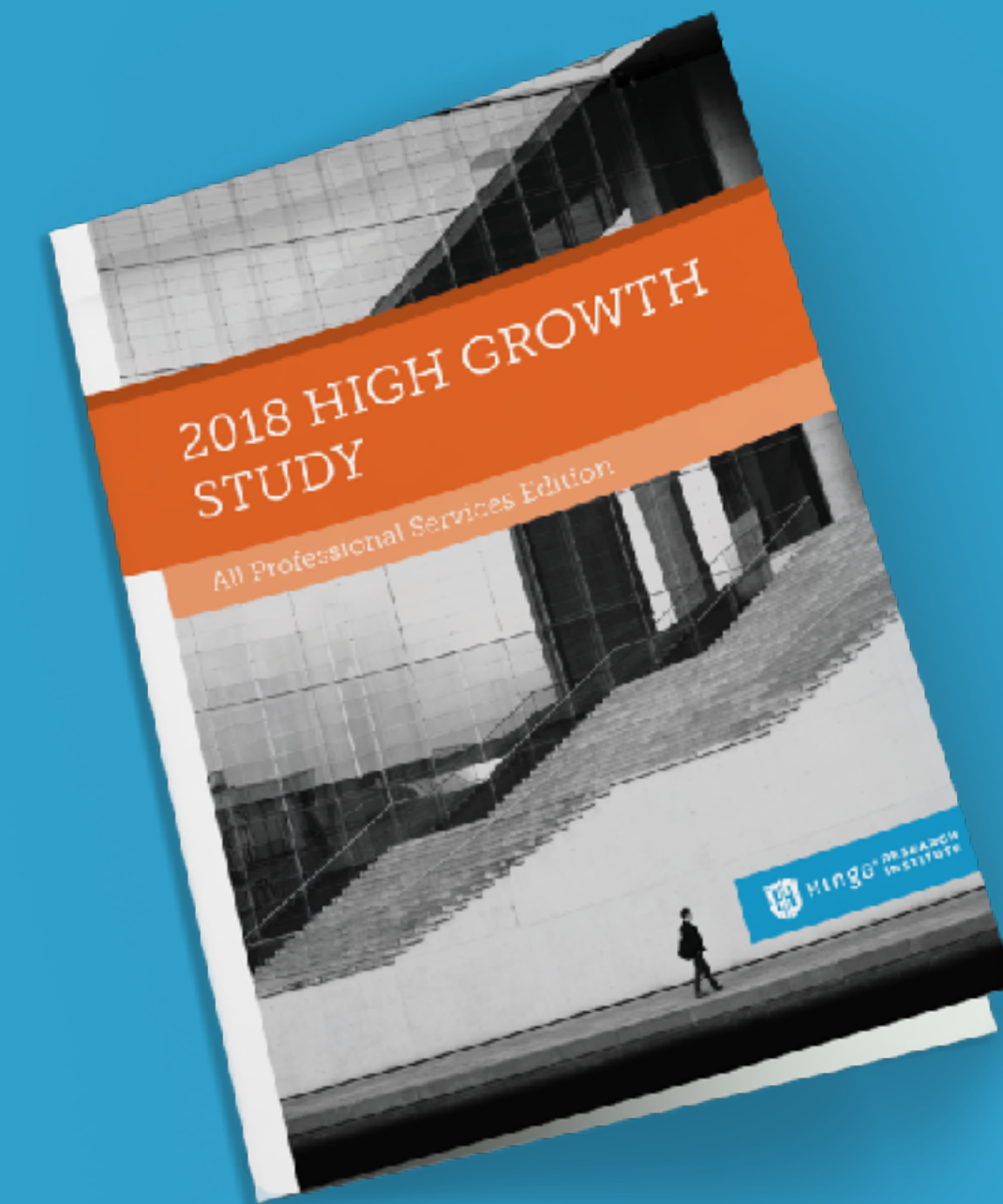
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## What's included

- > Over 40 detailed charts and graphs
- > Data not available in the executive summary
- > Full result breakdowns of each survey question

## What you'll learn

- > How does your marketing mix compare to other professional services firms?
- > What marketing initiatives are firms prioritizing for 2018?
- > What marketing skills are in the highest demand?



[Download the Full Report Here](#)

# Charts Included in the Full Report

## About the Research

- › Number of Full-Time Employees
- › Number of Full-Time Employees Compared to US Census Data
- › Global Regions Where Firms Conduct Business
- › Respondent Role
- › Firm Size
- › Professional Services Industries Represented
- › Level of Government Contracts as Firm Revenue

## Industry Growth

- › Professional Services Firm Growth by Year
- › 2017 Median Growth by Professional Services Industry
- › Median Annual Growth by Level of Government Contracts

## Meet the High-Growth Firms

- › Professional Services Firms by Growth Category
- › Professional Services Firm Median Growth Rate by Growth Category
- › Professional Services Firm Size by Growth Category
- › Proportion of High-Growth Firms by Professional Services Industry

## Perspective on the Future

- › Future Outlook for the Professional Services Market
- › Future Outlook for the Professional Services Market by Growth

## Strategy

- › Strategies to Address Threats to the Professional Services Industry
- › Strategies to Address Threats to the Professional Services Industry by Growth Category
- › Professional Services Firm Research Frequency
- › Professional Services Firm Research Frequency by Growth Category
- › Professional Services Firm Specialization
- › Professional Services Firm Specialization by Growth Category
- › Professional Services Firm Subject Matter Expert Skill Level
- › Professional Services Firm Subject Matter Expert Skill Level by Growth Category

## Marketing

- › Current Marketing Technique Adoption by Professional Services Firms
- › Current Traditional Marketing Technique Adoption by Growth Category
- › Current Digital & Content Marketing Technique Adoption by Growth Category
- › Professional Services Firm Marketing Budgets (% of firm revenue)
- › Professional Services Firm Marketing Budgets (% of firm revenue) by Growth Category
- › Level of Effort Invested per Marketing Technique
- › Significant Effort Invested Toward Traditional Marketing Techniques by Growth Category
- › Significant Effort Invested Toward Digital & Content Marketing Techniques by Growth Category
- › Level of Marketing Impact per Marketing Technique
- › Significant Impact of Traditional Marketing Techniques by Growth Category
- › Significant Impact of Digital & Content Marketing Techniques by Growth Category
- › Return on Effort per Marketing Technique
- › Professional Services Firm Marketing Priorities for 2018
- › Professional Services Firm Marketing Priorities for 2018 by Growth Category
- › Relevance of Marketing Skills in Professional Services
- › Status of Relevant Marketing Skills in Professional Services
- › Marketing Skills Needed to Develop or Acquire by Growth Category

# Appendix



# Appendix - Marketing Technique Descriptions

<b>Cold Calls to Prospective Clients</b>	Calling prospective client organizations with intentions to market or sell a service.
<b>Conducting and Publishing Original Research</b>	Publishing original research as premium content.
<b>Creating Downloadable, Gated Content</b>	Creating and sharing a premium piece of content (e.g., guide, book, report, etc.). May involve giving information — like an email address in exchange for the content.
<b>Demos (In-Person or Digital)</b>	Demonstrating how a prospect can use a product or service, usually done via digital meeting.
<b>Developing Case Studies (Both Written and Video)</b>	Documenting (through writing or video) an experience in which a firm solved a particular problem or produced a specific value.
<b>Digital Ads (Pay-Per-Click, Banner Ads, etc.)</b>	Advertisements in purchased space online (e.g., PPC, banner ads, etc.).
<b>Distributing Marketing Collateral to Prospective Clients</b>	All branded materials intended to support marketing and business development (e.g., brochures, giveaways, service descriptions, etc.).
<b>Email Marketing Campaigns</b>	Using email to send educational or marketing messages to a target audience.
<b>Interviewing on Podcasts or Radio</b>	Appearing on a radio program or podcast to give an interview and share thought leadership.

<b>Keyword Research/Search Engine Optimization</b>	Maximizing website visitors by researching keywords, understanding and leveraging search engine algorithm tendencies.
<b>Marketing Partnerships with Other Organizations</b>	A mutually beneficial marketing relationship between a firm and another organization (e.g., co-branded educational events).
<b>Marketing Video</b>	Creating professional quality video to market a firm (e.g., overviews, testimonials, speaking videos, etc.).
<b>Networking at Targeted Conferences, Trade Shows and Events</b>	Attending specific conferences, trade shows, or other networking events for marketing or business development.
<b>Networking on Social Media</b>	Connecting and engaging with a target audience on social networking platforms.
<b>Nurturing Prospects Through Phone Calls</b>	Building on existing dialogue or interest from a prospect through phone calls.
<b>Presenting in Webinars</b>	Developing and presenting live or pre-recorded educational material to an online audience.
<b>Promoting Thought Leadership on Social Media</b>	Using social networking platforms to promote original thought leadership.
<b>Proposal Toolkit</b>	A resource used to repeatedly produce compelling proposals.

# Appendix - Marketing Technique Descriptions

<b>Providing Assessments and/or Consultations</b>	Meeting with a prospective client for a consultation or an assessment of their current state to determine how a firm can add value.
<b>Public Relations (Earned Media)</b>	Leveraging news and media outlets to bring public awareness to major developments within the firm.
<b>Publishing Guest Blogs on External Publications</b>	Securing placement for a written blog post on an outside blog or other publication.
<b>Publishing Written Blog Posts on Your Website</b>	Writing short articles to be published on the blog section of a firm's website.
<b>Pursuing Industry Award Opportunities</b>	Applying for, winning, and showcasing awards won by a firm.
<b>Speaking at Targeted Conferences or Events</b>	A subject matter expert speaking at an event on a topic relevant to the target audience.
<b>Sponsoring Conferences or Events</b>	Providing money or other value in exchange for branded visibility at an event.
<b>Video Blogging</b>	Producing short video segments to be published on a dedicated section of a firm's website.

# About Hinge





# About Hinge



**Hinge is the leading branding and marketing firm for professional services.**

Our ongoing research into high-growth firms is changing the way firms go to market. Our services include everything a firm needs to become a market leader—from research and strategy to visual brands and marketing implementation.

[www.hingemarketing.com](http://www.hingemarketing.com)

# How Hinge Can Help



## Visible Expert® Program

Designed to help individuals cultivate an authoritative online presence in their area of expertise, the Visible Expert® Program delivers the tools and strategy required to build personal reputation and visibility in the marketplace. Based on extensive research, the Visible Expert® Program helps experts become recognized industry leaders.



## Visible Firm® Program

Designed to deliver more referrals, higher profits, and faster growth, the Visible Firm® Program will build a powerful marketing platform to engage your audiences and build your visibility. Based on the most extensive research into high-growth firms ever conducted, the Visible Firm® Program will ground your marketing in science and leverage your firm's expertise to draw in the right audiences.



## High Performance Website Program

The High Performance Website Program makes your website into a lead generating machine — bundling a beautiful new site with a suite of powerful online tools. Designed from the ground up to attract the right visitors from search engines, a high performance site uses educational content, smart offers and custom features to engage and convert qualified leads.



## Branding Program

Our Branding Program is designed to carry your firm's reputation confidently into the marketplace by giving you a suite of powerful branding tools. Based on extensive research and analysis, our branding strategies increase your firm's credibility and visibility in your industry. The services will also differentiate your firm and provide clear, compelling messages for each of your target audiences.

For more information, call 703 391 8870 or email us at [info@hingemarketing.com](mailto:info@hingemarketing.com).

# About Hinge Research Institute



The Hinge Research Institute is a division of Hinge dedicated to studying high-growth professional services firms and their clients. We collect data and analyze marketplace trends to discover why some firms grow much faster than average while often spending less on marketing. Our mission is to share this knowledge so that every professional services firm can prosper.

We invite you to explore our full library of research reports, books, and other publications at:

[www.hingemarketing.com/library](http://www.hingemarketing.com/library)

For more information about the Hinge Research Institute, please contact:

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703 391 8870

Thank You

