

The background of the cover features a dynamic, abstract composition. It includes vibrant, multi-colored light trails in shades of blue, purple, green, yellow, and orange, which appear to be long-exposure photographs of light sources. These trails are set against a dark, possibly night-time cityscape. In the lower-left corner, there is a blurred image of a building facade with a sign that includes the letters 'CB' and the word 'Roast'.

# Differentiation Guide

for Professional  
Services Firms

Second Edition

## **Differentiation Guide for Professional Services Firms, Second Edition**

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# Table of Contents

4	<a href="#"><u>Introduction</u></a>
5	<a href="#"><u>Chapter 1</u></a> Understanding Differentiation for Professional Services
10	<a href="#"><u>Chapter 2</u></a> 21 Ways of Looking at a Differentiator
15	<a href="#"><u>Chapter 3</u></a> How to Find and Own Your Differentiators
20	<a href="#"><u>Chapter 4</u></a> Real-World Differentiation Case Studies
25	<a href="#"><u>Conclusion</u></a>
26	<a href="#"><u>About Hinge</u></a>

# Introduction

Brand differentiation is one of the most poorly understood pillars of professional services marketing. A surprising number of executives and marketers believe that it's simply not possible to differentiate firms that offer similar services to similar clientele. In fact, this way of looking at the marketplace is the very reason that differentiating your firm is essential.

Differentiation is not about being different for sake of being different. It's about helping your audience make smarter, easier, more confident buying decisions.

We wrote this guide to set the story straight. You not only *can* differentiate your firm from competitors, you *must* do it if you want to attract the right clients and thrive in an overcrowded marketplace. Here's what you'll learn:

- **Chapter 1** explains the concept of differentiation as it applies to professional services firms and why it is so important.
- **Chapter 2** examines 21 ways that a firm might differentiate itself.
- **Chapter 3** steps you through a comprehensive differentiation process.
- **Chapter 4** explores four firms that have successfully differentiated themselves and how they did it.

After finishing the guide, you will appreciate why differentiation matters, understand how it works and know exactly what you need to do to set your firm apart from look-alike competitors in a way that is meaningful and compelling to your target audience.

Ready? Let's get started.





## CHAPTER 1:

# Understanding Differentiation for Professional Services

Have you been competing for work that you are more than qualified to perform, only to be underbid by your competition? Or maybe you have been the one underbidding, which leaves you with paper-thin margins and stalled growth.

If you want to stop competing on price alone, it may be time to develop a stronger differentiation strategy.

## What Is Differentiation Strategy?

**Differentiation strategy** is a deliberate plan to make your firm stand out from otherwise similar competitors in the marketplace. Usually, it involves highlighting a meaningful difference between you and your competitors — a difference that your potential clients would find valuable. A strong differentiator will provide a competitive advantage for your firm.

Michael Porter, the famous strategist, maintains that there are only two ways to gain a sustainable advantage over your competition. One way is to compete on price, highlighting the similarities you share with your chief competition:

*“We’re just as good as our competition, but we cost less.”*

Unfortunately, unless you have a sustainable cost advantage, you can’t maintain this strategy for long. All it takes is someone willing to undercut your lowest price. The lowest-cost strategy also exposes you to commoditization and a much wider range of competitors, including do-it-yourself options, off-shoring and automation.

Porter’s other way — a better way — is to stand apart. Be different. Separate yourself from competitors in a manner that is both important and relevant to potential clients.

Using our definition above, this is a differentiation strategy.

A point of differentiation can be broad-based and set you apart from the rest of the industry, or it can be narrower, appealing to a niche market. This latter approach is often referred to as a **focused or concentrated strategy**.



**A strong differentiator will provide a competitive advantage for your firm.**

## Differentiation Strategy Examples

Here's an example of a broad differentiator: adopt a very different business model. Suppose that hourly billing is widespread in your industry. Offering a pay-for-results billing model, instead, would separate you from competitors.

Of course, developing a broad-based differentiation strategy, in which your firm is substantially different from your industry as a whole, isn't easy, especially for established firms. And even if you were able to pull it off, what's to keep a competitor from copying your approach?

This is why many firms choose to compete with a focused strategy. In a focused strategy, you narrow your appeal to a niche audience. Your established competitors — most of which are broadly diversified — are unlikely to follow your lead.

For example, an accounting firm that works exclusively with chain restaurants has a very compelling differentiator targeted squarely at that niche market segment. However, a different audience segment, such as automobile dealers, would find no value in working with the restaurant specialists. By being exclusive — not pursuing clientele outside its narrow industry focus — a firm has a real opportunity to dominate the niche they target.

## Advantages of Differentiation

There are some big advantages to using a differentiation strategy. Here are some of the benefits.

- 1. You do not have to compete on price alone**

Since you have distinguished yourself from your competitors the prospective client cannot reduce their choice to the dimension of cost alone.

- 2. You have greater appeal to your target audience**

Since you are different (and, presumably, better), you become a more appealing choice. This makes it easier to generate interest and close sales.

- 3. There is no direct substitute**

If you are demonstrably different from your competitors, you cannot be directly compared to them. Instead, prospects have to focus on the qualitative value of your difference. This adds value that other options lack.

- 4. You increase loyalty**

The combination of greater value and the lack of comparable substitutes can generate greater loyalty to your firm. There is no good reason to switch (if you are delivering on your promise) and no comparable alternative to switch to.

- 5. You can command higher fees**

If your differentiation adds true value and is not available elsewhere, you should be able to command higher fees. This is especially true if your differentiator is based in specialized expertise.

Now, whether your strategy is broad or very focused it must always start by identifying your firm's differentiators. Let's begin with a definition.

## What Is a Differentiator?

A **differentiator** is something that makes your business both *meaningfully different* from your competitors and *more valuable* in the eyes of your target audience. Differentiators are the building blocks of a differentiation strategy.

But simply calling something a differentiator doesn't make it so. First it must pass three tests.

### Three Tests of a Successful Differentiator

How do you know you have a good differentiator? We recommend you put each one to the test. If it can pass these three critical checks, it is worth developing into a broader differentiation strategy:

#### 1. Is it true?

Differentiators can't be fabricated. Apart from the moral hazard of making stuff up, it is simply too easy for people to see through exaggerated claims. You'll need to deliver on your promises.

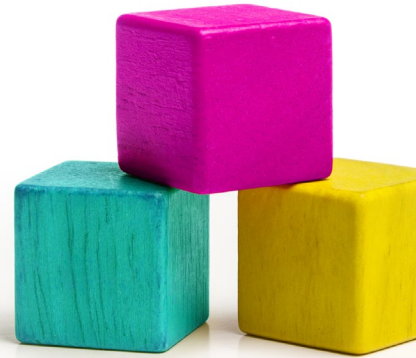
For example, many firms say they have superior client service, but they do nothing special to make it a reality. No special policies. No special training. Nothing to ensure it actually happens. The bottom line is they are no different than a slew of competitors that make the same claims.

#### 2. Is it relevant?

If your point of distinction doesn't matter to your prospects, it won't bring you more business. In the end, what is most important is what plays into your target prospects' selection criteria and decision-making process. Any irrelevant differentiators are wasted effort.

We once had a lobbying client that believed their strongest differentiator was their firm's lack of conflicts of interest. Their competitors certainly could not make the same claim. But, when we dug a bit deeper, we discovered that their clients and prospects hardly valued impartiality at all. So much for a strong brand differentiator.

In our research of professional services firms, we have found another reason to reject client service as a differentiator — buyers don't even consider it a selection criterion. A lack of customer service may be a reason you lose a client, but it rarely plays into the initial selection process. Unless a buyer has been burned recently by poor service, it's just not relevant to them yet.



**Differentiators are the building blocks of a differentiation strategy.**

### 3. Is it provable?

This is often the toughest test of a differentiator. You may have identified a true and relevant point of distinction, but without tangible proof it won't stand up to buyer scrutiny. Buyers have become inured to — and learned to ignore — empty claims.

Here's a differentiator candidate that we encounter again and again: "We have great people." It is a trap! Why? Well, have you ever heard a firm claim they have average people? Didn't think so.

But there are exceptions. One of our clients provides highly specialized software development services — and they hire only PhD-level programmers. They can actually support a "great people" differentiator with hard evidence.

## The Challenges of Maintaining a Competitive Advantage

Once you know what sets you apart from your competitors, you are well on your way to a solid differentiation strategy. Especially if you can explain — and prove — it in a way that is relevant to your target audience. But you are not done yet.

The marketplace doesn't stand still. Shrewd competitors will notice your success and attempt to copy it. Over time, what was once a distinctive characteristic may be neutralized. Your competitive advantage will be lost.

To build a sustainable differentiation strategy you not only need to build your reputation around distinctive characteristics, you need to make your expertise highly visible to your target audience. This "Visible Expertise" will become the foundation of your [professional services brand](https://hingemarketing.com/blog/story/brand-building-for-professional-services-firms)<sup>1</sup>.

## Why Visible Expertise Matters to Professional Services Firms

This brings us to the topic of expertise and why it is so critical to professional services.

In the professional services, expertise is what you sell.

Clients aren't buying your services because they like them. They are buying your services to solve a business problem or seize an opportunity. For example, a company may need help complying with a regulatory requirement or solving a critical strategic challenge.

<sup>1</sup> <https://hingemarketing.com/blog/story/brand-building-for-professional-services-firms>



Our [research into professional services buyers](https://hingemarketing.com/library/article/inside-the-buyers-brain-second-edition-executive-summary)<sup>2</sup> describes what criteria companies use to select one service provider over another. The most common selection criterion is expertise, and it is the factor that most often tips the scale in favor of the contract-winning firm.

But what about the argument that professional services are “a relationship business”? Well, that assumption is partially true. Good business relationships are certainly helpful. As we describe in our book [Inside the Buyer's Brain](https://hingemarketing.com/library/article/book-inside-the-buyers-brain)<sup>3</sup>, both buyers and sellers of professional services understand the importance of an existing relationship, but sellers consistently underestimate the role their reputation plays in the final selection.

Also, a strong reputation for expertise is the one factor that can overcome an existing relationship. If a company does not believe their current provider can solve a problem, they will look for a firm that can.

According to our most recent [study of referral marketing](https://hingemarketing.com/library/article/referral-marketing-study)<sup>4</sup>, visible expertise plays the single most significant role in driving referrals. Relationships — both social and professional — are still important, but only when there is an awareness of your expertise.



<sup>2</sup> <https://hingemarketing.com/library/article/inside-the-buyers-brain-second-edition-executive-summary>

<sup>3</sup> <https://hingemarketing.com/library/article/book-inside-the-buyers-brain>

<sup>4</sup> <https://hingemarketing.com/library/article/referral-marketing-study>

# 21 Ways of Looking at a Differentiator

As we've seen, finding a differentiator for your professional services firm is not easy. Many firms struggle mightily, only to come up with a "differentiator" that doesn't differentiate them at all.

But take heart — there are many ways to successfully differentiate a brand. In this chapter, we've compiled 21 strategies that work for many professional services firms. Remember, you can have more than one differentiator. In fact, differentiators can often be combined to create a more powerful competitive advantage.

**1. Specialize in an industry.**

This is perhaps the easiest and most successful differentiator for a firm to adopt. Clients value firms that specialize in their industry — they perceive specialists as more experienced and skillful at solving their problems. But be careful. If you try to specialize in too many industries, you will lose credibility. On the other hand, if you specialize in a single industry you could be vulnerable to its economic cycles.

**2. Specialize in serving a specific role within your client's organization.**

This role-based specialization is also quite successful, especially if combined with an industry focus. If you head IT at a law firm, it's comforting to know that your service provider specializes in helping people just like you.

**3. Specialize in offering a particular service.**

This approach can also be quite successful, especially if the service you specialize in is rare. But beware, unique service offerings can quickly become mainstream. Your success may be noticed and copied by others.

**4. Offer a truly unique technology or process.**

By truly unique, we mean a process that approaches the problem in an entirely new way and offers a unique benefit to the client. Most "proprietary methodologies" fall well short of this standard.



There are many ways to successfully differentiate a brand.

**5. Focus on understanding a particular target audience.**

A key differentiator for some firms is their in-depth understanding of a specific audience. For example, your firm might specialize in marketing to Baby Boomer women, and your clients might be retirement planners, insurance companies, and clothing retailers.

**6. Specialize in serving clients of a certain size.**

This is a common differentiator, although some people don't think of it as one. For instance, some firms work exclusively with the largest companies in the world. Contrast that with a firm that focuses on solo practitioners. Either firm could have a competitive advantage over a firm that serves clients of all sizes.

**7. All of your staff shares a specific characteristic or credential.**

Almost every firm believes it has a great team, so it can be tough to make the quality of your people stick as a differentiator. Buyers hear this claim so often, it's become background noise. But if you hire people with rare or exceptional qualifications (think top consulting firms like McKinsey or Booz Allen that vacuum up Ivy League grads like crumbs), you can still make a good case for it.

**8. Specialize in clients that share a common characteristic.**

This differentiator focuses on a client characteristic rather than an industry or role. Let's say you provide accounting and tax services for expatriates. They might come from any country, industry or corporate role, yet you will have a competitive advantage over firms that don't serve that niche market.

**9. Focus on solving a specific business challenge.**

In this case, the spotlight is on the nature of the business challenge your clients are facing. Their challenge must be common enough that the market can support your revenue goals, but difficult to solve without specialized skills and experience. An example might be a firm that helps businesses secure their first government contract.

**10. Have one or more individuals who are high visibility experts in their fields.**

To have one of the country's top experts in your specialty on your team can be a very powerful competitive advantage. Many firms' reputations are built on this differentiator alone. Add multiple high visibility experts and you will have a compelling and exceptionally valuable brand.

**11. Offer a unique business model.**

Suppose everyone in your profession bills by the hour, but you offer services for a fixed fee. Voilà, a perfect differentiator is born! A unique business model can be both meaningful and easy to prove. But be watchful. If it works well, you are likely to accumulate imitators.

**12. Have a specific geographic focus.**

This time-honored differentiator is losing some of its punch today, as technology makes geography less important. But it can still work when clients value local knowledge or face-to-face interaction.



**A unique business model can be both meaningful and easy to prove.**

**13. Offer access to a unique set of information not available elsewhere.**

Sometimes, access to certain information can be very valuable to potential clients. Do you have a dataset (for example, benchmarking data) that no one else possesses? Some firms have built very valuable practices around proprietary data that is not easily duplicated.

**14. Offer a unique set of contacts or relationships not easily accessible.**

While the previous differentiator focused on information, this one features relationships. Public relations firms have long used relationships with reporters and editors as differentiators. Lobbying firms have powerful government contacts. What valuable relationships can your firm bring to the table?

**15. Do business with a truly distinctive level of service.**

Every client expects you to deliver good client service. But to be a differentiator, your service must be truly exceptional. Delivering service at this level is not easy, and to rise above the noise — that cacophony of firms that say they provide great customer service — you'll need solid evidence to prove it.

**16. Distinguish yourself by the clients you have.**

Having an impressive client list is a plus for many firms. But what if you take it further? Some firms differentiate themselves based on their client list. For example, if your firm serves the higher education market and your clients include Harvard, Yale and Stanford, you have a differentiator.

**17. Focus on the size of your firm.**

We are the largest \_\_\_\_\_ (fill in the blank). Size sends a strong signal that you are doing something right. And when you can combine size with a specialization, you communicate both relevance (the specialty) and success (the largest). Find your niche and dominate it.

**18. Emphasize your relationship with a parent firm or partner.**

Being bound in a close relationship with a parent firm can be a limiter (for example, if you are owned by a large software firm, some potential clients may feel like you can't be objective about other companies' technologies). But for other prospective clients, it can be a big asset (who knows the ins and outs of your parent company's technology better than you?). This same differentiator can also be applied to situations where your firm is a value-added partner rather than a subsidiary. Just be careful that you don't enter a space that is crowded with competitors who tout the same relationship.

**19. Focus on a notable signature accomplishment.**

Some firms can build a strong brand upon a notable accomplishment. Firms that invented a technology or solved a highly visible problem for a high-profile client are good examples. For instance, back in the 1960s, RS&H, a Florida-based engineering firm, designed the launchpad for the Apollo space missions. Since then, they have parlayed that iconic project into a broad range of civil engineering work across the nation and the globe.

**20. Specialize in producing a unique or very valuable result.**

Much like number 9 above, in which you address a notable business challenge, this differentiator focuses on producing a valuable result. The key difference is that you may need to overcome multiple business challenges to achieve it. For example, you might specialize in turning average growth clients into high growth firms. Getting there, however, might require overcoming more than one challenge — such as positioning the firm, selecting the right mix of services and increasing the visibility of the business.

**21. Look or act differently than all of your competitors.**

Most professional services firms tend to look and act a lot like their competitors. That means developing a very different look or brand personality can be a powerful differentiator. Combine this with other differentiators and you have the makings of a robust competitive advantage.

Any of these 21 strategies can meet the three criteria that every differentiator must clear — and they can be used in combination to further distinguish a firm. In the next section, we'll detail not only how to identify appropriate differentiators for your firm, but how to own them.



**Look or act  
differently  
than all of your  
competitors.**



## ONLINE MASTER CLASS

# Find Your Competitive Advantage:

## *Differentiation, Positioning & Messaging*



Lack of differentiation is one of the toughest challenges firm stakeholders and marketers struggle with today. In this online course, you'll learn how to uncover your firm's true differentiators so that you can give buyers a reason to pick you out of the crowd and choose you.

Hinge's Managing Partner, Lee Frederiksen will walk you through the process, step by step. You can even work through your own firm's differentiation and positioning as you go.

### **What You'll Learn:**

- How to find out what your clients, prospects and staff really think about your firm
- How to research your competitors
- How to mine your research for true differentiators
- How to write an effective positioning statement
- How to develop your elevator pitch
- How to develop useful messaging for business development and marketing
- How to put all of these tools to use and start building a compelling competitive advantage

[Learn More and Register](#)

## CHAPTER 3:

# How to Find and Own Your Differentiators

When firms decide to identify their differentiators, the story tends to take a certain predictable trajectory. Stop me if you've heard this one before...

Everyone sits down around the conference table and shares their thoughts on the big question: How are we different from our competition? At some point during the meeting, a brave soul might even broach the question's scarier, often-unspoken corollary: *Are we different?*

After a lot of back and forth, most firms end up with variations on a handful of old standbys: "We care about our clients." "We do quality work." "We have better people."

Sound familiar?

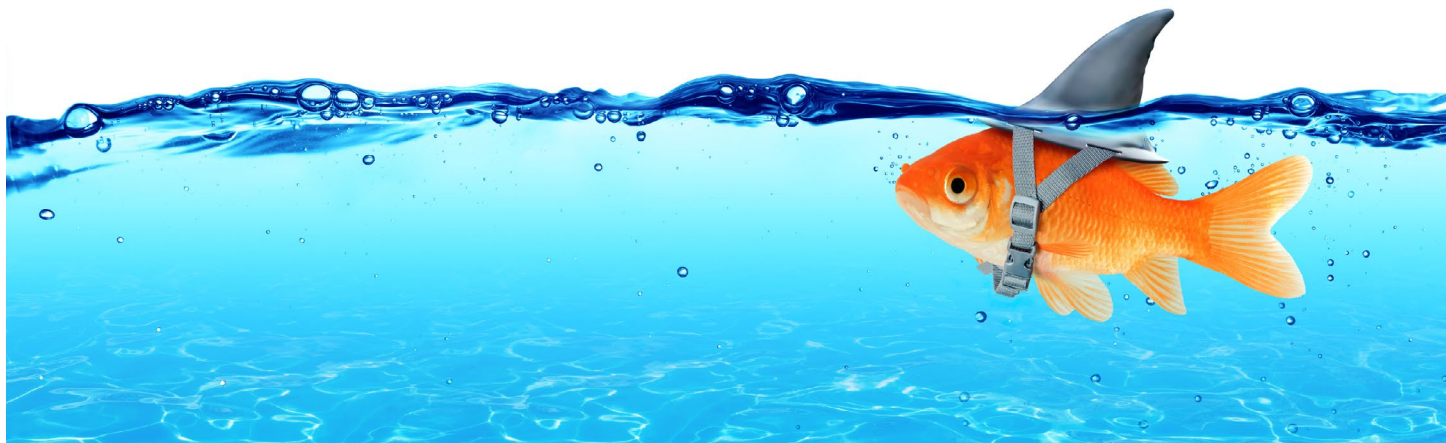
## The Wrong Approach

At the end of such a meeting, a leadership team comes away imagining that they've isolated their differentiators. But they haven't. Instead, they've left with something very different, the false comfort that comes from fitting in — and sounding just like their competitors.

Consciously or unconsciously, we often assume our competitors know something we don't, and we model ourselves accordingly. That mentality compels us to embrace false differentiators. In most cases, you're not going to find your differentiators around your conference room table.

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## A Better Approach

So how *do* you find them? And once you've identified your differentiators, what's next? The five steps below will help you uncover a real differentiator for your firm—and show you how to *own* it.

### 1. Choose an approach to differentiation.

There are two basic ways to look for differentiators:

1. Make a conscious management decision that differentiates your firm from the competition. Put another way, you *decide* how you will be different.
2. Uncover characteristics of your firm that distinguish you from similar competitors. In this approach, you *discover* your differences rather than create them.

Both paths are legitimate and, when implemented correctly, can be effective. The first approach is more proactive. It can require courage and leadership, and it often means making significant changes to the nature and direction of your business. Two situations can drive you to this approach: 1) your firm has no inherent differentiators of any consequence; or 2) you see an opportunity in the marketplace that your firm, if it were to change, could fill.

The second approach is more passive, relatively speaking. Nevertheless, it can yield positive benefits to firms that aren't interested in dramatically changing direction. Some firms have natural, easy-to-recognize differentiators that just need to be coaxed out into the open. Other firms have to work a bit harder to pick out their differences and use them to tell a compelling story.

Now, you don't have to pick which direction to take from the start. You can keep your options open because the path forward for both approaches is the same: **research**.

### 2. Use research to assess possible differentiators.

Whether you're considering taking your firm in a new direction or trying to identify your existing differentiators, you're going to want to conduct research on your firm and your marketplace. Why? Time and time again, we've seen that firms misperceive their audiences' priorities, their firm's relevance to client needs and which market rivals they actually compete against.

In fact, our extensive studies on the topic have shown just how widespread the "perception gap" problem is. Research equips you with facts instead of hunches.

If you're exploring a change in your business' direction, research can help you select the right specialty. You can learn a lot about your success with different types of clients. For example, if you find you have particular success with smaller clients, that could point to a size-based focus — and an effective differentiator. Or you might find that your firm is ideally suited to address a



particular industry, emerging issue, business model or unmet need. Research is your ear to the ground, helping you objectively evaluate opportunities for differentiation.

What about the “discovery” approach? This requires marketplace research on your clients, influencers and prospects to understand how your firm is perceived. Is there anything you do that strikes these audiences as different, unique or particularly valuable? Research holds the answers.

Your clients and prospects may identify a feature of your firm that you don’t recognize or appreciate. For example, research may reveal that you’re unusually focused on return on investment, while your competitors don’t score well on that metric. ROI, then, could be a power differentiator and a focus for your messaging.

Or perhaps you’ve configured your services in an unusual way — say, offering subscriptions in an industry that typically charges by the hour — but you never realized that was something your clients cared about. Research will help you see yourself as the marketplace sees you and understand what your buyers value most.

### 3. Identify the differentiators you want to pursue.

Once you’ve been through the research process and uncovered some potential differentiators, it’s time to choose the ones that will define your firm in the marketplace. Using the 21 ways to differentiate your firm in Chapter 2, consider whether your differentiators are strong enough to stand alone or whether it makes sense to combine some of them to concentrate their impact. For example, suppose you had identified these two differentiator candidates:

*We are a hundred-year-old accounting firm.*

*We focus on the greater Chicago area.*

Individually, these points feel a little weak. But when you combine them into one, you sharpen the point and produce a far more powerful differentiator:

*We are the oldest accounting firm in Chicago.*

Keep in mind that whenever you emphasize a characteristic of your firm or take a specific direction you sacrifice something, too. Every differentiator has a downside as well as an upside. If you choose to focus on serving small businesses, you reduce your opportunities with larger companies. But focus is power. You do it because the credibility you gain among your target audience will more than make up for the lost potential elsewhere.

When evaluating possible differentiators, consider the pros and cons, what kind of firm you want to be, and where opportunity and true distinction lie. Then select your differentiators accordingly.

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**Research is your ear to the ground, helping you objectively evaluate opportunities for differentiation.**

#### 4. Validate them with the marketplace.

Remember, the differentiators you choose need to be true, relevant to your audience and provable. Once you've identified your differentiators — either the existing qualities you mean to emphasize or those that you're setting out to claim through a new direction for your business — it's important to validate them with the marketplace.

Suppose you've identified an unmet need in the marketplace and you believe you're well-suited to meet it. Great! If you're planning to turn your firm's attention and resources toward this new offering, however, you'll want to verify that it's relevant and that you can carry it out. How? There are a couple of ways you might tackle the question. You might conduct additional marketplace research, or you might test-drive the approach on a small scale before you commit substantial resources to it.

Similarly, once you've identified an idea that positions your firm as different, you may need to conduct additional research to ensure that you can back up the claim effectively. Evaluate your proposed differentiators to see whether any competitors are taking a similar tack. And double check that what you've identified can be supported with evidence.

#### 5. Live your differentiators.

Planning, of course, is only the first step. Once you've validated your differentiators, it's time to fully embrace them.

Now, bear in mind that some differentiators are easier to prove than others. If you say, "we work exclusively with female entrepreneurs," audiences will know pretty quickly whether or not you can back that up.

Other differentiating claims, such as "our customer service is clearly superior to the competition's," might require more work to support. For these broader differentiators, you'll need more than testimonials to support your proposition — you might need a thorough study or a well-known third-party endorsement (such as a prominent award) to validate your claim. In addition, you will need to back it up with policies and training to make it real and lasting.

To have any impact on the marketplace, your differentiators must be clearly communicated. So make sure that your website and marketing materials describe and prove your differentiators. And train everyone who communicates with the outside world to talk about your differentiators whenever appropriate. After all, invisible differentiators aren't going to do you much good.



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**Invisible  
differentiators  
aren't going to do  
you much good.**



## The Bottom Line

Your differentiators aren't abstract ideas. They define your firm. A differentiator is a guiding imperative, one that affects the way you think and the decisions you make.

That means you have to live your differentiators every day — to work and act in ways that are consistent with what you stand for. This process is continuous, and if you do it well, it can drive you to new levels of success.

In the following chapter, we take a look at four professional services firms that have done just that.

# Hinge: Your Expert Guide to a Powerful New Market Positioning



True differentiation takes courage. At Hinge, we've spent the last decade perfecting a process that avoids the internal politics that can dilute a powerful strategy. We use research data and fact-based reasoning to overcome objections, build buy-in and establish critical momentum.

Hinge has helped hundreds of professional services firms uncover their differentiators and turn them into positioning that truly separates them from their competitors. And we can do the same for your firm.

Ready to take the next step?

[Request a Free Consultation Today](#)

## CHAPTER 4:

# Real-World Differentiation Case Studies

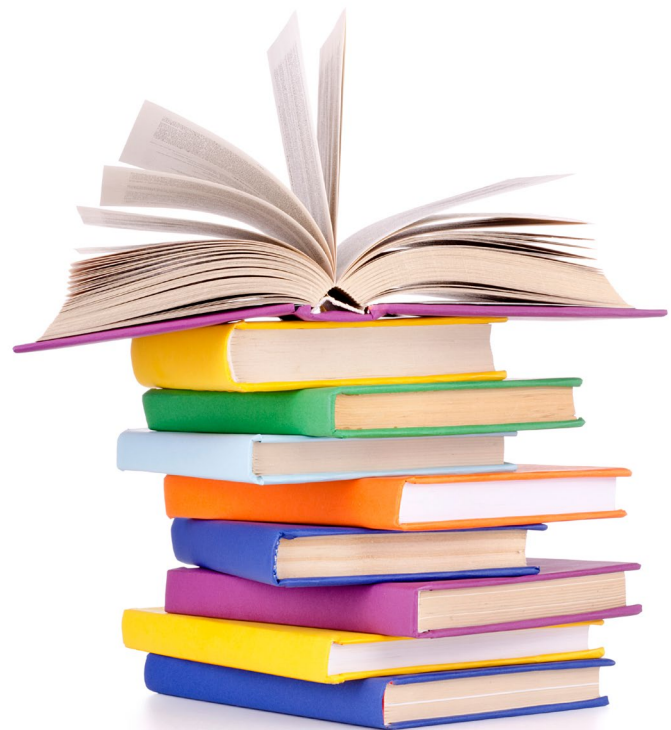
Up to this point, we've explored why differentiation works and how your firm can take advantage of it. Yet you may still be wondering, "will this work for *my* firm?"

To help you understand how the abstract idea of differentiation plays out in the real world, we've put together the following four case stories from Hinge's client portfolio. In some cases, we stepped the firms through the differentiation process from start to finish. In other cases, they came to us with a differentiator but no clear strategy to turn it into market success.

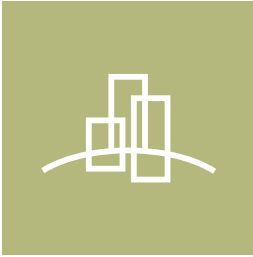
No matter the size of your firm, differentiation can dramatically influence the way you are perceived and valued in the marketplace. These stories show how good ideas, well executed, can change a company's fortunes.

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## Case Study 1:



### How a Practice Area Specialization Created a Dominant Leadership Position

Walsh Colucci Lubeley & Walsh, a full-service law firm based in Arlington, Virginia, had a special expertise in zoning and land use law. A larger firm that had dominated that area of expertise had recently disbanded, so an opportunity had emerged in the marketplace.

After conducting client and market research, Hinge urged Walsh Colucci to seize this opportunity and aggressively pursue a niche market in commercial real estate development law. They repositioned themselves as “The Land Lawyers”, adopting this phrase as their tagline and purchasing the website domain [thelandlawyers.com](http://thelandlawyers.com) (they did not change their firm name, however). Finally, the firm reconceived their entire identity — from logo and marketing collateral to messaging — to support this new positioning. They went all in.

In a relatively short time, Walsh Colucci became Northern Virginia’s undisputed leader in its category, and the firm has steadily grown its business and reputation ever since.

What about the firm’s other practices? Walsh Colucci’s business transactions, litigation and estate planning services continue to live on. While these practices operate in the shadow of the firm’s commercial real estate services, the partners who manage them seek out their own clientele and continue to build their book of business. These services may no longer be primary revenue generators for the firm, but the decision to keep them allowed the firm’s transformation to move forward without creating internal political paralysis.

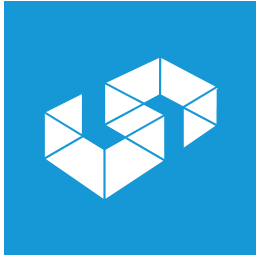
#### Key differentiators:

- Specialization in commercial real estate development law
- Positioning in Northern Virginia as The Land Lawyers

Walsh Colucci became Northern Virginia’s undisputed leader.



## Case Study 2:



### How Specialized Knowledge and a Niche Focus Created a Compelling Advantage

As today's colleges and universities compete for the hearts and minds of students, they have to invest heavily in upgrading their facilities and campus amenities. This delicate dance has huge, potentially existential implications on these schools. If they invest recklessly, they could face crushing, unanticipated future maintenance costs. If schools underinvest, however, they may miss their enrollment and revenue targets.

Sightlines, a consulting firm of engineers and data scientists, helps higher education institutions make smarter decisions, finding the right balance between building new facilities, demolishing obsolete structures and making efficient use of the ones they have. By specializing in the higher-ed market (as well as a small number of private secondary schools), the firm was quickly able to build visibility across the US and Canada.

But their industry focus is only part of the Sightlines story. They also developed a proprietary database and benchmarking tool that they make available to every member. This tool tracks how other institutions handle their facilities investments. The database covers over \$13 billion in capital and operations budgets, 1.5 billion square feet of facilities space and over 52,000 campus buildings. No competitor has anything like it. Using this tool, members can compare their approach to facilities management to hundreds of other schools.

Today, Sightline's members include several of the Ivy's, the University of California system, Duke University and hundreds of other schools and university systems small and large. Their leaders are quoted regularly in the press, including *The New York Times*, *The Washington Post*, *The Atlantic* and *The Wall Street Journal*. And each year, they publish a State of Facilities report that describes the current outlook and how institutions should respond to changing conditions. Sightlines' success also caught the attention of Gordian, a construction data, software and services company, who acquired the firm in 2015.

#### Key differentiators:

- Focus on higher education
- Proprietary database and benchmarking tool
- Membership model
- Thought leaders in the industry

By specializing in the higher-ed market, the firm was quickly able to build visibility across the US and Canada.



### Case Study 3:



## How a Firm Grew its Revenue by Narrowing its Focus

Like most accounting firms, Dallas-based Lester + Company began its life serving clientele of every stripe. But its founder and president, Andrew Lester, knew that he could get more market traction, faster if he specialized.

So Lester looked at his current clientele and chose to dramatically narrow his target audience to the market he served best: restaurants. He then sharpened his focus even further: restaurants with multiple locations. Nobody else was serving this ultra-niche audience. But why did he believe these restaurants would find his specialization compelling?

Lester's confidence came from a cloud-based financial management system his firm provides to his clients — software that gives multi-location retail businesses powerful tools to monitor the financial health of their far-flung operations in real time. Now, owners would be able to check on the performance of one or more locations from any computer — and address emerging problems quickly.

In the first year alone, Lester's business grew by more than a third, and it has continued on this trajectory ever since: "We've grown from a small, single-owner firm into one with a regional presence."

"We've grown from a small, single-owner firm into one with a regional presence."

#### Key differentiators:

- Very narrow focus on multi-location restaurants
- Financial software that makes managing multiple locations easier





#### Case Study 4:



### How a Disruptive New Business Model Delivers a Distinct Advantage

Summit Executive Resources came to us with an idea. They wanted to reinvent executive search and introduce a new, innovative business model that would turn retained search on its head. In the traditional model, a company hires a search firm to find suitable candidates to fill their leadership vacancies. Summit, however, decided to represent C-level executives directly, much like a high-end professional sports agent.

The advantage to executives — and the reason they are willing to pay for this service — is two-fold: high-touch client service and much faster placement times. Where traditional executive search firms spend little time with their job candidates, Summit goes to great lengths to advise and coach its clients. After the interview Summit will even step in to negotiate and close the deal. As a result, Summit is able to place a candidate in less than half the time, and at a company that is well matched to the executive's personality and skills.

Of course, hiring companies appreciate speed and a good fit, too. And the service costs them nothing!

In the beginning, the Summit worked only with technology executives. This focus gave the startup a small enough playground to get noticed and start building a reputation. As it found success, the firm began opening up its services to more industries, including private equity and venture capital firms.

A well-conceived differentiation and positioning strategy made all the difference. According to Summit's President and CEO, Melissa Henderson, "The visibility we thought would take months to accomplish happened almost overnight."

"The visibility we thought would take months to accomplish happened almost overnight."

#### Key differentiators:

- Disruptive new business model
- Initial focus on single industry to build visibility and momentum
- Ideal solution for private equity and venture capital firms that need fast, reliable access to leadership for their portfolio companies

# Conclusion

There is an urgent need to differentiate today's professional services firms. From the buyer's perspective, most service providers are indistinguishable from one another, so buyers are very receptive to signals that indicate one firm is more qualified to solve their problem than others.

From the seller's point of view, the competition is fierce, and relying on networking and the referrals of former clients to fuel long-term growth is hardly a winning strategy.

What both sides desperately need is *difference* among professional services providers. But variety alone isn't sufficient. That difference has to be strategic and fill a need that resonates with certain buyers. While differentiation can assume many guises (see Chapter 2), from niche specialization to a new business model to thought leadership, these strategies share one thing in common: sacrifice.

When you differentiate your firm, you — by definition — have to let something go. So say goodbye to serving up a full range of services to a full range of audiences. That's the rampant non-strategy that created this mess in the first place.

But you may ask, what about those global giants that do it all (hello, Big 4)? In fact, their size and leadership status *are* their differentiators. These firms may not be specialized, but they are often the default choice — and automatic short-listers — in the minds of your prospects. Trying to beat these Goliaths at their own game is simply not going to work. What you need is an advantage.

And differentiation is your pebble and sling. Now take your best shot.

**- The Hinge Team**



# About Hinge

Hinge specializes in branding and marketing for professional services firms. We are a leader in helping firms grow faster and maximize value.

Our comprehensive offerings include research and strategy, brand building, award-winning creative, high-performance websites and marketing outsourcing. And at **Hinge University**, your team can learn all the marketing skills and strategies they need to take your firm to a higher level of performance.

In addition, Hinge conducts groundbreaking research on professional service companies. We have identified a group of firms that grow 9X faster and are 50% more profitable yet spend less than average to get new business. We can show you how they do it and implement their strategies in your firm.

To view our full library of research reports, whitepapers, webinars and articles, please visit [www.hingemarketing.com/library](http://www.hingemarketing.com/library).

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## Help us make this guide even better.

We want to hear from you. If you have any suggestions to improve this resource, please drop us a line: [info@hingemarketing.com](mailto:info@hingemarketing.com).

Thank you!



# How We Can Help

## **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.

## **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.

## **High-Performance Website Program**

The High-Performance Website Program makes your website into a lead-generating machine — bundling a gorgeous new design 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.

## **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.

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

To find out how Hinge can help your professional services firm experience faster growth, contact us!

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## ONLINE MASTER CLASS

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Hinge's Managing Partner, Lee Frederiksen will walk you through the process, step by step. You can even work through your own firm's differentiation and positioning as you go.

### **What You'll Learn:**

- How to find out what your clients, prospects and staff really think about your firm
- How to research your competitors
- How to mine your research for true differentiators
- How to write an effective positioning statement
- How to develop your elevator pitch
- How to develop useful messaging for business development and marketing
- How to put all of these tools to use and start building a compelling competitive advantage

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