The Fortress and the Empire: A Marketing Strategy for the Professional Services Firm

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Marketing of professional services was once seen as inappropriate or even unethical, but today professionals are free to promote their services in any way they choose (Markham and Carson 2005). Accountants, lawyers, management consultants and doctors are turning to marketing in increasing numbers. However, many professionals define marketing as either advertising or selling and this perception limits the effectiveness of marketing in the professional services firm. Marketing involves the creation of deliberately designed strategies and programs that must be in place to guide the marketing and sales activities. Firms often underestimate the importance of planning in marketing professional services (Murphy 1997). This article presents a marketing framework to guide the professional services firm in developing an appropriate strategy to win new business and retain customers. The framework consists of two distinct approaches, the Fortress and the Empire. This paper describes the framework and discusses when and how to apply each approach to gain maximum advantage.

**Literature Review**

Although there is an extensive literature on services marketing very little addresses the issue of marketing professional services. A great deal of the service literature deals with measuring and creating customer satisfaction (Carman 2000; Jones and Suh, 2000; Parsuraman, Zeithaml and Berry, 1988, 1991, 1994). Another stream of literature deals with business success in services (Sin and Tse 2000; Berry 1999; Keaveney 1995; Schlesinger and Heskett; 1991). Operational aspects of services have also received much attention in the services literature (Baker and Cameron 1996; Cameron, Baker, Peterson and Braunsberger 2003; Maister 1984; Larson 1987; Chase 1981). Recently the topic of branding services has been addressed (Berry 2000; Chernatony and Segal-Horn 2006; Grace and O’Cass 2005; Gray 2006).

There is some literature that deals with professional services marketing either directly or indirectly. Kotler, Hayes and Bloom (2002) differentiate professional services from services in general through the following characteristics:
A professional service is qualified, advisory and problem solving but may include some routine work.

Professionals have a common identity and are regulated by traditions or a code of ethics.

Professional services include a high degree of customization.

Professional service providers often have a high degree of face-to-face interaction with clients.

They offer examples of professional services that include law, medicine, public accounting, management consulting, engineering, marketing research, advertising and architecture. Maister (2008, 1993) discusses strategies for managing professional service firms by promoting excellence in service delivery and by doing the things that are obvious but difficult for the firm to address.


The purpose of this paper is to offer a marketing framework to guide the professional service firm in the development of strategy to win new business and retain customers. The framework consists of two distinct approaches, the fortress and the empire. This paper describes the framework and discusses when and how to apply each approach to gain maximum advantage.

The Fortress Approach

Throughout history, fortresses were built in order to protect communities from outside forces. Barriers were created, and all the needs of the community were supplied from within the confines of the fortress. (Reeb 1998, 2003). The fortress approach focuses on client retention, growth in revenue from existing clients and a strategy of new clients through referrals. The goal is to inform the community (existing clients, friends, and supportive service professionals) about the diversity of services offered by the firm. Often the vast majority of a firm’s clients are only aware of the services they currently buy from the firm. The fortress, has both a client-retention and cross selling objective, and is directed at offering services to a community of existing clients. The goal is to enhance and build long term relationships and revenues while simultaneously denying opportunities to competitors by building a wall of essential services around the client base. By continually offering clients additional needed services the firm reduces the probability that its customers will look to competitors for help. For example an accounting firm that specializes in tax work for individuals might add estate planning and wealth management services for clients with a significant net worth. That way the client has one trusted advisor for all of their financial issues. An accounting firm that does tax work for business clients might offer technology consulting to those business clients to facilitate the reporting process. Because the firm would develop an in-depth knowledge about the client, the next logical step could be the provision of assistance with strategic planning.

By developing overall client awareness about all of the firm’s services, several benefits can result. First, because clients and friends are more aware of the variety of services offered by the firm, they are far more likely to request the firm’s
assistance. Without this contact, those same clients might seek assistance from others because they are not aware that the firm can help them. Second, an even greater impact is possible because those same people are in a far better position to refer work to the firm now that they are more aware of the firm’s total capability. Third, the relationship to the firm is enhanced when clients feel their trusted professionals can help them in additional ways (even if they don’t need those services right now) and the relationship is further strengthened when additional services are actually provided (Haggerty 1991; Stone 1990). Fourth, by building a wall of services around the firm’s clients (and making them aware of those services), it is more difficult for a competitor to infiltrate the firm’s client base (Reeb 2005).

The fortress approach should return benefits in a relatively short amount of time. It is far easier to get the attention of and engage with people who already know and trust the firm and have confidence in its ability to provide services than to connect with new customers. So, assuming the firm is making contact with clients and/or referral sources with unsatisfied needs, it can use inexpensive media to quickly tap into established relationships to attract attention and sales (Carper 1990; Murray 1991). Another advantage of marketing to existing clients is that it may be easier to discover unmet needs and concerns that will result in additional work since previous contact has provided insights into the clients’ concerns (Maister 1989). The goal of the Fortress approach is to retain clients in a long-term relationship built around recurring services and occasionally adding new services in order to protect and grow the revenue and profitability from each customer (Berry 1999; 2000).

**The Empire Approach**

Empires were built by conquering new territories and expanding well beyond original boundaries. (Reeb 1998, 2003). A second marketing alternative, the empire approach is usually taken to acquire new clients or develop a new niche specialty. This is the strategy of choice when the demographics or size of the current client base and referral sources are inconsistent with, or not large enough to fully utilize the service supply. The Empire requires a long-term horizon and is time and resource intensive. The success of this approach depends on adding new clients, i.e., new territory must be conquered. The Empire focuses on the firm’s strategic plan—not the current needs of the client base. However, the Empire does attempt to take advantage of all business opportunities within the current client base as long as they are consistent with the long-range plan. For example, the mission statement from an accounting and consulting firm is stated below:

To build a consulting department that has the skills and reputation to expand and dominate new markets by providing superior services in arbitration, litigation support and valuation. Considering the above mission statement, if a current client needed support in the resolution of a partnership dispute, since arbitration is part of the long-range plan, this project would be aggressively solicited; however, if financing was the demanded service, it would most likely be referred to some other firm. Empire firms should refer non-strategic or non-synergistic business to firms that complement their areas of expertise so that their referrals can be reciprocated. A more formal approach would be to form strategic alliances with firms who deliver complementary services and expertise.
So why would an Empire firm give up a service opportunity just because it wasn’t part of their strategic plan? The reason is focus. The success of the Empire approach is based on the clear differentiation of service offerings and expertise. In order to attract a loyal client away from some other service provider, it is necessary to communicate expertise in niche services in order to make the offer compelling.

Creating specialized service distinction and visibility is costly, both in time and money. Choosing to focus on a specialty service involves risks because the market may change or disappear. However, by specializing in a niche service a firm can build a strong following because of its knowledge of market needs and possible economies of operation (Kotler, Hayes and Bloom 2002). As a firm’s list of services becomes narrower and specialized, the geographical area of its target marketplace will most likely have to expand.

One example of a successful use of the Empire strategy is a small CPA firm that did general consulting. While the owner of the firm was making a comfortable living, basically growing the business through referral, he decided to specialize in an industry niche. To gain the attention of prospects that did not know him, he put himself in the position of expert in their industry. He began by speaking at industry conferences in his niche specialty and writing position papers and articles for trade magazines for those industries. This created opportunities to discuss and write about issues that his prospects were facing and created a sense of urgency for people struggling with the issues he raised. Most of his new clients already engaged outside consultants to help them, but his focus on the specific issues and using the terminology of industry compelled new clients to seek him out for guidance. This very effective use of the empire approach to marketing led to his business doubling in 2 years instead of growing at the historical rate of 15 percent per year.

**Using Both the Fortress and Empire Strategy in the Firm**

Although the Fortress and Empire strategies have different objectives and methods, it often makes sense, and is common, for the professional services firm to use both methods. The firm may have a core of customers that use recurring services and are loyal to the firm. Therefore, the firm would employ the Fortress approach to develop referrals and retain customers. Often, the problem is that the professional services firm has already fully utilized the fortress approach and there still is not enough future potential within that client base or the strategic plan of the organization has shifted in such a way that the current demographics of the client base are inconsistent with the new direction of the organization. For example, let’s assume that a law firm has predominately been serving the needs of individuals, but the new strategic direction of the firm is to develop a client base with at least half being corporate business. It will be difficult, if not impossible, for the firm to use Fortress mechanisms to drive the creation of an entirely different subset of clients. In this scenario, the firm needs to do fortress marketing to protect and expand its current client base and empire marketing to launch a new service that can’t be fully utilized, or is inconsistent with the needs of the Fortress community. One likely outcome is that many empire strategies will eventually lead to the addition of a fortress strategy as well. A firm that begins using an empire strategy because it has no client base will eventually increase the number of clients through marketing and service provision. It is logical for that firm to begin adding complementary services and doing some fortress marketing in order
to grow the share of wallet from its customers. It is easy to see that most firms need to master both fortress and empire marketing techniques (Reeb, 1998).

**Communicating with Target Markets**

If a firm uses both strategies, it is important to be aware of which strategy is being executed at any given time and how it is communicating to each group. In order to correctly execute a strategy, the firm should look at each marketing piece or activity and ask whether it is targeted at prospects, clients, or referral sources. If it is targeted at prospects (Empire), it should focus on expertise and competence and use a more niche industry approach to make the messages resonate. The reason is simple: the empire approach is based on the assumption that the firm is marketing to people who do not know the firm. Therefore, trying to get the attention of an audience that has limited awareness of you requires a very specialized message that clearly addresses a prospect need. Since the empire approach involves reaching out to unknown prospects, the campaign must involve more generic media, such as newspapers, trade magazines, radio, and purchased company lists. Obviously, the more you can segment your market and target your contact list, the more effective the campaign will be. For example, sending a direct mail piece offering a suite of niche services focused at contractors to a list of general contractors should have a far greater response rate than just putting an ad in the newspaper touting those same services. The trick is to always manage the cost per qualified contact. The more generic the media, the lower the cost per contact, but the cost per qualified contact is very high because you are paying to reach so many people that don’t need your services (Reeb, 1998).

If the message is targeted at clients and referral sources, it should focus on helping the audience understand how the firm can help: Market to all of the firm’s clients and referral sources because the goal is both client referrals and “share of the wallet” growth. The whole point of the campaign is to stay on the minds of those people most likely to hire or refer to the firm. Because the audience being contacted trusts and respects the firm, the messages are not about convincing them of expertise, but rather, of the services the firm can provide to assist them. Because the firm knows exactly who makes up this audience, the cost per qualified contact is very low. And because you are contacting the firm’s current client and referral base, the likelihood of conversion (response rate) is much higher and faster because the audience is much more willing to pay attention to your message and give it consideration. In both the Empire and Fortress strategy it is important to keep the marketing messages simple. Only sell one or two services at a time. Attempting to sell too many ideas per contact will not convey a clear message to the recipient. Singular, simple, clear, concise and repetitive messages are fundamentals for selling in both the Fortress and Empire strategies. A word of warning: do not spend time and money marketing to an empire audience until the firm has a strong foundation of marketing to its fortress (assuming it has one). It is far easier, quicker and less expensive to grow your business by retaining your current clients, growing new ones through referral and expanding revenue from existing clients than to go after prospects. Once the fortress marketing engine is
in place, the firm can layer on various empire campaigns. For a summary of the Fortress/Empire characteristics, see Table 1.

**Implementation Tactics in the Fortress and the Empire**

Once the firm has determined whether to use the Fortress strategy or the Empire strategy it must consider marketing tactics and implementation. The marketing campaigns, approaches, and messaging should vary greatly depending on which strategy (fortress or empire) the firm is implementing. The next section addresses a few sample marketing tactics and how to fine tune each to support either the fortress or empire strategy.

**Seminars**

Seminars can be a very effective marketing tool if done correctly. One key consideration is to clearly define the objectives of the seminar. First and foremost is to determine what client audience the firm is trying to reach. Is the firm trying to sell additional services to its existing clients or is the goal to reach new clients? In other words, which strategy is being implemented, the fortress or the empire? If the objective of the seminar is to reach new clients, the topic of the seminar should be one that allows the presenter to illustrate in-depth knowledge of a specialized area. Remember, the audience has no prior relationship with the firm and this is a chance to display a differentiated expertise that sets the firm apart from others. The invitations to the seminar should be aimed at prospects that have a need for the specialized topic being presented. Typically, empire invitations will be much more formal, high quality and therefore costly because the firm is also trying to establish a certain image with this contact.

If the objective of the seminar is to educate and interact with current clients, then the topic of the seminar should be either about new developments that affect your clients or about new services the firm is offering. The seminar can focus on the benefits the firm can provide and the anticipated results. The seminar is an opportunity to further build the relationship and educate clients about additional services that the firm provides. The result may be to sell additional services to that client or provide perspective that will allow them to refer friends to the firm.

There are some common approaches that should be used whether the objective of the seminar is to reach new prospects or to educate existing clients. The formal presentation part of the seminar should be fairly brief. The objective is to get the conversation away from the large group to smaller breakouts where an interactive dialogue can take place. This approach requires that the firm provide additional personnel that can follow up the formal presentation with informal discussions with small groups of clients or prospects. The small group discussions give the attendees a chance to ask questions and direct the conversation towards their specific needs. Getting the client or prospect talking about his or her business is the point of the small group discussion. Knowing the problems of a prospect’s or client’s business is critical to selling the firm’s solution. An added benefit of this approach is that the small group discussions should provide a level of common ground that will make the follow-up call more natural and comfortable (Maister, 1992). This should aid in the selling process and enable the firm to close more business.

**Newsletters**

Newsletters can be an effective tool in marketing to both the fortress and the empire. However, the contents of the newsletter should be very different depending on the intended strategy. If the firms’ newsletter dedicates 70 percent or more of its available space to technical
Table 1
Fortress/Empire Differences

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Fortress</th>
<th>Empire</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing Objective</td>
<td>Retention, growth through referral and growth in share of wallet</td>
<td>Acquisition of new clients</td>
</tr>
<tr>
<td></td>
<td>Acquisiton of new clients</td>
<td>New clients</td>
</tr>
<tr>
<td></td>
<td>Service that meet the needs of the client/referral base</td>
<td>Specialized/niche</td>
</tr>
<tr>
<td></td>
<td>Based on the needs of those within the Fortress</td>
<td>Based on the firm’s strategic plan</td>
</tr>
<tr>
<td>Messages</td>
<td>How the firm can help</td>
<td>Differentiated expertise</td>
</tr>
<tr>
<td>Acquisition Timeframe</td>
<td>Short sell cycle</td>
<td>Long sell cycle</td>
</tr>
<tr>
<td>Relationship Timeframe</td>
<td>Long-term recurring</td>
<td>Often project-based, short term</td>
</tr>
<tr>
<td></td>
<td>One on one contact with top 20% of clients supported by a drip system contacting all clients (continually staying top-of-mind through constant contact using inexpensive mediums [direct mail, newsletters, letters, etc.])</td>
<td>Building brand awareness through expensive mediums with an offer or call to action (Advertising, Seminars, Writing) and follow-up once prospects have identified themselves.</td>
</tr>
<tr>
<td>Marketing Method</td>
<td>Informal messages – from a trusted friend or advisor</td>
<td>Formal messaging – building image, credibility and professionalism</td>
</tr>
<tr>
<td></td>
<td>For well established client base offering complementary services</td>
<td>When client base can’t sustain firm or to launch niche non-complementary services</td>
</tr>
</tbody>
</table>

matters, it is conveying expertise and knowledge. Demonstrating expertise and competence is important if you want to interest people who are unfamiliar with your work and is appropriate to the empire strategy. Were the newsletter to focus the same amount of content on “success stories (stories about services performed at various clients),” narratives about new employees and their skills, and ways the firm can help, it would be appropriate to support a fortress marketing approach. If a newsletter is focused on convincing its audience of the firm’s expertise and technical ability, and it is sent to current clients, it is a waste of time, money, and paper. A common comment from the audience is, “I don’t read the technical stuff in the newsletter because that
is what I pay them to do. If it applies to me, they will call me.” Messages that will motivate the fortress marketplace are completely different from those necessary to motivate the empire marketplace.

Regardless of the underlying strategy, newsletters should be done with a great deal of thought. The newsletter should have meaningful information and offer an interpretation that is easy for the reader to grasp. Unprocessed reporting of recent events will not be as meaningful to the reader as a professional opinion about what this means to the client or prospect.

Newsletters have become very common, so it is harder to get the attention of the reader. If the firm’s newsletter consistently offers meaningful interpretations to the reader, it is more likely to be valued by the recipient and become an effective marketing tactic. Note that many firms are moving to a news brief rather than the traditional newsletter. This is a contact vehicle; it is not about quantity, but quality. And quality can best be delivered if the newsletter’s content and messages are geared towards the right audience (fortress versus empire).

**Speeches at Client Industry Meetings**

Displaying expertise by giving speeches at targeted industry meetings can be an excellent way to reach prospects. The goal of the speech should be to discuss a topic that is creating a problem for the members of the audience. Discussing this problem and suggesting solutions may convince prospects to contact the firm and take advantage of its services. Ideally there should be an opportunity after the speech for the interested members of the audience to make contact. This is a non-threatening way for prospects to express interest and begin a dialogue that may result in business. Giving speeches to industry meetings is most effective under the empire strategy since it gives the prospects a way to evaluate the firm’s expertise and begin a discussion. With fortress clients, you want to spend your time letting them know how you can help … not that you are capable of helping.

**Articles in Trade Press**

Writing for client oriented trade press can be a very effective means of displaying expertise and credibility, similar to the benefits expected from giving a speech at an industry conference. The article should be readable and have something special to communicate to the audience. It should relate to the current needs and problems in that industry. Well placed and timely articles can distinguish the firm from others in the profession and give prospects a reason to contact the firm.

An article can also be useful beyond the initial exposure obtained from its publication. It can be used as a marketing tool for years to come. Articles can be included in mailings, sent to prospects at the beginning of the sales cycle or handed out at meetings and seminars. Articles can be posted on the firm’s website for prospects to view and download. All of these uses of articles can help to establish an image of competence and expertise for the firm. Because few professionals write for the client press, this method can be a powerful way to differentiate the firm from others in the field. Writing articles is most effective in the empire strategy since it establishes expertise and reaches a wide audience. Writing articles is such a powerful tool in the empire strategy that firms doing empire marketing should consider writing at least one client oriented article per year (Maister 1993). A stream of new ideas can be displayed in the articles in order to demonstrate reasons why prospects should contact the firm.

Writing articles is far less effective under the
fortress strategy. Current clients of the firm may read the article and feel more loyalty towards the firm. However, current clients already believe in the competence of the firm and will not necessarily respond.

Direct Mail

Direct mail can be an efficient approach to staying in contact with prospects and clients because it does not require partner level involvement and can be handled by administrative staff. Under the fortress approach, new business and service opportunities are generated much more quickly and at far less cost from current clients and referral sources. If, for example, the firm sends these clients a mailing, they may read it the first time they get it. Because the goal is educating this group about the range of assistance that the firm can provide, they (or people they know) will contact the firm as opportunities arise.

Under the empire approach, the firm has a more difficult task to reach prospects. First, the mailing must convince prospects of the firm’s expertise, it still takes a lot of time to build a brand with someone who does not already know the firm (Chernatony and Segal-Horn 2006). A prospect may not pay enough attention to the first three or four mailings to even recognize the firm’s name and logo. After six or seven pieces, the name and logo might start to seem familiar to the prospect because he or she has seen it so many times. This recognition might induce the prospect to glance at the materials. By the eighth or ninth contact, the mailing will probably get a full reading—the review you would have likely received if you sent this piece to a client or referral source for the first time. The content of the direct mailing might help shorten this cycle. If what you send has value to the recipient, then there is a greater chance the piece will be read and acted upon. For example, proprietary research or an article of specific interest to the prospect may be useful enough to get a reading and a response early on.

Advertising

Traditionally, advertising has not been a preferred method of marketing professional services. Until the late 1970’s, some professions discouraged advertising (Markham, Cangelosi, and Carson 2005.) Although the official position for most professions is to allow advertising, many feel that it is not an effective way to drive business. This may be partly due to the difficulty of quantifying the results of advertising spending. Because advertising is a one way communication that is placed in print or broadcast media, there is usually no way to be sure how many people received the message and what impact the message had on the recipient. In other words, the firm has spent money on advertising but has no easy way of receiving feedback or measuring results.

Another concern is finding the right publication or broadcast opportunity. For maximum effectiveness, the advertising should be placed in media that is targeted at the clients most in need of the firm’s services. Mass market vehicles such as newspapers are often very expensive and are not focused on the specific audience that may need the service offered by the firm. One exception to this observation is the success plaintiffs’ attorneys have experienced advertising to the public at large. (Wick, 2005). Even though these advertisements are aired on mass media, they are aimed at a specific audience, often those who have been injured at work or in car accidents.

Advertising must be specifically targeted to the
audience in need of the expertise that the firm is offering. Industry oriented publications may be useful in reaching this type of audience. Typically these publications are less expensive than mass media and the firm can get specific information about the size and composition of the readership. While advertising may result in some new business, it is often thought to be primarily a brand building tool (Graham, 2000). Hiring a professional to help manage your financial, legal, health and other critical life matters is considered by most to be of higher risk than many purchases (Murray and Schlacter, 1990). Blindly choosing someone from an advertisement is often considered too uncertain of a proposition.

If the firm chooses to advertise, it should create messages that reflect the prospects viewpoint. Unless the message is reflective of the reader’s specific needs it will not be effective. One technique is to include a call to action or an offer in every advertisement. The offer could be for an informative article or pamphlet that is directly relevant to the prospects needs. Those who request a copy of the article or pamphlet have identified themselves as prospects. This also provides a means to measure the effectiveness of a particular advertisement and publication. Since advertising is aimed at a wide audience rather than the existing clients of the firm, it is best suited to the empire approach to marketing. It is a way to build brand identity and to identify prospects. It would be a waste of money for a firm using a fortress strategy (Jensen, 2005).

Conclusion

By incorporating and utilizing the approach best suited to the services and segmented client bases of the firm, many benefits can be achieved. The firm improves the ability to plan because each strategy has nuances and market reactions that can be anticipated. The firm should be able to more consistently send messages that will motivate clients and prospects to action. Correctly using the fortress and empire strategies will enhance client satisfaction and enable the firm to accomplish all of the above more efficiently and economically than evolving without the use of this framework. Once a firm has a fortress that is protected, it is the right time for some well-planned, strategically initiated empire building.

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