7 Winning Practices of Top Commercial Building Firms

Growth and Relationship Management for Accelerated Firm Growth
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Within the booming Architectural, Engineering, and Construction (AEC) industries, there are always leaders. And then, there are followers. The winning firms in this environment have embraced a smarter way of managing their business pipeline.

They have mastered a new management approach for optimal growth and profitability — from how they leverage their existing connections and partnerships, and how they bid on projects, to proposal management and project integration. We call this Growth and Relationship Management.

The best practices that these winning firms have adopted are based on solid Growth and Relationship Management principles, which makes them 50% more effective than their peers in managing and closing new business. These firms are accelerating above the overall growth trend by speeding up the right types of business practices and projects.

We at Cosential have developed our expertise in these principles over 20 years of working with over 1,000 commercial Architectural, Engineering, and Construction leaders, and are fortunate enough to claim some of these leaders as our clients, including Skanska USA, KCI Technologies, Robins & Morton, and JE Dunn Construction.

The principles and best practices of these highly successful firms can be summarized as follows:

- **Leverage your most fruitful relationships:** They have clear insights into which relationships have been most fruitful and are associated with highly profitable projects.

- **Have data-driven insights on winning projects:** They can clearly see which projects have been and will be the winners before they even start the proposal process. This enables them to win bigger and faster, and more profitably, because they know where to focus.

- **Safeguard your business development assets:** They consolidate and retain all of their new business pipeline knowledge so it doesn’t walk out when key employees leave with their Rolodex and relationships.

- **Prepare winning proposals with speed:** They prepare high-quality, professional, and winning proposals with speed and accuracy that wow their customers.

- **Know your partners and suppliers:** They know which suppliers to trust and which to avoid in the future, and which ones can drive higher margins today and tomorrow.

- **Enable and engage your business development staff:** They keep all of their key people engaged and enabled, from their business development leaders to their marketing and proposal management staff.

- **Use the right technology-enabled tools for the job:** They use the latest solutions in customer relationship management (CRM) and marketing outreach automation to keep their firms top-of-mind and next in line for the next right project and opportunity.
If you’re wondering how your firm stacks up against these winners, or whether your firm is deploying the right Growth and Relationship Management principles in practice, consider these questions:

• Is our firm’s current sales and marketing process designed to maximize profits long-term?
• Are we bidding on and winning the right projects, versus chasing down too many opportunities with slimmer profit margins?
• Do we know exactly which types of projects we are likely to win and whether they are the most profitable?
• Do we have visibility at our fingertips into the key relationships that fuel even more successful deals?
• Does our firm have one source of truth for all contacts and relationships over our history or do we have multiple, disparate systems, a generic CRM (or none at all) and unsatisfactory processes?
• Are our teams struggling every time we need to prepare a new proposal or are our marketers and business development people truly enabled to deliver winning proposals with speed and accuracy?

If you’re hesitating in answering any of these questions, we are here to share our knowledge of what makes Architectural, Engineering, and Construction firms successful.

7 Winning Habits of Leaders in Architectural, Engineering and Construction

WINNING HABIT 1
Leverage Your Relationships

It’s no secret to anyone that our industry is built on a complex web of relationships. In fact, an average size AEC firm has hundreds of relationships. Winning leaders know that:

✔ Knowing, maintaining and smartly leveraging your relationships with many partners, subs and customers is key to your accelerated growth

✔ Leveraging relationships is based on having all project relationships, their history, and dependencies in one place to have deep visibility and insight in a single place

✔ As relationships are one of your firm’s most valuable assets, analyzing, visualizing, and charting them is a key growth and profitability-enabling capability

✔ Maintaining and nurturing those relationships through business development outreach at the right times via well-timed marketing communications is how today’s leaders fuel accelerated growth
WINNING HABIT 2
Use Data-Driven Insights About Winning Projects

A shortage of skilled labor is currently driving AEC firms, and especially commercial contractors, to turn down projects. With demand so high, how do you ensure you go for and win the right projects and turn down the ones that won't be winners? Additionally, if 30% of today's leaders expect an increase in profit margins, what do they know that the followers don't? How come 70% of firms are not counting on better margins despite the red hot market?

- It is not a secret that construction firms' operating margins have historically hovered between 5%-7%.
- Architecture and Engineering firm margins have fluctuated between 9% and 15% (Source: Building Design & Construction Magazine). For most, it is a delicate balancing act between top-level profitability and being close to breaking even. Knowing which projects to go after and winning them can bump your margins by several points.
- Another lesser known fact is that it is during boom times and expansion cycles, not during recessions, that the majority of commercial contractors go bankrupt as a result of over-expansion and chasing the wrong opportunities.
- Historical project and supplier information and the ability to drive growth and profit-driven insights is how today's leaders tip that balance in their favor: They know which projects they are most likely to win, what drives sustained and scalable success, and how to focus their team's efforts to accelerate growth, margins, and market leadership.

PRO TIP
Winning firms leverage their insights to be months ahead of the game. Ask yourself:

- Can you make the connections between your winning projects and how you got them?
- Do you know where your next big project is going to come from? Can you predict it?
- Do you know which units will suffer next year or in a slowdown?
WINNING HABIT 3
Safeguard Your Business Development Assets

The average revenue backlog in commercial construction is now 10.3 months (9 months in Q2 2019), almost a year out in the pipeline. While business may be great now, it is not all smooth sailing: More competition for the best resources can quickly result in higher-than-expected employee turnover.

- Don't wait until it is too late. You don’t need to wonder what happens when your best talent starts looking or crosses the fence over to your competition, or worry if the knowledge and relationships of your firm can walk out the door tomorrow.

- Having a complete, rich and deep database of all relationships, contacts, history of communications, and work completed across projects and partnerships can shield you against the pressures. In fact, it has shielded today’s market leaders who claim their rich firm’s history as their winning treasure chest today and in the future.

WINNING HABIT 4
Deliver Winning Proposals with Speed and Efficiency

While pipelines may be strong today, winning firms are not counting only on the good times to keep their business running fast. They know the time is now to build acceleration across all of their key business functions, especially business development and marketing.

- Those leaders have the foresight to build their luck in times when they can afford it - during a booming economy. Rather than viewing their marketing departments as support functions, they invest in them to wow the right customers, and build the business shield for the future.

- You won’t see chaos in their business development processes or marketing people desperately trying to tie up many loose ends in proposal preparation. These winning firms run their new business processes like clockwork: Not only do they have the right information at the fingertips of their strategic proposal development teams, they also use the latest tools in creating project proposals that delight.

- These teams don’t need to source the same information within their organization every time they need to develop new proposals. They move with the speed, efficiency, and elegance of a modern, agile delivery system.

- These winning firms have ingrained agile processes, and have adopted the latest tools so that they beat their competition with incredible speed and efficiency - 50% faster than the rest.

This is the time to bring not only order and control to your processes and put an end to the business development chaos and rushed proposal submission workflows: This is the time to shine and build for the future.
WINNING HABIT 5
Harness Your Most Valuable Partners and Suppliers

We know: You have to bring multiple partners and suppliers into the bidding and estimation processes. You may know some of the ones who you can trust to deliver the quality work your firm stands for. But you don’t know them all. And rather than counting on anecdotal knowledge and hard-to-vet past performance, what if you didn’t have to go into your next proposal with partial, incomplete or sub-par knowledge? What if there was a better way for you to make the right calls and bring the right partners and subs to every project?

• Those who lead know. They know all their projects and suppliers, and know how each project phase, delivery or deadline was addressed, and whether it was on time and within budget. They know the profitability of each stage and each relationship. Imagine the power of having all of your historical project and partner data at a few clicks of a mouse. What decisions will you make then?

• What if you can reciprocate with ease and tell which of your partners have brought your firm into other deals or have helped you win successful projects? How much stronger would your ecosystem be? How unbeatable and unstoppable would your salesforce be?

• Leading firms not only have full insights into their partners and suppliers — they leverage them for accelerated growth and profitability. You can too.

WINNING HABIT 6
Enable and Empower Your Business Development Staff

Maybe your leads are not weak, but it is no secret that boom or bust, your sales and marketing folks are always under pressure. It is one thing to say you value them, but it is another to show it.

• Great leaders know that you can’t just demand that your top salespeople simply share their rich network of relationships. They know they need to incentivize them.

• The best incentive is when you can offer them something they value in exchange - the rich and deep connections of their fellow sales winners.

• They make the entire sales history - all contractors and subs, their past performance, projects and portfolios, their unique areas of expertise, and their unique capabilities - available at every salesperson’s fingertips (in the office and on the go).

• Winning firms have equipped their business development staff with the data, tools, and systems to accelerate efficiencies in their business development and marketing processes and keep their best highly satisfied, appreciated and empowered.
WINNING HABIT 7
Use the Right Purpose-Built Tech Tools for the Job

More than 25% of AEC firms now use technology to gain a competitive advantage in Business Development and Marketing. Thus, the smart ones, those ahead of their peer pack, know to use the right tools for every job.

• Their data is not spread out across multiple systems: CRM, ERP, project management, proposal databases, or proposal management tools. It is expensive and inefficient to have these multiple tools in place, and most were not built with our industry in mind.

• They know that general-purpose systems were built to support product and not project sales. Today’s leaders have zeroed in on and use purpose-built technology solutions that address the complexities of project sales and the intricacies of relationship management.

• These solutions accelerate growth and profitability, and embrace the best in Growth and Relationship Management best practices which are tailor-made for Architectural, Engineering, and Construction winners.

Adopting and following the 7 winning habits of AEC leaders detailed in this executive brief has delivered unrivaled results for today’s winners.

Is your firm on the accelerated path to joining the winner ranks?

How Cosential Can Help Your Firm Win Today and Tomorrow

Built by architectural, engineers and construction practitioners, for the last 20 years, Cosential has been on a mission to empower Architectural, Engineering, and Construction firms to be rivaled and revered. The company’s technology solutions are built around one key insight: Our industry runs on projects and relationships. Cosential delivers solutions tailored to the industry that equip owners, executives, and business development and marketing teams to win right and fast, and drive accelerated profitability.

Connect with us today to learn how Cosential can accelerate your growth and profitability.

Request a consult with one of our industry consultants.
ACCELERATE GROWTH AND PROFITABILITY

Cosential enables Architectural, Engineering, and Construction firms to increase revenue while decreasing the cost of winning new business, with Growth and Relationship Management software and services that bring order, control, speed, and efficiency to business development and marketing processes.

As the leader in Growth and Relationship Management software for the Architectural, Engineering, and Construction (AEC) industry, for 20+ years we have helped 1,000+ AEC firms increase annual revenue and increase productivity in key business development processes by up to 50%.

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