



Specialize Your Business

Specializing solves a host of business problems from ineffective marketing to employee turnover. If you're a generalizer, use what you already know about your business to discover your niche. - by David A. Wood

Should your design firm specialize or generalize? The management and financial strategies are pretty similar for both. But generalists apply a broad range of skill sets to work they do for a wide variety of clients. Conversely, specialists focus on specific types of projects, industries or audiences. Then they weave their knowledge—about the client, industry or audience—and skill sets together to provide a specific service to a targeted market segment.

Specialists are growing in number and gaining prominence within market segments. Worldwide commerce has witnessed a gravitational pull away from mass-marketing goods and services and a push toward micromarketing. The same trend is affecting design firms, resulting in a greater focus on specialization. But generalizing might be the first step to discovering the industry or design discipline in which you should specialize.

Why Generalizing Doesn't Work

To be successful, you have to forget working for everyone. All firms need to discover what they do best and then market to a group of prospects who place a high value on what they do. Too many firms work for anyone they can bring in the door. These generalists are destined to be the minor players in the market, always

struggling to find the next client and then trying to make a decent profit.

From working as a business coach for the marketing communications industry, I've recognized that generalists tend to have the following business problems:

Excessive client turnover. Generalists have to constantly seek new clients while trying to retain current business. They attract the usual and ordinary assignments. But when clients need something extraordinary, they seem to seek out specialists with focused expertise.

Underpaid and unhappy. Many times staff is junior-grade and inexperienced. Why? Because lower gross profits for the firm translate into less money available to pay higher salaries and employ more experienced people.

Clients who view what we do as a commodity. Generalists lose business because their clients often try to do design work themselves. They seem to discount completely the cerebral part of great design. Clients think that if they have the software, they can do the work.

Why Specializing Does Work

One of the big objections to specializing is the assumption that specialists lack the variety of work that generalists enjoy. But being a specialist doesn't mean doing the same types of projects over and over. Specialists use their niche, be it a type of design, a specific industry or both, to reel in the majority of their clients. Then those clients need other services, which the specialists often provide as well. When a design

specialist knows a client's business inside and out, the firm's design-consulting skills translate to all areas of that business.

Combining a specific set of competencies with a focused niche of clients is the secret to specialization. Clients are all basically selfish and don't want to waste time teaching someone about their businesses. Therefore, the specialist, someone who knows a client's business or how to get a specific job done without wasting time and materials, is a more valued partner.

Specialization doesn't always mean exclusively designing logos or annual reports. It usually means handling all kinds of projects for one or a few specific industries. For other firms, specialization means focusing on an array of services for one highly specific market.

Why You Should Specialize

There isn't a magic formula you can use to determine whether you should specialize. It's less complex than that: Just do it! Take a look at the market, evaluate your core competencies and then stick to your decision. Walk away from all those "opportunities" that are outside your specialty. You can survive—maybe even do well—as a generalist. But you'll do better as a specialist.

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