



Kepner-Tregoe

Aligning marketing strategies with culture

The "Practical Results through Process" culture

The story about management consulting firm Kepner-Tregoe serves as the first case of three about the competency of aligning marketing strategies with culture. It offers a compelling example of a firm that dug deep below the surface of its academic credentials, professional experience and collective intellectual capital to align its marketing strategies with its "practical results" culture.

Since the very beginnings of what we now recognize as the professional service arena, practitioners have struggled with the question of how much to "show" their intellectual capital. It's the age-old professional service marketing paradox: Should we give away some of our knowledge before we ask clients to buy? Should we talk about our methodologies when we write articles or make speeches? Will our competitors steal our knowledge?

Some professional service firms never clearly answer this question. Others blow hot and cold on it, depending on the economy or their leadership's opinion. In the case of Kepner-Tregoe, however, this is a question that has a clear, culture-based answer: "Let's communicate our processes to as wide an audience as possible. And let's make them as practically applicable as we possibly can." It's one of the cultural platforms upon which Kepner-Tregoe has effectively competed.

The Kepner-Tregoe Story: Context and Background

In the mid-1950s, Chuck Kepner and Ben Tregoe, conducting research for the Rand Corporation in California, found that an individual's successful decision-making did not result from his or her reliance on experience or seniority. Instead, it resulted from employing a logical process of gathering, organizing and analyzing information to support that "gut feel" or experience. In 1958, from these findings, Drs. Kepner and Tregoe developed a rational set of problem-solving and decision-making processes, and offered them as their newly-formed firm's proprietary method to help clients effectively manage their organizations. Now a (US) \$40 million global firm with 200 professionals in 22 offices worldwide, 12 of which are wholly owned subsidiaries, the firm specializes

in strategic and operational decision making. Using its proprietary processes, Kepner-Tregoe helps clients examine their businesses in depth, formulate a vision for the future, and equip their people with the skills necessary to make it happen. It serves clients on five continents and in just about every industry.

All along, Kepner-Tregoe has made the company's culture the cornerstone of its interface with the marketplace. It has intentionally aligned its culture with its go-to-market strategies. "Our commitment to share our knowledge to help clients improve their effectiveness was – and still is -- a conscious, strategic choice," said Kepner-Tregoe executive vice president William Shine. "Chuck and Ben's founding principles now pervade all of our internal and external initiatives." These principles include:

1. *Process is as important as content.* Consultants at Kepner-Tregoe acknowledge the significance of having reams of information or deep-bench experience or unparalleled expertise. Indeed, the firm conducts numerous cutting-edge research initiatives. But, they argue, if you have a flawed process, you will get a bad result.
2. *"Enable" instead of "do."* "This is at the root of our culture," remarked Shine. "We believe it is far better to teach people how to fish than to catch the fish for them."
3. *Produce practical results.* Kepner-Tregoe consultants have long maintained that the training and development industry was content to settle for simply increasing people's awareness, with the expectation that a change in behavior would be forthcoming. But improved awareness and even a deeper level of skill proficiency was not enough. They believed that the Kepner-Tregoe methodologies had to demonstrate a noticeable, measurable result – and do so quickly. This emphasis on practical application serves as the third leg of Kepner-Tregoe's cultural approach to its marketplace.

The "Practical Results Through Process" Firm

In discussing the idea that a firm could align its marketing strategies with its culture, it's important to remember that the concept requires a firm to first comprehend the central aspect of its own cultural vein, and then, beyond these, to deliberately use it as a marketing strategy to build a competitive advantage.

From a number of overarching principles set forth by its founders, Kepner-Tregoe successfully drilled down to a simple and powerful cultural core. It is a "Practical Results Through Process" firm. It believes in transferring critical thinking processes to help clients solve their own problems, make important decisions and achieve optimal results. This notion became the firm's true cultural foundation. Everything Kepner-

Tregoe says and does in its marketplace and in its competitive strategies is intentionally designed to mesh with this "Practical Results Through Process" persona.

Here's how it manifests:

- *Service portfolio.* Kepner-Tregoe's long-time services and new offerings are all built from its founding mantras. "Enable." "Think clearly." "Process, not content." "Problem solving." "Actionable Results." An early example is Kepner-Tregoe's origination of the "Train the trainer" methodology, which it packaged and offered in workshops worldwide. Another example is the firm's development of operational improvement services for clients globally. For example, Kepner-Tregoe's approach to cost and complexity reduction is not the typical, "Let's show you how to reduce head count and inventory" consulting intervention. The company works in partnership with clients to understand the cost basis for the business, then shares a "True-Cost" process with them, and then works along side managers while they implement the process. Still another example is E-Think™, Kepner-Tregoe's new process-support software. The firm continues to develop and roll out services that mesh with its "Practical Results" culture.
- *Targeting.* By hewing to its most critical and central cultural theme, Kepner-Tregoe is able to concentrate on targeted clients whose business challenges match the firm's "Practical Results Through Process" cultural bent. "Our processes transcend any vertical market," Shine recalled. "Nevertheless, we maintain a special focus on industries in which we can help produce significant, practical results. For example, we approach healthcare and pharmaceutical markets, where the research and development and deployment of new products are especially important -- and where we have a track record of producing major bottom-line results." This is a classic segmentation strategy, but done with a cultural foundation, rather than a narrow exercise of matching up a firm's services to its market's demand.
- *Client satisfaction.* Kepner-Tregoe intentionally uses its culture in its approach to client satisfaction. In delivering its client training sessions, for example, the firm creates actionable solutions in real time, right there in the session. Clients love it. They come away from the sessions with a real sense that they have received value. For its marketing workshops or speeches for prospective clients, Kepner-Tregoe transfers its knowledge right away. It explains its methodologies up front, rather than cryptically tiptoeing through a jungle of jargon and consultant-speak. Its consultants do not fear giving away too much. The firm's prospects find this approach very attractive; they begin getting a sense of Kepner-Tregoe's cultural foundation even before they formally engage the firm. This ethos of

delivering real-time client satisfaction in fact helps Kepner-Tregoe successfully differentiate itself from others.

- *Promotion and business development.* Kepner-Tregoe also effectively implements a culturally-aligned system for marketing and selling. “We have identified market teams that each contain three types of people: a relationship manager, a process engineer (the expert of the particular methodology), and a content expert (the authority in a particular subject),” reported Shine. “These three types of people work in tandem to market and promote our firm, and to develop new client opportunities.” The configuration of these teams and the way they work together is a highly effective demonstration of the firm’s “Practical Results Through Process” ideology. Imagine the panoply of marketing or business development situations these folks might face: a Q&A session, a speech, an article for a trade journal, or a proposal to a new prospect. No matter. Kepner-Tregoe professionals dedicate themselves to deliver real-time process-driven solutions that have immediate application for the recipient’s effective use. “For example, at an invitational breakfast we may posit a critical question around a particular thinking process,” Shine recounted. “Take decision-making as an example. With clients, we might ask: ‘What does it really take to drive effective decision-making processes throughout an organization?’ Our aim is to probe issues relating to strategy, structure, systems, capabilities, and culture — and not just training. The content of the breakfast is about using process to effect results. Together we arrive at the answer.”
- *Marketing Communications.* The content, the usability and the visual presentation of Kepner-Tregoe’s promotional material and research reports are all focused on results-oriented critical thinking skills. An example is the firm’s report, “Decision Making in the Digital Age: Challenges and Responses,” published in June 2000. The report provided an in-depth assessment of decision-making trends based on a national survey of almost 900 managers and workers, along with best practices and quantitative research on ten major business organizations.
- *Web Site.* Its web site, www.kepner-tregoe.com, also follows the “Practical Results Through Process” guidelines. “We worked to make the web site as client-focused as possible,” said Shine. “We envisioned how to enable knowledge transfer and how we would deliver practical results on the web site. Then we built it to do so.” For example, Kepner-Tregoe’s web site enables easy retrieval of past articles from the firm’s publication, *Forum*. Another example of this practicality is the inclusion of clear explanations of the firm’s “Rational Process” method and “Five-Phase Strategy” model. Additional links are offered in a logical arrangement and a simple visual presentation.

- *Service delivery.* Shine reported, "We have created a blended learning environment, a coaching model where remote individuals throughout the country can get real-time advice." Essentially, the Kepner-Tregoe blended-learning model involves a unique combination of web based, self-paced training under the watchful eye of an on-line coach, with instructor-facilitated, hands-on skill transfer and application coaching in a classroom setting.
- *Recruiting.* Kepner-Tregoe believes that a firm's talent is an integral part of its marketplace strategy. It makes a special effort to align its recruiting with its culture and ideology. "We don't recruit on industry expertise. It's not that important," said Shine. "We look for people with past business experience, and we rarely hire freshly-minted MBAs." The firm also tests potential hires on analytical skills, rational thinking skills, process experience and client orientation.

The Ties that Bind

Kepner-Tregoe's example of intentionally using its main cultural norm to guide its marketing strategies is a strong one. Sometimes, however, the unconscious and inflexible application of cultural structures can be a hindrance to achieving marketplace goals. Kepner-Tregoe's example also serves here. It is an effective illustration of how tightly aligning marketing strategies to a culture leaves little room for making appropriate market-focused adjustments. Bill Shine explained: "With a culture that reveres process and focuses on doing things *right*, we found ourselves in a somewhat risk-averse mode. Our notion of producing real quality for clients has not actively hurt us, but, I believe, almost encouraged us to adopt unambitious growth goals. We're working to morph our culture to be more mistake-tolerant, more flexible."

But this doesn't mean the firm has left behind the strong norms that it established; rather, it is updating them to fit with a changing business environment. Shine gave examples of the firm's work to make its web site become even more practically applicable. For example, by early 2003 it plans to debut its new web site that will feature a processes-with-results array of client war stories, anecdote and case studies.

THE RESULTS

Kepner-Tregoe's work is recognized globally as being at the forefront of organizational design, research, and practice. As the first firm to focus on the critical need for training in problem solving and decision making, it is today an undisputed leader in the training industry. It has moved well beyond training in problem solving and decision making, though, to include process consulting and organizational development in areas ranging from strategy formulation and implementation to cost management. Kepner-Tregoe has developed processes that are used by millions of employees and managers around

the world. Kepner-Tregoe enjoys an almost 75 percent retention rate among current clients. Its list of international clients that have been with Kepner-Tregoe for more than 20 years includes such companies as Fuji Photo, Hewlett-Packard, Honda, Kimberly-Clark, Procter & Gamble and Xerox.