

# Lessons from Netflix's Business Model for Professional Services Companies

I may have been a bit bleary-eyed last week as Netflix fulfilled a dream of mine by resurrecting *Arrested Development* and gave me 15 episodes to gorge on at once. (Thankfully, they released them over the Memorial Day holiday so I had some extra time to enjoy and recover.) I've been a huge fan of Netflix since it was discs only. Beyond having content I really enjoy, the entertainment service is a forward-thinking, paradigm shifting company (see Blockbuster and, increasingly, cable). Professional services companies can learn from its anywhere-anytime approach. Here are a few lessons:

**1. Accessibility** – Netflix is device agnostic, meaning they will customize their streaming service to just about any computer, phone, tablet and maybe even watch (if we get there). The goal is **strategic**, they want you to value the portability and flexibility of the service – whether sitting in a park with Wi-Fi watching on a phone or cooking in the kitchen with an iPad propped up. Professional services firms need to consider how their communications are formatted. Websites need to convert well to mobile devices. At times dedicated apps make sense. When it comes to strategic communicating, the goal should be to have a tailored presence on every major channel, and this means Facebook pages, Twitter feeds, LinkedIn company pages and Google Plus pages too.

**2. Content is King** – Netflix spends billions of dollars to acquire the rights to re-runs of high quality programming and, now, to create its own original titles. While a law or accounting firm will not be looking to pay millions to stream *Law and Order*, they should be bearing this concept in mind when debating the merit of devoting a portion of billable time to marketing efforts, such as byline article writing.

**3. Content Diversity Casts a Wide Net** – Netflix has everything from *Cheers* to *Sesame Street* to *Frontline* available on demand. It is acutely aware of its position as an aggregator of niche audiences. Professional service firms, through vehicles such as blogs, videos, podcasts and email alerts, can engage their disparate client bases. One size simply does not fit all, and an approach or voice for one practice might not work for another.

**4. Use Your Data** – The first three points all depend on actively employing what Netflix does best – understanding the river of data that its customers create every day. Netflix knows what you are watching and tailors programming for larger audiences (*House of Cards*) and individual suggestions for users. Professional service firms frequently fail to delve into how effective their communications actually are in terms of objective benchmarks. Knowing that a client e-alert was sent to X number of individuals is as effective as saying that a newspaper reached a circulation of Y. It says nothing about who actually read, opened and took an action based on the information. By marrying tools like Google Analytics (free) and Google AdWords (low cost), you can set up a funnel to show how many people opened an email announcing an event and actually signed up.

Now, if you will excuse me, I have a season finale to watch!