Harvard Business Review

Sales And Marketing

What Today's Rainmakers Do Differently

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From the Magazine (November–December 2023)

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Summary. As "doer-sellers," professional services partners are responsible for not just delivering services but also the entire business-development process. As "rainmakers," they must build awareness of their expertise in the market to generate demand, identify and… **more**

The self-evaluation memo is an annual ritual at global law firm Baker McKenzie. At most firms, year-end self-appraisals consist of fee earners' perspectives on their own performance, but Baker McKenzie does things differently. It asks its partners to not just report on their own accomplishments but also point to specific instances in which they've successfully collaborated with colleagues—by, for example, introducing other partners with different areas of expertise to their clients. The firm expects its partners to expose clients to its broad array of services and to build new relationships—and in the process increase revenue. "Collaboration is crucial for Baker McKenzie," says Colin Murray, the firm's North America chief executive officer.

Because the partners know they will be asked to provide examples of collaboration in their year-end memos, they have an incentive to work with other lawyers across the firm throughout the year. Since switching to a collaborative approach six years ago, Baker North America has increased its revenue more than 40%.

Much research has been conducted to determine what makes top salespeople at B2B companies perform better than their peers. (See, for example, "The End of Solution Sales," HBR, July–August 2012.) But little has been done on professional services firms, which have a unique go-to-market model in the B2B landscape. At most B2B companies, demand generation, sales, product delivery, customer success, and account management are discrete functions and tasks. But at professional services firms, partners are responsible for doing all of them. While most professional services firms have business-development support teams, the partners are "doer-sellers" and own the entire business-development and service-delivery life cycle. As "rainmakers," they must build awareness of their expertise in the market to generate demand, identify and close new client business, deliver the work, and then renew and expand the relationship over time.

For partners, becoming an effective business developer has long revolved around a central tenet: If you do good work and develop a strong relationship with your clients, they will come back to you the next time a need arises. But there is a growing problem with this belief—one that is rarely discussed openly. Clients—even long-standing ones for whom firms have delivered unquestioned value—are much less loyal than they once were. A survey we conducted of roughly 100 C-level executives revealed that as recently as five years ago, 76% of buyers preferred to buy again from partners or firms they had used in the past. Today, that figure is down to 53%—and over the next five years, it is expected to drop to 37%. So-called soft-spend categories such as management consulting, legal services, accounting, investment banking, PR, and executive search—once shielded by senior executives from formal procurement scrutiny—are now much more likely to be vetted as carefully as other spend categories. The result is that buyers are no longer defaulting to established relationships with premium-priced providers and now consider a range of alternative service providers, midtier players, and boutique firms. For their part, professional services firms report an increase in RFP-driven purchasing, a slowdown in repeat business from key clients, and pressure on rates, billable hours, and advisory fees. In this environment, the widening gap between high performers' and core performers' ability to bring in business is troubling and has increased the urgency to understand what the best rainmakers do differently.

In collaboration with Intapp, a cloud software provider to professional services firms and a sponsor of the research, our team conducted a global study of nearly 1,800 partners from across 23 firms to identify how they approach business development. The in-depth survey collected data on partners' business-development preferences, behaviors, time allocation, and use of firm resources. In all, we evaluated more than 108 attributes for their impact on performance.

We also asked firm leaders to rate partners' business-development performance using a standard five-dimension scale. We then performed two types of statistical analysis on the data: regression (which looks at the impact of discrete variables on performance) and factor analysis (which looks at how variables group together into different business-development approaches). Our model included control variables to ensure that the findings were generalizable across the professional services industry. In addition, we conducted hour-long behavioral interviews with more than 80 top performers from across our sample population and 40 C-level executives from participating firms' client bases.

Our analysis revealed five distinct profiles that define how professional services partners approach business development. Overall, the profiles are equally represented across the firms we studied, but their relative performance is anything but equal. We found that four of the five (representing 78% of the partners in our study) are negatively correlated with performance. Only one—the Activator—shows a positive impact on performance and revenue. The Activator approach consists of three key behaviors: committing to business development, connecting with clients and colleagues, and creating value through collaboration.

The Profiles at a Glance

Five distinctive profiles characterize partners at professional services firms. Although an individual may exhibit traits from several different profiles, one will be dominant.

In this article, we examine what makes the Activator approach so effective for professional services firms. We then detail the key characteristics of Activators and provide guidance on what firms can do to help every partner become an Activator.

The Five Business-Development Profiles

In accordance with decades of management guidance, professional services firms typically direct partners to pursue the appealing but ambiguous objective of building a competitive "moat" around their clients, which boxes out rivals and keeps clients coming back again and again. But rather than prescribing a preferred approach for doing so, firms tend to make business development a "choose your own adventure" for their client-facing partners. That's perhaps why we find the relatively even distribution of profiles across the professional services industry; at no firm do a majority of partners pursue the same approach. And while most of the partners in our study exhibited characteristics of more than one profile, each had a dominant one. Let's look at each profile in detail.

Experts are best described as reluctant business developers. They focus on burnishing their public reputations as deep subject-matter experts—often through publishing, speaking, thought leadership, and so on—and assume that clients will seek them out for their services. Their business development consists primarily of responding to inbound demand from clients whose needs match their skill set and who already have a budget set aside. Much of their work comes from requests for proposals and competitive pursuits or from providing expertise on other partners' projects.

Confidants are extremely client-centric, highly responsive, and focused on building a reputation for executing superior work. These partners rely on relationships with clients that date back to law school, business school, or previous jobs. Because of how much they've invested in building the relationships, they are quite protective of them internally. And having established a track record of excellent work, they expect clients to return to them automatically. Of all the partner profiles we identified, Confidants are closest to the classic "trusted adviser" model that is often held up as the gold standard in the industry.

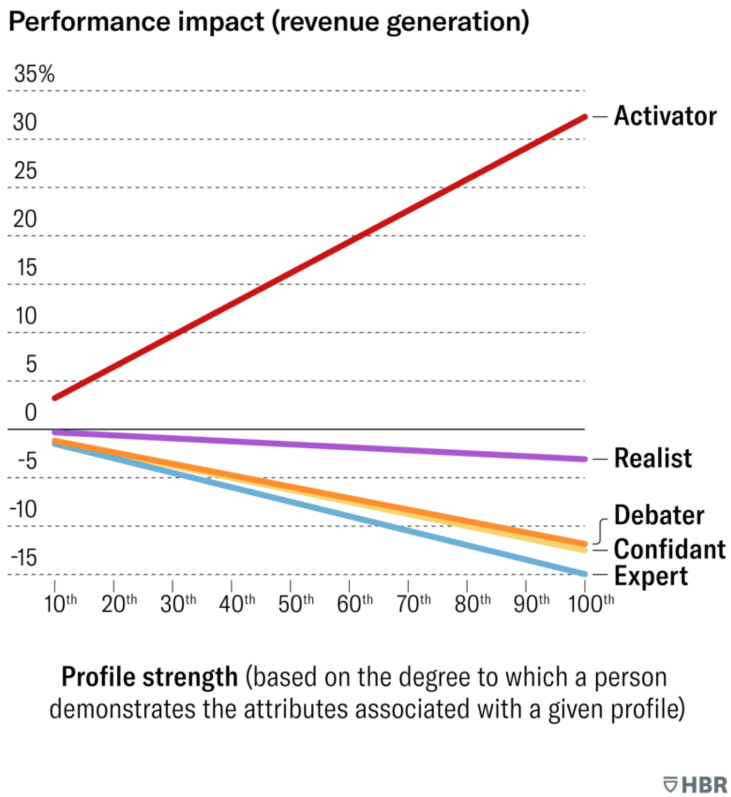
Debaters are contrarians who have strong opinions about how projects should be executed and are unafraid to share them, often pushing clients outside their comfort zones. They believe they know best and expect clients to follow their lead. Curiously, this posture is one that we've found in previous work to be highly correlated with strong performance in B2B sales. However, the relative underperformance of Debaters in professional services suggests that while this profile may be effective when selling products like software, it falls short when the person doing the selling *is* the product. As one C-level client told us, "I want the partners I work with to push my thinking. But if every time we sit down I'm being told I'm 'doing it wrong,' it just becomes mentally exhausting."

Realists pride themselves on their transparency and honesty with clients. In our survey of C-level buyers, only 10% of respondents said that their trust in partners and firms has increased over the past five years. In a market crowded with partners who overstate their experience and capabilities and frustrate clients with outsize invoices, Realists are completely transparent about what they can and can't deliver, what services will cost, and what the client should realistically expect in terms of outcomes and value. As such, they aim to avoid putting themselves in "no win" situations—for example, engagements that are unlikely to produce their intended results or work that can't be delivered on time or on budget. This approach is very effective in completing work that meets expectations, but Realists' "glass half empty" attitude can be off-putting for clients who prefer an aspirational approach.

Activators are network builders. They spend a significant portion of their business-development time identifying and engaging with prospective clients through tools such as LinkedIn and at industry and firm-sponsored events. Activators focus on establishing relationships across client functions and up and down the org chart. Their business-development approach tends to be proactive. They "harvest" business from their network—for example, reaching out to current and prospective clients when changes occur in the regulatory or economic environment. They also look for opportunities to introduce their clients to partners from other practice areas in their firm who they think can provide value. In our regression and analysis, the professionals who most strongly exhibited the behaviors that typify the Activator pattern had the most positive impact on revenue.

How the Profiles Affect Performance

This chart illustrates the effect on revenue when the average-performing partner leans harder into a particular profile. Moving from a weak to a strong demonstration of Activator skills results in a revenue-generation increase of up to 32%. The opposite is true for the other approaches, all of which are negatively correlated with performance. For example, a shift from weak to strong in the Expert profile results in a drop in revenue generation of up to 15%.



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The Activator Playbook

The Activator profile is characterized in large part by three key behaviors.

Committing to business development as a crucial part of the job. Activators understand that providing excellent service does not guarantee the next piece of work, so they carve out and protect time for business development. And they balance their efforts between growing existing client relationships and adding new clients to their roster.

Because partners in professional services firms are responsible for not just selling but also delivering the work, business development often gets crowded out by other tasks, especially when a partner doesn't have a natural bent toward it. Non-Activators spend 37% less time on business development than Activators do and report that they do business development only when time allows. Nearly 90% of Activators report that they reserve time for business development every week; only one-third of partners with other profiles report the same. And Activators balance client-facing business-development time in roughly equal portions between new and existing clients (22% new and 23% existing), whereas non-Activators, consistent with their belief that performing good work for clients will automatically lead to the next piece of business, dedicate nearly twice as much time to existing clients as to potential clients (32% existing and 17% new).

What Activators Do Well

These business-development behaviors can help you improve your performance.

Adam Ludwiczak, a partner at Marathon Capital, a financial services firm with a focus on renewable energy projects, told us that he maps out his business-development activities before the workweek begins. Every Sunday night, he writes three categories on a blank sheet of paper: client interactions, deal-specific action items, ways to engage prospects and clients. As he plans the week's business-development time, he uses that framework as a guide for whom to reach out to and for what reason. At the end of each day, he emails notes to his direct reports, who feed them into Marathon's CRM system. He tags relevant parties on opportunities so that team members can work together to keep the business-development pipeline moving.

Katie Vickery, a partner at the UK law firm Osborne Clarke, has a commitment to her business-development routine that has paid off handsomely. She told us that she spends half of every workday on business development. She posts on LinkedIn, likes or comments on others' posts, and keeps track of role changes and personal events. She reads as much as possible, scanning the news in search of valuable updates that she can send to clients. She also creates thought leadership videos: When inspiration strikes, she goes into Osborne Clarke's in-house studio, records a video in about 20 minutes, and posts it on LinkedIn. Her process nets her roughly one new business opportunity every two to three days.

Connecting with prospects, clients, and colleagues. Activators build robust networks of current and prospective clients, subject-matter experts, and others who can provide value. They use their networks to surface new business opportunities, turning contacts into clients. Activators do this not just for themselves but for their colleagues, connecting clients and prospects with other partners and practice areas within their firms.

Activators also build networks across client organizations rather than cultivate relationships only with top senior decision-makers. They operate under the assumption that no client relationship is "safe" and understand that senior executives are less likely than they were in the past to "put their thumb on the scale" for current professional services partners despite long-standing business and personal relationships. So they develop connections with team members across the client organization who, though they may not hold the purse strings, have influence over how decisions are made.

Non-Activators tend to focus narrowly on a small handful of key clients. They spend far less time on platforms like LinkedIn and are less purposeful in their use of firm events. A common behavior (particularly with Confidants and Experts) is to hoard their relationships and avoid introducing clients to colleagues in their firm. Client relationships are a zero-sum game for them: Bringing in a colleague would divert the client's attention away from them as the sole source of value. Worse, the colleague could destroy the hard-earned relationship by, for example, providing poor service. Only 29% of non-Activators frequently introduce clients to other colleagues in their firms—compared with 73% for Activators, who sell the collective “we” of their firms rather than just the “me” of their personal expertise.

Tobias Habermann mixes street photography with digital art in his project Clouds.

Tom Day, a partner at PA Consulting, took that approach with his team to create opportunities with a potential client at a consumer-packaged-goods (CPG) firm. Tom’s team realized that its CEO was active on LinkedIn and started responding to his posts. One day, the CEO liked a reply from one of the team members. In a follow-up post, the team invited the CEO to visit PA Consulting’s R&D lab. The CPG company’s head of innovation began following the thread; then she liked another post, and her team reached out to Tom’s to set up a visit to the lab. Thanks in part to those connections, the CPG firm engaged PA Consulting for a seven-figure deal, as well as two other large projects. “It’s about getting to the right people inside a monster of an organization,” he says. Had he pinged the CEO directly without help from his team, the effort would have likely gone unnoticed.

Kelly Kay, the global managing partner of the software practice at executive search firm Heidrick & Struggles, also believes in the value of connecting clients with other colleagues across the firm. For instance, if he’s speaking with a CEO who is considering forming an international leadership team, he will make an introduction to his international colleagues. Partners in many other firms don't do this because they don't trust one another or because their compensation plan doesn't incentivize the behavior. But Heidrick & Struggles encourages and rewards this kind of collaboration within the firm. Kelly says this philosophy has led to significant new business for Heidrick as well as for himself and his colleagues.

Searching for ways to create value. Activators help current and prospective clients by curating information (about regulatory changes, court rulings, economic indicators, news events, and so on) that they need to be aware of. Activators then proactively engage clients in conversations about potential issues and opportunities.

Even if opportunities for creating value fall outside their area of expertise, Activators do not shy away from engaging their clients. If they aren't best positioned to provide services, they connect clients with other partners in their firm or subject-matter experts within their networks. They work hard to avoid situations in which the client has already identified a need and is asking firms to compete for the business. Instead, Activators are forward-looking. They realize that even if some of this outreach doesn't translate into billable work in the short term, it lays the groundwork for engagements down the road.

Most partners strive to be highly responsive to client needs, which in business-development terms often means that they are reactive—typically waiting until a need is expressed before having a commercial conversation. Fully 73% of Activators prefer to proactively engage clients with an opportunity, compared with just 36% of non-Activators.

Eric Tresh, a partner at the law firm Eversheds Sutherland (a client of ours), spends most mornings reviewing recent tax-court decisions. He then identifies clients and prospects in his network for which the rulings present an opportunity or a threat. He drafts messages to his connections in those organizations and proposes that they meet to discuss the implications. He understands that his clients don't have time to monitor the tax courts in all the jurisdictions in which they operate, so he does it for them. He doesn't do empty check-ins: He sends a message only if he truly thinks it's a relevant development. His clients tell him that when they hear from him, they know it isn't spam and that he's got something of value for them.

Building a Team of Activators

Driving change in professional services firms is unlike driving change in a typical B2B company, where a chief sales or revenue officer can lay out a strategy, dictate a sales process, and require reps to adhere to the playbook. At professional services firms, partners are co-owners of the business, and their expertise is the very product the firm is selling. As a result, partners are often free to do what they please when it comes to business development.

Firms looking to cultivate an Activator approach need to therefore pursue a "push-pull" strategy. They should nudge partners toward Activator behaviors while making the approach the path of least resistance. To do so, firms should make investments in four key areas:

Training and coaching. McDermott Will & Emery has a unique approach to business development, a key component of which is a global training program for partners on managing their networks. Over the past five years, the firm has trained over 500 partners, resulting in stronger client relationships and helping increase firm revenue. The firm has grown from $800 million to $1.8 billion, making it the fastest-growing law firm in the United States.

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Eversheds Sutherland also provides business-development training for its fee earners. But unlike most firms, Eversheds starts the program at the associate level, several years before these professionals are even considered for partner. The program is taught by the firm's business-development team, allowing associates to forge stronger, more value-added relationships with that team's members—relationships that will really pay off when the associates make partner.

Hiring and partner selection. Traditionally, firms have focused on technical expertise, client impact, and book of business as the criteria for making partner-selection and hiring decisions. But our research suggests that other criteria should be emphasized as well—for instance, a candidate's proclivity for collaboration. This is particularly important for firms that use the hiring of competitors as a growth lever. Bringing in Confidants or Experts from other firms—even if they are proven rainmakers—can be a costly mistake if they refuse to collaborate or can't cultivate an Activator mindset.

For firms with a deficit of Activators, a smart way to deploy this scarce talent (until others can be hired or trained to be Activators) is to assign them to be relationship managers on the firm's largest and highest-potential client opportunities—something that a number of progressive organizations, like law firm Faegre Drinker, strive to do. While the other four partner profiles have certain strengths and can add to the diversity and impact of a client-facing team, firms would be well-advised to make sure the person running point for their largest clients fits the Activator mold.

Technology. Firms can significantly boost Activator behaviors by investing in technology. Generative AI, such as ChatGPT and Google Bard, can help partners surface client-relevant insights from massive amounts of publicly available information. CRM systems can prompt partners to proactively engage clients at certain time intervals or when client-related issues arise. Social platforms like LinkedIn help partners identify prospects with whom they should be connected. Internal social-networking tools, such as Slack and Microsoft Teams, help partners identify colleagues with whom they can collaborate.

Capstone Partners, one of the largest middle-market investment-banking firms in the United States, uses relationship intelligence software to reveal connections between partners and prospects. That firm uses the technology to apply relationship scores to colleagues, contacts, and clients, and based on that data it builds highly targeted buyer lists. This helps ensure effective outreach and streamlined communication between partners, clients, and prospects. The technology also enables bankers to quickly identify the right person to contact at each target company and to capture and track touchpoints and interactions with prospects, making lead-generation efforts more efficient.

Finnegan, a leading boutique intellectual-property law firm, leverages firmwide experience-management technology to capture deep insights into practices, industries, courts, judges, clients, court filings, and the varied technical experience of the firm's IP professionals. Using that catalog of the firm's collective work experience, technical expertise, and subject-matter profiles, partners can easily identify and spotlight the colleagues who bring the right skills, knowledge, and expertise to potential engagements, and thereby win more work from existing and new clients.

Incentives and rewards. Firms must reinforce the Activator behavior they wish to see replicated throughout the organization. Baker McKenzie's requirement that partners identify collaborations with colleagues as part of their compensation memos is one way to incentivize collaboration. McDermott Will & Emery encourages healthy competition among its partners by asking them to log at least two business-development activities a week. Qualifying activities are substantive in nature, such as attending a pitch meeting, networking with contacts at an event, and nonbillable sharing of insights or trends. Firm leaders recognize partners who demonstrate a steady commitment to developing business, and clients acknowledge the positive impact on their working relationships and support to their businesses.

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In a world in which clients are less loyal to professional services firms and strong relationships are no guarantee of getting the next piece of business, Activators build robust networks of clients, prospects, and colleagues. By being proactive in their business-development approach, they are far more likely to create demand rather than end up facing off against the competition.

A version of this article appeared in the November–December 2023 issue of *Harvard Business Review*.

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