Make it work and make it count

David Ackert and Gabriel Byberg discuss how firms can put in place successful business development training.

In this era of price-sensitive clientele and underwhelming profits, professional services firms struggle for meaningful competitive advantage and increased market share.

Conventional strategies yield underwhelming results: it is unclear whether mega firms are better off as a result of the many mergers of recent years. Plus, expensive lateral hires often fail to import their full books of business, and cross-selling continues to be challenged by firm politics and uncollaborative cultures.

One of the relatively untapped revenue-generating frontiers is to harness the business development potential of younger fee earners whose appetite for client development is considerably sharper than that of their baby boomer colleagues. This is partially due to the fact that they did not spend the majority of their careers in the 'boom years', when marketing was considered unseemly and the only skill a fee earner needed to succeed was technical skill.

By contrast, the generation X, Y and millennial fee earner is more entrepreneurial, more social and a little more worried about job security.

A sound argument can be made for firms to provide effective business development training. A law-school education, for example, rarely includes any training in sales, marketing or networking skills. As a result, in order for most firms to source and secure a sufficient number of new clients in today's business environment, the firms themselves must take on the responsibility for the instruction of these relationship-development attributes among their adviser ranks. To this end, business development training is an economic investment.

Many firms recognise this and implement a variety of business development training protocols including webinars, e-learning curricula, multi-tiered training programmes and ongoing business development coaching. However, based on a recent market-wide survey, law firms apply little formal scrutiny to ensure such training yields meaningful results.

At the associate level, evaluating the effectiveness of business development training programmes is particularly challenging given that associates typically do not originate many new matters. The most common approach taken by firms is to capture anecdotal feedback from the associate-trainees themselves, as well as a general observation of business development activity through prospective client lunches, articles and presentations.

According to a 2013 white paper, coaching facilitated by professional marketing staff is the most common format, with more than 71% of firms reporting its use, yet it ranks dead last in yielding positive return on investment (ROI). Though internal coaching may be the most cost-effective form of business development training for many firms to employ, the survey results suggest firms need to institute more processes and competencies for the investment into such coaching to yield dividends. For example, it is common for an in-house professional to provide coaching to a fee earner on an 'as-needed' basis without any processes in place to measure the efficacy of that coaching. Even a structured programme is typically assessed based on arbitrary indicators such as whether or not the fee earner 'liked it' or 'found it helpful'.

Programmes administered by outside parties, such as independent coaches, consultants, and trainers, were twice as likely to result in some sort of reported ROI. Obviously, it is in the outside party's interest to demonstrate that the firm's investment was justified, so outside consultants are more likely to establish benchmarks and/or follow-up mechanisms to measure ROI. While internally sourced programmes can be more costly in terms of 'soft costs', like the time required to implement them, there is less of an emphasis on a financial return on investment.

Mentoring programmes also rank relatively high in terms of ROI, but one must consider that, at most firms, politics make it difficult for a mentee to give overtly negative feedback to the senior partner to whom they are assigned. As one might expect, most of the reported ROI here is in the form of anecdotes rather than metrics.

On the surface, the struggle for firms to demonstrate ROI from their expenditures on business development training programmes might be equated with ineffective training, but that would be an unfair conclusion. The fact is that business development training, under the best of circumstances, is a difficult undertaking. Not all trainees are amenable and it can be challenging to assign tangible metrics to an educational experience in the hopes of translating it into a profitable business case. Rather than solve for these problems, most firms either ignore the training opportunity or they administer various ad-hoc programmes and resources with the hope that something sticks.

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Firms that tend to use less quantifiable metrics are bound to find themselves at a loss for meaningful ROI. Specifically, broad use of anecdotal evidence can produce particularly circumspect results in the form of both over- and understated returns.

Without best practices for training and outcomes, firms will continue to experience inefficient programmes that yield questionable returns to the firm. Anecdotal feedback may sustain an initiative, but it will not justify a profitable business case.

The following set of best practices can be used to increase ROI on business development training.

1 **Select willing participants**: Firm-wide initiatives that implement training for all fee earners within a particular practice area, group or level will inevitably yield poor results. No-one should be forced to learn how to develop business if it is not an area of genuine interest to them. Reserve training resources for those who will make good use of them.

2 **Define ROI**: When examining ROI, benefits must be compared to costs. Should it be determined that the benefits achieved are greater than the costs, a firm can assume a positive ROI. However, to ensure that the calculation of the costs truly reflects what the firm puts into the investment, considerations for time, opportunity costs and other 'soft' costs that are not readily quantifiable need to be assessed. Similarly, benefits should be calculated based on the measurable short-term gains as well as the projected long-term advantages. For example, an associate trainee may only bring in one small matter over the course of a given training programme, but her increased rainmaking potential will yield a far more meaningful gain to the firm in the years to come. The firm should weigh and prioritise each of these factors before initiating the training so that it can determine its criteria for ROI evaluation.

3 **Define metrics**: If the firm has a comprehensive system for assigning origination credit that includes prospecting, it should be easy to track the training's effectiveness. Otherwise, establish measurable indicators rather than rely only on anecdotal or 'feel good' evaluations. Indicators could include the capturing of such activities as launch new prospect relationships, write and publish an article or blog, receive an incoming referral or introduce a referral to a new contact.

4 **Use technology to capture metrics and confirm trainee engagement**: Whether metrics are tied to a client relationship management system or built into a third-party e-learning system, any number of performance tracking tools can provide firms with meaningful data capture so that they do not have to rely solely on the trainees' feedback.

If firms invested the same level of energy in their business development training as they do in lateral hires, attempted mergers and client events, they would begin to maximise their greatest untapped asset: tomorrow's rainmaker. While these burgeoning originators may not provide the same kind of short-term revenue as traditional pursuits, they will play a meaningful role in a firm's sustainability, especially when senior partners retire. As firms evolve, they will move beyond arbitrary, unstructured training initiatives and begin to learn what the rest of the corporate landscape has known for generations: there is nothing more important than an effective sales force.

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