

A new approach to measuring performance

John Timperley discusses how business development is now playing a part when evaluating non-marketers for performance, salary increases and promotion.



By John Timperley

We've been watching a new development gather momentum. It's hit the headlines in the legal sector and is being adopted by other professions too. It is the focus on the business development (BD) performance of associates, senior managers and managers, when evaluating their performance and eligibility for a salary increase, bonus or promotion.

NAVIGATING THE NEW TERRITORY

So what should an associate and senior associate be expected to do in relation to business development in order to progress within their firm and in their career? And how do you measure such performance in this field? Looking further up the scale, the same issues arise at fixed share partner level (what should success look like there?).

In the past some canny professionals were able to 'fudge' their BD progress in their annual appraisal. They were able to give little evidence to support their claims of success. To be fair, some were asked to deliver against 'soft' and difficult to measure objectives in the first place. Now, however,

more explicit expectations of business development are emerging. These are beginning to be linked with reward and have driven the need for the 'mapping' of BD competencies onto specific job roles.

Defining these competencies and expectations enables firms to answer the inevitable questions which are now being raised - questions like:

- What are the firm's expectations of me at my level?
- What should I specifically be doing in relation to BD?
- What objectives should I have in relation to BD?
- What support will be available to enable me to do these things?

A VISION OF THE FUTURE

The prize for answering these questions is a crucial one in the post-recession environment. Imagine a situation in a firm where everyone, from equity partner right down to a newly qualified solicitor or junior manager:

- knew what the firm's BD expectations of them were
- had specific and measurable objectives on which they were judged, and
- had the support in place to help them to achieve those objectives

But how do you get there? The first building block is mapping the competencies onto every job level and getting those agreed across the firm. At The Results Consultancy, we've undertaken research in this area to provide a suite of realistic BD competencies for each role. It isn't easy gaining agreement, however when consensus is gained, firms make a major step forward in delivering a

consistent approach to client service behaviours and revenue generating activities. In fact they gain a significant competitive edge on other firms still stuck in deliberation and debate.

If your firm is trying to articulate the BD competencies it expects for every role, try to define what 'good' looks like from the firm's collective knowledge of:

- Current successes and success stories from different roles across the firm
- Lateral hires' experiences and accounts
- Competitor actions through peer group discussions and the media
- Client anecdotes
- Professional body guidance
- Commentators on your profession

MAKING PROGRESS POSSIBLE

Defining what the firm thinks an individual should be doing in terms of BD is only one step on the journey. The next involves guiding the appraiser (the line partner, practice area or sector head, etc) on specific objectives the individual can be measured against.

Historically, firms have struggled to get some robust and tangible objectives in place. Our competencies mapping work has spawned an array of example objectives that are being selected and applied in appraisal situations for the respective grade of professional. Firms are also beginning to foster banks of their own, based on what's worked for them before.

Why is this valuable? Simply because those appraisers, who are put on the spot in the Personal Development Review (PDR) with a colleague, find it difficult to set challenging and SMART objectives (Specific, Measurable, Action focused, Realistic and

Timed).

In some situations, professionals can come out of reviews with BD objectives not particularly well tied into the firm's expectations of them. Others are given 'soft' objectives – in as much as they can be easily achieved (or seen to be achieved at the next review). When a firm gets the BD objectives for each role right they drive progress. When they get them wrong, people often waste precious time and money.

FAIR AND ROBUST OBJECTIVES

Working with firms we've seen many objectives set that have the seeds of failure in them. It's not that they won't be completed; it's just that they are not destined to achieve anything of real value, to stretch the individual or to make real progress. Examples of 'soft' objectives we've seen include:

- Build a presence in x market
- Win more business from y sector
- Develop personal and the firm's profile in z group
- Build relationships with more intermediaries

It's quite difficult for an appraiser to assess or quantify success in relation to these. Setting more tangible objectives means a better outcome for the individual (they're not being set up to fail and have a chance of developing) and the firm (tangible progress can be tracked and evaluated fairly across a number of individuals). In contrast then, examples of SMART objectives include:

- Send out 10 targeted approaches and convert one of these into a new piece of business
- Have six face to face meetings with prospective clients and turn at least one into a piece of work

With these examples it's hard for the individual not to aim to achieve them, and difficult to waffle through. Take the final example – either they have or haven't had six face to face meetings – and the appraiser can explore who the meetings were with? What happened? What's the latest situation with each prospective client? And what work has been won? This makes for a very interesting appraisal conversation. It also provides a good measure as to whether an individual has actually qualified for the salary increase and bonus potentially on offer.

MOTIVATING BEST PRACTICE

It is essential that, as well as defining their BD expectations for each role, firms foster a supportive environment to make personal BD success happen. You can't just walk away and hope that in six months or a year's time when you sit down again, an individual will have figured out how to achieve a goal and done it.

In our coaching sessions with fee-earners they regularly admit to being unsure of the best approaches to take, or lack the confidence to take the necessary action. There is a palpable reluctance on many occasions. Why? Often individuals cite the fact that they came into their profession to excel at their skill area, and that business development was tagged on later in their career. They confess that it's something they tolerate rather than fully embrace –and this mindset affects their BD performance and success.

The trick though is not to pursue a 'stick' approach to BD, as that rarely works. Rather the carrot approach with the spectre of a stick is likely to be more effective for professionals.

This comes from the firm choosing what it will openly reward and praise amongst its people. It also comes from the firm setting out its stall and defining what good looks like, who the role models are to emulate, what behaviour is viewed as best practice and equally what is not tolerated and condoned.

Supporting the cultural messages, should be built-in incentives so people deliver on objectives. In some cases the objectives do not have to be financial. Team esteem and recognition for making progress may suffice. Other rewards which fit with the personal motivations of an individual (eg. paying for them to attend a specific 'kudos' event/training course they aspire to, giving them a sabbatical, etc) may give sufficient motivation but need to be manageable when factored across multiple successful individuals in the firm. Sometimes the trick to keeping people motivated often comes from establishing a series of small rewards in return for the achievement short stage goals, rather than one big mountain of an objective that takes a long time to complete.

DELIVERING HELP JUST WHEN IT'S NEEDED

And finally, firms also need to be prepared

to explain how an individual can secure the skills and achievements they lack. They need to foster an environment where people can practise, evaluate, learn well from what they've done and develop. Often the fastest and best learning happens when an individual is guided and supported 'on the job' – getting help and advice as they face the challenges a new experience or unfamiliar territory throws up.

Just in time training hasn't always been a feature of BD personal development in firms. Historically, people have been put through BD courses in the hope that they'll remember and apply what they learned when the time comes. Other firms have tried to wait till a number of professionals with a common development need arise and then bring in training to tackle it. This is sometimes 'after the horse has bolted' for some individuals who have since moved on to a different set of challenges.

Recently though, there has been a rise in the number of internal coaches and mentors within professional firms. Equipped with valuable experience, materials and tools, they have been endeavouring to give help and training to fee-earners just when it's needed.

CUTTING OUT WASTAGE TO SECURE A BETTER ROI

The beauty of mapping BD competencies across the various roles in a firm is that it should help firms better identify and plan the training their people need. This will make them able to quickly address the skills gaps in different individuals and focus precious resources towards the most needed areas. And with the Internet accessible 24/7 across the globe through Blackberries, iPhones and the like, some firms are delivering the 'just in time' support and training through web-based resources, toolkits, learning modules and help. Technological developments also mean firms can track an individual's performance through these too.

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