



Business Development in Professional Services Firms

White Paper

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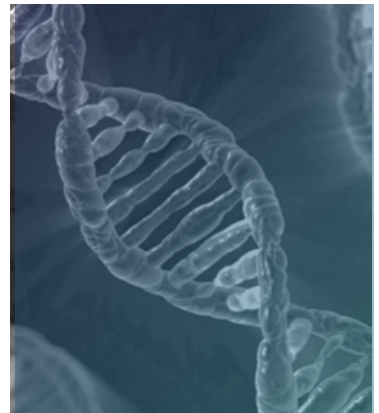
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A low-angle, black and white photograph of several skyscrapers reaching towards a cloudy sky. The perspective is from the ground looking up, making the buildings appear to converge towards the top of the frame. The sky is filled with soft, grey clouds.

01

Introduction

Introduction

How are Professional Services Firms placed to embed a high-performance Sales Culture?

The purpose of this document is to:

- Provide insight into data collected by Neural Networks Concepts (NNC) from engagements with Professional Services Firms.
- Data presented are an aggregate of assessments & programs delivered across four Tier 1 and Tier 2 firms from 2010-2015.
- Data sourced from assessment of 100 Partners, 100 Senior Managers (Directors) and 100 Managers across four firms.

Key Questions for Consideration

- Do advisors within firms have will to deliver on BD?
- Do advisors have the right 'DNA' (BD Mindset) to deliver on BD?
- Can advisors more effectively sell value (and avoid being commoditised)?
- Do advisors within firms have sufficient BD capabilities?
- Can advisors close more BD opportunities and shorten the sales cycle?
- Can advisors generate (prospect) for more new business ?
- Can advisors resolve the 'technical expert' vs 'BD' self-image conflict?
- How does leadership and coaching impact on BD culture?

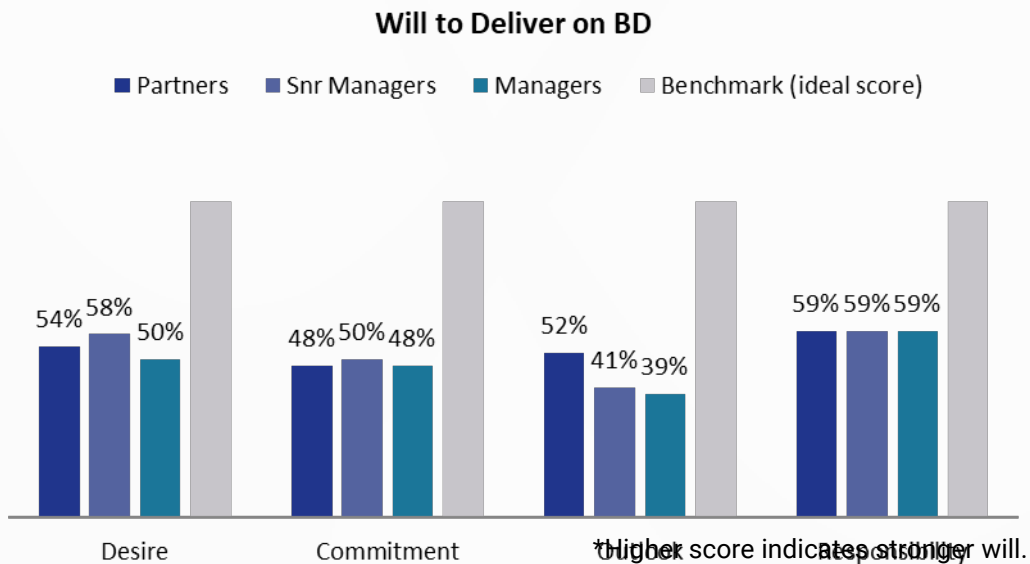
02

Will to Deliver BD



Will to Deliver on BD

Question: Do advisors have the will to sell?



Definitions:

Desire – drive to be successful in a BD role

Commitment – persistence to execute the BD process

Outlook – Optimistic or pessimistic approach

Responsibility – takes ownership and not make excuses

Many advisors do not have the right mindset to keep BD front of mind.

Overall, there is only a moderate will to sell across all tenure levels.

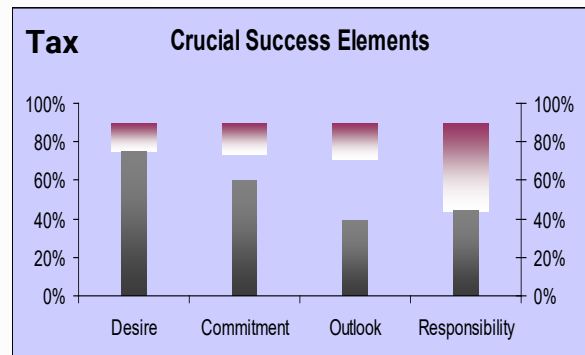
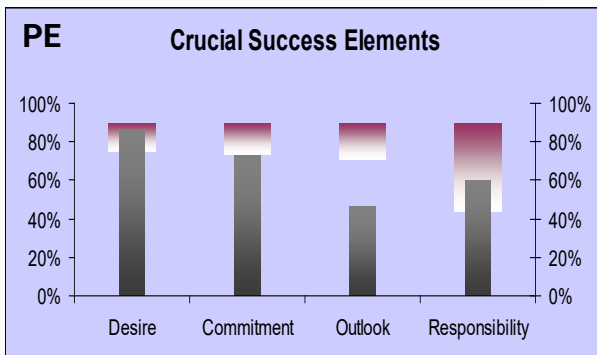
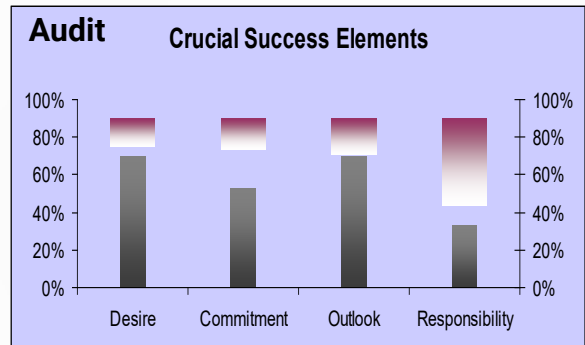
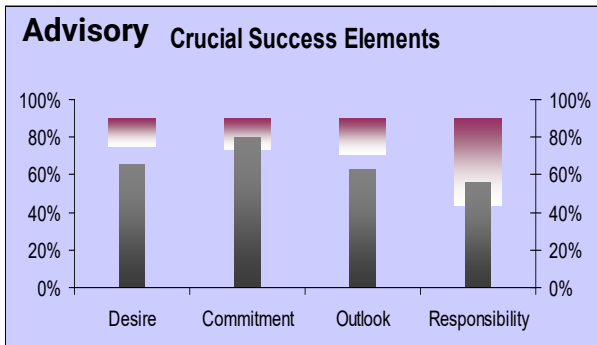
Level of desire, commitment and responsibility are fairly consistent across tenure levels.

BD outlook drops for senior managers and managers.

Suspect low will to sell due to:

- Current BD remuneration model
- Lack of early adoption of BD mindset
- Ineffective sales support structure & role models

Diagram illustrates variations in will to sell in Partner group across divisions from one firm.



Variation in **Desire** attributable to how BD is positioned & rewarded across each division (Advisory, Audit, PE and Tax).

Lower **Commitment** in Audit & Tax potentially due to perceived independence regulations & reliance on annuity.

Outlook variation reflects self-image on sales & degree of personal optimism (attitude). Advisory & Audit may feel more secure.

Responsibility reflects Advisory & PE making the least excuses on BD – may reflect annuity.

Answer: Need to strengthen will and optimism for BD Success

- BD not rewarded behaviourally or financially below Partner level which reinforces a non-BD culture cycle within firms. Technical expertise being rewarded over sales capability.
- Service delivery constraints (and lack of BD desire) means opportunities for farming are left on the table and hunting opportunities overlooked – verbally confirmed in debriefs & coaching.
- Perception that Professional Services has a long sell cycle is reducing urgency to close and makes advisors highly susceptible to client put offs and objections.
- Technical experts ‘educating’ clients are giving too much away early & avoid asking questions (goes against their technical identity) to identify pain points, not differentiating value and not exploring ‘white space’ opportunities.
- Low sales responsibility means advisors not holding themselves accountable to BD element of role (excuse making) – for example: we discounted for strategic purposes. Most excuses for low sales performance directed at the market and competitors.

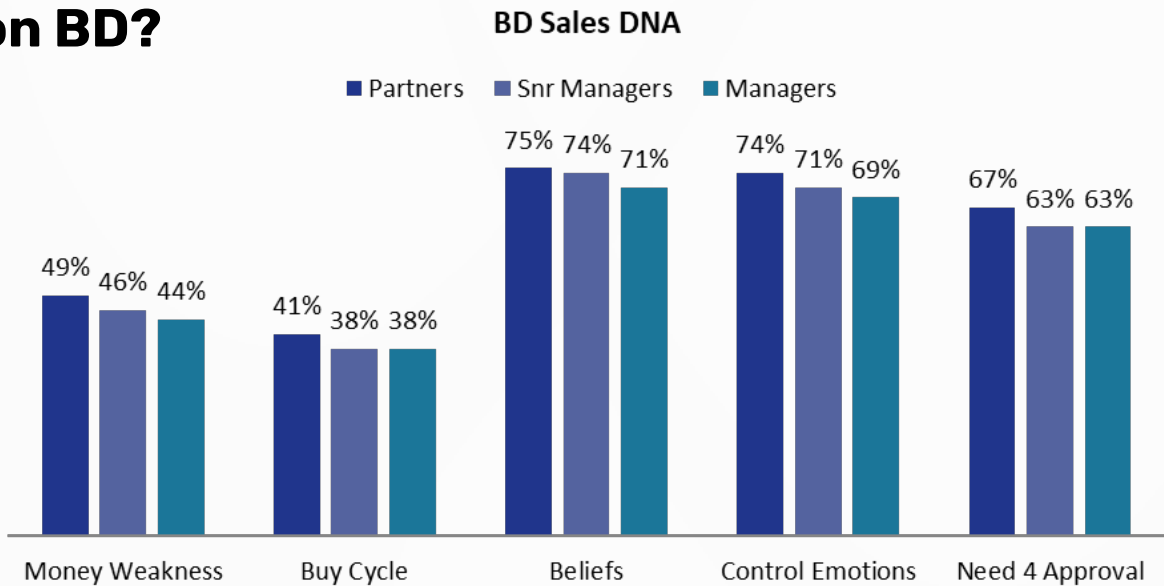


03

Business Development DNA

Business Development DNA

Question: Do advisors have the DNA to deliver on BD?



*Higher score indicates stronger DNA.

Definitions:

Need for Approval - overly strong desire to be liked

Buy Cycle - highly analytical buyer; may project this onto BD process

Comfort Discussing Money - discomfort talking money/ building value

Control Emotions - high negative self-talk under pressure

Beliefs - self-imposed limiting beliefs that impact BD

Presence of Sales DNA (for all mindset categories) greater in Partners, decreasing across both Senior Manager and Manager groups.

Buy Cycle and discomfort discussing money are significant issues for all groups.

Mindset obstacles and beliefs are being cascaded down.

Prolonged exposure to BD may be improving sales DNA over time.

Need to introduce elements of BD early in advisor tenure to eradicate mindset obstacles.

Answer: Existing Mindset Obstacles attached to BD are significant & need to be overcome

Consistent pattern of 'mindset' from manager to partner implying that obstacles are being reinforced, cascading or role-modelling unsupportive BD behaviours.

- Need for Approval affects confidence in asking probing questions, closing assertiveness and negotiating client put offs

This will ultimately affect ability to become trusted advisors

- Low emotional resilience (control emotions) impacts ability to perform under pressure

Clients will control the conversation and sales process

- Discomfort talking money results in wasting time on opportunities not adequately qualified as well as margin discounting

Services will be designated as a commodity encouraging price competition

- A buy cycle that fails to align itself with an ideal selling process causes over education (promoting loss of control of the conversation) and makes advisors susceptible to client put offs

Advisors will lack the flexibility to sell to a client's style & extend the buy cycle

- Too many self-limiting beliefs will adversely affect sales success; including I must educate my clients, I have a long sell cycle, clients are honest

Successful sales professionals take responsibility for their performance & don't make excuses

04

Skills Capability

Skill Capability

Question: Do advisors have the right BD skill sets?

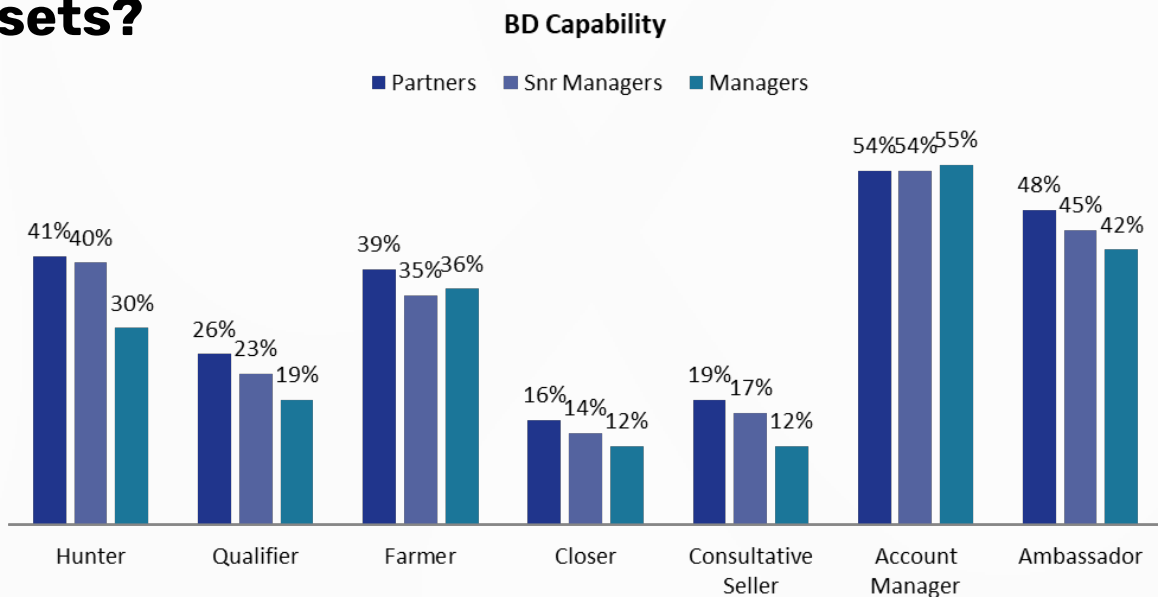


Table illustrates relative strength of each sales skill (Hunter, Farmer, Account Manager, etc.). The % score indicates the average presence of each skill per group. A score of 65% or above is considered as being 'very high' for a skill set.

Definitions:

Hunter – enjoys chasing new business (sells but doesn't necessarily want to service the client)

Closer – has the skill sets to assertively close the business & is effective at follow through

Consultative Seller – has the skill sets to consultatively sell (using insightful & relevant questions)

Qualifier – asks the right questions to ensure the client represents a 'real' opportunity

Farmer – enjoys securing additional work from existing clients

Account Manager – enjoys the longer-term relationship (sell transactionally through the relationship – passive not proactive selling)

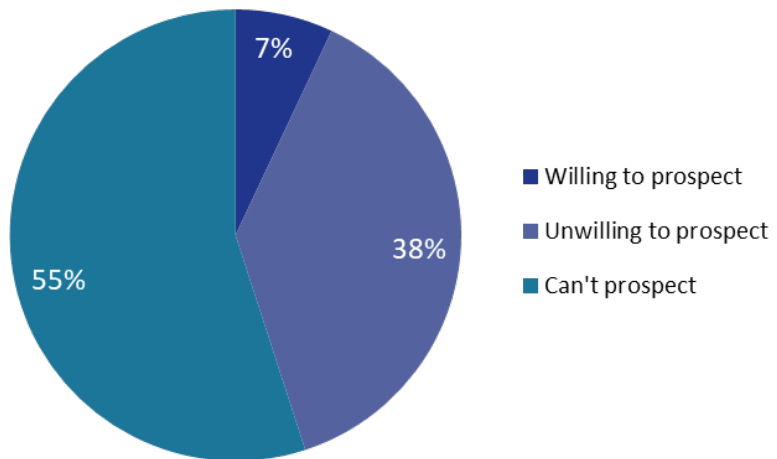
Ambassador – enjoys talking about and advocates their organisation

The majority of people scored very well as Account Managers (particularly the Partner group). Advisors are good at long term relationship management, acting as ambassadors of their organisation and securing client-initiated sales opportunities.

There were significant capability gaps in terms of proactive advisor-initiated selling.

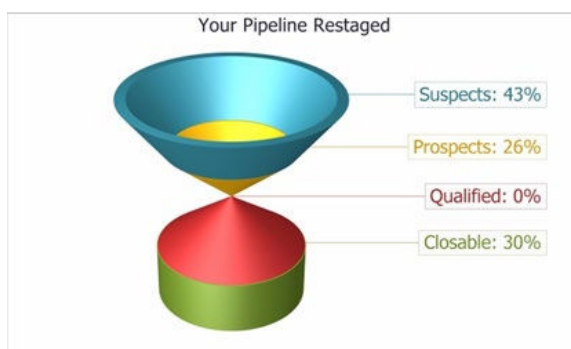
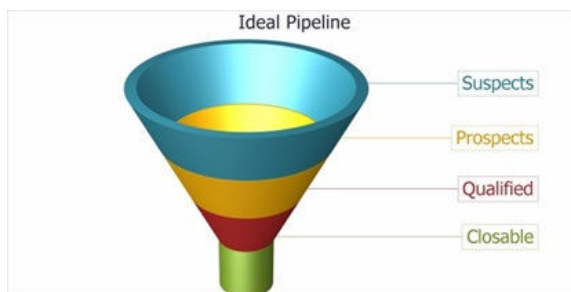
Prospecting

Figure below illustrates prospecting (hunting) capacity for a Partner group (40) from one firm. Data taken from a combination of mindset and skill capability. Illustrates willingness to prospect.



Pipeline

Diagrams below show an 'ideal' and an 'example' restaged pipeline of a Partner group (40) from one firm. Example pipeline indicates too many 'suspects' and inadequate qualifying.



Skill Capability - Implications

- Many advisors are good at **Account Management** (passive selling) and reasonable as advocates for the firm. They prefer to sell through the relationship, that is, wait for the client to raise opportunities or have the environment (e.g. change in tax laws) facilitate the needs discussion.
- **Hunting (prospecting) skills increase across each level of tenure** but still require improvement. Evaluations highlighted that, with the exception of a small percentage, prospecting is not something many people enjoy and only do it if pressed to do so.
- **Qualifying & Consultative Questioning skills need significant attention.** Ineffective qualifying means advisors are wasting time on unqualified proposals and presentations that perhaps should never have been submitted. Ineffective questioning means clients are not necessarily feeling the need or a sense of urgency to proceed. True needs may not be being uncovered. Advisors are jumping to solution mode too early and losing control of the sales process.
- **Closing (gaining commitment) was low across all tenure groups.** There is an overarching lack of assertiveness with advisors when it comes to closing business. The implication of this is that clients are being let off the 'emotional' hook with the final decision being deferred to a point in time when the emotion to act has passed. This will significantly increase the length of the sales cycle.
- **Farming represents a significant opportunity** for Professional Services. It's not as 'sales intensive' as Hunting and should represent the vehicle to have advisors sell in a 'way that aligns to their values' that still requires effective qualifying, questioning & closing.



05

BD Self Image

BD Self Image

Advisors need to build a positive self-image that balances 'technical' and 'sales' identity

Many advisors assessed have a poor self-perception of 'selling'. You need to go beyond the technical and have advisors unite the technical and BD hats to create the true "Trusted Advisor" identity.

Observation on BD Self Perception

- Feedback from a number of advisors was that 'we don't really sell'
- Feedback post workshop that some advisors were very sceptical about attending BD workshop
- Section in workshop that explores personal sales identity revealed approximately half of all participants as having a negative personal self-perception of selling
- The most outstanding shift in sales behaviours from coaching has come from advisors that aligned their technical and business development hats
- Some advisors articulated they didn't believe they and/or the firm were worth the fees charged

Strong need to create a standardised process and terminology for client interactions that:

1. Contains over-arching non-negotiable principles (e.g. identify all opportunities, client centric)
2. Has a structured conversational approach with an underlying BD methodology
3. Is introduced as a client engagement approach from day one
4. Provides clarity on how to differentiate and articulate value

06

Accountability



Accountability

Professional Services Firms need to create an accountability environment that encompasses effective tracking & reporting, role clarity, consequence management & leadership role models

Role Clarity – from our observations across multiple firms, we have concluded that, although most Partners and Senior Managers for the most part have a sales target, sales as a role definition is not adequately built into the current role identity and KPIs of advisors at all tenure levels (supported by comments from Managers/ Senior Managers: ‘I signed up to deliver, not to sell’).

Even for those that are not designated as Hunters, Farming needs to be embedded as a role requirement

Tracking & Reporting - from the data presented (and from coaching conversations), all firms are not reporting on the appropriate metrics or sales activities to promote BD commitment

Leadership & Management – As the current leadership structure rewards technical expertise and delivery over sales capability, most firms do not have enough business development role models & coaches or the consequence management structure to promote sales commitment



Enriching your employee pool with representatives of different genders, races, and nationalities is key for boosting your company’s joint intellectual potential.

Harvard Business Review

Contact Us

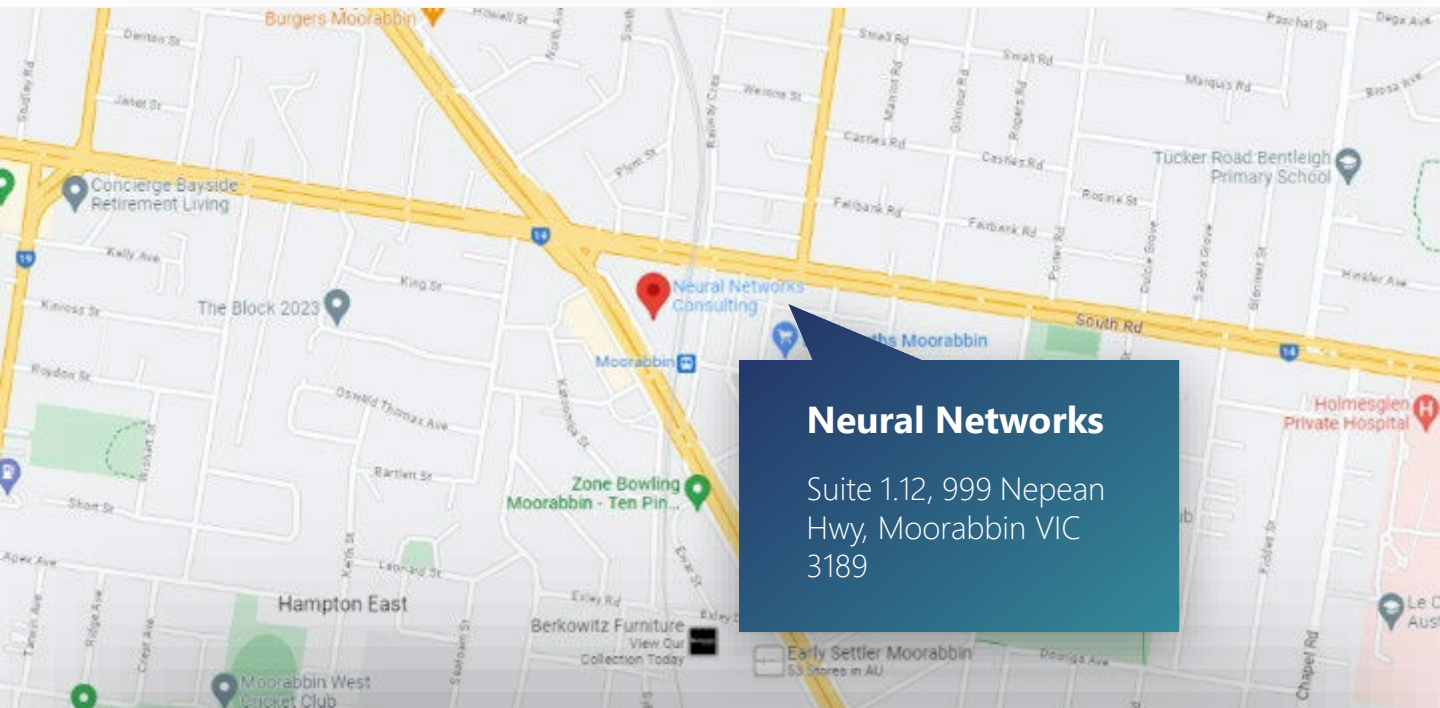
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