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## FIRM MANAGEMENT

# Why Your Firm's Business Development Efforts Fail

Every firm needs to attract new clients and most firms in the country tend to have one partner who seems to have a natural gift of bringing in new clients. That person is your rainmaker. Everyone else at the firm maintains a client relationship and ...

Garrett Wagner • Aug. 29, 2018



My guess is your firm, like almost all in the country, has a plan in place where you will reward your employees (non-partners) with a cash bonus for new business brought into the firm. I will also guess that, once again, like almost all firms in the country, this plan has failed to generate substantial new business or motivate any of your people, including your millennial emerging leaders.

Now that we have identified the problem, let's take a step back, think about what you are trying to accomplish and most importantly, why your current plan isn't working.

## **Goal:**

Every firm needs to attract new clients and most firms in the country tend to have one partner who seems to have a natural gift of bringing in new clients. That person is your rainmaker. Everyone else at the firm maintains a client relationship and then makes sure the work gets done. Like most firms, you want to get more people involved in bringing in new clients. Once again, statistically speaking, your current rainmaker is getting close to 65 and coming up on retirement and you are worried how you will replace this skill.

As a partner group, you come up with the idea to offer a new business cash reward as motivation for employees to bring in new work, as this is what would motivate you and it requires the least amount of your time. After all, now that you are a partner, you get paid if the firm makes money, but you don't see anything directly tied to new work coming in the door, so you would love this deal.

As a partner group, you are really excited and happy with this plan and roll it out to the firm with much fanfare and excitement. You are confident that once your people hear about this cash bonus, they will run right out of the office and bring in work immediately.

Sadly, this isn't what happens, and nothing changes. Some people still bring in a few clients, and now they get a little bonus for it, while for most, nothing changes.

So, where did we go wrong? After all, the plan makes sense to the partner group, and you are doing what every firm in the country is doing.

## **Incorrect assumption number 1:**

As a partner at the firm, getting a cash bonus for bringing in new work is appealing to you, but did you stop to think if this idea is appealing to the current workforce who will be receiving the bonus?

Guess what? Millennials are not motivated by money! You need to motivate your target audience not the partner group.

## **Incorrect assumption number 2:**

You assume that the people in your office who are not bringing in new work, are not motivated. The reason these people are not bringing in new work has nothing to do with motivation or money. It has everything to do with skill and lack of skill. Some people are born with a natural skill set that translates into selling, but most accountants are not born with that skill set.

You need to teach your people how to sell. You can provide all the financial rewards you want, but what you need to do is actually provide training to your people on how to achieve these goals.

## **Incorrect assumption number 3:**

You assume that your people have additional time to spend bringing in this new work. According to industry leading compensation expert, Allan Koltin, you need to put everyone to use at their best skill set. This means people who can find new business, should focus on finding new business. Those who can maintain and grow client relationships, should focus on that. Finally, those who can grind out the client work, should focus on this area.

I've never seen a partner who brought in substantial business have as many billable hours as a partner who grinds out the work. How can a manager, who you are budgeting to have 1,500 chargeable hours, be expected to have the additional time to go out and bring in more work, simply because you offered them a bonus?

Billable hours should be reduced accordingly to allow the employee time to go out and bring in new business. However, keep in mind, for some people this should not be their focus, no matter the cash reward.

Before we go any further, it is important to stop and cover one basic and often overlooked principle. Every person at your firm, from the managing partner to the administrative assistant, needs to be an ambassador for your firm with every person they come into contact with daily. This does not require a cash bonus, this should be part of their job function. Your employees should remember that each person they interact with outside of work is a potential customer or referral source. It is their job to make sure everyone knows what amazing work your firm does.

# The fix:

- Identify the people whose personalities align with being a rainmaker. They should possess emotional intelligence, passion, and creativity.
- Provide this team the proper training to be able to network, follow up with leads, and then close the deals.
- Reduce their current billable hour goal, and carve out time for them to spend attaining new business.

When it comes to motivating your people to bring in new clients, stop the broken cycle. It is time for a change and time to start seeing some results. Make the change at your firm in these three areas of your new client bonus, and you will be amazed at the results.

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