



# HOW TO MEASURE ROI FROM BUSINESS DEVELOPMENT

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For professional services firms, quantifying the exact contribution sales or business development makes to bringing in a new client can be a difficult exercise.

That's because complex relationships and networks often make it difficult to pinpoint who really made the sale. And getting to the bottom of things isn't helped by the notoriously long lag time between the initial contact and starting work.

I find an effective way to get around these ambiguities in the professional services sales process can be to quantify the Sales or BD team's **level of engagement** according to the **type of contribution** it makes at the point of on-boarding a new client or a new significant matter.

This is usually a more satisfying way to work out BD's value than trying to artificially impose percentages on how responsible each function within a firm was to acquiring a new piece of work.

## EXAMPLE LEVELS OF ENGAGEMENT

To measure engagement I like to use a five-tier classification system that looks something like this:

**Level 1.** The highest level of engagement happens when a BD executive identifies the prospect, introduces them to the firm and then coaches partners and principals throughout the bid process to win work.

Coaching usually includes guiding the prospective client to the right person at the firm, providing intelligence on pricing or fee structures and developing scenarios for service solutions. The BD executive often also retains an active relationship with the client and follows up on their experiences with the firm.

**Level 2.** The BD team identifies a prospective client and meets directly with them (with or without a partner). BD also qualifies the opportunity for the firm and coaches the firm's professionals on how to best pursue the engagement, being included in any decisions made along the way.

**Level 3.** BD provides direct support to client-facing professionals through general lead identification, arranging introductions and researching the target. It also provides guidance for conducting meetings including giving advice on high value questions, gathering evidence to support propositions, liaising with the target to arrange an introductory meeting, and preparing support materials.

**Level 4.** BD provides general support such as creating business and referral network opportunities, carrying out general market research as well as sourced intelligence on the target, preparing capability statements and producing pitch materials. This support can be provided indirectly through developing a 'best practice' capability toolkit or first meeting plans for professionals meeting with potential clients.

**Level 5.** The new client comes into the firm without any direct assistance from BD. In other words, the firm's fee earners have won the client without BD meeting them, developing materials or doing any research.



## APPLYING THESE MEASURES PRACTICALLY

Now that you've defined and agreed different levels of BD support, the next step is to sit down and work out what at what level you expect BD to be operating for each team or practice group.

From your meeting you should produce a document that spells it out.

## AN ONGOING PROCESS, NOT A 'ONE OFF'

Using this system can - and should - lead to a behavioural change across your firm, especially in the way both fee earners and BD understand and relate to each other. It also provides a powerful basis for an ongoing conversation between the two groups.

This is meant to be an ongoing and self-adjusting process. It's not an end in itself, nor is it something you should only discuss at end-of-year reviews. Ideally, BD should be meeting with lead partners or principals at least monthly to measure progress and, where needed, to review and tweak the schedule.

This won't just help with the performance management of BD, it also makes sure BD is always working towards the same goals as the firm's partners and fee earners. After all, there are agreed objectives and it should be obvious to everyone where there's a problem that needs to be corrected.

## A FINAL WARNING

This formula is great for giving you a framework for measuring BD's effectiveness. But, please, don't try to apply it retrospectively. If you do, it's likely to create more friction than cohesiveness between fee earners and BD.

*If you'd like to find out more about building a framework for measuring business development's effectiveness in your firm [contact us to find out how we can help](#).*

***Sue-Ella is the Principal of [Prodonovich Advisory](#), a business dedicated to helping professional services firms sharpen their business development practices, and attract and retain good clients.***

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