



Business development metrics

Having measures for business development and evaluating performance against those measures will help you understand where you need to make changes and improvements. Measures can track all aspects of the business development process; you can track what the professionals are doing and also what your marketing systems are doing.

The metrics you use can cover:

- Starting relationships
- Maintaining relationships
- Converting relationships to projects/engagements
- Selling more to existing clients
- Managing key clients

As in all measurement plans, you need to be sure that the measurements you select:

- Are quantitative (if possible)
- Are objective
- Don't lend themselves to easy "gaming"
- Are easy enough to collect
- Will be useful and will be used

Starting relationships

Some early relationships for professional service firms are created by individual professionals and others by the action of marketing programs. These can be tracked separately.

Size of network

The contributions of individual professionals can be tracked by looking at their personal professional networks.

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What is the size of each professional's network? You can measure by the size of their business holiday card list, by the number of people they have as LinkedIn connections, or even by the size of their business address book.

The contributions of the marketing efforts can be measured by tracking the number of contacts the organization has acquired through its online efforts and its other marketing outreach, e.g., names collected at events that the firm has hosted.

Quality of network

Some introductions are more likely to be valuable to the firm than others. Quality measures might include:

- % of a network who could realistically be a client for the firm (e.g., at right level of the organization in the kind of enterprise that hires the firm)
- % of a network who could be a useful ally, based on the quality of their network (e.g., people who also serve the kinds of companies that our firm aspires to serve)
- Nature and depth of our relationship with each person in the network. This is likely a moderately subjective measure but still worth considering. For each member of the network, can someone estimate how long it would take to get an email response to a request for help, or to get a phone call returned?

For the firm as a whole, increasing the size of its aggregate network each year is likely a good idea. Individual firm members though, can only maintain and develop a finite set of relationships. Consequently, at some point, they begin thinking about only upgrading the quality of their network rather than increasing its size. For people at this point, the "size of the network" is no longer so important.

Similarly, professionals who have made a commitment to serve one client (or a few clients) deeply may have less interest in a broad network. They should be measured in part on the size and quality of their network within their target firms and with people who influence their target firms.

Maintaining relationships

Some relationships are maintained and nurtured by individual professionals and others may be handled by marketing approaches.

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Individual professionals maintain relationships by reaching out to their contacts. Their performance can be measured by looking at:

- The number of contacts they have had with members of their network in a time period. These could include visits, emails, phone calls, seeing each other at events, or other 1-to-1 interactions.
- The number of network members with whom they have had at least one contact every 3 months. There is a minimum amount of maintenance that is required to keep a relationship fresh and active; you can develop a measure that tracks how many network members are receiving at least this effective level of interaction.
- Conversations with decision-makers about problems they face. Conversations about problems provide a great opportunity for systematically building trust because they provide a chance for the professional to be helpful outside the scope of their professional practice – and therefore show their interest in the decision-maker's success (a vital element of building trust).

The firm may stay in touch with contacts through vehicles like newsletters, email marketing campaigns, and sending of publications. You can track:

- How many touches were received by members of the network from firm sources
- How many people responded to those touches – by clicking on links in emails
- Visits to your website and/or downloads of material by individuals in your network

Converting relationships to sales

Converting relationships to sales generally requires a discussion with the prospective client and then some kind of proposal or agreement to proceed. To track success, you can measure:

- The number of conversations with decision-makers about problems or opportunities they have that are relevant to your work. How many times did you have the opportunity to explore a problem where hiring your firm was a serious possible option for expediting the client's ability to reach their goals?
- Number of proposals submitted

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- % of proposals submitted that are sole-source/ non-competitive. Generally being the only one given an opportunity to propose is a good idea.
- % of sole-source/non-competitive proposals that resulted in projects. How often can you overcome the competition from "do nothing" or "do it ourselves"?
- % of competitive proposals won
- Average \$ size of proposal
- Source of proposals (existing clients, new people at existing client organizations, former clients, new prospects)

Selling more to existing clients

Clients who retain a firm repeatedly are very valuable to that firm. The cost of generating that business (in terms of investment of professional time) is usually low compared to identifying and nurturing new clients.

To measure how you are doing with existing clients, look at:

- Client satisfaction scores.

Having some kind of client satisfaction rating is a terrific idea for professional services firms. Such a program can provide excellent information to help a firm improve how it works with its clients, and with particular clients (who may have particular needs and tastes). If the firm tells the client upfront that they'll be asked to participate, and the firm checks in periodically to make sure that client is on track to give them outstanding ratings, then any adjustments can be made while the project is still underway. You can track the results and see if they are as good as you desire. In addition, what you hear from the client at the end of the project can be a source of valuable testimonials and references for you.

One interesting possible measure is the NetPromoter Score developed by Bain & Co. This measures whether a client would recommend to someone else that they use you. (Net Promoter score is %Promoters - % Detractors). In general, in business, it is a strong predictor of growth and success.

- Referrals generated. The aggregate number of referrals provided by clients is a very concrete measure of satisfaction. How many times did a client suggest to someone else that they contact your

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firm for assistance?

Key clients

If your firm has set up a specific effort to invest in the relationships it has with key clients in order to maximize the value of those relationships to both your firm and to the client, then you can track your progress at those key clients.

You would measure:

- At what percentage of your key clients do you have jointly developed and agreed upon plans in place?
- At what percentage of your key clients are you on track to deliver on that joint plan?

In setting up a program of measures, you want to choose ones that you can easily capture data for in the course of your normal activities. If you use a CRM system, you'll have more data available to use. If you don't, then you'll need to do more collecting.

In some cases, it will be better to collect data on an individual basis and also aggregate it for the whole firm or for subgroups, but only share it publicly on an aggregated basis. Firm leaders can share an individual's specific data with him/her and use the comparison with aggregate data as a chance to discuss performance and performance improvement. In other cases, individual and aggregate data can be shared with everyone.

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