Carrot or Stick?
Making business development happen is key to the ongoing success of any professional services firm. Implementation however by fee earners is often variable.

So what type of management and leadership approach achieves the best results: the carrot or the stick?

Let’s consider the carrot approach.

The approach to the management and leadership of people has changed dramatically over the years. We don’t have to look too far back in history to see a time when it was very much a ‘do the job or you will be fired mindset’. Yet as time went by it was recognised that this Dickensian approach to getting the best out of people often failed.

The ‘carrot’ theories of management and leadership began to evolve.

Leaders started to recognise the importance of motivating people to do the right things. Clear objectives were set. Role responsibilities and deliverables were defined. Appraisal systems were set up to ‘check’ on progress. Reward and remuneration packages were aligned to motivate and incentivise the actions and behaviours required for business success. All carrot and little stick?

Let’s reflect for a moment on the application of this approach to making business development happen in professional services firms.

Do firms recognise motivation is part of driving behaviour? Yes!

Are roles and responsibilities clearly defined? Yes!

Are objectives set? Yes!

Are role responsibilities and deliverables defined? Yes!

Are appraisal systems in place? Yes!

Are reward and remuneration systems aligned to business success? Yes!

(to a degree – still more focussed on financial results as opposed to rewarding the activities that generate those results).

Even with positive answers to the above questions many firms’ business development activity is still patchy.

So what else is required beyond the carrot?

Most firms recognised many years ago that an individual’s knowledge and competence in the process, skills and behaviours of business development would have an impact on their motivation to do it. Quite naturally, given the choice, most of us will carry out those tasks we understand and feel confident in.

So training courses were set up. Box ticked! Now everyone understands business development, implementation will naturally follow? For some it did. Yet for many it didn’t.
The most successful clients I work with know that training in business development alone is not enough. Pre-programme engagement, line management support, objective setting, post-training coaching and support are essential.

Those firms that do all of this tend to get even more people implementing business development plans. But not everyone - some people will still prefer to do anything rather than business development.

**So what’s left? Let’s consider the stick.**

Imagine the following situations.

1. A firm’s internal accounts department wastes endless time chasing colleagues for their monthly expense claims. They send memos out explaining how time consuming it is. How they struggle to close monthly accounts. How the chasing wastes valuable time and money. Everyone understands but expenses are still late.

   So the policy changes. “Expenses not submitted by the third day of each month will not be paid”.

   Guess what? People do their expenses on time.

2. A marketing department is chasing everyone for updated CVs for a new website. They set a date for submission. Half the firm responds. They send out another polite reminder and some more professionals respond. Weeks later (despite lots of polite communication) they still do not have the information required.

   They change their approach. “CVs not submitted by the 31st will result in the individual not being featured on the new website”.

   Guess what? All the CVs are in on time.

3. Senior Associates are asked to meet a deadline for submission of a number of assignments ahead of an assessment centre. HR sends out numerous polite and encouraging notes. Yet some people arrive having not completed the task.

   They change their approach. “Failure to submit assignments by the deadline will result in an individual’s assessment being deferred for one year”.

   Guess what? All assignments are in on time.

So let’s go back to the original question. What type of management and leadership approach to business development achieves the best results: the carrot or the stick?

We are all for carrots. We love carrots. There is not one carrot above that we wouldn’t recommend.

There is also clear evidence that training (with the correct pre- and post-support) leads to more professionals implementing business development.
We are also convinced that while carrots may be enough for some it is often not enough for the more reluctant business developers.

We have observed over many years very different approaches to leading and implementing business development. We are convinced that those firms who lead with an abundance of carrots and make the consequences of non-delivery of activity crystal clear (the stick) tend to have better implementation than those who rely on carrots alone.

The consequence of non-delivery may be financial. It may be a barrier to promotion. It may be embarrassment amongst colleagues for not delivering on your commitment to the firm (beyond billable hours).

It is only when non-delivery of business development investment activity carries the same consequences as failing to hit billable targets or delivering a bad job to a client that maximum implementation will be achieved.

So, the answer to the question Carrot or Stick?

The answer is clear: Carrot and Stick.