

REPLACING
- THE -
RAINMAKER

WORKSHOPS

TARGETS AND KPIS

This workbook accompanies the audio workshop. It includes speaker's notes, which summarize the content covered in the workshop. It also includes activities, which you'll complete during the workshop, and a continuing education assignment, which you'll complete after the workshop. The continuing education assignment gives you a chance to apply the theory you learned in a practical setting. At the end, there's a quiz to test what you've learned as well as space to make notes and information on where to go to learn more.

SPEAKER'S NOTES

Learning outcomes

- You'll learn how targets and KPIs relate to your overall business development success.
- You'll learn how to set realistic and achievable targets and KPIs.
- You'll learn how to simplify the process to make it easier to track and understand.

Targets and KPIs

- Targets and KPIs determine the direction and success of your business development efforts.
- Targets represent what you need to achieve to succeed each year.
- KPIs establish the steps you need to take to reach your targets.

Set smart targets

- When it comes to business development, targets are often chosen arbitrarily.
- Individuals are expected to meet these arbitrarily chosen targets, with little idea what to do.
- Often they're unable to break down their task into the necessary actions and behaviors.

The desired outcome

- Targets are the desired outcome of your business development efforts.
- Targets provide a simple measure for whether you accomplished your business development objectives.
- Targets are typically fiscal, meaning they represent a dollar amount.

The effort required

- KPIs are the behaviors necessary to reach your desired outcome.
- KPIs are usually numeric and date-driven.
- Without KPIs, you have no rationale for appropriating your effort.

A pound a week

- The goal in establishing KPIs is to focus on behavior versus results.
- Compare it to weight loss, where a target of losing 50 pounds can sound impossible.
- The most effective strategy for losing 50 pounds is to start by losing one pound this week.

A pound a week

- Then after you lose one pound the first week, set a similar goal for the next week.
- Do this for 50 straight weeks and you'll lose 50 pounds.
- This approach works because the short-term goal is achievable and the timeframe is immediate.

The connection

- For accountants, the first step is to figure out what your targets entail.
- Figure out how many new clients you'll have to win to generate your designated amount of new business
- Then choose your KPIs by deciding what you'll do to find and win those new clients.

The connection

- To figure out the required number of KPIs, use conversion probabilities.
- Those with historical data will have real data on which to base their conversion probabilities.
- Those new to the targets and KPIs process will have to make assumptions and adjust accordingly.

Simplify

- Minimize complexity by focusing on only two KPIs: communications and meetings.
- A communication is a personalized communication, such as a phone call or email.
- A meeting is a face-to-face in-person interaction.

Simplify

- This makes the expectation straightforward and simple for the accountant.
- They know exactly what they have to do and it's easy to quantify whether they're on track.
- Never set targets for longer than 90 days at a time.

Set your targets

- The first step in the process is to choose your targets.
- Base your projections on historical data.
- Take into account how much time you can contribute to business development in the stated timeframe.

Set your targets

- In the absence of historical data, you can use other quantitative indicators to devise targets.
- Possible indicators include industry norms and historical performance by similar candidates.
- Account for factors such as the extent of your professional network and your business development talents.

Reach higher

- Build in some wiggle room so minimal underperformance doesn't spell financial doom.
- The easiest way to do this is to skew your conversion probabilities downward.
- If you fall slightly short of your stretch target, you've still met the number you needed to hit.

Reach higher

- Stretch targets encourage people to do more than the minimum required.
- Often meeting a stretch target results in a bonus or additional compensation, so it's a win-win.
- Don't miss out on additional contributions by setting your targets too low.

Set objectives and goals

- Determine the specific initiatives and strategies you'll employ to reach your targets.
- Your KPIs will ultimately connect to these initiatives and strategies.
- Devise objectives and strategies that align with your own vision, talents, skills and time availability.

Set objectives and goals

- If your firm is focusing on developing a niche, one of your strategies might be to cultivate center of influence contacts.
- Another one of your strategies might be to become a thought leader in your industry.
- Your objectives and goals should connect your firm's overall vision with your individual mission.

Establish KPIs

- KPIs establish what you have to do to reach your targets.
- To set KPIs, start with your targets and use conversion probabilities.
- Your conversion probabilities will vary depending on the source of new business.

Do the math

- Use our spreadsheet to calculate how many communications and meetings you need to complete.
- Enter the number of contacts you have by source type into the spreadsheet.
- If you need help, seek out your business development coach or mentor.

Individual variation

- Not everyone will allocate their KPIs identically.
- Some accountants may focus on generating new business from clients and others from centers of influence.
- The metrics are the same for everyone, but each individual can choose where they focus their efforts.

Whittle down your KPIs

- Take an accountant who is trying to generate \$50,000 in new business from five new clients.
- That accountant plans to contact 100 unqualified leads, conduct 25 needs assessments and present 10 proposals.
- The accountant's KPIs include research profiles, weekly emails, needs assessment meetings and proposals.

Whittle down your KPIs

- Communications and meetings are more relevant "effort goals."
- Don't complicate matters by tracking the number of research profiles and proposals.
- It's simpler and more straightforward to only track communications and meetings.

Modify KPIs

- Adjust your KPIs from month to month to account for underperformance.
- If an individual fails to meet their KPIs one month, their KPIs increase the next month.
- Factor seasonality into your calculations by allocating a variable percentage of effort by month.

Reward effort, coach performance

- Don't let individuals get frustrated if their efforts aren't immediately bearing fruit.
- Results take time and they just have to keep doing the right things.
- Encourage them to keep putting in the necessary effort.

Coach performance

- Once the effort is there, coach them to help them improve their performance.
- Encourage them to keep doing the same things and coach them in how to achieve better results.
- Conduct regular debriefs to find out what's working and what's not.

Draw a line

- If an accountant isn't putting in the necessary effort, don't change your strategy.
- Use statistics to show them how not putting in enough effort will impact the amount of new business they'll generate.
- Once you've made this point, give them the chance to turn it around.

Natural consequences

- If that's not enough, walk through the other consequences that are likely to result.
- Make sure they understand that their career advancement depends on their ability to bring in new business.
- It can be a powerful motivator to point out that they're under-serving their clients.

Quality vs. quantity

- Meeting your KPIs only establishes that you're putting in the necessary effort.
- Meeting your KPIs doesn't signal anything about the quality of your efforts.
- The quality of your communications and meetings is just as important as how many you schedule.

Goal statements

- Focus on goal statements to ensure you're putting the necessary emphasis on quality.
- A goal statement establishes ahead of time what you want to achieve from a meeting.
- A goal statement should be a result that keeps the sales process moving forward.

Sidestep stagnation

- Having a goal statement ensures that you make tangible progress during each interaction.
- It ensures that you don't allow the process to stagnate.
- Goal statements move you one step closer to making a sale and thus one step closer to hitting your targets.

Summary

- Set your targets and KPIs wisely to guide your business development efforts.
- Simplify your KPIs as much as possible so they're easy to track and understand.
- It should be easy to judge whether you're doing enough of the right things to hit your targets.

ACTIVITIES

If you're completing these activities on your own, please write down your answers in your workbook. If you're completing these activities in a group, please write down your answers individually. Then share your responses with up to two other people. Look for commonalities among everyone's responses and discuss any differences.

Activity 1

Based on your current role and workload, what do you think is a reasonable new business development target for you? How did you arrive at that target? What strategies do you think you need to put in place to achieve and perhaps surpass your target?

Activity 2

Using the "Creating targets and KPIs" spreadsheet located in the top right corner of your screen, establish your targets and KPIs by filling in the green highlighted cells in the "Create Targets and KPIs" tab.

CONTINUING EDUCATION

Start tracking communications, meetings and revenue actuals in each of the monthly tabs in your "Creating targets and KPIs" spreadsheet. Make the commitment to do more if you're not putting in the necessary effort to hit your targets, and spend time with your business development coach working on areas of improvement to convert effort into won work.

QUIZ

1. Targets should be based on what an individual did in the prior year or what they think they can do next year.
2. Targets are the end in mind. They're the desired outcome of your business development efforts.
3. KPIs represent the effort required to hit your targets. They're the behaviors necessary to reach your desired outcome.
4. The goal in establishing KPIs is to focus on results versus behavior.
5. It's prudent to minimize KPI complexity by focusing on two KPIs: communications and meetings.
6. When setting targets, never build in wiggle room to allow for minimal underperformance.
7. One of the benefits of setting stretch targets is it encourages individuals to do more than the minimum required.
8. Accountants who can't commit a significant amount of time to business development should focus the majority of their efforts on clients, colleagues and wheels of influence.
9. Meeting your KPIs only establishes that you're putting in the necessary effort; it doesn't measure the quality of your efforts. And the quality of your communications and meetings is just as important as how many you schedule.
10. A goal statement is the ultimate measurement of success as it establishes ahead of time what you want to achieve from a meeting. A goal statement should be a result that keeps the sales process moving forward.

NOTES

FOR MORE INFORMATION

For more information about additional workshops, or other Replacing the Rainmaker products and services, please visit ReplacingTheRainmaker.com.