Rainmakers or Hired Guns? Challenges, Models, Techniques, and Best Practices for Selling Professional Services

By Al Hahn

Despite disappointing and confusing financial results in technology industries this year, professional services continue to offer high growth potential. In many sectors, these services are growing at 20 percent or more per year, faster than product sales, and are forecast to continue that trend. On the other hand, selling professional services is the most complex and challenging sales job in technology today. To get access to these higher growth opportunities, professional services providers are looking more carefully at their selling organizations, models, costs, productivity, and general effectiveness. This article is intended to explore these issues at some length, based on extensive research and experience.

I am frequently asked how I define professional services. I base my response on industry practices. Classically, professional services used to refer to doctors, lawyers, and accountants. This still applies, but in technology, professional services can cover a wide range of services, including planning, design, product sourcing, installation, systems or application integration, network or system administration, network or systems management, monitoring services, certification, tuning, optimization, disaster planning and recovery, software development, software implementation, training, outsourcing, asset management, and many types of consulting. This is, by no means, an exhaustive list. All vendors seem to define their professional services uniquely, and most of them are custom-configured for specific projects. Notice the inclusion of installation and training on the above list. These are traditional services by any definition of the word traditional, but they often are found in the professional services portfolio. There is less confusion about
traditional services, which are usually confined to hardware repairs and software support.

**Rainmakers and Hired Guns**

To begin to address the selling of this grab bag of services, it is useful to divide service providers into two groups: those that provide only services and those that sell products and services. This is because there is a tendency for these two groups to use different sales models. Generally, service-only firms start out using the “rainmaker” model, and product manufacturers start with “hired guns,” also known as professional salespeople.

Let’s examine the rainmaker model first. Rainmakers are generally practitioners who learn how to sell. They may start as engineers, analysts, or consultants (lawyers and accountants in the rest of the world) and, over time, find themselves frequently asked to provide advice to clients. Often they achieve guru status and have wonderful credibility. This is the source of their ability to sell. They are usually masters of the technology and use this, along with a straightforward honesty, to allay customers’ suspicion of salespeople and make clients feel comfortable following their recommendations. Customers tend to trust rainmakers because they do not come across as polished, slick sellers who will kill to make the sale.

The other sales model, most commonly used by product manufacturers and software publishers, is that of the hired gun—the professional salesperson. These are skilled professionals, usually with an inborn aptitude for sales. Larger professional services firms frequently migrate to hired guns because it is difficult to clone or organically grow rainmakers. It is not uncommon to see mixtures of rainmakers and hired guns, although this can be confusing to customers and sellers alike. The good news is that hired guns really know how to sell, and they can be very efficient. The problem is that they usually are trained and
experienced in techniques that are optimized for selling tangible products, not intangible services. Which model is better? The answer is that both can be effective, if the hired guns use the best-practice technique to sell services.

**The Best-Practice Technique for Selling Services**

One of the reasons rainmakers can be so effective is that they naturally utilize the consultative method of selling, which is the best-practice method of selling services. Because a customer cannot easily measure or test-drive an intangible service, it requires a real leap of faith for them to buy. The consultative technique emphasizes two steps that truly make a significant difference where it counts the most. The first is to establish credibility and trust. The consultant’s evident or demonstrated competence and lack of sales guile accomplish this naturally. The second step is to establish the customer’s needs for services. A good consultant also does this as a matter of course, much as a doctor performs a diagnosis before prescribing treatment. This further emphasizes the trustworthiness and competency of the consultant. It also has the great side effect of getting the customer in touch with her/his needs. Unlike technology products, which can be seductive with their whiz-bang features and (claimed) blinding performance, services are usually purchased to meet perceived needs. Establishing needs gets the customer ready to purchase and arms the consultant with the customer’s specific reason to buy. In this selling methodology, closing techniques and handling objections are far less important than for classic product selling.

By contrast, traditional product-sales techniques utilize the product itself to help sell. Impressive specifications and flashy demonstrations frequently are used. Traditional product sellers spend more time pitching their wares, attempting to close the sale, and handling objections. The distribution of time in these different techniques is quite
different, as shown in Figure 1.

Top-performing consultative sellers spend 25 percent of their sales time establishing relationships (trust and credibility) and 34 percent diagnosing the customer’s needs. They spend only 13 percent of their time closing and 10 percent handling objections. Typical product sellers spend over twice as much time trying to close and handle objections, with correspondingly less time spent establishing relationships and diagnosing customer needs. As many product companies are moving to sell solutions consisting of both products and services, the good news is that the consultative approach is also the best practice for solution selling. This makes training sellers to sell with consultative techniques a good investment.
So what should service providers do with this information? Is the rainmaker or the hired-gun model better for you? For most professional services, the rainmaker model would be better, but it is difficult to scale quickly. Rainmakers tend to back into selling intuitively over long periods of time. They often don’t really objectively know how they sell and don’t usually teach their techniques readily. Those interested in growing rainmakers will find the book, Creating Rainmakers, by Ford Harding (Adams Media Corporation, 1998), to be very helpful. Those who need a lot of feet on the street can use hired guns effectively, but they need to be trained in the consultative technique to be productive. A relatively new trend is to utilize both types of people in “team selling.”

**Team Selling**

In team selling, professional salespeople lead the team. They typically are assigned to a specific account or a group of major accounts. They do the initial prospecting and qualifying to determine if there are opportunities worth pursuing. They also initiate customer relationships and establish some credibility for the service provider. At the correct times in the sales process, they introduce specialists from the technical side of the business. These specialists may be engineers, consultants, or product experts, depending on the project requirements. They may or may not already be rainmakers, but this kind of pre-sales experience is exactly the kind of activity that grows rainmakers. When properly executed, team selling is often the most effective approach of all. It is more complex by its nature, however, and requires internal alignment of all the players. The sellers must trust the specialists with their customers, and each must know and play their respective roles. Above all, the compensation schemes must be designed appropriately to motivate all and not introduce conflicts.

**Sales Incentives and Management**

Professional service sellers need to be properly motivated and
managed even more than those selling products or traditional services. There are many differences in selling professional services, particularly larger custom projects. This is what is called a complex sale. It takes convincing several people, not just a solitary decision-maker. Top sellers report having to persuade three to four at a minimum and sometimes as many as a dozen people or more. Sales cycles are longer for professional services than for most product sales and quotas need to account for that. It often requires calling on higher levels of client management, frequently top executives. Finally, professional services can bring in much more revenue than products sales. Incentive programs and sales management need to account for these peculiarities.

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If the sales cycle is a year, larger salaries or draws against commissions may be required. It usually doesn’t work well to have the same person selling both products and professional services because of these differences, unless they are selling a complete solution combining both. Otherwise, the seller is too tempted to give away the services or to forget them entirely and focus on products, which generally are easier to sell. Team selling is extremely sensitive to these issues. If the professional seller is worried about splitting commissions, it can totally derail any team effort. In this case, compensation needs to be earned by team victories and shared equitably, although not necessarily equally. We see many companies make serious mistakes by getting too stingy with commissions. All salespeople, whether rainmakers, hired
guns, or specialist team members, respond to commissions. In our experience, it is far more cost-effective in the long run to pay for performance generously, even if it occasionally means some duplicate commissions.

Sales managers, for their part, need to be seasoned veterans who truly understand the differences in selling professional services. If not, they will cause more problems than they solve. They must be patient with a longer sales cycle, yet also able to help a seller recognize when they are wasting their time and need to move on to another prospect. They should be totally comfortable selling at top-corporate levels and able to help a seller approach CEOs and other corporate officers. In other words, they need to be real pros, capable of leading, teaching, coaching, and managing. This is a lot to expect, and, unfortunately, there are not enough of these pros to go around.

**What about Marketing?**
Marketing is often underutilized by professional services providers. Product firms may not understand the differences in marketing intangibles. Professional services firms may be overly dependent on sales efforts and not fully understand the potential benefits to be gained by skillful marketing. We have found that carefully executed marketing can make the sales job much easier and dramatically impact sales productivity and efficiency. This inevitably impacts both revenues and profits in positive ways.

For starters, marketing should be used to gain some notice in a marketplace and to “position” the service provider. Positioning is a marketing term that refers to how prospects regard a firm compared to its competition.

One example of the potential for positioning was unearthed in a study of 807 professional services buyers in the U.S. One survey
question revealed that professional services buyers had a strong preference for service providers that were positioned as best-in-class. Knowing this, marketers can strive for that position in a particular marketplace. This will, according to actual purchasers, provide a distinct advantage to sellers.

What else can marketing do? Generate PR to establish credibility as a professional services provider. This is important to many product companies that may not have a reputation as a service provider. It is equally important for an unknown professional services firm or for a company wanting to expand into new markets. Marketing also should develop sales tools, such as capability presentations, and financial models to analyze return on investment. Above all, they can develop tools to make the value of services and solutions tangible and visible to sellers and prospects. These value tools should be market-specific and reflect deep intimacy and knowledge of particular industries. Obviously, this takes time and effort, but then we are discussing best practices here, not average practices.

**What Next?**
When it comes to technology, professional services are still in their growing stages. Many best practices, methodologies, processes, and techniques are still being developed. There are truly not enough real experts to go around. This article has attempted to explore some recent research, practices, and resources. It is only a small window on the progress that is being made, however. There is much to be studied, particularly on the buyer side, that can help us all grow and improve. One thing is clear to us, however: selling professional services is difficult, and it is worth investing in research, training, and best-practice techniques to get some much-needed improvement—unless you don’t like the idea of improving revenues and profits.