

Want to Make it Rain? Take Risks.

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Law firms need lawyers who can expand existing client relationships and grow their own and their firm's book of business. Using social science methodology, Lawyer Metrics has identified a broad "Rainmaker Profile" that captures the traits and behaviors associated with client development success. As it turns out, one of the most important rainmaking factors is a *willingness to take risks*.

The importance of risk-taking is perhaps surprising. People are generally predisposed to avoid risky behavior (*see, e.g., work by Kahneman*), and as a group, lawyers tend to be risk averse. Yet, in their approach to the profession, Rainmakers buck both trends. What is the evidence?

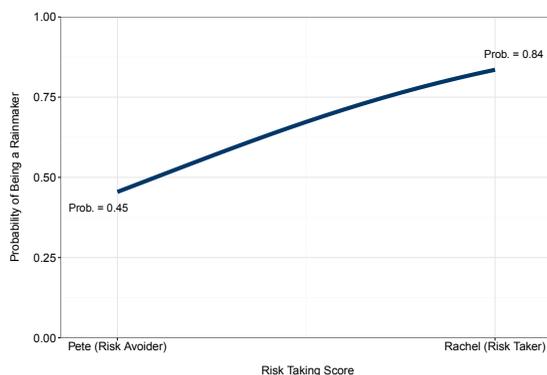
Lawyer Metrics designed a study to uncover the biographical and behavioral foundations of rainmaking ("The Rainmaking Study"). As part of the Study, we collected performance data from over 300 partners, primarily at AmLaw 100 and AmLaw 200 firms. These Rainmakers and Client Service Partners completed the Management Development Questionnaire (MDQ) assessment, which is designed to measure 20 separate behaviors that are related to workplace performance. Using this data, Lawyer Metrics developed a statistical model¹ that reveals the extent to which each of the MDQ behaviors makes Rainmakers distinctive.

The results indicate that the MDQ measure of "Risk Taking" is one of the strongest factors separating Rainmakers from Client Service Partners. To a far greater degree than their counterparts, Rainmakers expressed a preference for challenging established practices and a willingness to bend the rules to achieve higher performance.

To make this finding concrete, consider two hypothetical partners. Pete plays it as safe as possible by contacting clients only when he "knows" they will be interested in talking with him. He "avoids" failure by taking limited and infrequent action. Accordingly, Pete scores two standard deviations below the mean on Risk Taking. Rachel, in contrast, is constantly engaged in efforts to generate new business for the firm. Always willing to put herself out there, risking repeated rejection, Rachel scores two standard deviations above the mean.

Given their respective Risk Taking scores, Figure 1 reports the probability that Pete and Rachel are Rainmakers. All else equal, Pete's pensive-ness and hesitancy earns him a low probability (0.45), and Rachel's persistence in the face of initial rejection gives her a high probability (0.84) of being a Rainmaker.² Thus, the *difference* between these two partners' rainmaking probabilities is 0.39. When it comes to developing clients, Rachel is far more likely to do so successfully.

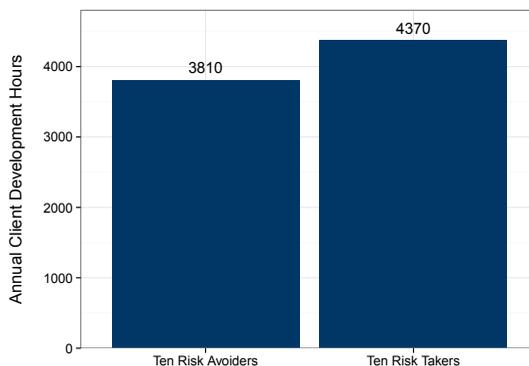
Figure 1. Risk Taking Behavior and the Probability of Being a Rainmaker



At the firm level, what are the consequences of having partners who take strategic risks? We provide one answer to this question by extrapolating from the results of the analysis. In a group of ten risk-taking partners, eight out of ten are likely to be Rainmakers (recall Rachel's probability, 0.84), which means two are Client Service Partners. In a group of ten risk-avoiding partners, however, only four out of ten are likely to be Rainmakers (recall Pete's probability, 0.45) and six are likely to be Client Service Partners. Interviews with Rainmakers and Client Service Partners (another aspect of the Rainmaking Study) revealed that Rainmakers average about 465 hours per year on client development, whereas Client Service Partners average about 325 hours per year. Connecting these expected hours to the predicted group compositions, Figure 2 illustrates what happens in a firm that has risk avoiders or risk takers in residence. Collec-

tively, the ten risk avoiders commit about 3800 hours annually to client development. The ten risk takers, in contrast, commit almost 4400 hours.

Figure 2. Expected Annual Client Development for the Risk-Avoider and Risk-Taker Groups



Without a doubt, lawyers face complex challenges in generating business (we write from experience). The importance of risk taking is part of a much larger story about rainmaking. In subsequent posts, Lawyer Metrics will outline some of the additional traits and behaviors that make up the Rainmaker Profile. For now, the statistical evidence on the role of risk taking is clear. *All else equal*, partners who express a willingness to take risks are about 40% more likely to make it rain. Partners who take risks do not hesitate to go back to a potential client who has rejected earlier overtures. In the long run, such behavior is bound to be good for business.

Notes

- 1: The model is a multilevel logistic regression that simultaneously tests how each MDQ factor affects the probability of rainmaking. Importantly, the model also accounts for firm-specific effects.
- 2: The all else equal interpretation is possible because the model is a multivariate regression. That is, the results for Risk Taking are calculated while setting Pete's and Rachel's scores on the remaining nineteen MDQ factors to the mean values in the data.