

The Rainmaker's Dilemma:

How Your Greatest Strength
Becomes a Debilitating Weakness





FOREWORD

The prevailing wisdom among pundits and authors is that business owners achieve success when focusing on their strengths. This first emerged in 2001 with the release of Gallup's *Now, Discover Your Strengths*, followed by their CliftonStrengths Assessment. Dan Sullivan's highly influential *Unique Ability: Creating the Life You Want* joined the fray in 2005. Applying his perspective, Dan says to focus on natural talents and passions to achieve extraordinary results.

While an owner who leverages their strengths can catapult their business to a successful start, a study of 23,158 companies suggests that there may be a downside. Almost half of the founders we analyzed share one common strength: being the primary revenue driver for their company. Our data shows that owners that assume the role of Rainmaker can rapidly accelerate business growth but eventually hit a ceiling. Revenue begins to stagnate and business value plateaus, forcing owners to confront the Rainmaker's Dilemma.

CONTENT

Introducing the Rainmaker

04

The Rainmaker's Dilemma

06

The Rainmaker's Impact on Company Value

07

Introducing the Architect

09

Conclusion

11

9 Strategies to Transition from Rainmaker to Architect

12

01



Introducing the Rainmaker

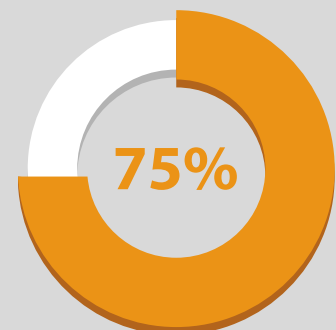
We gathered data from the Value Builder Questionnaire, a survey designed to assess how valuable a company currently is. We then analyzed the role of the owner by studying responses to two questions:

1. *How much of your company's revenue do you personally generate?*
2. *Do you know all your customers by name?*

Based on the responses, we identified two defining characteristics of a Rainmaker.

The first is an owner who generates 75% or more of the company's revenue. These are owners who serve as their company's economic engine and are likely the primary sales and marketing resource. Having conceived the original vision for the business, they can often pitch their product or service effortlessly.

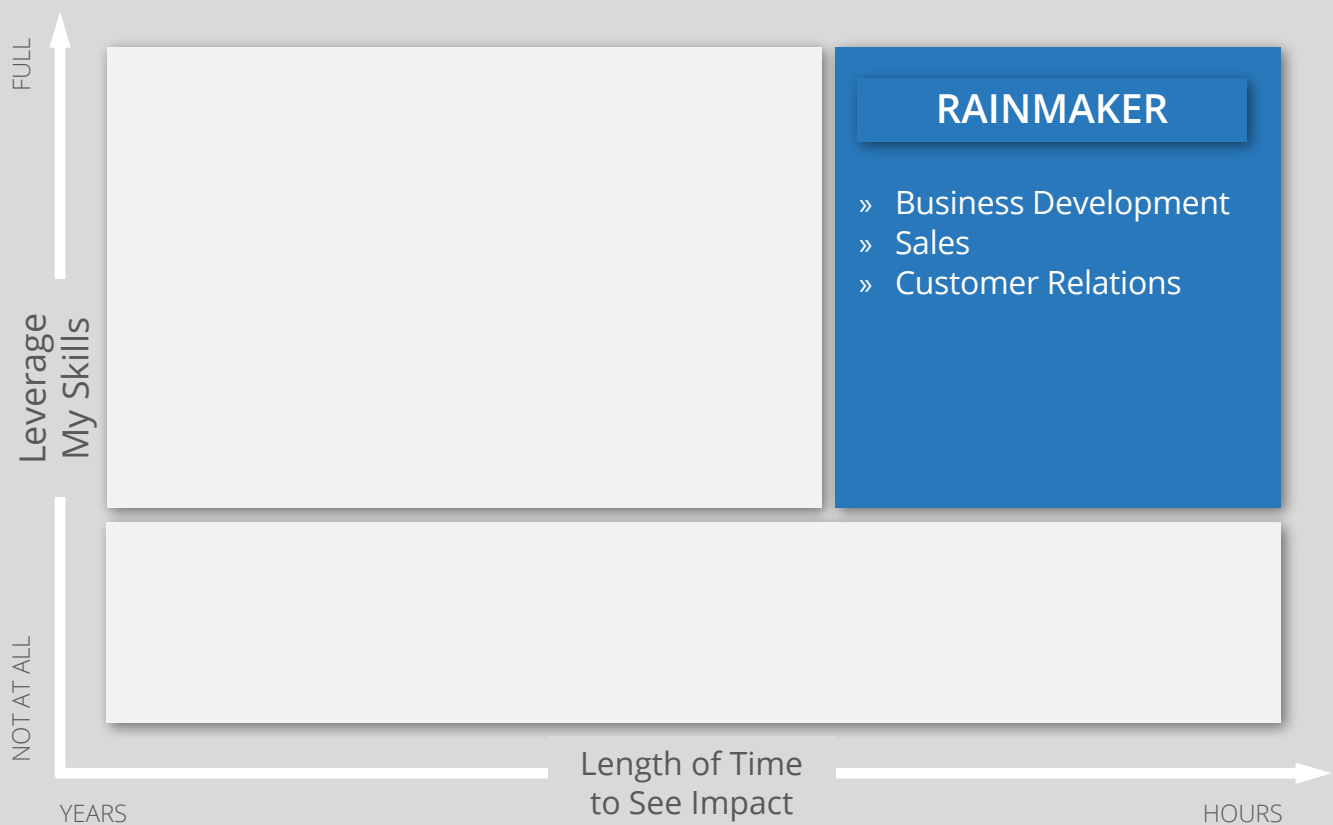
The second indicator of a Rainmaker is an owner who knows all their customers by name. These are owners who are exceptional at developing and maintaining customer relationships.



**Rainmakers generate
75% or more of their
business's revenue**

This cartesian plane analyzes an owner's activities based on two key measurements. The X-axis determines the length of time it takes for an activity to yield a positive impact. The Y-axis determines how much of an owner's skills are required to execute an activity.

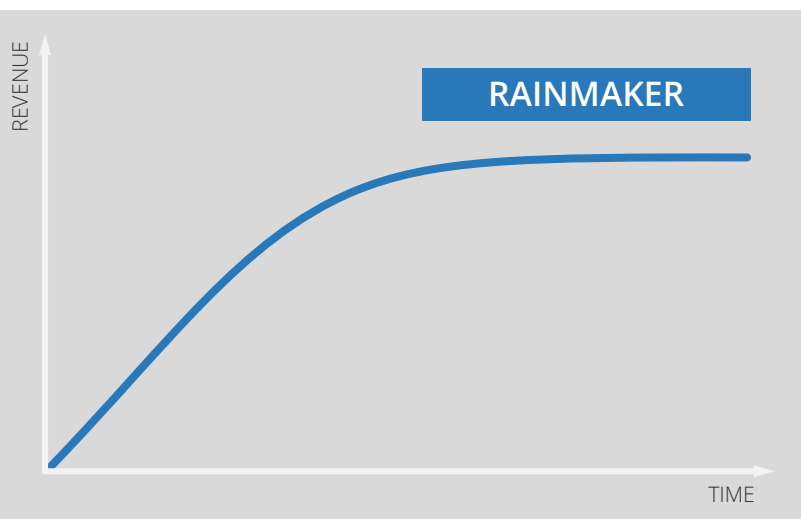
Based on our research, 40% of respondents are Rainmakers. Their highest contribution to the business will sit in the top right quadrant. These are tasks that the owner is highly competent at executing —often naturally— and instantly deliver positive results.



02

The Rainmaker's Dilemma

Early in a company's evolution, Rainmakers are essential. Their ability to secure new business and maintain customer relationships generates revenue rather quickly. However, our research suggests a plateau is on the horizon. This isn't a damaging revelation but quite the opposite. Encountering the Rainmaker's Dilemma is an indicator of a successful business. Without highly skilled, driven, and motivated owners, most companies fall flat.



The Rainmaker's Dilemma isn't due to a lack of expertise or effort but a lack of time. There is a finite number of hours in the day to bring money in the door. If an owner continues to be the only Rainmaker, they will eventually reach their capacity. Our analysis suggests that once maxed out, a Rainmaker's revenue growth stalls, and the transferrable value in the business also flatlines.

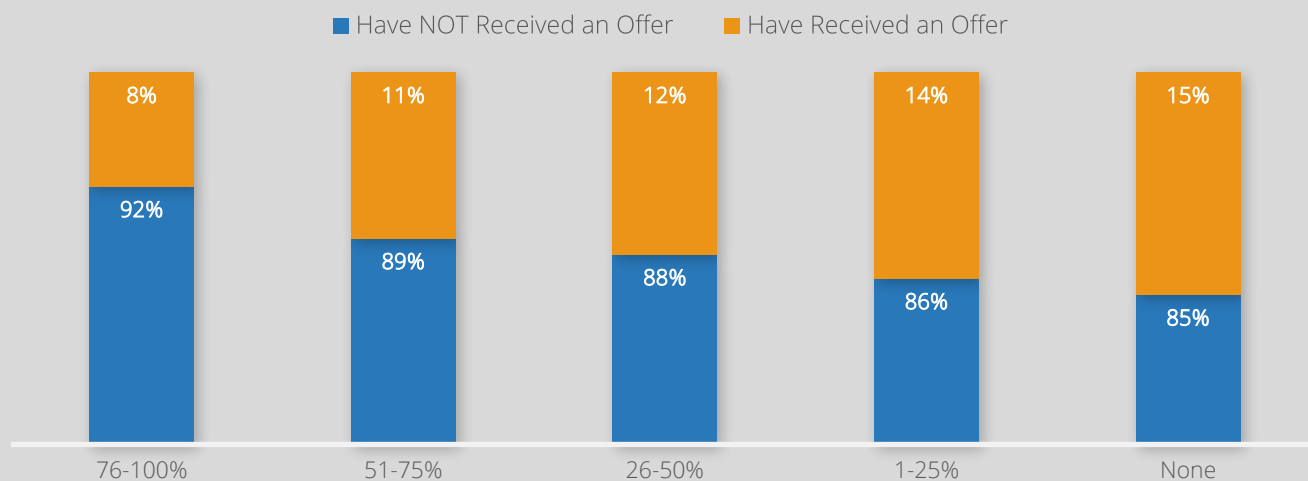
03

The Rainmaker's Impact on Company Value

Companies with Rainmakers are deeply impacted when exiting the business.

Our data shows that only 8% of Rainmakers have received a written offer to acquire their business. This demonstrates that companies with Rainmakers are less liquid and less valuable, making them more difficult to sell.

Percentage of your company's revenue is undertaken personally by the owner or their fellow equity holders

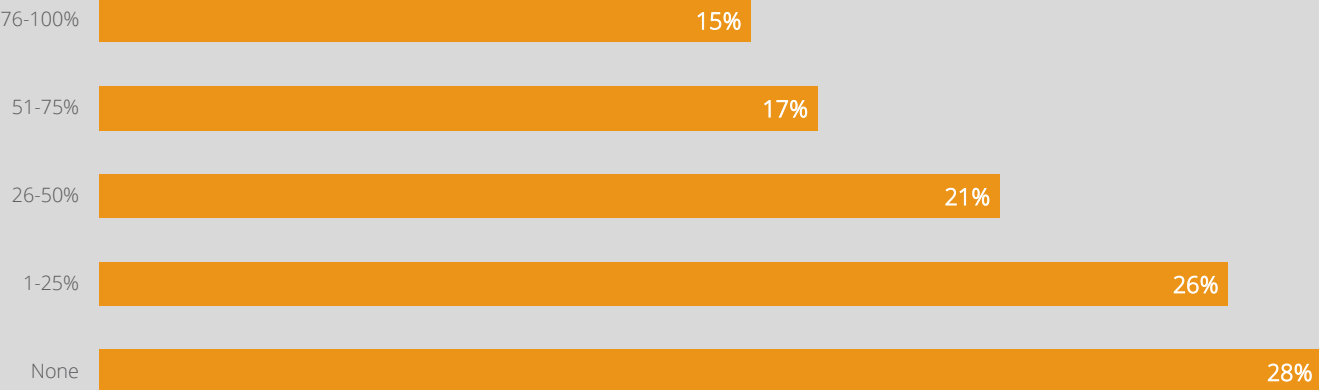


n= 23,739

We have also studied how often Rainmakers receive a premium offer (greater than 6x pre-tax profit) to purchase their business. Only 15% of companies with Rainmakers receive a premium offer. This demonstrates that the majority of Rainmakers are getting lower acquisition offers.

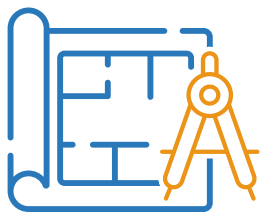
Percentage of your company's revenue is undertaken personally by the owner or their fellow equity holders

■ Multiple ≥ 6



n= 2,772

04



Introducing the Architect

To solve the Rainmaker's Dilemma, owners can evolve into an Architect. To define the Architect, let's revisit these two questions from the Value Builder Questionnaire:

1. *How much of your company's revenue do you personally generate?*
2. *Do you know all your customers by name?*

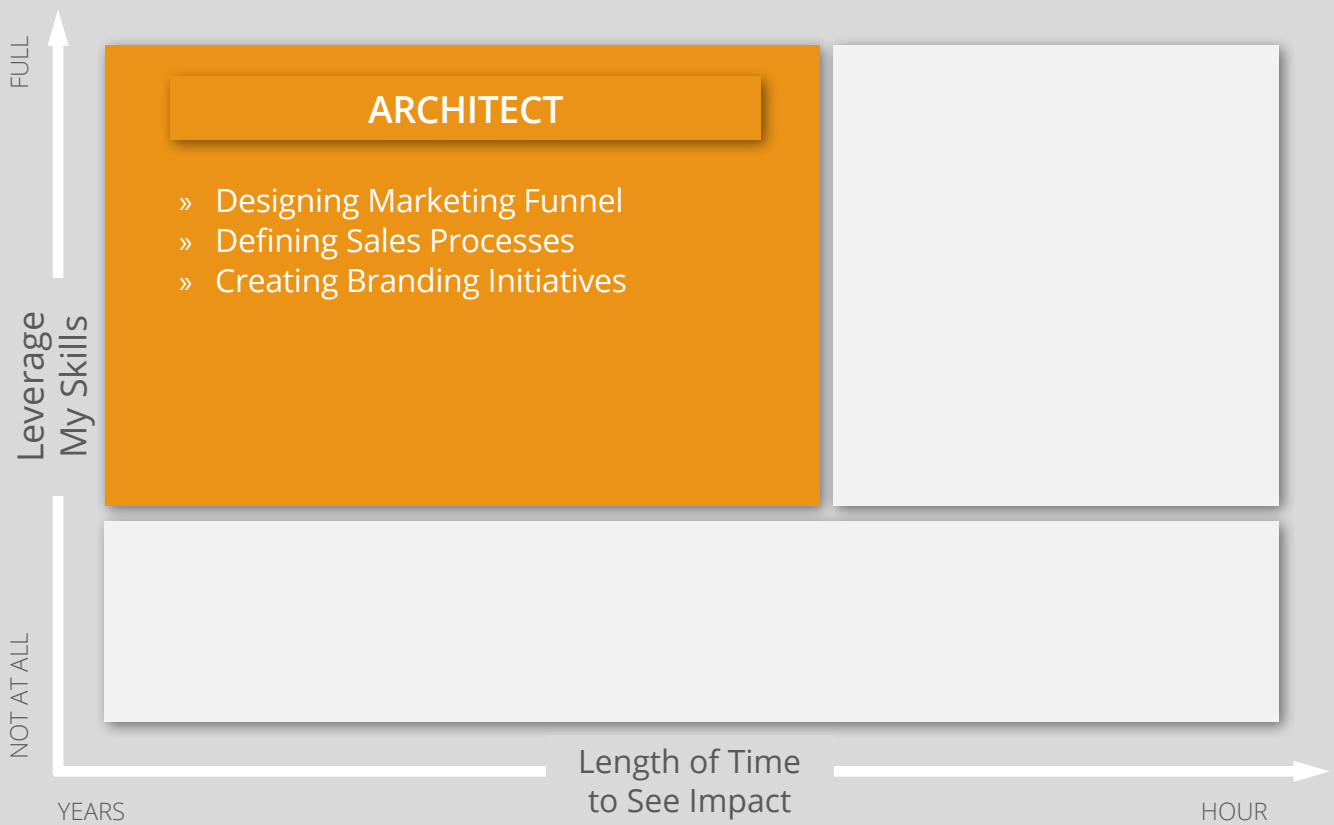
Responses to these questions help us determine an Architect's two defining characteristics.

The first is an owner who personally generates 0% of their company's revenue. Instead of being the central financial driver for their company, Architects design, implement, and refine a sales process and marketing infrastructure that work without them.

The second is an owner who does not know any of their customers by name. Rather than being consumed with customer service, Architects shift their focus elsewhere. They design an escalation process, train staff, and implement technology that resolves issues and keeps customers happy without intervention.

Let's revisit this cartesian plane designed to analyze an owner's activities based on two measurements. The X-axis examines the length of time it takes for an activity to yield a positive impact. The Y-axis looks at how much of an owner's skills are required to execute an activity.

Like Rainmakers, Architects take advantage of their unique skills. The critical difference is that they leverage their strengths to build systems and processes that effectively replicate what they do. In addition, these activities have a longer payback period, often taking years to bear fruit. Once implemented, Architect activities are proven to have an immense impact on company value.



The Architect takes a more holistic approach to running their company. They have evolved from being the primary revenue generator to enabling others to carry out critical business functions. Because Architects develop businesses that are not dependent on them, they will be twice as likely to receive both a written offer and a premium offer when exiting.



CONCLUSION

The Rainmaker's Dilemma is not a detriment but signifies immense success—an achievement that is only made possible because of the owner's abilities and strengths. To enter the next growth phase, owners can assume the role of Architect. They can harness their expertise to create systems, policies, and procedures that allow the business to thrive without them. In doing so, they will be closer to the ultimate reward—the freedom to do what they want with their business and in their next phase of life.



Strategies to Transition from Rainmaker to Architect

For those identifying with the Rainmaker's Dilemma, we've developed nine strategies to kickstart the transition to becoming an Architect.

1. Design Marketing Funnels That Work While You Sleep

Consider investing in marketing funnels that work without you driving them. Use your industry knowledge and product expertise to provide insight into how your customers typically think and behave.

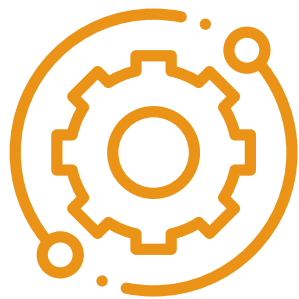


2. Document Your Sales Process

Rainmakers will be unconsciously competent in many cases. They will work and be successful without knowing how they do it. Consider writing down what you did to be so effective at rainmaking, for example, your winning sales process for acquiring new customers.

3. Hire Salespeople Used to Selling Products

People who sell services are more likely to use consultative sales methods. People who sell products do not have the luxury of reinventing the wheel. When you can touch and feel a product, it must be presented in a way that is attractive to every customer, and this repetition makes them more likely to succeed.



4. Limit Complexity

As a business owner, you've likely been tempted by the shiny ball. Every customer wants an item or service differently. The problem is that with each configuration change, our complexity doesn't grow linearly—it grows exponentially. While entrepreneurs thrive on creative problem solving, salespeople thrive on repetition. They enjoy mastering a pitch or presentation and need simple solutions that do not change over time.

5. Avoid Customizing

Customization is the enemy of the consistency that salespeople need to succeed. Therefore, limiting customization will be a critical step in making your migration from Rainmaker to Architect.

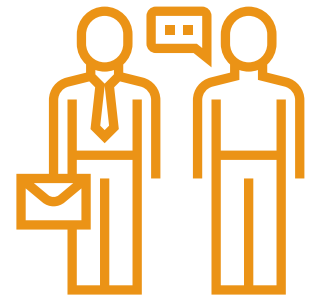


6. Set Your Salespeople up as Experts

Think of the titles you use to describe salespeople. Do you refer to them as account managers, product specialists, or solution architects? More aspirational phrases and labels can set your salespeople up for success as credible product experts compared to more transactional titles.

7. Never Attend a Meeting Alone

You may still have to do the initial customer meeting as part of a business development process, but never do it alone. Always bring a sales executive or account executive along. This should be someone who can take the relationship capital you have created, inherit that, and grow it over time.



8. Create Customer Testimonials

Collecting customer testimonials can make it easier for your products and services to sell without your involvement as the business owner. This will also enable you to hire more junior or less experienced salespeople because your customers have created fantastic customer testimonials.

9. Offer Guarantees

Formalizing a guarantee puts another arrow in the quiver of your sales executive, enabling them to sell and mitigate risks on behalf of your customers. This also lowers the temperature in the sales cycle and allows them to do more selling.

