

PILOTING THE ROCKET OF RADICAL INNOVATION

Selecting the right people for the right roles dramatically improves the effectiveness of new business development.

Greg A. Stevens and James Burley

OVERVIEW: *The personalities of individuals involved in the early stages (or “fuzzy front end”) of new business development have been found to be as important as the process itself. NBD analysts with Myers Briggs Type Indicator® (MBTI)-based preferences for intuition (“N”) and thinking (“T”) score highest on a Rainmaker-IndexSM (1). Those in the top third of the Index generated 95 times more profit than those in the bottom third (\$8,230,000 vs. \$87,000 per analyst), when rigorously coached in the same NBD staged-gate process. Further, 32 of the 33 NBD recommendations from the opportunity analysts made money. This represents a success rate of 97 percent vs. 11 percent when moving from Stage 4 to Stage 7 on the “universal success curve.” Fixing the fuzzy front end of staged-gate NBD processes in this way has led to increases in NBD speed and effectiveness of more than 900 percent, by achieving near-perfection in commercialization rates.*

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For as in one body we have many members, and all the members do not have the same function . . . Having gifts that differ according to the grace given us, let us use them (2).

If we get the right people in the right job, we’ve won the game—Jack Welch (3).

Staged processes with periodic management review gates for new business development (NBD) have been in existence for well over 50 years (4–7). Over half of all *Fortune* 500 companies are estimated to use such processes, which typically have 4 to 8 stages (8).

Many excellent benchmarking studies over the last 50 years have focused on the factors associated with industrial NBD success across hundreds of projects. Virtually every study has found that the number one success factor *at the project level* is “product superiority,” or “product advantage” (5,6,9–12). More recent studies at the *company level* by Cooper and Kleinschmidt show that the number one success factor is a high-quality NBD process (13).

However, in spite of the innumerable changes in NBD thinking over the last 50 years, in spite of all of the NBD staged-gate processes that have been put in place, and in spite of the many studies of NBD success factors, the overall odds of success at the commercial launch stage have remained essentially unchanged. Only 60 percent of new product launches succeed, or one out of 1.7 launches (14).

Indeed, a recent global study of 360 industrial firms launching 576 new industrial products confirms an overall success rate of 60 percent from launch. The success rate was close to the same in all the countries studied: The Netherlands (61 percent success), the United Kingdom (62 percent), and the United States (56 percent) (15). These success rates from launch are virtually identical to the success rates reported in the 1950s and 1960s (4,5,6). While much has changed “on the surface” of NBD during the last 50 years, it appears that the underlying success rates from launch have

remained virtually unchanged. Based on these results, one might question whether significant progress in NBD has really been made. Yet, failures at launch continue to be very expensive because production plants have been built or a service has been fully designed and promotional dollars spent.

While the cost of failure is less at the earlier stages of the NBD process, the failure rates at earlier stages are much higher, as shown in Figure 1, the “universal industrial success curve” for NBD projects involving substantially new-to-the-world products. The curve was developed from three distinct sources of information: 1) tracking the commercialization of patents; 2) venture capitalists’ experience; 3) the project literature. The success rates found (as a function of the stage of the project) were remarkably similar in all three cases (14). The universal success curve is a benchmark that shows, for example, that the odds of commercial success for new-to-the-world products averages 1 in 300 at the idea submission stage (or at the patent disclosure stage), and 1 in 125 at the small project stage (or after a patent is granted). After Stage 4 of 7 stages, when a detailed analysis has been completed and an early-stage development effort is underway, the success curve shows that, on average, only one in nine projects or 11 percent is commercially successful. Even when a project reaches the stage of major development, the odds of success typically remain no greater than 1 in 4, or 25 percent (14).

Given that excellent NBD processes are often in place within major corporations today, as was the case in the company studied for the research reported here, the issue becomes how to further increase the productivity of these processes. With the success rates from launch essentially unchanged over the last 50 years, it is critically important to look for any factors that can improve success rates.

Overlooked Human Factors

The studies conducted to date show some of the things that can be done to increase the rate of NBD success. Yet, even with the future success of firms riding on the outcomes of NBD efforts, these things are *rarely done*, and NBD success rarely occurs. Why? We believe that it has to do with overlooked human factors. Others have advanced similar hypotheses. For instance, one of Crawford’s interviewees raised the following questions in 1977:

Why, then, do we have such a high rate of new product failures? Is it possible, as some of the research studies suggest, that the problem is one of people, not technology? If so, just what is wrong? . . . we can speculate that many (perhaps most) market researchers assigned to new business development are precisely the wrong people unless the department has been permitted to staff up especially for this purpose (12).

Crawford suggests that market research supporting early-stage NBD project analysis is not often done well

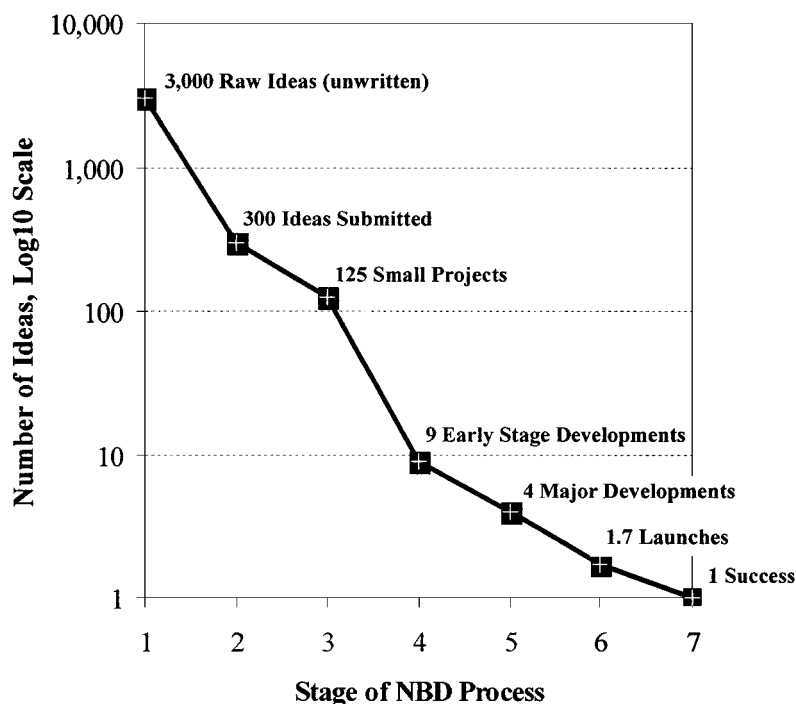


Figure 1.—The “universal industrial success curve” illustrates that the number of “substantially new” product ideas surviving the launch stage has remained at 60 percent over the past 50 years (14).

because the individuals typically selected for both early-stage project management and market research are risk-averse, patient and persistent, whereas market research for NBD requires people with high risk tolerance, creativity and openness to the “irrational” process of new business development (12).

Numerous studies have also shown that the most significant differences between successful and unsuccessful products lie in the quality of execution of the first few stages of NBD, i.e. the “fuzzy front end.” Simply stated, “the first few plays of the game determine the outcome” (6,16,11).

It is in the early stages of NBD activity that a key individual, acting as a project analyst or director, often plays a critical role in the outcome of the project. During the first 3–4 stages of the NBD process at the company we studied, management was relying *primarily* on one person to make a recommendation about whether to proceed to the next stage of product development. Few companies would want to assign a four-person multi-functional team to every one of the 300 ideas submitted as patent disclosures, and virtually none could afford to do so.

Accordingly, the majority of projects at the company studied involved the early-stage project analyst acting as an individual project leader (while interacting with many other key people in many different functions both inside and outside the company). Much less frequently in the company studied, this person was an early-stage multi-functional NBD team leader. In both of these instances, the individual analyst (or leader of a small team) played a key role in the project’s early direction.

In the later development and commercialization stages of a project, the number of people directly involved increases steadily. Participation can expand to well over 100 people per project and involve several large teams in different functions, with different leaders.

Given that the critical *early* stages are often managed by a single key analyst or leader, could this person’s personality play a critical role in determining the ultimate success of an NBD project? Starting ideas often need to be reshaped substantially, before becoming commercial, due to the low odds of their success (Figure 1). It takes creativity to accomplish this reshaping. Because a lack of meaningful product uniqueness has been found to be the number one reason why new products fail (12), creativity is often seen as an important personality trait for NBD analysts. It therefore seems logical that a firm is more likely to develop “meaningfully unique” and commercially successful new products if it is using creative people at the early stage of its NBD activity.

How the Study Was Conducted

While perhaps few would argue against the desirability of matching personality types to the functional require-

In the early stages of NBD, a key individual often plays a critical role in the project’s outcome.

ments of a job, the question of *how* to do it has been less clear. One answer is to use personality testing to assess the employees. Two such instruments that we have found to be useful are the Myers Briggs Type Indicator® (or MBTI®), which can also be converted to an MBTI-based Creativity Index (CI), and other subscales including an MBTI-based Rainmaker IndexSM, and the Kirton Adaptor Innovator instrument (KAI). These instruments were used to measure the personalities of the analysts we studied, as explained below.

Data for this study were obtained by interviewing hundreds of people from a global *Fortune* 500 chemical company (17). The data were collected over a ten-year period, during which 267 separate NBD projects were evaluated within the company. Each project was initially analyzed and overseen by one of 69 different NBD analysts who worked for the firm. For each analyst, the following measurements were collected: their personalities, as measured by the MBTI Instrument, the MBTI-based Creativity Index, their MBTI-based Temperaments, the continuous MBTI-based “Rainmaker Index,” and KAI instruments.

NPD effectiveness metrics were also prepared and identified for each study participant. These included:

1. The number of NBD analyses conducted per analyst.
2. The number of positive recommendations made to management.
3. The creative branching activity of the analyst (involving a significant shift from the original direction of the project).
4. Profits that ultimately resulted when the business later implemented an analyst’s positive recommendation.

The results of the different personality measures on NBD effectiveness were then compared for well over 95 percent of the total number of project analyses conducted. Only a few individuals chose not to participate, hence virtually the entire available sample was measured. The study

evaluated many projects conducted in both Europe and North America (29).

The Planned Innovation Opportunity Analysis system of Bacon and Butler, developed at Michigan State University, was the staged-gate business discipline used to train all of the analysts that conducted project evaluations during the 10-year span of the study. The Planned Innovation approach is a staged-gate process with periodic management reviews. It utilizes scientific reasoning to determine key requirements before making major expenditures. It does this by forming and testing draft proposi-

tions, or hypotheses, related to the following critical issues: determining the “fit” of the project within the organization; identifying unmet marketplace needs; identifying sources of value (both to the organization and down the value-chain); and determining competitive openings and competitive advantages (30,31).

All analysts were rigorously trained and extensively coached in this methodology. The training consisted of an intensive one-week course followed by one-on-one coaching which lasted from six months to two years. Coaching the analysts over at least one or two projects

Personality Measurement

The Myers Briggs Type Indicator® (MBTI®) was developed in the 1940s by Isabel Myers and Katharine Briggs, driven by a need for more effective placement in wartime jobs through better matching of personality with job requirements (18). It is possibly the most widely used personality measurement instrument, being administered to approximately 2 million people annually in the United States (19). The MBTI instrument measures personality preferences using the four scales listed below, along with their abbreviations. (Note that the abbreviation for “Intuitive” is “N,” and not “I” because “I” is used to denote “Introversion”).

1. Extroversion/Introversion (EI).
2. Sensory (or practical)/Intuitive (SN).
3. Thinking/Feeling (TF).
4. Judging/Perceiving (JP).

Creativity Index

The Creativity Index (CI) developed by Harrison Gough was based on the MBTI instrument in part because it is so widely used. The CI is calculated by taking a respondent’s MBTI Form G instrument scores, converting them to continuous scores for each of the four personality factors, and placing them into a formula that has been developed from 30 years of creativity research at the Institute for Personality Assessment and Research (15,19,20,21).

Gough’s research on the CI suggests that, with regard to personality types in general, creative individuals tend to be more intuitive (“N”) than sensory (“S”), more perceiving (“P”) than judging (“J”), more extroverted (“E”) than introverted (“I”), and more thinking (“T”) than feeling (“F”) (21). The most heavily weighted factor in the CI is the preference for intuition, which Gough rates three times higher than any other factor. The formula Gough developed for the CI is:

$$\text{MBTI-Based Creativity Index} = 3\text{SN} + \text{JP} - \text{EI} - 0.5\text{TF}.$$

Twenty-six additional studies of creativity involving the MBTI instrument have all found correlations between the preference for intuition and creativity (19).

Four Temperaments

Keirsey has simplified the 16 MBTI personality types (such as ENTP, ISFJ, etc.) into four major groupings, or Temperaments. These four temperaments are (18,22):

1. “Rationals,” or “NTs,” are those with MBTI preferences for Intuition and Thinking, representing approximately 12 percent of the population.
2. “Idealists,” or “NFs,” are those with MBTI preferences for Intuition and Feeling, representing approximately 12 percent of the population.
3. “Guardians,” or “SJs,” are those with MBTI preferences for Sensing and Judging, representing approximately 38 percent of the population.
4. “Artisans,” or “SPs,” are those with MBTI preferences for Sensing and Perceiving, representing approximately 38 percent of the population.

Kirton Adaptor-Innovator Measure

The Kirton Adaptor–Innovator (KAI) instrument is another way to measure the style of creativity. It is simpler than the MBTI instrument in that it measures only one independent variable (style of creativity), instead of four. Individuals scoring below 96 are said to prefer the Adaptive style of decision-making by their nature, while those who are above 96 prefer the Innovator style (23,24). *Adaptors* (individuals scoring below 96 on the KAI) characteristically produce . . . ideas based closely on . . . existing agreed definitions of the problem and likely solutions. They . . . proceed within the established . . . theories, policies and practices of their organizations. Much of their effort in change is in improving and “doing better” . . .

Innovators (individuals scoring above 96 on the KAI) could be said to discover problems and discover avenues of solution . . . and are catalysts to settled groups, irreverent of their consensual views, seen as abrasive, creating dissonance (23).

In plain English, Kirton’s “Innovators” are the group most people would consider to be highly “creative.” *Adaptors*, on the other hand, are “creative” only in the sense that they can find ways to work within the system to solve problems and effect change. In plain English, this is the group most people would consider to be “not very creative.” *Adaptors* tend to be good at finishing jobs started by *Innovators* (25–28).—**G.S. and J.B.**

was an essential part of the process. This allowed the analysts to internalize the techniques they were learning, enabling them to function independently after coaching (30,31). It was not a “program of the month” but a serious and sustained effort with top management support, which lasted for over 10 years.

What We Learned

After testing our hypotheses and running the linear regression analyses, we reached the following conclusions:

The KAI instrument was found to be less effective on all measures than the MBTI instrument, and indeed created false positives in some cases. Analysis of the MBTI instrument results allowed for some clear conclusions which are summarized in Table 1. (A great deal of additional analysis has been done comparing the efficacy of the KAI with MBTI instrument, and is reported elsewhere (17).) Essentially, those analysts in the “high-creative” half of the sample (as measured by the MBTI instrument) out-performed those in the bottom half according to the following NBD success metrics:

1. The more highly creative group did more projects.
2. The more highly creative group branched the projects more frequently (redirected or significantly “morphed” them).
3. The more highly creative group was responsible for identifying concepts that, when later commercialized by the business, made far greater profits: \$197.5 million, vs. \$15.2 million.

These results occurred when the analysts worked within a disciplined, staged NBD process after receiving the proper training and coaching. Highly creative individuals can be looked upon as “wild mustangs”; a well-disciplined NBD process with trained coaches provides the “bridle and bit” needed to effectively harness their energy.

As reported earlier, after using this system, 97 percent of the Stage 4 recommendations that were commercialized

“NT Rationals” outperform other temperaments in new business development.

turned out later to be profitable after commercialization (in Stage 7). This compares with the benchmark from the universal success curve of 11 percent for most industrial NBD processes in use today (Figure 1). As such, this represents a nine-fold improvement in effectiveness vs. typical staged-gate NBD activities (Figure 2). This is because typically only one high-quality NBD development effort is now needed to achieve profitability vs. nine separate development efforts when using the more traditional staged NBD processes (14,29).

The highly creative NBD analysts in our sample were much more productive than their less-creative counterparts when working within a disciplined NBD process. These results caused us to expand our analysis to see if even stronger correlations could be found between analysts’ personalities and NBD profitability.

The study data revealed that individuals with a strong MBTI-based preference for “intuition” (N) and “thinking” (T)—who correspond to Keirsey’s “Rationals” (NT’s)—were identified as having the key preferences for delivering NBD business cases that made money. They clearly outperformed all other Keirsey temperaments. Table 2 shows key characteristics of the various project variables by temperament group.

The “Rainmaker Index”

Because the NT Temperament significantly outperformed the other temperaments, we decided to determine

Table 1.—Analysts with Higher Scores on the MBTI-based Creativity Index Have Greater NBD Success

New Business Development (NBD) Success Metrics	Group with Below Median CI	Group with Above Median CI	Times More Effective
	CI < or = 273 n = 34 analysts n = 108 projects	CI > 273 n = 35 analysts n = 159 projects	
Number NBD Analyses/Analyst	3.16	4.56	1.4
% Ideas that Branched	13.0%	35.7%	2.7
% Positive Recommendations	19.5%	45.8%	2.3
Profit per Analyst, \$million	\$0.45 million	\$5.64 million	12.6
Profit per Project, \$million	\$0.14 million	\$1.24 million	8.8
Total Profit, \$million	\$15.2 million	\$197.5 million	13.0

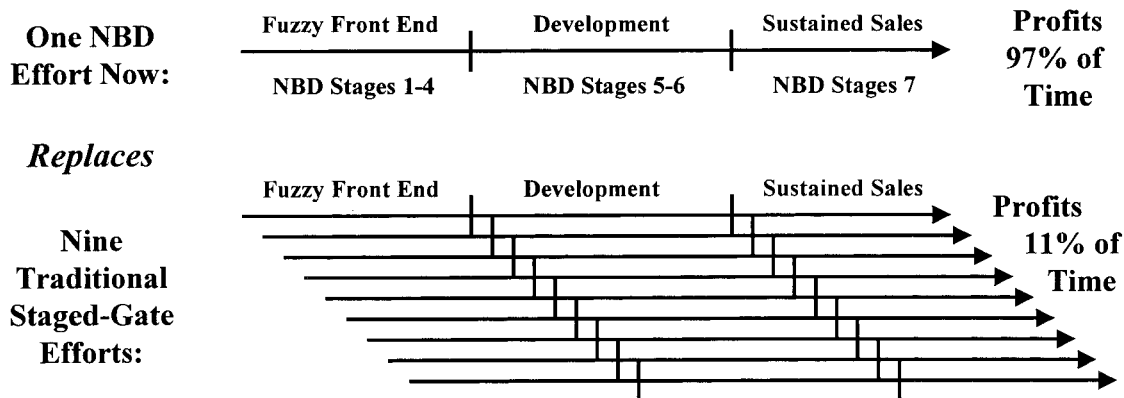


Figure 2.—A disciplined NBD process employing trained coaches generates profits nine times faster, with nine times less overall effort, than traditional staged-gate processes.

whether there was another mechanism by which we could rank NT Rationals for their relative performance potential. Because innovation drives corporate growth, and because these individuals spearhead innovation, we felt an appropriate term for this measure would be the Rainmaker IndexSM (RI).

We developed the RI scale based on continuous scores from the MBTI instrument measuring preferences for intuition (the “SN” MBTI-based scale) and thinking (the “TF” MBTI-based scale). The full RI scale creates a range of scores from minus 110 to positive 116 (a 226 point range), with the highest positive score indicating the strongest Rainmaker capability (see “Calculating a Rainmaker Index Score,” next page).

Earlier analyses had shown that the “NT” temperament outperformed the others. Just as Gough found it useful to divide the MBTI-based Creativity Index group into three sub-groups (20), we divided the “Rainmaker Index” into thirds. Table 3 summarizes the results, and shows that analysts in the upper third of the Rainmaker Index earned 95 times more profit than those in the lower third, and 9 times more than those in the middle group.

Those with RI scores in the upper third also carried out more projects, by a factor of 1.6 (vs. the middle third of

the group) or 2.1 (vs. the lower third of the group). Typically, this happened because analysts with higher Rainmaker Indices volunteered to do more studies. They also would often create the studies that turned positive, even when the project they were initially handed turned out to be negative. In effect, the high Rainmakers would often “morph” or change a negative project into a positive one, by changing the direction of the project, or “branching” it. Rainmakers clearly enjoyed doing this kind of work much more than those with lower scores (most of whom, once they learned what the work entailed, found it distasteful). We believe the high-scoring Rainmakers liked the work because people tend to like doing things they are inherently good at.

When “correcting” for profits earned per *project*, instead of per analyst, the top third of analysts on the RI still greatly outperformed the lower third. Table 3 shows that analysts in the top third of RI scores outperformed the middle third by a factor of 5.5 times per project, and the bottom third by a factor of 49.3 times per project.

We believe that the *combined* effects of: 1) an ability to do more projects, and 2) an increased ability to “morph” losing projects into winners makes analysts in the top third of the RI much more productive than those in the

Table 2.—Analyst Keirsej Temperaments vs. NBD Performance

4 Keirsej Temperaments (Independent Variables)	Number Analysts	Total Number Projects	Dependent Variables (Reported per Analyst)			
			Profit	# NBD Analyses	% Pos. Recs	% Branch
“SP” Artisans (Sensory-Perceivers)	6	11	\$0.00 million	1.83	25.0	33.3
“SJ” Guardians (Sensory-Judging)	22	63	\$0.68 million	2.86	17.9	9.4
“NT” Rationals (Intuitive-Thinking)	33	167	\$5.99 million	5.05	44.2	39.7
“NF” Idealists (Intuitive-Feeling)	8	26	\$0.00 million	3.25	41.3	28.1
Totals	69	267				

lower two thirds. The profit measures indicate that analysts in the top third of the RI are 95 times more productive than analysts scoring in the lower third, and 9 times more productive than those in the middle third.

An equation for “Profit per Analyst” is shown below, arising from the regression analysis of the MBTI instrument subscales. We found that the preferences for “N” and “T” correlated with profits almost equally, while the other two subscales were not statistically significant (EI and JP) (17). The resulting equation indicates that each additional point on the “N” side of the SN continuous scale for an analyst is associated (on average) with an extra \$95,170 profit, and each point on the “T” side of the continuous TF scale is associated with an additional \$119,930 in profit.

$$\text{RI Profits Per Analyst} = \$2,421,291 + (\$95,171 \times \text{SN}) - (\$119,930 \times \text{TF}).$$

From the overall slope of the regression analysis curve (beta), every one-point increase in the RI can be expected to yield, on average, an additional \$104,735 in profit. Stated differently, in the 10-year timeframe of the study, an analyst with 10 additional points on the RI would be expected to earn an additional \$1.05 million in profit for the corporation when given the proper training and coaching. Note that as additional years have gone by, and additional profits have been generated, the value if measured today would be at least four times greater.

Implications for Management

The results from this study indicate that certain individuals are gifted with abilities to perform more effectively in

Analysts in the upper third of the Rainmaker Index earned 95 times more profit than those in bottom third.

the early stages of NBD, i.e. in the “fuzzy front end.” Although there are various ways to measure and identify these individuals, the Rainmaker Index is the most effective to date.

Our data show that organizations that staff the early stages of their NBD efforts with individuals having the gifts needed to be effective in those roles will outperform other organizations that do not match individual gifts with job requirements.

A question often raised about this work is, “What if all the best projects were given to the most effective workers?” One reply is that starting ideas are almost never commercial (Figure 1), so to succeed analysts must possess the ability to branch, or “morph,” starting ideas that are usually doomed to fail into commercially successful projects. In effect, they must create a commercially viable idea where typically there was none to begin with.

The question also implies that the best projects were given to the most highly-regarded individuals. A comment addressing this point is that a staff reduction program was underway in the company studied during the period of our project. This program resulted in the loss of over half of analysts in the top third of the RI—the profit makers in the organization—but the loss of none of those in the lowest third. Hence, the top-performing Rainmakers in the organization were actually the least well-thought-of employees in the analyst function.

This indicates that organizations that do not recognize these gifts in assigning NBD roles run the risk of losing Rainmakers who may be under-appreciated. This is often the case since Rainmakers (if uncoached) are typically undisciplined in their thinking and difficult to manage even when coached. Specific conclusions from the study follow:

1. Whereas an earlier article (29) indicated that Intuition was the most important success factor for the early stages

Calculating a Rainmaker Index Score

Assume that an analyst’s MBTI-based SN score (provided by the instrument) is N51, with a strong “intuitive” preference. First, this needs to be converted to a continuous score, with 100 as the midpoint. If the score was “S” for a “sensory” preference, it would be subtracted from 100; being “N” for intuitive, it is added to 100. Therefore, the continuous “SN” score is 151 (100+51). The analyst’s TF score from the MBTI instrument is T51, with a strong preference for “thinking.” This again needs to first be converted to a continuous score, with 100 as the midpoint. If the score was “T” for a “thinking” preference, it would be subtracted from 100. If it was “F” for a feeling preference, it would be added to 100. Thus, continuous TF score is 49 (100–51). Finally, subtracting the continuous “TF” score of 49 from the SN score of 151 provides a continuous Rainmaker Index of 102, which is a very high result. The *sample* range of continuous MBTI–NT scores in the data analyzed is from minus 78 (for those with strong MBTI preferences for Sensing and Feeling) to positive 102. (You can more simply calculate your own Rainmaker Index, as well as your Creativity Index automatically by entering your MBTI-form-G scores at: <http://www.winovations.com/calculator.htm>)—G.S. and J.B.

of NBD (as it is weighted 3 times other factors on the MBTI-based Creativity Index), the current analysis of the data sharpens our understanding. The preferences for both intuition and thinking are equally significant, and correlate with profits earned from NBD. This understanding has led to the formation of the “Rainmaker Index” which can be applied to analysts involved in the fuzzy front end of NBD.

Analysts with scores in the top third of the “Rainmaker Index” earned 95 times (9,500 percent!) more profit than those in the bottom third (\$8.23 million vs. \$0.09 million), and 9 times more than those in the middle (\$8.23 million vs. \$0.83 million). Compared to the MBTI-based CI, the RI does an 8.6 times better job of identifying high-potential NBD analysts (Figure 3).

2. The people selected to operate the NBD process are at least as important as the process itself, and represent a major success factor that has heretofore been overlooked or misunderstood. Analysts with high Rainmaker Indices seek out NBD work more frequently, stay with it longer, and do more early-stage NBD studies per person. In short, they are more effective at this work than those with other temperaments. Anecdotally, those with high RIs appear to enjoy this kind of work far more than their counterparts. We believe the MBTI-based preference for “N” (intuition) vs. “S” (sensory) provides the creativity that is needed to continually reformat ideas to make them successful. The preference for “T” (thinking) vs. “F” (feeling) makes it easier for these analysts to learn the business discipline required to rigorously test their project-related hypotheses.

3. Profitability increases with higher RIs. Analysts in the top 20 percent of the RI produce exactly 80 percent of the profits, which happens to conform to the “80–20 rule.” Furthermore, half as many analysts, i.e. those in just the top 10 percent of the RI, identified concepts resulting in 71 percent of the total profits, whereas one might have expected them to have produced half as much as the top 20 percent of analysts did. This indicates that the potential for producing profitable NBD concepts is

Fixing the “fuzzy front end” is essential to improving overall NBD effectiveness.

concentrated in the minds of very few individuals in an organization.

4. Profits earned exceeded the costs of the analyses (through Stage 4) by a factor exceeding 10 to 1 with the process “as implemented” (i.e., with no pre-selection for personality types). If the top third of the analysts on the RI had been utilized, the data indicate that the profits earned would have exceeded the costs of the analyses by almost 30 to 1. This is because only one-third of the effort would have resulted in almost the same profits earned: \$189 million vs. \$213 million from the entire group.

5. Thirty-two of the 33 NBD recommendations from the opportunity analysts (that were later developed and commercialized by the businesses) made money. This represents a success rate of 97 percent, or near perfection, and compares to an overall 11 percent success rate according to the universal success curve when moving from Stage 4 to Stage 7 in typical staged-gate processes (see Figure 1). This indicates that *fixing the “fuzzy front end” of staged-gate NBD processes is essential to dramatically improving overall NBD effectiveness vs. today’s traditional approaches.*

6. The chemical company we studied is representative of many large multinational firms in the *Fortune* 500. The data come from many separate businesses within the

Table 3.—Rainmaker Index vs. NBD Performance

New Business Development Success Metrics	Lower Third of RI (Rainmaker Index) (–78 to 14)	Middle Third of RI (15 to 44)	Upper Third of RI (45 to 102)	Times Higher than Middle Third of RI	Times Higher than Lower Third of RI
	n analysts = 23 n projects = 60	n analysts = 23 n projects = 79	n analysts = 23 n projects = 128		
Number NBD Analyses/Analyst	2.61	3.43	5.57	1.62	2.13
% Ideas that Branched	13.3%	19.0%	37.5%	1.97	2.82
% Positive Recommendations	22.5%	25.9%	46.9%	1.81	2.08
Profit per Analyst, \$million	\$0.087	\$0.93	\$8.23	8.85	94.6
Profit per Project, \$million	\$0.03	\$0.27	\$1.48	5.48	49.3
Total Profit, \$million	\$2.00	\$21.35	\$189.30	8.87	94.7

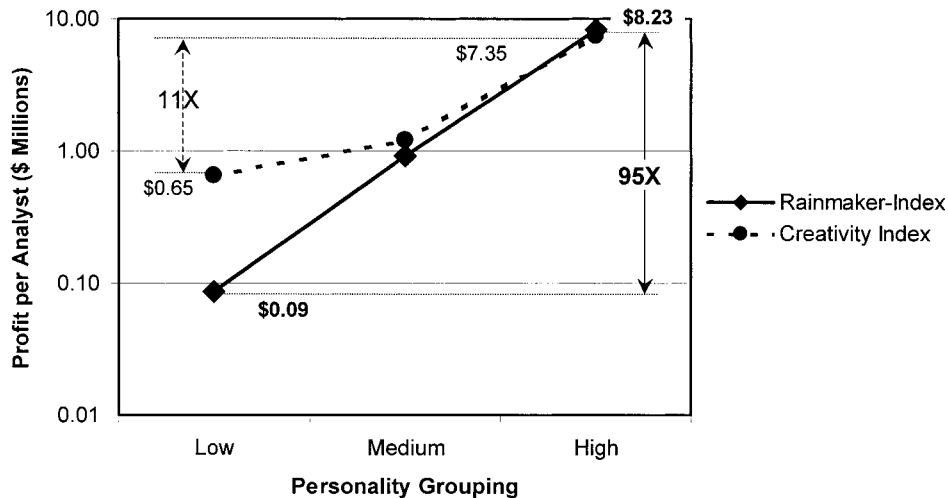


Figure 3.—Analysts scoring in the top third of the Rainmaker Index (RI) earned 95 times more profit than those in the bottom third. The RI outperforms the MBTI-based Creativity Index in identifying high-potential NBD analysts by a factor of 8.6 (95/11).

firm, and from many different international cultures where the firm operates. While the findings reflect the outcomes from only one firm, we believe these results will find broad utility in many industries and will substantially change the game of new business development. Rather than randomly assigning individuals to do the early stages of NBD, a firm can hardly afford not to select those individuals with the highest Rainmaker Indices for these roles. These individuals must be trained and coached in the discipline of NBD to become effective. Without such training, these individuals will not only succeed less often, but will often fail at a significant rate as shown in Figure 1 (14,32). Thus, proper selection and training of Rainmakers should enable companies to beat the long-standing odds on the “universal NBD success curve” by a factor of nine or more.

7. There are many opportunities for additional research suggested by our study. Replication in other geographic and corporate cultures, in other industries and with other variables including different demographic groups would be useful to determine the “universality” of these findings. It may be that the people who are the best at identifying opportunities in the “fuzzy front end” (i.e., Rainmakers or “starters”) of the NBD process are not the best at the later stages (i.e., “finishers”).

8. Further, if the personality traits discussed in this article (including creativity and the RI) are heavily influenced by genetics, then so must be the entire culture of an organization. If true, there are many interesting implications for changing culture. Additional research is being conducted by the authors across an entire organization over a 10-year period to determine if the culture can indeed be changed in just a few years (vs. the normal

20-plus years typically required). We are also looking into correlations between the culture and the effectiveness of the organization as a whole with regards to new business development. Initial findings show how matching personalities with job requirements leads to greatly enhanced organizational effectiveness, and that cultures can indeed be measured and significantly boosted in creativity within a few years.

Just as different plants receive particular benefits from the same rain, so people of different natures and circumstances are blessed in different ways . . . All people should cultivate roots of virtue according to their natures—Buddha (33).

If you bring forth what is within you, what you bring forth will save you. If you do not bring forth what is within you, what you do not bring forth will destroy you—Jesus (34). ☺

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