



Episode 100: The Business Development Mindset, With Scott Becker

Episode Summary

“The effort it takes to get something new going is gargantuan,” reflects healthcare industry icon [Scott Becker](#) in The Corner Series’ milestone 100th episode. Drawing from decades of experience building legal and media businesses, Scott reveals to McGuireWoods colleague and host [Geoff Cockrell](#) why most ambitious professionals fail at practice development: They mistake activity for action, analyze too much and give up too early in the desert of “nothing happening.”

Transcript

Voice over ([00:00](#)):

This is The Corner Series, a McGuireWoods series, exploring business and legal issues prevalent in today's private equity industry. Tune in with McGuireWoods partner, Geoff Cockrell, as he and specialists share real-world insight to help enhance your knowledge.

Geoff Cockrell ([00:20](#)):

Thank you for joining another episode of The Corner Series. I'm your host, Geoff Cockrell, a partner at McGuireWoods. Here at The Corner Series, we try to bring together deal makers and thought leaders at the intersection of healthcare and private equity. Today is actually our hundredth episode of The Corner series, so we're super excited to be recording that and want to thank everyone that's been joining us for this journey. There's no one I would want to have on the hundredth episode than my friend and mentor, Scott Becker. Scott Becker is just an industry legend in healthcare generally, private equity generally, and a dear friend. Scott, thanks for joining. Now, if you could tell the folks a little bit about you. They probably know more about you than about me anyway, but maybe a quick intro.

Scott Becker ([01:00](#)):

Geoff, thank you so much. Just a pleasure to be with you. I've had two parallel careers over the last 30 plus years. I'm a partner with you at McGuireWoods. For a long time, I ran the healthcare practice.

I also, back in the day, kicked off the healthcare private equity practice in our conference. Now, the critical thing to know about that, and this is a lot about business development, about teams and everything else. I had started the healthcare private equity practice, and I'll talk about one other thing too, which is Becker's Healthcare in a second. But when I started it, I was ready to give up on it after a few years. The only reason that that conference, and quite frankly then the practice really thrived, was Geoff Cockrell and Amber Walsh, together then with Holly Buckley and Bart Walker and Tom Zahn some others, really took up the mantle and drove that to a whole different level, where I was flagging out of my efforts to grow the healthcare private equity practice.

(01:55):

So the two things I've done in my professional career, McGuireWoods served as the chair of the healthcare department for 14, 15 years, which was a long stretch. We have a fantastic healthcare practice that was then ran by Amber Walsh and Holly Buckley. And then Becker's Healthcare, built a media company starting back 30 years ago. Parallel, the original purpose of building the media company was as a thought leadership vehicle to build a legal practice in healthcare. That turned into its own business, which in and of itself has taken on a private equity partner over the years and has really thrived. Very similar concept, that I did a great job of starting it.

(02:30):

But the real drive and growth of it, just like in healthcare private equity, came from Geoff and Holly and others. The real drive and growth in that business came from Jessica Cole and a number of other leaders at that company. And so those are the two things I've done. Founded Becker's Healthcare, ran the healthcare department at McGuireWoods, helped found private equity conference, which ended up being led by a whole number of other people. Did a much better job myself. My background, graduate from Harvard Law School. Was there with all people, Barack Obama. Also, a CPA. Geoff, let me turn it back to you.

Geoff Cockrell (03:00):

Scott, when I'm talking to younger partners here at the law firm and giving advice on business development, one of the kind of hurdles as they're looking at it, that they feel is it's one thing to watch something that is kind of spinning and working. It's another to start from a standing stop. When you advise folks, whether it's in the law or in other settings that are starting to build something from zero, what's some of the advice you give to them?

Scott Becker (03:30):

Sure. We talked about the phrase intrapreneur and entrepreneur and so forth, and they've been widely used in business. But the first thing is, if a firm or business has a great business and a great practice, the majority of efforts at that firm or practice have to go into 80% to taking care of that practice, that business, that line of business, those clients, and so forth. Now, that doesn't mean you can't be starting new areas and you shouldn't be starting new areas throughout the history of business. I always think of this as 80% on the current business, current clients, and really interesting where your revenues and business is coming from. The other 20% on building new things. Your question is about building new things.

(04:15):

When you're building new things, the amount of effort it takes to get something new going ... I quite frankly, watch this with yourself and the two other partners that came over with you when you joined the firm a long time ago now. Firm called Wildman Harrold Allen & Dixon. This must go back 15, 20 years now. But the effort that you put in, you had two great colleagues, and they were fantastic. Mark and Mike, great, great lawyers. The effort you put in was unfortunately the kind of effort it takes to really build a practice. And then you, over time, built within the firm, one of the biggest practices at the firm. And it's a gargantuan effort. When I talk about people building a practice, one, if you stick with it, it will happen. And you don't have to have ... I've seen people with great charisma and personal skills, people with horrendous charisma and personal skills, all build practices successfully.

(05:03):

So it's not like you have to have this perfect personality for it. Yes, you have to be able to connect dots, you have to focus on a niche, and you have to view it almost as a full-time job. What I see is two things in people. One, there's those that persist through it. One of the great stories I watched in persisting through it was Amber Walsh, who's one of our partners on the executive committee. She went through a period of time of really struggling, and this goes back a long time ago, to really be the final alpha on a project, the final bringer in of a deal. She kept on working at it and became a national leader in what she does and built a fantastic practice. But it took that kind of pushing through those hurdles, that growth, that effort at it, to get to that spot where she got to that point. So the first thing is it's going to take a lot of perseverance to get to that spot where it really, really starts to click.

(05:52):

I remember almost all of us had developed a practice. My first year of trying to develop a business, I think I had 7,000 in legal business, which is a laughable number today, and it was nothing but that first part of it. It's like building your first million dollars, your first list, your first step. There's a critical part to getting there. That went from 7,000 to 50,000 to 200,000, 600,000 to a million, to growing into a very large practice. But it takes a ton of perseverance. The second thing is, if you're going to build your own practice within a firm and build a team within a firm, you ultimately have to view it as a second full-time job. Because for a very long period of time, you've got a full-time job of serving the firm's clients. Make sure you're doing your hours, taking care of clients, take care of business. The second full-time job is building a practice.

(06:37):

So there's almost some period of [inaudible 00:06:39], where you almost feel like you've got two full-time jobs, building a practice, and serving the current clients of the firm and taking care of business. And you got to do both of them really, really well. So a lot of people get discouraged from that. The third thing I see is many people don't stick with it like you did, like Amber did, like Howie did. Tom Zahn, John Finger. All these people built crazy practice. Bart Walker.

(07:02):

The third thing I'd say is many people analyze too much and you have to do enough analysis. But most of the people we work with, really smart people, and they sometimes get caught up and paralyzed in their business development efforts by thinking too much. They're too afraid to take a step forward, too afraid to do something. They end up getting paralyzed by analysis. So that really three or four things. Tremendous perseverance, Amber Walsh and yourself, just tremendous examples of that. Ultimately, at some point, I'll bring in this discussion. We'll talk about picking a niche you're working in. Second, it's almost always a full-time job to build a practice. There might be examples where they get lucky and build a practice. I don't usually see that. It's usually a lot of, lot of work. The third thing is you can't overanalyze it and you got to keep on doubling down on what's working. I know we'll come back to some of these subjects. Geoff. Let me turn it back to you.

Geoff Cockrell (07:45):

Yeah, it's so interesting hearing you describe that. Those themes both resonate in my experience, in our front and center when I'm advising people. One of the quotes of yours that makes its way into a lot of my discussions internally on business development, was your line that if a hundred percent effort in business development is going to get a hundred percent result, you're kidding yourself if you think a 60 or 50% is going to get a 60 or 50% result. It's going to get 0% result.

(08:15):

And so fighting through just the amount of work that is required is one of the real gating items. And then you mentioned Amber. I always share the story of when we were first starting, we were trying to employ your ideas. We were doing it and doing it. And the funny thing happened, nothing. And it was so discouraging. But we just kept at it, kept at it, kept at it. Then something happened, and then something else happened, and something else happened. And you have to push your way through that. There's just no shortcut to it. Sometimes, people get lucky. But more often than not, it's just persisting through that desert, is just part of the exercise.

Scott Becker (08:53):

I think that's right on. I usually think ... Like we used to say, you have to dig 10 ditches before they start digging themselves. One of our former colleagues talks about the flywheel approach that comes from the Jim Collins book. But you have to work it so hard, and it takes couple years of really working it so hard. So many of these lessons, you hear them from people, you hear them from [inaudible 00:09:11]. But you have to learn them yourself as well. And then you learn what clicks for you. You did this incredible job, I watched it, of taking essentially a PowerPoint and going to a city and setting up 40 meetings with people to talk through what McGuireWoods does. And it wasn't that you were selling, but you letting people know that you're open for business. I watched it with you, I watched it with Amber, and I watched you guys build incredible practices. Incredible practices.

(09:35):

Quite frankly, ultimately, Geoff, your practice ended up being significantly larger than mine, and mine was the second largest of the firm for a very long time, behind a lawyer named John [inaudible 00:09:43]. And you ended up building a fantastic practice. John Finger did too. Tom Zahn did too. Amber did too. And it took that perseverance through a lot of effort. You get a lot of sort of ... And it

takes a while. It takes couple years till clicks in understanding how you do it, how you're comfortable, how you make it work. And it's really ... It's been fascinating for me to watch the success of so many people at the firm and doing it. It's been just fantastic. It makes me very excited to watch.

Geoff Cockrell (10:08):

And you mentioned analyzing. Another one of your lines is that people can get caught up in activities that are not outward focused. And you described it as instead of ready, aim, fire, it's ready, aim, aim, aim, aim, aim, and you can substitute outbound points of contact. They still have to be valuable points of contact. But it's very deceptively enticing to substitute outbound things for internal things. Because the internal things are more comfortable and it feels like you're working at something. But you're really not. And so recognizing that this has to be an outward-facing exercise is another part of the dynamic.

Scott Becker (10:46):

Yes. And to go on that a step further ... So Jessica called Becker's Health here as the CEO. And my partner, [inaudible 00:10:52], spends a tremendous amount of time in this concept of ready, aim, fire, versus ready, aim, aim, aim, fire. So I'll give her a credit for that that I use often. But what happens with the outbound contact, the other thing that people miss is they mistake mass efforts for individual efforts. And at the end of the day, the individual efforts are what makes the difference. So true business development, there is air support, there's this mass media air support. But the real true success comes from the one-on-one meetings, the one-on-one calls. Not from the mass texting, not from mass emails. I know that when you were building a practice and still building a practice, you would have teams that would go out and meet with potential clients and meet with people to stay in the business.

(11:34):

When I was building a practice, every Tuesday was the day where I was on the phone all day calling potential clients. Not trying to sell them, but staying in touch with them. But using the phone. Joel Spitz, another great business developer from our firm over the years, he had a list of clients and he would call them when he was driving on the way home every week or several days. We could use that time to call them and connect with them. In the world of mass media, people think that they are shortcuts. But at the end of the day, so much of it's built around one-to-one contact. It is ... You know. You build a couple reference clients that people are really impressed within the industry. And that makes it a lot easier. Because when you're meeting with somebody, you say, "Well, we work with this firm, we work with them." Then people are much more likely to look at you and think, "Oh, you must be really good at what you folks do. We ought to work with you too." But it is. It's handy in combat. It's one-on-one work. It's developing relationships.

(12:25):

There's a great, great concept that you read in business books time and time again. That your real professional life, probably the same with your real personal life, it's built around a handful of relationships. It's not the mass marketing, which I've used to air support a lot of things and so forth. But it's the individual context. The one-on-one work that I saw you do, Joel do, I'm sure John Finger

does, a ton of other people do, that really grows relationships. Amber is a great example. Holly and Tom are great examples with their client base, Amber one-on-one, developing the relationship with SAA, SCA Health and Optum, then United Healthcare and so forth. But one-on-one really close relationships are what grows a lot of this stuff. The same thing with Holly at Northshore University Health System, now Endeavor Health. Revelstoke. A lot of these things are really one-on-one efforts. They're not mass marketing. Geoff, let me turn it back to you.

Geoff Cockrell (13:14):

Yeah, so twisting a little bit towards strategy in the sense that yes, it's a lot of work. Yes, you have to persevere, but it does make a difference where your strategy is pointing. How do you advise people of thinking about when they're looking at, "I'm committed to doing this, I'm going to put in the time, the effort, the one-on-one. I'm going to do all those things. But what direction am I going to go? How narrow should that be? How wide should that be?" How do you think about strategy like that?

Scott Becker (13:42):

Sure. So we think of everything that's being niche centric, customer centric, and team centric. And I'll talk to you about niche centric, being in some sort of niche. When you came over, you were a private equity lawyer, a really, really good one. Your success took off when you combine the two areas, narrow the niche to healthcare private equity, and then built this incredible practice largely around that area. We think about things are, can you win in a niche? Meaning who are you competing with in the niche? Can you win in it? Healthcare private equity was an easier niche to win in than the general private equity world, that was overrun with the Kirklands of the world and many other firms. But healthcare private equity, you narrowed the field and you could win in the field. You could have won in either field, quite frankly. And a lot of the firm has done so at this point. But you could have won in either field. Then we think about second is, is it worth winning in?

(14:33):

So for example, the niche has got to be big enough that there's enough dollars, there's enough business, there's enough growth in it, that it's worth winning in. At the same time, can you win in it and is it worth winning in? The other thing I'll tell you is for me, originally building a practice, I was testing around with three to four different niches. Working with those three niches, you can't have too many that you're working at because people won't recognize you in any one of them. And what I ultimately ended up doing in building my own practice was doubling down on one of those three that was really working. And we've used that recipe throughout professional life to ... You do have to do some exploration, test a few things, and then come back to doubling down on what's working. And it would be the same thing with people. You double down, you triple down, on the great people you're working with. But can you win in the area and is it worth winning in? Are the two things that we start to assess niches by. And that's a lot of testing.

(15:27):

Not that many people are so brilliant they can just pick it out on a whiteboard. Many of us need to test it and understand it. And there's all kinds of other business lessons that come from that too. Often in the niche, you'll get some false positives, some early wins, but now realize how hard the niche is.

Other areas will be a little bit tougher because you got to get bigger clients. But then if you really build a name in that niche or winning in that niche, the rewards are very significant, because you've got some moat around it. Not everybody's going after it, but it's big enough to really keep a team going of great lawyers and great people. So we think about those concepts, Geoff.

Geoff Cockrell (16:01):

How also do you think about team building? And as I think about it, and I look back over my career, there was a time when I did a lot of work for you, and then you graduate into doing more for yourself. There was a time when Holly did a lot of work for me. There was a time when Tom Zahn did a lot of work for me, and then they graduate into their own. How do you think about team building and the dynamics that, especially in the law, the relationships are forever relationships, but the roles might be temporary. How do you think about team building in that context?

Scott Becker (16:30):

Yeah, I think of it all as thrive, thrive. What happens is you want yourself to thrive as a leader and you want your people to thrive as a leader. Where leaders get in trouble is they think of it as permanent, that they're the thriver and the people are working for them. That's the wrong perspective. The right perspective is, "I'm going to thrive, the firm is going to thrive and you're going to thrive." We almost view it as a Venn diagram of ... And we view the same thing as people working at businesses. They've got to be thriving, the business has to be thriving. There's got to be an overlap of where they're thriving and the business is thriving, that they want to work in that makes sense. And it's not going to be a hundred percent overlap. So the number one thing I think about is thrive, thrive.

(17:14):

The second thing I think of, and I joke about this often is, it is really easy to be a great coach, if you have great people. It's really easy to be a great ... What's the trick to great management? Well, the trick to great management is having people like Geoff Cockrell, Amber Walsh, Holly, Bart, Gretchen around, that do their own thing. David Pivnick, that could thrive themselves. The real trick to great management in building a team is thrive, thrive. And what I do think is really hard in business is sorting out teams because that's not for the faint of heart. Because you have to over time, double down on the great people and ultimately decide that the people that aren't great can't serve the clients of the firm in the way they have to be served. You've got to move them out, and that's no fun.

(18:02):

So we think about thrive, thrive, recognizing great talent and sorting teams out. And I do think being a great coach, being a great manager, a great leader, is really easy. You just got to have fantastic people around you that you're thriving, thriving with. And I say that jokingly because I've had managers that are obviously great micromanagers. It's not my preference. My preference is to have fantastic people and not have to manage them closely and live in this thrive, thrive way. There was an ego thing. 20 years ago, I might've thought, "Oh my God, my ego can't handle that the people that used to work with me on my team have thrived so much. They've built bigger practice than I ever built over a 20-year period." And instead of viewing that as a negative, ultimately I viewed as the greatest accomplishment of mine in business, that the people that I worked with early on had so much

freedom, were so great, that they built things side by side with me. The healthcare private equity event and practice is the perfect example of this.

(19:01):

And I founded that event 22 years ago or so. It was doing okay. I was so busy in a couple other business areas, that it would have never thrived. But for really Geoff and Amber, taking the lead of it and growing it to a different level. So I think about in building teams. And nothing great gets done without serious teams. You think about the Steve Jobs, the Bill Gates, they might be a fantastic ... They couldn't have done anything without building fantastic teams. It's the same with all of us. So thrive, thrive, identify great people, double down on them, and you have to sort people out. I think a lot about the early stages of building a practice, the early stages of building a company at Becker's Healthcare, and the amount of sorting out we did to get the right people in the right places, and that was really hard. It was really hard and a lot of work. But that was as important a thing as anything we ever did, is sorted out and set a foundation for the long run.

(19:52):

The people that are running lots of these parts of the law firm are people that worked with me 20 years ago who have built greater recs than me, have done fantastic. It took a lot of time to sort those people out. So I ultimately gave up being department chair and handed over to Amber who did a fantastic job. Then Holly was doing an incredible job, because this concept of constantly sorting out people and recruiting was just an exhausting, exhausting effort, if you take it seriously. And all these things you want to do well, you got to take them seriously. Geoff, I know I've gone on there for a bit. Let me stop for a second and ask you for questions or comments.

Geoff Cockrell (20:22):

So true. At this stage in my career, I look back and you think ... It's not like the money of the business. That is what you look back on and you both take pride in and think "Well, if I was lucky, this is where I was lucky. It's these people." Whether that is ... You mentioned Holly, you mentioned Tom Zahn. Krist Werling now out leading the healthcare group at McDermott. Those are all people that worked with me, worked for me. Now, they're doing all of these amazing things, and it's just immensely rewarding.

Scott Becker (20:49):

If Krist listens in, make sure that you say, "Krist who? Krist who?" I don't remember that name. No, I'm just kidding. Krist is a wonderful, wonderful colleague. He helped also drive that private equity practice here to the next level. Then at some point, he left, came back. Then he went to McDermott, joined the devil. But no, a fantastic, fantastic firm and we're big fans of Krist Werling. But no, I'm thrilled that the people that we thrived with, the work that you did, that so many of our colleagues did, has just been remarkable. And it's really ... It's got to be thrive, thrive. I had an early boss in the business who was ... We used to joke that a penny for him was more important than a dollar for any of his colleagues. And this was to me, the inverse of what we wanted to do in leadership. The concept was we want to succeed. No question. I've got an ego. I named a publishing company after myself, so I have no shortage of ego and problems and flaws.

(21:44):

But we very much bought into early on the thrive, thrive mentality. The firm made it very easy to share credits in a lot of ways. We were early on in turning over business to others because we wanted people growing. If you can't retain with all these bright, driven, smart people around that are enterprising and sprawling, you can't have ... It's got to be a thrive, thrive culture, not a top-down culture. It just doesn't work for the long term. And I think my greatest pleasure is watching the people that will often never thrive so well that I worked with at one time. And they didn't thrive because of me. They thrive because they were remarkable people. We try just to amplify what they're doing and give them the space to grow and the encouragement, recognize and encourage. And the same thing with the people that have grown with me at Becker's Healthcare, incredible people. Some of it would be 20 plus years now that have thrived and grown. And it's constantly out of this thrive, thrive mentality. And we all have ego, so it's not always easy. But it's critical to growing great things.

Geoff Cockrell (22:44):

Scott, I want to thank you for joining. As I think of my work, I'm grateful for all of those people and I'm grateful that I got a chance to work under you. It's transformed my career and just thank you.

Scott Becker (22:56):

Thank you. It's a total privilege to be asked to join you, Geoff. Thank you so much for having me. Just remarkable. You and Holly and Amber and Tom Zahn, and John Finger, and Pivnick and Walker, and Gretchen and others, have done just absolutely remarkable. And I know I'm missing some names. But just a remarkable, remarkable job by so many people.

Geoff Cockrell (23:14):

Thanks, Scott.

Voice over (23:19):

Thank you for joining us on this installment of The Corner Series. To learn more about today's discussion, please email host Geoff Cockrell at gcockrell@mcguirewoods.com. We look forward to hearing from you. This series was recorded and is being made available by McGuireWoods for informational purposes only. By accessing this series, you acknowledge that McGuireWoods makes no warranty, guarantee, or representation as to the accuracy or sufficiency of the information featured in this installment. The views, information, or opinions expressed, are solely those of the individuals involved, and do not necessarily reflect those of McGuireWoods. This series should not be used as a substitute for competent legal advice from a licensed professional attorney in your state, and should not be construed as an offer to make or consider any investment or course of action.