

Business Development - Perspectives for Uncovering & Closing New Business Opportunities

PART 1 - Business Development Perspectives

As we develop into more senior roles in an organisation, Business Development (BD) becomes an increasingly normal part of our senior roles. And just as it is increasingly important to have distributed leadership in organisations, to help deal with complexity and the pace of change, so too, BD should be distributed. Business Development should be everyone's business.

For us, at *People At Their Best*, BD is one of the more common development areas we are asked about, particularly by managers and executives who are looking to advance their careers - for some this can be quite a leap.

Business Development requires a shift in mindset, usually from a approach that was technical in nature, task focused and short term, to one that is holistic, integrative and long term - the mindset required for BD success.

What We Mean by Business Development - BD is not just 'Sales'

So, what is BD and how is it different from 'sales' or 'marketing'? BD sits between the marketing and sales functions of an organisation and more towards the marketing end of a continuum of how a business penetrates a market and drives revenue.

Business Development Phases

Business development may be defined by, and broken into the following two phases:

1. The activities and processes that focus on analysing and preparing potential growth opportunities
2. The activities that support and monitor the acquisition and execution of those growth opportunities

During these two phases, the business development professional will proactively network and collaborate across the entire business seeking to leverage and integrate the experience, knowledge and skills contained in functions such as sales, marketing, legal, customer service, acquisitions, finance and production, as well as research and development. The reason for this is to extend the number of opportunities uncovered and to ensure that the organisation has the capability to successfully acquire and implement the growth opportunities profitably.

Business development can be viewed as the creation of long-term value for an organization that comes from its customers, markets, and relationships. - Forbes

Business Development requires the successful integration of marketing, sales and support functions to create revenue for the business. The graphic below provides a holistic view of the integration required for successful business development.



Business Development is Important & Worth Investing Your Time in

Through every day conversations and business interactions you may either consciously or sub-consciously recognise opportunities to generate new business. With the pace of doing business today, those opportunities can very easily fall by the way-side due to any of the following reasons, some of which may out of your control:

- It requires time - there's no escaping this fact - to do BD well it must take place daily, not just when you have a spare moment
- Not everyone genuinely needs what you are selling and even if they do, no matter how compelling your offer may be, they may still not come to you for reasons out of your control
- You may have some legacy clients that you could do without and therefore need to explore new markets which will require some 'Blue Sky' thinking
- It's competitive out there and competitors may just beat you to it
- Your networks, as significant as they are may still require improvement to get the right mix of partners, product users and referrers

To successfully grow your business and channel your efforts, **firstly** you must clearly understand the answers to these questions:

1. What business are we in? Be honest - it's harder to answer than you think
2. How will the business be different in the future based on current trends?
3. How do we make money?
4. Who are our perfect customers for what we sell and what do they value?

5. What do we do especially well - better than our competitors?
6. What are our goals? How do they relate to our mission?
7. What are the constraints on our business today that are holding us back?
8. Based on your answers above; what action should we immediately take?

Secondly, you must have a good plan with clear actions, roles, responsibilities and timeframes, as well as measures of success. Consider the following:

- Are you aligned to your Business Plan so as to maximise your return on effort? Know how and where you expect to grow: what current or new services you plan to leverage; are there any new territories, sectors, industries etc. that you want to be a part of?
- Use future thinking - ensure you adjust your efforts to match the market needs
- Behave like a team and understand how you can take the best of your organisation to any given client and stay with them until closing
- Forecast and budget where your revenue is going to come from - include current customers, prospects and consider what will be required to convert them
- Use a system to help you manage your client and prospect base e.g. CRM system

Thirdly, it is important to have or have access to the broad and necessary range of skills and experience mentioned previously as well as an understanding of strategic management, client acquisition, client proposal management and sales experience.

The following pages contain a number of development tips to get you well under way to a more fruitful Business Development effort.

PART 2 - Develop Your BD Skills

Customer Focus

Even the most challenging customers can provide opportunities to grow your business if you can remove pain and barriers for them. Consider the following:

- Know the client's business better than they do and think of their business as your own so you can add value at every reasonable opportunity
- Understand a prospect's challenges/pain points and map your solutions to them
- Communicate with clients often because out of sight is out of mind and everyone likes to be thought of
- Seek feedback to improve your service and uncover opportunities - ask, "How can we do a better job?"
- As BD is proactive, be proactive with client relationships - many BD professionals understand their client's business but don't understand their client!
- Take an outward mindset and focus on the needs, objectives and challenges of your prospect; not your own - in this way you will not be seen self-serving, but instead put yourself in a position to add real value to the potential customer

Ten key questions to always ask prospects/customers

1. What are the biggest challenges/pain points for you right now?
2. What would make life easier for you?
3. What are your short and long-term goals? What are your current priorities?
4. Where would you like to be this time next year?
5. How do you evaluate potential new products or services?
6. What level of service are you looking for?
7. What do you like best about your present supplier? What don't you like?
8. How can we do better?
9. What do you look for in your relationship with a supplier?
10. What might cause you to change suppliers?

Self-Preparation

Most people can easily articulate what they do and when they do it. However this simply puts you in the same competitive category as everyone else. To stand out from the rest, you must be clear about the value you bring to the table.

Focus on answering the following 2 key questions

1. What is my strategic purpose (WHY I do what I do) and why should people do business with me? For example: I am in business to help solve other peoples' problems and to help them navigate the rapidly changing landscape so as to make their business better and their lives better. I want to challenge myself, to learn about their business and to make it better.
2. What is my value proposition and competitive advantage (HOW I do what I do) - what are my client messages that help me to differentiate from my competitors? Here are a few real examples our clients use:
 - I recognise that clients want to solve their problems quickly and efficiently so that they can get on with their business and lives - this is the approach I take when helping them & I achieve this by recognizing what's important to them
 - I am easy to work with. As a result, I have built long term relationships with my clients and this allows me to anticipate their needs even more
 - I identify potential problems early and do this through a genuine interest in others, their business and the factors influencing their business
 - I place great emphasis on client service and am responsive to the needs of my clients - I surpass expectations around accessibility
 - I keep up with industry trends and form views on how this impacts my clients and I share these insights with them - having an opinion separates me from others

Networking and Network Partnerships

A network is a group of people with common interests who interact and cooperate with each other for mutual assistance and support in relation to the same common interest. For example: We are a network who introduce each other to potential customers to grow our businesses and help our mutual customers and contacts.

A partnership is a relationship characterised by mutual cooperation and responsibility to achieve a common goal. A partnership can involve joint funding; pooling of resources; agreements to work together or in-kind support.

Consider acquiring these types of networks & partnerships:

- Referral partners - people or organisations that can introduce you to opportunities
- Preferred companies that have products that you install and / or generate leads
- Services companies that have expertise in areas you don't, allowing joint delivery
- Synergy partner companies where you can deliver a bigger service together than either company can independently. i.e. joint ventures for large contracts where you co-deliver greatly increased scope of works

Consider these types of networking activities:

- Casual contact networks like Chamber of Commerce where you can converse monthly and make connections and meet the right people
- Strong contact networks like Business Networking International where you can meet weekly with the strong purpose of generating referrals - this requires great commitment
- Community service clubs like Rotary and Lions where you can give back to the community, develop contacts and cultivate a public brand - often through word of mouth
- Professional associations and knowledge networks that contain your clients or target market like banking, architecture, accounting and health
- Women in business organisations like the Australian Business Women's Network

Remember, networking is a contact sport - if you're not prepared you will get hurt! To help you prepare, consider the following:

- Before a networking event, find out as much information as possible about the people who will be present
- Set yourself a goal to connect with a set number of people from target businesses
- Take pressure off yourself to sell and instead simply try and learn as much as you can about the people you want to connect with
- Prepare talking points - what are the people in the room likely to be concerned about and ensure you have a view on those subjects
- Remember to breathe - it will help you deal with anxiety and nerves

Business Development - Must Do's

- When a prospect calls you, follow up immediately
- Deliver what you promise so as to build trust and credibility
- Listen actively, consider carefully and respond succinctly - listen 70% & talk 30%
- When negotiating, strive for Win/Win solutions; be willing to walk away from a poor fit
- When partners in your network help you, thank them and keep them informed on progress
- Prospect every day in a real and tangible way
- Learn how to collaborate with others and look for partnerships
- Become the best communicator you can be: practice your elevator-pitch everyday
- Be charming: do things and behave in a way that feels right and authentic for you
- Use every BD situation as an opportunity to learn something
- Remember that passion is developed far more than it is discovered; so get interested in others and learn all you can about them

Ways to enhance your credibility - try the following:

- Be genuine about who you really are
- Connect with people who know more than you
- Ask your prospects open questions
- Always give something away to a prospect - some time, education, insight, research document, connection or trial of your goods or services
- Know the legitimate value of what you provide
- Have insights based on research and analysis - never stop learning
- Publish in a way that says you have insights into your subject matter
- Convert your insights into new products or services

Use a Business Development Model

People At Their Best advocate the 'GAIN' model as a way to structure BD interactions and focus attention on uncovering the real problems that need fixing. Whatever model you use; use it! Models are efficacious - they work and stop you from 'winging it'. So many customer problems are lying dormant, waiting for you to uncover them and add real value to the prospective or existing customer.

With any model you use, its foundation should be: Asking Questions. Remember, when you have asked some questions and are ready to start illustrating your value; ask some more questions - uncover the real problem and stop jumping to solutions - prospects know when you are trying to flog them a product. In its simplest form, the GAIN model proceeds like this:

- ❖ **Greet** and build rapport
- ❖ **Analyse** by asking open questions - then ask some more
- ❖ **Illustrate value** by aligning what you do to the problems you have uncovered
- ❖ **Next steps** need to be confirmed and understood. When this is done, ask: “How else can I help you” or “What more would you like from me?” Do NOT ask ‘Have I covered your main issues’ or ‘Is there anything else you need?’ If you don’t know the difference, then find out!

Securing the Business

Not everyone enjoys BD, however, the more senior you become, the more BD becomes an essential responsibility of your role. Whether you are a BD natural or not, the one thing that people have a lot of trouble with is closing the deal; which is what all the hard work has led up to. But there is no escaping the fact that we need to close the deal to grow our businesses!

Tips for closing - Think of it like this: We don’t sell - we help people to buy. These three tips can help:

1. Stay agile and be ready to move back to the ‘A’ in the GAIN model, that is, back to the asking questions phase so as to uncover more issues and learn more
2. Check-in and validate the progress you have made with the prospect. Then challenge yourself: “Have I really uncovered all the obstacles and objections?” “Do I really know what it is going to take to get the client to sign?” “Does the client really understand my value?” “What else do I need to do?” Then be ready with a new, revised or restated key message to appeal to the prospect and what they need to hear
3. Prepare your ‘close’ questions and statements - how are you going to ask for the business? Have at least 5 ways to ask for the business imprinted on your brain! Talk to us to learn the ones that work best

Handling objections

1. Listen to the objection and use a ‘thought structure’ to stop you getting defensive and to demonstrate that you have heard the prospect’s concerns
2. Paraphrase and repeat back what the prospect has said and then ask if this is what they really mean
3. Explore the reasoning for the objection and become a detective to uncover:
 - What motivates them to buy?
 - What they value and what they value more?
 - What information they need and how they want it presented?
 - Will they ever be ready to buy from you - what will it take?

Final Perspectives

- ❖ We have helped many organisations improve their BD skills and to define their value proposition - one of the most common mistakes our clients make is that they forget that it is the customer (the receiver) who determines value, not you!
- ❖ Another mistake is trying to sell to a prospect rather than helping them to buy - if you have something a prospect values then your only role is to lead them to the realisation that you can help them - if you can't help, then you should walk away.
- ❖ Most people are their own worst enemy - be courageous and ask for the business - the worst outcome (which we see all the time) is when the prospect wants to buy but you do not ask them to.
- ❖ Be persistent - look up the stats on the average number of interactions it takes to secure business - most people give up way too early.
- ❖ Know the difference between sales processes (what to do and when - which technology can help you with) and methodology, which is about 'doing' BD effectively - BD is a skills-based capability and it requires practice.
- ❖ At a recent workshop, *People At Their Best* Principal, Dom Meli, said to a group of BD professionals, "With your organisation chasing growth and a strategy of penetrating new markets, there is no one in the business, right now, that is more important than you ... the difference between this business hitting its goals or going backwards depends on you." The product in this case is the most customer centric one on the market and Dom was urging the participants to regard BD as a noble endeavor that (when the fit is right) helps the public to get what it needs and wants - its terrible when the customer gets an inferior product because your competitor was better at BD!
- ❖ Remember, at this moment in time, machines cannot demonstrate empathy, only humans can and people tend to buy from people they trust. So, get out there and have real human conversations with people and try to learn all you can. If you do this, you give yourself a better chance of creating a positive customer experience. This is important because companies now compete on customer experience: it is in your interest to create the best possible customer experience.

Bibliography

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