




The Importance of Business Development

For Small Medium Enterprises

David Sharples

TABLE OF CONTENTS

-  **What is BDEV**
- 1 BDEV vs. Sales**
- 2 BDEV as a Service**
- 3 BDEV Creating Value**
- 4 Functions & Strategies**
-  **Conclusion**



INTRODUCTION

What is Business Development

Business Development

What is Business Development

My name is David Sharples and I have worked in numerous roles over my career. These include account executive, sales representative, consultant, Director/VP of Marketing, Director /VP of Sales and yes, Business Development.

I can say with strong confidence that business development is quite different compared to the usual revenue generating roles we are used to despite what you might see on the Monster and Indeed Job Boards.

This EBook is a concentrated primer which will help give you a clear definition of what Business Development is, why it is so important. We will define the mechanics and components that are involved with Business Development.

We will touch on the strategies involved with Business Development and the actions that are needed in order to drive your business forward. The ultimate goal is always to increase presence and revenue in the market you choose to compete in.



CHAPTER ONE

Business Development vs. Sales

Business Development vs. Sales

The Differences

I am always intrigued when I review sales job profiles to notice the moniker "Business Development Representative". It seems as if this description "softens" the impact (handle) of being a sales executive.

There are some similarities between the two positions granted, but they are quite different in terms of scope and approach. Sales is transaction-based and deal-oriented with existing markets and territories. Sales is all about forecasting, account reviews, pipeline management, CRM, closing attempts and a maniacal focus on **short-term** revenue.

Business Development takes a **long-term** approach and focuses and aligns with the company's strategy. Business Development is all about forming intrinsic partnerships and new markets which benefit both their company and future client. Business Development needs to provide real value to the organization.

The Business Development Difference

Instead of focusing on closing attempts and feeling constant quota pressure, a Business Development Manager is armed with a full understanding of his/her company's long-term strategy and its potential application to successfully approach new partnership opportunities - often with partners that are significantly larger than themselves (The Sumo effect).

Quotas give way to the development of compatible business relationships and partnerships which if successful, will create new business markets and revenue opportunity on both sides. The focus is on strategy alignment which highly leverages the new partnership.

Business Development is distinctive when compared to pure Sales - it is a different skill set and requires a different approach.





CHAPTER TWO

Business Development as a Service

Bdev-a-a-S

SaaS (software as a service) has been around for years but has greatly accelerated its position in the business world when combined with Cloud Computing, Infrastructure as a Service, and Platform as a Service. This utility model is now the norm.

In addition, BPO (Business Process Outsourcing) has grown significantly as companies are more comfortable in hiring "on-demand" services instead of burning headcount for permanent employees. This freelance/outsourced approach works well for all organizations looking for impactful results without a permanent commitment (flexible and economical).

BDev-a-a-S is now being utilized by companies that are looking to **strategically partner** with organizations that will enhance their market or brand position within a specific sector but lack the time and commitment to do so.

BDev-a-a-S is also being utilized by companies who want to establish a **beachhead** within a sales force. specific vertical, geography, or timeframe without disrupting its existing

Bdev-a-a-S

There are numerous paths and strategies associated with BDev including revenue expectation, partnering, acquisition, distribution, channel, product, relationship, and branding.

It can be a complex exercise and will require a specific strategy and time commitment (runway) in order to produce meaningful results.

BDev-as-a-Service is a modern business outsourcing model that is laser-focused on generating *new strategic partnerships* for companies looking to expand past their current business model.





CHAPTER THREE

Creating Value through Business Development

Creating Value through Business Development

Creating Opportunities to increase Value

Everyone has their own definition of value.

Business Development is all about creating opportunities to pursue and ultimately create new value.

There are various definitions of what value is. Every organization has their own goals and associated values.

Economic Value – revenue, profit, pipeline

Brand Value – perception, beacon, insight, leader

Product Value – intrinsic, image, line extension, opportunity

Audience Value – mass exposure, media, web, likes

Opportunity Value – new focus, verticals, clients, partnerships

Sources of Value thru Business Development

One of the most important considerations which fit into the overall Definition of business development is the actual sources of value in the production of Business development opportunities:

Customers = brand, economic, and product value

Relationships = audience, and opportunity value

Markets = vertical, geographic, opportunity and (future) economic value

“Business Development is all about creating long term value for its organization from clients, markets, verticals, and partnerships.”



CHAPTER FOUR

Business Development Functions & Strategies

Business Development Functions

1. Sales

Sales is an important skill for every business development executive to have. These sales skills are utilized differently in the business development approach.

As mentioned in Chapter 2, true business development requires a long sales cycle method as opposed to a typical transactional sales approach.

Transactional sales is all about exchanging money for a product or service. These are usually simple and straight forward and are based on a 30-60-90 day close cadence.

Business Development is a more methodical process which is exercised at an executive level and usually involve many months or even years to come to fruition.

Business Development Functions

2. Strategy

Strategic thinking is essential for determining the best paths for reaching potential new customers, and the best approaches for entering new markets.

Other strategic methods for prioritising growth opportunities , planning the optimal path for pursuing those opportunities, and ensuring that the company is following the right opportunities in the first place.

There are typically 3 potential paths every business development opportunity takes:

“Build versus Buy versus Partner”

Business Development Functions

3. Partnerships

Partnerships are very common for paths of business development to gravitate to. Partnerships are usually the best available means for creating long term value. Partnerships may be the fastest, cheapest, and easiest way to reach new markets and customers.

However there are downsides to partnerships as well. Both parties expect value or “what’s in it for me”. All partnerships require some form of compromise.

Distribution Partnerships – mutual access to new markets
Product Partnerships – new configurations of products
Brand Partnerships – mutual leverage and elevation of brands

Creativity and imagination are key elements in putting together a solid business offering that benefits both parties.

Business Development Functions

4. Relationship Management

Business developers know how to build and manage relationships with customers, partners, employees, and key decision makers who are involved in the decision making process.

A business relationship isn't like friendship. You don't have to like each other, however, there must be a common foundation of mutual respect, trust, and integrity that is equally shared in order for the potential business to advance.

Relationships are often about finding the balance between your company's position and advocating on behalf of your customer or partner.

Both sides want to improve their position. This can only be achieved by forming a strong foundation of trust and integrity.

Business Development Strategies

1. Identify the Opportunity

Management teams need to ask themselves tough questions about the business and where it plans to go.

- Are there gaps in your products/services that are being filled by your competitors
- Is there something you could be doing to support existing customers
- How can your company enter into a new market to reach new customers

Ideas about business expansion are plentiful but they have to be vetted by the team. These decisions don't happen overnight. There are many discussions, meetings, and brainstorming sessions that will produce a few good ideas.

The best ideas are then thoroughly assessed through SWOT Analysis and various risk management methods to decide which plan(s) will make the cut to move forward.

Business Development Strategies

2. Assessing The Opportunity

Whiteboard and back of the envelope assessments are first steps in determining if the company has the intestinal fortitude to move forward with a business development initiative. Once everyone knows how large the opportunity would realistically cost to pursue, companies need to assess their own resources to see if they are capable.

Product – does the company have the assets and expertise to create the product or are they lacking know how/expertise

Distribution – does the company have a way to sell this new product. Does it have the capability to reach potential clients

Brand – does it make sense for the company to enter this market. Will this move hurt or help the brand from the customers' point of view

The Brand discussion is usually more abstract and subjective. Partnering with a company with a solid brand recognition in a new vertical/territory can dramatically increase awareness for the company's new product.

Business Development Strategies

3. Evaluate the Paths

After brainstorming, ideation, and general analysis on how an opportunity can become a reality it comes down to the main choices a company needs to make. As outlined earlier we revert back to the 3 paths: Build vs. Buy vs. Partner.

- Path 1 Build – do you have the resources/time to create
- Path 2 Buy – do you have the time, money, leverage to acquire a company that will help to achieve your goals
- Path 3 Partner – are there companies that you can work with to forge a relationship with mutual long term benefit

Build, Buy, and Partnering are three viable paths for pursuing an opportunity. The next step is to actually decide which path is best for your company.

Business Development Strategies

4. Decision

Decisions are made from many perspectives. This includes financials, human resources, branding, operations, strategy, intuition, marketing, and future sales pipelines. Each path has its pros and cons.

Build Path

Pros: most control Cons: slowest path

Partner Path

Pros: reduced risk Cons: reduced value

Buy Path

Pros: fastest path Cons: risky and expensive

Each method has the potential to contribute to the overall growth of the company. Management teams need to decide which method works best for them based on their unique circumstance.



CONCLUSION

The Importance of Business Development

The Importance of Business Development

Action

Business Development as pointed out in the first chapter is not direct sales. It is the strategic development of future opportunities which ultimately lead to increased revenue.

Business Development is about creating long term value for the organization and to generate long term incremental growth.

Business Development is a process and is not a quick fix revenue grab. It is a business function that is being constantly repeated with constant improvement.

Business Development gives companies a clear vision of where they want to get to while they are busy managing the day to day operations.

“The only strategy that is guaranteed to fail is not taking risks.”..
Mark Zuckerberg...Facebook

Q&A

David Sharples
Managing Director
Sales Team Canada
David@salesteamcanada.com
www.salesteamcanada.com

416 278 4415