

# **Business Development Planning**

## **What is Business Development**

The role of “Business Development” is a mix between a pure “sales” role and that of a Public Relations Officer and a Key Client Manager.

Each organisation will set different objectives of its business development staff that may include some of the following tangible and non-tangible goals:

- Achieve product or service sales
- Prospect for new clients
- Initiate direct marketing campaigns
- Participate in relevant community activities
- Maintain and develop relationships with existing key clients
- Be active in business network groups
- Offer public speaking services
- Initiate sales calls including cold calling

High level communication skills and good planning skills are essential in business development.

## **Business Development Targets**

The business development function, like any other department, should have clear targets on what is meant to be achieved.

A component of these targets may be a sales budget that outlines what the expectations are for the next year’s sales.

The sales budget can be developed top down (last years results plus anticipated changes) or developed bottom up by the sales department (identifying this years opportunities).

There are a number of ways to achieve increased sales targets:

- increase sales from existing customers
- find new customers for your product
- increase cross-selling ie existing customers take a wider range of products
- launch a new product (or product extension) to new and existing clients.

Other targets may also exist that set objectives for other aspects of the function eg

- key client satisfaction results
- key client attendance at promotional events
- cross selling ratios
- successful participation in specific events
- referrals due to participation in events
- direct marketing response rates
- qualitative measurement of participation in events eg satisfaction ratings at public speaking events

## How to Create a Business Development Plans

A Business Development Plan is simply the “plan of attack” for how you intend to achieve the future objectives and targets in the role.

The plan of attack needs to detail:

- specific activities,
- the timeframe of those activities
- the resources needed
- the anticipated cost of those activities; and
- the expected results (as a contribution to your targets)

One approach to create a business development plan is to simply start by clearly identifying all end outcomes that are required in the role.

If no specific targets exist – use past results as the benchmark.

If the objectives of the role are not in clear SMARTT goal format – build some SMARTT goals into the objectives so there are clear objectives.

You will normally have a range of different objectives that you are aiming to achieve, reflecting the range of functions in a business development role.

Then review the activities that you would normally undertake and their results.

After factoring these activities into your plan – determine the “gap” ie what you still need to achieve to reach your targets.

Then identify activities that can be conducted that might contribute towards that gap.

In your choice of activity – you would focus on those you know have higher rates of success.

## **Business Development Activities**

For the Business Development Plan consider a range of activities and then quantify the outcomes you expect.

### **Referrals from Existing customers**

Existing customers are satisfied customers (or they would have left you) and may be the source of referral for other sales in some industries.

### **Observation of New Businesses**

Keeping your eyes open is a quick way to find new customers.

Identify new businesses setting up, observe the premises for signs of compatible activity i.e. transport = pallets and racking.

### **Review Old Client Lists**

Also review past company records like debtors lists for orphan (unloved) accounts & poorly managed/ developed accounts.

### **Cold calling**

This is one of the purest forms of selling where sales people call unannounced on a prospect by cold canvassing an area.

The likelihood of actually speaking to the buyer without an appointment may vary depending on the type of business.

However, even if you don't manage to see the buyer, you are in a position to gather information and leave some information for them.

A positive outcome may be to gain the name and title of the individual in charge of purchasing from the receptionist and later telephone them and arrange an appointment.

### **Friends and Acquaintances**

Good sales people only sell to those with a need therefore generating prospects via friends is a normal situation.

It is socially known as networking and acceptable to most people on this basis. The leads may come from social contacts, casual contacts, sporting teams and community involvement (i.e. Rotary and Lions clubs).

### **Lists**

There are many types of lists, those that are purchased as a database commercially; those that are published commercially; and those that are generated by the sales person in the course of the regular sales activity.

## **Trade shows**

Trade Shows are frequently held by various industries to attract sales prospects to the exhibited products and services.

Likewise the exhibitors may also be prospects for a sales person visiting the trade show.

Trade shows can be:

- industry specific
- export exhibitions
- Easter show

## **Media**

There are various forms of media and they contain rich veins of prospects through:

- newspaper
- journal articles (e.g. Business Review Weekly)
- advertisements
- tender lists
- trade magazines

## **Marketing and sales promotions**

- contests
- coupon/entry forms
- discount vouchers
- redemption/free prize
- gift with purchase

## **Planning Results**

By monitoring our activities and results we can assign value to the prospecting process. This is called “selling by the numbers”.

In other words we work out how many prospects are required on average to result in one sale.

The equation goes like this:

50 Contacts =	10 Prospects Qualified
10 Qualified Prospects =	5 Presentations
5 presentations =	1 Sale

1 sale =	\$1000.00 margin/profit
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Therefore  
 $\$1000.00 / 50 \text{ contacts} = \$20.00 \text{ per prospect}$

Which means each prospect contacted contributes \$20.00 of the sale.

# Sample Business Development Plan Format

## **1. Overall Targets and Objectives**

Insert objectives and SMARTT goals here

## **2. Specific Business Development Activities**

### **2.1 Activity 1**

Type of Activity

Time of Activity eg specific months; or

Resources needed:

Anticipated Results:

Anticipated Cost of Activity:

### **2.2 Activity 2**

Type of Activity

Time of Activity eg specific months; or

Resources needed:

Anticipated Results:

Anticipated Cost of Activity:

### **3. Schedule and Targets**

(a quick reference table that summarises the above and enables identification of gaps and when time must be committed)

Activity	July	August	September	
Activity 1	Do task 1 to prepare for			
Activity 2				

### **3. Targets / Budget**

(a quick reference table that summarises the targets and enables identification of gaps – can be in a spreadsheet)

Activity	July	August	September	YTD Total
Activity 1		30 sales		30 sales
Activity 2			40 referrals	

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