Create a Winning Business Development Strategy

The Selling Success 5 Step Process

Prepared by
Ian Knowlson, Selling Success

A Growth Coach for Growth Accelerator

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Overview

As we emerge from the economic downturn many of you are turning to strategies based upon growth. With over 30 years expertise each our consultants, at Selling Success are experts, in assisting companies develop the most effective business development strategies. In an effort to help you and your teams we have devised this brief five step process that will help you start to develop an effective approach for your business.

There are a variety of models and ways of producing and effective business development strategy but here is a simple five-step process that can be easily followed:

- Step One – Map the Market
- Step Two – Map your Market Penetration
- Step Three - Review your Performance
- Step Four - Consider Alternative Growth Strategies
- Step Five - Implement your Strategy

Step One – Mapping the Market - Market Analysis

When developing a business development strategy for your organisation we find the best approach is to first analyse your market/sales region. There are many complex and varied ways of doing this but 30 years in Recruitment Sales has taught us that the simplest and most effective way is to define five categories of client prospect and to place each of your clients/prospects into one of these categories. You will naturally have imperfect knowledge of your market and many of the clients within it. This is nearly always the case so you and your teams should do this based upon your “best estimates” of the clients anticipated demand in the coming year.

You can use or vary the criteria but we find that estimating a client’s annual requirements generally leads to a good market split.

<table>
<thead>
<tr>
<th>Which of your clients fit into these categories</th>
<th>Category</th>
<th>Annual Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A</td>
<td>250+</td>
</tr>
<tr>
<td></td>
<td>B</td>
<td>100-250</td>
</tr>
<tr>
<td></td>
<td>C</td>
<td>50-100</td>
</tr>
<tr>
<td></td>
<td>D</td>
<td>10-50</td>
</tr>
<tr>
<td></td>
<td>E</td>
<td>&lt;10</td>
</tr>
</tbody>
</table>
It is important to consider that Market Mapping can occur on a number of levels:

- Recruitment Consultant – Specialist Niche
- Niche Team – regionally or Nationally
- Geographically - England, Scotland Greater London
- Divisional Level – IT, Finance, HR, Engineering, Healthcare
- Total Business Level

As the MD or Sales Director you may consider it better to have consultants and teams do this for their operational region/area before aggregating this for the entire business. Alternatively you may choose to undertake it on a top down basis delegating separate tasks to your teams. All these approaches have their merits depending upon your business-operating model.

Either way the process will highlight for you different priorities and conflicts between teams. For example when you work in accountancy and finance recruitment the Audit Commission is a crucial client and if you are in information technology recruitment IBM or CAP Gemini would be major players but they were less significant comparatively speaking for a construction and property, Engineering or Healthcare sales division. This will encourage a healthy debate between your teams on what is the key business focus.

Will your strategy be niche led or a total business focus?

In order to aggregate the figures for your entire business make sure your teams are using common terms of reference so you make sure you are counting apples and apples. You might find counting number of hires useful or permanent heads and using an attrition rate to create a predictability model. We are very happy to discuss this with you and offer guidance on the phone.

**Step Two - Map your Market Penetration**

Before you can decide upon the most appropriate strategy for your business to adopt for each group of clients you first need to review your own capability.

To assist clients in doing this we use a five-category framework and identify which of their clients to would place in which category.

It is important that you are realistic and honest with yourselves over where clients truly sit. We also recommend you judge the client as a whole not just the line manager you are dealing with.
The table below will help you classify your clients into similar groups relative to the scale of the opportunity or ‘size of the prize’ that they represent.

<table>
<thead>
<tr>
<th>Typically</th>
<th>Classification</th>
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<tbody>
<tr>
<td>You fill 30%-50%+ of Clients Jobs</td>
<td>Dominant Supplier in your sector</td>
</tr>
<tr>
<td>You fill 15%-30% of clients jobs</td>
<td>One of five major suppliers in your sector</td>
</tr>
<tr>
<td>You fill 5%-15% of clients jobs</td>
<td>One of Ten suppliers in your sector</td>
</tr>
<tr>
<td>You fill 1%-5% of Clients Jobs</td>
<td>A Minor Supplier in your Sector</td>
</tr>
<tr>
<td>You hardly fill any jobs &lt;1%</td>
<td>No market Presence</td>
</tr>
</tbody>
</table>

Typically you will have a profile that follows Pareto’s Law:

*The Pareto principle (also known as the 80–20 rule, the law of the vital few, and the principle of factor sparsity) states that, for many events, roughly 80% of the effects come from 20% of the causes.*

That is 80% of the clients in your market will probably fall into the bottom two categories. Conversely the top 20% of clients will usually have 80% of the requirements in that market.
Step Three - Review your Performance

Now having mapped both the market and your performance we recommend that you use our Market Matrix to plot your results to help you determine your Market Penetration. In addition it will help you then discuss and consider various strategies for growth.

<table>
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<th>Typically</th>
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<th>Market Penetration</th>
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<tr>
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By plotting your clients you will get a sense of where your strengths and weaknesses are against the opportunity that the total market offers.

You are now ready to start to consider alternative strategies.

Step Four  - Consider Alternative Growth Strategies

Having plotted your client relationships on the Market matrix you are now able to start looking at options.
If you are the dominant supplier to ten companies but they are all in the less than 10 or 10-50 job area then you are clearly operating as a niche supplier. You may find you are getting good fees and margins and the client relationships are excellent being founded on trust, value and mutual respect. Your growth strategies might be more of the same or should you look at being the dominant supplier in clients with 50-100 jobs annually. Is there scope for this amongst your existing relationships?

<table>
<thead>
<tr>
<th>Typically</th>
<th>Classification</th>
<th>Less than 10 jobs</th>
<th>10-50 Jobs Annually</th>
<th>50-100 Jobs Annually</th>
<th>100-250 Jobs Annually</th>
<th>250+ Jobs Annually</th>
</tr>
</thead>
<tbody>
<tr>
<td>You fill 30%-50% of Clients Jobs</td>
<td>Dominant Supplier in your sector</td>
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You may also find that you do have relationships with clients in the 250+ jobs a year box but that you are a minor supplier, the margins, fees and relationships are poor and you see no benefit in more of this business. These are all good debates to have and once again if you require assistance or wish to pick our brains give us a call.

This is extremely hard for us to cover all the permutations in this free eBook as the most effective strategies for your business to consider will depend upon a whole raft of variables, which it would be impossible for us to provide quick answers in this short space. We would be delighted to meet and discuss options but in the mean time here are several factors to consider:

- Your staff and their skills and capacity for growth
- Your existing operating model and capabilities
- Your Candidate Attraction Strategy
We cover off the first three of these along with Business Development Strategies within our blog:

**MD's: Is your Business Geared up for Growth – 4 Key Actions**

You might find reading this blog useful. When deciding your strategy in the 21st Century it is essential to understand the various client-resourcing models and have a strategy for engaging clients operating these strategies:

Over the past few years the resourcing models that clients employ to find their staff has matured quite significantly and clients have adopted more sophisticated approaches designed to give them greater levels of service and control, reduce costs and corporate risk and provide a more consistent flow of candidates and scare skills. Whilst there are no hard and fast rules you will find that clients will operate different resourcing models depending upon their size, scale and variety of their requirements. These will vary from category to category however here are some typical models you can expect to dominate each of the categories (ones in bold represent the most common).

Category A Clients - will generally employ one of the following models or a combination of several in order to deliver their needs:

*(Dominant Model in each category is in bold)*

- **A Vendor Neutral Managed Service** *(Dominant Model in this category)*
- **A Master Vendor Managed Service**
- **A Recruitment Process Outsourcing Model**
- **A Direct Sourcing Model** *(a significant in-house Recruitment team)*
- **A Centrally controlled Preferred Supplier Lists**

Category B Clients – will typically use one of the following models:

- **A Master Vendor Managed Service**
- **A Centrally controlled Preferred Supplier Lists**
- **A Departmental Preferred Supplier Lists**
Category C Clients – usually adopt one of the following models:

- A Departmental Preferred Supplier Lists
- A Loosely Controlled PSL of suppliers
- A variety of suppliers on preferential terms

Category D Clients – will tend to operate

- A Loosely Controlled PSL of suppliers
- A variety of suppliers on preferential terms
- Ad Hoc Supplier via Standard Terms

Category E Clients – in the main operate

- A variety of suppliers on preferential terms
- Ad Hoc Supplier via Standard Terms

Naturally there are no hard and fast rules in life and this may vary from region to region and sector to sector depending upon supply and demand factors.

It is true to say that as the economy starts to pick up and demand for certain skill sets starts to exceed supply then the dominant MSP/RPO supply models may struggle to attract the best niche workers. This leaves an opportunity for mercenary niche suppliers to exploit the gap. We recently discussed this in our blog:

**Third World War begins Now – Recruitment Agencies Mercenaries or Allies?**

Simplistically this can be viewed via the graphic below.
In deciding which is the most effective strategy for your business you might want to consider some of the following questions:

- Which model is the most/least lucrative for us and Why?
- Which model work best for Line Managers, HR, Procurement and Finance and why?
- How does the relationship working with a supplier change as we progress and why?
- How might we most effectively progress from one model to the next?
- Do we want to move?
- Which model is the most stable for the client and us?

These are all reasonable questions and there are a great many more.

Once again Selling Success can offer assistance. We run workshops to discuss this within your sales teams as well as your senior management team. We can provide consultancy and advice as well as training.
Our popular training programme:

**Turn Ad-hoc clients into lucrative Strategic Partners Programme**

Covers all these issues and works with your sales teams as they take 8-10 of their clients through this process. The programme is self-financing as it generates considerably more revenue than the cost of the training, typically by a factor of 10 to 20.

**Step Five  - Implement your Strategy**

Finally having decided upon your course of action then the key thing is to implement it. Selling Success is able to assist you in many ways. We have over 30 years experience of:

- Launching New Services
- Launching New products
- Opening New Markets
- Accessing New geographic territories

Whether it’s the England, Scotland, Wales, Ireland or Europe perhaps its moving into new disciplines, IT, Engineering, Finance or Healthcare or may be Public or Private sector as the saying goes we have ’been there done that got the t-shirt. If you want to chat just call us.

In addition Selling Success works with a number of partners and associates across the industry and has strong relationships with organisations offering:

- Digital Marketing
  - Brand-awareness/Positioning
  - Thought Leadership
  - Lead Generation
- Recruitment Finance
  - Temporary Worker Finance
  - Permanent Placement Finance & Placement Guarantees
  - Insurance
• Recruitment Back-office
  - Invoicing
  - Payroll
  - Marketing
  - HR Support

• Recruitment-2 recruitment Solutions

Please feel free to contact us if you would like some independent advice or just to discuss the options.

**Growth Accelerator Service**

*GrowthAccelerator* is a new service that will help England’s brightest businesses achieve their ambitions with rapid, sustainable growth. The service is delivered by a nationwide network of over 800 business growth experts, who offer personalised support with accessing finance, Leadership and Management, Business Development and Innovation.

GrowthAccelerator helps businesses discover the real barriers which could be preventing them from achieving their potential, then our team of Growth Managers will work with the business to define the right growth plan to overcome these barriers and drive them forward.

The GrowthAccelerator service is a partnership between private enterprise and government, and it’s affordable. Thousands of businesses across the country have already signed up to the service in order to help them grow.

*Ian Knowlson* of Selling Success has been accepted as a registered and approved Growth Coach for GrowthAccelerator helping ambitious businesses achieve rapid and sustainable growth by providing tailored expert advice.

In addition Selling Success are also a training provider to the GrowthAccelerator Service enabling our SME clients to access funding support for their leadership and management training.
If you are an SME then you might like to contact us to establish if we can assist you under this scheme with your business development strategy.

Conclusion

These are exciting times and we are delighted to see so many different recruitment models and methods as well as HR Recruitment services.

As recruitment futurists we are always keen to hear about new and exciting concepts so please feel free to contact us at anytime.

We hope you found our eBook useful and we would be delighted to hear your thoughts and feedback.

Call us on (0370) 8790105 or email ian@sellingsuccess.co.uk