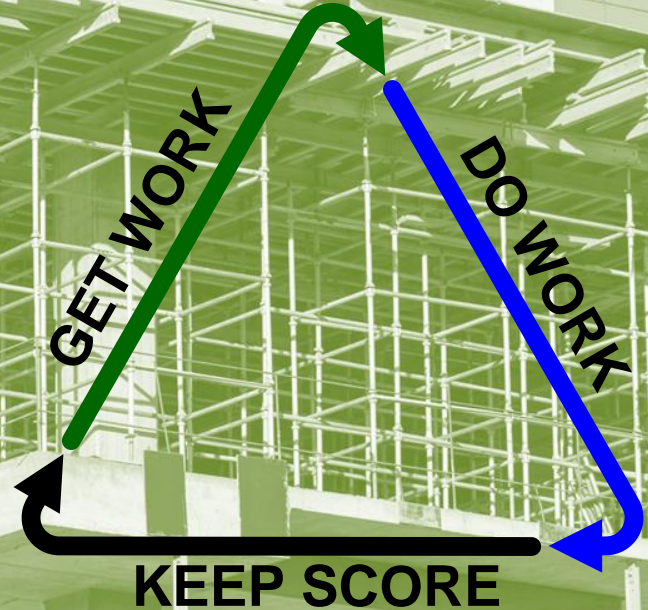
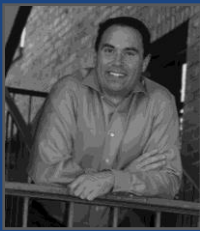


# Grow Profitably with a Rigorous Focus on Business Development



By: Raymond Braswell / Brian Andrew / David Brown





**DAVID**



**RAYMOND**



**BRIAN**

# D. BROWN MANAGEMENT

*Helping Contractors Grow Profitably*

In industry since 1988

Apprentice, electrician, superintendent, project management, executive

Stints with GC and CPA

Projects from service calls through \$20M design & build

President of 3 large GCs including startup of HOK's Construction Division

Drove consistent growth both in project size and geography

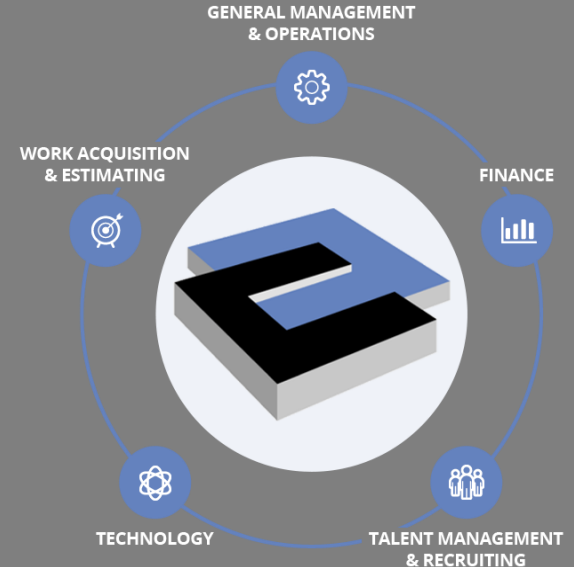
Diverse perspective of an Architect, Contractor, Developer and Owner's Rep

20+ Years in construction

CFO of ENR Top 600 sized contractor

BBA in Accounting and Management Information Systems from UGA

Worked with hundreds of contractors "driving financial acumen from the field to the boardroom"



# WHAT WE WILL COVER TODAY

- Defining “Business Development” (Why, What & Process)
- Defining Your Market(s) & Your Message
- Competitor Analysis / Competitive Advantages
- List Development / Research / Prioritization
- Business Development Stages (Pipeline)
- “Next Step” Management
- Tracking Tools & Metrics
- Customer Feedback (Net Promoter Score®)

Nothing will have a more dramatic positive impact on a company than bringing in more quality revenue on a recurring basis.

How would you rate the current results of your business development? Select the one that most describes your situation.

- We are winning more than enough of the right type of work
- We are winning more than enough work but want to change the makeup of the work
- There are not enough opportunities available in the market for what we do
- We are not seeing enough opportunities coming into our business
- We are not winning enough of the opportunities we see

# BUSINESS DEVELOPMENT DEFINED

The process of creating new business opportunities through targeted networking, education & awareness-building activities.



**Different Roles, Skills, Goals, Timelines and Perspectives**

STRATEGY

MARKETING

BIZDEV

DECISION TO  
PURSUE

DEVELOP  
COST EST

SET PRICE &  
CLOSE DEAL

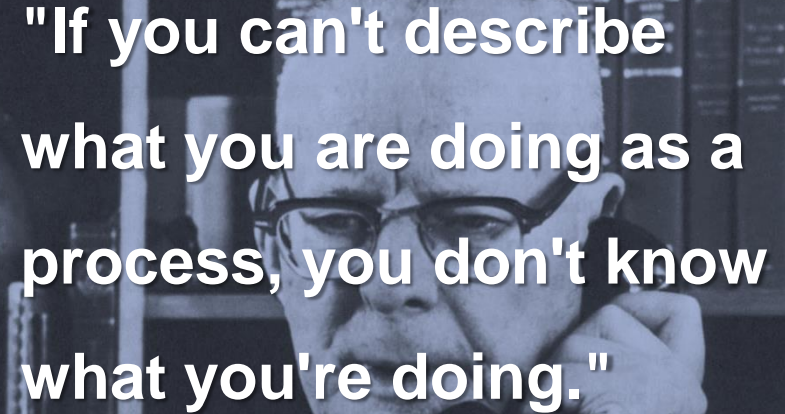
# BizDev is a PROCESS to be Managed RIGOROUSLY

## MARKET STRATEGY >>

**\* Prospect to Opportunity**

**Opportunity to Contract**

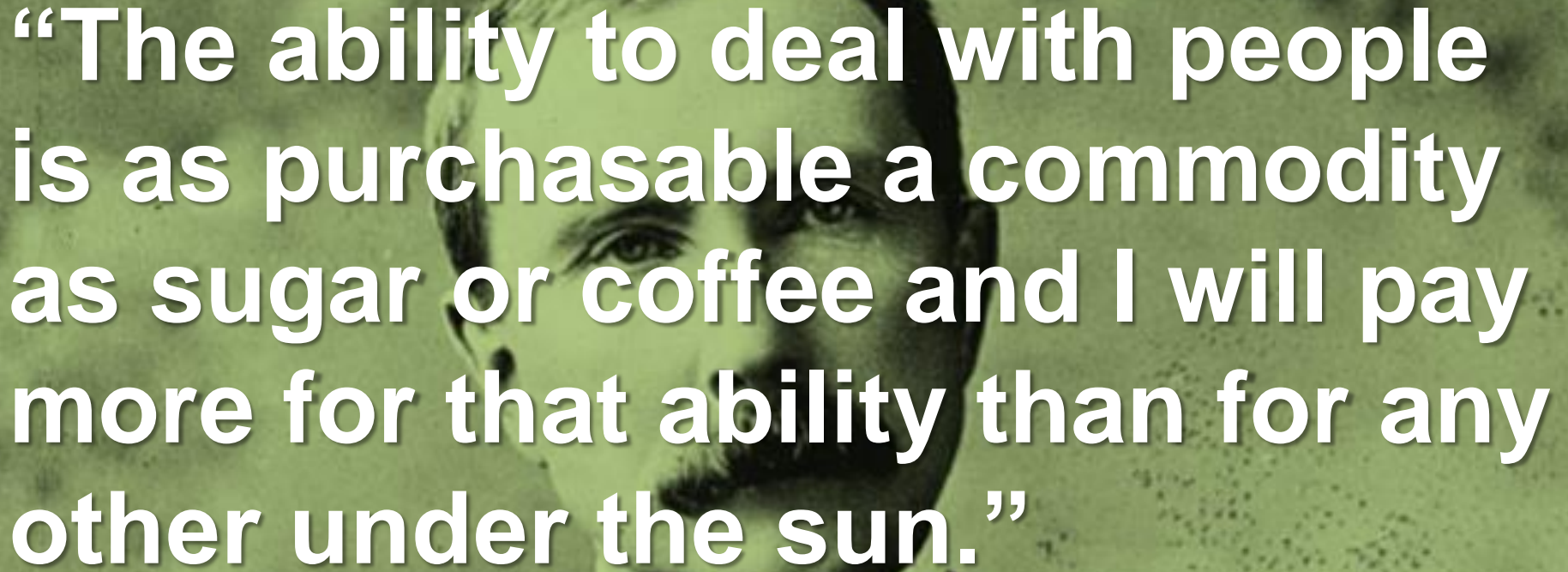
**Contract to Cash**



"If you can't describe what you are doing as a process, you don't know what you're doing."

- W. Edwards Deming (1900 – 1993)

William Edwards Deming (October 14, 1900 – December 20, 1993) was an American statistician, professor, author, lecturer, and consultant. He is perhaps best known for the "Plan-Do-Check-Adjust" cycle popularly named after him. In Japan, from 1950 onward, he taught top business managers how to improve design (and thus service), product quality, testing, and sales by various means, including the application of statistical methods. President Reagan awarded him the National Medal of Technology in 1987.

A portrait of John D. Rockefeller, a man with a mustache, wearing a dark suit and a white shirt with a dark tie. The image is tinted with a greenish-yellow color.

**“The ability to deal with people is as purchasable a commodity as sugar or coffee and I will pay more for that ability than for any other under the sun.”**

**- John D. Rockefeller**



# Making a Great BizDev Professional

| DNA   | TEACHABLE  | DEVELOPED  | COMPANY RESP  |
|---|--|--|---|
| <ul style="list-style-type: none"><li>• Genuine</li><li>• Humble</li><li>• Creative</li><li>• Likable</li><li>• Intuitive</li><li>• Ambitious</li><li>• Honest</li><li>• Trustworthy</li><li>• Responsible</li><li>• Ethical</li><li>• Instinctive</li><li>• Articulate</li></ul> | <ul style="list-style-type: none"><li>• Networker</li><li>• Questioning &amp; Listening (fundamentals)</li><li>• Responsive</li><li>• Relationship Builder</li><li>• Knowledge of industry</li></ul> | <ul style="list-style-type: none"><li>• Confident</li><li>• Professional</li><li>• Questioning &amp; Listening</li><li>• Knowledge of Industry</li></ul> | <ul style="list-style-type: none"><li>• Focus on what is expected</li><li>• Belief in the company</li><li>• Team player</li></ul> |

# BIZDEV PROCESS SUMMARY

- Define Your Market(s)
- Target List Development
- Research
- Initial Outreach / First Contact
- Relationship Development Stages
- Opportunity Identification / Review
- Relationship Maintenance

# MARKET DEFINITION

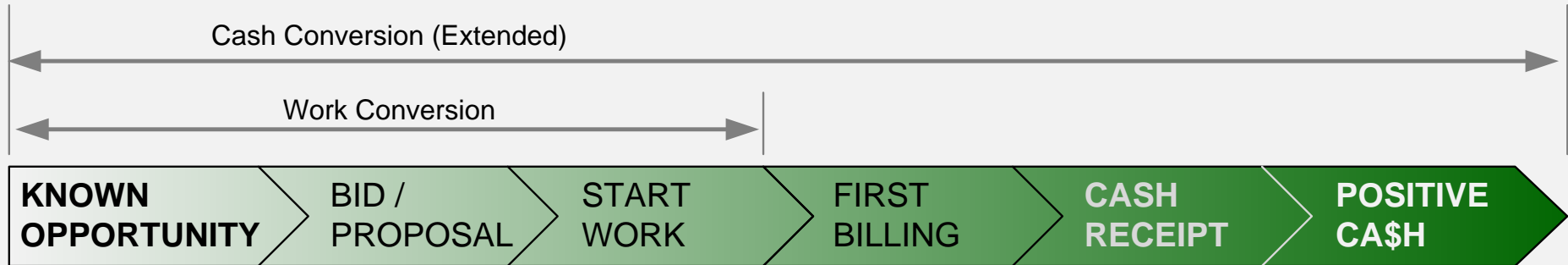
- Work Type(s)
- Geography
- Key Customers

# SELECTION CRITERIA

- Size of Market
- Stability of Market
- Market Experience
- Market Growth Forecast
- Relationships
- Risk Factors
- Competitive Advantage
- **Return on Capital**

# WORK CONVERSION CYCLE

- Different types of work have very different work conversion factors even within same company
- Cash conversion cycle often more important – How soon will the project become cash positive?



**More rapid cash conversion = lower working capital needs = better return on equity**

# KNOW THY ENEMY (Competition)

## What Do You Really Know About Your Competition?

- Who Are They?
- Size Of Company
- Geography Served
- Key Projects
- Key Employees
- Key Relationships
- Competitive Advantage
- Bid Strategies
- Backlog / Work-In-Progress (WIP)

Sun  
Tzu's  
THE  
ART  
OF  
WAR



Copyright 2004  
Gary Fogliardi

# COMPETITIVE ADVANTAGE

- Design / Planning (Preconstruction)
- Relationships – Customers & Subcontractors
- Workforce – Skills / Size / Geography
- Specialized Equipment
- Capital – Size of Company
- Production Tracking Systems
- Fabrication Facilities



**How Much Have You Invested In Developing Your Competitive Advantage Over The Last Five Years?**

# MARKETING MESSAGE

- ✓ Define Prioritized Needs From Customer & Stakeholder Perspective
- ✓ Define How Your Business Addresses Those Specific Needs – **Build Marketing Collateral**

- Company Profile Tailored to Market
- Project Experience (Profiles / Testimonials)
- Team Experience (Professional Résumés)
- Introductory Letter / Email Templates
- Introductory Meeting Agenda / Talking Points

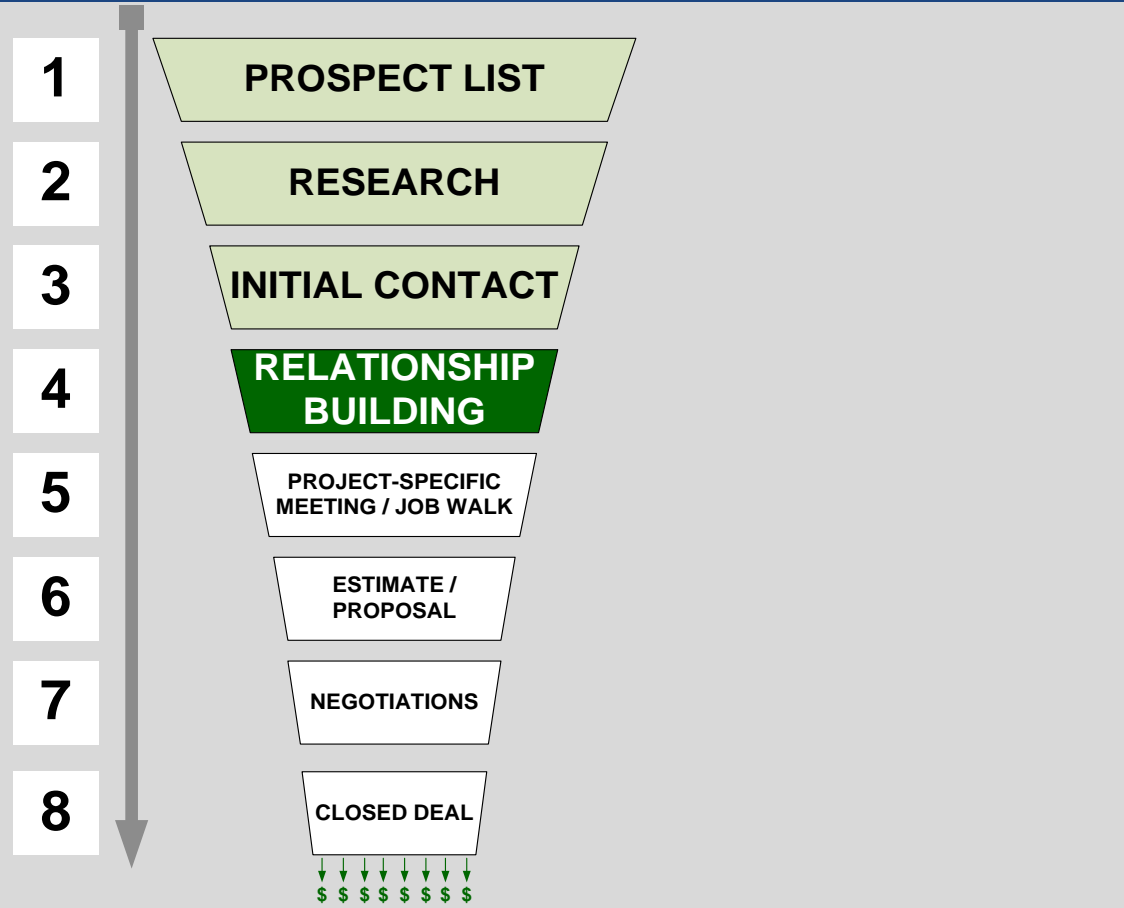
**Selling Around Your Weaknesses**

What positions do you have that are involved in winning business for your company? Check that primary ones only. (Multiple Pick).

- Executive / owners as business developers and sales people
- Project managers (or similar) as business developers and account managers
- Estimators as primary source of new work
- Dedicated business development professional(s)
- Dedicated marketing professional(s)



# BUSINESS DEVELOPMENT STAGES



## “SALES PIPELINE”

Simple Example Shown

Design Your Specific Stages

Expand Stages

# LIST DEVELOPMENT

- Contractors & Project Owners
- Architects, Engineers & Other Connectors
- Key Customers

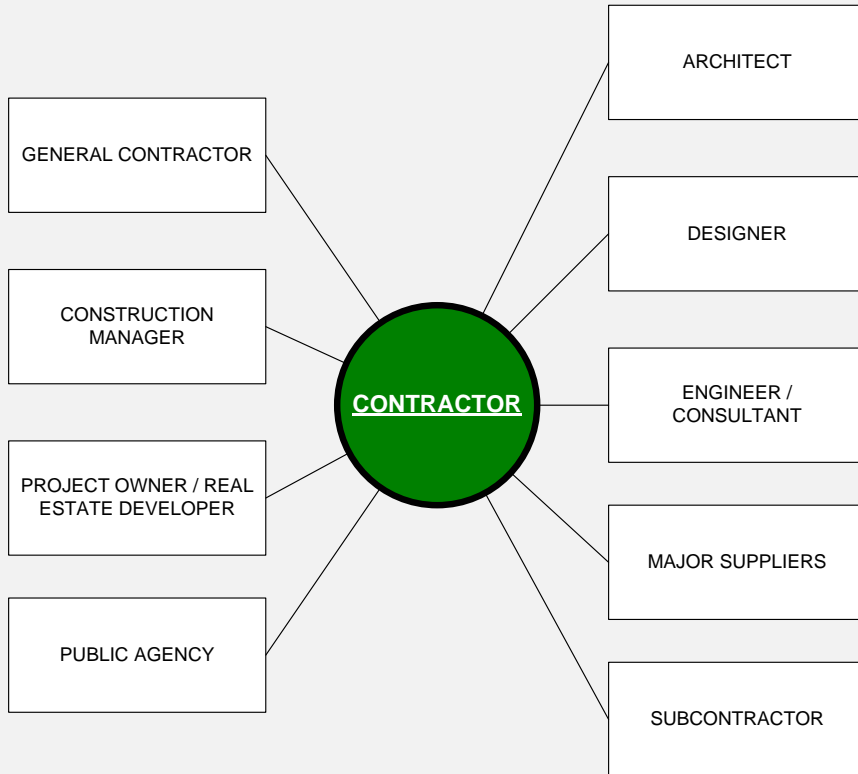
# RESEARCH

- Key Contacts (LinkedIn)
- Personal Contact Info
- Common Relationships
- Architects & Consultants
- Construction Future Plans
- Contractors Currently Used
- Selection Process
- Credit Risk / Avg. AP Days

# CONNECTIONS

DIRECT

INDIRECT



## Your Success is Directly Related to Your Network

- Quantity
- Quality
- Inter-Connectedness
- Relationship Maintenance

# LIST DEV / RESEARCH METRICS

- List Size By Market Area
- List Growth By Market Area (Last Week, Last Month, Last 12 Months)
- % Of Records Updated (Within Last Week, Last Month, Last 12 Months)
- Record Completeness (Key Fields Deemed Important By Company)
- List Prioritization By Person (10, 25, 50 Depending On Role)

**These processes and metrics form the foundation of your business development**

**Well begun is half done.**

Lucky Numbers 22, 18, 38, 49, 7, 13



# OUTREACH – Deliver Your Marketing Message

- Introductions (Always Best)
- Industry Associations
- Intro Call / Walk-In
- Open House
- Lunch & Learn Intro Meetings
- Customer References
- Direct Mailings
- Informational Newsletters
- Marketing Collateral



www.abc-construction.com  
555 Any Street  
Any Town, CA 95555  
(555) 555-5555 PH  
(555) 555-1111 FAX

*Four Story 145,000 sf. corporate office with data center.*

**LOCATION**  
1234 Corporate Avenue, Big City, CA 92222

**OWNER**  
Big Buildings Inc.

**GENERAL CONTRACTOR**  
General Contracting Company  
Joe Project (Project Manager)  
(555) 123-4567

**TOTAL PROJECT: \$20.2M**

**SITE UTILITIES / GRADING: \$2M**

**UNDERGROUND TANKS: \$75K**

**PROJECT SCHEDULE: 14 Months**

**UNDERGROUND SCHEDULE: 2 Months**

- 1,200 foot new water service
- Site storm water / drainage
- Data / telecom services from three separate providers for diversity
- 4,000 amp electrical service
- Underground fuel tanks for generators
- 40,000 CY of grading
- Fast-track schedule with underground completed 2 weeks ahead of time allowing overall project schedule to be accelerated
- Value engineering resulted in savings of \$75,000

**LARGE SHINY OFFICE BUILDING**  
Wet / Dry Site Utilities | Grading



*"Thanks to ABC Construction this complicated project finished ahead of schedule" – Joe Project, Project Manager GCC*

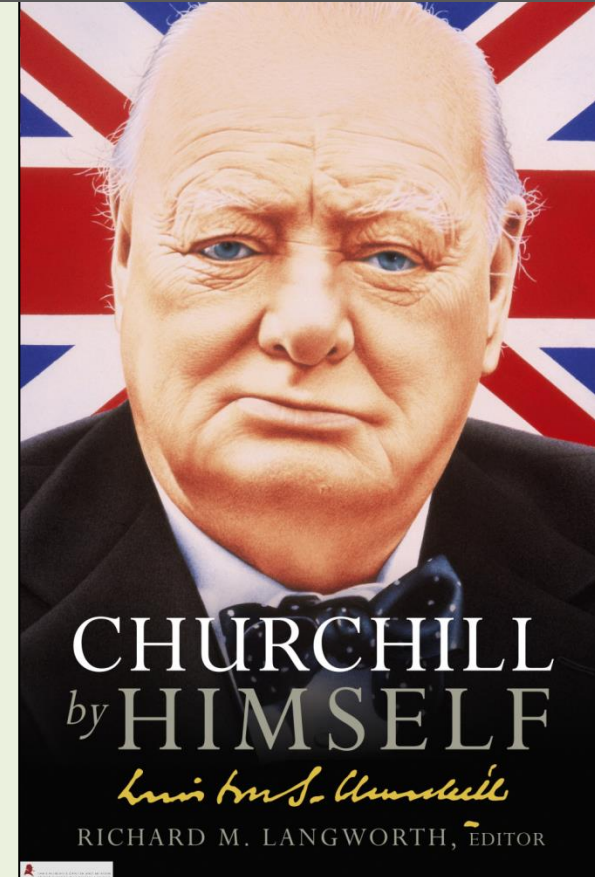


# RESEARCH – APPLIED EXAMPLE

**SCENARIO:** BizDev Manager from a company was trying to make first contact with an executive from a target company but was not getting through.

---

**SOLUTION:** BizDev Manager researched executive online and found they were interested in Winston Churchill. He then went online and found a signed copy with a note by the author on Ebay then leveraged that into a first meeting and began the relationship development process.



# NEXT STEP MANAGEMENT

|                  |      |   |          |
|------------------|------|---|----------|
| ABC Construction | John | 2012-06-12: Met John at ABC award dinner. He does a lot of work with Sam at Fast Engineers. Contact Sam and work on building relationship to leverage into a better intro to John.  | 09/30/12 |
| XYZ Construction | Dan  | 2012-07-30: Have worked with Dan at prior company. Have lunch setup next week. Will gather more information about their estimating department and preferred contractors.  | 08/10/12 |
| Fast Engineers   | Sam  | 2012-08-20: Asked Sam about John at ABC Construction. He said they have a solid relationship. Asked if he would mind setting up lunch. Need to follow-up. 2012-07-05: Took Sam and one of his engineers Steve to Kings game along with project team. They have upcoming project at Sac State. 2012-06-15: Had lunch with Sam to start building better relationship. He likes duck hunting and basketball; invite to Kings game with team. | 08/30/12 |

- Relentless Prioritization of Outreach Lists By Person Within Your Team
- Rigorous Management of Next Steps; ALWAYS Moving Relationships Forward

# PDCA – Plan / Do / Check / Adjust



**ABC Construction**

## BIZDEV MEETING EVALUATION

|                     |                  |
|---------------------|------------------|
| MEETING WITH        | XYZ Construction |
| MEETING DATE / TIME | 6/30/2015 - 2PM  |

### PRIMARY MEETING GOALS

1. Get Quality Work!
2. Market Intelligence (Projects, Other People / Companies to Meet, Competition, Potential Recruits, etc.)
3. Relationship Building (Intro / Referral to Someone Else, Personal / Family Details, Career / Company Details)

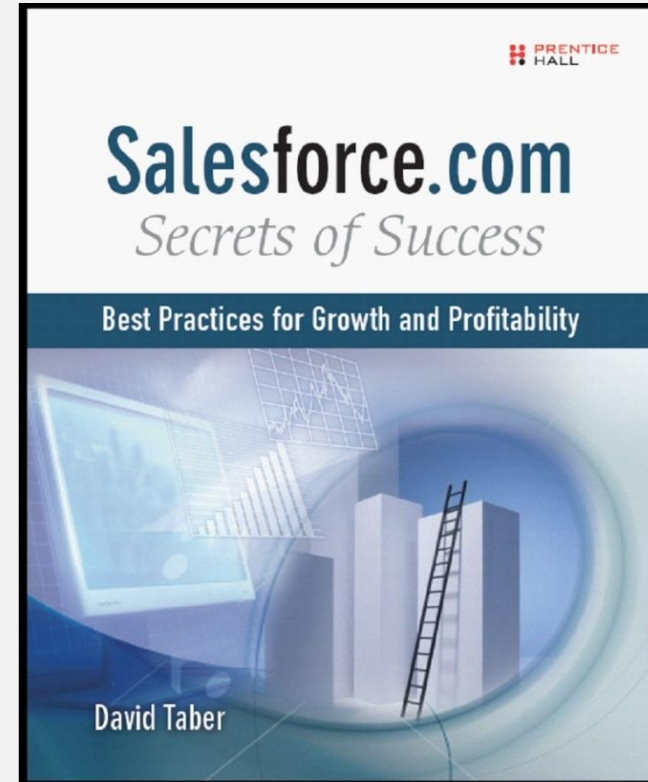
| CATEGORY                   | COMPANY ATTENDEES |            |            |            |            | NOTES   |
|----------------------------|-------------------|------------|------------|------------|------------|---|
|                            | BA                | DB         | CS         | DO         | ED         |   |
| Prepared for Meeting (Co.) | 7                 | 8          | 9          | 7          | 6          | DB/CS scored based on outcome; ED - timing and agenda could improve |
| Value Presentation (Co.)   | 8                 | 7          | 9          | 9          | 8          | DB - didn't understand customer needs and present all capabilities  |
| Engagement (Other Party)   | 8                 | 8          | 9          | 8          | 9          | Agenda could have guided more discussions                           |
| Perception (Other Party)   | 9                 | 10         | 10         | 10         | 9          | Comparison to other competitors very positive                       |
| Market Intelligence        | 10                | 10         | 10         | 10         | 10         | \$3M in projects coming up, VP of Ops at a competitor is unhappy    |
| Relationship Building      | 9                 | 10         | 10         | 9          | 9          | Got everyone in meeting to meet at basketball game in 2 weeks       |
| Annual Deal Flow           | 10                | 10         | 10         | 10         | 10         | They have over \$25M in projects coming out in the next year        |
| <b>TOTALS</b>              | <b>61</b>         | <b>63</b>  | <b>67</b>  | <b>63</b>  | <b>61</b>  |   |
| <b>PERCENT</b>             | <b>87%</b>        | <b>90%</b> | <b>96%</b> | <b>90%</b> | <b>87%</b> |   |
| <b>PERCENT ALL</b>         |                   |            |            |            |            | <b>90%</b>  |

Rapid Scoring  
Discuss Differences  
Improvement Ideas



# TRACKING TOOLS

- **CRM Systems (Customer Relationship Management)** Cossentials, SalesForce, Sugar, Act!, Goldmine, Microsoft, etc.
  - **Bid Tracking Software**
  - **Outlook / Exchange Public Folders**
  - **Spreadsheet**
- 
- **Software purchases are easy >> implementation is hard**
  - **Significant customization is always required** – biz-dev stages, customer categorization, universe of opportunities, reporting, defining expectations, etc.
  - **Tie to accounting system**

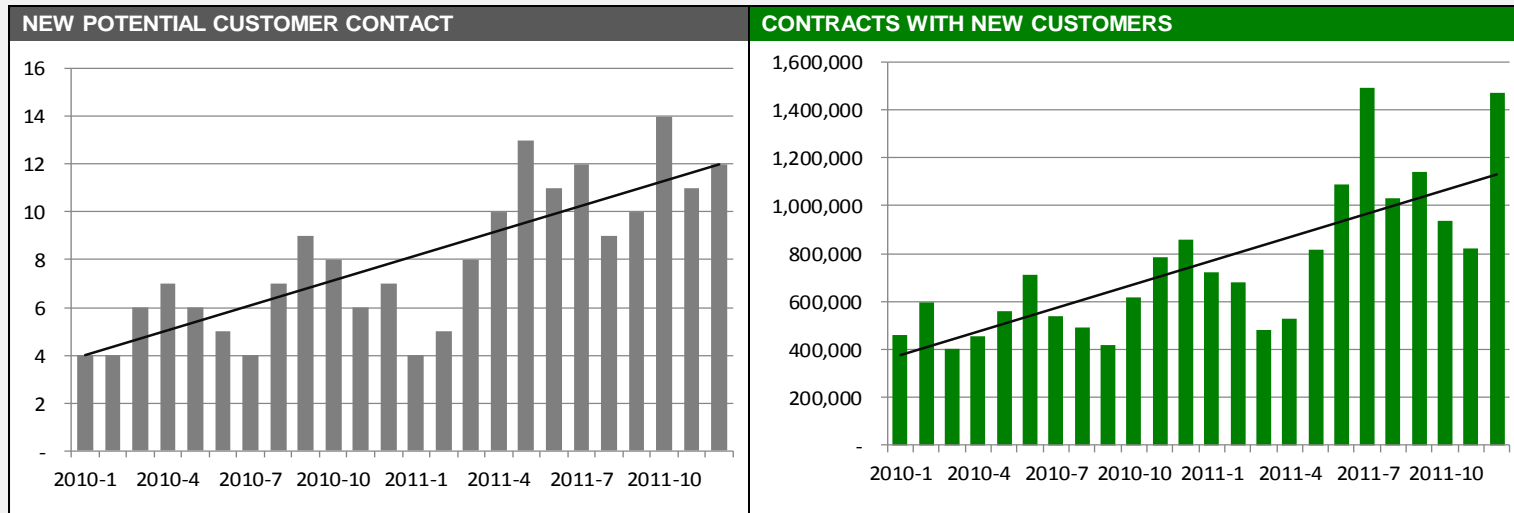


What tool(s) are you using to track your business development activities? Select all that generally apply. (Multiple Pick)

- CRM System
- Excel
- Outlook / Exchange
- Other

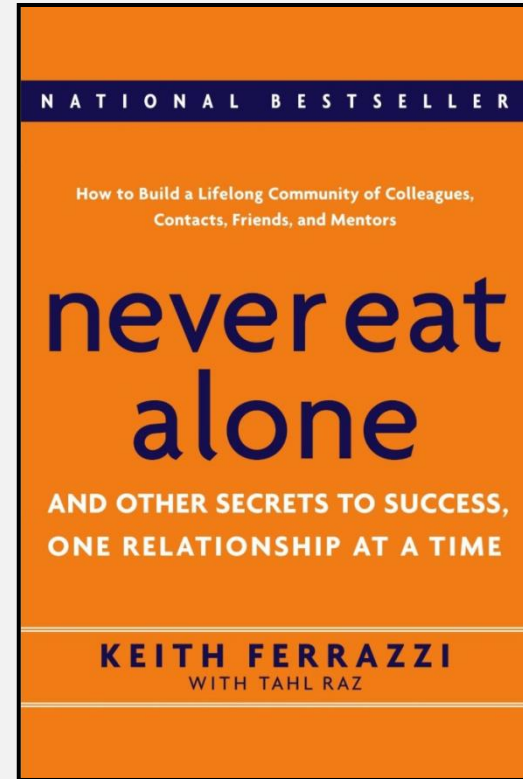
# OUTREACH METRICS

- **Inbound / Outbound Communications** (Per Week, Per Month)
- **Ignored Contacts** (Percent of Totals By Market / List)
- **Tie to Accounting System for Trend Reporting**

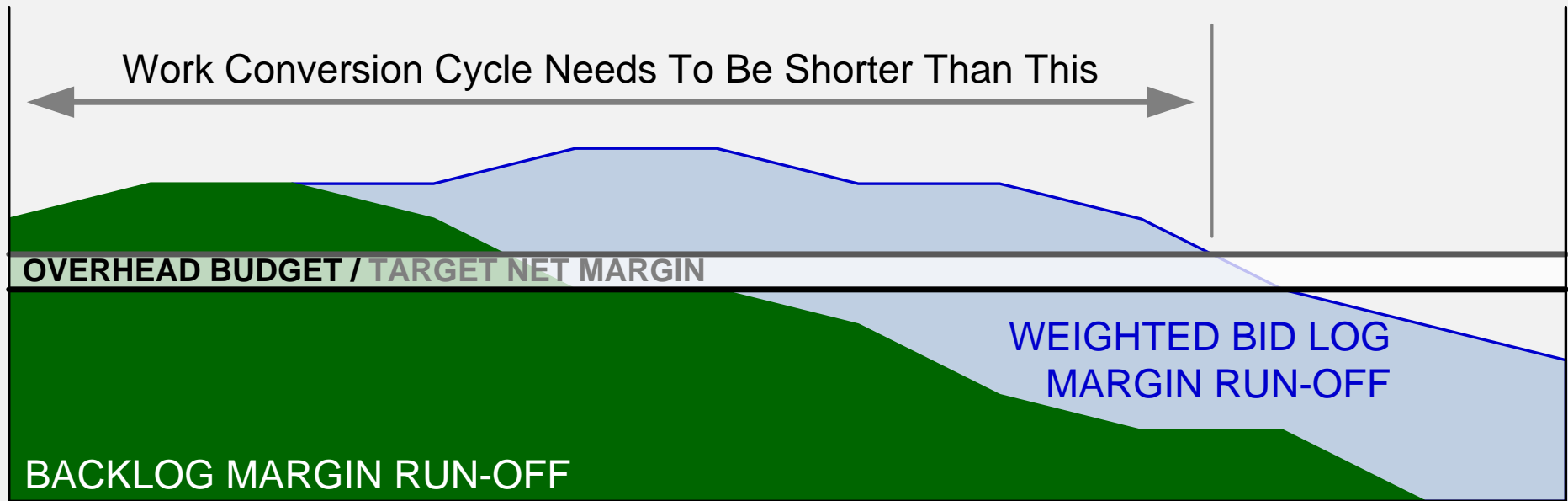


# PIPELINE MANAGEMENT METRICS

- **Missing / Old / New Next Steps** (By Person, By Week, By Month)
- **Dollar Value By Stage** (Opportunities / Bids)
- **Quantity By Stage** (Pre-Opportunity)
- **Weighted Dollar Value By Stage**
- **Average Time Per Stage**
- **Stuck In Stage**
- **Pipeline Vs. Actual (Historical)**



# PROJECT TRACKING



**How Much Better Would Your Decision Making Be If You Had This Type Of Visibility?**

# How would you rate the importance and status of integrating your business development pipeline and your backlog run-off forecast?

- Very critical AND we have them both integrated to our satisfaction
- Very critical BUT we need to keep working on the integration process
- Would need to learn more and COULD be important for decision making
- Interesting BUT not very critical for our business

A portrait of Peter F. Drucker, an elderly man with glasses, wearing a dark suit, white shirt, and patterned tie. He is looking slightly to the right with a thoughtful expression, and his hands are clasped in front of him. The background is a blurred outdoor setting with green foliage.

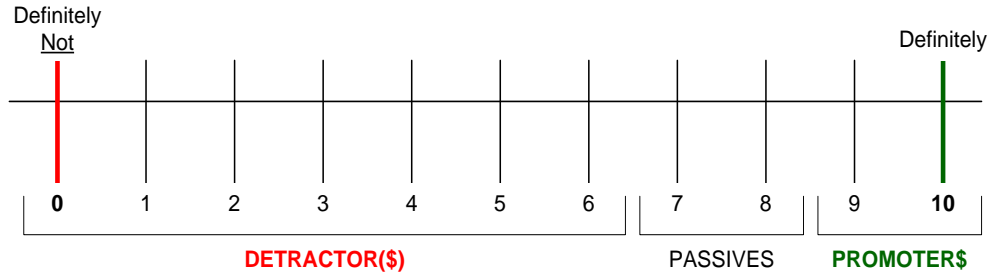
***“A business exists  
to serve a  
customer”***

**– Peter F. Drucker  
1909-2005**

# Net Promoter Score®

## THE TWO QUESTION SURVEY

- 1 On a scale of 0-10 would you recommend ABC Construction to others?



- 2 What is the one thing that ABC Construction could do better?

The Best Customer is a Repeat Customer

The Best Selling Tool is a Great Referral

## THE “NET PROMOTER SCORE” (NPS)

$$\text{NPS} = \text{PROMOTER\$} - \text{DETRACTOR\$}$$



# **NEXT STEPS** – Plan, Do, Check, Adjust (PDCA)

- ✓ **Growth Goals / Market Strategy**
- ✓ **Competitor Analysis / Competitive Advantages**
- ✓ **Marketing Message / Collateral**
- ✓ **List Development / Research / Prioritization**
- ✓ **Define Business Development Stages**
- ✓ **BizDev Activities / Rigorous “Next Step” Management**

# THANK YOU

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# Tomorrow @8AM