



A Fresh Look at New Business Development

A quick look at LinkedIn reveals over 70,000 positions posted for New Business Development, but recruiters note that a lot of these jobs have been available for quite some time and that these positions are hard to fill.

Why is this?

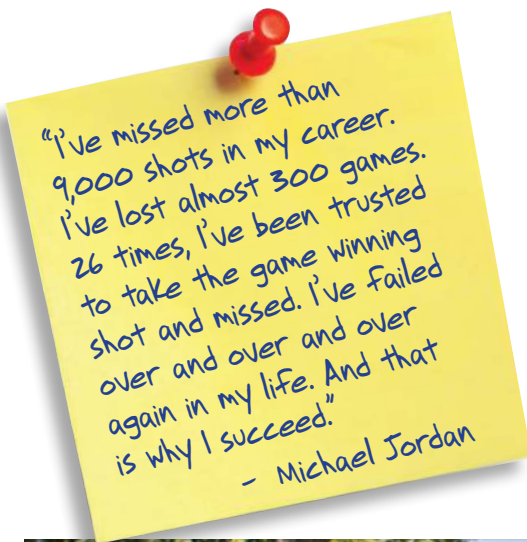
Part of the problem is in the definition of the term “New Business Development.” If you ask 10 CEOs to describe the function of New Business

Development within their company, most of them will say that New Business Development is about selling. That’s the general consensus we get from CEOs.

So, why don’t we just call it Sales?

If we look at Sales as transactional, then New Business Development is about relationships. If we look at Sales as “closing the deal,” then we look at New Business Development as “building relationships.” If we look at Sales as “feet on the street,” then we look at New Business Development as “creating opportunities in the market.”

Truth is, the functions of Sales and New Business Development are very intertwined. One major difference, though, is the strategic aspect of New Business Development.



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- Packaging
- Aluminum Siding
- Glass and Glazing
- Industrial and Automotive Tools



A Fresh Look at New Business Development

New Business Development is about finding those partners in the marketplace, whether on the vendor side or the client side, with whom you can work to create long-term, lasting value for your company and for your collaborators.

Strategic thinking is the critical difference from Day One. If your New Business Development staffer is just hustling for quick business, then he's really performing sales tactics. He, or she, may be good at it, but the activity is sales transactional activity and not long-term value building New Business Development activity.

You might be thinking that immediate sales may just be the ticket for you. If so, then get the best sales professional you can

find and send them out to close deals.

If you are looking at a higher-level, longer-term strategy, then hire a New Business Development Professional who will work with you **to evaluate markets, explore opportunities, create interested partners and find the sweet spot of where your products and services intersect with market needs.**

In a sample job description for New Business Development, INC. Magazine lists these basic areas of knowledge and skills:

- **Good Project and Time Management Skills**
- **Knowledge of Business and Management Principles**
- **Strong Analytical Skills**
- **Organizational Skills**
- **Leadership Skills**
- **Ability to Work Collaboratively**

You may have noticed the absence of "Strong Sales Skills" in the list.

New Business Development starts as a collaborative effort

JEFF BLEACHER



"There are opportunities for new business development for every company, every category and every industry. The key is to think bigger, stretch farther and reach for what's next in your business. However, for a vision to become a reality, you have to have the right people. That's our focus for success."

KEN FALK (on the right)



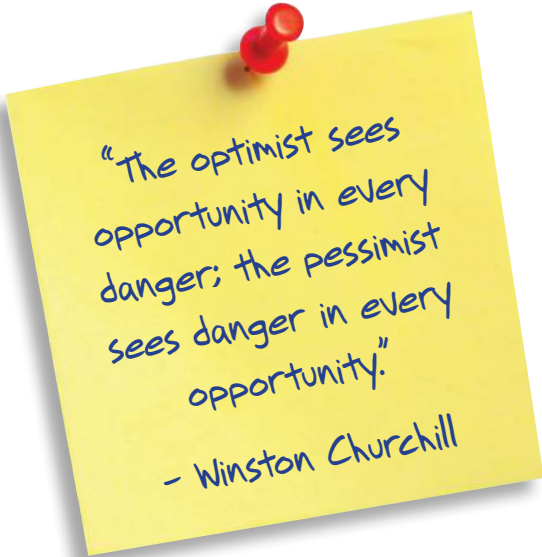
"It takes the entire organization for New Business Development to be successful. One person can't do it alone. All aspects of a company should be in support of new initiatives; whether they are successful or not, everyone will feel the impact. Internal collaboration should happen before external development takes place. Everyone needs to be on board."

*"Whenever you see a successful business, someone once made a courageous decision."
- Peter Drucker*



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within your company and continues its collaboration with the market. It takes time to find the right partners for the right opportunities, but taking the time and making the effort will be the foundation of your company's long-term health. The impact of New Business Development will not be felt immediately, but will be significant in **where your company is in five years.**



Get clarity and focus on your New Business Development program and you will find more impact from the efforts, better results overall and more opportunities for a bright future.

Resources:

Best-selling Author
Seth Godin's Blog on New Business Development

8 Tips for Successful Business Development from The OPEN Forum

How to Develop a Business Growth Strategy from INC. Magazine

LARRY REICH



“Creating a culture for success involves a process for assessing failure and learning from those “mistakes.” We have learned that failure is temporary; when you have learned from your mistakes you can move on and make them successes. That’s the key for doing a New Business Development deal – learning from everything you do and applying it to the current situation.”



PATRICK GENDRUE (on the left)

“You can learn as much, if not more, about a company by observing how they handle a failure rather than a success. Success can hide a multitude of “sins” along the way, but if you look beyond the numbers into the soul and culture of the company you can see the real values a company holds. That’s where you want to look if you’re going to partner with someone.”

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Understanding New Business Development

New Business Development is often never seen by the marketplace because well-done deals happen in the “back room” more often than not.

For example, best-selling author Seth Godin notes these “behind-the-scenes” deals as benchmarks for successful New Business Development:

- Starbucks licenses their name to a maker of ice cream and generates millions in royalties.
- A rack jobber like Handleman does a deal with a mass marketer like Kmart. Kmart gives them room in the store to sell records and gets a cut: Handleman does all the work.
- AOL buys AIM instant messaging software and integrates it into their service.
- Years ago, Seth Godin licensed the rights to Isaac Asimov’s Robot novels from a business development person at his publisher and turned the books into a VCR murder mystery game which Seth Godin licensed to a business development person at Kodak, a company that was experimenting with becoming a

publisher. (Isaac Asimov made more from this project than he did from many of his books).

- Best Buy offers extended warranties on appliances you buy. They don’t provide the warranty, of course: a business development person did a deal with an insurance/service company to do it and they share the profit.
- The Princeton Review built a huge test prep business, but only by licensing their brand to a series of books which did the lion’s share of their marketing for them.

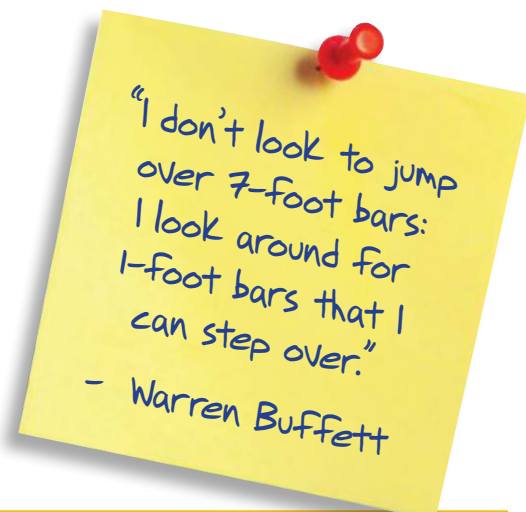
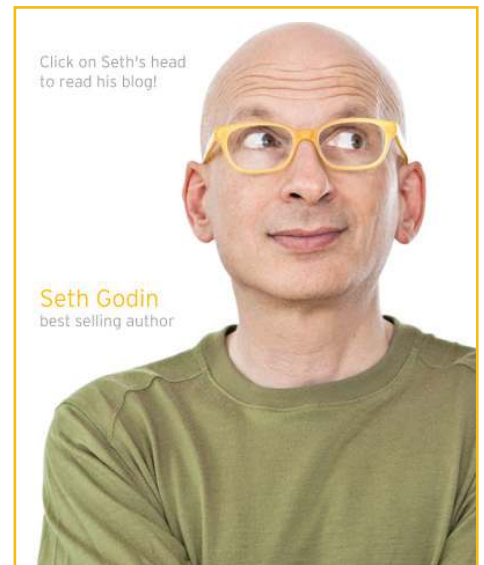
These examples clearly demonstrate how New Business Development creates significant change for a company by crafting opportunities that expand the horizons for all partners in the deal.

Deals done in the New Business Development arena are often contiguous to the core business but outside of the “way we do business here.” These deals can be in licensing, collaborative product development, acquisitions or partnerships for the betterment of all brands involved.

What’s difficult for New Business Development management is that each deal will be unique, different and have its own set of challenges and opportunities. And, many deals will die.

However, a vetted process of New Business Development will keep focus on what’s doable for your company. Knowing how your company works, the resources it has, the culture for innovation and an ability to do deals will drive your company forward with confidence.

[Click here](#) to read some tactical tips from Seth Godin on how to do business development better.





The Different Roles of Sales and New Business Development

There's lots of confusion between the functions of Sales and New Business Development. Primarily because the differences are subtle; very subtle.

For example, Sales wants to complete a transaction. So does New Business Development.

Sales want to establish a relationship with the customer. So does New Business Development.

Sales wants to sell and New Business Development also wants sales.

But, the key difference is evident when we look at end goals. It is the job of sales to generate revenue through selling to a customer. The job of new business development, however, is to create opportunities where the results of selling to a customer are exponentially bigger because of the partnerships, channels, and deals made with scalability in mind.

[Click here](#) to read more about scalability in New Business Development.

