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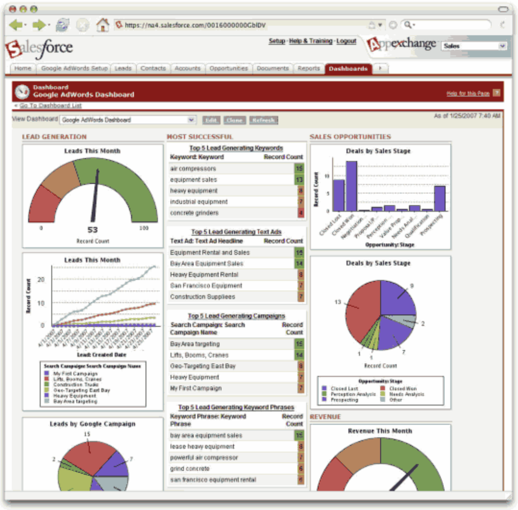
Business Development Tips for Professionals

June 2010

Measuring your business development performance



To get better results from your business development efforts, track what you do and what works. Then you can do more of what works well and fix what doesn't. Here's how to begin.

Business development has many stages. The basic model is:

- Starting relationships
- Maintaining and growing those relationships
- Converting those relationships into paid work, and
- Maintaining and deepening relationships with clients and former clients.

At each stage, you can measure how successful you are and assess your success against the money and effort you are expending.

Relationship launching activities

You may be pursuing different strategies for starting relationships. You may be giving speeches or writing articles, or cold calling people, or running Google ads, or many other possibilities. Make yourself a simple table to assess your strategies as in this example:

Relationship launch activities	Input in last 12 months	Estimated cost	New, viable relationships created	$ per new viable relationship
Giving speeches	6 speeches	6 x 3 days prep per speech = 18 days at $2000 per day = $36,000	30	$ 1200
Outsourced appointment setting		$20,000 contract	5	$ 4000
Writing articles	2 articles	2 x 5 days per article = 10 days at $2000 per day= $20,000	4	$ 5000

Just do your best to estimate the costs and the new, viable relationships (which you should be able to list by name). You'll begin to get an idea of where you are getting results and at what cost. You'll also be able to make better judgments about the cost of new activities or of tools to improve the effectiveness or efficiency of what you are doing.

Relationship maintenance
How many relationships are you actively maintaining? How many are you maintaining by making periodic warm calls? How many are you maintaining using other relationship maintenance tools (e.g., a newsletter, invitations to events, regular email contact)? These are measures you can track. Maintaining relationships well will create leads for your pipeline.

Pipeline status
This seems to be the favorite of many professional services firms. They eagerly track the deals in the works at each stage of development (e.g., opportunity we've heard about, qualified, first meeting, proposal, presentation, negotiation, and contract signed). And that's great. In addition, it is important to identify how many of the opportunities are competitive vs. non-competitive (the client asked only you to propose), and how many are at existing core clients vs. other current clients vs. dormant clients vs. new prospects.

If you collect this data regularly, then you can also analyze how well you move prospective opportunities forward. You can see if there's a stage where you lose a lot of opportunities, and think about how to improve your performance.

Client satisfaction
Doing the work well gives you the chance to convert initially good relationships into very strong partnerships. If you are going to measure only one thing, you should probably measure client satisfaction. How satisfied are they? (Use a scale of 1 to 5 and only be happy with 5's). What could you do better next time? What can you do better with them going forward?

Also track referrals generated by your clients. If every client is sending you to a few more people, then you must be doing something right. If they aren't, then there's likely room for improvement.

The technical details
If you use a Customer Relationship Management system of any kind it will be relatively easy to track relationship maintenance and pipeline progress. Relationship starts can be tracked by the CRM system if you enter all the new relationships, which you should. Measuring client satisfaction is probably more of a manual process for most people and firms.

Something to try this week

Start with some straightforward steps:

- Look at your business development activities since the beginning of the year. Write down your relationship launch activities and how many new relationships you have produced with each activity.
- Assess your current pipeline by phase and see what you need to do to advance the projects in it.
- Talk with a client about how satisfied he or she is and what you need to do to make them even happier.

What are these tips?

These monthly tips are intended to help professionals create more business and enjoy their work more. We focus on how to start relationships, how to build relationships, and how to convert those relationships into sales.

Can you answer my questions about business development?

We'd be delighted. Please send any questions you have to questions@bridgewellpartners.com and we'll do our best to help you out. Or call us at 312-863-3489. Or visit www.bridgewellpartners.com to learn more about how we coach and train professionals to be better at business development and to enjoy it more.