

## **Business Development**

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Many people are confused with the terms business development and sales. Business development is the effort to identify business opportunity by researching, analyzing and introducing a new product or a new service to the market. It focuses on the implementation of the strategic business plan of financial, technologies, products and services, companies, and the establishment of strategic partnerships to improve organizational profit. The cash position of an organization is important and is measured primarily with net profits. Therefore, a successful business development within an organization is seen when the business grows and generates more cash than expenditures. On the other hand, the sales function is only part of the business development activity where, a sales person is required to sell the product or service. It is just a selling activity.

### **The 80/20 Rules in Business Development.**

80/20 principal (Pareto principle) is essential to balance up between the output (expenses) and the input (revenue), cause and consequences, and effort and results in a business. This principle helps to create the stakeholder value and generate most money with the least expenditure of assets and efforts (time). 80/20 rule is important to guide where the business is making profits and where the business is losing money. In business development, innovation is important. There are four ideas in which we are able to help in business development.

1. 80percent of the result is from 20percent of the business planning.
2. 80percent of the value is from 20percent of the resources.
3. 80percent of the growth and profits comes from 20percent of the customers.
4. 80percent of the product or service is from 20percent of the cost.

### **80/20 Rule in Sales Performance**

Business Executives always complain about 80/20 performance, where 80percent of the sales are produced by 20percent of sales people. There are some sales skills that can be learnt by asking "Who" "When" "What" "Why" "Where" and "How." When we use all the 5Ws and 1H questions instead of Yes and No questions, prospects will share more information with the sales person. This increases the chances of getting the lead or sales by finding out the customers need.

Example:

*Who is the target group*

*When is the targeted period that the customer is planning to get the product or service*

*What is the reason the customer is having the product or service*

*Why is the product or service important to the customer*

*Where is the good location to deliver the product or service*

*How much is the customer's budget*

In a sales environment, many of the sales people are struggling to meet their quotas.

There are a few areas that we need to focus on.

*Is it the state of the economy?*

*Is it because they do not work hard enough?*

*Is it because they do not have enough product knowledge?*

*Do they need to work harder on their selling skills?*

Do they need more coaching from their manager? A sales person is required to develop a good prospecting plan by using the 5Ws and 1Hs for their customers in order to generate lead opportunities and the ability to answer the questions above themselves.