

BUSINESS DEVELOPMENT

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Top Business Development Strategies

Deciding which strategies to employ to develop new business is actually a high stakes decision. A good strategy, well implemented, can drive high levels of growth and profitability. A faulty strategy can stymie growth and frustrate valuable talent.

Yet many firms falter at this critical step. They rely on habit, anecdotes and fads — or worse still, “this is how we have always done it.”

1. Networking

Networking is probably the most universally used business development strategy. It's built on the theory that professional services buying decisions are rooted in relationships, and the best way to develop new relationships is through face-to-face networking.

It certainly is true that many relationships do develop in that way. And if you are networking with your target audience, you can develop new business. But there are limitations. Today's buyers are very time pressured, and networking is time consuming. It can be very expensive, if you consider travel and time away from the office.

Newer digital networking techniques can help on the cost and time front. But even social media requires an investment of time and attention.

2. Referrals

The close relative of networking, referrals are often seen as the mechanism that turns networking and client satisfaction into new business. You establish a relationship, and that person refers new business to you. Satisfied clients do the same.

Clearly, referrals do happen, and many firms get most or all of their business from them. But referrals are passive. They rely on your clients and contacts to identify good prospects for your services and make a referral at the right time.

The problem is referral sources often do not know the full range of how you can help a client. So many referrals are poorly matched to your capabilities. Other well-matched referrals go unmade because your referral source fails to recognize a great prospect when they see one. Finally, many prospects that might be good clients rule out your firm before even talking with you. One [recent study](#) puts the number at over 50%.

Importantly, there are new digital strategies that can accelerate referrals. Making your specific expertise more visible is the key. This allows people to make better referrals and increases your referral base beyond clients and a few business contacts.

3. Sponsorships and Advertising

Can you develop new business directly by sponsoring events and advertising? It would solve a lot of problems if it works. No more trying to get time from fully utilized billable professionals.

Unfortunately, the results on this front are not very encouraging. Studies have shown that traditional advertising is actually associated with slower growth. Only when advertising is combined with other techniques, such as speaking at an event, do these techniques bear fruit.

The most promising advertising strategy seems to be well-targeted digital advertising. This allows firms to get their messages and offers in front of the right people at a lower cost.

4. Outbound Telephone and Mail

Professional services firms have been using phone calls and mail to directly target potential clients for decades. Target the right firms and roles with a relevant message and you would expect to find new opportunities that can be developed into clients.

There are a couple of key challenges with these strategies. First they are relatively expensive, so they need to be just right to be effective. Second, if you don't catch the prospect at the right time, your offer may have no appeal relevance — and consequently, no impact on business development.

The key is to have a very appealing offer delivered to a very qualified and responsive list. It's not easy to get this combination right.

5. Thought Leadership and Content Marketing

Here, the strategy is to make your expertise visible to potential buyers and referral sources. This is accomplished through writing, speaking or publishing content that demonstrates your expertise and how it can be applied to solve client problems.

Books, articles and speaking engagements have long been staples of professional services business development strategy. Many high visibility experts have built their practices and firms upon this strategy. It often takes a good part of a career to execute this approach.

But changing times and technology have reshaped this strategy. With the onset of digital communication it is now easier and much faster to establish your expertise with a target market. Search engines have leveled the playing field so that relatively unknown individuals and firms can become known even outside their physical region. Webinars have democratized public speaking, and blogs and websites give every firm a 24/7 presence. Add in video and social media and the budding expert can access a vastly expanded marketplace.

But these developments also open firms to much greater competition as well. You may find yourself competing with specialists whom you were never aware of. The impact is to raise the stakes on your business development strategy.

6. Combined Strategies

It is common to combine different business development strategies. For example, networking and referrals are frequently used together. And on one level, a combined strategy makes perfect sense. The strength of one strategy can shore up the weakness of another.

But there is a hidden danger. For a strategy to perform at its peak, it must be fully implemented. There is a danger that by attempting to execute too many different strategies you will never completely implement any of them.

Good intentions, no matter how ambitious, are of little real business development value. Under-investment, lack of follow through and inconsistent effort are the bane of effective business development.

It is far more effective to fully implement a simple strategy than to dabble in a complex one. Fewer elements, competently implemented, produce better results.

Next, we turn our attention to the tactics used to implement a high-level strategy. But first there is a bit of confusion to clear up.

Business Development Strategy Vs. Tactics

The line between strategy and tactics is not always clear. For example, you can think of networking as an overall business development strategy or as a tactic to enhance the impact of a thought leadership strategy. Confusing to be sure.

From our perspective, the distinction is around focus and intent. If networking is your business development strategy all your focus should be on making the networking

more effective and efficient. You will select tactics that are aimed at making networking more powerful or easier. You may try out another marketing technique and drop it if it does not help you implement your networking strategy.

On the other hand, if networking is simply one of many tactics, your decision to use it will depend on whether it supports your larger strategy. Tactics and techniques can be tested and easily changed. Strategy, on the other hand, is a considered choice and does not change from day to day or week to week.

10 Most Effective Business Development Tactics

Which business development tactics are most effective? To find out, we recently conducted a study that looked at over 1000 professional services firms. The research identified those firms that were growing at greater than a 20% compound annual growth rate over a three-year period.

These High Growth firms were compared to firms in the same industry that did not grow over the same time period. We then examined which business development tactics were employed by each group and which provided the most impact.

The result is a list of the ten most impactful tactics employed by the High Growth firms (see Figure 2).

Figure 2. 10 most impactful business development tactics.

1. Networking at targeted conferences, trade shows and events
2. Providing assessments and/or consultations
3. Demos (in-person or digital)
4. Using a proposal toolkit
5. Speaking at targeted conferences or events
6. Video blogging
7. Creating downloadable, gated content
8. Nurturing prospects through phone calls
9. Publishing written blog posts on your website
10. Digital ads (pay-per-click, banner ads, etc.)

There are a couple of key observations about these growth tactics. First, these techniques can be employed in service of different business development strategies.

For example number five on the list, speaking at targeted conferences or events, can easily support a networking or a thought leadership strategy.

The other observation is that the **top tactics include a mix of both digital and traditional techniques**. As we will see when we develop your plan, having a healthy mix of digital and traditional techniques tends to increase the impact of your strategy.