

# STOP EQUATING BUSINESS DEVELOPMENT TO “SALES”

## *The Role Necessitates So Much More*

### **WHAT YOUR SENIOR BUSINESS DEVELOPER IS SUPPOSED TO BE DOING**

Business development is a mission-critical function that is essential to all ventures, but is often sorely misunderstood and poorly executed. Part of the challenge is the very nomenclature that’s been adopted in the business world. At some point along the way, “business development” became synonymous with “sales and marketing,” which has done the core function a grave disservice. Business development is about “developing” or “building” the many facets of a revenue-generating, customer fulfillment engine behind a core product or service. Sales and marketing are only a sub-set of what a business development professional must strategize for, develop towards, execute on, and close/deliver.

Yes, “business development” as a function does *include* sales and marketing responsibilities. And the business development function within a start-up may well be executed and administered by a mix of personnel (full-time and/or contracted). However, every start-up at the earliest stages requires a senior designate to oversee an overall business development strategy and program that goes well beyond “making sales calls” and “placing ads.” Just a sampling of the questions a senior business development designate must be exploring at all times includes:

#### **Sales Goals & Pipeline Metrics**

- What is the company’s current burn-rate?
- What is minimum viable revenue target to cash-flow positive?
- What is the anticipated average deal valuation of a customer sale?
- What’s been our average conversion rate? And what’s the average sales-cycle-to-close?
- How much net contribution margin will go towards the bottom-line burn on each of these sales?
- How many sales do we need to break-even given these assumptions?
- What are the larger revenue goals being communicated to the investment community?
- How many sales do we need to attain those objectives? What are the potential accelerators?
- How many leads do we need at the front-end of the pipeline to achieve the conversion rate that will meet the overall revenue goals stated above?

#### **Market Validation & Anchor Client Acquisition**

- Have we validated our value proposition, minimum viable product, and target markets?
- Are we comfortable with our pricing strategy?
- Where do we expect to find early wins? Which sectors are most promising?
- Who and how can we target for anchor client acquisition?
- How quickly can we convert early adopters into favourable case-studies and testimonials?

#### **Lead Generation and Sales Management**

- Which target markets are now ready for deeper exploration?
- What are the best means to generate leads in bulk? (Digital/traditional advertising, blogs/social media, promotional partnerships, conferences, public presentations, etc...)?
- How are we tracking quality of leads and percentage conversion rates?
- Do we have the right marketing and sales talent to execute? Is it time to hire or outsource?
- Do we require training? Do we need to standardize sales protocols and presentation materials?

### Brand Development & Marketing Collateral

- Who is our competition?
- What are we doing to position our brand and differentiate our product-service mix?
- How do we ensure the right timing/type of visibility to capture the attention of different target segments?
- Who can we recruit for advocacy?
- Is our web design adequate? Do we need an eCommerce site?
- Have we developed all the essential marketing collateral for advertising, promotions, tradeshow, etc?

### Sales Systems, Business Processes & Client Fulfillment

- Are we investing in the right mix of business administrative systems to drive the sales & service engine?
- What do we require in terms of CRM, ERP, E-Campaign Management, Website Analytics, etc...
- Have we evaluated our cradle-to-grave customer fulfillment program, and how it will impact our internal team, external partners, and clients?
- If we're deploying a technology at a client site, do we have a properly crafted work breakdown structure and client activation/adoption plan?
- Are the sales systems interfacing with inventory management, procurement, finance, etc?
- Do we require an international shipping and freight plan? Will we require warehousing?

### Reporting Conventions

- Do we have adequate insights on our marketing and sales activity (daily, monthly, quarterly)?
- Have we designed dashboards and "hot-sheets" for relevant internal stakeholders – senior management, finance, Board of Advisors?
- Are we working closely with the Controller to assist with monthly forecasting/re-forecasting?

**IMPORTANT NOTE:** The business development function and "controller" function are closely intertwined and should be regularly advising one another of new developments and changing financial forecasts. See [3 Mission-Critical Functions Essential To a Start-Up, And Regularly Overlooked](#).

Once again, finding the right individual or team to execute early-stage, strategic "business development" is not about hiring a VP of Sales and Marketing. In fact, it can be exactly the wrong thing to do - both hiring a **full-time** senior manager, and sourcing a **conventional corporate sales professional**. You need foundation-builders who know how to develop an engine from scratch. This is very different from a senior sales administrator who is more suited for growing a book of business and managing a team where the core apparatus is already in place. [See also [7 Reasons to Outsource Your Early Stage Biz Dev](#) at [www.canadastartup.com](http://www.canadastartup.com).]

GOOD LUCK! And let us know how we can help.

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