YOUNG PROFESSIONALS

MANAGEMENT TRAINING PROGRAMME

WEBINAR

CREATING A BUSINESS DEVELOPMENT FRAMEWORK

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Case Study and Questions

- **Business Development**

- Your company has developed quite rapidly in recent years, partly through organic growth of the traditional civil/structural consulting business and partly by adding a number of high profile specialities by acquisition. This expansion has left a number of customers quite confused, because the services offered cover a different and much broader scope. It has also left the company with the challenge of establishing quite another image in the eyes of the general public not to mention potential applicants for jobs in the organisation.

- In the domestic market the backbone remains the traditional consulting jobs that are plentiful and with relatively low fees, however, the increasing number of specialist services requires innovative approaches, investment in research and development and consequently much higher fees than the company used to charge.

- In foreign markets the company is picturing itself as multidisciplinary and in relation to large projects benefiting from the many disciplines covered.

- *Q 1: Describe a marketing strategy for this development.*

- *Q 2: How would you plan, budget, control and assess the results of this marketing effort.*

- Branding the company towards clients and the industry, and for that matter the general public - becomes quite complicated. The clients are targeted through a constant flow of articles and advertisements in technical papers based on individual project cases, emphasizing the individual and seemingly independent business units.
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- The company tries to attract young professionals by picturing small units with highly specialized staff providing state of the art technology and at the same time promoting the attractiveness of large international and multidisciplinary jobs.
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- *Q 3: Define management structure incl. risk management catering for an international and multidisciplinary company.*
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- However, the group financial results are disappointing in particular compared with its competitors. This is caused primarily by an inability to obtain the high fees required in the specialized divisions and on international jobs because of much higher promotion (proposal) costs.
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- *Q 4: How would you solve this problem in the domestic market and in the international market.*
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- It turns out that the expected results from some particularly high tech, high profile projects in the domestic market are technically not up to standard. The company faces a situation with a risk of loosing its high tech, high quality image.
- You have the following - to some extent alternative - possibilities:
- (A): Reorganising the company into one large unit with a single, efficient QA function
- (B): Changing the approach from selling technology to selling trust
- (C): A general branding effort emphasizing results, quality, reliability, financial standing
- (D): Develop a global brand drawing on all resources from all countries
- (E): Change all marketing to be internet based
- *Q 5: How would you organise business development in a multidisciplinary and multinational firm. Are you local globally, adapting to the individual market, or do you draw on the whole range of capabilities everywhere.*
- *Q 6: What are the pros and cons of the proposed marketing strategie*
- *Q 7: Is small beautiful but big better – or is this simply not true !*
- *Q 8: What will be the most important marketing features in the future ?*

- The marketing initiatives chosen turn out to be very successful, turnover grows, more people are employed and suddenly the financial people sound an alarm. The company's bank connection is asking critical questions related to the overdraft, starting up new projects require liquidity, outstanding invoices are skyrocketing etc. Project Managers seem to be more concerned about quality and progress than about getting invoices out and paid. Minor problems cause clients not to pay.
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- The auditors suggest to split the company in separate, independent divisions and to develop a completely new and more efficient financial management system for the entire organization.
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- *Q 9: What measures would you take to solve the liquidity problems. How do you reduce the outstanding payments.*
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- *Q 10: How do you improve budgeting procedures*

- One of the reasons for the poor liquidity turned out to be that invoices create a lot of discussions with clients because of minor mistakes, lack of clearly defined payment guidelines and poor communication in general resulting in substantial delays in payment.
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- *Q 11: What measures do you propose to take to solve these problems.*

- A task force is established to analyse projects where the final result deviated substantially from the budgeted result. Among the key findings are: design errors and poor definitions of services in the agreements in question, as well as lack of attention to the preparation of payment schedules in the agreements made.
- Design errors and the like also were found to cause a substantial increase in Professional Indemnity insurance cost, which over time is becoming a considerable overhead item. The many insurance cases started to weaken the Clients' confidence in the company. The previous reputation for solid technology and reliable delivery became more and more difficult to maintain.
- *Q 12: Define the necessary quality assurance measures*
- *Q 13: How to reduce design errors and regain the Clients' confidence*