



The Ten Most Common Business Development Mistakes Of Professional Services Companies

INTRODUCTION

Many professional services organisations require their partners and senior managers to both find new business and deliver their services, once the opportunities have been won. Anyone who has been responsible for both business development and business delivery will tell you that they each require very different skill-sets, mind-sets, behaviours and competences. They will almost definitely also tell you that most professional services firms are much better at delivery than they are at business development.

In our experience, there are 10 areas where professional services firms commonly fall down in their business development practices:

1. **They talk too much about themselves.**

This practice completely ignores the fact that most buyers these days will have reviewed the company web site, LinkedIn profiles, referrals and case studies of any vendors that they are considering long before they even agree to meet with them. In fact, there is research to suggest that up to 70% of the sales process, in terms of screening, market research, needs analysis and the short-listing of viable options, is completed by the prospective buyer before they agree to meet. Since they are likely to know most of what they need to know about the potential vendors before they meet, the time together is much better spent seeking to understand their needs and challenges.

2. **They fail to truly differentiate their offer & value-add**

Once they understand the prospect's needs, many are then unable to effectively differentiate their organisation and their offerings from the other organisations that they compete against. They do not have a clear and differentiating value proposition, they are unable to provide a compelling reason why the buyer should select them over their competition and are not able to confidently describe the financial benefits or return on investment that clients can expect from their offering. This may be why 85% of buyers state that the conversations that they have with vendors add no value to them and fail to have any impact on their commercial decision-making.

3. **The fail to disrupt the prospect's comfort with their status quo**

Over half of all sales opportunities these days result in 'no decision', because whilst the prospect is willing to consider alternative solutions, the vendors that they meet do not provide sufficient evidence to justify them replacing or moving away from the 'status quo', which typically means an existing supplier that they have an established relationship with. In fact, this has become the most common outcome or reason attributed to lost sales in the pipeline of most professional services firms. It takes a very deliberate and particular approach to disrupt the status quo in order to create recognition that your solution or offering is better than what is already in place.

4. **Poor or ineffective qualification of sales opportunities**

Many professional services firms do not have or use an opportunity screening, scoring or qualification framework against which to prioritise their prospects. As a result they waste significant amounts of time chasing sales opportunities that they are never likely to win. Best-in-class sales teams have a clearly defined set of qualification criteria that they leverage to clean out and prioritise the opportunities in their sales pipeline so that they are always focused on the most winnable opportunities and regularly cull out the un-winnable opportunities to avoid wasted time and effort.

5. They do not engage with all of the key decision makers in the buying process

Many professional services practitioners and consultants only engage with and focus on those stakeholders that they can easily get meetings with, rather than all of the key decision makers and influencers in the buying process. While this is an easy trap to fall in to, they will never achieve the level of organisational support required to win the opportunity. How can they expect to win when they have only engaged with a fraction of the decision makers and influencers?

6. They do not actively manage their sales pipeline

Many professional services firms will have and maintain a sales pipeline, many will even have regular meetings to review the sales opportunities within it, but very few manage the pipeline with the rigour and focus required to get the most from the exercise. How much time is wasted discussing opportunities that have not been qualified and will never convert, or in discussing next steps with out asking questions like “Who are all of the stakeholders involved in the buying decision and what are their different roles and levels of influence?”

7. They fail to regularly test the prospect’s intent and commitment to buy

Many professional services firms fail to test the prospect’s commitment and intent at regular stages of the sales process. One simple and effective way to test how engaged and committed a prospective client is, is to challenge them “to get some skin in the game”. This can range from asking them to provide you with some key or sensitive information, or asking them to arrange for you to meet with one of other key influencers or decision makers that you have not yet met. If they hesitate, it clearly suggests that they are not as committed as is needed.

8. They do not conduct rigorous win-loss analysis

Great sales teams continuously assess and understand what they are doing right and what they can improve or change to enhance their win rates and their commitment to understanding the drivers of their success or failure is reflected in their practices. Some professional services firms may only ask the question “Why didn’t we win that deal?” internally within their business. Best-in-class teams will make contact with some of the key stakeholders and decision makers and ask them these three questions:

- a. “Why were we not successful?”
- b. “Why did you choose the other vendor?” and
- c. “What would we need to do differently next time to be in with a better chance of winning?”

9. They give up too soon.

Everyone who has been involved in business development for some time knows that sales cycle times are getting longer, more decision makers tend to get involved and the whole decision making process is more complex than ever before. The best professional services teams recognised that they need to follow-up more often, with more stakeholders and use a broad range of medium to make and maintain contact than ever before. Research suggests that it is not uncommon to have to attempt to make contact with the prospect organisation 10-15 times, on different occasions, with different decision makers and in different ways in order to progress and win a sales opportunity. In contrast, many professional services consultants give up after far fewer meetings and attempted calls, assuming that the prospect is not interested, rather than just very busy.

10. **They have an ad hoc approach to referral management.**

By being inconsistent in how they target, request and manage their referral source, many professional services firms receive just a fraction of the number and quality of referrals that they could and should receive. The data is clear, it is 2-3 times easier to get a meeting with a prospect when you have been referred by a shared and respected acquaintance. Most professional services firms could significantly increase the volume of quality sales opportunities in their pipeline by simply developing a formal and structured referral program. One firm that we worked with developed a checklist on what to discuss and highlight with an existing or past client regarding the value that they had delivered, before asking for a referral. They doubled the number of quality referrals that they were able to generate by this simple practice.

While we have had a lot of fun preparing this list of poor or ineffective practices, and it is unlikely that any organisation would suffer from all of them, they are offered in the hope that they will stimulate reflection and the realisation that perhaps one or two of them continue to persist in your business.

The good news is that for each of these mistakes, there is a proven set of best practices that can be customised and adopted by any business to improve their business development success rates.



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