



Each month, in the Human Resources files, CEO Europe shares its expertise with a synthetic presentation of a topic.

How to contract a Business Development Executive

by Simon Gall.

A recent straw-poll questionnaire highlighted the varying views and general confusion about the role of a Business Development professional and especially their use to SMEs.

This article may help you if you are considering the benefits of a Business Development Executive for your company or if you would like to offer your services in this type of role.

The Business Development Executive's role has been described as the following:

1. Sales professional.
2. Marketing and pre-sales professional.
3. Sales, Marketing and related PR-Communications professional.
4. A Project Leader Un professionnel des Ventes.

The Business Development Director's role has been described as

5. A sales and marketing expert.
6. A COO / Manager of change and administrative development.
7. A General Project Manager / Director.
8. A capable Strategist, with special focus on the combined application of Sales, Marketing and related PR-Communications and B2B alliances.

For SMEs no.8 generally proves to be the most useful fit.

The importance of Business Development professionals for the SME sector is becoming more widely recognised. Their appointment, role, responsibilities, liabilities and remuneration are a source of frequent debate, but for SMEs they are more frequently being employed as multi-skilled professionals in preference to a sales professional, a marketing professional and perhaps an external PR-Communications firm. In most small enterprises the core management team should comprise the Company Secretary, Chief Executive Officer, Chief Financial Officer and Chief Marketing Officer/Business Development Director.

There are up to 30,000 medium-sized companies (10 to 250 employees) in the UK. Arguably Business Development Directors (BDDs) are already playing a vital role in a large proportion of these SMEs, especially in the newer industries such as hi-technology and new media.

So, how do you find the most suitable Business Development professional for your Company? A lot of appointments are still made through the 'old boys' network', a somewhat unscientific approach to what will be a key role within the Company. The pitfalls are obvious: no systematic matching of skills/experience/qualifications; little reference checking; and no opportunity to short-list suitable candidates for comparison/assessment. Often this results in a short-list of one!

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In the past I have been a Key Speaker and chaired panels on Business Development and was asked how Directorates find a good BDD.

Engaging a BDD is, in some ways, similar to the process of finding a good Non-Executive Director. Seek a professional with a background of success in a similar sized business, with applicable skill sets. Don't be blinkered in seeking someone solely with experience of exactly the same industry sector and role. A good BDD must be able to understand quickly your company's aims, objectives, products and services, have access to any/all research and become privy to/part of the Directorate's development planning.

Look for independence of spirit, but avoid appointing someone who wishes to work independently and for more than one client; a BDD must be 100% focused on developing your company.

Don't appoint the 'salesperson-with-attitude'. Appoint a strategic thinker with a proven track record of implementing marketing, PR and communications initiatives and projects.

Avoid being impressed by someone from a big name Corporate. Do they have the multiple skills and mindset which will be required to deal with the many aspects of a project and also the ability to work solo as well as with a small team on a low budget?

Selection

Decide what you want from the relationship and the outcomes you wish to achieve in the short, medium and long term. The abilities of a Business Development professional to think strategically and see the wider picture are of great significance but are often overlooked by too much focus on the fine detail of a specific functional role.

Start by analysing the skills/experience which are required to strengthen the existing team. The BDD will reflect your Company's image so don't be afraid to aim high in the quality stakes. Look for 'agents of change' and give them the opportunities to bring about beneficial changes - involve the Board from the outset to minimise resistance.

Contractually

Check that the BDD does not have any conflicts of interest in working with your company.

If you are worried about the cost of engaging the best person for the job and cash is tight, consider utilising shares.

Ensure the fee is appropriate for the amount of time committed. Get good value by ensuring the BDD is used correctly and that he/she contributes fully - plan their time with you, and ensure they are provided with adequate resources and support.

Create mutually agreeable objectives and measured performance but recognise that a lot of their contribution may not be visible in the short term. An ineffective Business Development professional can be more of a problem/distraction than simply an addition to the overheads!

Approach the arrangement in a professional way: don't offer ridiculous 'commission-only and share-option' contracts and hope for a quality candidate and one with loyalty.

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Length of appointment must be discussed at the outset (anticipate a 2-3 year contract). There should be a formal review plan with the understanding that the BDD should be the engine driving the business forward and upward; the CEO is the driver; the CFO the money-holding, clock-watching passenger; and the Company Secretary watches for road signs.

A BDD should be a core part of the Management Team/Directorate and, should the company expand, they should not be casually replaced once targets are met. On the other hand, a BDD who is successful with SMEs may not be so successful once a company grows to a larger, corporate size, therefore detail your agreement of appointment with short, medium and long-term vision".

Summary

It's hard for SMEs to go it alone in these days of rapid change and increasing competition. A BDD can make a real contribution and represent excellent value for money; they are often worth two or more 'specialists' due to their expertise in various disciplines.

If you decide to add a BDD to your Board, prepare the ground well and ensure a rigorous, professional search and selection process is carried out.

As with any senior appointment, time and effort spent on appointing the right person will reap dividends, so don't forget to ensure their relevance and background to your company's aims and size.

A mutually rewarding relationship is the aim.



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About the author: Since 1996 Simon Gall founded five hi-technology/media companies; he was also a board advisor at five companies and had Interim Director roles at eight companies.

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