Achieving Excellence in Business Development: The Business Development Capability Maturity Model, by Dr. Ginger Levin and Howard Nutt

Introduction

Maturity, according to the Random House Dictionary, is defined as “full development or a perfected condition.” It also connotes understanding or visibility as to why success occurs and ways to prevent common problems. It implies that capabilities must be grown over time. Harold Kerzner in his book, Strategic Planning for Project Management Using a Project Management Maturity Model (2001) states that “All organizations go through a maturity process, and that this maturity process must precede excellence. The learning curve for maturity is measured in years.”

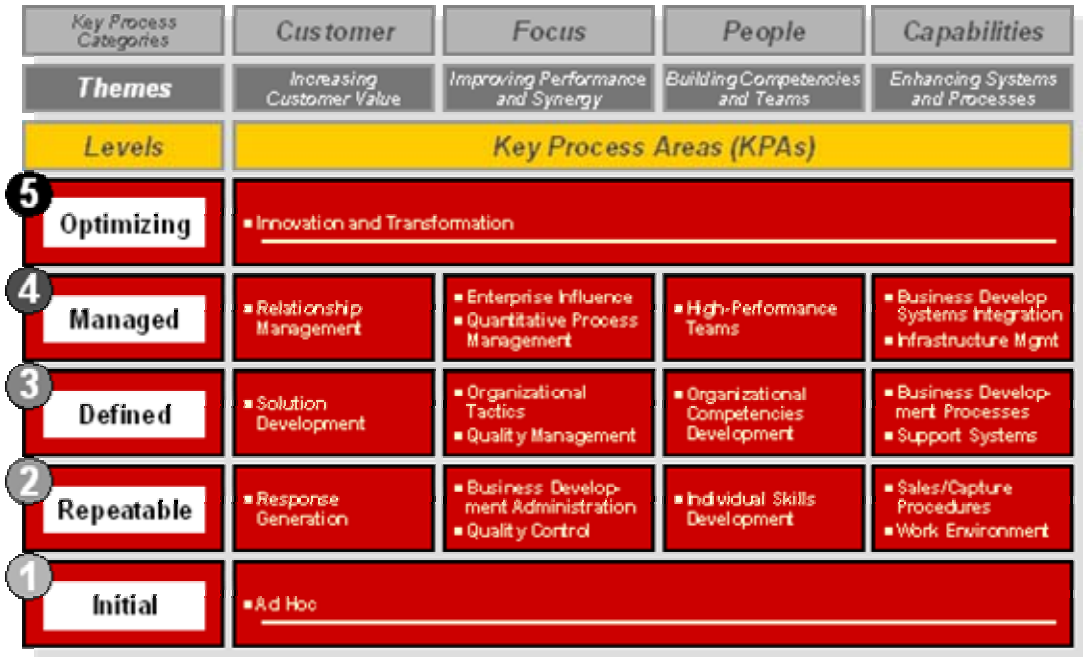
Numerous maturity models have been prepared, beginning with the Software Engineering Institute’s Capability Maturity Model for Software (SW-CMM). In December 2003, the Project Management Institute published its Organizational Project Management Maturity Model (OPM3). Maturity models provide a progressive standard to help organizations continue to improve their processes.

Similarly in 2003, the Business Development Capability Maturity Model (BD-CMM) was published. Business development is an essential part of any business’ efforts to succeed and serves as the front-end to project management. It involves identifying and building relationships with new customers and creating new opportunities with existing customers. Through business development, organizations then can pursue effectively chosen and delivered projects that lead toward competitive advantage and sustained growth.

However, while business may fall into one’s plate occasionally, no one can count on this to happen day after day or week after week without established policies, processes, and procedures in place. It is necessary to understand customer buying problems, their value considerations, and their selection process. Strategies must be established to maximize the win probability and to be able to analyze the customer environment, needs, and requirements.

An Overview of the Business Development Capability Maturity Model

The BD-CMM (Figure 1) provides its users with a framework, a path, and a guide for achieving dramatic process improvement in their organizations. It was fostered by the wish to have a process improvement map that organizations could use for assessing business development effectiveness. The model's scope encompasses the full business development life cycle and organizational components, including advance marketing, sales, proposal development, and sales account management, acknowledging that no one component can exist very long in isolation and that successes, when realized, are the orchestrated work of a team.



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The BD-CMM defines “levels” of maturity through which an organization must pass in order to achieve the next level. Each level is defined such that multiple areas of process improvement take place within the level, but each area’s activities fall within the overall characterization, or definition, of that level. The definitions for each level are very broad, to allow for a wide variety of organizational behaviors, but clearly describe a progression of increased maturity.

• The Initial level, characterized by ad hoc, chaotic processes and limited management commitment, evolves to the Repeatable level through introduction of a disciplined process to business development projects. Organizations operating at Level 1 rely on heroic efforts by a few talented individuals to craft approaches to customer requirements and respond to customer solicitations, while supporting them with virtually no resources and infrastructure.

• Once the disciplined process is adopted at Level 2, repeatability replaces the chaos of Level 1. For most companies, this process repeatability relies on individuals who have been successful in winning new business. At Level 2, the Repeatable level, interest in improving business development results focuses on the proposal management process and is most often embodied in what worked for one or more past efforts.

• The logical evolution from the Repeatable level to the Defined level is establishment of a standard, consistent process. For most companies, this transition moves them away from a proposal-centric approach to lifecycle process management, so that they focus on the up-front sales or capture effort and overall process integration as critical success factors. Level 3 practitioners emphasize the value of training, tools, and resources as process facilitators.

• The Managed level is reached by a process characterized as predictable. Companies operating at this level typically are highly focused on customer relationships as essential drivers for process, actions, and infrastructure. In addition, they understand that business development must leverage the full range of enterprise resources and greatly value high-

performance teams as enablers to win strategic bids

• The Optimizing level results from continually improving process. Companies at this level are innovators in customer relationships, internal management approaches, and processes, as well as focused on managing ongoing changes in both process and infrastructure. Level 5 organizations are further characterized by business development entrepreneurship throughout the enterprise – that is, all employees accept responsibility to identify and champion new opportunities for business growth. Successful entrepreneurship is rewarded with professional growth

A key characteristic of progression from level to level within the model is the increase in management visibility into the process. Typically, at Level 2, management maintains visibility between phases of the ongoing process – understanding at major milestones what has been accomplished to date, based on the quality of the outputs of that phase. At Level 3, the insights are enhanced to embrace rigorous two-way communication at major milestones within process phases. Examples include readout and feedback at Color Team reviews, designed to assure quality. The enabler of management insight is the quality thread in the Focus KPC (Key Process Category). As Quality Management matures from Quality Controland grows into Quantitative Process Management, interactions with the enterprise provide continuous information and feedback loops across the organization.

The levels of the BD-CMM as a series of plateaus do not necessarily reflect equal degrees of improvement. Just as introduction of a disciplined process is much less difficult than organizational adoption of that process, the progress from Level 1 to Level 2 is much more easily accomplished than the progression from Level 2 to Level 3. The process improvement required to move to successive levels becomes increasingly more difficult to achieve.Level 2

BD-CMM Level 2 is characterized by a business development process that addresses individual opportunities by reusing successful past practices. Basic processes are established to track cost, schedule, and functionality, and the necessary discipline is in place to repeat earlier successes on business development opportunities with similar applications. Management has visibility into the business development process only at major milestones. The following six KPAs comprise Level2:

• Response Generation: Key practices cover activities for understanding customer requirements and needs and for preparing a response to the customer as the basis for a transactionSample Issue: To what degree are responses prepared in accordance with customer needs, instructions, and requirements?Sample Practice: Defined methodology to “strip” or “shred” the customer solicitation and allocate requirements to the proposal outline

• Quality Control: Key practices encompass activities for controlling the quality of business development outputs, both internal and external to the performing organizationSample Issue: Is the quality of BD process outputs monitored and controlled at critical, internal milestones?Sample Practice: Documented participation and content for bid/no-bid decision meetings

• Business Development Administration: Key practices define the administrative infrastructure necessary to maintain the required discipline in the business development process and to monitor performance and manage resources across multiple opportunitiesSample Issue: Is an individual (or group) charged with responsibility for managing BD practices?Sample Practice: Established “owner” for the proposal process who oversees process compliance

• Individual Skills Development: Key practices focus on providing participants in business

development with the individual training necessary for them to complete assigned tasksSample Issue: To what degree are funds dedicated for ongoing BD training (including for proposal development)?Sample Practice: Standard line item in the BD departmental budget or the company training budget for training in specific skills

• Sales/Capture Procedures: Key practices cover the documented and repeatable techniques employed for making a sale and developing businessSample Issue: Does the organization follow a written policy for performing sales/capture activities?Sample Practice: Formal policy that directs the organization to follow specific steps, involve specific personnel or departments, and adhere to a sequence of events in the process

• Work Environment: Key practices focus on establishing and maintaining the physical infrastructure necessary to support a repeatable business development processSample Issue: To what degree are workspaces (i.e., physical or virtual proposal centers, as appropriate) and resources provided to support efficient and effective business development?Sample Practice: “War rooms” provided for team collocation, or another form of appropriate collaborative workspace in placeLevel 3

BD-CMM Level 3 is characterized by use of a standard business development process consistently across the organization. All business development activities use an approved, tailored version of the standard process. Management has visibility into individual activities and can prepare proactively for risks that may arise. The following KPAs comprise Level 3:

• Solution Development: Key practices cover developing and managing the process of tailoring solutions to customer needs and requirementsSample Issue: Are customer solution preferences documented and communicated throughout the response team, including proposal staff?Sample Practice: Established methodology for bridging from capture or pursuit plan to a proposal plan

• Quality Management: Key practices involve the assurance of quality business development outputs and products through activities for tracking, measuring and reporting on business development performanceSample Issue: Does management review in-process and consolidated reports and guide activities to manage risk and produce winning, customer-focused solutions?Sample Practice: Formal, documented offering reviews required throughout the business development cycle.

• Organizational Tactics: Key practices institutionalize standardized practices through documentation, tools, templates and other key users’ aids and activate the organization’s ability to scale and tailor the process to unique acquisition requirementsSample Issue: Are appropriate personnel assigned and authorized to perform pursuit tasks in accordance with process requirements (tailored to the specific pursuit and customer)?Sample Practice: Pre-defined criteria and levels of authority established for business development managers based on size and type of pursuit being developed – e.g., strategic versus routine opportunity.

• Organizational Competencies Development: Key practices focus on career development and professional certification for business development personnelSample Issue: Does management commit funds to motivate and support individual career development and professional advancement in business development?Sample Practice: Formal training program institutionalized for career business developers, with provision for other participants in the process.

• Sales/Capture Processes: Key practices cover standard techniques for customer interface and sales that are integrated into the overall business development processSample Issue: Are sales and capture methodologies developed, maintained, documented, and verified by systematically analyzing BD performance and direct customer feedback?Sample Practice:

Formally institutionalized system to gather lessons learned internally and externally and to assure management review on a defined, periodic basis

• Support Systems: Key practices include standards for physical facilities, communications, collaborative work environments and other systems supporting business developmentSample Issue: Do established support systems provide for both routine and surge aspects of sales/BD/proposal operations?Sample Practice: Established use of collaborative software, with business development personnel trained and skilled in use of technology to manage pursuitsLevel 4

Like other CMMs, the BD-CMM assumes that Level 3 represents the minimum "goal state" to which most organizations should aspire. Thus, Levels 4 and 5 represent an advanced state toward which companies should aspire as part of longer-term process development and continuous improvement. At BD-CMM Level 4, detailed measures of the business development process and results are collected. Both the process and its products are quantitatively understood and controlled. The following KPAs comprise Level 4:

• Relationship Management: Key practices address the process of building customer focus and collaborative customer relationships that drive solutions to customer needs and requirements in a decidedly proactive mannerSample Issue: To what extent do early marketing and customer contacts influence candidate solutions and the technical, management, and cost baselines that must be developed to support decidedly customer-focused outcomes?Sample Practice: Comprehensive set of customer issues documented in the pursuit plan and used by management to assure flow-down into all customer interactions

• Quantitative Process Management: Key practices cover developing and managing the business development process through a well-defined system of metrics, internal/external quality feedback, and quality management initiativesSample Issue: Does the organization use a metrics-based system for routinely collecting, analyzing, synthesizing, and applying customer feedback at critical milestones throughout the BD process?Sample Practice: Comprehensive, searchable database of customer lessons learned that permit win probabilities to be predicted accurately at the preliminary bid/no-bid review

• Enterprise Influence: Key practices reflect a higher level of integration of business development management within the overall business enterprise, such that the business acquisition mission within the organization actively influences all ancillary business decisions that potentially affect the company's ability to win businessSample Issue: Does the organization have and does management use integrated strategies that align compensation systems, product development planning, resource investment, and similar elements to maximize the organization's position to acquire strategic new, repeat, and follow-on business?Sample Practice: Comprehensive set of trade studies available based on customer-specific studies to validate the value of the offering in the customer environment and application

• High-Performance Teams: Key practices cover developing and maintaining BD-related competencies across the entire organization, thereby permitting effective use of teams across the enterprise throughout the business acquisition cycleSample Issue: Is there a documented plan through which Sales/Business Development characterizes and leverages the use of cross-functional teams throughout the process, to maximize creativity and optimum solutions?Sample Practice: Pre-defined teams with project-specific expertise and direct customer knowledge available to support business development efforts

• BD System Integration: Key practices focus on the extent to which the BD process has established linkages with other relevant enterprise processes to facilitate efficient, effective interchanges between BD process needs and inputs/feedback from ancillary enterprise

processesSample Issue: To what extent does the owner(s) of the documented sales/BD process pursue ongoing feedback and lessons-learned analysis among parallel, supporting processes such as program management, financial analysis and forecasting, and similar functions within the organization?Sample Practice: Established participation in relevant process improvements across the company organization, focused on well-defined inputs and outputs throughout the business acquisition cycle

• Infrastructure Management: Key practices address the organizational ability to manage the complete range of resources needed to maximize both the performance and efficiency of BD process operations, including feedback into process improvement activitiesSample Issue: To what level is consideration of the adequacy and effectiveness of sales/BD resources a systematic part of process metrics, lessons learned feedback, and process improvement planning?Sample Practice: Consistent, predictable planning for continuing business development requirements in terms of specific organizational needs, including clear understanding of return-on-investment and other performance measuresLevel 5

At BD-CMM Level 5, continuous business development process improvement is enabled by quantitative feedback from the process and from piloting innovative ideas and technology. The following KPA comprises Level 5:

• Innovation and Transformation: Key practices highlight that an organization that is continually optimizing its BD operation proactively seeks to innovate how it adds customer value, manages performance and quality, builds competencies and teams, and enhances processes and systems. This becomes the basis for ongoing transformation of the organization, as it adapts to a changing environment and flexes to new relationships with its customers.Sample Issue: Is there a defined strategy, supported by management, through which the BD enterprise engenders specific innovations in customer interaction, business leadership, and team operations to achieve next-generation BD objectives?Sample Practice: Substantive ability to respond to the customer's vision of future acquisition strategies (including such elements as next-generation electronic procurement) based on targeted organizational training in specific competencies

Summary

It is rare if a potential client that you do not know contacts you and asks you to work for them. Instead, this potential client typically will work with whomever they do know or can easily locate. It is therefore necessary to position the organization in advance with the client to make sure your organization is the one the client will contact with the time arises. A foundation must be built for continuous business development success with a successful business strategy based on sustainable, competitive advantages. The BD-CMM focuses on continuously improving business development practices in an organization as continuous improvement, not business as usual, is a prerequisite for success.

Bios:

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