



Contractors:

Business Development Challenges & Related Case Studies

- by Sami L. Barry based upon interviews with Helbling's consultants, Wes Miller, Joe Wargo and Tom Dunn

The US engineering and construction industry has been hit hard in the past few years with many companies working off most of their backlogs and experiencing difficulties as they try to secure new projects. As the industry struggles to climb out of the recession, many contractors are finding that their traditional market sectors offer little activity. To further compound their challenges, they are seeing more competition within their sectors due to other firms diversifying and entering their markets.

These changed market conditions have been pushing many companies within the A/E/C industry to take a hard look at their business development (BD) practices and to re-evaluate how they identify and pursue their targeted vertical markets and the customers within as well as how they nurture relationships with existing ones.

Fails Management Institute (FMI), a well-respected A/E/C organization, recently conducted a survey in response to the industry's changing conditions and released a report regarding BD practices. Overall findings were:

- ✓ *Contractors are securing smaller projects and experiencing lower proposal hit rates.*
- ✓ *The majority of awarded projects are smaller.*
- ✓ *Most firms, including GCs and CMs and trade contractors, are spending more time and money on BD.*
- ✓ *BD has become a significant focus for 9 of 10 contractors.*

Within its report, FMI outlined the 6 most common BD pain points for contractors along with actions firms can take to address them. [Read our recent blog posts for details and for a link to the full report.]

When posting this discussion on LinkedIn's group, Linking Construction, one individual commented that these are the same BD issues that GCs and CMs have been dealing with for many years. Another issue he mentioned was that many A/E/C organizations view BD as an overhead position and most companies are trying to reduce overhead due to market conditions. He feels this perspective is short sighted, but a belief that some owners and senior level executives have when trying to keep overhead low.

Over the past year, Helbling & Associates has performed and is currently performing multiple search assignments for BD professionals for our clients. Though their organizations are involved in diverse industries and their initiatives are unique, they are all experiencing similar BD issues as the ones listed above. The following case studies outline the challenges of some of our clients and the searches performed to provide solutions.

Many companies within the A/E/C industry are taking a hard look at their business development practices and re-evaluating how they identify and pursue their targeted vertical markets and the customers within as well as how they nurture relationships with existing ones.

To subscribe to Helbling's quarterly newsletter, visit our home page at www.helblingsearch.com and click on the green button on the bottom right.

Social Media:

Blog: blog.helblingsearch.com

Twitter: [@helblingsearch](https://twitter.com/helblingsearch)

Case Study #1:

Our client is an owner and operator of large central plant energy systems and provider of facilities management services for energy facilities.

Overview:

Our client is an established firm in its sector but after recently purchasing several additional central plants, the company was experiencing challenges with rebranding itself in the marketplace. It also desired to grow its customer base by strategically expanding its services beyond supplying energy. The firm wanted to provide additional value by offering extended services such as maintenance and energy audits. One of the reasons for this initiative was that some existing and potential customers were exploring the potential to build their own energy plants due to the high cost of energy.

Target Markets:

- Industrial
- Institutional
- Commercial

Long-Term Strategic Planning Goals:

1. Rebrand its image in the marketplace regarding capabilities and customer service.
2. Expand geographically along west coast by acquiring additional plants in key locations.
3. Enhance market share and reach by offering additional valued-added services.
4. Maintain existing customers and enhance their contracts with added services.
5. Identify and develop new customers in traditional and new vertical markets.

Position Created:

General Manager of Plant Operations

BD Objectives of Role:

- ✓ Provide oversight of and assist in BD process.
- ✓ Develop specific goals and outline detailed strategies for penetrating new geographical and vertical markets.
- ✓ Define plan for additional services offerings.
- ✓ Ensure relationships with existing customers are maintained and serviced properly to build from existing client base.
- ✓ Improve processes and procedures to identify and pursue new customers.
- ✓ Develop system of efficiently and effectively generating quotes.
- ✓ Ensure that company has capabilities to perform custom services being sold.

Key Experiences and Background in Ideal Candidate:

- Bachelor's degree required.
- MBA and union experience a plus.
- Ability to lead and manage entire west coast operation and assist with business development and sales.
- Extensive experience operating, maintaining, and creating energy efficient plants.
- Experience with large plants with multiple sites.
- Proven leader/ manager who could manage the local area as well as additional regional locations.

Successful Candidate:

Helbling & Associates secured a professional who earned a bachelor's degree in Business Management and also a Master's degree in Business Administration. His career began in the Navy, working on gas turbine systems and progressed to working for manufacturing plants and power producers. Early on, he operated a single plant and then advanced to overseeing multiple plants in separate locations. Throughout his career he had significant success maximizing efficiency within his plants. In addition to managing plants, he had been exposed to large capital projects and understands what is needed to take a plant from design and construction through commissioning. His vast experience working on complex mechanical systems, his ability to run multiple plants, and his management style made the candidate very attractive to our client. ■

Case Study #2:

Our client is a specialty contractor of transportation systems that also offers maintenance services.

Overview:

Our client is poised for significant growth due to the recent influx of monies to develop transportation systems that are environmentally friendly. It needed to create an internal position that would be focused on generating and sustaining projected long-term growth.

Long-Term Strategic Planning Goals:

1. Expand Geographically – Identify potential future markets both domestically and internationally and determine their viability.
2. Acquire new customers within traditional markets.
3. Identify and develop customers in new markets.
4. Identify companies to consider as potential acquisitions that could either expand existing market share or supplement current services offered.
5. Joint Ventures – Build relationships with appropriate industry firms, consulting groups and other contractors to strengthen offerings when pursuing large projects.

Position Created:

Vice President of Corporate Development

Objectives of Role:

- ✓ Strategically and effectively position company and integrate its activities to experience significant growth.
- ✓ Provide “big picture” catalyst for business development, strategic partnerships, and merger/acquisition initiatives from a corporate perspective.
- ✓ Perform high-level strategic planning as to the future viability of specific geographic regions, emerging markets, and potential new service offerings that would expand the company’s portfolio.
- ✓ Build productive relationships with existing and potential clients as well as with key industry leaders who could become future partners.

Key Experiences and Background in Ideal Candidate:

- 15+ years of experience within industry.
- Strong familiarity with respective markets.
- Results-oriented self-starter who has the ability to oversee multiple initiatives within a multi-cultural and multi-national environment.
- Ability to identify, target, nurture, and close new business.

Successful Candidate:

Helbling & Associates secured an individual with a diverse background who had developed a unique skill-set as it relates to business development strategies, new market segment analysis, corporate mergers and acquisitions, relationship strategies, and overall organizational leadership. His early career was spent working in the field as a mechanical engineer, and by gaining that hands-on experience, he had also maintained a well-rounded perspective on the dynamics at all levels of an organization. He understood that growth and change trickles down to affect all levels of a company, an intrinsic element of his role with our client to make sure that the organization is embarking on growth initiatives that are positive for the entire company.

Prior to joining our client, this professional had spent many years as a regional executive for a multi-billion dollar general contractor where he managed a growing volume of sales in the government and private markets, maintained oversight on direct reporting staff across a region, and managed all strategic relationships both internally and externally. He was a major catalyst for the establishment and growth of a business unit, which was not part of his former employer’s core business. He accomplished that by leveraging many of the same tactics and skills that he would need in his new role as Vice President of Corporate Development with our client. ■

Case Study #3:

Our client is an energy consulting firm that provides energy efficiency, energy and carbon management, and engineering services.

Overview:

Energy management has become a focus of most every large organization that has control over its power usage and management. This critical component of facilities management has provided and continues to provide tremendous opportunities for our client to increase its market share. Previously known almost exclusively for its ability to assist customers with energy procurement, it recently expanded its services to include energy efficiency and engineering services to provide most any energy-related solution.

Target Markets:

- Education
- Industrial
- Healthcare
- Corporate
- Commercial
- Pharmaceutical
- Municipal agencies

Long-Term Strategic Planning Goals:

1. Expand geographically within region.
2. Acquire new projects with existing customers.
3. Acquire new customers within traditional and new vertical markets, with a focus on healthcare and education.
4. Enhance market share and reach by offering additional services.

Position Created:

Business Development Director

Objectives of Role:

- ✓ Create, implement and lead overall BD plan for the region, outlining goals, strategies and specific initiatives to achieve objectives.
- ✓ Develop formal system for tracking existing customers, current services utilized, new projects and additional services desired.
- ✓ Involve key operations personnel in BD with existing customers by maintaining relationships and understanding additional services that may be needed to enhance contracts.
- ✓ Develop formal system for identifying and pursuing new customers in traditional and new vertical markets.

- ✓ Develop relationships with key decision makers within existing customers and potential customers to assess opportunities.
- ✓ Act as primary focal point with customers.
- ✓ Manage and participate in proposal preparation, pricing and presentations.
- ✓ Formulate and write technical proposals outlining the project's strategic approach.
- ✓ Lead negotiations with clients.
- ✓ Assess competitor strengths, weaknesses and strategic direction.
- ✓ Hire, train and motivate BD personnel to strengthen team's capabilities.

Key Experiences and Background in Ideal Candidate:

- Bachelor's degree required.
- 12+ years of experience within energy and/or utilities sector.
- Proven experience performing business development in targeted region.
- Experience leading a sales team.
- Ability to develop rapport with clients.
- Strong communication skills.
- Hands-on project experience working directly with clients.

Executive search in progress. ■