

Business Development: A Preview



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PREAMBLE

The purpose of this article is to share relevant and preliminary insights pertaining to the subject of business development but not intended to present a discourse on it. Those insights may relate to business development at corporate and/or entrepreneurial levels.

BACKGROUND

Business growth in a balanced context remains one of the relevant solutions for an enterprise in pursuit of its long term objectives. The term “balanced growth” envisaged here refers to the balance between profits, asset and enterprise growth that give rise to a healthy cash flow and often business growth related to business development.

IMPORTANCE AND PREVAILING DEFINITION OF BUSINESS DEVELOPMENT

In light of globalisation, and the intense competition locally and internationally, an enterprise can ill-afford to stay with the same knitting for a considerable period without proper forms of business development. An enterprise that adopts the appropriate approaches of business development enhances its chances of meeting its tangible short term and long term objectives in addition to staying viable – at least in the same form and under the same ownership.

Business development can be construed differently. The writer is inclined to adopt the meaning that business development relates to all the processes involved in achieving the objectives of new business opportunities, including product or service design, business model design and marketing.

The basics of business development in this article could be looked at via:

- 1) long term objectives (three to five years into the future);
- 2) project management perspective -
 - i) scope;
 - ii) specification/performance requirements;
 - iii) timeline;
 - iv) financial constraints; and
- 3) project chronological phases -
 - i) development;
 - ii) implementation;
 - iii) close out.

LONG TERM OBJECTIVES

In establishing an appropriate approach for business development, it would be prudent for an enterprise to contemplate over the Road Map Parameters (RMP) that typically comprise of those in Figure 1.

The RMP refers to the high level agreement of stakeholders in the type of business development opportunities to be undertaken, period of review, expected returns for various types of projects and the amount of financial provisions to be allocated for relevant business development pursuits. The latter may vary from case-to-case. (Figure 1)

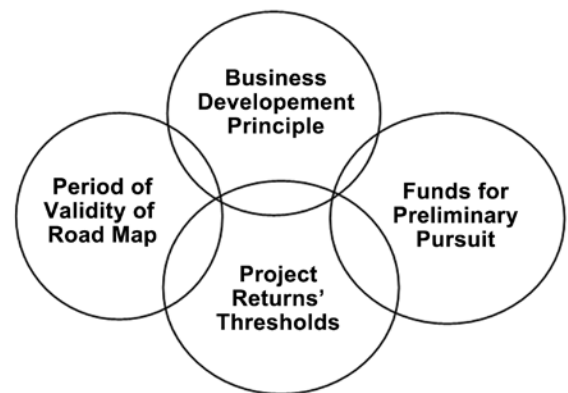


Figure 1: Road map parameters

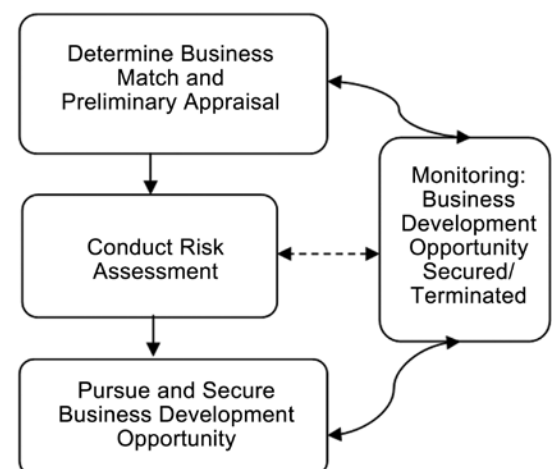


Figure 2: Process overview

PHASE	DEVELOPMENT	IMPLEMENT	CLOSE OUT
Appraisal Category			
Technical	X	X	X
Non-Technical	X	X	X

Figure 3: Risk assesment

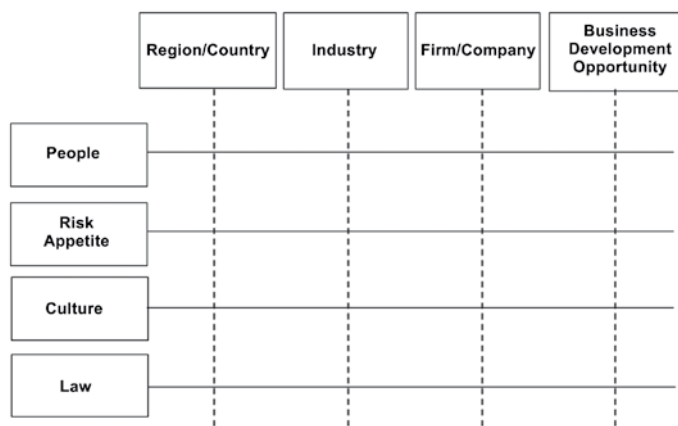


Figure 4: Scope of risk assessment

PROCESS OVERVIEW AND RISK ASSESSMENT

Regardless of whether an enterprise was aiming for low hanging fruits and/or for a long shot, it would be prudent for that enterprise to undertake the relevant sub-process as described in Figure 2.

Such sub-processes promote effective learning and capture of the business development opportunity pursued and SWOT (Strength, Weaknesses, Opportunity and Threat) analysis.

It may be prudent to assign the responsibilities of these sub-processes under planning to provide one of the check-and-balance mechanisms in a “deal fever”.

A sub-process of risk assessment would typically entail preliminary and/or finalised technical and non-technical assessments as illustrated in Figure 3 and for the general scope shown in Figure 4. Such assessment should also cover project management perspective and chronological phases.

It would be imperative to assess the risk in accordance with established standards to enable consistent learning and capture of the business development opportunity pursued and accompanying SWOT analysis. Such standards ought to have been sanctioned by high level stakeholders.

OTHER RESOURCES TO SUPPORT RISK ASSESSMENT

There are already in existence global information service providers that provide general and/or specific researches that relate to business development being pursued and supplement the risk assessment exercises. With the appropriate subscription requirements, such global information services may add value to meeting the enterprise’s short term and long term objectives.

TAKE-A-WAYS TO CONSIDER

Business development:

- can generally be a function of people and their risk appetite, law and culture;
- would require the prudent exercise of an appropriate risk assessment; and
- could be supplemented by relevant resources to support risk assessment - global information service providers. ■

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Kindness is Wisdom

Nothing good for this world is ever attained without sacrifice. Nothing great in life is ever achieved without hard work. Nothing that we give to others, out of the goodness of our heart, is ever given without giving away a small piece of ourselves.

Jay Goldman