

The global financial crisis has fundamentally challenged the traditional view of 'the right approach' to business development by creating a new type of consumer who is increasingly questioning, more demanding of value and ever more discerning. According to Vanessa Bluen of The Consultant Powerhouse, doing business in 'the new economy' requires an outright paradigm shift.

Doing Business in the New Economy

By George Chavunduka

In his 2010 book, *The New Normal*, Peter Hinssen reflects on some of the ways in which the world has changed with the brisk advancement of technology. Making the reasonable claim that "Digital has become the New Normal," Peter points out the enormous impact technology has already had on the way companies operate and position themselves in the market, a trend he says will continue with the advancement of knowledge. Vanessa Bluen describes the new milieu of business as 'the new economy', pointing out that "consumers are now more price-conscious and have become more sophisticated and advanced. They are, as a result, more discerning regarding product offers."

Indeed, the instabilities and financial pressures of the recession have caused buyers to be more demanding of value for their spend and have resulted in greater scrutiny when making a buy or approaching a new partnership. The simplistic response of many service providers to the heightened sensitivity has been to compete along the lines of price, which is a sensible response, but, according to Vanessa, this is not always the consumer's priority. "The central question that must be asked in business development is: what is important to the buyer? It's not always price. It may actually be quality or speed," she says. Vanessa warns that competing on the basis of price can lead to over delivery and undervaluing of services.

The World has Changed

Through her interaction with businesses in various sectors, Vanessa has become familiar with many of the critical matters currently preoccupying discussions at executive level and acknowledges that the changes which have taken place in the

world are having a profound impact on business operations, and, in particular, are placing a strain on business development teams. "Trust is at an all-time low. Competitive differentiation is also low. Generally, people have responded differently to the global financial shift. On one side, many are trying to survive and respond accordingly to the current situation. On the other, many have been motivated to think creatively about business opportunities. In some ways, this has created an opportunity mind-set."

Something to note at present is the way in which business development strategies and marketing campaigns have changed in response to the changed approach of people to spending money. While many marketing campaigns have focused only on price differentiation, Vanessa emphasises that successful marketing is that which ultimately wins the trust of a potential client. "Nowadays, the differentiator needs to be trust," she says. "Today's environment requires a movement of thinking from price to value. The ideal is to move people from being price-hunters to value-buyers."

A Matter of Trust

Vanessa explains that, once trust is present, consumers are less focused on meticulously picking at the details of a service offering, because they are convinced that one has their interests at heart and will deliver according to their needs. She however points out that the thinking of many business development managers is normally not aligned with a value mind-set. As the sales function is not represented at board level in many organisations, it is common for sales departments to have a one-sided knowledge of a company's product. The increased use of the Internet by buyers to acquire information on products has also meant that the sales role has shifted from being an informative function to becoming a means of differentiating a product from its competition. The situation has been made even more ambiguous for business development personnel by the nature of most sales training programmes – according to Vanessa, most of these are 80% focused on product training as opposed to being focused on client engagement -impact training. This does not help people in search of new business to deal effectively with client challenges and concerns not based on aspects such as product features or price.