Competencies in Business Development

Business Development (BD) job competencies are composed of core, professional/functional and interpersonal competencies. They are the sum of skills, knowledge, and attitudes, and are one of three necessary elements for effective human performance in an organization. The other two are tools and motivation. Techniques are sub-sets of skills. Aptitudes are undeveloped potential and character, the raw materials of competencies.

For BD in a software company, skills competencies might include ability to design and deliver a PowerPoint presentation to customer senior executives and software developers, to close early in the sales process and to calculate return on investment. Knowledge competencies might include technical knowledge of software engineering processes, software development business models and typical customer requirements and needs. Attitude competencies might include flexibility, team commitment and win-at-all-costs.

Competencies are uniquely embedded in individual sales reps, teams, intact work groups, the sales department and the enterprise.

Figure 1: Competencies flow from a company’s core mission and values.

Competency-based BD enhances the company’s ability to attract and retain top BD talent, improve the quality of the selection process, build
capability, improve effectiveness of sales training and coaching programs, support the career development system, and improve performance management systems.

**Evaluation of Sales Competencies**

A sales rep is evaluated as having degrees of the competency rather than having or not having it. Here are some samples.
1. Novice – Performs only with coaching
2. Competent – Performs without coaching
3. Proficient – Performs and coaches others
4. Master – Performs, coaches, and adds to the knowledge base

A skill competency might be made up of sub-competencies. For example, “Sales” competencies might include “Interpersonal skills, composed of Listening and Probing, Working Well with Others, Serving the Customer and Negotiating”

Applying the competency levels to “listening and probing” for example produces the following table.

<table>
<thead>
<tr>
<th>Listening and Probing Competency Levels</th>
<th>Novice</th>
<th>Competent</th>
<th>Proficient</th>
<th>Master</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gets some of the facts of a customer situation.</td>
<td>Gets most of the facts of the situation, the implications for the customer’s business and impact on the customer. Uncovers customer’s feelings about the key issues. Reads obvious body language.</td>
<td>Gets all of the facts of the situation, the implications for the customer’s business and impact on the customer. Uncovers and develops customer’s feelings about the key facts. Reads subtle body language.</td>
<td>Gets all the facts of the situation, the implications for the customer’s business and impact on the customer. Uncovers and develops customer’s feelings about the key facts. Reads and responds to subtle body language.</td>
<td>Communicates his/her understanding back to the customer in a way that deepens the customer’s awareness and understanding of his own needs.</td>
</tr>
</tbody>
</table>

[Image 90x36 to 256x109]

[170x741]
To evaluate sale reps on this scale, Sales Directors must train their sales managers to use it. Competency evaluation is only as good as its raters. The goal is high reliability and validity, inter-rater reliability, and intra-rater reliability. Sales Directors train and test their raters to their individual levels of confidence, which will vary from one Sale Director to another.

In an organization that is aiming for competency-based business development, competencies can be used in a variety of ways.

**Strategic Sales Planning**

Previous strategic sales planning models have failed to deliver on their promise because the business world is changing too fast. Demographics, technology, and customer sophistication change so quickly the 3-year and even 1-year plans are often obsolete and irrelevant before they are implemented. Competency-based strategic sales planning promises flexibility and adaptability because it places more value on the organization’s ability to get things done than on specific milestones and goals. Focusing on competencies can even help an organization define its mission. The strategic questions become: What core competencies do we need to fulfill our mission? What is our existing inventory of competencies? Where are the gaps?

**Staffing**

Human Resource department used to evaluate job candidates based on their previous job results and credentials; now they now look at the match between candidates’ and the company’s competencies. Job profiles are described in terms of competencies required rather than results expected. For example, if an organization’s core competencies are in marketing pharmaceuticals and the organization needs a finance person, the job profile would include finance, marketing, and various pharmaceutical competencies. The job profile would assign a heavy weight to finance competencies and would expect a high level of proficiency. The profile would assign a low weight to marketing and expect a low level of proficiency. Defining job profiles in terms of weighted competencies ensures that the staffing plan supports the strategic plan and also guides recruitment and selection activities.

**Organization Structure**

A competency-based structure challenges the traditional hierarchical, functionally bound organization. Projects are organized and staffed
Competencies in Business Development

according to competencies needed rather than job descriptions. Thus, an individual with marketing and engineering competencies might be on Project A for his/her marketing competencies, Project B for his/her engineering competencies, and Project C for both marketing and engineering competencies. An individual is always a member of two communities within an organization – a community of commitment (for projects) and a community of competency (for various competencies and interests). Accountability is no longer to one boss but to a project leader and to the community of competency.

Employee Training and Development
A competency-based approach to training and development means that training and development activities must answer two basic questions: What competencies does this course or learning activity develop? Are these competencies mission-critical (i.e., how do they relate to the organization’s core competencies)?

All learning activities and individual career development plans are described and measured in terms of competency. Course objectives and delivery methods are determined by competency gap analyses. Individual career development plans are also in large part determined by competency gap analyses. Automated systems that manage training and development have competencies and competency assessment at their core.

Competency Libraries
Competency libraries are off-the-shelf definitions of competencies and may include rating scales. As competency-based management gains popularity, so do competency libraries. Libraries help solve the problem of cost-effective measurement.

360° Assessments
This approach to measurement addresses the issue of who is in the best position to measure competencies. A 360° assessment surveys at least a representative sample of everyone who comes in contact with the individual whose competencies are being measured. If practical, the assessment surveys everyone – colleagues, customers, project leaders, etc. The survey asks respondents to assess the individual’s competencies using BARS. Results are collated and reported back to the administrator and usually to the individual.
Assessment Centers
Another popular way to measure competencies is in an assessment center. An assessment center is an intensive one-and-a-half to two day "human laboratory" where the individual is tested by experts, interviewed in depth, and studied while performing role plays and business simulations. Assessment centers are usually limited to higher paid executives and high potential employees because of the time and expense associated with them.

Pitfalls to Avoid
Common pitfalls in migrating to a competency-based BD organization include;
- Vague or inaccurate descriptions of competencies
- Overlapping definitions and assessment levels
- Poor rater reliability
- Language used to describe the competencies may be incongruent with the organization’s BD culture
- Inadequate resources assigned to development (no management buy-in)
- “Not invented here” syndrome
- Lack of sustained follow through
- Technology-driven, not enabled