

## Pole Position: How To Achieve New Business Success

By Robyn Haydon

*At any given time, within your business, there are probably four different kinds of work that you could be doing. Work you love, and want more of; good, solid work that pays the bills and keeps the lights on; marginal or painful work; and work that's sending you out of business. Most of us spend way too much time on the last three kinds, and not nearly enough on the first. But only the work you love will really grow your business – and your margins.*

### About the Author



Robyn Haydon helps people to talk about what they do so customers want to buy it. She works with people in services industries, including professional services such as project management, engineering, accounting and law; government-funded human services; and technically complex services like construction, IT and logistics. Her clients have won hundreds of millions of dollars worth of business with many of Australia's largest corporate and government buyers.

Robyn is the author of three books on business development. Her most recent is *Value: how to talk about what you do so people want to buy it*. Her first, *The Shredder Test – a step by step guide to writing winning proposals*, is an Australian Institute of Management bestseller, and her second book *Winning Again* explains how to retain and grow the business you already have, even when customers want to go back to market.

*I love helping people who do great work to win more work. And it starts with finding the connection between what you know and can do, and what makes commercial sense for customers to buy.*

**- Robyn Haydon**

**In a Formula 1 race, “pole position” is the spot at the inside of the front row. It’s the best place on the grid if you want to win.**

Everyone wants pole position, but they really have to work for it. Pole position is only awarded to the vehicle and driver with the best qualifying times in the trials before the race.

In business, time to test and trial is something we seem to have precious little of.

In 2007, Tim Ferriss’ book of the same name promised a “four-hour work week”. For most, this dream is yet to be realised. A recent OECD study found that Australians ranked fourth among 34 OECD nations in terms of length of hours worked, with 21% of men and 6% of women working more than 50 hours a week.

Based on this rate of progress, it won't be long before we're counting our spare time in nanoseconds, and the gulf between what we “could” do and what we actually do becomes ridiculously large.

When I talk to people who are responsible for revenue in growth businesses, there’s no doubt they have a lot of great ideas, and many new customers they would like to pursue. Unfortunately, many struggle to find the time to put together a really great pitch for them, and as a result, opportunities are passing them by and they are losing precious ground to competitors.

If you’re in a more mature business, sales for your existing products and services might be declining. The offering is getting stale and outdated. Even your own staff are starting to look and sound bored when they talk to customers about what you do.

What most are hesitant to say, but know is an issue, is that we are operating in an external environment that is designed by buyers to commoditise us, and to force prices down, and that doesn’t play to our strengths or vision. And competing with everyone else certainly won’t be helping your business to grow.

**Shrinking margins are now a problem in most services businesses – the result of too little investment in positioning and value creation.**

According to CSIMarket.com, the professional services industry is achieving net margins of only 11.24%, while construction services are at 7.31% and transport and logistics are at a meagre 4.55%.

In your own business, at any given time, you can track your margins against the type of work that you’re doing. There are four different types to identify:

1. **Engaging work** - Work you love, and want more of
2. **Routine work** - Good, solid work that pays the bills and keeps the lights on
3. **Marginal or painful work**, and
4. **Terminal work** - work that's sending you out of business.

### So what kind of work are you doing?

The least attractive kind of work is what I call “**terminal**” work. If we keep doing this work, it is going to send us out of business.

Terminal work is the stuff that people hate to do. It loses money. Most likely, it's in a very competitive market where opportunities are shrinking faster than the Antarctic ice shelf. There's no margin in this kind of work – the profitability has completely tanked.

While they're engaged in terminal work, most of your team are probably out looking for another job. When they actually are at work, they could actually be sabotaging your business. That hurts.

Then there's the **marginal and painful work**.

**Painful** work isn't quite as bad as terminal work, but it's unrewarding. Probably, the customers are difficult and people don't like it. While your people are engaged in painful work, they'll be doing their best to avoid it – think lots of sickies, stress leave, and missed targets. Painful work is setting your business back. Not just in terms of lost profitability and margin, but lost staff productivity as well.

Slightly better than this, but not great either, is **marginal** work. This is the work that you're not quite sure about. It's not great work, and it's not truly terrible either. It just isn't quite right.

What's most questionable about marginal work is the profit margins themselves.

Marginal work is often routine work that has gone backwards over time. A lot of the work that goes out to competitive tender becomes marginal work, simply because customers only ever think that things get cheaper and that the prices must always go down. When it comes to marginal work, you'll hear your staff complaining, while they plan their next vacation.

In most businesses, there's also a big chunk of **routine** work. On the surface, there's nothing really wrong with routine work. It comes to us easily, without a lot of effort. It keeps the doors open, the lights on, and makes sure that everybody gets paid.

Routine work is the work that has built up over time due to your track record and positioning.

The problem with routine work is the diminishing returns. It's not growing your margins, which at best are just staying the same. Worse still, your staff are sleepwalking through their routine work. All it really offers them is a paycheck.

Up to this point, your margins are either in a holding pattern (routine work) or they're degrading (marginal work), declining (painful work) or falling off a cliff (terminal work).

Where business starts looking up is when we turn our attention to winning **engaging** work.

Think about the work you have now, and that you want more of. You can probably identify three different levels within this.

1. At the most basic level, there's **vocational** work. This means work that is directed at fulfilling people who are engaged in a particular occupation that has specialised skills. Vocational work is preferable to routine work because it's something your people can see the benefit in doing. Staff who are engaged in vocational work spend more of their time thinking up better ways to do things. That's because in their mind, vocational work helps their career.

For your business, vocational work has a flow-on benefit to other work; it's not just about completing a transaction.

2. Even better than this is the **aspirational** work that you and your team really like to do. Aspirational work can be defined as "the reason why you're in business". People who are engaged in aspirational work are not just thinking, but building. They're actively going out into the market to build relationships and opportunities and grow your pipeline. They're not just seeing the impact on their career (as happens with vocational work) but the impact that goes beyond them to their team, to your business and to the customer's business.

Aspirational work increases your margins, because it's something you spend time and effort positioning yourself for, that others can't do as well as you, and that really engages your team and your people.

3. And best of all, there's **transformational** work. As a senior person who wants to build value, this is where you need to be because this kind of work has the highest margins.

In a disrupted market, transformational work also positions you favourably against competitors because it makes it difficult for people to compare you on price.

Transformational work builds your legacy. When you're engaged in transformational work, you'll know all about it because your work is making an impact on your profession and industry, and maybe even on broader community and society.

Unfortunately, most of us spend way too much time on routine, marginal, painful or terminal work, and not nearly enough on the engaging work we really want.

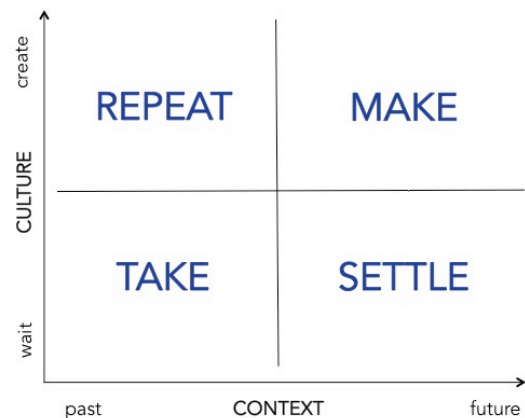
That’s because the way we run new business pursuits is deeply flawed. It delivers more of the work we DON’T want, without any of what we really do want.

We wait until customers tell us what they want, and then, like everyone else, try to give it to them for the lowest price. And all the while, we know there is a better solution for the customer – if only we could crack the commercial value that will make them sit up and take notice.

A recent study on sales execution trends<sup>1</sup> found that only 63% of salespeople actually make their targets, with pursuits ending in “no decision” the major reason for the shortfall. While four in 10 salespeople thought that an “inability to effectively communicate value” might be behind their lack of success, only half of them also chose this as a skill they needed to work on.

What’s behind this mismatch in expectations? It’s our business development **culture**, and the **context** in which we see opportunities.

- In terms of culture, do you and your team spend your time creating valuable opportunities, or are you mostly waiting for them to arrive and responding when they do?
- In terms of context, do you see opportunities mostly through the lens of your past and what you’ve already done successfully, or are you crystal clear on what you want for your future?



When we wait for opportunities to come to us, and pursue these by leveraging what we've already done in our past, we **take** from our own business rather than adding to it. This is a recipe for declining margins and work that turns from routine to terminal really fast.

When we want to create opportunities, but are still focused on our heritage and history, we are looking to **repeat** past successes. This strategy can work to a point, but in this era of business disruption it’s dangerous to rely on what has worked before as the sole recipe for success.

<sup>1</sup> Sales Execution Trends 2014, Qvidian

If we look towards the future, but in practice still wait for opportunities to come along that might fit our vision, we **settle** for less than what we deserve.

But when we are both future focused and determined to create our own opportunities, that's when we can really **make** things happen.

### **And the future belongs to the makers.**

We've got two choices here. We can keep our staff engaged and challenged within our own businesses, or risk losing them to a new type of competitor: doing their own thing.

The 2015 Kaufmann Index, a barometer of entrepreneurship in the USA, shows that entrepreneurship is on its way up again after a dramatic slump during the Global Financial Crisis.

Just over half a million (530,000) new business owners are reported the USA every month. The reasons for this aren't always financial.

According to Fastcompany, people who weren't unemployed and were not looking for a job before they started a new venture represent a hefty majority of the total number of entrepreneurs. About eight out of every ten new business owners (79.6%) were not previously unemployed, with the other two of ten starting after the loss of a job.

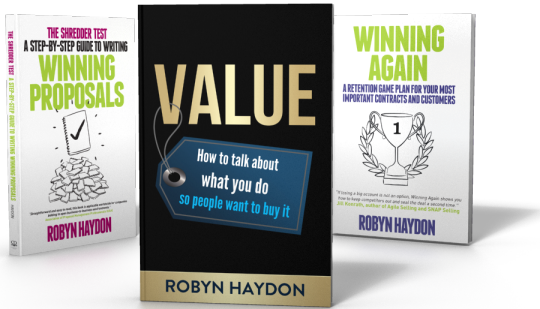
Creativity and accomplishment are deep-seated human needs. For example, on Etsy, the online craft marketplace, makers offer handmade items ranging from baby clothes to cheese boards. Etsy boasts more than 1 million active makers, 19.8 million buyers, and in 2014 achieved almost \$2 billion in gross sales across nearly every country. This year, Etsy made an initial public offering at \$31 a share.

Sites like Etsy are making a dent in our consumerist, mass-produced culture, and show our craving for artisanal work that is a true expression of ourselves.

### **In this age of market disruption – for us and for customers – we need the courage to stop taking, and start making a future we can all be proud of.**

It's too easy to accept the excuse that it is all about price, and that customers don't value what we do anymore. That's not true.

Customers have a lot on their plate. They are time-poor, risk-averse and change-fatigued, and we need to give them extremely compelling reasons to sit up and take notice of what we are doing.



The Pole Position program (for new market offerings) and the Value Labs program (for existing market offerings) will help you build your commercial value proposition, and talk about what you do in a way that is so convincing that customers would be crazy not to buy it.

To arrange a meeting to talk about how these programs can help you to win more business, contact Robyn Haydon on 0407 833 904 or email [robyn@robynhaydon.com](mailto:robyn@robynhaydon.com)

“Robyn has been instrumental in getting two new business strategies off the ground and out in the market. Her ability to workshop a pitch, drawing out the key selling points and applying the customer's paradigm was instrumental in developing a clear and concise message. Robyn delivers real value, doing the hard yards and keeping everyone accountable along the way. Unlike other consultants who often tiptoe around the edges, Robyn dives right in, working as hard as the participants to deliver on what she promises. I highly recommend Robyn.”

- **Nicholas Dal Sasso, Managing Director, Ecotech**