

BUSINESS DEVELOPMENT FOR DESIGN BUILD

PRESENTED
Alan W. Martin

What is Design Build?

Design Build is defined as internal engineering and design to develop specifications that meet the customer wants and needs

Why do want to enter into the Design Build Business?

- Control of the product
- Control over cost
- Control over margins and therefore profits
- Establishing a closer relationship with the customer
- Retention of existing customers
- Opportunity of future business

Design Build's Greatest Risk

- The greatest risk of the Design Build project is the exposure to contractors resulting from errors in the proposed budget. It creates credibility deterioration and can lead to legal issues
- The most difficult task is to go back to the owner to request additional funding from errors in your design

Is your organizational structure capable of supporting Design Build activity?

- Internal and external
 - **Internal**
 - *Operation*
 - Administration
 - Finance
 - **External**
 - *Business Development*
 - Customer Service

SWOT Analysis A Great Planning Tool

- One of the major steps in planning is creating an analysis of *Strengths, Weaknesses, Opportunities, and Threats (SWOT)*
- Everything in the organization should be analyzed with SWOT

Ability

- There are several prerequisites and requirements needed for Design Build projects:
 - The ability to sign and seal drawings
 - CAB capabilities
 - Engineering expertise
 - Ability to produce an accurate budget that meets the customer's present and future wants and needs

Internal

Organization

- Estimators/Engineers-Must have the experience and skill needed to design and understanding the solution of the needs and wants of a Customer
- Project Managers/Draftsmen-Must have the experience and skill to take the design and direct the implementation to meet the customers specification
- Field Staff-Must have the experience and skill to install the material to meet the customers wants and needs

External

Business Development

Must have the skill to communicate confidently to a customer, a professional image, and ask the in-depth questions needed to understand the customer's wants and needs

Communication

- Effective communication is absolutely essential for Design Build success
 - Internal communication with management, engineering, field staff
- External communication with customers, material suppliers

Organization Commitment

- Administration
 - Develop a Business Plan
- Understand that what you put into a proposal is a bidding commitment so therefore have an approval procedure
- Keep abreast of the new technology and products available to meet the future wants and needs of your customer

Business Plan

- Business Plan - less than 20% of NECA members have a business plan. Business Plans have 3 Sections:
 - Business Section
 - Financial Section
 - Document Support Section

Formulate a Business Plan and Select the Appropriate Strategies

- A Business Plan is a road map of the actions the entrepreneur draws up to fulfill the firm's mission, goals, and objectives
- The strategy must be action-oriented
- A successful strategy is comprehensive and focuses on the key success factors

Requirements for Business Development Strategies

Each Business Development Strategy developed must meet five requirements:

- Strategies must meet specific deadlines, date of accomplishment
- Strategies must have the products/service that meet customers wants and needs
- Strategies must take into consideration the total organizational profile, both perceived and real, positive and negative image (history, mission statement, partnership, market positioning)
- Strategies must be reachable (seasonal, economic uncontrollable factors)
- Product/Service current life cycle stage

Technology Advanced Product all require Design Build

- Telecommunication
- Energy saving products-*Green Products*
- Solar Energy
- New Technology is continually being developed

Business Development

- Target the customers who you have already established credibility. Existing customers have a working history and knowledge of your operation

Business Development

- **What is the Product?**

Your company's reputation, resources, skills, experience, training, customer list, history, your capabilities, etc.

Being knowledgeable of leading edge technology for today's markets

*Change Our Business Philosophy
from
Reactive to Proactive*

Successful Business Development for Design Build Requirement

- The initial meeting between contractor and owner must establish the contractor's credibility, reliability and capability
- Communication must be established in a open and productive manner
- Communication must be often
- Information of the owners wants and needs must be researched and explored in detail
- Future expectations of the products must be discussed

Business Development

- **Literature or Brochures**
 - Must tell the story of your company
 - Company's reputation in the industry and in the community
- **Trade Shows**
 - National and Local
 - Association
- **Face to Face**
 - Existing Customers and new Prospects

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Profitability

- Text books have define profit as a result of cost vs. revenue
- What it should be define as profit is the result of the organizational 's action or inaction

The Cornerstone of Profitable Business

- The cornerstone of business, planning and managing is the process of performing the assigned tasks, *effectively* and *efficiently*, through and with other people

Effectiveness-Focus on performing the assigned tasks to produce a satisfied customer

Efficiency- Focus on seeking to minimize resources and costs while performing the assigned tasks

Worse Business Philosophy

"If it's not broke-don't fix it"

- RESULTS:
- Apathy
- Complacency
- Lack of creativity and motivation
- Preventing growth and **change**