

Changing Corporate Development Modes

The Flight of the Bumblebee

Today a compelling vision of corporate strategy often isn't enough, as the high-tech world completes its shift from vertical integration toward a "webbed" world of suppliers, customers, channels, and value-adders. In this changing environment, a new corporate development persona has emerged with cross-functional interests and abilities to find new opportunities, build high-growth businesses, and reshape competitive markets.

In the past, companies often built corporate development organizations with focused skills in mergers and acquisitions, new product development, or marketing channel management. But as markets and customer requirements have changed over the last several years, growth strategies tied to a single growth model have failed to deliver the scope of value required by customers and the scale of growth demanded by Wall Street. In the age of smart services, it is the technology saavy, relationship-driven, visionaries who will move their companies into the forefront of their respective sectors. We call these individuals "Bumble-Bees," who pollinate opportunities with creative combinations in support of corporate growth.

Today, where the Internet extends to virtually all devices, the complexity, number, and diversity of interrelationships within and between

companies grows exponentially. In this changing environment, where pervasive computing and instant information access is a norm, the new strategic development persona has emerged with cross-functional interests and abilities to find new opportunities, build high-growth businesses, and reshape competitive markets.

This is a highly creative process that does not breed success at every turn. Failures are to be expected – innovation rarely comes about without a few misadventures. Hence, vital to the success of this new mode is the support and patience from within the organization, all the way up to the top. The Bumble-Bee needs to be encouraged to experiment and must be protected without the fear of being punished for experimentation.

Creative Combinations

Bumble-Bees do not necessarily reside in a single position within a company but can be corporate staffers, business unit heads, and executives from marketing, sales, and R&D. In this webbed world of interconnection and collaboration, these leaders provide foresight about a company's strategic webs of collaboration in addition to the tactical mechanics on executing deals, programs, and projects.

CEOs and company founders have and will retain ownership of the corporate vision -- the long-term, market-oriented view of the future path of a company. But increasingly, CEOs are gaining support in accomplishing their visions by a cadre of business development

Bumble-Bees with broad responsibility for finding and articulating new opportunities and responding with the right corporate development maneuvers. Companies don't need an army of people like this, only one or two exceptional ones.

The new class of corporate developers hold a new set of skills and interests and take on a front office role in collaboration with the CEO, general managers or founders. The role is not strictly touchy-feely in nature – there is in fact a bottom-line and accountability. An important trait of the Bumble-Bee is that of delivering quicker, tangible revenue streams by reducing the complexity of the value proposition as they assemble creative combinations through acquisitions, alliances, and organic development.

Multiple Growth Modes

The boom in technology applications has left the high-tech world scrambling for strategic advantage through business relationships and combinations to supplement their internal competencies. As companies align and combine themselves, competitors race to participate in what appears to be a finite number of strategically useful deals. In this environment, a single mode of corporate development cannot be applied uniformly and successfully in all markets and business units. General Electric, for example, serves medical, consumer, financial services, industrial, utility, automation, and transportation industries, among others. How could a single growth mode deliver success consistently given the scale, scope and diversity of the company?

Every organization needs great leadership at the top. But given the pace of technological disruption and alliances among collaborators, corporate development is now taking on a more strategic role. Those in business development roles in the age of smart services must have unique traits -- they are forward looking, cross-organizational, and clever -- and they are increasingly applying innovative ways to pursue their visionary activities across webs of alliances.

Traits of the Corporate Bumble-Bee

What do all these corporate development success stories have in common? What lessons can be learned? First, they have a creative ability to envision a future state of their industry. Second, they have broad influence and "cross-pollination" responsibility, acting as "bumble-bees" with knowledge of the strategic thinking across its webs of alliances. Successful companies often have charismatic heroes and seers as leaders, but they are supported by this new class of corporate developer. This new developer, formerly a "back-office" person, is a renaissance business thinker. Third, they develop new models for corporate development. Companies have been buying and selling one another and setting up collaborative marketing arrangements since the beginning of commerce. But the new corporate bumble-bee is developing and adapting ways of combining companies creatively. Finally, these new corporate developers are intimately involved in developing and executing strategy. They are not functional "back office" executors who carry out deals as instructed.