STRATEGIES: Business development

Business development refers to activities that aim to improve the business or management skills and competencies of business owners and managers. These activities are distinguished from those that aim to develop the skills of the workforce. They target business owners or managers and can include providing access to business skills and strategies training, mentoring programs and linking members with business, legal or financial experts.

Seventy percent of participants responded that their industry associations implement business development strategies.

Participants from those industry associations were asked how important business development activities are for achieving each of the association’s industrial development goals.

**Firm improvement:** Most participants regarded business development activities to be very important for developing a firm’s capabilities to improve its current activities.

**Firm value adding:** Most participants regarded business development activities to be moderately or very important for developing a firm’s capabilities to undertake new, higher value activities.

**Firm diversification:** Most participants regarded business development activities to be moderately important for developing a firm’s capabilities to enter new industry sectors.

**Industry development:** Most participants regarded business development activities to be very important for developing the industry’s collective capabilities to improve its current activities.
Industry value-adding: Most participants regarded business development activities to be moderately or very important for developing the industry’s collective capabilities to undertake new higher value activities.

Institutional development: Most participants regarded business development activities to be moderately or very important for improving establishing a more favourable economic, political and/or social operating environment for individual firms and the industry.

The same participants were asked which of four business development activities the industry association undertakes:

![Bar chart showing the percentage of industry associations undertaking business skills development activities.]

Summary of business development

The improvement of the business skills of business owners and managers and the adoption of innovative business strategies play central roles in developing the capabilities of individual firms and the industry itself. This will become increasingly important as ongoing technological change affects all industries. Business owners who join industry associations are exposed to new ways of working while reducing their resistance to adopting new technologies. Industry associations can promote “best practice” that encourage business owners to adopt new and innovative business strategies and improve their decision-making.

In this survey, business development was regarded as moderately or very important strategy for achieving all the industrial development goals. There are differences in the type of activities industry associations conduct to improve business development. While most participants report connecting members with various experts and providing support to members who wish to adopt more innovative business systems and strategies, fewer reported providing access to training in business skills and fewer still reported providing mentoring programs for business owners and managers. Some reasons for not implementing these activities might relate to:
• **The level of representation** – i.e. peak, national, state or regional - and the specific goals of the industry association. In some industries, peak associations represent members that include industry associations who, in turn, represent members at state or regional levels. In such cases, the regional and/or state associations conduct the bulk of hands-on business development activities while the peak organisation focusses on broader aspects of industry development and institutional development.

• **The type of members.** In some industries, most members might be larger organisations that conduct in-house business development training, leaving the industry association free to focus on institutional development activities.

• **Number of industry association staff & resources.** Some smaller industry associations operate with only a couple of staff who are sometimes volunteers and are running their own businesses at the same time. They may have little time to conduct hands-on activities and lack the financial and knowledge-based resources to do so.