



Covering Business Development Topic in an Undergraduate Course

Dr. Suat Gunhan, University of Texas, San Antonio

Dr. Gunhan is an Associate Professor at The University of Texas at San Antonio

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Abstract

Construction firms have diverse business segments in which future graduates can be employed. Graduates of construction management or related fields, who choose construction careers, usually go on to work for construction companies. A construction engineer is expected to possess technical and managerial skills. Technical content is well covered in construction curricula and it is considered a fundamental knowledge and skill. Technical skills play key role for graduates to step in to the industry. If the new hires nurture their technical capabilities with good business skills in following years, they build successful careers. Construction is people oriented business and employees from field engineers to executives are on the front lines serving clients on a daily basis. Due to credit-hour limitations, other than the Project Management and Construction Capstone courses at the University of Texas at San Antonio, all core courses include fundamental technical content. Therefore, different teaching strategies were put in place to cover leadership and business development contents. These are usually the subjects covered at graduate level studies but majority of graduating students prefer directly working in the industry and they build many managerial skills on the job.

Business Development topic is covered in Project Management course. The content includes definition, distinction between marketing and sales in construction, service vs. product marketing, client expectations from a construction entity, construction marketing, networking, professional organizations, and client maintenance. Even though the topic is broader than the content mentioned above, the author believes that the selected content provides basic and introductory understanding of business development concepts in construction business. Particular examples are provided in client maintenance section that explains how sensitive the project process is in terms of client relationships. The students' perception towards business development was tested with a survey before the instruction of the topic. Same survey questionnaire was conducted after the topic instruction as well. The results have indicated that students' knowledge on the topic was improved.

Introduction

Construction curricula in construction programs usually prioritize the coverage of technical skills due to credit hour limitations. Indeed, those skills make an important contribution to graduates' entry into construction careers. After couple years of employment, construction graduates realize that they need more than technical knowledge for their advancement. They are expected to lead diverse group of people in every single project including owners, architects, engineers, subcontractors, suppliers and many more. Their conduct throughout the project cultivates relationships and generates potential business opportunities with existing clients. In addition to that, there is a need for structured effort to identify and contact potential clients in every organization. Construction project management is a profession where professionals are busy with project level challenges. Strategic management is not a common

practice especially in small to medium sized construction firms. As a result, structured business development activities were only limited to brochures and advertising. The trend has slowly changed starting from 1990s and medium to large size construction firms started to have business development departments and professional marketing staff members¹.

Business development in construction is a continuous effort. It does not end when the contract is signed. Each project is unique and construction professionals interact with different stakeholders in every phase of a project. The way interrelationships among stakeholders are handled play a crucial role for next business. Construction professionals are expected to be the leaders in facilitating the interaction among project participants. According to many researchers, construction is a technology and project oriented field, and the industry is focused more on management but not leadership^{2,3,4}. The supply of leaders in construction industry is not sufficient⁵. Many construction programs in universities are generally technology and project oriented and they do not have courses aiming the development of people skills. Rubin et al.⁶ quoted the Arizona State University Professor Bill Badger's statement to emphasize the importance of social intelligence skills:

“Construction is a people’s business. In this business you are hired for your technical skills, fired for your lack of people skills and promoted for your management skills”.

There is no specific undergraduate course dedicated to business development at the Construction Science Program at the University of Texas at San Antonio. The author makes all the efforts to integrate leadership, business development and other soft skill topics to core courses.

The paper covers the integration of business development topic to the Project Management course. It highlights the scope of the course content. The perception of the students towards business development was tested with a pre-survey questionnaire before the instruction of the topic. The same survey questionnaire was conducted after the lecture as well. The comparative results have indicated that the knowledge of students on the topic was improved.

The Content of the Course

The Business Development topic is specifically designed to fit into Project Management course. The course covers broad range of topics such as project stakeholders, project chronology, preconstruction, bidding and procurement, construction, close-out, delivery methods, contract types, and administration of the project. Even though business development has a broader scope than project level applications, the author believes that retaining existing clients depend on the service provided during the execution of each phase of a project. Therefore the topic specifically included client maintenance in order to make a direct connection with the course content which is project level management.

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business development concepts in construction business. Particular examples are provided in client maintenance section that explains how sensitive the project process is in terms of client relationships⁷. Even though construction is highly technical from the operational perspective, the people skills play greater role in its success³.

Other topics that contribute to marketing of construction services are also covered such as networking and lead development, professional organizations, getting in the door, lead tracking and sales reporting, and client maintenance. The possible networking opportunities especially for recent construction graduates are mentioned. How involving with professional organizations can contribute to business development? What type of professional organizations can be considered? Should you take active roles in those organizations? How taking active roles may contribute to your business development activities? The answers are given during the lecture.

Methodology

The students' pre-perception towards business development was tested with a survey questionnaire before the lecture. The same survey questionnaire was also conducted after the lecture to understand their post-lecture perception. In order to obtain the best results, both pre-lecture and post-lecture surveys were conducted at the beginning and the end of the same class session. Twenty five students took the survey. The student profile is composed of seven experienced (possess full time construction industry positions), eight with internship experience and 10 students with no construction experience. The following questions were included in the survey questionnaire. The reasons why these questions are selected is also explained. The content of the course covers the answers for the questions. Other than Question # 3, all questions required the Likert Scale rating (1 thru 5).

The survey included the following questions:

- 1) Do you think marketing and business development in construction are similar concepts?

The intention with this question is to observe the students' perception before and after the lecture. It is expected that they don't see much of a difference before the lecture, whereas after the lecture they are expected to know the difference between marketing and business development concepts. Marketing is the component of business development function.

In order to understand students' perception towards business development topic, they are asked what business development in construction is⁸. It is generally not clear and it is interpreted as the same with marketing. Is it brochure, marketing, advertisement, sales, business planning, client maintenance? The definition given as business development is the process of acquiring business for a construction company. This means retaining those clients the company wishes to retain as well as acquiring new clients with whom the company desires to do business.

- 2) Is business development performed during construction project process?

The students were taught that during the construction project process, their leadership in stakeholders' management affects the next business. Also, the question aims that after the lecture they learn that business development activities are not isolated efforts from the execution of projects. Therefore a special emphasis is given to client maintenance⁷. Specific examples are given from projects' execution phases. Meeting clients' major expectations such as time, budget and quality may simply not be enough to establish long-term relationships. The specific details on how to manage the interaction with clients during project execution are covered during the lecture.

3) What is marketing in construction?

The students were asked to rank the given definitions below, from 1 (the most likely) thru 8 (the least likely). The definitions are a) brochures, b) advertisement, c) selling projects, d) selling services, e) Appearances/neatness of project sites, e) logo, g) safe work, h) business development.

The aim of this question is to observe if their perception towards marketing is changed after the lecture.

Business development in construction is composed of marketing and sales. Therefore, students are introduced to construction marketing and sales concepts. Marketing activities include all the efforts put in place to retain existing clients as well as identifying new ones. When a contract is signed with a client, a sale is realized⁸.

4) How similar is service marketing and product marketing?

Considering that the majority of the students are inexperienced, service vs. product marketing concepts is covered to emphasize the service characteristic of construction business. It is expected that the students are able to distinguish between two of them in order to differentiate the nature of construction marketing.

The clear distinction between service and manufacturing businesses' marketing is highlighted. Construction business is composed of many different sectors such as residential, commercial, industrial and heavy highway⁹. All sectors are examples of service business. The residential sector may be considered as an exception to a certain extent. The differentiating aspect of marketing in construction is explained in detail. It involves everything that the company does, from the appearance of its project sites and its reputation for safe work to its company logo and the quality of its business. Effective marketing requires the ability to develop enduring relationships with targeted clients by continually meeting or exceeding their expectations and needs. This requires an understanding of the process by which potential clients are drawn to specific construction firms and become repeat clients and an understanding of the clients' specific requirements⁸. Client requirements have been explained in detail such as scheduling (timely completion), team performance (building long-term relationships), managing changes in effective manner, cost management (delivering project within budget), manage risk, provide value to the project, effectiveness in dealing with construction complexity, use resources in an effective manner, and meet the quality expectations.

Findings and Analysis

The students were asked to evaluate their learning experience in business development topic twice, before and after the lecture. They were asked to rate the questions 1, 2, and 4 on a 1-5 scale range (where 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, and 5 = strongly agree) to measure the effectiveness of the lecture. They were not requested to provide their identification. The answers obtained from the two identical groups for each question were compared and tested by a t-test for two dependent means at $p = 0.05$. The answer for the Question# 3 is composed of possible definitions. The students were asked to select as many answers they wish by assigning numbers in the order of importance (1 = the most likely).

When students were asked the first question whether there is a difference between marketing and business development, majority of them (16 out of 25) strongly agreed that there is no difference. However after the lecture only five out of 25 strongly agreed that there is no difference. The change in their opinion was significant at $p \leq 0.05$ (Table 1). The results indicate that the students better understand the difference between marketing and business development in construction after the lecture.

The purpose of the second question (Is business development performed during the construction project process?) was to teach students that business development is not an isolated effort from project level execution. Construction is a service business and construction professionals constantly work with different people in order to complete projects in an effective manner. Therefore their interpersonal skills affect future business opportunities with existing clients. Before the lecture, only five out of 25 students strongly agreed that the business development takes during the construction project whereas the post-lecture survey questionnaire indicates that 20 out 25 strongly agreed that it takes place during construction phase. The results indicate that the change in their knowledge was significant at $p \leq 0.05$ (Table 1). In order to emphasize the importance of business development activities during a construction phase, specific case studies were covered during the lecture. The results proved that bringing those case studies to the lecture is an effective method.

The third question has a different structure. The students were asked “what is marketing” and eight possible answers were given. Before the lecture survey results were as follows:

1 = Business development (10 out of 25 rated as #1), 2 = Safe work environment (8 out of 25 rated as #2), 3 = Business development (5 out 25 rated as #1), 4 = Logo (6 out 25 rated as #4), 5 = Appearances/neatness of project sites (6 out 25 rated as #5), 6 = Selling projects (5 out of 25 rated as #6), 7 = Advertising (5 out of 25 rated as #7), 8 = Brochures (11 out of 25 rated as #8).

After the lecture, the order of importance ranking was as follows:

1 = Safe work environment (4 out of 25 rated as #1), 2 = Business Development (4 out of 25 rated as #2), 3 = NA, 4 = Selling services (4 out 25 rated as #4), 5 = Appearances/neatness of project sites (6 out 25 rated as #5), 6 = Logo (4 out of 25 rated as #6), 7 = Brochures (4 out of 25 rated as #7), 8 = Brochures (4 out of 25 rated as #8).

Table 1. The Survey Questions with Rated Answers

Questions	Pre-lecture N=25		Post-lecture N=25		t-value confidence level (95%)
	Mean rating scale	Standard Deviation	Mean rating scale	Standard Deviation	
Do you think marketing and business development in construction are similar concepts?	4.2	1.29099	3.84	0.943	-2.37721
Is business development performed during the construction project process?	3.68	1.02956	4.68	0.852	7.071068
How similar is service marketing and product marketing?	3.88	1.01324	3.36	1.036	-4.43726

The answers from both rounds to third question indicate that the students improved their understanding of construction marketing concept. More students know that it is not the same as business development. The pre-lecture survey results indicate that in addition to rating as number 1, the students also rated business development as number 3. The construction marketing is about selling services. Nobody rated selling projects option at the second round. The advertising option was one of the rated answers in the pre-lecture survey but nobody rated it in the post-lecture survey that was not an expected result.

The answers to fourth questions indicate that the students improved their knowledge about the differentiation of product marketing vs. service marketing. Even though the results indicate that the change in their opinion was in a positive direction and it was significant at $p \leq 0.05$ level, there were quite a few students still considering that the both types of marketing are likely similar. It may be possible to improve the results by allocating more class sessions of business development topic.

Summary and Conclusions

This study covered the integration of business development topic to a Project Management course. In order to assess students' learning, the survey questionnaires were conducted before and after the lecture. The comparative results of the survey questionnaires indicate that the integration of business development topic to the Project Management course has improved students' knowledge.

Even though technical and project related skills play important role during the start of construction students' careers, most construction executives emphasize the importance of business development skills in the long term. Due to limited contact hours business development course is non-existent in the undergraduate curriculum. Therefore the author integrated a class session that is covering business development in construction.

The most critical learning outcome of the topic integration is that construction business development is an ongoing effort. It does not end when the contract is signed and the construction company is awarded the project. It continues throughout the construction phase as well. Construction is a service business and interpersonal skills play important role while managing the process during pre-construction, construction and post-construction phases.

The discussions at the end of the lecture revealed that the students have developed clear understanding of a broad scope of construction project management. Finishing projects in a successful manner is one of the major components of business development. A successful project is not only composed of timely, within budget completion with specified quality requirements but also high maintenance of clients and other project participants. This is the main differentiating aspect of a business development topic integrated project management course vs. regular project management course.

It is suggested that more than one class session is allocated to business development topic and the teaching method includes student-centered activities as well. The student-centered activities may include presentations where students practice verbal and non-verbal communication skills.

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