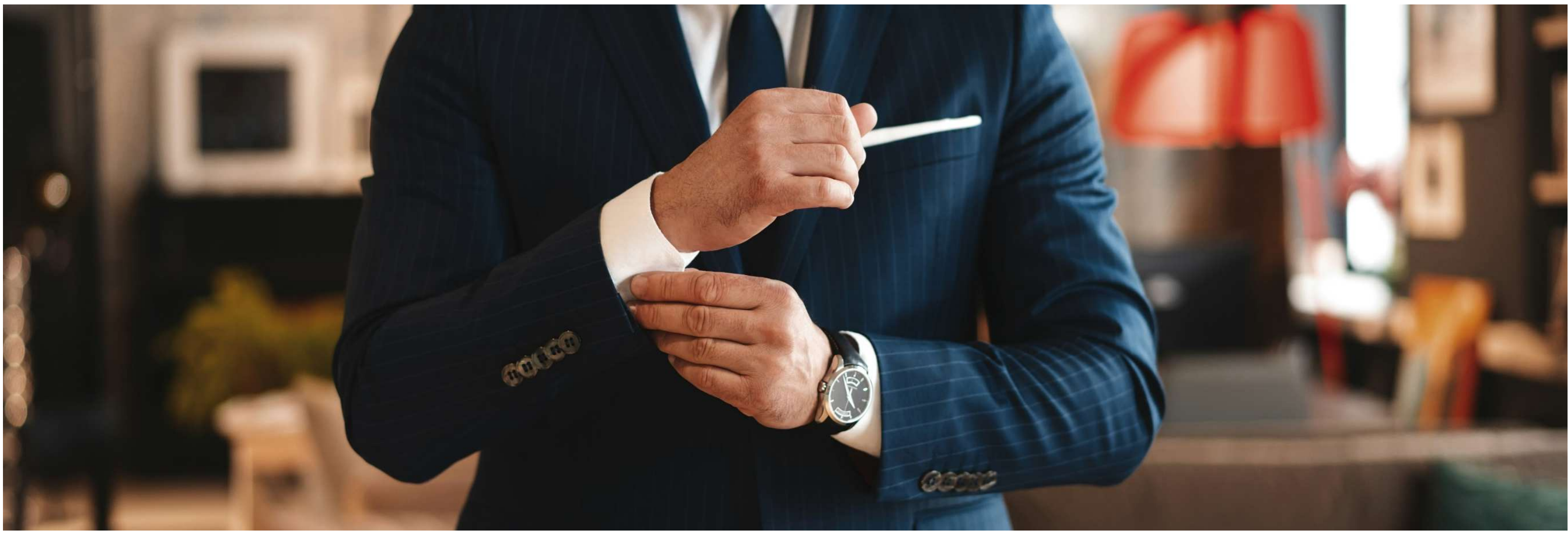
Project Business Management [1,2]

7 Strict Rules for Winning New Project Business

Oliver F. Lehmann, MSc, ACE, PMP

"In the beginning was the deed."
– Johann Wolfgang v. Goethe, Faust[3]



Summary

Winning new project business is the lifeline of contractors, yet it is fraught with risks and uncertainty. Each project ends with the last invoice, leaving the "field" empty again. To survive and prosper, organizations must constantly sow new opportunities, deliver with care, harvest results effectively, and preserve their long-term capability — the "soil." This article introduces seven strict rules for winning the right business, highlights the dangers of chasing bad projects, and explores the temporary nature of project business. It also shows why knowing the prospect and aligning business development with project management are essential for resilience and sustainable success.

[1] This is an article in a series by Oliver Lehmann, author of the book "Project Business Management" (ISBN 9781138197503), published by Auerbach / Taylor & Francis. See full author profile at the end of this article. A list of the other articles in PM World Journal can be found at https://pmworldlibrary.net/authors/oliver-f-lehmann.

[2] How to cite this article: Lehmann, O.F. (2025). *7 Strict Rules for Winning New Project Business* PM World Journal, Vol. XIV, Issue IX (September).

[3] (Goethe, 1808)

7 Strict Rules for Winning New Project Business

Winning new business in projects is never an accident. It requires foresight, discipline, and the courage to make tough decisions. Over decades of observation and experience, seven strict rules have emerged that can help organizations increase their chances of winning — and, equally important, of winning the right business. These rules are not "nice to have." They are survival principles in the unforgiving world of project business.

Rule 1: Know the Prospect

Do your homework. Understand the prospect's decision-makers, influencers, culture, and history. Avoid template-driven, generic proposals that make the prospect feel processed rather than understood. Show that you have invested time in learning about their challenges and priorities, and underpin this with the competence, qualification, and credibility of your own people. A prospect is far more likely to trust a contractor who demonstrates real knowledge and professionalism than one who offers only generic words.

Rule 2: Choose Battles Wisely

Winning every project is impossible — and not every project is worth winning. Strict bid/no-bid discipline protects resources and keeps the company focused on profitable, manageable business — and keeps competitors busy with the bad business they won because you didn't pursue it.

Rule 3: Closely Align Business Development and Project Management

Sales and delivery must act as one team. Finger-pointing, conflicting KPIs, and poor communication destroy trust both internally and with the prospect. Unity is not optional; it is a prerequisite to credibility and success in Project Business.

Rule 4: Withdraw from the Development of Bad Business Before It's Too Late

Bad business drains margins, demoralizes teams, and frustrates prospects. Recognizing the warning signs early and stepping back protects resources, preserves reputation, and allows focus on opportunities that truly strengthen the company.

Rule 5: Respect the Economics and Your Own People

Do not sell projects with unrealistic pricing or conditions that will inevitably lead to losses. Respect your company's need for profit, cash flow, and resilience. The winner's curse is no victory at all. And just as important: you don't want business that frustrates and burns out your own staff. A demotivated or exhausted workforce cannot deliver quality, nor sustain the company's long-term ability to compete.

Rule 6: Communicate Value Beyond Price

Prospects are not only looking at costs — they are assessing risk, trust, and long-term benefits. Communicate how your organization reduces uncertainty, delivers reliably, and protects the relationship. This also includes demonstrating the qualification and certification of your people. Doing this in a timely manner is essential: if companies wait until certification becomes absolutely necessary, it may already be too late to win the business.[4]

Rule 7: Preserve the Soil

Winning today must not destroy tomorrow. Protect reputation, trust, financial health, and the well-being of teams. Without fertile soil, no future harvest of projects will be possible.

Applying the 7 Strict Rules

Applied with consistency, these rules form a code of conduct for project-driven organizations. They do not guarantee success in every pursuit, but they improve the odds, reduce self-inflicted damage, and keep companies focused on business that truly sustains long-term resilience. They help ensure that energy is not wasted on pursuits that should never have been started, that delivery teams are not trapped in projects doomed from the outset, and that the organization's scarce resources are invested where they can truly pay off.

Equally important, the rules foster a culture of professionalism and mutual respect — both inside the contractor company and in its relationships with prospects. They remind leaders and teams that success is not measured by the number of contracts signed, but by the quality and sustainability of the business won.

In this way, the rules prepare the ground for the reflections that follow in this article: the harvest metaphor, the temporary nature of projects, and the constant struggle between sowing, growing, and reaping:

New Project Business – Why?

I once worked with a mid-sized engineering company whose CEO described project business as a harvest. He said: "Each new contract is like bringing in a crop — sometimes a modest

[4] For a discussion of the 10 Top certifications for Project Business, see the article in PM World Journal of May 2025 (Lehmann, 2025)

yield, sometimes an abundant one. But once the harvest is brought in and sold, the field is empty."

In the same way, a customer project brings income only until the last invoice is settled. After that, the stream of money stops.

The CEO had to lead his company through hard times of market upheaval and rapid change. He often returned to his harvest metaphor. A farmer, he said, cannot control the climate. Drought, storms, or unexpected cold will come regardless of his wishes. What he can control is the care he gives to his crops. With vigilance and skill, he can still bring in the best possible yield under any given conditions.

He also explained that a farmer must think beyond the present harvest. The soil must be protected and nurtured so that this year's yield does not compromise the ability to produce in future years. Crop rotation, resting fields, and careful stewardship ensure that the land remains fertile.

The metaphor expands naturally to project business:

- Sowing is **business development**. It is the investment phase, with time and money spent on identifying opportunities, building trust, developing bids and proposals, and winning against competition long before the first euro or dollar is earned, and with a high risk that no earnings will occur at all.

- Growing is **project delivery**. Like tending crops, it requires constant care, adjustment to changing conditions, and protection against risks that may damage the yield.

- Harvesting is **invoicing and cash flow**. The company reaps the financial results of its work. This income is the lifeblood of the contractor, enabling them to pay employees and subcontractors, build resilience, satisfy customers, and ultimately generate a motivating profit. But just as the field is empty after a harvest, a project stops generating income after the last invoice is settled.

- Soil represents **long-term capability**: reputation, trust, financial resilience, and the health of teams. These must not be exhausted in the rush to deliver today's projects, or there will be nothing left to secure tomorrow's business.

In agriculture, there are also times when yields suffer from external conditions that no amount of preparation can fully prevent. Every farmer knows that not every year brings a good harvest. Diseases, like the potato blight that caused the Irish potato famine between 1845 and 1852, can wipe out crops despite all preparation. An estimated 1 million people died from starvation, another million emigrated, not because of lack of effort, but because their survival depended on a single vulnerable crop.

History offers other reminders. In the United States during the 1930s Dust Bowl era, prolonged droughts and poor soil management practices combined to devastate farming across vast regions. Yields collapsed, families lost their livelihoods, and a population of 2.5 million was forced to migrate.

For companies in project business, these moments often arise as financial crises, sudden loss of key customers, political upheavals, and technological shifts. In such times, survival is not just a matter of luck — it is a matter of skill and capability. Those who have prepared their soil, diversified their crops, and invested in resilience have a greater chance of enduring where others perish.

The CEO's conclusion was simple: in project business, winning new projects is not optional. It is the lifeline. But survival and prosperity come from more than just winning. They require business management with foresight, cultivating resilience, and safeguarding the "soil" for the future.

Sowing: The Business Development Stage

Just as a farmer invests long before harvest, project-driven companies must prepare and invest in business development. Opportunity identification, pre-sales engineering, and bid preparation consume resources without generating immediate revenue. Trust must be cultivated with prospective clients, sometimes over years.

This stage is risky, as only a fraction of opportunities materialize into contracts. Yet without sowing widely and carefully, there is no harvest. Strategic foresight, investment in the relationship with the prospective customer's key people, and disciplined bid/no-bid decisions are crucial to avoid wasting seeds on barren ground.

Growing: Delivering the Project

Winning the contract is only the beginning. During delivery, the company must tend to its "crops." Scope creep, technical hurdles, and customer demands act like pests and storms. If left unattended, they can devastate profitability.

Strong project management, continuous risk assessment, and proactive communication are the tools that protect the growing crop. Just as a farmer cannot walk away after planting, a contractor cannot neglect delivery after signing. Attention and adaptability determine whether the yield will be meagre or abundant.

Harvesting: Turning Effort into Cash Flow

A farmer eventually brings in the crop and sells it. For project contractors, this means billing and collecting payments. Here, timing is vital. Poorly structured contracts or weak cash-flow management can leave companies starved, even when projects are technically successful.

Harvesting well requires not only invoicing discipline but also negotiation skills, credit management, and sometimes dispute resolution. The ultimate measure of success is not the signed contract or even the finished project, but the money collected.

Soil: Preserving Long-Term Capability

The most farsighted farmers take care of their soil, knowing that short-term gain must not destroy long-term fertility. Similarly, companies in project business must safeguard what allows them to survive:

- Their reputation in the market.
- The trust of customers, partners, and financiers.
- The well-being and motivation of their teams.
- Their financial health.

Exploiting these resources without replenishment may yield a strong quarter or even a good year, but it will erode the company's future. Sustainable project business requires nurturing the "soil" with learning, investment in people, and ethical practices.

The Temporary Nature of Project Business

The key aspect for people involved is the temporary nature of customer projects. According to the PMBOK® Guide[5], a project is "a temporary endeavor undertaken to create a unique product, service, or [another kind of] result."[6] The temporary character means that, unlike ongoing operations, projects have a defined beginning and an end.

While everything in life is ultimately temporary, projects are designed with that condition built into their nature. They come to an intentional close when their objectives have been met and their final deliverables handed over. This is not failure or collapse, but the fulfillment of purpose and is not mourned but celebrated. For organizations in project business, however, this built-in ending also means the revenue generated is inherently finite.

In project business, this reality has a direct commercial consequence: income is generated only during the project's limited duration. Once the project is completed and the last invoice is paid, the revenue stream ceases. Contractor companies engaged in operations can rely on continuous production and recurring service delivery, but contractors in project business must constantly prepare for the next engagement.

This impermanence makes business development not an optional activity but a core survival discipline. It also highlights the importance of resilience. A contractor cannot rely on a single project, no matter how successful, to sustain the company. Only by continuously winning new projects and managing them effectively can the organization remain viable in the long run.

[5] (PMI, 2021)
[6] Edited by the article's author to denote that products and services are also results.

Why Winning the Business is so Hard

Winning a project is never guaranteed. Companies in project business face three kinds of challenges that may prevent them from turning an opportunity into a contract:

- Direct competitors. Rival contractors pursue the same opportunity, often with similar technical capabilities. The decision may come down to trust, price, reputation, or perceived risk.
- The prospect decides to do the project internally. Sometimes, the bidding process itself equips them with ideas, specifications, and even detailed blueprints. After receiving proposals, the company may conclude that the knowledge gained is sufficient to perform the work with internal resources.
- The prospect decides not to do the project at all. External factors such as budget restrictions, strategic redirection, or sudden changes in leadership may cause the initiative to be abandoned. In such cases, even the strongest bid cannot lead to a contract.

When asked, executives from project contractor organizations often report hit rates around 10%, particularly for new business.[7] A hit rate is the ratio of contracts won to the number of opportunities pursued and bids and proposals submitted to prospective customers. In other words, out of ten pursuits, on average only one results in a signed contract, while the other nine fail for one of the reasons outlined above. This means that 90% of all business development effort goes futile — resources are consumed without resulting in a contract. The cost of this lost effort must be carried by the relatively small number of projects that are actually won.

Difficulties are also created inside the contractor organization itself. Communication between business development staff and delivery teams is often weak or even adversarial. Promises made during proposal preparation may not align with what delivery teams can realistically provide, leading to internal friction and a lack of trust. Sales may accuse project managers of being overly cautious and insufficiently customer oriented, while delivery professionals may criticize sales staff for committing to unrealistic timelines, prices, or technical solutions just to win the deal.

These fissures are reinforced by structural shortcomings inside many contractor companies. Business development and delivery often lack the time and organizational frameworks for thorough coordination, so misunderstandings remain unresolved. Distrust accumulates over repeated disappointments, creating a culture where one side assumes the other will not keep its commitments. Conflicting key performance indicators (KPIs) add further strain: sales may be measured primarily on contract volume or revenue, while delivery is judged on profitability, schedule adherence, and customer satisfaction. When KPIs pull departments in different directions, cooperation suffers, and the prospective future customers ultimately see the cracks.

[7] Indeed, project contractors who are incumbent and have been that for a long time often report hit rates of up to 90%. It pays well to be incumbent contractor.

A particular challenge lies in the growing split between business development and delivery professionals. This gap tends to widen and deepen as organizations become larger and more complex, and it makes it nearly impossible to follow a disciplined paradigm: to win the good business — projects that are profitable, manageable, and strategically valuable — while keeping competitors busy with the bad business that is best avoided. Instead, misalignment often results in chasing opportunities that look attractive to one side but are high-risk or unprofitable for the other, undermining the long-term health of the company.

This bad business in turn increases that gap, when business development and delivery people finger-point at each other for the poor margins or even losses made, and for the frustrated customer. Instead of closing ranks to learn from mistakes and improve, the two sides often deepen their mistrust, making the next pursuit even more difficult.

And here is another problem: the prospective customer may sense the frustration the contractor staff is going through. Prospects are highly attentive during procurement and can often read between the lines. Hesitation, misalignment, or strained communication between a contractor's own people can raise doubts about how smoothly the project will be executed. What should be an impression of professionalism and readiness may instead look like internal discord.

Such impressions can weigh heavily on the prospect's decision. Even a technically superior offer may be discarded if the buyer perceives that the contractor organization is not cohesive. Prospects know that a contract does not end with the bid — it continues into months or years of close collaboration, and during that time the mutual dependency of prospect and contractor increases. Each side relies on the other to honor commitments, solve problems constructively, and protect the relationship when things go wrong. If the prospect fears that the contractor's business developers and delivery professionals are pulling in different directions, they may prefer a less sophisticated or more expensive competitor who demonstrates unity and confidence.

In this way, internal fissures not only affect delivery once a contract is signed but can already cost the contractor the deal at the selection stage. The vicious cycle continues: poor alignment leads to missed opportunities, missed opportunities increase frustration, and frustration in turn further damages alignment.

Knowing the Prospect

There is a great body of helpful literature on winning business, such as the Shipley Proposal Guide[8] and the Proposal Management Body of Knowledge[9]. However, while these books provide valuable guidance on how to prepare proposals and increase the chances of winning, they do not help decide which business is actually worth being won. Winning good business is not only a matter of having an effective and efficient process in place, but also depends heavily on interpersonal skills and an understanding of group dynamics inside the prospect organization. Proposals alone rarely win projects — it is people who win them,

[8] (Newman, 2011)
[9] (APMP, 2024)

through their ability to listen, build trust, and navigate the sometimes hidden networks of influence and decision-making that shape the outcome.

I still remember a situation when I had won over the project manager on the prospect's side, who clearly preferred working with us. However, our competitor had the purchasing department on their side, which finally prevailed, so that we lost the competition. This experience taught me that winning business is not only about convincing one key stakeholder but about understanding the interplay of multiple actors inside the prospect's organization — each with their own priorities, power, and criteria.

Winning business is not only about submitting a strong proposal — it is also about truly knowing the prospect. Too often, contractors focus on showcasing their own capabilities while failing to understand the prospect's real drivers, hidden concerns, and internal politics.

Successful contractors invest time in learning how the prospect organization works: Who makes the decisions? Who influences them behind the scenes? What constraints shape their thinking — budgets, regulations, culture, or past experiences with other contractors? Without such knowledge, proposals may be technically excellent but fail to resonate with what the prospect actually values.

Often, bids and proposals are based on templates and boilerplate text, and prospects notice that. Boilerplate and templates may save time in writing, but they also create the impression that the contractor considered it unnecessary to invest real effort in researching and understanding the prospect. It is frustrating for prospects when they feel "processed" with cheap standard texts while their challenges, wishes, and needs remain unresponded.

Instead of feeling understood, they may perceive that the contractor has little genuine interest in their specific situation — as if they were just another name on a mailing list rather than a valued target stakeholder. The template, in this sense, is the most vicious enemy of a good proposal. What seems like efficiency on the contractor's side becomes, in the eyes of the prospect, a lack of commitment, creativity, and respect.

This lack of understanding is exacerbated when business development teams are remote from the prospect, rely solely on formal requests for proposals, or neglect building trust through dialogue. In these cases, contractors risk answering the letter of the request while missing its spirit.

Knowing the prospect also means recognizing when not to pursue an opportunity. If signals suggest that the project is politically fragile, underfunded, or already earmarked for an incumbent supplier, walking away may save resources better invested elsewhere.

Disciplined no-bid decisions are part of professionalism.

Ultimately, knowledge about the prospect reduces uncertainty, sharpens proposals, and increases trust. It helps the contractor position itself not merely as a supplier but as a partner who understands the prospect's challenges and is committed to solving them.

Conclusion

Customer projects are temporary income streams. They end with the last invoice, and then the field is empty again. Success in project business therefore requires more than delivering one good project. It requires the constant discipline of sowing new opportunities, tending ongoing projects, harvesting results effectively, and safeguarding the "soil" that sustains future work.

Winning new projects is not just important. It is survival. But true prosperity in project business belongs to those who combine winning with foresight, resilience, and care for the future.

Would you like me to now prepare a short list of references (e.g. PM World Journal articles of yours, or other sources) to round this out for publication?

Appendix: What is Project Business?

Many of today's projects are no longer internal endeavors. In a world shaped by global supply chains, outsourcing, and cross-border collaboration, projects are increasingly delivered by networks of companies. These projects are not just technical undertakings – they are commercial ventures.[10]

Project Business arises when two or more companies team up to perform a project under contract. It operates at the boundaries between organizations and often involves diverse legal systems, cultures, and moral compasses. Some project networks are simple; others are complex and fragile ecosystems with dozens, sometimes hundreds of organizations involved.

Though long overlooked, Project Business contributes an estimated 20% to 30% of global GDP and employs more project managers than internal projects. It deserves far more attention – not only for its scale but for the unique challenges it poses.

Traditional project management handbooks (for example, Turner[11]) typically address internal projects within organizations. By contrast, project business takes place across corporate boundaries, introducing commercial, legal, and relational complexities that such works only partly cover. Project business (cross-corporate, customer-contractor) has different challenges and rules – success depends here not only on planning and execution, but on commercial acumen, legal awareness, and a deeply cooperative mindset. Trust must be built among parties with differing interests and asymmetric power to enable collaboration toward shared success.

The risks in Project Business go beyond deadlines and deliverables – they include cash flow instability, legal exposure, reputational damage, and contractual disputes. Where information is asymmetrical and objectives diverge, the project manager must act as negotiator, strategist, and builder of partnerships.

[10] (Lehmann, 2018)
[11] (Turner, 2009)

References

APMP (2024) *Body of Knowledge – Bid & Proposal Writing*, Ashburn, VA, USA [Online]. Available from: https://www.apmp.org/assets/BoK-BW-M.v4.pdf (Accessed: 29 September 2025).

Goethe, J.W.v. (1808) *Faust. Der Tragödie erster Teil*, Tübingen: Cotta.

Lehmann, O.F. (2018) *Project Business Management*, Boca Raton, FL, USA: Taylor & Francis [Online]. Available from: https://www.routledge.com/9780367522070 (Accessed: 30 May 2025).

Lehmann, O.F. (2025) 'The Top Ten Certifications for Project Business', *PM World Journal*, May [Online]. Available from: https://pmworldlibrary.net/wp-content/uploads/2025/05/pmwj152-May2025-Lehmann-Top-Ten-Certificatins-for-Project-Business-2.pdf (Accessed: 29 August 2025).

Newman, L. (2011) *Shipley Proposal Guide*, 4th edition, Kaysville, Utah, USA: Shipley Associates.

PMI (2021) *A Guide to the Project Management Body of Knowledge - PMBOK Guide*, 7th edition, Newtown Square, PA, USA: PMI - Project Management Institute, Inc.

Turner, J.R. (2009) *The Handbook of Project-based Management: Leading Strategic Change in Organizations*, New York, USA: McGraw-Hill.

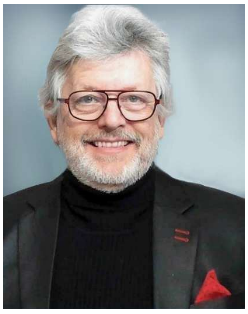
Text, Images – Copyright Note

Text, images: Oliver F. Lehmann

Hero image: Unsplash/Getty images

About the Author

Oliver F. Lehmann
Munich, Germany



Oliver F. Lehmann, MSc, ACE, PMP, is a project management educator, author, consultant, and speaker. In addition, he is the owner of the website Project Business Foundation, a non-profit think tank for professionals and organizations involved in cross-corporate project business.

He studied Linguistics, Literature, and History at the University of Stuttgart and Project Management at the University of Liverpool, UK, where he holds a Master of Science Degree (with Merit). Oliver has trained thousands of project managers in Europe, the USA, and Asia in methodological project management, focusing on certification preparation. In addition, he is a visiting lecturer at the Technical University of Munich.

He has been a member and volunteer at PMI, the Project Management Institute, since 1998 and served as the President of the PMI Southern Germany Chapter from 2013 to 2018. Between 2004 and 2006, he contributed to PMI's *PM Network* magazine, for which he provided a monthly editorial on page 1 called "Launch," analyzing troubled projects around the world.

Oliver believes in three driving forces for personal improvement in project management: formal learning, experience, and observations. He resides in Munich, Bavaria, Germany, and can be contacted at oliver@oliverlehmann.com.

Oliver Lehmann is the author of the books:

- "Situational Project Management: The Dynamics of Success and Failure" (ISBN 9781498722612), published by Auerbach / Taylor & Francis in 2016
- "Project Business Management" (ISBN 9781138197503), published by Auerbach / Taylor & Francis in 2018.

His previous articles and papers for PM World Journal can be found here:

- https://pmworldlibrary.net/authors/oliver-f-lehmann