

# 8a Magazine



## Compete to Win.

### Build a Business Development Organization That Will Improve Your Win Ratio

By John M. Collard

Many small and struggling companies have not yet developed a Business Development (Sales) and Marketing Organization that will generate and win the new business opportunities needed for their business to grow.

This is particularly pertinent with companies that are part of the US Small Business Administration Set-Aside Programs (ie; 8(a) Business Development, Historically Underutilized Business Zone, Service-Disabled Veteran, and Woman-Owned Small Business). These Set-Aside Programs allow companies to acquire new business in sole source or other non-competitive environments; they haven't had to really compete. This practice does little to encourage building a marketing and business development function within their company, while they are part of the program. Often technical managers capture business from technical counterparts and the Set-Aside rules force little, if any, competition.

When Set-Aside companies graduate from their program, they are ill equipped to compete in the competitive federal and commercial contracting marketplace. In fact, these companies have often allowed their overhead structure to inflate until they reach a price which their customer will no longer accept. Often this overhead structure does not allow for, or include, business development, which is between 20% to 30% of cost structure, in competitive companies. When these companies do add the required business development and marketing function, they price themselves out of the competition, by perhaps

130% of competitive price. When your price is 30% more than the competition you can't win competitive bids. The dilemma; how to become competitive. They must restructure and cut their non marketing overhead, while building a business development function to become viable.

#### **Restructure Personnel and Cost Structure**

You can always cut costs by laying off employees, but that is seldom an answer that best serves the needs of the company. Employees are your most valuable resource. Repurpose employees.

While many Set-Aside firms utilize poor hiring practices, which allow them to hire family and friends, nepotism has no place in building a profitable company.

Transfer people who are charging to overhead into billable positions. This moves costs associated with these individuals from overhead to direct costs.

Perform a zero-based approach to justify the need for all employees. Try an exercise where you hypothetically place all employees in the parking lot. Then invite them back into the organization chart one at a time based upon needs to be filled. Those left in the parking lot give you a list where hard decisions are needed; stay versus go. If you can't justify their role as billable to contracts or business development or administration, then why are they employed here?

Make some very hard, non-emotional decisions.

#### **Build a Dedicated Business Development and Marketing Team**

Implement systems and methods, which are not in place, that will guide the competitive and marketing process. This will be new to many organizations who have not been indoctrinated to the competitive process before.

Implement a Bid Information Review Process to increase Win Ratios. Understand the elements of a Bid: Program Rationale (Why the customer buys), The Program (Who, what, where, etc.), Procurement Plan (Customer's plan to buy), Program Schedule (Concept to Award), Competition (Strengths and Weaknesses), Bid Rationale (Why are we pursuing?), Investment versus Payoffs (Return for our B&P investment), Win Strategy (How do we win?), Capture/Strategy Details (How do we execute?), Proposal Plan Overview (Support efforts), Contact Plan (Who? Why? Message?), Key Issues (Risk? Probability?), Decision/Action (Bid vs NoBid?). Don't be emotional – this is business.

Learn to Compete. This requires a change in thinking. You must keep costs low, deliver only what a customer will pay for, and manage a program to maximize profits. Seek change/task orders after the win.

When the program is advertised, it is normally too late to prepare an effective proposal. You are well behind the procurement curve, and your competition has had the chance to influence the RFP in their favor, while you have not prepared.

Learn how to exploit that Indefinite Delivery Contract (ie; Indefinite Quantity, Definite Quantity, and Requirements Contract) opportunity. The IDIQ is a contract vehicle that provides an opportunity to hunt for business. Commit to grow the business by acquiring task orders within this contract vehicle. You must market to agencies who need these services and products. Find ways to locate a pipeline of potential opportunities.

### Select Resources to Locate New Business

There are many databases available that you can use to find federal and other contracts to bid on. There are also multiple databases that government agencies use to find contractors. Utilize these resources to leverage exposure.

Register in System for Award Management ([www.SAM.gov](http://www.SAM.gov)) so that you can do business with the government.

Register with Central Contractor Registration (<https://uscontractorregistration.com>) which is the primary source for agencies to learn about prospective vendors. Allow agencies to find you to send RFPs.

Use Federal Business Opps (FedBizOpps [www.FBO.gov](http://www.FBO.gov) moving Nov 12, 2019 to <https://Beta.SAM.gov>), the authoritative source which lists contracts being solicited. Print out the opportunity, you could have trouble locating it again.

Search FedConnect ([www.fedconnect.net](http://www.fedconnect.net)) the Government Acquisition and Grants Portal

Acquisition Central ([www.acquisition.gov](http://www.acquisition.gov)) is an excellent general resource.

Procurement Technical Assistance Centers ([www.sba.gov](http://www.sba.gov)).

Check Federal Procurement Data System ([www.FPDS.gov](http://www.FPDS.gov)).

Check Advanced Procurement Portal ([www.app.usfsgov.com](http://www.app.usfsgov.com)) to find opportunities, research vendors, and explore awarded contracts.

Explore SBA Subcontracting Network (SUB-Net [https://eweb1.sba.gov/subnet/client/dsp\\_Landing.cfm](https://eweb1.sba.gov/subnet/client/dsp_Landing.cfm)), a database, with available subcontract and partnering opportunities posted by large contractors, Federal agencies, state and local Governments, non-profit organizations, colleges and universities, foreign governments.

Learn what agencies and prime contractors have a need for and introduce your company and its capabilities. Participate in procurement related conferences and activities.

Check Presolicitation List or 'Wish List', which indicates where agencies have needs. ([www.acquisition.gov/procurement-forecasts](http://www.acquisition.gov/procurement-forecasts))

Check USASpending ([www.USASpending.gov](http://www.USASpending.gov)) which tracks spending and for contracts that are ending soon.

Search Federal Agency Procurement Forecasts within each agency.

Check State Agency websites.

Bloomberg Government ([www.bgov.com](http://www.bgov.com)) is a research platform that provides news, analysis, data, and insights.

You will find more resources.

### Increase Win Ratio to Capture Backlog

Perfect your Capabilities Statement. Be succinct, and state clearly in layman's terms, what benefits your product or service offering will provide to the customer. Don't assume that the decision-maker, contract officer, or federal officials will understand the technical nuances. There is plenty of time to expound on the intricacies of the technical solution in the proposal and benchmark. Let the capabilities statement be a tool for parties to direct the document to decision-makers who can invite you to participate.

You can only increase revenue in two ways: 1) Sell new product/service to existing customers — add to your offerings, and 2) Sell your product/service to new customers — Explore.

Explore New Markets. Don't limit your outreach to the same old agencies. Many times other agencies have similar needs. For instance; all DOD agencies have needs for weapons, information technology, communications, services, etc. Be creative and look to new horizons.

Look for Best Value Procurements. These RFPs evaluate factors beyond just 'Low Price Wins' (ie; quality, expertise, experience, unique technical solution, barrier to entry, etc.). When lowest price wins, usually only the government wins, but your bottom line doesn't necessarily reflect the profit results. Remember, you are in the

business to provide profits and cash for the shareholders. Program Management is the Key. Build firm contract backlog.

Create Win Themes that are: Significant and Believable (Not Irrelevant), Verifiable and Defendable, RFP/Customer Specific, Evaluation Criteria Compliment, To the Point (In Layman's Terms), and Compelling and Engaging.

Look for RFPs where the evaluation criteria is not representative of the real expectation of customer need. Give the customer only what is in the contract for the contract price, and seek change orders when added services are requested. You must talk to the customer and influence their thinking while they formulate or change the RFP. This is where you have a chance to set your company apart as a leading candidate to perform the contract.

Look for contract alternatives to IDIQ, when you want to increase profit and growth. Fixed Price, Cost Plus, Incentive Fee, etc. contracts are options when you can manage the delivery.

Request debriefing after contract award. Why did you win, or not win, the award? Always add this information to your company knowledgebase. Learn from all bids and perfect your approach.

Bid to win, then manage to profitability and cash flow.

### About the Author

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