Webinar Overview: The New Reality

- Climate Change is Real and the Sea Level is Rising
- What We See Companies Doing About It
- **Capture Managers** - Building Arks
- The Value of Doing the Right Thing for the Right Reason
- What Your Company Can Do
- The Value of an Agile Capture Process
- Wrap-Up and Questions
Climate Change is Real and the Sea Level is Rising

- Shrinking budgets
- Increased competition
- Contract consolidations
- More task orders, multiple award
- More protests
- The LPTA tsunami
The Department of Defense (DOD) used two best value processes—tradeoff and lowest price technically acceptable (LPTA)—for approximately 93 percent of the 2,851 new, competitively awarded contracts awarded in fiscal year 2013 with obligations greater than $1 million.

<table>
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<th>Source selection process</th>
<th>FY 2009</th>
<th>FY 2013</th>
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<tr>
<td>Tradeoff</td>
<td>69%</td>
<td>58%</td>
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<td><strong>Lowest price technically acceptable</strong></td>
<td>26%</td>
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*Estimated Source Selection Processes Used in Fiscal Years 2009 and 2013 for New, Competitively Awarded Contracts with Obligations of $25 million or more*
More on Current “New Reality” Environment

- Unforgiving
- Unconstrained competition: different conditions (LPTA)
- New centers of power and decision making (combining programs)
- Great paradox: Price sensitive and risk averse
- Unclear what discriminates best value
- New competitors in almost all markets
- Favoring small business
- Incumbent unfriendly
- Confused, volatile, and unpredictable
- Filled with opportunity (glass half full)
## What We See Companies Doing About It

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<td>Spending more to win more</td>
<td>Leveraging operational relationships</td>
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To keep afloat you must be flexible, agile, yet disciplined.
Capture Managers Building Arks

Agile Capture Managers keep you ahead of the game and prepared for the contingencies of competition in today’s market environment.
Capture Planning Goal: 
**Advance the Opportunity**

Activities
- Focus
- Capture Plan Elements

Capture Planning Elements:
- Influence Customer
  - Implement Action Plans
    - Customer Contact Plan
    - Intelligence Collection Plan
    - Contingency Plan
    - Solution Development Plan

Capture Planning Focus:
- Activities

Capture Planning Process:
- Known Position
- Improved Position
- Favored Position

Capture Planning Activities:
- Research, Analyze, and Validate
  - Seller
    - Opportunity
    - Customer
    - Competitors
  - Executive Summary
  - Opportunity Description
  - Hot Button Issues
  - Competitor Intelligence
  - Bidder Comparison Chart
- Develop and Define
  - Solution Strategy
  - Cost
  - Price-to-win
  - Integrated Solution Worksheet
  - Technical and Management Solution
  - Teaming and Subcontracting
  - Strategy Development
  - Cost and Price to win

Unknown Position
What Your Company Can Do
## Keys to Surviving in the New Capture Reality

Understand where capture fits in the BD lifecycle

Understand key inputs and outputs of capture planning

Invest capture resources early: Be agile and flexible

Focus on your Pwin

Assess your competitive position, customer issues, and internal capabilities

Predict competitor approaches

Execute a capture plan
Understand Where Capture Fits within the BD Lifecycle
Understand the Key Inputs and Outputs of Capture Planning

- **Input**: Pursuit Decision
- **Build Relationships**
- **Manage the Capture Process**
- **Gather and Analyze Data**
- **Outputs**
  - Approved Capture Plan
  - Preliminary Bid Decision
- **Transition to Proposal Planning**
- **Develop and Implement Strategies**
Invest Capture Resources Early

- Leaders estimate up to 65% of funding spent before the final RFP.
- DoD study indicated that successful bidders typically invest 57% before the release of the final RFP.
Focus on Your Probability of Winning (P\text{win})

- Be Priced to Win
  - How we are the true BEST VALUE

- Be Responsive to Issues
  - How we will do it better than competition—our discriminators

- Be Responsive to Requirements
  - How we will do it

- Be Compliant to Customer and RFP Instructions
  - What we will do
Assess Your Competitive Position

Response Profile

- Satisfied with current position?
- Likely moves or strategy shifts?
- Vulnerabilities?
- What will provoke retaliation?

What drives the competitor?

What is the competitor doing?

- Future Goals
- Assumptions
  - About industry
  - About self
- Current Strategy
- Capabilities
  - Strengths
  - Weaknesses

Predict Competitors’ Approaches with a Competitive Assessment

- Consumer Hot Buttons
- Competitors’ Response Profiles
- Competitors’ Historical Cost/Price Approaches
- Competitors’ Technical Capabilities
- Competitors’ Past Performance
- Black Hat Team Members with Competitor Knowledge

- Probable Solution on Each Hot Button
- Potential Discriminators
- SWOT Analysis
- Projected Strategies
- Recommended Responses
Develop Capture Strategies

- Competitor Analysis
- Customer Analysis

Capture Strategy Development

Action Planning and Execution
Leverage Capture Strategies into Compelling Customer Messages

Hot Buttons
- Customer goals
- Overall output from competitive analysis

Capture Plan

Prepared by:
For Opportunity:
Last Updated:

- Interest Decision: [Yes/No/NA]
- Pursuit Decision: [Yes/No/NA]
- Performance Bill Decision: [Yes/No/NA]
- Bid Validation Decision: [Yes/No/NA/NE/RY]
- Proposal Submitted Decision: [Yes/No/NA/NE/RY]

Other Strategies
Price & Cost Strategies
Management Strategies
Technical Strategies
- Detailed strategies
- Specific actions
Top-Level Strategies and Themes

Customer Message
Align the Capture Plan with Proposal Management Plan

**Capture Plan Transition**

- Program Requirements
  - Customer
  - Requirements
  - Competitors
  - Strategy

**Proposal Management Plan**

- Customer
- Requirements
- Competitors
- Strategy
- Outline
- Schedule
- Writer's Packages
Address the *New Reality* with a Unified, Repeatable, and Agile Capture Process
Move from Ad-Hoc to a Managed or Optimized BD Process: **BD CMM®**

1. **Initial**
   - BD process is ad hoc, often chaotic, and relies on individual heroics.
   - Management has visibility only at start and end.

2. **Repeatable**
   - Organization repeats processes that have been successful.
   - Management has visibility primarily at milestone points.

3. **Defined**
   - Organization follows standard, defined, documented processes.
   - Management has visibility between milestones to anticipate risks.

4. **Managed**
   - Organization has integrated BD process with other enterprise processes.
   - Processes are measured and controlled quantitatively.

5. **Optimizing**
   - Organization regularly measures and improves its BD process.
   - Management tracks performance quantitatively and qualitatively.

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**Common**

**Target**

**Standard**

**Tough**

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Capability Maturity Model, CMM, and CMMI are registered in the U.S. Patent and Trademark Offices. CMM Integration and SCAMPI are service marks of Carnegie Mellon University.
Why Have a Unified, Yet Agile Capture Process?

- Adapt to market conditions – expand or contract the process
- Activities, guidance, and tools are integrated across the entire organization – no translation required: **EFFICIENCY**
- Transferable skills – the right resources at the right time, drawn from multiple business units.organizations as needed
  - New hires contribute sooner
  - Training based on common baseline
- Management connected to business development activity and outcomes
  - Resource allocation and opportunity value determined through defined decision activities
  - Mission impact optimization
Establish Clear Roles and Areas of Accountability

Phase 1: Long Term Positioning
Phase 2: Opportunity Assessment
Phase 3: Capture Team Development
Phase 4: Pre-Proposal Preparation
Phase 5: Proposal Development
Phase 6: Post-Submission Activities
Understand the Capture Manager’s Role

- “Owns” the opportunity
- Dedicated to and responsible for the overall pursuit, including:
  - Customer interface
  - Capture planning
  - Pre-proposal and proposal preparation
  - Closure activities
- Works in partnership with the Proposal Manager to develop and implement:
  - Strategy for winning a specific opportunity
  - Pre-RFP marketing effort and capture strategy
Balance Perspectives and Be Flexible

- Customer Budget
- Capture Strategy
- Program Cost and Risk
- Best Value and Price To Win

- Sales
- Profit
- Company Risk
- Available Resources

Capture Manager
Customer Advocate

Program Manager
Company Advocate

Balancing Perspectives

Business Development

Proposal Manager
Integration

Business Management

Delivery
Wrap Up and Questions

Summary

- Companies must rise to the challenge of the *New Reality*
- Capture Management is now essential to remain competitive
- Efficiencies are key to meeting financial objectives and stockholder/owner responsibilities
- Clear roles and unified capture processes increase efficiencies and competitiveness

- Questions?
Thank You

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