

Here's how to tune up your business for 2016

By Bob Lohfeld

We have been talking with lots of companies to understand what they are doing to win more business in 2016, and I thought I would share some of what we learned with you. Surprisingly, the results are pretty consistent.

Many companies found that winning has gotten harder, especially since the government's budget has been in a steady decline for the past 7 years. We all fully understand the notion that with fewer dollars to spread across government contractors, companies have to fight harder to win their share.

Many companies realize that what they did to win in the good times just isn't good enough today. To move ahead, companies have to work smarter and harder and reinvent what they are doing to remain competitive. It should come as no surprise that if a company isn't continually improving how it competes for new business, then it is actually falling behind as its competitors find new ways to win.

Here's what we are seeing companies do to advance their game.

Business winning processes

There is a general consensus among mid-tier and large companies that their business acquisition processes—business development (BD), capture, and proposal—may have atrophied over time and are not keeping up with the competitive needs of the market. Processes they relied on in earlier years have grown old and out of date, especially given the changes in government procurement strategies and the importance of multiple award vehicles and task order competitions.

Many tried-and-true processes have grown overly complex based on previous attempts to improve them, and these past improvements have only added additional layers with more processes and complexity. As one company put it, "We don't have a shortage of process here, instead we have an abundance of process and most seems to be in conflict with each other."

Process improvement and optimization exercises will have a high payoff for companies. This can improve win rates and push more new business deals through their systems without increasing their overall business acquisition costs. It will certainly be a win-win for many companies.

Business acquisition training

While process improvement is important for companies, it is the skills of their people that are key to winning. In past years, training budgets have been decimated as companies dealt with financial contractions, but now, training is back in full swing.

Current employees serving in new roles and new hires coming into the organization have created a solid justification to renew training for BD, capture and proposal teams, project managers, and technical personnel. Companies are looking at their staff and asking, "Do we have the right people to support planned bids, and do we have the knowledge and skills needed to win?" If not, they are pushing to get trained ASAP.

In addition to traditional capture, proposal management, and writing training, we are now seeing specialized training on how to win GWACS and MACS, how to win task orders, how to win recompetes as the incumbent and as the challenger, and how to create better proposal solutions that outscore the competition.

New business training is not just for BD, capture, and proposal people. It is moving into the operations side of the company where project managers and technical personnel are being taught how to prospect for new business opportunities, how to add new business to existing contracts, and how to get better prepared to win their own recompetes.

New business pipelines

In austere times, new business pipelines can become bloated as companies try to pump up their pipelines to show how well they are doing. These companies believe that the more deals they have in the pipeline, the more revenue they will generate.

Actually, the opposite may be true. With a fixed number of people in BD, capture, and proposals, the more deals you have in the pipeline, the less effort each is given. Since there is a strong correlation between effort and results, having too many deals dilutes the effort that can be applied to each, and this can reduce the overall chance of winning. Companies are reexamining their new business pipelines and discarding bids they are unlikely to bid or don't have much chance of winning.

The key to having a healthy pipeline is to look at lots of deals and quickly discard them if they are not a fit for you. Strong market research can go a long way toward identifying deals that are a good fit for your company, and competitive assessments can help sort the good ones from the bad.

When your pipeline starts looking like a pipe dream, it is time to get real about the deals and focus on the ones that can go the distance.

Customer contact

We hear all the time that it's difficult to get access to customers, yet companies are still doing it successfully, and we know that access is a strong predictor of future bid success.

Double down on your efforts to establish relationships with customers on both the mission and acquisition sides of the government organization. Initiate your call plans early and define the goals and objectives for each call. Identify the information you need to obtain and the information you want to give to the customer.

As you map out your call campaign, if you have influential senior staff in your organization who know the customer (maybe former government senior staff), make sure they have a chance to visit, and be sure to include your solution lead/architect and your program manager in your call plan. It shouldn't just be BD making customer calls.

Use your customer's organization chart to identify influential individuals and decision makers, and identify where you have gaps in your relationships. Leverage teammates to get in to see key customers. Dry run your customer meetings before you visit the customer. Immediately capture your notes and conclusions from the meeting (What did you learn? Did you meet the meeting objectives?), and craft near-term follow-up actions. Brief the capture team and your leadership after each visit.

Putting more effort into understanding customer requirements and needs can pay off. As we like to say, "Best informed wins."

Setting bid standards

Arguably, the best way for a company to raise its win rate (number of deals won versus deals bid) or capture rate (number of dollars won versus dollars bid) is to quit bidding deals it can't win. Yet when government budgets decline, companies have a tendency to do just the opposite. Managers will argue that to win more, they have to bid more. While this seems logical, the problem is that bidding more often causes companies to lower their bid standards; overstretch their BD, capture, and proposal staff; and bid deals they can't win. What companies should do is hold to high bid standards and work to identify more new deals that meet these standards—not lower their standards and swing at deals they have little chance of winning.

We are seeing much interest among companies of all sizes in how to better define deal qualification criteria, make improved decisions about when to continue and when to terminate deal pursuit, and refine criteria to make better bid decisions. Improved qualifications standards will be a high-payoff area.

Pre-proposal preparation

Now is a good time to update all those materials that you routinely use in proposals. Typically, this includes updating resumes, past performance summaries, and pre-written proposal content.

Have your employees update their resumes annually, and store the updated resumes where they can be searched by your capture and proposal teams. You want your employee resumes to be highly detailed, identifying skills and significant accomplishments in addition to work performed. Resumes need to identify the number of years in various positions held, not just the duration worked for a particular company. They should include all certifications and training.

Update your past performance citations with metrics and accomplishments from the past year. Include all the tidbits relative to jobs done well and kudos your company and employees may have received. Ensure the citations are searchable so you can find just the right piece for a callout box or other substantiation needed in a proposal.

Update pre-written content that you use routinely in proposals. Company history, organizational charts, task order management processes, quality control plans, etc. should be updated to make them the best you can make them, not just the sections pulled from the last winning proposal.

Smart companies are getting prepared for quick-response proposals and will have all the information they need readily available for their next proposal.

Proposal development

This is the most competitive part of the business acquisition process, and it is where companies can certainly lose a deal and in many cases can win if the proposal is strong enough. Companies are learning how the government evaluates proposals and are tuning their solutioning and review processes to create higher-scoring proposals.

Companies are also using the proposal quality standards we put forward in a research paper 2 years ago on high-scoring proposals, and this is paying off for them in higher win rates.

If you have not established quality standards for your proposals, now is a good time to do it and start writing to these standards and creating high-scoring proposals.

Post proposal submission

If you were rushed during 2015 and failed to conduct lessons learned, do a year in review assessment and adjust your processes accordingly. Learn from lessons learned. Few companies conduct lessons learned exercises, and even fewer identify and execute action items. Make it a standard process to conduct both internal and external (from debriefs) sessions with all stakeholders, and analyze whether identified improvements are actually implemented and results are improved.

Final thoughts

There are many more actions a company can take to up its game in 2016, and I have tried to list some of the more important ones in this article. Use this article as a checklist to audit how well your company is doing and see if these actions are already underway. If they are, then you can be a top competitor in 2016. If they are not, you might want to go back and reread this article.

We wish you the best for 2016.

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