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# **BOLD TRENDS IN CAPTURE & PROPOSAL MANAGEMENT**

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*APMP Southern Proposal Accents Conference*

*Atlanta, GA*

*October 2, 2013*

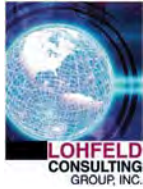
# Your speaker today: Bob Lohfeld



- Founder and CEO of Lohfeld Consulting Group
- Columnist for *Washington Technology*
- APMP Fellow
- Served on Board of Directors for multiple industry associations
  - ACT/IAC
  - Vice Chair for Technology Council of Maryland
  - APMP NCA & AFCEA
  - Juvenile Diabetes Research Foundation Capital Chapter
- Three-time winner of Federal Computer Week's Federal 100

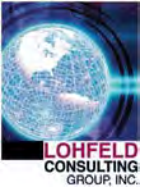


# Agenda



- A changing government market and the imperative to compete differently
- 10 trends in capture and proposals that will change the way you have to compete
- Audience polling questions
- Wrap-up and Q&A



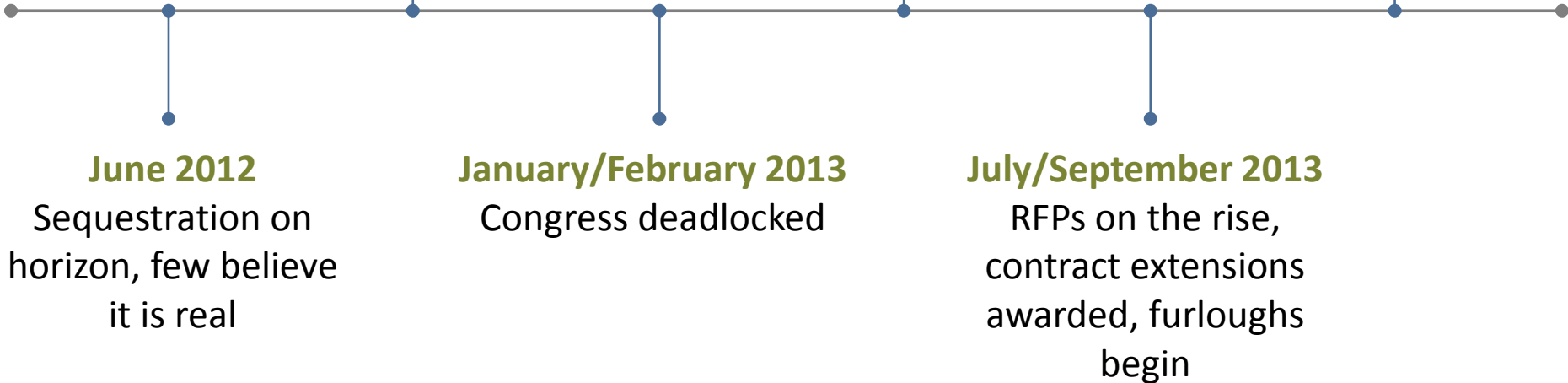


# What changed in 2012/2013

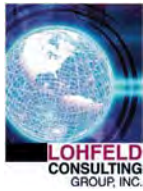
**September 2012**  
Companies reduce headcount, cut costs in anticipation

**March 2013**  
Sequestration begins, bottom falls out of RFP deal flow

**October 2013**  
The new "normal" begins



# Looking forward: a new “normal” begins



- The new normal
  - Reduced government budgets
  - More companies chasing fewer procurements
  - Fewer corporate resources and B&P dollars available for pursuits
- Result: more competitive government market
  - Your odds of winning just went down

Bottom line: a new strategy is needed to grow;  
bold trends are emerging in capture and proposal management!



## 1

## Trend 1: capture management is the centerpiece of the Business Acquisition (BA) process

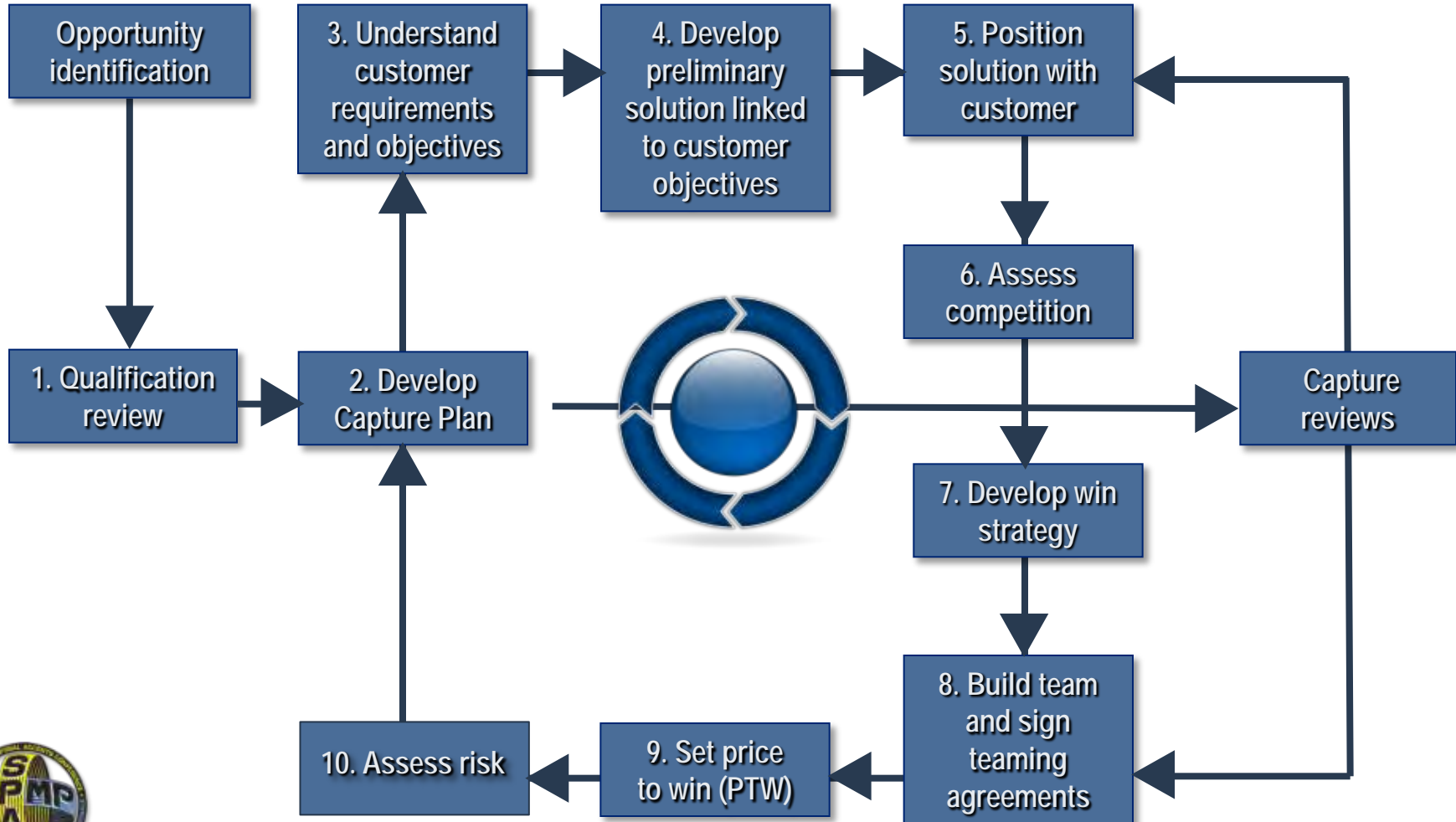


- Capture—getting out ahead of the crowd is more important than ever
  - Building customer relationships
  - Opportunity qualification
  - Winning strategy development
  - Winning price development
- Capture process established—a defined, repeatable, managed process that is measured and optimized



# 1

## What's new in capture? Lohfeld Capture Management Process



## 2

## Trend 2: Capture Analytics (CA) play a key role in BA process optimization



- Capture progress should be measured and correlated with wins
  - Color score how well each activity is conducted
  - Build quality measures into your capture process
- Without measurement, there is no science to capture
- Without science, there is no quantitative basis to optimize your capture process





## 2

# Measuring capture progress using four color scores



## Capture Management Assessment Matrix

Win Considerations	Month 1	Month 2	Month 3	Month x
1. Form capture team	2	2	3	4
2. Understand customer requirements and objectives	1	2	3	3
3. Develop prelim solution linked to customer objectives	1	2	3	3
4. Position solution with customer	1	2	2	2
5. Assess competition	1	2	3	3
6. Develop win strategy	1	2	2	3
7. Build team and sign teaming agreements	1	2	3	3
8. Establish price to win	1	1	1	2
9. Assess risk	1	1	2	2
Overall Capture Assessment	1.2	1.7	2.4	2.7

Blue = excellent

Green = good

Yellow = limited accomplishment

Red = unable to accomplish

A progressive dashboard helps the review team identify problem areas



# Audience Question #1

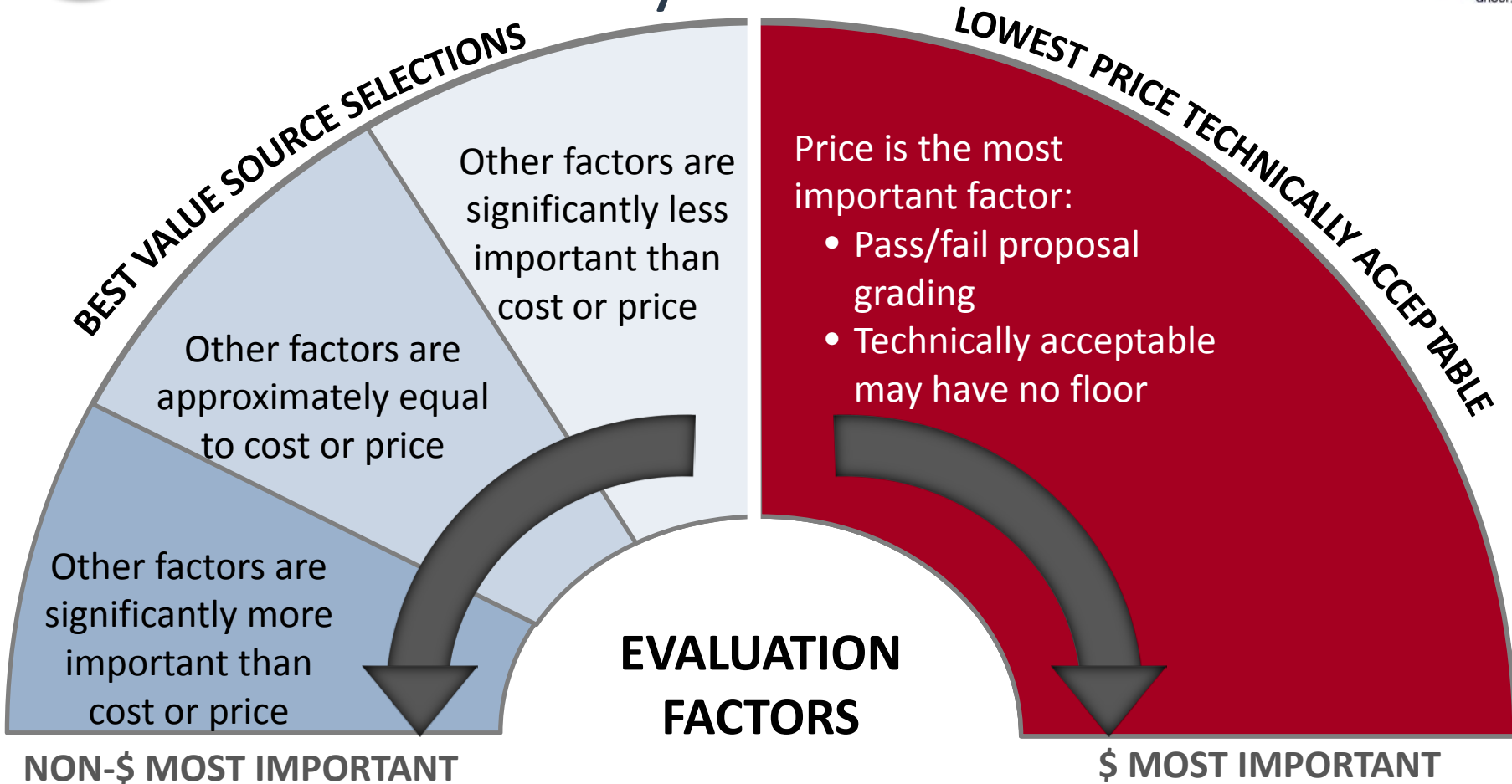


- How good is your capture process?
  - We just wing it, no process needed here
  - We understand the capture process, but are performing *ad hoc*
  - We are a *well-oiled capture machine* with a mature capture process that is defined, repeatable, and well managed; it consistently produces wins and we use CA to improve our process and win rate



# 3

## Trend 3: best value trumps LPTA, but affordability concerns remain



## 3

## LPTA is falling out of favor



- Frank Kendall, Under Secretary of Defense for Acquisition: Better Buying Power 2.0
  - When LPTA is used, DoD needs to define Technically Acceptable appropriately to ensure adequate quality. When standards of performance and quality are subjective, LPTA should not be used.
  - LPTA should not be used when the contractor's proposed technical approach requires subjective judgment by the Source Selection Authority.
  - LPTA should be used when DoD would not receive any value from a proposal exceeding the minimum technical or performance requirements.
- Joe Jordan, Administrator: Office of Federal Procurement Policy
  - LPTA has a place in the acquisition system of low-level commodities where price is the driver and the rest of the cost factors are standardized.

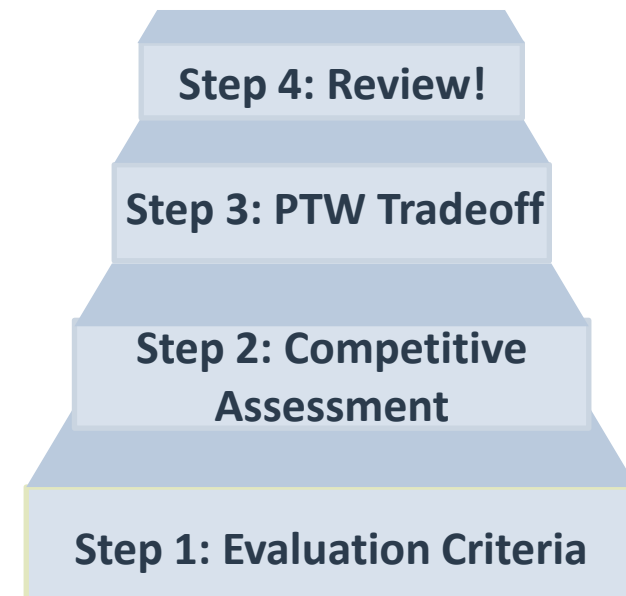


## 4

# Trend 4: proposal pricing becomes integral to capture

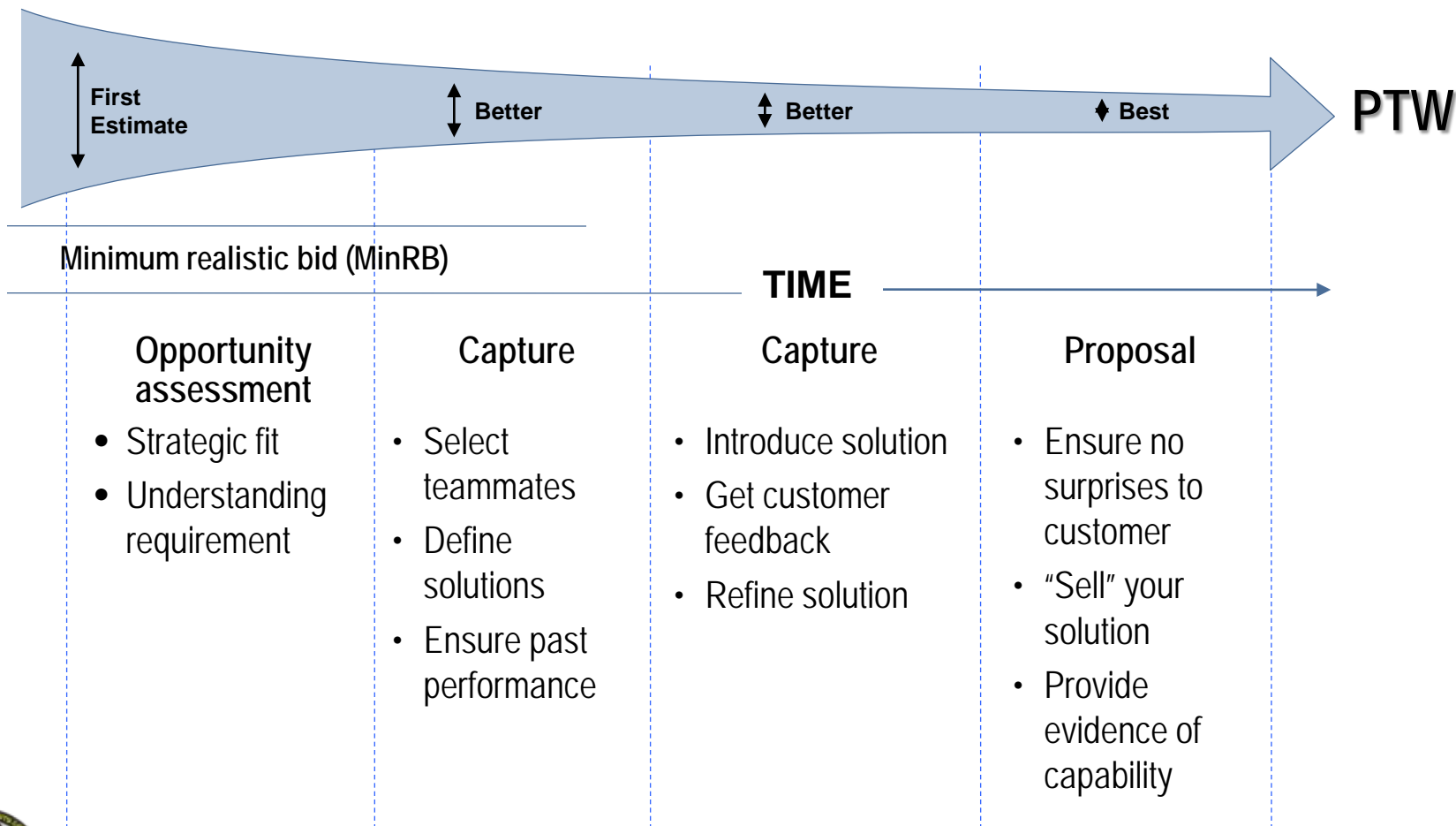


- **Step 1: Evaluation Criteria**
  - FAR Part 15 – the solicitation shall state whether all evaluation factors other than cost or price, when combined, are significantly more important than, approximately equal to, or significantly less important than cost or price
- **Step 2: Competitive Assessment**
- **Step 3: Price to Win (PTW) Tradeoff**
  - Bottom-up
  - Top-down
- **Step 4: Review, Review, Review**



4

# Setting your price to win (PTW)



The PTW value takes shape over time



## Audience Question #2



- How good is your competitive pricing?
  - We start pricing the night before our proposal is due and work all night to get it done
  - We sometimes do a competitive assessment and then determine what price we need to bid to win
  - We have mature competitive assessment and PTW departments that we engage early in the capture process to develop our PTW



## 5

## Trend 5: BA infrastructure and tools



- Many tools have come to the market to help manage the BA lifecycle, and smart players are adopting these tools to create an enterprise framework for BA
- Some tools are:





## 5

# Setting up your BA enterprise infrastructure



- Establishing enterprise repositories for capture/proposal development
  - Instituting best practices for capture and proposals
  - Integrating capture and proposals for seamless information flow
  - Archiving capture/proposal artifacts for each pursuit
  - On-line proposal archives of past proposals
- Adding on specialized tools for
  - Resumes
  - Past performance citations
  - Graphics reuse
  - Pre-written content



## Audience Question #3



- Are you managing BA as an enterprise?
  - No, all capture and proposal documents are on individual PCs
  - Somewhat, we have shared directories or SharePoint on a server so others can access data
  - We have a defined capture and proposal process that is implemented at an enterprise level and used to manage all BA activities



## 6

## Trend 6: proposal evaluation process has changed



- More proposals creates a two-pass evaluation process
  - First pass: compliant, responsive, and favorable first impression
  - Second pass: detailed evaluation only if you pass the first pass
- Designing proposals for skimmers vs. readers
  - Communicate your story in graphics
  - Reinforce your story in headers and figure captions
  - Highlight key evaluation features so they “pop off the page”
- Page restrictions require concise writing with no wasted words



## 7

## Trend 7: solutioning focuses on features, not themes



- Blue team is becoming more important to form solution
- Proposal themes are less important than strengths
  - Features that increase likelihood of contract success
  - Features that exceed a contract requirement
- Engineer features into your solution that can be scored as proposal strengths
- Create a mock briefing to the source selection official to make sure all your strengths show up in your proposal



Maximize your proposal strengths

## 8

# Trend 8: Story Boards are dead



- Storyboards don't work well for engineers and IT professionals; annotated outlines work much better
  - Create your overall proposal outline and design (page allocations)
  - Team approach: annotated outline developed for each section of the proposal by small teams of experts
  - Discuss the requirement: discuss, understand, and bound the scope
  - Identify candidate topics for the response: each person writes down the topics that are important to be discussed in the response
  - Select the best topics for the response: decide which topics are most important and need to be discussed in the space available
  - Identify key features and strengths associated with each topic
  - Outline the approach: document this in an annotated outline
  - Write/review the section



## 9

## Trend 9: proposals are getting better



- Proposal quality measures are being used to improve the overall quality of proposals
- Internal quality measures
  1. Compliant
  2. Responsive
  3. Compelling
  4. Customer focused
  5. Easy to evaluate
  6. Visually communicating
  7. Well-written
- External quality measures
  - Lessons learned: customer debriefs

Proposal quality measurement leads to immediate improvement

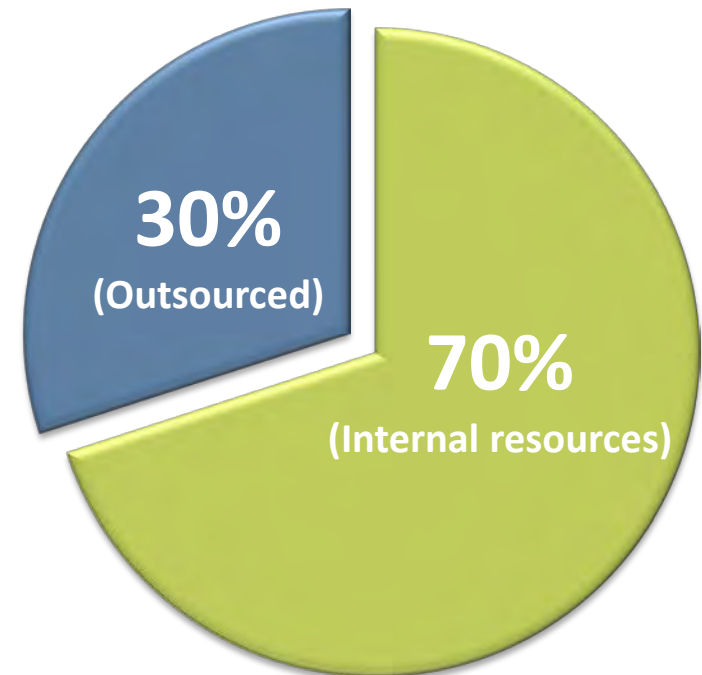


## 10

# Trend 10: flexible capture and proposal staffing is now essential



- 70/30 rule for outsourced capture and proposal support
  - Outside expertise
  - Surge staffing needs
  - Keep billable people on paying jobs
  - Avoid excessive overtime and employee burnout
- Cost-effective resource utilization is achieved



A flexible approach to capture and proposal staffing is essential because procurement delays are the norm



## Audience Question #4



- What's your plan to win in the “new normal” government market; what are you going to focus on first?
  - Create a capture process and incorporate capture and proposal analytics
  - Improve competitive pricing capability
  - Implement an enterprise infrastructure for BA
  - Improve the quality of proposals
  - All/none of the above





# Do you have a plan to succeed?



No: I'm not doing anything different, and we expect to have an excellent year.

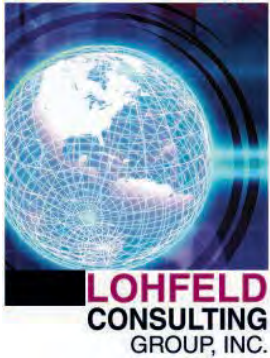
Yes: the market has changed, and we are changing to meet these new challenges.

“An organization’s ability to learn, and translate that learning into action rapidly, is the ultimate competitive advantage.”

*- Jack Welch*



# About Lohfeld Consulting Group



**Lohfeld Consulting Group specializes in helping companies create winning proposals.** As the premier capture and proposal services consulting firm focused exclusively on government markets, we provide expert assistance to government contractors in Capture Planning and Strategy, Proposal Management and Development, Capture and Proposal Process and Infrastructure, and Training.



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