

# Six Steps to Winning Big Contracts

To win government contracts and achieve consistent, long-term revenue growth, ClientView recommends that you focus on six key steps:

- Building a business development organization
- Positioning and capture planning
- Training business development personnel
- Motivating business development performance
- Creating effective marketing and sales plans
- Teaming to win

## 1. Building a business development organization

Think about what it takes to build a professional sports team. Simply gathering exceptional talent does not produce a memorable performance. Winning requires leadership, a clear vision, a transparent structure and a shared desire to perform at a high level. And of course, it requires practice.

**Teamwork: Build a new culture:** High rates of growth and winning large contracts demand teamwork -- far more than you will find in many companies. The team must include and acknowledge everyone who has a stake in the outcome. That is especially true for companies with well-defined departments or regions that believe they "own" market turf.

Such efforts must have strong leaders, but it is extremely rare that a single "rainmaker" can win a contract in a "lone wolf" hunting expedition. Real, inclusive teamwork coordinates:

- Knowledge of specific markets (customers)
- Knowledge of services or products being offered (technology)
- A motivated team (shared desire)
- Understanding the process and techniques (structure) for winning

Many firms have the first two -- customers and technology -- well in hand. The missing or weakest pieces are shared desire and structure. So harnessing existing abilities (customers and technologies) with new capabilities (shared desire and structure) is the key to winning.

**Leadership/shared desire/structure:** To link customers and technologies to new capabilities, management should implement rigorously defined business development systems fully aligned with recognition and incentive systems -- all under the high-profile aegis of corporate leadership.

**Leadership -- visible senior management:** Business development requires strong leaders who are overtly involved and willing to share, explain, encourage and instruct their teams on common approaches and objectives. At a minimum, business unit leaders should initiate, coordinate and monitor efforts to win large contracts. The groups should meet frequently, by phone and in-person, to review opportunities and any actions aimed at winning. At the same time, senior corporate management should be involved or at least fully aware of any developments.

**Shared desire to team:** Even firms with a business development structure in place often rely on the "star salesman" or "rainmaker" to bring in the big programs. But that attitude fails to recognize the importance of aligning everyone so that the group sees

## MECHANICS OF WINNING

### Business Development Funnel

Track business development performance in six process phases

- Leads
- Opportunities
- Targets
- Proposals in Process
- Proposals Pending
- Win / Lose / Terminated

### Win Rate

- Measure business development performance over a rolling 24 month period to reflect the long government procurement process.
- Measure both the potential maximum value of new contracts and the number of leads, opportunities, targets, proposals in process, proposals pending, and win / lose / terminated each month.
- For consistency and to ensure data is useful, always use the total maximum amount the government will have to pay over the entire life of the contract including all costs of prime, subcontractors, expenses, materials and supplies.

### Incentive Compensation

- Include all employees in a comprehensive business development incentive program.
- Define appropriate groups or levels of responsibility/ contribution to achievement of strategic objectives.
- Include only incentive compensation in program - do not include profit sharing.

itself as a team and not just a conglomeration of staff supporting the “big guy” who gets all the credit.

Winning large contracts requires diverse skills -- marketing, business analysis, finance, program management, technology and/or services delivery, warranties, proposal management and proposal writing. Specialists in each field must understand their roles in winning the contract. They also must want to win, to be part of the success. Rainmakers might get the prospective client interested, but it takes a motivated organization to respond to a client’s needs and win the contract.

You have a better chance of winning if you 1) focus existing company talents, 2) use consultants, and 3) are poised to rapidly produce high-quality proposals and business development materials.

Consider creating a “proposal shop.” We all have to compete in a world where superb color graphics and proposal writer training are commonplace. Indeed, many companies find that their spiffiest proposal barely keeps up with the competition. So try to create a new capability that pays for itself with increased revenue from new contracts.

#### **Structure: business development systems, the key to**

**continuous improvement:** Many companies, even long-time government contractors, lack a well-defined structure designed for the business development cycle. It should provide a common language and allow routine and constant examination of opportunities.

The high-growth companies ClientView has worked with use formal systems to evaluate and track new business opportunities. Inevitably, they yield two benefits: dependable revenue forecasts and steadily improving business development.

The key: *Those systems evaluate every new business opportunity for its investment potential.* They reduce or eliminate investments that will not bear fruit and focus on potential winners, all the while carefully tracking what it takes to get there. That way, the organization knows what works and what does not work. There is no clearer path to future successes.

## **2. Capture planning**

Capture planning is a consistent element in winning large contracts. But to succeed, it must be a mandatory, formal process scrutinized at the top. Prepared by a capture team, the plans are reviewed by high-level management and various “experts.” Once approved, they are the baseline for monitoring all actions aimed at winning.

The real goal of the capture plan is to win the competition before the RFP is issued or before an invitation to present is received. A

good capture plan moves the client to the position where working with your firm is the best option.

## **3. Business Development (BD) Training**

ClientView has found that you should not expect much from business development training in formal classroom or seminar settings. What produces the best revenue growth is modified on-the-job training (MOJT). MOJT combines real-life daily practice with targeted delivery of relevant material tied to a company’s BD system.

MOJT works with new business opportunities, solving real problems and achieving real accomplishments. What’s more, it trains the trainers -- creating a cadre of leaders who spread the knowledge through your organization. That way, excellence is contagious.

This is not to say that you should shun the occasional seminar. Integrated into an aggressive MOJT program, classroom training can help drive performance.

## **4. Motivating Business Development Performance**

**Recognition -- Celebrate victory!:** Your company is so much more than technology and structure. It’s all about people, hard-working people who deserve credit for a job well done. Every big contract win should spark a victory celebration led by senior management heaping praise on the winning team. That means the ENTIRE TEAM – not just key sales professionals and their top lieutenants. And think about publishing an internal newsletter to announce successes and acknowledge the teams in detail. Recognition is crucial to building and sustaining a winning culture. In case we were not clear - **Celebrate Victory!**

**Incentive -- The team is the target:** Incentive compensation for large contract business development must recognize teamwork. Bonuses based on individual performance often end up disappointing those who were not recognized, which is no way to build cohesion. ClientView has developed four principles to help design successful incentive plans:

- Transparency – Your system of deciding who receives incentives and the amount or nature of the incentive is straight forward well understood by employees
- Parity – Employees have confidence in the fairness of your incentive system
- Team award – Recognize all contributors to the winning effort

- Apportionment – The amount or nature of the incentive reflects the value of the individuals contribution to the winning effort

Winning large contracts requires alignment of behavior, systems, recognition and reward. That makes it worth the effort to integrate incentive compensation into the company-wide system.

## 5. Effective Marketing and Sales Efforts

### Strategic interviewing -- the key to understanding your client:

Most companies surveyed by ClientView believe that presenting their capabilities to a potential client is critically important to their business development success.

They are simply wrong. Untimely presentation of company capabilities is a common marketing and sales mistake.

What makes the greatest contribution to successful marketing and sales is LISTENING. Train your employees to listen effectively and assertively. They should learn to make sales calls without brochures, slides, pamphlets and books. All they need are business cards and a note pad.

Careful listening, also known as strategic interviewing, is the only way to respond precisely and directly to your client's needs. It works better than any other technique for repeat business and new business.

In fact, you should listen first and then present your firm's capabilities when the prospect indicates an interest. That way you will make a pitch tailored to your customer's needs and challenges. Never, ever, present corporate capabilities as a way to introduce your firm. Again, listen to the customer first.

**Compliance – the key to avoid losing:** In competitive procurements you should pay as much attention to not losing as you do to winning. That is, do not give proposal reviewers a reason to disqualify you. To avoid losing, you should: Read every request for proposal or information with extreme care; listen in detail to your prospective customers' comments; understand the needs of their organization and the nature of their decision-making; and be absolutely sure that every nuance is fully addressed in your response. Failure to respond to some minute detail can lead to a rejected proposal.

Rarely are selection committees of one mind. Some members may favor your selection, but others see it in a different light, with a minor oversight in a presentation or proposal giving them all the evidence they need to vote you down. Your failure to be totally compliant and fully responsive can become the rope that hangs you.

## 6. Teaming

- "We are the best for this project."
- "We can do it all."
- "The client expects us to do all the work."
- "We must maximize our billable time on this contract. Keep all the work in-house."
- "My bonus will be bigger if I keep all the work inside my region."

Those are all-too-common reasons for not putting the best talent on a specific assignment. And they are all nonsense. The only mandate that makes sense and builds revenue over time is to put the best people and resources on every assignment – **with a focus on delivering the best outcome for the client.**

You should always look outside the team, outside the office, outside the region, even outside the firm to be sure you deliver the best solution to every client every time.

We at ClientView have seen top firms lose very large contracts thanks to the blindness of corporate ego. Too often, they delude themselves that size and a successful track record mean that their employees are the only ones who can provide key technologies and capabilities. But big firms have weak points, too. When they do not recognize them, they set themselves up to lose.

*ClientView LLC is a business development firm that provides executive-level business development consulting to companies that sell products and services to the federal government and commercial customers. Our services include strategy development; marketing, positioning and proposal training; capture planning; and proposal creation and production.*