



ARE YOU JUMPING THE GAP NOW ... OR WAITING UNTIL IT'S TOO LATE?

Are you embracing a proactive strategy or a "wait and see" attitude to changes in the Defense Industry?

Excerpt from the Washington Technology Column by Bill Scheessele

The second quarter of 2009 roared in with two critical and in many ways related occurrences within days of one another, which set the stage for major changes in the industry.

On Friday, April 3rd, the 1105 Government Information Group (GIG), publisher of Washington Technology, released the research study, Positioning to Win Federal Business, compiled by Market Connections, Inc. and consequently discussed by a panel of Government Services industry leaders.

Monday, April 6th, saw the delivery of the SECDEF speech by Secretary of Defense, Robert M. Gates, in which he announced the key decisions to be recommended to President Obama with respect to the fiscal year 2010 Defense budget.

Both of these are important occurrences and deserve further review.

SECDEF is significant for its revelations on the real winners and losers in the budget for 2010 and beyond, not just from possibilities and conjecture, but delivered in cold reality as revealed by Secretary Gates.

The 1105 GIG/Market Connections study is noteworthy from the standpoint of what your peers in the Federal market space believe are the most pressing challenges indicated in the study and their decision on how to respond to them. The top two of ten challenges over the next 12 months are:

- Changes in agency strategy/initiatives with the new administration; and,
- Achieving growth in a sluggish and uncertain economy.

Or as one respondent shared ... "the next 12-18 months it's going to be a time of great confusion, figuring

out what works and what doesn't from the last administration and getting changes made."

The combination of these economic and new administration strategy concerns finds organizations large and small leaning down, along with continued consolidation in the field with M&A activity heating up. The bottom line is that there exist fewer and shifting defense opportunities, being chased by leaned down BD organizations, with ever increasing corporate competition.

The same study revealed key strategies that successful contractors are using to improve their capture processes and resulting win rates:

- Developing new/maintaining existing relationships: "Better relationships with existing and new clients."
- Coordinating/collaborating internally and with partners: "Close coordination of Account/Capture/BD and Solutions Organizations."
- Focusing efforts earlier in BD process: "Put more emphasis on the early capture process."
- More rigorous bid selection: "Focus our best resources [on] fewer, very large bids."
- Reviewing and improving processes: "Having an outside party evaluate our processes to ensure we are effective in all areas."

In the May issue of the *Washington Technology* magazine, a feature article titled, *What's on your mind?*, concerning a survey of Top 100 Federal Contracting company leaders, indicated the principal challenges facing them are:

- Requiring entry into new markets;
- Developing new lines of business or expertise;
- Sourcing personnel with new expertise if not already present; and,
- Finding new teaming partners.

Even more critical is the revelation that 80% of these Top 100 executives believe that the market is more competitive than just five years ago.

So what does this all mean to your organization?

Given the revelations above and their impact on business development, some companies have taken a hard look at their BD organizations and discovered they are not as well prepared to tackle “today’s new reality” in government contracting. They’re finding

critical step gaps in their business development and capture processes, like a lack of up front *Opportunity Identification & Qualification (OI&QSM)* and *Human Intel* gathering capabilities. These gaps along with essential skill disparities in their BD personnel will result in deficiencies in their organization’s ability to win business and grow revenue under new and more competitive conditions.

In this uncertain environment, a “wait and see” indecisive stance will position your organization “behind the eight ball” going forward.

Now, more than ever, an assessment of your Business Development organization, with getting plans, people and processes correctly realigned and operating in a cohesive manner, is an essential strategy to achieve success going forward.

As a client recently shared, "The way it was done in the past, won't work now and in the future."

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