Why Is Capture So Hard?

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Purpose

- Understand causes of common problems executing an effective capture/pursuit activity

- Discuss the roles of the key players

- Offer some alternatives to solve these problems

Before you can fix something, you need to understand what's broken

Topics for Discussion

- **Definitions**
- **Customer Environment**
- **Your Environment**
  - ☐ Pipeline / Qualification
  - ☐ Resource Challenges
  - ☐ Customer Insight
  - ☐ Understanding the Competition
  - ☐ Price and Price Strategy
  - ☐ Strategy
  - ☐ Process and Execution
- **What you can do about it**

Capture Management Process (definition)

- "Capture" is an organized, iterative approach that combines strategic planning and tactical execution activities to position your offering to win new business.

- An effective capture process maximizes Pwin by:
  - Assembling a strong, experienced team of internal and external members
  - Conducting thorough, objective, and independent customer and competitor analyses
  - Understanding the customers' key issues and needs
  - Establishing a winning price and pricing strategy
  - Frequently assessing progress and readiness to bid
  - Constructing comprehensive capture and contact plans
  - Developing a compelling strategy to win and proposal plan

Effective capture management reduces investment costs while improving Pwin

Roles and Responsibilities

Leader	Accountability
Capture Manager (Leads Capture Team)	- Usually assigned from business development or marketing - Responsible for winning a specific target/opportunity - Manages capture budget and advocates resources - Builds and manages capture team - Coordinates development of offering - Decision authority on price and win strategy
Proposal Manager (Leads Proposal Team)	- Responsible for executing proposal development process including post submittal activities - Manages the proposal team (including budget and schedule) - Possesses technical insight & program management experience - Presents the offering in the proposal per RFP and strategy
Program Manager (Leads Program Team)	- Manages execution of the awarded program - During capture phase, minimizes risk and maximizes executability - Possesses technical insight and program management experience - Shapes management offering (organization, approach and strategy)

Definitions

Acquisition Strategy: Government strategy for structuring the requirements, request for proposal, contract, and selection approach
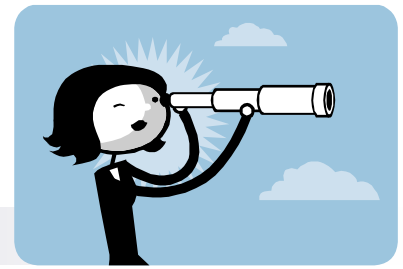
B&P: Bid and proposal

Client: You

Customer: Government

Offering: Technical, management, price, investment approach proposed to address customer's issues and requirements

Pwin: Probability that you will win the contract

Customer Environment
They have challenges, too

Typical federal government "new start" program:

- Incomplete information: requirements, acquisition strategy, budget, sponsors, and stakeholders
- Program Requirements:
  - Operational requirements not the same as program requirements
  - Requirements not analytically connected to schedule or budget
  - Frequently based on contractor marketing or operational wishes
- Acquisition Schedule is always too optimistic, always slips due to surprises
- Cost is uncertain due to soft requirements, optimism, no design details, interrelationship of variables that constantly change (performance, development schedule, etc.)
- Diverse players, frequently changing as the process evolves

Your Environment

Pipeline/Qualification of Opportunities

- Hard to distinguish the critical few from the important many opportunities

- Pursuing larger or more complex targets without experience or proven capability to make up the difference

- Customer schedule slips make it hard to time and optimize resource commitments and expenditures

- Emergent opportunities ("pop ups") conflict with established plans

- Lack of knowledge about customer budgets, budget cycle, politics, internal capabilities, etc.

Resource Challenges

- Lack of experienced capture managers and support team
  - Hiring relationship managers without capture experience
  - Smart technical personnel without capture experience
- Limited "marketing funds" (pre-B&P)
- Over tasked human capital is the norm
  - Everyone is working three or four capture at the same time
- R&D not aligned with customer needs
  - Reluctance to re-align for a single opportunity
- Shallow "research" capabilities – competitive intelligence
- Schedule uncertainty becomes barrier to resource commitment
  - Stops and starts magnify resource challenges

Customer Insight

- Challenge: who is the real customer?
  - Acquisition office, operators, users, headquarters, other agencies
  - Answer: Yes
- How to assess competing perspectives, issues, influence?
- Evolving players cause changing goals/objectives
  - Core team → RFP team → Source Selection Team
- Customer intimacy breeds complacency
- Poor "active listening" skills (capture team)
- Dealing with poor past performance
- Understanding the influence of Acquisition Reform – again
- No real customer advocacy / contact plan

Understanding the Competition
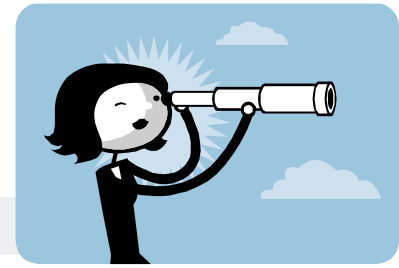
- Who are they?
    - What are they bidding?
    - Who are they teaming with?
    - How do we find out?

- What are the ethics constraints?

- Should we team with them?

- How can we keep track of all the changes?

- What about "dark horses"?

- Why should we care?

Price and Price Strategy

- Classic Price-to-Win (PTW):
  - What's the customer's budget?
  - How much will the competition bid?
  - How much should we bid?
- Acquiring accurate competitor intelligence in time to impact PTW analysis
- Unable to affect the design when the price is too high
  - Late start
  - Independence
  - Unwilling to change design
- Options: build an internal capability to analyze the competition or hire a consultant

Strategy

- Drinking your own bathwater
- Unresponsive to customer's issues/concerns
- Unrealistic view of your competitive position
- Piecemeal approach to developing the offering
  - Too focused on technical design
  - No time to integrate the offer
- Cursory or shallow strategy and/or offering reviews
- Waiting too long to team
- Waiting too long to prime

- *"At the end of the day, it's just not a winner"*

Process and Execution
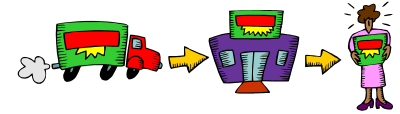
- "Process" relies on a few senior executive's "gut feel"
- Management doesn't support the process
- Process isn't effective or efficient
  - ☐ Does it produce the products your proposal team needs?
- Under spending in capture and trying to make up the difference in proposal phase by "over spending"
- Competing goals between business development and programs organizations
- Hard to gauge progress – reviews not thorough or timely
- Hard to stop and re-start without loosing momentum
- No techniques to assess "capture risk"
  - ☐ New customer or market <u>and</u> new product

What can you do about it?

Capture Management Alternatives – *Defined*

- **Brainstorming Workshop**
  - 1-2 day brainstorming with executives "in the know"
  - Objective: action plans to improve our position or offering
- **Classroom Training**
  - 3-5 day course, exercises based on hypothetical scenarios
  - Objective: teach capture managers/teams what to do
- **Strategy "Boot Camp"**
  - 3-4 day continuous brainstorming with The Capture Team
  - Objective: team develops interim products for their opportunity
- **Intense Consultation ("SWAT Team")**
  - 8-10 consultant experts, 3-4 weeks on site
  - Consultants interview team, conduct research, and write "the plan"
- **Coaching / Mentoring**
  - Capture coach on site most of the time to guide team thru process
  - Objective: improve the products and effectiveness of the process

Capture Management Alternatives

Alternative	Pros	Cons
Brainstorming Workshop (two-day plus prep)	Limited commitment from client, lowest cost	Incomplete products, no incentive to complete products, limited research, limited collaboration, judgments made on the fly, difficult to get right people at right time
Classroom Training (3-5 days)	Limited commitment from client, relatively low cost	Does not change behavior, theoretical scenarios and exercises, expensive to develop (scenarios, exercises, etc.)
Strategy "Boot Camp" (3-5 day)	Better products, moderate cost, some buy-in from client	limited collaboration, decisions made in near real-time, difficult to get right people dedicated for full period, very intense, no commitment for follow-up
Intense Consultation (SWAT Team)	Almost painless for client	No client buy-in, no collaboration, unable to respond to customer changes w/out more $, dependent on vendor research, easy to ignore, decisions made by vendor
Coaching / Mentoring	Coach can encourage follow-up & add'l research. More time to get data before deciding. Team buys into strategy.	Early commitment, extended expenditure and commitment, higher cost for client. Mentor: not always available or capable to cause change

Do you have an effective capture strategy?

- Is our strategy unique or could anyone say the same thing?
- Have we established a relationship with the customer's decision makers?
- Do we understand what the competition is likely to propose? At what price?
- Have we validated our understanding of the customer's issues/concerns?
- Have we previewed key aspects of our offering with the customer?
- Have we made changes in our approach/offering to react to customer issues/concerns?
- Do our teammates significantly improve our offering?

Summary

- Capture is difficult to keep on track and execute well

- A good "linear" process may not be useful
  in this dynamic environment

- Training by itself won't change behavior

- "Brainstorming" approach alone won't change behavior

A small investment in capture can make a large difference in Pwin

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