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# Black Hats and Wargames: The What, Why, and When



SHALL WE PLAY A GAME?

A presentation for APMP Western Chapter Conference

Brandon Conroy  
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*"We just need to write a solid proposal"*



*"We know who our competitors are"*



*"No one else can do what we do"*



*"We don't have the time/budget to worry about anyone else"*

*"The customer loves us!"*



# Wanted: Intelligence!

## Pros:

- Effective CI processes solve business problems
- CI provides actionable intelligence, not raw data
- CI helps focus B&P resources on opportunities you can and should win
- CI improves both win rate and profitability



## Cons:

- Traditional CI processes are expensive – a real issue when B&P dollars are scarce
- Experienced practitioners are hard to find
- Dedicated CI staff (if any) have limited bandwidth
- Finding data is easy; analyzing the data is not

Black Hats and Wargames are a cost-effective ways to develop actionable intelligence about your competitors

*...when efficiently and effectively performed*

# What is a Black Hat Review?



*An **independent** assessment of a **competitor's** likely technical approach, management approach, and business approach that contributes to your winning strategy.*

*It helps you to be on target.*



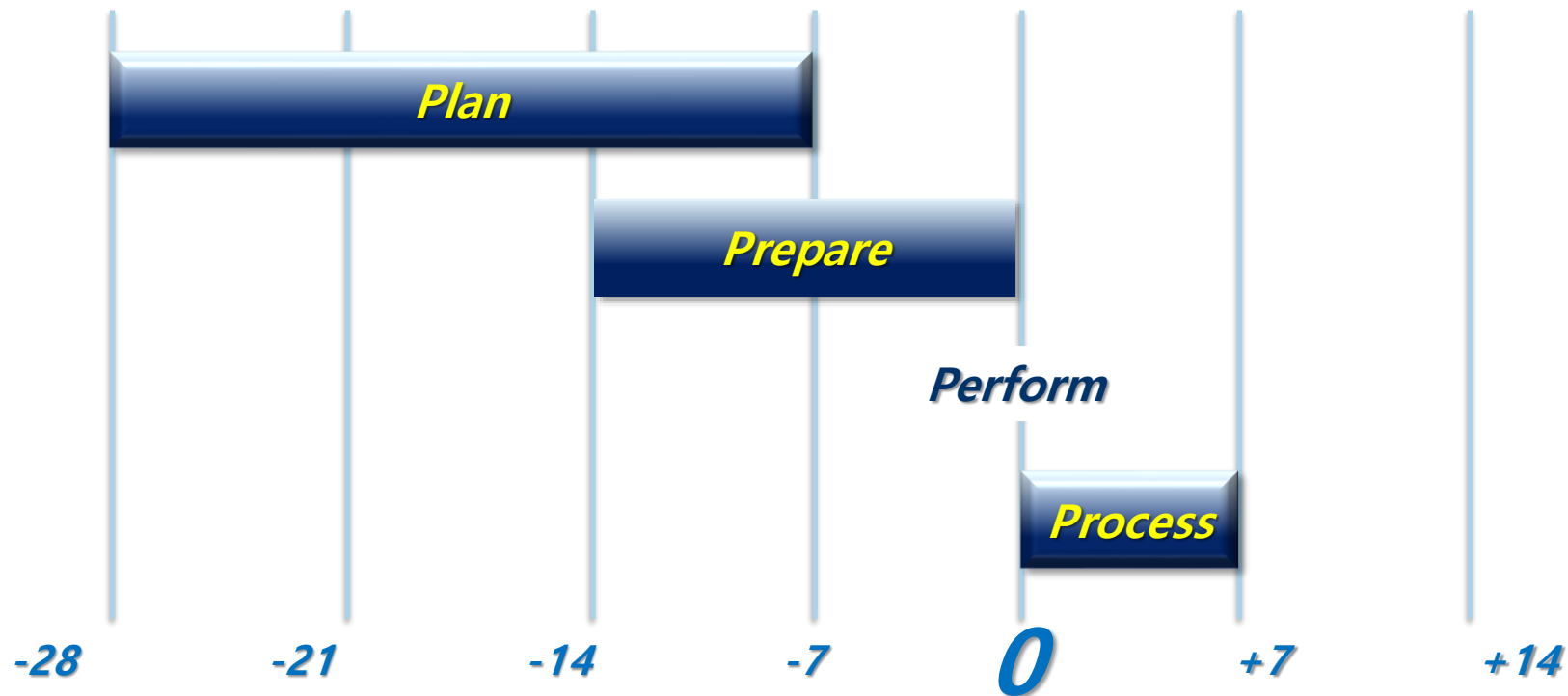


# How Does it Work?

Black Hats are **internal processes** intended to **assess the capabilities and likely solution** of **targeted** competitors in the **context of a specific opportunity** through **facilitated discussion** based on **sound research**

- An effective Black Hat is NOT:
  - A “check-the-box” exercise
  - An impromptu, spontaneous, or “seat-of-the-pants” activity
  - A capture strategy session
  - A “rubber-stamp” of the existing capture/proposal strategy
  - Overly critical of the capture team
  - Overly negative about the competitors
  - A sharing of ignorance
  - An unfocused discussion of the universe of potential competitors
  - A general discussion of competitor capabilities
- An effective Black Hat review is:
  - An analytical activity that yields actionable results
  - A carefully planned and coordinated event
  - An element of a broader competitive intelligence effort
  - Conducted by prepared participants
  - Objective and creative
  - Based on sound data and analysis
  - Focused on a specific opportunity with clearly defined requirements
  - Focused on a discrete list of competitors

# What Does It Take to Run a Black Hat?



**Effective Black Hats are not events that occur in a vacuum!**

# The Black Hat Team

## Session Participants

- **Must have:**

- Working knowledge of industry and/or competitors and/or customer
- Willing and able to devote time and effort to preparation and participation
- Committed to program success
- Legal/ethical (avoid revolving door concerns or conflicts of interest)
- If external, signed NDA in place

- **Nice to have:**

- Not part of the capture or proposal team
- Creative, able to think outside the box
- Good communicator
- Good researcher



*"The Quest stands upon the edge of a knife... Yet hope remains while the Company is true."*



# Physical vs Virtual Sessions



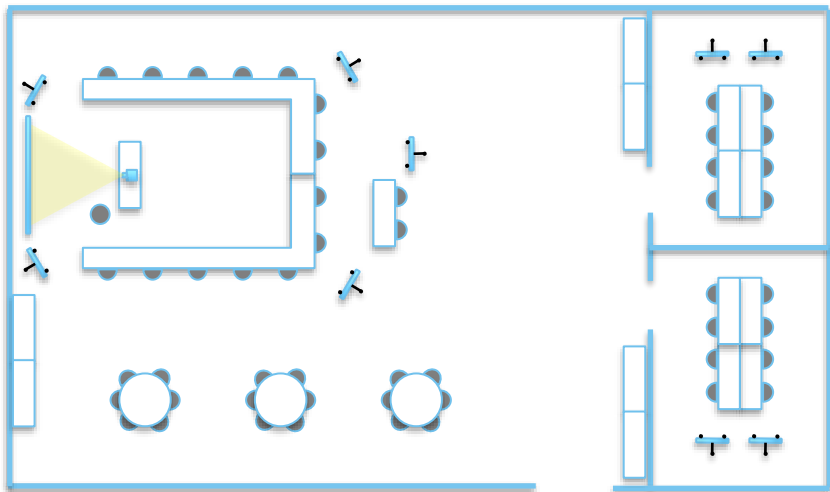
- Plan (*really*) early!
- Create the right environment
- Keep the focus on the Black Hat
- Provide food/coffee
- Encourage networking
- Take scheduled breaks

- Require use of cameras
- Use peoples' names
- Record the session
- Sign in 10-15 minutes early
- Close other apps
- Focus on the Black Hat
- Take scheduled breaks

# Black Hat Logistics

## Requirements for Physical Black Hat

- Ideal: one large room plus two connected breakout rooms



- Usual: one large room with separate tables for breakouts
- Common needs:
  - Projector with screen
  - Power strips
  - WiFi access
  - Spare tables (handouts, food setup)
  - Seating for observers (optional)

# Thinking Like The Competition

- What could we (the competitor) do to win? How would we beat ourselves? How reasonable are these approaches – and if unreasonable, could they still apply?
- What resources are available to the competitor? What additional resources would they need?
- How could the competitor influence the customer's perceptions...
  - ...of our own company?
  - ...of our team?
  - ...of our competitors?
- Describe what is possible, then use that as a starting point for defining what is likely
  - Assess likelihood of occurrence
  - Adjust strategy accordingly



Don't confuse **winning** the work with **doing** the work; the difference between the evaluation model and reality is critical!

# Templates → Structure and Focus

# What about...



**WARGAMES?**

# Business Wargames Can Help You...



**Uncover competitor strategies and tactics**

**Test *your* strategies and tactics against simulated adversary(ies)**



**Predict probable outcomes**

**Produce practical recommendations based on plausible scenarios**



# What is a Business Wargame?



*A real-time interactive exercise involving a series of **actions and counter-actions** by participants who engage in **in-depth role-playing** of competitor organizations to **test strategies** and **ultimately refine the host company's own competitive strategy.***

***It helps you Win!***



# Wargame Methodology

- 1) Identify Targets
  - Who are the (2-3) competitors in the game?
- 2) Select Participants
  - Assign to teams according to expertise
  - Remember the Customer team!
- 3) Pre-brief Participants
  - Program, Process, Players, and Product
- 4) Solution Development
  - Perform research, discuss options, and choose a course of action
- 5) Outbrief
  - Teams present solution to entire group
- 6) Final Evaluation

**OPTIONAL:**  
Repeat steps 4 and 5 as desired



# Types of Wargames

- Course of Action Wargaming
  - Multiple parallel efforts comparing various approaches
  - Goal: Determine which course of action is most beneficial
- Rehearsal Wargame
  - Test a particular approach prior to execution
  - Goal: Examine the outcome for strengths and weaknesses, and refine approach accordingly
- Red Team Exercise
  - More “hostile” version of a rehearsal wargame
  - Evaluators recruited from highly objective external sources with no stake in company’s success or failure
  - Goal: Apply extreme stress to approach to test for weaknesses and strengthen as appropriate

# Wargame Pitfalls to Avoid

- Don't confuse winning the game with winning the contract
  - Remember, the *ultimate* goal is not for your team to win the game – it is for your company to win the contract!
- Beware of capture team bias and/or dominance/intimidation
- Don't overshare information
  - Teams should only know what competitors would know
- Don't stack the deck!
  - Ensure all teams are fairly represented to avoid skewing results
- Don't be ridiculous
  - Be realistic - outlandish and unrealistic actions and/or statements don't help anyone
- Don't rush it!
  - Ensure sufficient time for all phases of the exercise

# Black Hats vs. Business Wargames



## Similarities

- Necessity of planning/preparation
- Role-playing of specific competitor teams
- Use of carefully-developed templates
- Highly dependent on qualified, ethical, and ACTIVE participants
- Importance of objective customer-focused evaluation criteria
- Goal to refine and improve capture strategy and improve pWin



## Differences

- Steps/phases (single for Black Hats, multiple for Wargames)
- More adversarial, competitive atmosphere
- Includes a "home team" to represent *your own* company's strategy
- Teams are informed of other teams' actions and strategies, and have a chance to modify their actions and strategies in response
- Need for independent evaluation of solutions

# Best Practices

## For Black Hats and Business Wargames

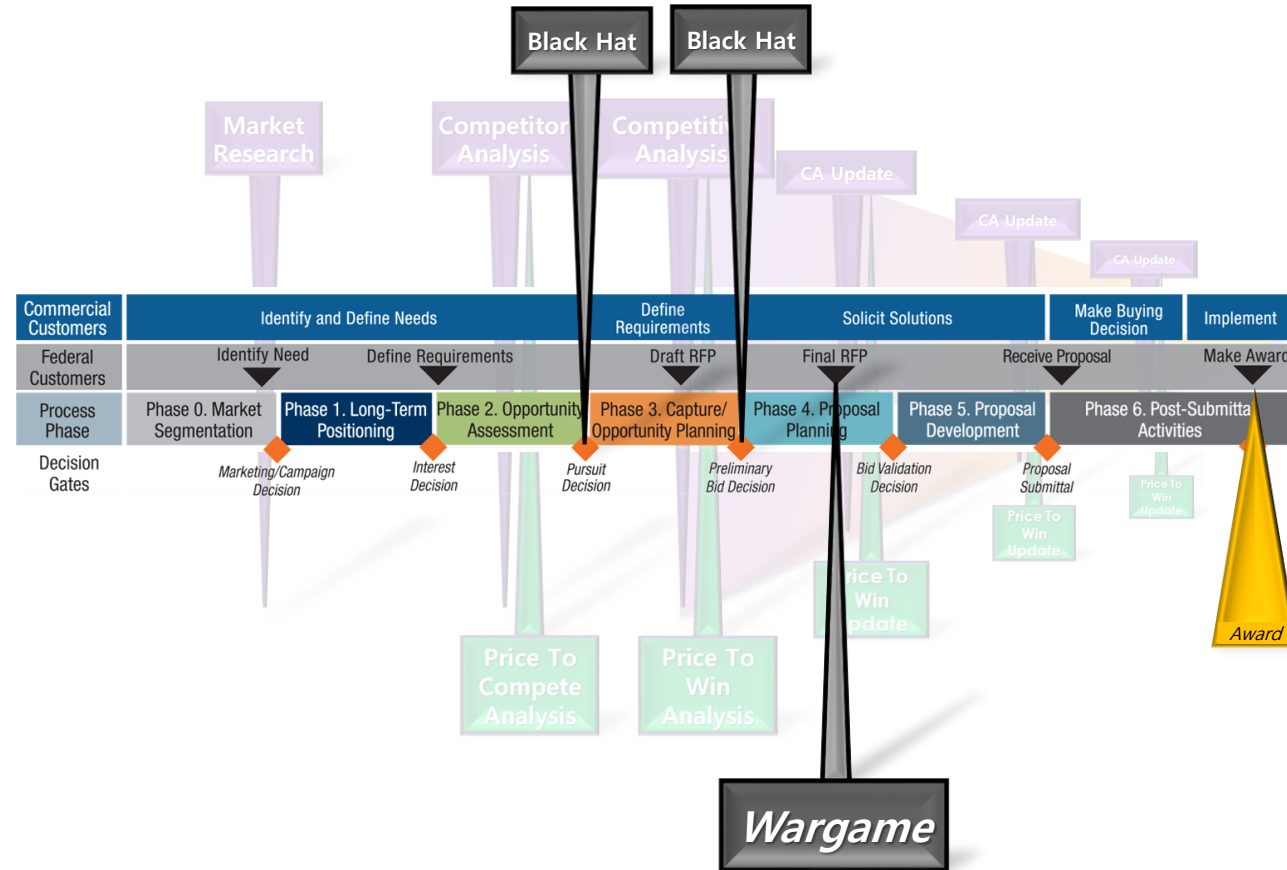
- Start early!
- Preparation
- Ensure leadership buy-in
  - Requires significant investment in time and resources
- Use only prepared, qualified, and ETHICAL participants
- Keep it *civil!*
- Keep an open mind – encourage “outside the box” thinking
  - No room for egos or biases
- For wargames – establish clear ground rules **BEFORE** the game!



# Which to Choose?

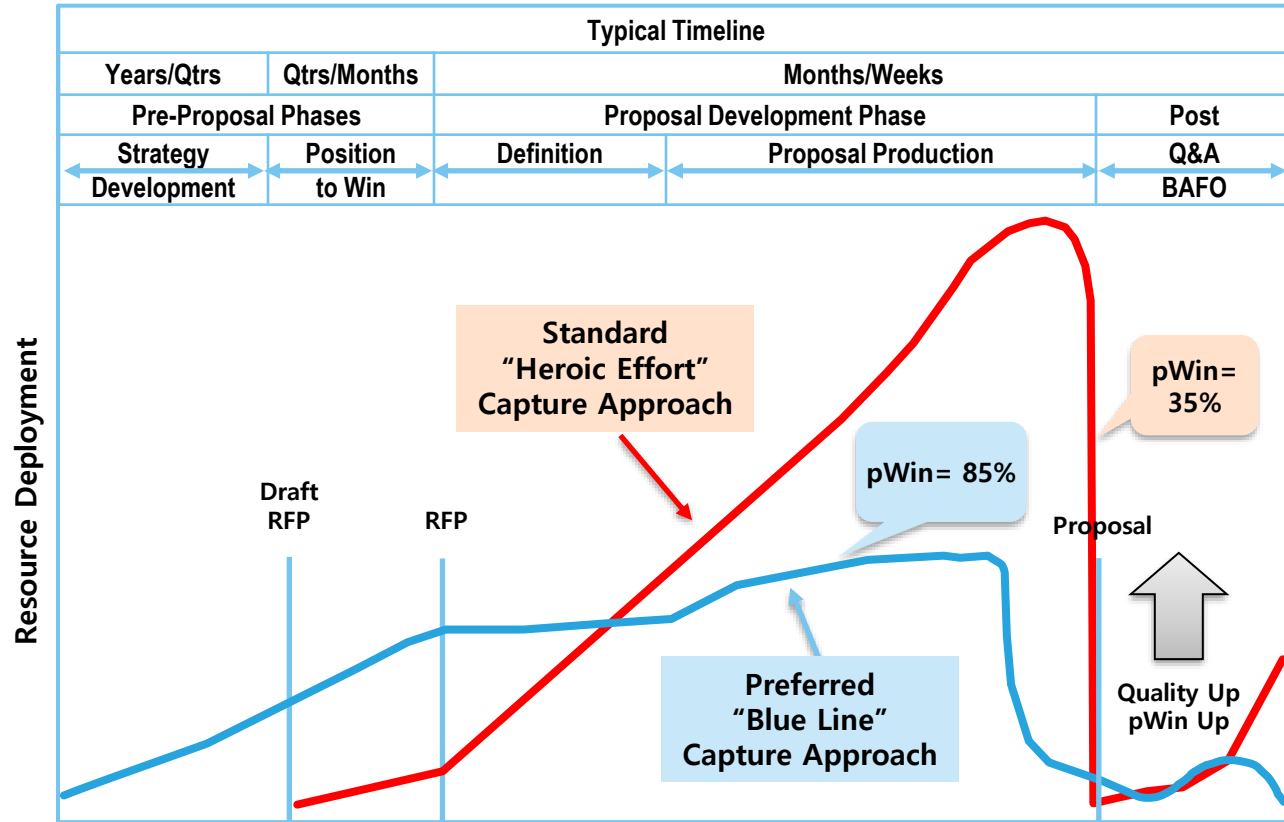
Competitive Analysis	Black Hat Review	Business Wargame
Minimal planning/preparation required to begin	Moderate planning/preparation required	Significant planning/preparation required
Objective assessment of competitors via independent research	Objective assessment of competitors via facilitated discussion	Objective assessment of competitors via role-playing
Performed by a few internal or external analysts	Led by trained facilitator; analysis from team of internal/external SMEs	Led by trained wargame leader; analysis from team of internal/external SMEs
Not to be performed by capture team	Not to be performed by capture team	Capture team participates as home team
Initial assessments broad; updated as procurement matures	Initial assessments focused; iterative sessions become more specific as procurement matures	Highly focused assessment based on clear requirements; clearly defined rules and evaluation methodology

# When's the Right Time for a Black Hat?



Goal is to provide *actionable intelligence* that informs decision-making;  
 Therefore align deliverables with decision gates

# What's Your Approach?



*Don't wait until it's too late to make a difference!*



5520 Bootjack Drive, Frederick, MD 21702  
**301-845-7300 | [RichterAndCompany.com](http://RichterAndCompany.com)**