

Top 10 Keys to a Winning Playbook

1. *Craft a game plan that scores early and often*
2. *Do not blindly copy others' plays; differentiation is key*
3. *Adapt your plays to the competition and ghost them appropriately*
4. *Be bold and creative; "more of the same" is the refrain of losers*
5. *Do not fear the home team (incumbents have never been more vulnerable)*
6. *Hire the star players in the offseason (before their recompile)*
7. *Manage the clock; start fast, but do not peak too early*
8. *Keep the best players off the bench; get them on the field (in the tank)*
9. *Surprise your opponents – run some trick plays*
10. *Avoid turnovers (lost recompetes) and penalties (submitting non-compliant bids)*

Forget the Budget...It's the Competition that Matters

- 🐾 The federal budget tide is no longer rising; growth requires taking market share by deploying different insights and tactics
- 🐾 The best way to grow is by not shrinking; defend incumbent work vigorously with strong execution and by introducing efficiencies
- 🐾 At the same time, incumbents have never been more vulnerable – retaining work takes more than history and customer intimacy
- 🐾 Consolidation has produced fewer, but more capable, competitors whose innovation and price pressures level the playing field
- 🐾 Size matters, but bigger is not always better, with smaller and nimbler competitors routinely besting behemoths
- 🐾 The advent of better, faster, cheaper approaches has profound strategic planning, capture and proposal, and M&A implications

Defense Wins Championships

While improving budget visibility bodes well for the federal market, the budget is still likely to be flat in the near-term. There is no rising tide to lift all boats as it did from 2001-2010, so growth will come from taking market share. Beating the competition requires dominating the line of scrimmage. Understand their strengths, weaknesses, and likely strategies – be active and aggressive. Internal hype is misleading, as evidenced by Redskins fans believing they could beat the Packers despite not having beaten a winning team all year.

Engage with customers and competitors to hone strategy and strengthen the game plan (teaming, solutioning, price-to-win, operating model, strategic hires, etc.). As IT and professional services become more commoditized, execution matters. Retaining current business is a key component to any growth strategy.

Avoid Turnovers

In the federal contracting game, as in football, it is hard to win if you commit too many turnovers. Incumbents have never been more vulnerable than today. The Government knows that bidders will keep ("badge flip") the best performing incumbent staff, and therefore transition risk is less than feared in years past. Customers are more receptive to change than ever before, and they seldom see an entrenched incumbent as an agent of change. Incumbents cannot rest on their laurels, they must offer tangible improvements and introduce efficiencies before the recompile takes place. Competitors against even well-regarded incumbents need not be intimidated. Any incumbent who believes that "more of the same" (or "the same at a discounted price") is the path to victory will find themselves in the loser's locker room whining about the poor officiating.

Call a Good Game

The Government must do more with less (though LPTA procurements often lead to them getting less for less). At the same time, companies face intense pressure to reduce their wrap rates, with less funding available for BD activities. This challenge is similar to clock management. Winners do not pencil whip their bids and pump out a high volume of proposals – the equivalent of a no huddle offense that cedes time of possession and exhausts your defense (see Chip Kelly). Rather, prevailing teams understand that the best game plan methodically

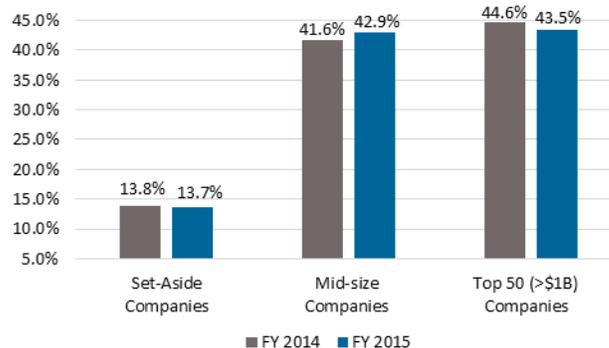
gains yards (proposal strengths) by addressing the customer's pain points and taking what the defense gives them (ghosting opponents' weaknesses). Winners develop plays that feature best practices, meaningful efficiencies, and low risk innovations, and then practice until they are second nature.

Establish the Run

In the current market, capture and proposal

execution is akin to establishing a good ground game. This is the foundation on which everything else is built. The dominant teams may occasionally resort to trick plays (creative pricing strategies), but their bread and butter begins with robust, reliable capture and proposal processes. However, running alone is unlikely to score enough points to win – even if you are really good at it, opponents will load the box to stop you. Indeed, just like in the NFL, new upstarts are taking market share from industry stalwarts by infusing their offense with creative ideas on how they can work better, faster, and cheaper. The fast, aggressive teams are routinely besting their slower, more predictable opponents, who increasingly find that yesterday's playbook will not score enough points in today's ultra-competitive market.

Market Share By Prime Obligations



Despite bulking up through recent M&A activity, the 50 largest companies in the federal market are losing some market share to smaller, nimbler competitors.

Source: Wolf Den Associates, fpds.gov