

Top 10 Signs it Might be Time to Kill the Deal

1. You have never met the customer; alternatively you have not marketed the procurement shop
2. Your org chart shows the Program Manager as "TBD"
3. Your capture manager's proposal budget zeroes out the cost of artifacts assigned to subcontractors
4. You don't have signed TAs, and thus no firm pricing from your team
5. No one can give reasons for team members' inclusion beyond socio-economic status
6. Your capture team's competitive assessment gives a net $P(\text{win}) > 100\%$ across all competitors
7. When you ask the team for the competitive range, they tell you it is a best value evaluation
8. No one can provide the supporting market research for the Price to Win (PtW)
9. Your proposal describes a solution that does not map to RFP requirements
10. Your proposal says more about you and your solution than your customer or their mission

The Art of Killing the Deal

- ☛ The current environment requires investing more into each pursuit, which means pursuing fewer opportunities, *ceteris paribus*
- ☛ B&P is precious and should be justified at every capture gate; the stakes are too high to throw good money after bad pursuits if prospects dim
- ☛ Customer intimacy is crucial, but must transcend familiarity and translate into superior understanding, approach, and solutions
- ☛ Expect teammates to contribute, but it is risky to bet your proposal on subcontractors independently delivering key elements
- ☛ Clear the dead wood from your proposal tanks early – be wary of castoffs from direct work and the tank-to-tank "jobs program" migration
- ☛ Compliance is necessary, but not sufficient, and faults here are tantamount to burning B&P, so hawkishly monitor for errors from start to finish

Good Money After Bad

Whether this spring finds you flush with B&P or guarding the last few budgeted dollars, it is worth remembering that there is no good reason to keep spending on a deal that you cannot win. B&P is a valuable commodity and stewardship of it is a near-sacred responsibility. How do you make the call to pull the plug on an at-risk deal? There are no hard-and-fast rules, but there are a few consistent ways to tell when walking away is the responsible course of action.

"We're tracking it."

One of the first signs that you may have a problem is, when asked for an update, the BD or capture lead tells you "we're tracking it," which is the opposite of "we're working it." Set a well-defined point in time beyond which every lead must be updated or deleted. This ensures leads get worked and prevents surprises like "the RFP dropped and we haven't seen the customer, signed TAs, assigned the PM, etc."

"It's ours to lose."

While client intimacy is a chief element of every strategic capture, it cannot defy the laws of physics. Knowing a customer's desires, budget, and willingness to spend does not free you from the need to develop the smart, lean solution that fits the RFP requirements and aggressively price it. Recompete rates are at record lows; most jobs are won at 20-30% below current run-rates. If your team has not developed a solution that reduces costs around a well-researched PtW analysis, someone else will. Contracting officials are notorious for evaluating best value procurements by LPTA rules despite protests from program managers and competitors. This last point is critical: while the program office may know and like you, you must also market the procurement shop if you want to emerge victorious.

"The subs are going to write the technical proposal."

No matter how significant a role you give a subcontractor, it is bad business for them to invest their best proposal and capture resources in chasing someone else's revenue. Assume you will need to budget labor for 50-80% of any assignment you give a teammate – even if it is after they think it is complete – to finish polishing the volume. If the proposal and capture budget does not reflect this cost, the best way to hedge this risk is a TA that defines the commitment.

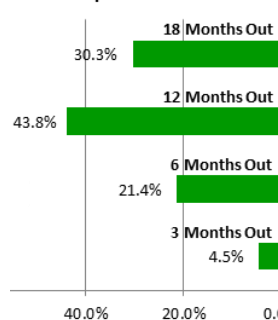
"Don't worry about the paperwork – I trust them."

This is often followed by "they are well liked by the customer" and "we have signed up the current subs." Teaming not only enables you to develop and execute your solution, it enables you to price it. Finding the right partners is just the first step – if you do not get signed TAs, you have difficulty finalizing the pricing of your solution. This hampers the ability to tell a credible story around cost realism.

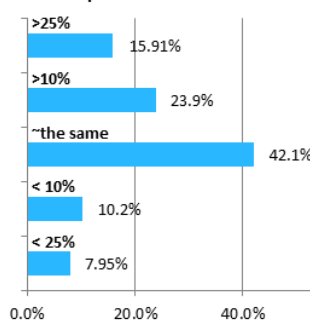
"We know what they really want."

Regardless of how well you understand your customer's wants and needs, they can only buy what is defined in the RFP. If the proposal does not present a compelling case for why your team is the best option for these needs, you will not win the chance to modify it later with "what they really want." Beware of approaches rooted in intellectual torpor like "this is how we do it today." Equally damning are solutions that lean on stating commodity approaches or certifications, or claiming ownership of standard processes. Any of these red flags can be overcome, but the later they are discovered, the lower the probability of winning. Hold teams accountable for every dollar of B&P because it is too precious to waste. The advice in *The Gambler* is timeless, but easier said than done: you have to "know when to fold 'em."

Start Date of Major Capture Efforts



Current B&P Spending Compared to Previous Years



In a recent survey of 500+ federal sector executives, three quarters of companies begin working major capture efforts more than a year out from expected RFP release. Further, total B&P spend is rising: 80% of companies are spending at least as much this year and nearly 40% expect to spend >10% more than in years past. Source: Wolf Den Analysis