Decision Gates and Reviews
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Shipley Associates
Workshop Introduction

This presentation will help you answer this question:
How can I help my organization win more business by adopting and adapting proven processes, practices, and tools that can improve our decision-making and reviews?
Presentation Outline

• Customer focus in the business development lifecycle
• Gates versus reviews
• Decision gates
• Color team reviews
• Implementing decision gates and reviews
Customer Focus in the Business Development Lifecycle

Customer focus is essential for organizations to win more business. Organizations can improve customer focus by aligning business development processes with customers’ buying processes.
Benefits of Customer-Focused Processes

Win More Business

Reduce Business Development Costs
### Better Processes, Better Results

<table>
<thead>
<tr>
<th>Company</th>
<th>Before</th>
<th>Time Frame</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT services (federal, state, municipal)</td>
<td>• 1,200 proposals/year</td>
<td>9 months</td>
<td>• &lt; 500 proposals per year</td>
</tr>
<tr>
<td></td>
<td>• &lt; 30% win rate</td>
<td></td>
<td>• &gt; 70% win rate</td>
</tr>
<tr>
<td></td>
<td>• $440 million sales</td>
<td></td>
<td>• $1.05 billion sales</td>
</tr>
<tr>
<td>Engineering services</td>
<td>• $20 million sales</td>
<td>12 months</td>
<td>• &gt; $60 million annual sales</td>
</tr>
<tr>
<td>IT services</td>
<td>• $350 million sales</td>
<td>18 months</td>
<td>• $1 billion sales</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Capture ratio doubled</td>
</tr>
<tr>
<td>IT services and logistics</td>
<td>• $1.2 billion sales</td>
<td>12 months</td>
<td>• $1.8 billion annual sales</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Lowered costs by pursuing 40% less business</td>
</tr>
<tr>
<td>Defense contractor</td>
<td>• $1 billion sales</td>
<td>12 months</td>
<td>• $1.8 billion sales</td>
</tr>
</tbody>
</table>
### More Examples of Improvement

<table>
<thead>
<tr>
<th>Company</th>
<th>Before</th>
<th>Time Frame</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defense contractor</td>
<td>• 28 % win rate</td>
<td>24 months</td>
<td>• 89 % win rate</td>
</tr>
<tr>
<td></td>
<td>• $223/proposal page</td>
<td>24 months</td>
<td>• $109/proposal page</td>
</tr>
<tr>
<td>Telecom</td>
<td>• &lt; 55 % win rate</td>
<td>12 months</td>
<td>• &gt; 70 % win rate</td>
</tr>
<tr>
<td></td>
<td>• $49 million net profit</td>
<td>12 months</td>
<td>• $64 million net profit</td>
</tr>
<tr>
<td>International consulting</td>
<td>• 30 % win rate</td>
<td>18 months</td>
<td>• 65 % win rate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>18 months</td>
<td>• 50 % fewer bids submitted</td>
</tr>
<tr>
<td>Legal services</td>
<td>• &lt; 30 % win rate</td>
<td>24 months</td>
<td>• &gt; 70 % win rate</td>
</tr>
<tr>
<td>Global telecom</td>
<td>• 51 % win rate</td>
<td>18 months</td>
<td>• 67 % win rate</td>
</tr>
<tr>
<td></td>
<td>• 33 % capture ratio</td>
<td>18 months</td>
<td>• 80 % capture ratio</td>
</tr>
<tr>
<td>Defense contractor</td>
<td>• 65 % re-compete win rate</td>
<td>12 months</td>
<td>• 100 % re-compete win rate</td>
</tr>
<tr>
<td></td>
<td>• 50 % capture ratio</td>
<td>12 months</td>
<td>• 67 % capture ratio</td>
</tr>
</tbody>
</table>
Customer Focus Originates with Understanding of Buying Cycle
Unless You Have Unlimited Resources…

…Target only the BEST opportunities!
Phase 0: Market Segmentation

- Divide market into segments with similar needs, characteristics
- Develop marketing approach aligned with customers’ expectations
- Identify and analyze strategic market areas or customers
- Decide to pursue market or customer
Phase 1: Long-Term Positioning

- Establish place in market
- Influence potential customers’ perceptions
- Prospect for leads

Decision to enter market

Decide specific opportunity is of interest
Phase 2: Opportunity Assessment

- Research opportunity, customer, and competition to determine win potential
- Confirm alignment with capabilities and strategic direction

Decision to assess opportunity

Decide to pursue opportunity
Phase 3: Capture Planning

- Prepare, review, and implement capture plan to influence customer
- Move from unknown to known to preferred position with customer
- Decide to plan proposal

Decision to pursue
Phase 4: Proposal Planning

- Refine solution and price to win
- Convert capture strategies into proposal messages
- Begin preliminary content planning

Decision to plan proposal

Decide to bid
Phase 5: Proposal Development

- Make clear assignments
- Plan and approve content
- Draft proposal according to plan
- Review final proposal thoroughly

Decision to bid after RFP review

Decide to submit proposal
Phase 6: Post Submittal Activities

- Respond to customer
- Negotiate
- Revise proposal if necessary

Decision to submit proposal

Decide to accept or submit final offer
Don’t Be Trapped by Process

Improve Performance by:
- Streamlining repetitive tasks
- Standardizing approaches
- Enforcing policies
- Providing guidance on management priorities

Consider the Possibilities of:
- Eliminating phases and gates
- Standardizing decisions
- Cutting tasks
- Combining reviews
Gates Versus Reviews
Decision gates implement the opportunity funnel. Reviews improve pursuit of opportunities within it.
Gates vs. Reviews: What’s the Difference?

Decision Gates
- Purpose: to *make decisions* regarding allocation or withdrawal of BD resources
- Led by executives
- Address business and strategic issues
- Limited outcomes (advance, end, or defer)
- Subordinates execute outcomes

Color Team Reviews
- Purpose: to *improve quality* of thinking and documentation
- Performed by management, staff, subject matter experts
- Address tactical and execution issues
- Wide variety of outcomes (qualitative and quantitative)
- Staff and peers execute outcomes
<table>
<thead>
<tr>
<th>No.</th>
<th>Phase</th>
<th>Gate</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Market Segmentation</td>
<td>Campaign/Marketing</td>
<td><em>Is market niche congruent with goals in strategic plan?</em></td>
</tr>
<tr>
<td>1</td>
<td>Long-Term Positioning</td>
<td>Interest</td>
<td><em>Does opportunity merit expending resources to research and assess it?</em></td>
</tr>
<tr>
<td>2</td>
<td>Opportunity Assessment</td>
<td>Pursuit</td>
<td><em>Should we commit resources to developing capture plan and influencing customer to prefer our solution?</em></td>
</tr>
<tr>
<td>3</td>
<td>Capture Planning</td>
<td>Preliminary Bid</td>
<td><em>Have capture activities positioned us favorably enough with customer to justify planning proposal?</em></td>
</tr>
<tr>
<td>4</td>
<td>Proposal Planning</td>
<td>Bid Validation</td>
<td><em>Is opportunity still worth pursuing and proposal worth preparing, considering final details of RFP?</em></td>
</tr>
<tr>
<td>5</td>
<td>Proposal Development</td>
<td>Proposal Submittal</td>
<td><em>Should we submit completed proposal? Is programmatic risk justified by probable financial reward?</em></td>
</tr>
<tr>
<td>6</td>
<td>Post-Submittal Activities</td>
<td>Final Offer</td>
<td><em>After negotiations, is programmatic risk still justified by financial reward considering terms of contract?</em></td>
</tr>
</tbody>
</table>
## Reviews Improve Pursuits

<table>
<thead>
<tr>
<th>No.</th>
<th>Phase</th>
<th>Color Team Reviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Market Segmentation</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Long-Term Positioning</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Opportunity Assessment</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Capture Planning</td>
<td><strong>Blue Team:</strong> Reviews initial capture planning, focusing on development of win strategy</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Black Hat:</strong> Predicts competitors’ solutions to support strategy development and infuse proposal with competitive focus</td>
</tr>
</tbody>
</table>
## Reviews Improve Pursuits (continued)

<table>
<thead>
<tr>
<th>No.</th>
<th>Phase</th>
<th>Color Team Reviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Proposal Planning</td>
<td><strong>Pink Team:</strong> Reviews storyboards and mockups for compliance and execution of win strategy</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Red Team:</strong> Reviews proposal to predict scoring and improve effectiveness</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Green Team:</strong> Reviews pricing, consistency across volumes</td>
</tr>
<tr>
<td>5</td>
<td>Proposal Development</td>
<td><strong>Gold Team:</strong> Reviews final proposal and price</td>
</tr>
<tr>
<td>6</td>
<td>Post-Submittal Activities</td>
<td><strong>White Hat:</strong> Documents lessons learned to improve capture and proposal processes</td>
</tr>
</tbody>
</table>
### Review Names and Purposes Vary

<table>
<thead>
<tr>
<th>Color Team</th>
<th>Purpose</th>
<th>Functional Names</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purple</td>
<td>Review opportunity assessment report for alignment</td>
<td>• Opportunity</td>
</tr>
<tr>
<td>Blue #1</td>
<td>Review initial capture plan and solution</td>
<td>• Win strategy</td>
</tr>
<tr>
<td>Black Hat #1</td>
<td>Predict competitors’ solutions</td>
<td>• Competitor</td>
</tr>
<tr>
<td>Blue #2</td>
<td>Review updated capture plan and proposal management plan</td>
<td>• Proposal planning</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Proposal strategy</td>
</tr>
<tr>
<td>Black Hat #2</td>
<td>Predict competitors’ solutions</td>
<td>• Competitor update</td>
</tr>
<tr>
<td>Pink #1</td>
<td>Review storyboards/mockups against capture plan</td>
<td>• Proposal readiness</td>
</tr>
<tr>
<td>Green #1</td>
<td>Review targeted combination of price and capability</td>
<td>• Price to win</td>
</tr>
<tr>
<td>Pink #2</td>
<td>Review storyboard/mockups against RFP</td>
<td>• Storyboard</td>
</tr>
<tr>
<td>Green #2</td>
<td>Review WBS, BOEs, price calculations</td>
<td>• Final price</td>
</tr>
<tr>
<td>Red</td>
<td>Review near-final draft, including cost, to predict scoring</td>
<td>• Proposal quality</td>
</tr>
<tr>
<td>Merlot</td>
<td>Review improved, post-Red Team proposal draft</td>
<td>• Final quality</td>
</tr>
<tr>
<td>Gold</td>
<td>Approve final proposal and price</td>
<td>• Final proposal</td>
</tr>
<tr>
<td>White Hat</td>
<td>Review and document lessons learned</td>
<td>• After-action</td>
</tr>
</tbody>
</table>
### Every Milestone Fits a Timeline

<table>
<thead>
<tr>
<th>Phase</th>
<th>Customer Milestones</th>
<th>Market Segmentation</th>
<th>Long-Term Positioning</th>
<th>Opportunity Assessment</th>
<th>Capture Planning</th>
<th>Proposal Planning</th>
<th>Proposal Development</th>
<th>Post-Submittal Activities</th>
<th>Draft RFP</th>
<th>Final RFP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Decision Gates</td>
<td>Marketing/ Campaign</td>
<td>Interest</td>
<td>Pursuit</td>
<td>Preliminary Bid</td>
<td>Bid Validation</td>
<td>Proposal Submittal</td>
<td>Final Offer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Color Team Reviews</td>
<td>Blue Team</td>
<td>Black Hat</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Key Document(s)</td>
<td>Multi-year strategic plan</td>
<td>Annual operating plan</td>
<td>Opportunity analysis report</td>
<td>Capture plan</td>
<td>Capture plan</td>
<td>Story-boards</td>
<td>Mockups</td>
<td>Final draft proposal</td>
<td>Proposal revision</td>
<td>Lessons learned</td>
</tr>
</tbody>
</table>
Gates and Reviews Currently in Use

OBJECTIVE: Compare states of practice on decision gates and reviews

INSTRUCTIONS:
1. For each milestone, a show of hands:
   - Those whose organizations perform some now
   - Those whose organizations do none
   - Those who say each adds value
   - Those who say each does not add value
   - Those who do not know

2. Based on those observations discuss observations
Decision Gates

Decision gates are business development milestones at which executives decide whether to advance an opportunity to the next phase or end pursuit.
## Understand Each Role

<table>
<thead>
<tr>
<th>Role</th>
<th>Executive</th>
<th>Operations</th>
<th>Business Development Manager</th>
<th>Capture Manager</th>
<th>Business Developer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Duties</td>
<td>• Define</td>
<td>• Advise</td>
<td>• Assign</td>
<td>• Engage</td>
<td>• Prospect</td>
</tr>
<tr>
<td></td>
<td>• Decide</td>
<td>• Support</td>
<td>• Monitor</td>
<td>• Inform</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Lead</td>
<td></td>
<td>• Collaborate</td>
<td>• Execute</td>
<td></td>
</tr>
<tr>
<td>Tips for Success</td>
<td>• Know and support process</td>
<td>• Be proactive</td>
<td>• Cultivate market knowledge</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Communicate vision</td>
<td>• Be open</td>
<td>• Be honest</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Make gates a priority</td>
<td>• Involve others between gates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Respond to facts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Understand Each Role**

- **Executive**: Define, Decide, Lead
- **Operations**: Advise, Support
- **Business Development Manager**: Assign, Monitor, Collaborate
- **Capture Manager**: Engage, Inform, Execute
- **Business Developer**: Prospect

**Tips for Success**

- Know and support process
- Communicate vision
- Make gates a priority
- Respond to facts
- Be proactive
- Cultivate market knowledge
- Be open
- Be honest
- Involve others between gates
Gate 0: Marketing/Campaign Decision

The Marketing/Campaign Decision determines whether a potential market segment or customer fits your organization’s strategic focus.
The Interest Decision verifies that an identified opportunity fits your organization's strategic direction and capability.
The Pursuit Decision analyzes customer, opportunity, and competitor intelligence to decide whether to advance to capture planning.
## Guidelines for Pursuit Decision

| Decisions                                      | • Advance to Capture Planning  
|                                               | • Assign capture manager  
|                                               | • Conformance of baseline solution to price to compete  
| Organizer                                     | • Business development manager  
| Attendees                                     | • Executive  
|                                               | • Business development manager  
|                                               | • Business developer  
| Inputs                                        | • Opportunity analysis report  
|                                               | • Price to compete  
|                                               | • Beginning of capture plan  
|                                               | • Capture budget  
| Resources Allocated                           | • Capture team staff and funding  
|                                               | • Tentative budget for remaining pursuit  
| Pipeline Action                               | • Update tracking system  
|                                               | • Add opportunity to forecast  

HARVESTING SECOND-TO-NONE PROPOSALS SYMPOSIUM  
October 2-3, 2013
## Pursuit Decision Questions

<table>
<thead>
<tr>
<th>Category</th>
<th>Questions</th>
</tr>
</thead>
</table>
| **Business Case**                       | ✓ Do we have adequate business development resources to aggressively develop the opportunity?  
|                                         | ✓ Are there acceptable profit margins or other strategic reasons for wanting to win?  
|                                         | ✓ Does the opportunity conflict with other contracted or expected work? |
| **Decision-Makers, Issues/Hot Buttons** | ✓ Do we know the key decision-makers and their issues and hot buttons?  
|                                         | ✓ Do the key decision-makers know us?                                        |
| **Contractor Role and Responsibilities**| ✓ Do we have a clear understanding of our anticipated role?  
|                                         | ✓ Are there any potential conflicts of interest for us?                        |
| **Competition**                         | ✓ Have we identified probable competitors?                                  |
| **Competitive Position**                | ✓ Do customer requirements match our competencies?                           
|                                         | ✓ Have we established a price to compete?                                    
|                                         | ✓ Do we have a baseline solution aligned to the price to compete?            |
Gate 3: Preliminary Bid Decision

The Preliminary Bid Decision assesses win strategy, competitive position, technical solution, and price to win, determining whether to plan a proposal.
## Guidelines for Preliminary Bid Decision

<table>
<thead>
<tr>
<th>Decisions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Advance to Proposal Planning</td>
<td>• Confirm/adjust win strategy, solution, and price to win</td>
</tr>
<tr>
<td>• Assign core proposal team</td>
<td></td>
</tr>
<tr>
<td>Organizer</td>
<td>• Capture manager</td>
</tr>
<tr>
<td>Attendees</td>
<td>• Executive</td>
</tr>
<tr>
<td>• Operations</td>
<td>• Business development manager</td>
</tr>
<tr>
<td>• Business development manager</td>
<td>• Capture manager</td>
</tr>
<tr>
<td>Inputs</td>
<td>• Complete capture plan</td>
</tr>
<tr>
<td>• Proposal budget request</td>
<td>• Complete solution and price to win</td>
</tr>
<tr>
<td>Resources Allocated</td>
<td>• Core proposal team staffing, funding, and resources</td>
</tr>
<tr>
<td>• Review team staffing and funding</td>
<td></td>
</tr>
<tr>
<td>Pipeline Action</td>
<td>• Update tracking system</td>
</tr>
<tr>
<td>• Adjust forecast</td>
<td></td>
</tr>
</tbody>
</table>
# Preliminary Bid Decision Questions

<table>
<thead>
<tr>
<th>Category</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Schedule</td>
<td>✓ Do we have a clear understanding of the deliverables and schedule?</td>
</tr>
<tr>
<td>Evaluation Process</td>
<td>✓ Are we sure of the evaluation process to be used?</td>
</tr>
<tr>
<td>Competition</td>
<td>✓ Do we know the customer’s perception of competitors?</td>
</tr>
<tr>
<td></td>
<td>✓ Has an objective bidder comparison been completed?</td>
</tr>
<tr>
<td>Subcontracting</td>
<td>✓ Do we have firm commitments from needed teammates?</td>
</tr>
<tr>
<td>Past Performance</td>
<td>✓ Do we have strong, relevant past performance?</td>
</tr>
<tr>
<td>Management</td>
<td>✓ Does our management approach provide added value?</td>
</tr>
<tr>
<td>Technical</td>
<td>✓ Does our technical solution provide added value or discriminators?</td>
</tr>
<tr>
<td>Discriminators, Themes</td>
<td>✓ Are our discriminators unique and important to the customer?</td>
</tr>
<tr>
<td></td>
<td>✓ Can the customer justify selecting us based on our discriminators and cost?</td>
</tr>
<tr>
<td>Pricing to Win</td>
<td>✓ Has a price to win been determined, and is it acceptable to management?</td>
</tr>
<tr>
<td>Opportunity Status</td>
<td>✓ Is the customer adhering to the expected schedule?</td>
</tr>
<tr>
<td></td>
<td>✓ If not, why not, and what does that tell us about the opportunity?</td>
</tr>
</tbody>
</table>
Using the Bid Decision Calculator

<table>
<thead>
<tr>
<th>Decision Factor</th>
<th>Wt Inc.</th>
<th>Decision Factor Rating (Select One)</th>
<th>Points</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-RFP Marketing</td>
<td></td>
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</tr>
<tr>
<td>Prospect’s Preference</td>
<td></td>
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<tr>
<td>Prospect’s Knowledge of Us</td>
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<tr>
<td>Technical</td>
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</tr>
<tr>
<td>Management</td>
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</tr>
<tr>
<td>Cost</td>
<td></td>
<td></td>
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<tr>
<td>Incumbency</td>
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<tr>
<td>Experience</td>
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</tr>
<tr>
<td>Past Performance</td>
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<tr>
<td>Contract Risk</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Contract Size</td>
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<tr>
<td>Other</td>
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<tr>
<td>Other</td>
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</tr>
</tbody>
</table>

Key: 4 = Strong Pursuit  3 = Moderate Pursuit  2 = Moderate Avoidance  1 = Strong Avoidance
Gate 4: Bid Validation Decision

The Bid Validation Decision confirms your tentative plan to prepare a bid after seeing the final request for proposals.
## Bid Validation Decision Questions

<table>
<thead>
<tr>
<th>Category</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RFP Analysis</strong></td>
<td>✓ Are announced RFP terms as anticipated and still acceptable?</td>
</tr>
<tr>
<td></td>
<td>✓ Does the RFP show evidence of influence by competitors?</td>
</tr>
<tr>
<td></td>
<td>✓ Based on published evaluation criteria, can the customer justify selecting us?</td>
</tr>
<tr>
<td><strong>Solution</strong></td>
<td>✓ Are technical requirements in the RFP what we anticipated?</td>
</tr>
<tr>
<td></td>
<td>✓ Is our technical approach verified as acceptable to the customer?</td>
</tr>
<tr>
<td></td>
<td>✓ Are teammate roles clearly defined and formally agreed?</td>
</tr>
<tr>
<td><strong>Proposal Readiness</strong></td>
<td>✓ Are the proposal schedule, budget, outline, and compliance checklist complete?</td>
</tr>
<tr>
<td></td>
<td>✓ Is the proposal team identified?</td>
</tr>
<tr>
<td></td>
<td>✓ Has a draft executive summary been prepared?</td>
</tr>
<tr>
<td></td>
<td>✓ Has the price to win been updated based on the latest competitive intelligence and RFP?</td>
</tr>
<tr>
<td></td>
<td>✓ Is our preliminary, bottom-up cost estimate consistent with the price to win?</td>
</tr>
<tr>
<td></td>
<td>✓ Can the solution be profitably delivered at the price to win?</td>
</tr>
<tr>
<td><strong>Issues</strong></td>
<td>✓ Have all our internal issues been addressed and resolved?</td>
</tr>
</tbody>
</table>
The Proposal Submittal Decision determines whether your completed proposal presents your organization and offer acceptably, with risks justified by rewards.

<table>
<thead>
<tr>
<th>Customer Milestones</th>
<th>Market Segmentation</th>
<th>Long-Term Positioning</th>
<th>Opportunity Assessment</th>
<th>Capture Planning</th>
<th>Proposal Planning</th>
<th>Proposal Development</th>
<th>Post-Submittal Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase</td>
<td>Marketing/Campaign</td>
<td>Interest</td>
<td>Pursuit</td>
<td>Preliminary Bid</td>
<td>Bid Validation</td>
<td>Proposal Submittal</td>
<td>Final Offer</td>
</tr>
</tbody>
</table>

- **Decision Gates**: Marketing/Campaign, Interest, Pursuit, Preliminary Bid, Bid Validation, Proposal Submittal
- **Color Team Reviews**: Blue Team, Black Hat, Pink Team, Red Team, Green Team, White Hat
- **Key Documents**: Multi-year strategic plan, Annual operating plan, Marketing plan, Opportunity analysis report, Capture plan, Capture plan, Storyboards, Mockups, Final draft proposal, Proposal revision, Lessons learned, Contract
## Guidelines for Proposal Submittal Decision

<table>
<thead>
<tr>
<th>Decisions</th>
<th>• Submit proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizer</td>
<td>• Capture manager</td>
</tr>
</tbody>
</table>
| Attendees          | • Executive  
                     • Operations  
                     • Business development manager  
                     • Capture manager (supported by proposal manager) |
| Inputs             | • Updated capture plan  
                     • Final proposal |
| Resources Allocated| • Orals/demo team staff and funding |
| Pipeline Action    | • Update tracking system  
                     • Adjust forecast |
<table>
<thead>
<tr>
<th>Category</th>
<th>Questions</th>
</tr>
</thead>
</table>
| **Our Proposal** | ✓ Is our proposal compliant, responsive, competitive, and priced to win?  
✓ Does our proposal meet corporate quality standards? |
| **Risk Assessment** | ✓ Are there any unresolved elements of risk to us that could preclude submitting the proposal?  
✓ Will the proposal be evaluated as being low risk to the customer? |
| **Negotiation**  | ✓ Is the contract likely to be awarded without negotiation? Are we prepared to accept this?  
✓ If negotiations occur, do we know who in the customer organization will be leading them?  
✓ Is the customer under any constraints (e.g., time) that we can leverage?  
✓ Has our negotiating team been identified?  
✓ Is our negotiating position clearly defined and agreed to by senior management? |
| **Transition**   | ✓ Is our project manager ready to begin delivery immediately upon award? |
If changes have occurred since your original offer, the Final Offer Decision is your last opportunity to accept or reject the deal.
### Guidelines for Final Offer Decision

| Decisions | • Accept all terms and conditions of contract  
| Organizers | • Submit possible proposal revision  
| Attendees | • Program staff ready for startup |
| Organizer | • Capture manager |
| Attendees | • Executive  
| | • Operations (including program manager)  
| | • Business development manager  
| | • Capture manager |
| Inputs | • Revised proposal  
| | • Final contract |
| Resources Allocated | • Program team and facilities  
| | • Company investment incorporated in offer |
| Pipeline Action | • Book revenue  
| | • Hold victory party |
## Final Offer Decision Questions

<table>
<thead>
<tr>
<th>Category</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal</td>
<td>✓ Have contract terms been reviewed and agreed?</td>
</tr>
<tr>
<td></td>
<td>✓ Have necessary performance bonds been secured?</td>
</tr>
<tr>
<td>Financial</td>
<td>✓ Is the final contract price acceptable?</td>
</tr>
<tr>
<td></td>
<td>✓ Are any investments fully documented and understood by management?</td>
</tr>
<tr>
<td></td>
<td>✓ Is requisite financing in place?</td>
</tr>
<tr>
<td>Performance</td>
<td>✓ Is the project team identified? If not, are staffing plans in place?</td>
</tr>
<tr>
<td></td>
<td>✓ Is the technical solution fully understood?</td>
</tr>
<tr>
<td></td>
<td>✓ Are production rates and schedules achievable?</td>
</tr>
<tr>
<td></td>
<td>✓ Are key subcontractors ready to begin work on schedule?</td>
</tr>
</tbody>
</table>
Last Words on Decision Gate Actions

- **Advance**
  - Secure funding
  - Commit staff
  - Track results

- **Defer**
  - Set schedule
  - Identify contingencies

- **End**
  - Redirect resources

- **Archive decision package**

- **Document lessons learned**
Color Team Reviews

Color team reviews are business development milestones at which experts and managers work to improve opportunity pursuits.
Follow a Consistent Process for Each Review

**PREPARE**
- Plan and schedule
- Identify members
- Train reviewers
- Develop in-briefing

**CONDUCT**
- Present in-briefing
- Review individually
- Discuss as group
- Report

**RESPOND**
- Debrief staff
- Support team
- Distribute products
- Archive materials
- Execute and verify

*Make reviews comprehensive, positive, and constructive.*
The Blue Team reviews knowledge of the customer and opportunity, provides guidance on your solution, and agrees on win strategy.
Blue Team Inputs and Outputs

**Inputs**
- Opportunity Description
- Customer Intelligence
- Baseline Solution
- Own Competitive Position
- Suggested Win Strategy
- Early Phase Action Plans

**Outputs**
- Strengths, Weaknesses, Gaps
- Recommended Solution Enhancements
- Agreed Win Strategy
- Approved Action Plans

HARVESTING SECOND-TO-NONE PROPOSALS SYMPOSIUM  
October 2-3, 2013
# Planning and Executing a Blue Team Review

<table>
<thead>
<tr>
<th>Organizer</th>
<th>• Capture manager</th>
</tr>
</thead>
</table>
| **Team Members** | • Independent Blue Team leader  
|                  | • Business development management  
|                  | • Operational management  
|                  | • Experts on customer  
|                  | • Product/service experts  |
| **Other Attendees** | • Capture manager  
|                   | • Capture team  |
| **Documents**    | • Pursuit Decision package  
|                  | • Initial capture plan  |
| **Possible Approaches** | • Structured presentation  
|                     | • Individual review  
|                     | • Facilitated discussion  
|                     | • Brainstorming  |
Blue Team Toolkit

- Blue Team Instructions
- Blue Team Planner
- Blue Team Checklist
- Blue Team Review Form
- Blue Team Assessment Form
The Black Hat Review predicts competitors’ solutions and strategies so you can counter them in capture planning and proposal development.
Black Hat Inputs and Outputs

**Inputs**
- Opportunity Description
- Customer Hot Buttons
- Competitor Response Profiles
- Competitors’ Historical Cost/Price Approaches
- Competitors’ Technical Capabilities
- Competitors’ Past Performance

**Outputs**
- Competitors’ Probable Solutions on Each Hot Button
- Competitors’ Discriminators
- Competitors’ Projected Strategies
- Recommended Win Strategy Refinements

Black Hat Review
# Planning and Executing a Black Hat Review

## Organizer
- Capture manager

## Team Members
- Independent Black Hat leader
- Business development management
- Experts on competitors
- Product/service experts

## Other Attendees
- Capture manager
- Capture team

## Documents
- Blue Team summary report
- Partial capture plan
- Black Hat summary report

## Possible Approaches
- Competitor simulation by teams
- Group discussion
- Consultant analyses
- Capture team analysis
Black Hat Toolkit

- Black Hat Instructions
- Black Hat Planner
- Black Hat Review Checklist
- Black Hat Review Form

*Plus*

- Bidder Comparison Chart
Gates and Reviews Currently in Use

OBJECTIVE: Compare states of practice on decision gates and reviews

INSTRUCTIONS:
1. For each milestone, a show of hands:
   • Those whose organizations perform some now
   • Those whose organizations do none
   • Those who say each adds value
   • Those who say each does not add value
   • Those who do not know

2. Based on those observations discuss
The Pink Team reviews storyboards and mockups to ensure your win strategy and solution set will be presented effectively in your proposal.
Pink Team Inputs and Outputs

Inputs
- Capture and Proposal Strategies
- Proposal Instructions
- Evaluation Factors
- Proposal Outline
- Master Compliance Checklist
- Completed Storyboards
- Section Mock-ups

Pink Team Review

Outputs
- Confirmation or Redirection on Strategy
- Documented Comments and Recommendations
- Verified Compliance Checklist
### Planning and Executing a Pink Team Review

<table>
<thead>
<tr>
<th>Organizer</th>
<th>Proposal manager</th>
</tr>
</thead>
</table>
| **Team Members**   | Independent, respected Pink Team leader  
|                    | Line managers  
|                    | Subcontractor executives  
|                    | Business development managers  
|                    | Subject matter experts |
| **Other Attendees**| Capture manager  
|                    | Program manager |
| **Documents**      | Blue Team and Black Hat summary reports (or capture plan)  
|                    | Request for proposals  
|                    | Compliance checklist and proposal outline  
|                    | Storyboards and mock-ups |
| **Possible Approaches** | Walking the wall  
|                    | Sequential presentation  
|                    | Virtual review of planning documents  
|                    | Independent compliance verification |
Pink Team Methodology

**PREPARE**
- Recruit members and define responsibilities
- Identify, distribute, and train reviewers to use tools
- Allow sufficient time
- Provide adequate facilities

**CONDUCT**
- Provide orientation briefing
- Display material in sequence
- Perform Pink Team review
- Document findings, recommendations, action items

**RESPOND**
- Assign and track action items
The Red Team predicts how well your proposal will score against customer evaluation criteria and recommends improvements.
## Planning and Executing a Red Team Review

| Organizer                | • Proposal manager  
<table>
<thead>
<tr>
<th></th>
<th>• Red Team preparation leader</th>
</tr>
</thead>
</table>
| **Team Members**        | • Independent Red Team leader  
|                         | • Executives  
|                         | • Teammate executives  
|                         | • Operations personnel  
|                         | • Subject matter experts  
|                         | • Customer experts  
|                         | • Pink Team members  |
| **Other Attendees**     | • Capture manager  
|                         | • Red Team preparation task lead  |
| **Documents**           | • Final proposal draft  
|                         | • Customer’s evaluation factors  |
Planning and Executing a Red Team Review (continued)

Possible Approaches

- Mirror of customer’s evaluation process
- Detailed in-briefing
- Vertical section reviews
- Horizontal reviews
- Independent compliance check
- Gadfly review
- Collaborative discussions
- Consolidated recommendations
- Proposal team debriefing
- Core team recovery
Red Team Methodology

PREPARE

- Designate a Red Team leader
- Assign a Red Team preparation task lead if necessary
- Recruit members and assign responsibilities
- Identify and distribute tools; train reviewers on use
- Tailor instructions
- Modify scoring guidance as necessary
- Prepare in-briefing
- Reserve facilities
- Arrange access to facilities and documents
- Coordinate travel arrangements
- Distribute read-ahead package
Red Team Methodology (continued)

**CONDUCT**

- Present in-briefing
- Complete reviews (vertical, horizontal, gadfly)
- Document findings, recommendations
- Discuss assessment within Red Team
- Develop consensus on improvements
- Prepare debriefing for proposal team

**RESPOND**

- Deliver debriefing
- Adjudicate recommendations
- Assign and track action items
- Keep Red Team recovery group small
- Archive all Red Team documents
Tools to Prepare for Red Team

- Red Team Planner
- Red Team Instructions
- Red Team Scoring Guidance
- Red Team Assignments
- Red Team In-briefing
### Elements of SMaRTform

1. **Proposal title**
2. **Section numbers**
3. **Section titles**
4. **Page allocation**
5. **Reviewers’ names**
6. **Primary/secondary designations**
7. **Total primary reviewers**
8. **Total secondary reviewers**
9. **Total page count by reviewer**
10. **Horizontal review assignments**
11. **Pop-up help (on mouse-over)**

#### Example Proposal

<table>
<thead>
<tr>
<th>Section Number</th>
<th>Section Heading (Title)</th>
<th>Page Alloc.</th>
<th>Primary Assigned</th>
<th>Secondary Assigned</th>
<th>Primary/Secondary Designations</th>
<th>Reviewers’ Names</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Executive summary</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>P S</td>
<td>Sasha Bessemer</td>
</tr>
<tr>
<td>2.1</td>
<td>Engineering design</td>
<td>6</td>
<td>2</td>
<td>2</td>
<td>S P</td>
<td>Tony Graham</td>
</tr>
<tr>
<td>2.2</td>
<td>Material selection</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>P S</td>
<td>Tim Smaller</td>
</tr>
<tr>
<td>2.3</td>
<td>Test plan</td>
<td>7</td>
<td>1</td>
<td>1</td>
<td>S P</td>
<td>Harry Potter</td>
</tr>
<tr>
<td>2.4</td>
<td>Trade-off studies</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>S P</td>
<td>Mary Sumter</td>
</tr>
<tr>
<td>2.5</td>
<td>Technical description</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>S P</td>
<td>Samantha Smith</td>
</tr>
<tr>
<td>3.1</td>
<td>Management description</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>P S</td>
<td>Marvin Shields</td>
</tr>
<tr>
<td>3.2</td>
<td>Cost control plan</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>P S</td>
<td>Leah Tennet</td>
</tr>
<tr>
<td>3.3</td>
<td>Staffing</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>P S</td>
<td>Elmer Fudd</td>
</tr>
<tr>
<td>4</td>
<td>Test performance</td>
<td>15</td>
<td>1</td>
<td>2</td>
<td>S S</td>
<td>Wiley Coyote</td>
</tr>
<tr>
<td>5.1</td>
<td>Price</td>
<td>15</td>
<td>2</td>
<td>2</td>
<td>S S</td>
<td>E. Young</td>
</tr>
<tr>
<td>5.2</td>
<td>Award fee plan</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>P S</td>
<td>Bob Gorman</td>
</tr>
<tr>
<td>6</td>
<td>System approvals</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>S S</td>
<td>Susan Smith</td>
</tr>
</tbody>
</table>

Approximate Page Count Totals: 75

#### Horizontal Review Types

<table>
<thead>
<tr>
<th>Horizontal Review Types</th>
<th>Horizontal Reviewers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Horizontal Review: Theme Statements</td>
<td>Tim Smaller</td>
</tr>
<tr>
<td>2nd Horizontal Review: Visuals &amp; Captions</td>
<td>Sasha Bessemer</td>
</tr>
<tr>
<td>3rd Horizontal Review: Outline &amp; Headings</td>
<td>Toni Graham</td>
</tr>
<tr>
<td>4th Horizontal Review: Callouts</td>
<td>Bob Gorman</td>
</tr>
</tbody>
</table>
Tools to Conduct Red Team

- Red Team Review Form
- Red Team Horizontal Review
- Red Team Summary
- Red Team Debriefing
Use Red Team Review Form for Vertical Review

**Elements of SMaRTform**

1. Proposal and RFP information
2. Evaluator information
3. Strengths and weaknesses
4. Comments and problems
5. Problem characterization
6. Recommended improvements
7. Risk evaluation
8. Numerical score
9. Disposition information
10. Macro and help instructions

<table>
<thead>
<tr>
<th>Proposal and RFP Information</th>
<th>Evaluator Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposal and Volume</td>
<td>Evaluator Name</td>
</tr>
<tr>
<td>Section Number</td>
<td>Evaluator’s Role</td>
</tr>
<tr>
<td>Evaluation Factor</td>
<td>Email</td>
</tr>
<tr>
<td>Evaluation Solicitor</td>
<td>Phone Number</td>
</tr>
</tbody>
</table>

**Section Evaluation**

1. Good presentation of overall aircraft capability
2. Clear expression of measures between stability, controllability, and maneuverability
3. Lack of reduced training time for positively stable aircraft
4. Diagram does not correctly show how the aircraft operates
5. Recommend improvements

**Recommended Improvements**

1. Substitute the diagram from the Martin Coxe report proposal, figure 4-2-1.
2. Adjust the diagram to show the concept of aircraft structure, but use the same format.

**Disposition**

1. Does Not Apply
2. Implement Recommendations
3. Consistent With
## Horizontal Review Covers Four Review Types

<table>
<thead>
<tr>
<th>Horizontal Review Elements</th>
<th>1st horizontal review questions</th>
<th>2nd horizontal review questions</th>
<th>3rd horizontal review questions</th>
<th>4th horizontal review questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Proposal and review information</td>
<td>2. Evaluator information</td>
<td>3. 1st horizontal review questions</td>
<td>4. 2nd horizontal review questions</td>
<td>5. 3rd horizontal review questions</td>
</tr>
</tbody>
</table>
## Elements of SMaRTform

1. **Carryover information**
2. **Authors (drop-down menu)**
3. **Evaluation factors**
4. **Weighting factors**
5. **Numerical score**
6. **Weighted score**
7. **Proposal and performance risk**
8. **Remarks**
9. **Totals and averages**
10. **Pop-up help (on mouse-over)**
Gates and Reviews Currently in Use

OBJECTIVE: Compare states of practice on decision gates and reviews

INSTRUCTIONS:
1. For each milestone, a show of hands:
   • Those whose organizations perform some now
   • Those whose organizations do none
   • Those who say each adds value
   • Those who say each does not add value
   • Those who do not know

2. Based on those observations discuss
The Green Team checks pricing for consistency with your proposed solution set and alignment with your price to win.
Green Team Inputs and Outputs

**Inputs**
- Green Team Instructions
- Statement of Work/Objectives
- Evaluation Factors
- Customer Budget Intelligence
- Pricing-to-Win Strategy
- Solution Definition (Non-Price Proposal)
- Work Breakdown Structure
- Bases of Estimates
- Pricing Calculations

**Outputs**
- Approval or Required Changes to Pricing
- Required Changes to Pricing Documentation
- Impacts to Non-Price Sections of Proposal
# Planning and Executing a Green Team Review

## Organizer
- Proposal manager

## Team Members
- Executive
- Operations
- Pricing manager
- Capture manager

## Other Attendees
- Proposal manager
- Price volume manager
- Estimators

## Documents
- Request for proposals
- Capture plan
- Complete solution definition, e.g., non-price proposal
- Pricing documents and worksheets

## Possible Approaches
- Pricing spreadsheet review
- Cross-volume comparison
- Closed-door meetings due to closely held information

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**HARVESTING SECOND-TO-NONE PROPOSALS SYMPOSIUM**  
**October 2-3, 2013**
Green Team Toolkit

- Green Team Instructions
- Green Team Planner
- Green Team Checklist
- Green Team Review Form
- Green Team Assessment Form
The Gold Team reviews the final proposal, confirming changes from Red and Green Teams, and checking proposal quality.
Gold Team Inputs and Outputs

**Inputs**
- Completed Proposal
- Red Team Action Items
- Green Team Action Items

**Gold Team Review**

**Outputs**
- Approved Proposal Documents
- List of Required Changes
### Planning and Executing a Gold Team Review

**Organizer**
- Proposal manager

**Team Members**
- Proposal manager
- Proposal volume managers (if assigned)
- Capture manager
- Pricing manager
- Red Team leader (if available) or deputy
- Green Team leader (if available)

**Other Attendees**
- Publication and/or production manager
- Proposal coordinator

**Documents**
- Completed proposal, with all letters, documents, electronic files, attachments, other required material
- Red and Green Team action item lists

**Possible Approaches**
- Action item check-off
- Horizontal spot checks
- Delivery media evaluation
The White Hat Review documents lessons learned from the capture and proposal efforts to improve future pursuits.
White Hat Inputs and Outputs

**Inputs**
- Internal Successes
- Internal Problems and Workarounds
- Customer’s Formal Debriefing
- Customer’s Informal Comments

**Outputs**
- Documentation of Successes
- Documentation of Problem Resolutions
- Recommendations for Process Improvements

White Hat Review
# Planning and Executing a White Hat Review

| organizer       | • Capture manager  
|                 | • Proposal manager |
| Team Members    | • Proposal team    
|                 | • Capture team     
|                 | • Business development management |
| Other Attendees | • Business development process custodian |
| Documents       | • Internal survey results  
|                 | • Customer debriefing |
| Possible Approaches | • Well-documented team discussions  
|                 | • Customer debriefing analysis in context of business development lifecycle |
|                 | • Competitor success/failure analysis |
|                 | • Standardized survey |
|                 | • Direct, tailored questions about the pursuit |
White Hat Toolkit

- White Team Instructions
- White Team Planner
- White Team / Lessons Learned Review Checklist
- White Team Lessons Learned Survey
Implementing Decision Gates and Reviews

Decision gates and color team reviews can be adapted to your organization’s needs to increase your probability of winning.
Commit to a Single, Disciplined Process

**BENEFITS**
- Reduced costs
- Increased productivity
- Improved forecasting
- Increased visibility and control

**FEATURES**
- Flexible
- Tailorable
- Scalable
- Based on best practices
- Championed at executive level
Build a Better Process

1. Define a process with gates and reviews
2. Fit your process to your environment
3. Document roles and responsibilities
4. Make your process an executive priority
Design or Adapt Your Process Intelligently

**Constants**
- Disciplined business development process
- Standardized decision gates
- Formal color team reviews

**Variables**
- Number of phases
- Number of gates
- Number, type, standards for color teams
- Number, type, size of documents reviewed

**Factors**
- Time available
- Size, risk, importance of opportunity
- Number of people involved
- Commitment
Presentation Wrap-up

This presentation has covered information and skills that will help you incorporate decision gates and reviews into your business development process.
Presentation Summary

We Have Discussed:

- Use decision gates to select opportunities you can win
- Apply reviews to improve customer focus and effectiveness
- Describe differences between gates and reviews
- Schedule gates and reviews at appropriate times
- Plan and conduct effective gates and reviews
- Adapt Shipley’s standardized process to your needs

These skills will help you improve your personal and organizational business development effectiveness.
# Final Thoughts

Start with essential milestones. Add steps as you experience success.

<table>
<thead>
<tr>
<th>Customer Milestones</th>
<th>Phase</th>
<th>Decision Gates</th>
<th>Color Team Reviews</th>
<th>Key Documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Draft RFP</td>
<td>Proposal Development</td>
<td>Final Offer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proposals Due</td>
<td>Post-Submittal Activities</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Phase**
  - Market Segmentation
  - Long-Term Positioning
  - Opportunity Assessment
  - Capture Planning
  - Proposal Planning
  - Proposal Development

- **Decision Gates**
  - Marketing/Campaign
  - Interest
  - Pursuit
  - Preliminary Bid
  - Bid Validation
  - Proposal Submittal
  - Final Offer

- **Color Team Reviews**
  - Blue Team
  - Black Hat
  - Pink Team
  - Red Team
  - Green Team
  - Gold Team
  - White Hat

- **Key Documents**
  - Multi-year strategic plan
  - Annual operating plan
  - Marketing plan
  - Opportunity analysis report
  - Capture plan
  - Capture plan
  - Story-boards
  - Mockups
  - Final draft proposal
  - Proposal revision
  - Lessons learned
  - Contract
Good Process Drives Winning!

"Winning is not a sometime thing: it's an all the time thing. You don't win once in a while: you don't do the right things once in a while; you do them right all the time. Winning is a habit. Unfortunately, so is losing."

--Vince Lombardi

"If winning isn't everything, why do they keep score?"
Thank You Very Much!!

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