The Role of Project Management in Business Development

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References

Purpose

- Provide an overview of the business development process to familiarize project managers with:
  - Project pre-award activities
  - Role of the BD Manager
  - Role of the Project Manager in Government Services Procurement
Contents

- Assumptions
- Government Procurement Process
- The Business Development Process
- Role of the Business Development Manager
- Application of PMP Process to the Business Development Process
- Role of the Project Manager in Business Development
Assumptions

- This presentation is focused on:
  - Generic Industry Best Practices vice a specific company approach
  - Government Services Business Development
  - DoD customer
  - Requirements Based Opportunities

- It would need to be adapted to other business segments / customers / companies

- BD Process is both a self contained project and a component of a Govt contract process. This presentation will focus on it being a component of a Govt contract process
Ethics

As practitioners of project management, we are committed to doing what is right and honorable. We set high standards for ourselves and we aspire to meet these standards in all aspects of our lives—at work, at home, and in service to our profession.
Generic Project Phases

- Pre-Proposal
- Proposal
- Pre-Award
- Award / Transition
- Contract Start
- Project Phases / Incremental Funding / Option Periods-Tasks
- Project Closeout
Generic Project Phases

- Pre-Proposal
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BD Focus
Role of the BD Manager

- Lead/ Coordinate team effort to capture and win proposals
- Metrics of Success – Revenue added to the pipeline
- Authority – Weak Matrix Organization
- Focus – Pre-award
- Knowledge – Expert in project management and Government procurement processes
BD Mantra

- Every Proposal is inherently winnable … but the investment may not be worth the return
BD -- PM Tension

RISK

Performance
- Fee
- Quality
- Acceptance
- Staffing
- Reputation

Proposal
- Investment (MKT + B&P $$)
- Opportunity (Time)
- Capability
- Strategic Plan / Reputation

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Key Factors Determining Awards

- **Technical Solution**
  - Capability / Quality
  - Personnel
  - Schedule

- **Cost Solution**
  - Price
  - Socio-Economic Goals
  - Best Value Trade Off

- **Reputational / Relational**
  - Customer relationship
  - Customer perception of technology / solution
  - Customer perception of team
Generic BD Process

- Qualification
- Capture
- Proposal
- Post Proposal

NOTE: BD is both a self contained project and the initiating and planning process groups of an awarded project
Initiating Process Group

- Qualification Phase for BD that starts a project
  - Customer has money
  - Customer has requirement that they can not currently meet
  - Your company has capabilities in this area or ability to build team with capabilities
  - You have a good or neutral reputation with customer
  - You have or can get access to this customer
- Normally happens in pre-proposal phase 6-36 months before RFP depending on value of contract
- Outputs define purpose, objectives and authorizes a start
  - Develop Project Charter – Authorization from primary stakeholder that company wants to spend money to explore this opportunity
  - Develop Preliminary Project Scope Statement – Developed with data from INPUT, CENTURION, old solicitation, et cetera

Bottom Line – Is this a real opportunity that your company can win? Does this fit the company’s investment priority?
Planning Process Group

- Capture Phase for BD where the preliminary plan is built for the project
  - Scope, Time, Cost, Quality, Human Resource, Communication, Risk, & Procurement
  - The greater the value, the more elaboration required in this phase
- This phase is about progressive elaboration
  - Most companies have reviews to reassess the probability of win based upon the progressive elaboration
  - Companies change their strategy to increase their probability of win
    - Add subs to team to fill capability voids
    - Elect to sub to another prime to increase POW and ROI
    - Dramatically change schedule, quality or cost plans

Bottom Line – Are we going to win within the investment resources available?
Reasons to Team

- **Reduce Technical / Proposal risk**
  - Few companies have all the tools
  - Provide best value to Govt by bringing best of industry in one proposal
- **Required by Govt**
  - Socio-economic goals
  - Govt directed subcontractor
- **Reduce Proposal Cost**
  - Use subcontractors with lower burdens to reduce costs
  - Use subcontractors with cost saving technology
- **Political Reasons**
  - Customer relationships
  - Customer reputation
Reasons to be a Sub?

- Increase your probability of win
  - Join the winning team
  - 90% POW of 25% of value is often better than 10% POW of 100% of value
  - Grow market share for your niche capabilities

- Increase ROI / Create Reserve
  - Allows you to save money for other opportunities
  - For cost to bid one contract as prime you can bid several as sub or create reserve for strategic hires, IR&D et cetera
Risk & Triple Constraint
How Is Progressive Elaboration Achieved?

- **Communication Process Group**
  - Planning
    - Identification of Stakeholders
    - Access Plan
    - Messages
    - Questions
  - Management
    - Management Plan
    - Execution
    - Monitoring and Controlling
  - Distribution
    - Reporting information to stakeholders
    - Database of information
Communication Planning

- Identification of Stakeholders
  - Customer (e.g. KO, COTR, End Users)
  - Company (e.g. Sponsor, PM, Line, CTO, SME)
  - Competitors (Large Prime, SB, Niche Players)

- Questions
  - Technical / Scope / Personnel
  - Cost / Contractual
  - Reputational / Risk

- Access Plan
  - Identification of who knows stakeholder
  - When and how you will communicate with stakeholder

- Messages
  - Strategy for communication plan
  - What do you tell customers
  - What do you tell competitors
Why Talk to Competitors?

- Many PMs believe talking to competitors;
  - Alerts competitor to opportunity
  - Signals weakness and fear
  - Is dishonest because “we don’t want to team with them anyway”
- BD Managers talk to competitors because
  - Both companies want to add revenue to the pipeline
  - Neither manager wants to invest time and money on a losing effort
  - Your competitor of today is tomorrow’s partner – and the reverse is true as well
Communication Management

- **Management Plan**
  - Internal communication plan
    - Frequency of update meetings
    - Format for reporting
    - Distribution plan (e.g. who gets data generated from plan)
  - External communication plan
    - Required outside resources (e.g. 3rd party assessments)
    - Required internal resources (e.g. access help from door openers)
    - Proposed Schedule
    - Draft Questions / Concerns
    - Messages

- **Execution**
  - Generally send more than one person (Few can watch, listen and talk at same time)
  - Best team is door opener, SME and BD Manager

- **Monitoring and Controlling**
  - Track progress and quality of information
  - Verify information from 2 or more sources before taking action
  - Use sponsor to energize action by company door openers as required
Communication Distribution

Internal Distribution
- Reporting information to stakeholders
- Websites, Databases, Meetings, email, et cetera
- Conduct periodic reviews to assess as a group the data points and draw conclusions about how it affects the strategy of the capture

External Distribution
- Follow up on customer questions or concerns with follow-on meetings
- Counter competitor messages and create momentum
Role of the Project Manager in BD

- Leads/ Coordinates Technical Team
- Metrics of Success – Wins contract on which he/she will be project manager
- Authority – Weak Matrix Organization
- Focus – post-award
- Knowledge – Expert in project management and subject matter that will be provided to the customer
Risk & Triple Constraint

NOTE: PM is generally more worried about performance risk vice proposal risk
Role In Initiating Process Group

- PM is focused on the following during qualification
  - Company has ability to deliver or knows potential teammates who can provide the required capability
  - Company has past performance doing this work and the PM knows how to do this work

- PM should help draft the Preliminary Project Scope Statement – Developed with data from INPUT, CENTURION, old solicitation, et cetera
  - Baseline understanding of customer requirements
  - Baseline of who in the company should be involved
  - Baseline assessment of overall potential risk
Role of PM in Capture

- Builds the preliminary plan for the project
  - Scope, Time, Cost, Quality, Human Resource, Communication, Risk, & Procurement
  - The greater the value, the more time required in this phase (PM may need to be full time and may require a skeletal team)

- Subject Matter Expert to the Capture Team
  - Should attend customer and competitor calls to assess requirements and capabilities
  - Should be prepared to discuss company capabilities and potential solutions
  - Should be able to discuss the customer challenge in great detail including potential technological and other performance risks

- Cognizant that after award BD goes away and the PM has to execute this plan
Summary

- Business Development is a key component of the Government Services Project Lifecycle
- Good Ethics is at the core of good business development
- Winning contracts is a team effort led by the Business Development community and supported by the Project Management Community
- Each specialty has their role to play and time has not allowed for further elaboration (e.g. HR, QA, Procurement, Line, et cetera)