



The New Government Go-To-Market Paradigm

Maintaining Competitiveness in a Changing B2G Market

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Remember the good old days? Back in the 1990s and early 2000s, business was great; we were in a bull market! The federal budget trickled up each year, more opportunities to bid came out each year, the government had discretionary money, re-competes were relatively easy to win, and the company won new work each month or at least each quarter.

Marketing artifacts, at that time, largely consisted of having a presentation, brochures, table top giveaways, a conference booth and a basic web site beginning in the late 1990s. These artifacts were adequate since the company was growing year after year.

Fast forward to today! The environment companies operate in today is different, much different. While the federal technology budget continues to trickle up according to Input (2014), the number of opportunities has declined. There is little discretionary money these days. Re-competes have become brutal competitive exercises that last for many quarters. Sequestration and LPTA's influence is growing, real or imagined. And since 1995 I have heard about the government's shortage of procurement staff, which certainly slows down proposal evaluations, contracts awards and mods.

Responding or Reacting?

Management in many companies are cutting costs, simplifying infrastructure, outsourcing non-essential functions, hiring temps and contract workers, and consolidating facilities to the extent possible. Today, there are much less company funded professional development and certifications unless required by the contract. These and other cost reduction exercises are being performed in the name of staying competitive and viable. But are they working?

Observations of today's industry environment:

- Many companies' revenues are flat these days and have been for some time. Employees are working long hours and are under stress. Business Development (BD), Operations, Capture, and Proposal Managers are working hard but success is elusive.
- Some companies' business model appears to have become: (1) if I just bid enough work, I am bound to win something, or (2) if I just hire the right BD person, life will be good.
- A private equity guest speaker at PSC's Fall Conference, in 2013, said that our industry had too much capacity, around 20 percent. In fact, according to PSC, in 2013, mid-tier companies faced 16 percent fewer opportunities to bid; too many companies are chasing fewer opportunities.

Yes, business is certainly different these days.

Three Strategic Questions

Let's consider three strategic questions:

- How many quality leads is your company generating each month?
- How many referrals are you receiving from existing customers who say they value the quality of your company's work?
- How many new business leads are coming in from your company's project teams otherwise known as organic growth?

The answers to these questions portend the company's ability to win new business in the future. Let's examine why.

Lead Generation

Lead generation is the lifeblood of companies. How is your company generating quality leads each month? In the past, leads were generated by having a booth at a trade shows or conference, senior technical staff serving on select industry and government standards committees, direct mail campaigns, ads, and/or BD people being able to walk the halls of government knocking on doors.

I did this myself at NASA/Goddard years ago. After cruising through the front gate, I would go to Building 7 or 12. I would park out front, enter the building, pick a floor and walk down the hall looking for a Division or Branch Chief's title on the door. If things seemed quiet, I would poke my head in to say, 'Hello'. Often I was received courteously, stayed no more than 10 minutes and was sometimes sent to see a colleague who had budget money. BD cannot walk the halls like this anymore, as you know.

How is your company generating leads? No leads mean having a poor quality pipeline, which means there are opportunities in the pipeline that should not be there. Quality leads generate a quality pipeline!

Referrals

During a webinar on May 21, 2015, led by Elizabeth Harr, Partner, Hinge Marketing, she discussed the topic of referrals. She discussed important statistics based upon their market research of over 1,000 technology and services buyers. About 60 percent of the time, customers are willing to give a company a referral to a colleague of theirs *but they are not being asked for a referral!* When a customer tells a colleague that their incumbent supplier is doing great work and that their colleague should consider them for a new requirement, 45 percent of the time (almost half), when their colleague looks at the recommended company's web site, for whatever reason, they do not like something

they see and *never contact the firm!* Is your company still employing a basic web site, also known as a static web site?

New Evaluation Tactic?

What happens when the government releases a RFP or TO for bid expecting to receive 10 proposal bids and actually receives 25 bids? The government, while normally obligated to review and score each bid, rarely has the staff to handle this glut of work. When you consider that the majority of the proposal responses have 'B+' quality writing and technical solutions, and that pricing is similar across the majority of the proposals, how does the government distinguish the really capable firms from the wanabes? What might they do to resolve this frequent dilemma?

In 2013, a company I was consulting with, received a debrief from the government for a bid they had lost. At the end of the debrief, a government person casually told the SVP that they had visited the company's web site and realized that what was stated in the proposal was not evident at the web site. In other words, that company's proposal claims and assertions were not evident, meaning that they were not supported at the web site.

Attention Capture Managers!

Does your company's capture managers have a marketing plan and web site strategy in hand months before the RFP or TO is released for bid? What content should be evident at your web site to support your proposal claims? What specific objects do you place at the web site to serve as proof points for your proposal's assertions?

So, if the government receives 25 bids, while expecting 10, how hard is it to give an evaluation team member a checklist of eight or so terms or items that should be evident at the bidder's web sites to see if the bidding companies really perform this kind of work. Hypothetically, those companies with less than five or six of the "required" items do not make the cut. Are your marketing plans and web sites ready for this evaluation technique? Are employees, especially those who may be working at the bid target agency properly briefed on what to say or not if the government casually asks them about the company?

Are All Employees Engaged?

In a services company all employees work in marketing! I repeat - in a services company all employees work in marketing! When they speak with an existing or potential customer, respond in a timely manner or not to a customer's e-mail(s), perform great work or mediocre work, handle a blunt question gracefully or not, and so on, your

company is establishing and maintaining its Brand; you are directly forming the company's image in the market!

Until a few years ago, companies could control their message and the information they conveyed to the government through the language in their proposals or an occasional meeting with management. Companies can no longer control their message and image through their proposal language. Today, the company's web site, social media and Google itself can affect a company's image and credibility well beyond their carefully crafted proposal language.

There Are Two Kinds of Opportunities

Companies are faced with two kinds of opportunities these days; those they know about and those they don't. The ones you know about are ones that BD has been able to identify, track and qualify to a degree and when you have your step/gate reviews, you might have a 75 percent chance or more knowing the information necessary to make an informed bid-no-bid decision.

The ones you do not know about 'pop-up' meaning that they are released through an IDIQ contract vehicle or federal web site and you did not know they were coming. You have no insight into these procurement opportunities. These are what I call 'cold' opportunities.

Traditionally, these are slam dunk no-bid decisions. However, this decision making model is not good enough anymore as more and more work is being directed to (IDIQ) CVs without prior announcement. Some companies have developed a way to respond to these cold opportunities while still maintaining low bid-and-proposal costs. Being able to respond rapidly to cold opportunities and maintain a low B&P costs is now a significant competitive discriminator.

Lead Generation. Referrals. Organic Growth. Capture and Proposal Support? Cold Bid Response? What ties these factors together and facilitates their management?

Digital Marketing!

A technology and services company's only asset is the knowledge and experience of its subject matter experts (SMEs) – their expertise, education, and credentials! A current customer may love your SMEs but how is the value of your company's most important asset being leveraged beyond the current customer relationship? How do you make them *visible* to your larger market – a phrase coined by Hinge Marketing in Reston, VA.

Successful Digital Marketing is predicated on making your SMEs visible to your market. Why would a company do this? Let's look at a bigger picture:

- Google announced that in 2014, the number of mobile devices that accessed Google exceeded the number of desktop searches for the first time. Okay, we know that mobile technology is hot.
- A 2012 survey, taken by a company in Columbia, MD, found that 1/3 of DOD's Contract Specialists were under 34 years old. They are Millennials.
- According to The Learning Café and JustJump Marketing.com, Gen-Xers (ages 36-52) are individualistic, reject rules, and like technology a lot. Millennials (under age 36) are individualistic, re-write the rules, are very Internet oriented, have super technical literacy, do not like long meetings, and there are 80 million of them! (According to a recent survey by Pew Research Center, they have 'low social trust' which can translate to low brand loyalty.)

With the government traveling much less these days, going to fewer conferences and trade shows, using more mobile technology, being overworked and understaffed, having little or no time for meetings with 'outsiders', seeking knowledge and education on-demand to address an ever changing work environment, where will government employees go to get information? Find knowledge? Find specific expertise about a subject new to them?

The Internet or more specifically Google over 80 percent of the time!! And they expect to gain visibility into your company's subject matter experts!

Survey Says...

How do these buyers find a new services firm when they go looking? According to *Inside the Buyer's Brain*, 2013. Frederickson and Harr, which surveyed over 1,000 buyers of technology and services including the government:

- 73% - ask a colleague for a *referral*
- 25% - already knew of a company ... known as mindshare!
- 12% - use an existing internal list
- 2% - go to trade shows or conferences.

According to *Spiraling Up*, 2010, Frederickson and Taylor, Hinge Research, the buyers of technology and services said that their most important criteria for selecting a services firm were in descending order:

- Expertise
- Quality of their people
- Company experience

A New BD Paradigm is Emerging

Remember the traditional BD paradigm: Meet with the customer ... develop a relationship ... demonstrate the company's expertise using different artifacts... build a level of trust ... hopefully bid and secure a new customer. While process is still a relevant, a new paradigm is emerging – the *Digital BD Model!*

If your SMEs have market visibility, leads can be generated. Referrals can be followed up. Organic growth can be facilitated when on-site employees are asked what other kinds of work does your company perform. How do your employees respond to this question now?

How do buyers of services specifically find SMEs, according to *Visible Experts*, 2014, Hinge Research?

They:

- 31% - go online
- 19% - ask for recommendations from people they work with i.e. *referrals*
- 19% - read industry publications
- 11% - ask industry associations i.e. referrals
- 8% - listen to a talk by a SME.

Now we enter the world of a Digital BD model: Customer has an issue or problem... they seek on-line education/information ... they want knowledge from a SME ... they may develop a level of comfort or trust with this SME and company after reviewing a white paper or technical presentation or blog or Podcast or referral – one or more of these artifacts may serve their need - business might thereafter be bid and won thereby securing a new customer relationship. *The Digital BD model may or may not entail face-to-face meetings with companies!*

Remember the opportunities I termed as being Cold opportunities? The Digital BD Model is what is emerging around Cold opportunities.

What does Digital Marketing Encompass?

Digital Marketing means having a value-creating, interactive web site. It can include:

- White papers – (there are 3 kinds)
- Blogs – (there are 2 kinds)
- Abbreviated technical presentations e.g. 6-7 slides
- Conference papers
- 1-page customer success stories – (there are 3 kinds)
- Industry and government technical standards committee participation

- Webinars
- Touchpoint Management
- Short videos – 2-3 minutes
- Customer e-newsletter
- Brand Strategy across the company
- 'Business' Social Media e.g. LinkedIn and Twitter.

Millennials, according to research performed by Just Jump Marketing, 2015, want interesting, authentic, and informative web site and social media content. Are your company's values and personality evident at its web site? This issue is especially important when it comes to recruiting Millennials.

Remember SEO!

Search Engine Optimization (SEO) has been around for about 10 years and has become a major marketing sub-function. Today's SEO goes far beyond key word selection and customer targeting. There are four pillars to SEO, according to MoreVisibility.com, *Technology* – platform and architecture, and more; *Design* – navigation, use of images and text, and more; *Content* – keyword research and metadata, and more; and *Marketing* – link building and social media tie-ins.

SEO involves numerous other factors of course. If your company is going to have an effective Digital Marketing capability then it must have an effective SEO capability!

Digital Marketing artifacts mentioned previously are generated and maintained collectively to create customer inquiries i.e. to generate quality leads. They exist to communicate to other stakeholders too: (1) existing customers, (2) new customers, (3) partners, (4) subcontractors, and (5) potential new hires. What does each of these stakeholders expect to see when they visit your company's web site? A company rarely knows which of these artifacts will appeal to a specific web site visitor.

Based upon a company's culture, resources and intellectual capital, more or less of these artifacts may be generated and maintained. Smaller companies do not have to offer the quantity of content of larger companies. Smaller companies must focus on quality, not quantity!

The playing field is not level!

Experiencing flat revenues and having a lack of quality leads and referrals are indicators that a company is not being competitive in the emerging world of Digital Marketing. Large companies have an inherent advantage in the Digital Marketing arena; they have the resources and pockets to attract and engage their web site visitors. Smaller firms must decide their competitive response... soon. The time to act is now!