

The application of market research to strategic marketing and proposal development

Government Business Opportunities Conference

July 30, 2019

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The goal of understanding the customer and the needs is submitting a response that is ---

Interesting

Relevant

Memorable

Where do you start?

How do you find them?



Starting questions

- Where am I going?
- How am I going to get there?
- What is going to hinder me?
- What is going to help me?



Develop knowledge of typical customer

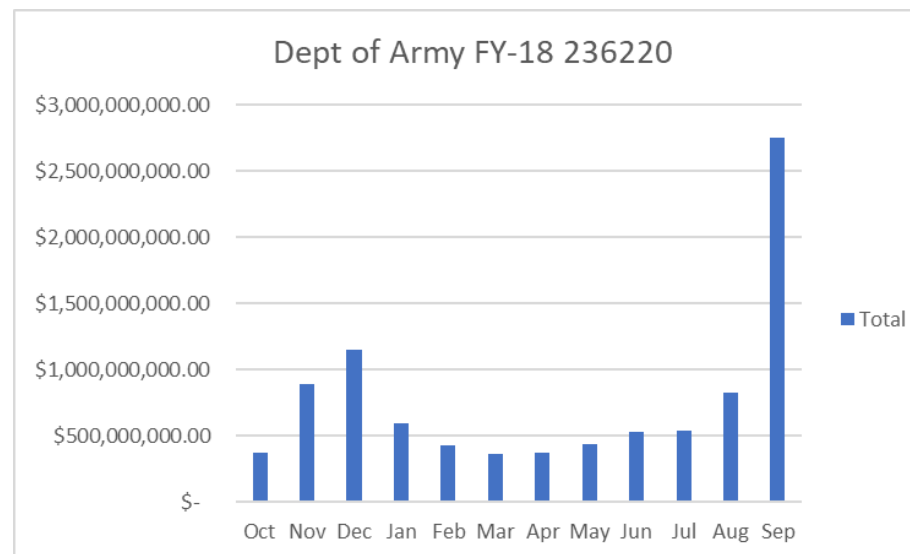
- Who are my customers?
- Do they buy my product/service?
- How much do they purchase?
- How do they purchase?
- Can I be competitive?
- Am I qualified?



Know your Customer!!!

- Their requirements
- Their processes
- Their rules
- What they buy
- How they buy
- When they buy
- Preferred contracts

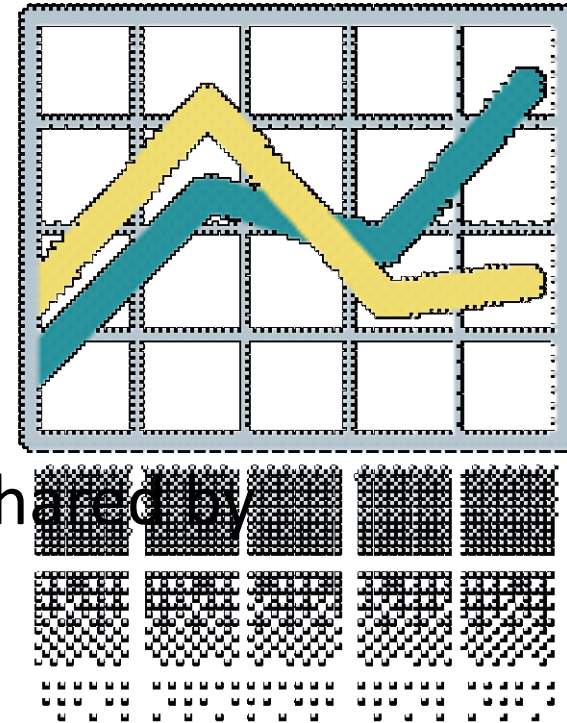
	Data	
Award or IDV Type	Count of Award or IDV Type	Sum of Action Obligation
BOA	5	\$ -
BPA	19	\$ -
BPA CALL	123	\$ 4,668,720.27
DEFINITIVE CONTRACT	299	\$ 5,304,944,894.02
DELIVERY ORDER	323	\$ 3,945,038,222.92
IDC	193	\$ -
PURCHASE ORDER	136	\$ 13,883,838.11
Grand Total	1098	\$ 9,268,535,675.32



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Market Research - questions

- What is being consumed?
- What is driving (causing) the consumption?
- Is the need static, growing, or diminishing?
- What are the general characteristics?
- Are these characteristics unique or are they shared by other organizations?
- How many other organizations?
- Are they local, clustered or geographically dispersed?



Develop an understanding of the market

- Market size
- Target market
- Key contacts
- Key resources
- Competition
- Bid to win ratio
- Value proposition



**Market/Customer
profile information**

Traditional Sources of Information

- GPE = FBO (www.fbo.gov) > anticipated value > \$25,000
- > \$15,000 but < \$25,000 --display in a public place, or by any appropriate electronic means
- In addition, one or more of the following methods **may be used**:
 - (1) Preparing periodic handouts listing proposed contracts, and displaying them as in [5.101\(a\)\(2\)](#).
 - (2) Assisting local trade associations in disseminating information to their members.
 - (3) Making brief announcements of proposed contracts to newspapers, trade journals, magazines, or other mass communication media for publication without cost to the Government.
 - (4) Placing paid advertisements in newspapers or other communications media, subject to the following limitations:
- Micro-purchases -- ? – maximum practicable competition

Resources

- Data – data.gov | FPDS | Other specific source VA, Census, BLS
- Federal Business Opportunities (www.fbo.gov)
- GAO – Reports | Protests | High Risk
- Congressional Research Reports
- Congressional Testimony – James Sullivan – ex (VA – 2006)
- Strategic Plans
- Acquisition Forecasts
- Budgets and Budget Modifications
- Data about – how the customer buys – IDV, GSA, RFQ/RFP, other program
- Other

Size the market



Example

- Goal - \$150,000
- Avg job - \$5,000
- Jobs required = 30
- Bid to win ratio = 10:1
- RFQ's required - ~300

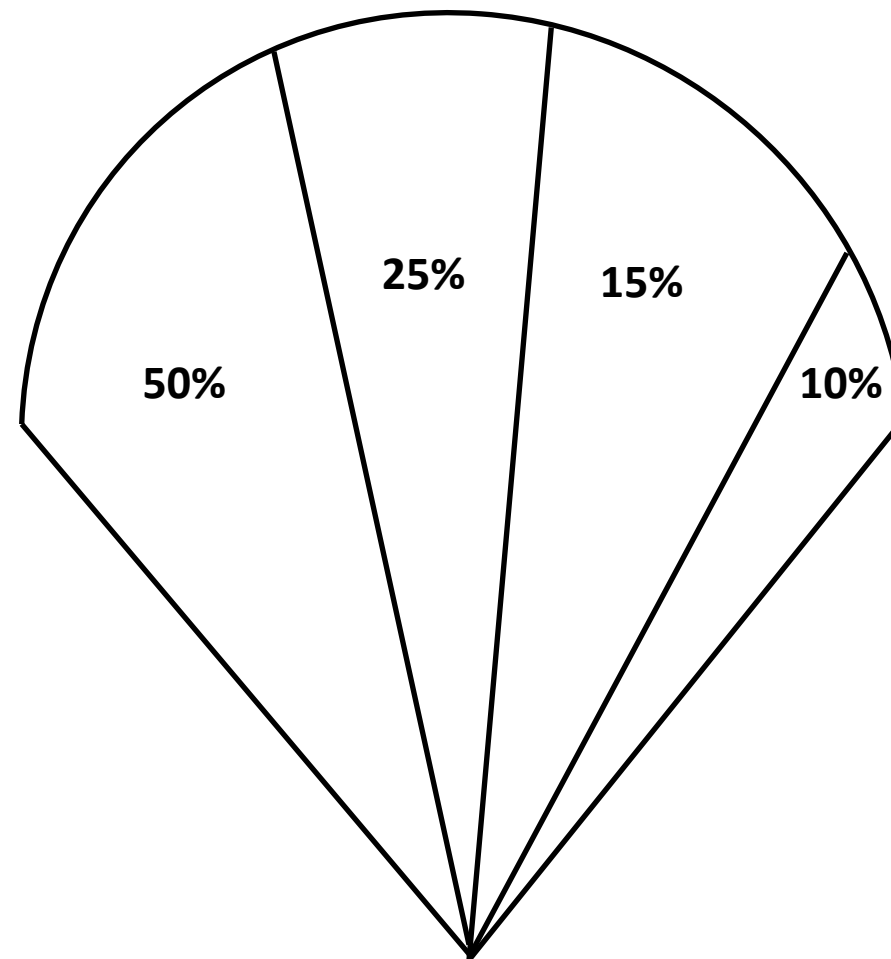
Key questions

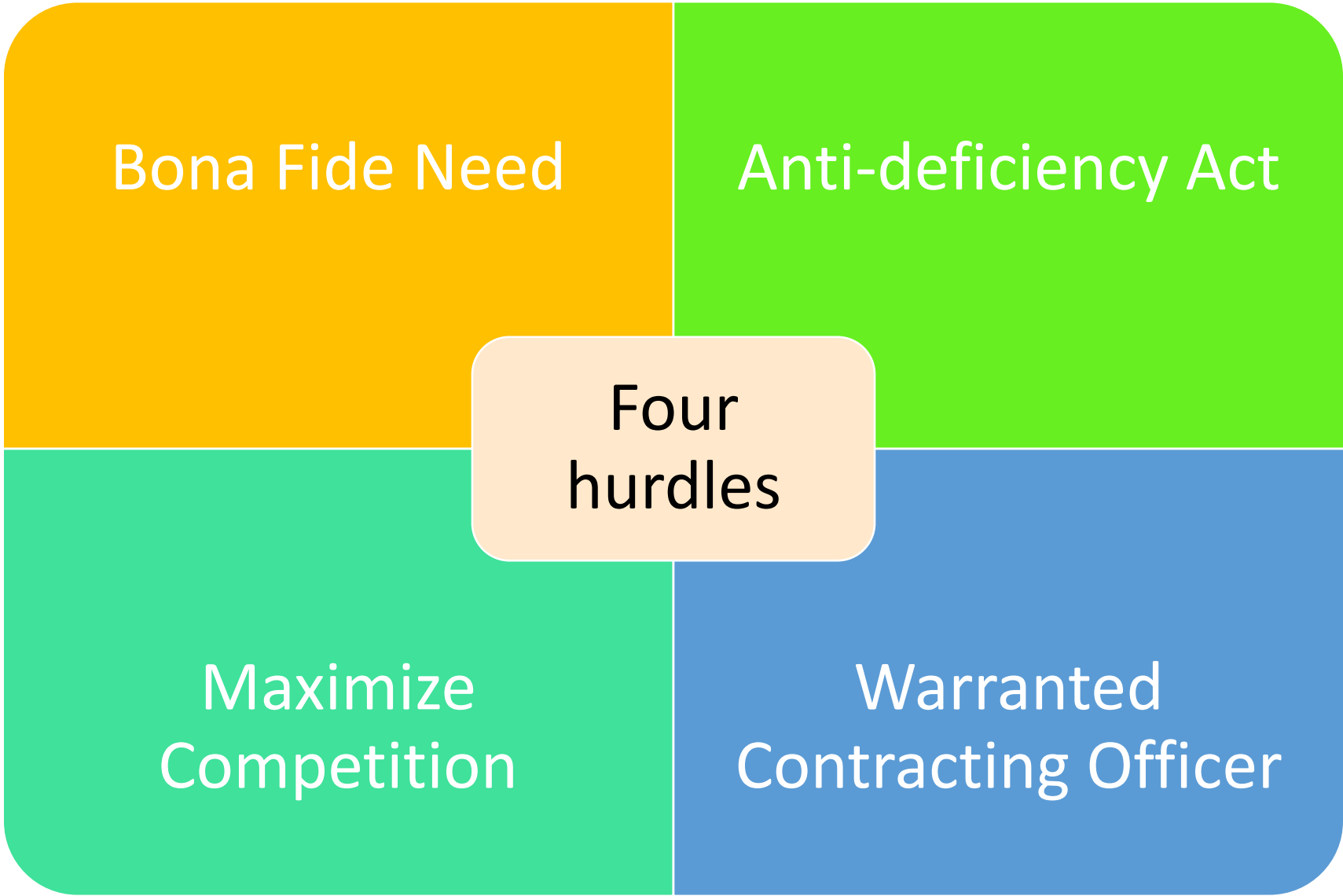
- Are there 300 opportunities?
- Over what period?
 - 12 months – other
- Time required to respond
 - 5 hours – 1,500 hrs $\frac{3}{4}$ normal yr
 - Pages – ability to review and identify requirements

Develop/Refine & Use your scouting report

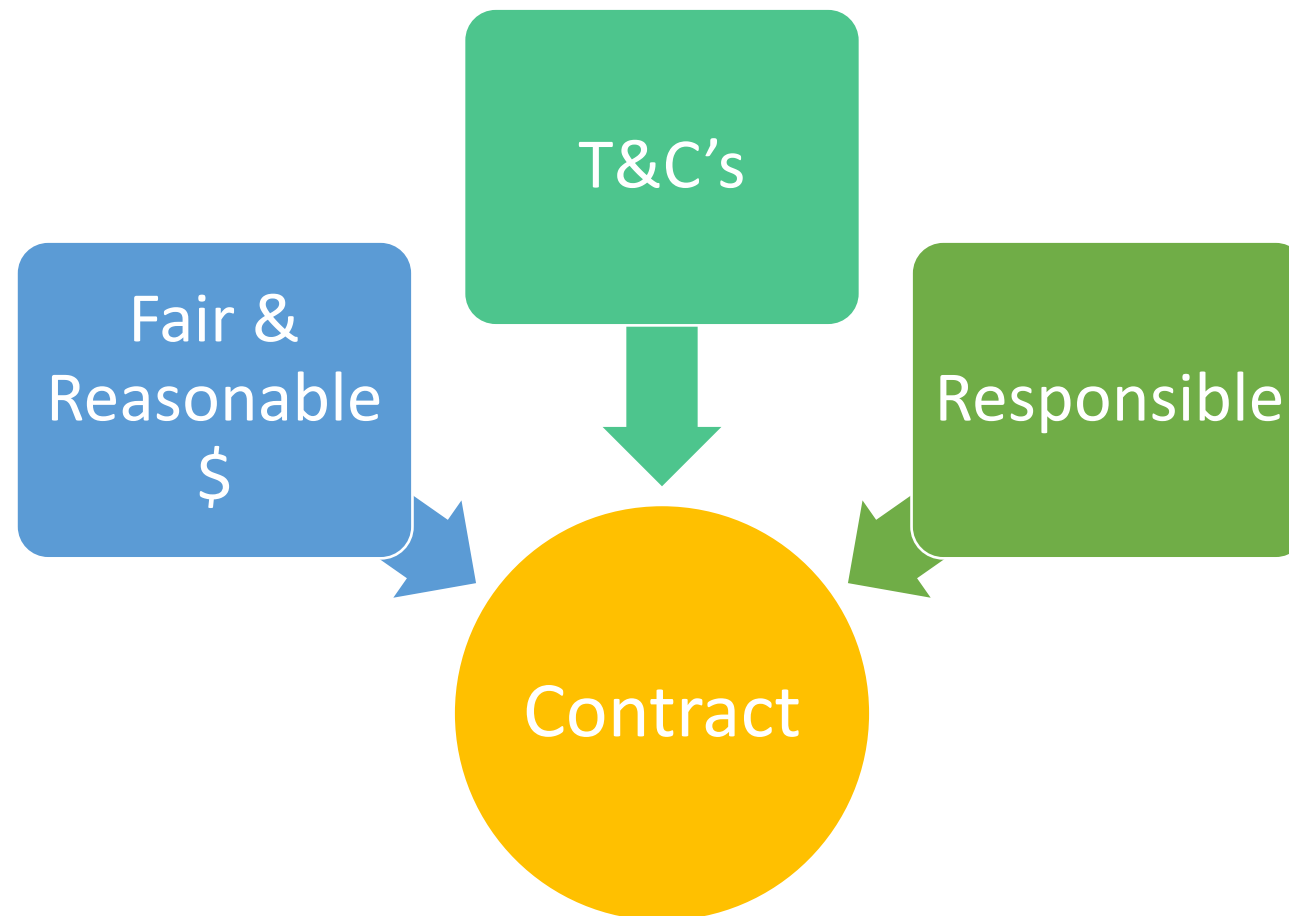
Key – strategic customers

- Critical information – decision philosophy and drivers
- Resources
- Competition
- Questions to answer





Contracting Triangle



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Pick an approach for success! Where do you fit into the plan? Are you responsible?



FAR – 9.103 Policy

- (a) Purchases shall be made from, and contracts shall be awarded to, responsible prospective contractors only.
- (b) No purchase or award shall be made unless the contracting officer makes an affirmative determination of responsibility. In the absence of information clearly indicating that the prospective contractor is responsible, the contracting officer shall make a determination of nonresponsibility.

9.104-1 General standards.

- To be determined responsible, a prospective contractor must-
 - (a) financial resources to perform the contract
 - (b) Be able to comply with the required or proposed delivery or performance schedule
 - (c) Have a satisfactory performance record (see [9.104-3\(b\)](#) and [subpart 42.15](#)). (
 - d) Have a satisfactory record of integrity and business ethics (for example, see [subpart 42.15](#)).
 - (e) Have the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them (including, as appropriate, such elements as production control procedures, property control systems, quality assurance measures, and safety programs applicable to materials to be produced or services to be performed by the prospective contractor and subcontractors). (See [9.104-3\(a\)](#).)
 - (f) Have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them (see [9.104-3\(a\)](#)); and
 - (g) Be otherwise qualified and eligible to receive an award under applicable laws and regulations (see also inverted domestic corporation prohibition at [9.108](#)).

9.104-4 Subcontractor responsibility

- (a) Generally, prospective prime contractors are responsible for determining the responsibility of their prospective subcontractors (but see [9.405](#) and [9.405-2](#) regarding debarred, ineligible, or suspended firms). Determinations of prospective subcontractor responsibility may affect the Government's determination of the prospective prime contractor's responsibility. A prospective contractor may be required to provide written evidence of a proposed subcontractor's responsibility.

FAR – Pricing ~ fair and reasonable

(2) Award will be made at fair market prices. FAR 19.502-2

(6) Award can be made at a fair and reasonable price. FAR 19.1306

(2) Award will be made at a fair market price. FAR 19.1405

(2) Contract award may be made at a fair and reasonable price. FAR 19.1505

- **15.402 Pricing policy.**

- Contracting officers shall-

- (a) Purchase supplies and services from responsible sources at fair and reasonable prices. In establishing the reasonableness of the offered prices, the contracting officer-

Contracting Equation



Key Issues: combined Prime/Sub issues

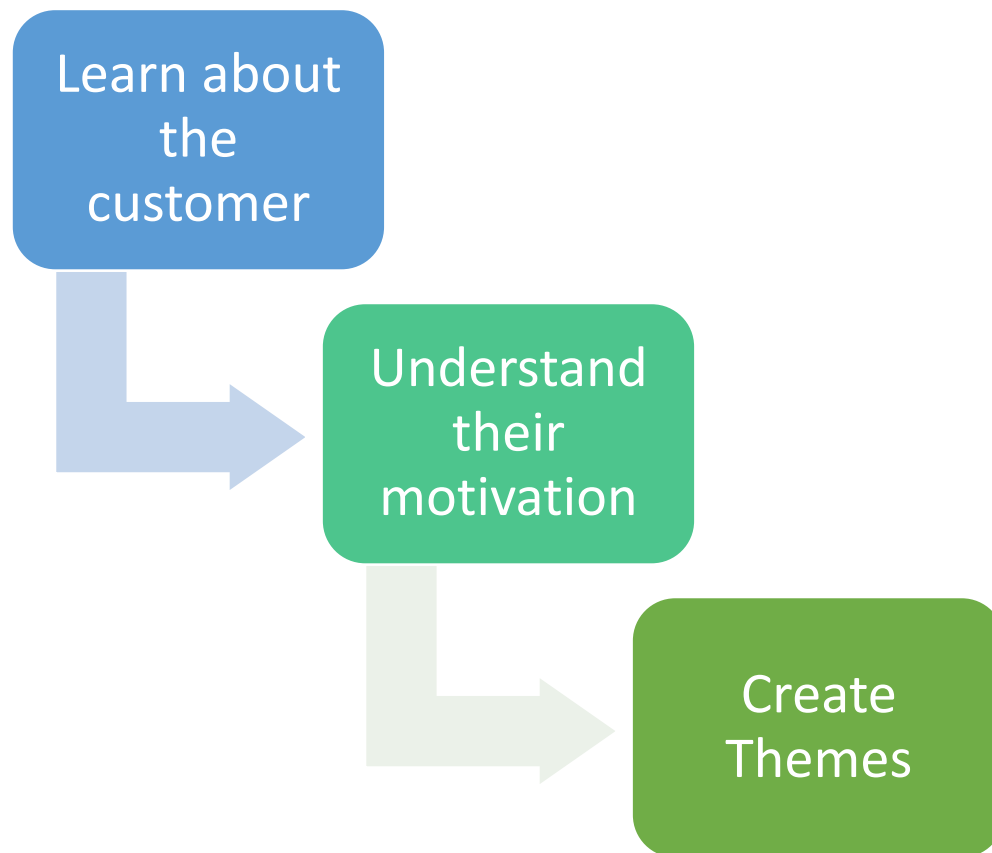
- Determination of Responsibility
- Size
- Ostensible Subcontracting
- Determining a Commercially Useful Function
- Limitations on Subcontracting
- Non-manufacturer Rule
- Use of subcontracts

- ✓ **Understand**
- ✓ **Communicate**
- ✓ **Manage**

FAR 44.101 - definitions

- “Subcontractor” means any supplier, distributor, vendor, or firm that furnishes supplies or services to or for a prime contractor or another subcontractor.
 - The term “subcontractor” as defined above is very broad and covers many different types of relationships.

Developing relationships



Tennessee Valley Authority (TVA) TVA Act 1933

- Responsible for River Control, reduce flooding
- Many companies pitched many ideas to control flooding without the needs to build dams.
- Dams continued to be built.
- Why?
 - The “authorizing legislation specifically directed it (TVA) to build dams but nowhere clearly authorized watershed planning.”

Why is this important?

- Tennessee Valley Authority (TVA)
 - The no-dam approach was viewed as not being allow by law.
 - There was other procurement –
 - Reservoirs
 - Power plants
 - Etc
 - However, the management of the river was by Dam.
- ➔ Ultimately there has to be alignment of purpose, authorization and the approach.

Small Business Innovative Research(SBIR)

- Participating Agencies periodically publish topics of interest.
- Companies state – “they have solutions”
- The Agency is not purchasing a product or service.
- The goal of the SBIR program is to provide incentive to primary research.

Questions

<i>Unclassified</i>		REPROGRAMMING ACTION - PRIOR APPROVAL						Page 2 of 10	
Subject: June 2018 MIP Prior Approval Request (Omnibus 2018 MIP)						DoD Serial Number: FY 18-18 PA			
Appropriation Title: Various Appropriations						Includes Transfer? Yes			
Component Serial Number:		<i>(Amounts in Thousands of Dollars)</i>							
		Program Base Reflecting Congressional Action		Program Previously Approved by Sec Def		Reprogramming Action		Revised Program	
Line Item		Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
a		b	c	d	e	f	g	h	i
Research, Development, Test, and Evaluation, Army, 18/19						+10,500			
Budget Activity 07: Operational System Development									
PE 0305232A RQ-11 UAV		2,191		2,191		+10,500		12,691	
Explanation: Funds are required for the following efforts:									
<ul style="list-style-type: none"> \$+7.5 million is required to accelerate Short Range Reconnaissance (SRR) Unmanned Aircraft System (UAS) development from 2nd Quarter FY 2019 to 4th Quarter FY 2018. The SRR was formally called the Short Range Micro (SRM). The SRR UAS will provide organic, small UAS at the platoon and company tactical levels. This is a MIP project. This is a base budget requirement. 									

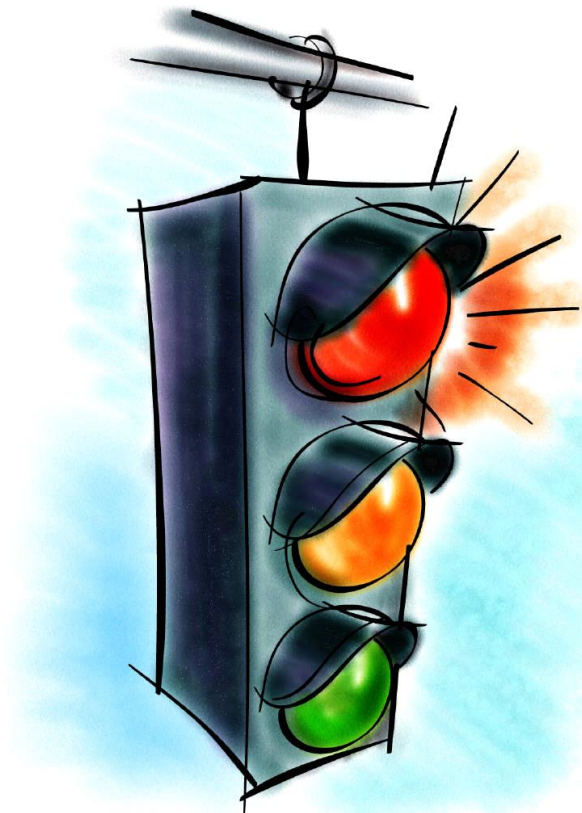
Are the rules – process changing

- WASHINGTON — It's the beginning of a [new era in Army acquisition](#) in which soldiers might not have to wait 10 years or longer to see a new weapon or capability in the field, but instead could get modern, new systems in their hands within just a few short years.
- That's at least what service leaders tasked to come up with new road maps for the Army's [top modernization priorities](#) are thinking is possible.

<https://www.defensenews.com/digital-show-dailies/global-force-symposium/2018/03/23/us-armys-futures-command-sets-groundwork-for-battlefield-transformation/>

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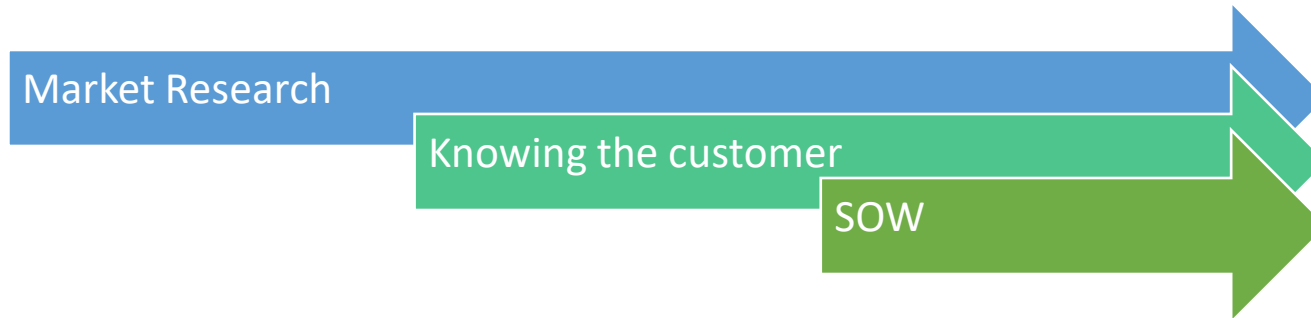
Utilize a Go/No-go criteria



- Knowledge of opportunity -customer
- Experience
- Skill level
- Capacity – technical/other
- Funding capacity
- Time available
- Competition
- Profit potential
- Probability of win

Ask questions – research to develop insight

- What is important?
- What will make our pitch – interesting, relevant and memorable?
- What are the key themes?



Theme

Characteristics
of Themes

Interesting

Relevant

Memorable

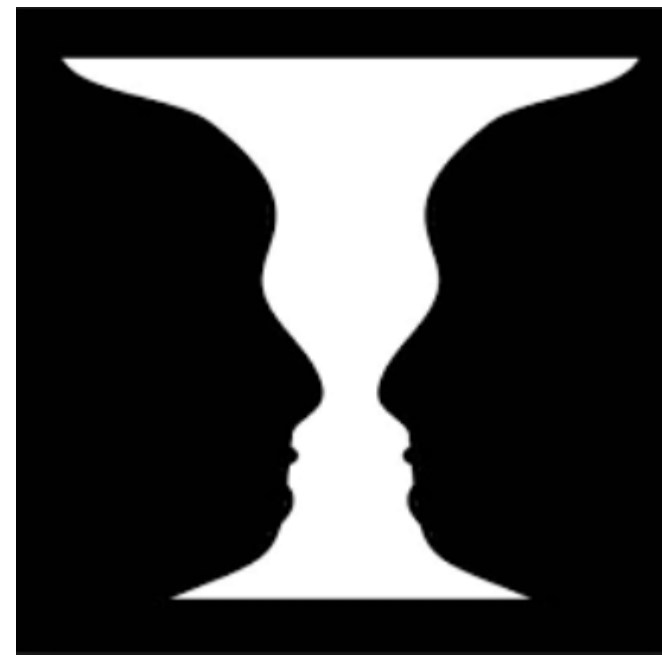
The Pitch – general elements

- Interesting
- Relevant
- Memorable

- One key idea is to create a theme which is connected in some major way and is of significant importance to the customer
- Then, the theme is carried through the conversation/proposal but ...
 - The exact same wording is not used. Variations of the theme are used
- The idea is to capture interest and be remembered

Thinking in different levels

- Example -Title: **Midwin NTP Bunker Demolition**
- The bunker removal attracts the attention
- “Target fixation”
- What you see first will often stay with you.
- In some cases it’s difficult to see the other image.



Bunker Removal – subtle elements

- Asbestos/Hazardous Waste/Permits
- Specified grass seed mixture – no fertilizer
- Restriction on ruts with requirements to repair
- Nov, Dec and May 1st milestones – weather
- Invasive species checks – vehicle checks
- Excessive dust – control requirements
- Burning is not allowed
- Designate and separate, identify material for recycling/reuse

Building the narrative – an example

- Research to identify possible themes
- Select one
- Connect the theme to the customer
- Expand on the theme
- Associate the theme to the need
- Couple the customer's need to the requester's

Safety - ideas

- EMR of <1, 1.0, > 1.0 (experience modification rate)
- Number of lost workday current year 0
- Days since last safety incident xxx
- Instituted White Safety Hat award
- Quarterly safety training
- Toolbox meetings include safety element
- All subcontractors reviewed for safety plan/compliance
 - If safety is a key element, these types of ideas are woven into and throughout the response

What is/are the messages to convey

- This is where knowing the customer can pay dividends
- Understanding what is important
- Identify if there are “brown M&M’s”
 - Was the solicitation read and truly understood?
- The message –
 - They get it – they understand – they see where we are going; what we want
 - They understand what is important to us.
 - That is a company to remember.
 - Etc.....

Movie – Hidden Figures

- Mary Jackson – aspiring engineer. Needs to take advance classes at all white high school.
- Makes petition to court
- She creates the theme of “**being the first**” and repeats it in different ways – his life, her need, NASA sending a man into space and returns back to the Judge.
- She ends with a philosophical question, not a request that can be denied and by doing so seems to remove the question from the societal issues of the day.

Hidden Figures - youtube

- <https://www.youtube.com/watch?v=u8WN9eRdw1U>