



Strategic Space Development

Business Development Secrets to Success

Establishing a competitive kill zone

Special points of interest:

- Learn about the concept of a competitive kill zone and how it can dramatically improve your odds of winning
- Learn how to factor early interactions with the customer into a highly competitive win strategy.
- Understand how to develop a sense what “pains” or issues the customer is trying to resolve

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Most competitive procurements are won or lost long before the Request for Proposal (RFP) is ever released. The pre-RFP stage is where the competitive landscape is shaped, resulting in a solicitation that will either be written in a way that inherently favors your offer or is in favor of someone else’s offer. The competitive kill zone exists where your offer is uniquely competitive and your competitors’ offers are all inherently deficient.

Professional capture managers keenly understand this phenomenon and will work well ahead of time to shape the competition in their favor. A fundamental part of the competitive shaping involves understanding the decision makers’ decision factors and how a potential offer will fit the need that is to be filled by the acquisition (see Secrets to Success Newsletter Vol. 1, Jan 06).

The key to shaping the competition in your favor is to influence the customer and their requirements such that they develop an early preference for your solution. In parallel, you must influence the decision criteria into a position where you are the most competitive offeror, and where your competitors’ solutions are the least



Like mechanized warfare, successful new business capture efforts require preparation, planning, sound strategy, and excellence in execution.

competitive. This is known as the “competitive kill zone.” You want to respond to RFPs with requirements that fall into your competitive kill zone. Unfortunately, the majority of companies spend most of their time and resources responding to RFPs that have already been shaped and moved into someone else’s competitive kill zone.

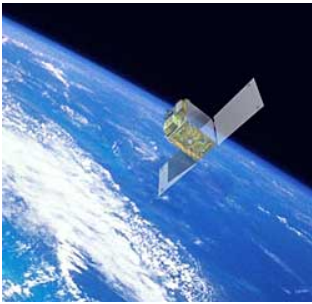
The benefits of a skillfully executed capture effort that establishes and maintains an effective competitive kill zone include a highly increased chance of opportunity capture and a much higher return on the business development investment. The downside of this approach is that it tends to require early engagement with the customer, which may not always be possible. The other downside to this activity is that it requires a lot of labor and early investment in

opportunities before they can be easily identified and solidified.

While simple in theory, establishing a competitive kill zone can be difficult in reality, but not impossible or improbable. It requires a combination of:

1. Skill and experience
2. Early engagement
3. Well-honed strategy
4. A good understanding of the customer “pain”
5. Fortunate circumstances

Establishing a competitive kill zone starts with understanding the customer and the customer’s requirements. In order to understand what is driving the procurement, it is essential to answer the question of “what pain is the customer trying to address or solve?”



Competitions are often won and lost in the struggle that leads up to the RFP. The difference between great business development professionals and the rest is their ability to shape the competition and keep it in their “competitive kill zone.”

“The procurement is often won or lost by the time that the RFP arrives.”



Time to sale will shape your overall business development and sales strategy.

Establishing a competitive kill zone, continued

Discovering what is driving the customer to undertake the procurement will lead you to understand what the real requirements are, which requirements are hard, and which requirements are soft. Underlying these requirements is the heart of the matter –an organizational pain that is being addressed. This can be an organizational strategic issue such as “we need to upgrade our image,” a performance issue like a vendor that is not performing well on an existing contract, a simple bureaucratic requirement requiring a re-compete of a long-held contract, a technical issue, or a cost issue such as “we need to find a way to increase the value of our product.”

In most cases, the end goal is more strategic in nature and the technical details are often negotiable in the early stages. This is why early engagement with the customer is very important. Simply put, you must engage

the customer while the technical requirements are being developed in order to be able to influence the requirements. Once the technical requirements of the procurement are set in place, it is very difficult, if not impossible to change them. If you engage early with the customer in a consultative sales mode, you are opening their trade space to include your solutions and thus make the resulting requirements more favorable to your solution. In the process of the consultative sales process, you are shaping the procurement so that the requirements largely favor you and discourage your competitors. You have thus entered the “competitive kill zone.”

Developing the kill zone parameters is a key part of this activity. It must be performed iteratively with the customer interaction, and thus has to be done in parallel. The goal of this effort is to determine which technical or other requirements

will be beneficial to your solution and which ones are disadvantageous to your competition. This first requires some knowledge of who your competitors are and what their solution might be. While gathering this information is the subject of another complete topic (see Business Development Secrets to Success Vol 2), it is a strong input into a key issues analysis. Once you have determined the customer’s key issues, you will need to realistically score yourself and your competition. You must then develop a strategy to mitigate your weaknesses, with an eye to altering customer requirements away from your weaknesses and toward your competitor’s weaknesses.

While this technique is simple, its proper execution is extremely powerful. The result of a well-executed competitive shaping of the RFP will be a greatly enhanced probability of winning.

Key Issues	Metric	Weight	Our Score	Competitor score
What are the main concerns?	How will the customer measure our effectiveness ?	What are the customer’s priorities?	How do we score multiplied by weighting ?	How do they score multiplied by weighting ?
Costs	Life cycle costs Cost realism	10	8	3
Schedule	Schedule margin and realism	5	3	6
Knowledge of requirements	Proof of similar work for others	8	6	8

A key issues analysis identifies the customer’s key requirements and scores your solution against your competitors. Properly done, this will guide you in developing the “competitive kill zone.”

Obtaining a facility security clearance

Wynn Phillips

Often, doing business with the Department of Defense (DoD) requires personnel with security clearances. In order for a business to hold personal security clearances it must have a facility security clearance. We are often approached in our consulting practice with the question “how do we get a facility security clearance with the DoD?” The reason for this question is that many of the business owners are engineers, scientists, or business people who have been individually supported by security at other companies, but who do not understand how the security process works at a company level.

A company enters the DoD classified “world of work” by first having a contractual requirement to access DoD classified information or materials. Translated, your company must have a contract with another company or DoD agency requiring access to classified information. Your company can win such a contract from another contractor or DoD agency without a facility clearance in place. But once won, your company must complete the contractual requirements.

For example, your company (let’s call it “ABC”) has won a contract from another company (or it can be a government agency— either way let’s call it “XYZ”), so what happens next? Its all in the hands of XYZ at this point.

The first step by XYZ is to issue

the contract to ABC with FAR 52.204-2 Security Requirements and attach a DD Form 254, DoD Contract Security Classification Specification. With the DD Form 254 in place, XYZ is ready to take the second step.

The second step is that XYZ writes a “Sponsorship Letter” reflecting their desire for ABC to work with classified information. The Sponsorship Letter is written to the Defense Security Service (DSS) with an attached copy of the DD Form 254. Note that specific items must be reflected in the Sponsorship Letter that guides the DSS.

With the receipt of the Sponsorship Letter, a DSS Industrial Security Representative (ISR) coordinates a visit to ABC’s facilities and meets with a designated Facility Security Officer (FSO). The FSO can be the owner/operator of a one-person business or an employee assigned as the FSO in a larger company. At the end of that meeting between the FSO and the DSS/ISR, each will have the information necessary to proceed.

The DSS/ISR will continue with the facility clearance process, which includes clearing at least one employee of ABC— the owner if a one-person company— the owner and the FSO if the company is larger. The FSO of ABC will know which forms, files, and facts the DSS needs to complete the facility clearance process.

Both the FSO and the DSS/ISR work concurrently on their responsibilities, and DSS tries to make facility clearance requests as a top priority. At some point both the DSS/ISR and the FSO meet again to finish up the clearance process. If both sides have their jobs done, the DSS/ISR can issue an interim or final facility clearance at the level required by the DDForm 254. However, the next part of a facility clearance gets a little dicey, for as you know in all contracts, “the devil is in the details.”

Some of those devilish details as found in the contract and DDForm 254 are:

- Will ABC store classified material (a possessing facility) or only access classified at other locations (a non-possessing facility)?

- Who will administer the JPAS program? The FSO in a larger company or the CEO/Owner/FSO in a smaller company?

- Who will handle the annual training of cleared employees?

- If ABC becomes a possessing facility, then ABC will need:

- A safe or “closed area” to store classified materials;
- Possibly a COMSEC “SOCA” account so you can use a STE or STUIII phone to talk with the customer;

- Possibly a computer to process classified information and a computer-smart cleared employee to handle DoD security on “AIS” systems and to write the System Security Plan; and
- A method to ship and receive classified information and materials.

The ABC Company has to make decisions based on the DDForm 254, then the DSS/ISR supplies the guidance to provide proper security. SSD has professionals that have stepped through the facility clearance process with a number of companies. The process can be a little daunting and fraught with details, but the effort is well worth it when your company, once awarded a facility clearance, can pursue previously unavailable classified business and revenue.

“Getting a facility security clearance is relatively easy once you have a sponsoring company or agency”



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Strategic Space Development is a business development consulting firm specializing in aerospace and defense sector business and competitive intelligence. Strategic Space has many top drawer clients in the high tech and aerospace sectors and works with companies to grow revenues, identify and pursue new business opportunities, and make sound strategic decisions. Our efforts focus on working the client factors that increase the probability of winning new business. SSD's staff hails from DoD, Intelligence Community, and civil space backgrounds and has a breadth of business and engineering experience to work across the large domain of technical sales and strategy considerations. SSD also offers professional development courses in business development, competitive intelligence, strategy development, and engineering disciplines.

Strategic Space Development Delivering Increased Win Probability
www.strategicspace.net and www.bdcourses.com

Business development courses offered in Key West, Florida

Join us in Key West Florida on February 8th and 9th 2007 for a business development seminar. This course is an ideal way to hone your business development skills and to get an overview of the business development process as it applies to the aerospace and high technology industries.

This course is meant for both experienced business development professionals and those new to the profession and focuses on:

- ***Understanding the sales process***
- ***Developing the new business funnel***

- ***The role of marketing and brand generation***
- ***Developing competitive intelligence***
- ***Proposal strategy development and execution***

The cost of the course is \$1,500 for early registrants (one month before seminar) and \$1,800 for normal registration. Group and client discounts are available. Space is limited so be sure to make your reservations early. Please contact Ellen (email ellen@stratspace.net) to reserve a spot. More information can be found at our website www.bdcourses.com.

We hope to see you there. Additional courses and dates are also offered on our website.

We also offer courses on-site at your place of business. The advantages of an on-site course are lowered course costs, eliminated travel time and costs, and wider exposure within your company. Call us today for details.



This course will emphasize an overall understanding of business development processes and techniques fundamental to your success.