



Strategic Space Development

Business Development: Secrets to Success

Ethical Boundaries? Gathering Competitive Intelligence

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President SSD

Special points of interest:

- Set a collection plan when gathering Competitive Intelligence
- Follow the set of Ethical Standards set up by SCIP
- New Capture Management Course offered in December
- How to use "Pwin" in Capture Management
- Upcoming BD courses – special rates

Inside this issue:

- | | |
|--|----------|
| Ethical Boundaries? | 1 |
| Effective Capture Management Course in Los Angeles | 2 |
| Using Pwin Effectively in Capture Management | 3 |
| BD course in Los Angeles | 4 |

Competitive Intelligence (CI) is essential to the survival and success of a business. Business development efforts depend heavily on this type of information. Gathering CI often falls into the domain of capture managers, institutional competitive intelligence departments and consulting firms. Each group often faces ethical dilemmas in gathering competitive intelligence.

At Strategic Space we specialize in gathering CI in support of capture efforts for clients and face those same ethical issues almost daily. For that reason, it is important to enter into competitive intelligence campaigns with a collection plan (see Newsletter Vol. 3 Issue 2, March 2006) and a firm understanding of what information is needed and the bounds under which you are willing to gather the information. Consequently, this also forces us to ask the question of what limits should be placed, if any, on gathering competitive intelligence?

There are two types of competitive intelligence gatherers: those that adhere to a set of ethics and those that

do not. Those guided by ethical boundaries understand that there is a strong interaction between how the information is gathered and the value of the information. Those that do not adhere to a set of standards simply rely on the value of the information to justify the end. The difference between the two approaches is clear. Consider two examples that are drawn from our consulting practice.

Case 1: A client hired us to gather competitive intelligence on competing teams in support of large system procurement. Specifically, we were asked to recommend a "price to win", rank the competitors, conduct competitive reviews to drive capture strategy, divine the competing teams' strategy, and discover which companies were teamed together. Gathering competitive information from public sources such as company websites and industry day attendance lists, we glued this information together with our experience with the industry and specific human gathered intelligence. We were able to produce 80-90 percent of the required information and

this was used as the core of the proposal strategy development.

Case 2: This same company hired another consulting group on a parallel but darker effort on the same capture. The other consulting firm correctly identified the competing teams but had no experience and contacts in the industry. They addressed this crucial gap by resorting to "dumpster diving" and actually tapping phone calls. The methods used to gather competitive intelligence was at the very least questionable, if not outright illegal. The result was an incomplete competitive intelligence picture that was heavy on salacious detail but light on insight. In the end, corporate legal council decided that this information violated company ethics policies and the consulting firm was terminated and the information was dumped back into the trash where it came from.



Ethical Boundaries? cont.

As demonstrated by these two case studies, the way that competitive intelligence is gathered is almost as important as the information itself. Therefore, it is worthwhile to implement a set of standards for competitive intelligence gathering within any organization by applying those standards to both internal efforts as well as outside consulting efforts. Strategic Space relies on the set of ethical standards developed by the Society of Competitive Intelligence Professionals (SCIP). This professional society suggests the following guidelines:

1. To continually strive to increase the recognition and respect of the profession.
2. To comply with all applicable laws, domestic and international.
3. To accurately disclose all relevant information, including one's identity and

organization, prior to all interviews.

4. To avoid conflicts of interest in fulfilling one's duties.
5. To provide honest and realistic recommendations and conclusions in the execution of one's duties.
6. To promote this code of ethics within one's company, with third-party contractors and within the entire profession.
7. To faithfully adhere to and abide by one's company policies, objectives and guidelines.

These are good guidelines to follow and mold to your company ethics guidelines. In adopting these guidelines and by restricting our gathering to public sources, most, if not all of these conditions will be met. You can inject non-public domain information into the information mix but do so with caution.

By adhering to a set of policies, you will minimize the ethical dilemma that you are likely to face in using competitive intelligence while simultaneously increasing the usefulness and effectiveness of this information. Information gathered by unethical means is not only a practice that you should avoid but the very nature of this information will restrict the realm in which this can be used and will further restrict its usefulness.



The Successful Capture Manager December 2, 2008 • Los Angeles, Sofitel LA Hotel

Strategic Space Development is adding a one-day course in *Effective Capture Management* to its highly successful three-day Business Development course in Los Angeles, December 2 - 5.

Customized for but not limited to Program Capture Managers, this course focuses on proven methods to successfully posture your company to win major competitive programs. The course takes you through the capture process from identifying the initial opportunity to the release of the proposal announcement by the customer. Using real-world examples, this course provides valuable insight into the customers' perspective.

Registration is open at <https://www.regonline.com/BDCourseDec>. We are offering special end of the year pricing for this December event! See page 4 for details.

Dr. Pat Dougherty, VP, Strategic Planning and DoD Programs of Strategic Space Development, is a highly educated and experienced teacher who gained a broad understanding of the customer's needs during his 20-year Air Force career in the acquisition corp. Presently, Dr. Dougherty develops business opportunities and capture strategies for suppliers to DoD and NASA. Dr. Dougherty has served on government source selection panels. Additionally, Dr. Dougherty has 16 years of business development and management experience in the civilian aerospace industry. The combination of his extensive real-life training with four college degrees (2 Master Degrees in Management) qualifies him to share the lessons he has learned.

Using Pwin Effectively in Capture Management

Pat Dougherty, Ph.D.

VP Strategic Planning & DoD Space, SSD

In the early stages of pursuing a program, it is important to understand the probability that your company has of beating the competition. Your management needs this information to help them prioritize pursuit opportunities and to make investment decisions. One way to determine your chances of winning a contract is to develop what is called a “Probability of Win” or “Pwin” model.

There are probably as many techniques to generating your “Pwin” as there are companies using this data. However, one of my favorite approaches is to take the evaluation criteria that are likely to be applied by your customer against your proposal and then to score your company and your competitors against these criteria. You can apply the same weight to each criteria that the government has applied in similar, past programs.

A sample “Pwin” scoring approach is given below. *Note that I often include additional criteria for “intangibles” such as “Customer Relationship” and factor this into the model.*

A model of this type generally requires a score difference of 3% or more to be statistically meaningful. So, in my example, Competitor B appears to have the highest Pwin and your company is in a statistically relevant second place. Many companies stop here and only use the Pwin tool to help them decide if continued pursuit of a program is justified. If the Pwin is too low and other pursuits rank higher, management may decide to terminate the lower “Pwin” opportunity.

The real payoff from developing a Pwin is indentifying your weaknesses against your competitors and then establishing a plan to improve your scores where possible. As an example, your company above has a lower score in “Realistic Cost” (140) than Competitor B (180). One plan to improve your likely score in this area might be to bring in additional cost modeling expertise to help you arrive at a best cost estimate. You might even cite the cost model that you used in your proposal.

- In summary, to effectively use Pwin:
1. Gather objective data on your competitors if you want realistic results (*outside sources can often help here*).
 2. Be objective in assessing your own strengths and weaknesses (*outside sources are also useful here*).
 3. Identify your weaknesses and develop a plan to improve your score.
 4. Exercise your plan to boost your score and then run the model again.

Criteria	Max Possible Score	Your Team	Competitor A	Competitor B
Program Management	200	160	180	140
Technical Approach	200	120	140	170
Technical Risk	200	120	100	100
Realistic Cost	200	140	120	180
Past Performance	200	130	60	180
Total Scores	1000	670	600	770
	Your Pwin =	$670 / (670 + 600 + 770) =$		0.33
	Competitor A Pwin=			0.29
	Competitor B Pwin=			0.38

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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.

Here's what they are saying about our courses:

This was an eye-opener, to grasp how to quantitatively manage the very early phases of developing business opportunities. Knowing the language and a systematic process adds power to my current business development approaches.

Stephen R. Smith, Program Manager, Draper Laboratory

A must for anyone in BD. A huge help, certainly in terms of awareness for someone working in a near-BD environment (like me).

Bob Hall, Technical Director, Space Superiority, AGI

Great job Jim! It was nice to see the BD process addressed end-to-end and to have it be so industry specific. Well worth it.

Mark Schwalm, Director of Advanced Programs, L-3 SSG Tinsley

Business Development Course Los Angeles • December 2-5, 2008

End of the year is a time to set goals and ramp up for 2009. Enjoy some sunshine and join us for our three-day Business Development course held at the Sofitel LA Hotel in downtown Los Angeles.

Mr. James Cantrell, President and CEO of Strategic Space Development, a highly successful aerospace consulting company, will not waste your time with academic theory but give hands-on examples of the hidden forces at work, how to "follow the money" and how to guide a prospect from uncertainty to a high probability sale.

We are offering special end of the year rates for this event. See rates for details.

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*

Also offered at this venue is our Capture Management Course. See pg. 2

Rates

4-day course *\$2600/\$2900

3-day course *\$2200/\$2500

1-day Capture Mgmt *\$900/\$1200

1-day Comp Intel *\$900/\$1200

*Early-bird rates end Nov. 2

Visit bdcourses.com to register and for more information.

Contact: Rebecca Stowers at rebecca@stratspace.net or 1-888-327-3993. ext. 7

We also offer on-site courses at your place of business. Eliminate travel costs and add wider exposure within your company. Contact us today for details.

