



Pay it Forward

Invest for exceptional results

BY LINDA WOLSTENCROFT

How much to invest in the development of products and services prior to the ability to even sell them is a common debate within businesses.

Further, how much to invest in business development for a program that may be months - or years - into the future is also up for debate.

Yet once again, experience has shown from a recent major win that investment in these areas does indeed pay off. Businesses that do not invest in developing their products and services in anticipation of a major project do not fare well; the same goes for businesses that do not invest in business development well before the project matures.

Both are necessary in this magic formula; companies need to both invest in the product/service, and in business development.

Sometimes there is a power struggle between the two disciplines as each may believe theirs is more important than the other. The product/service people might say that without the development of an excellent product/service, there can be no sale. On the other hand, the business development people might believe that without a strong business development approach and superb proposal, there will be no win and thus, no sale.

The lack of cooperation that results is unhealthy and unproductive, and should be strongly mitigated. In one example, a product lead believed that the product was more important than the proposal and there was unwillingness on his part to cooperate with business development and proposal priorities. Thanks to clever leadership, an

intervention mitigated this major risk by providing backup strength that replaced the value that should have been provided by the product lead. The company went on to win a major contract.

These are some major lessons that prove themselves time and time again.

In a recent competition, a major international company offered a nearly-off-the-shelf product for a low price. While having a low-cost product to offer to customers globally is most definitely a viable business strategy, it does not work in all cases. Without an effective product development plan that meshes with the customer requirement, the probability of being successful is reduced. This occurred here as the company's product did not fit the customer requirement and they lost the program.

Investment in the proposal is likewise essential for a major win. It is disappointing when a company puts forth a great product or service, but a sub-standard proposal. A poor proposal can prevent customers from considering a product or service. From the standpoint of military customers who are working to improve our international security, it is disheartening to think that the best product or service may be potentially taken off the table due to a non-compliant proposal.

Even today, companies with a potentially winning product and service are being disqualified in competitions due to poor proposals. It is clear that in these cases it was because the investment toward the proposal was not where it should have been. Or, if the investment in the proposal was already large, that the proposal team was poorly selected.

Common errors made by proposal teams are a result of not accurately reading the request for proposal. Other errors may be that the team is not up to date with changes in policy in government procurement, such as new evaluation practices and new policies

such as for Industrial and Technological Benefits and Value Proposition. As things change in government procurement, the proposal team must remain up to speed with these changes. Investment is wasted on experts who are not current.

If this is the case, not only are proposal budgets poorly expended, but time is also lost on the typically grueling proposal schedule. To fix this, people that do understand the requirement must be brought on to perform the costly and time-consuming rework.

“Long-term thinking is essential in the defence business.”

Another essential component that has proven to help win a project is the deliberate and comprehensive involvement of Presidents and CEOs. Leaders who don't include the major project as part of their day-to-day work but instead take a hands-off approach (leaving everything to the team) risk producing a substandard or unqualified bid.

What's the bottom line? Long-term thinking is essential in the defence business. Long-term investment is needed. Running a defence company with an emphasis on short-term financial results is the enemy of investment in products, services, business development and winning. Time and again the health of otherwise-viable defence businesses have been sacrificed due to short-term financial thinking without appreciation of the timeframes and effort required. And it goes without saying that all must be executed within the framework of a well-thought-out and robust business strategy.

Early and smart investment, within an effective business strategy. Has once again proven to be the winning solution.

Linda Wolstencroft is president of Aerospace BizDev Inc., which provides strategy and business development assistance in the aerospace and defence sectors. For more information or to contact Linda visit: www.aerospacebizdev.com