

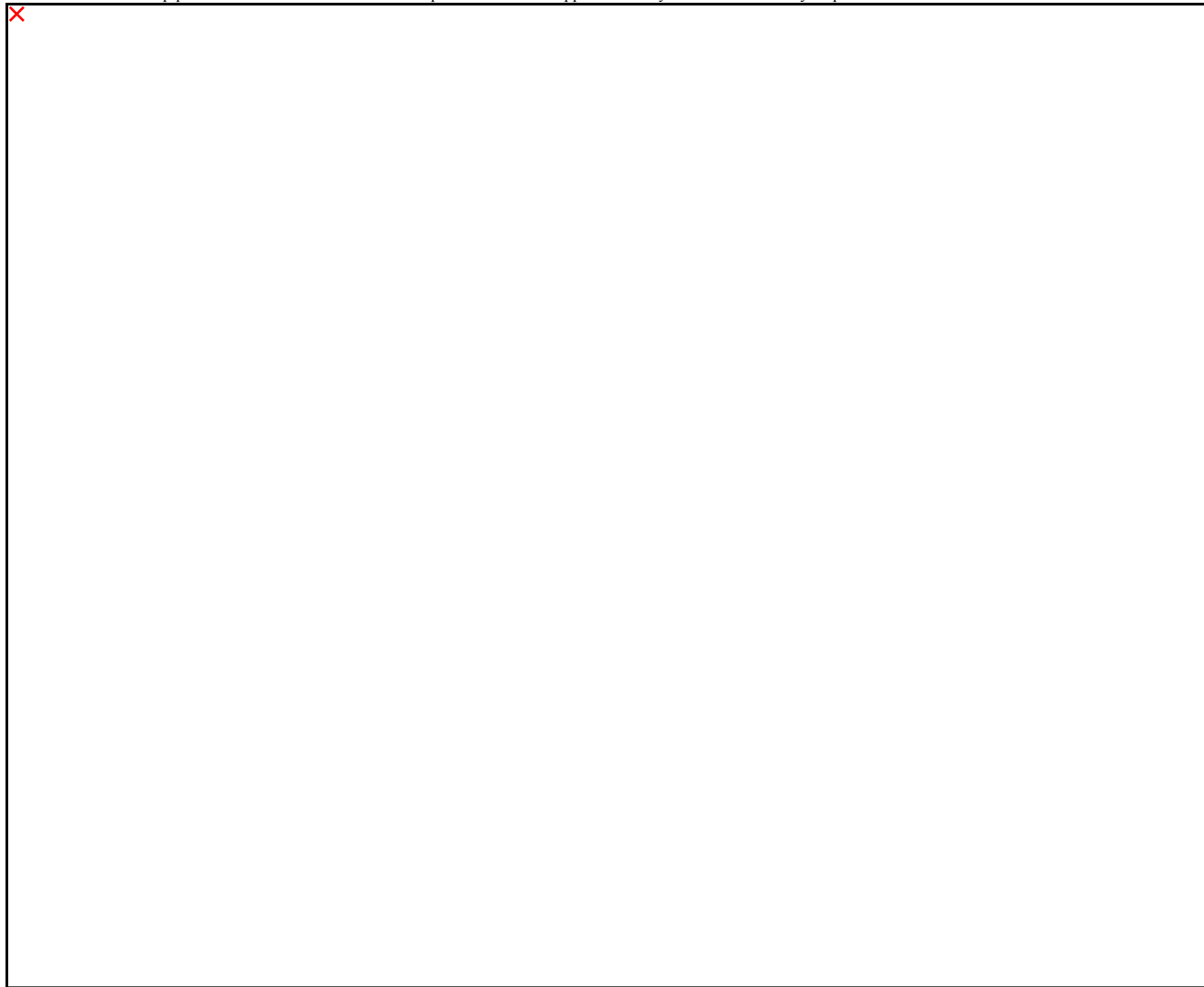
Contractors Indicate that Relationships are Their Top Source for New Opportunities

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Sources of opportunity identification and assembly of staff resources around opportunities play a critical role in the federal pipeline process. Federal services contractors must develop a system for generating a continuous stream of contracting opportunities to fill their pipeline in order to be successful. Likewise, they need a well honed process for assembling an internal team to vet and potentially bid on these opportunities.

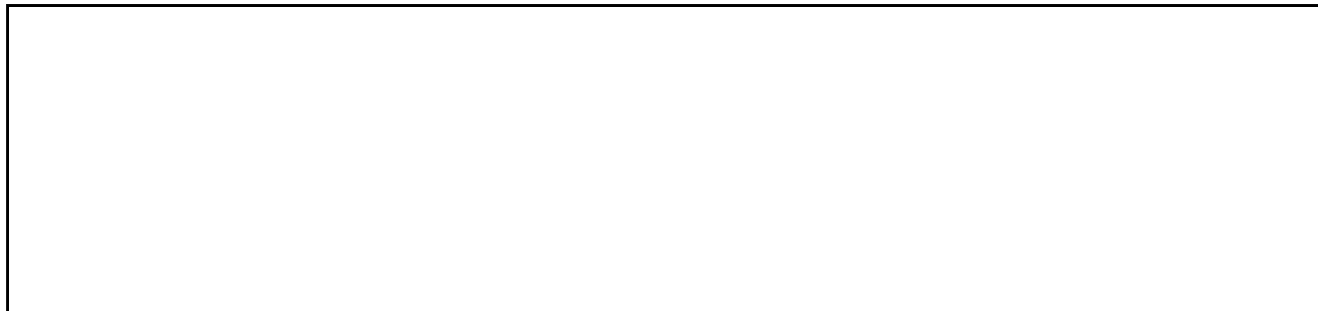
As we continue to look at federal pipeline management processes as a way for contractors to develop a competitive advantage, one extremely important element of the process is opportunity identification. Deltek's recent research into the opportunity and pipeline processes of federal contractors sheds light on the major opportunity sources used by contractors to fill their pipeline. The chart below shows the top sources for new opportunities by Deltek's 244 survey respondents:

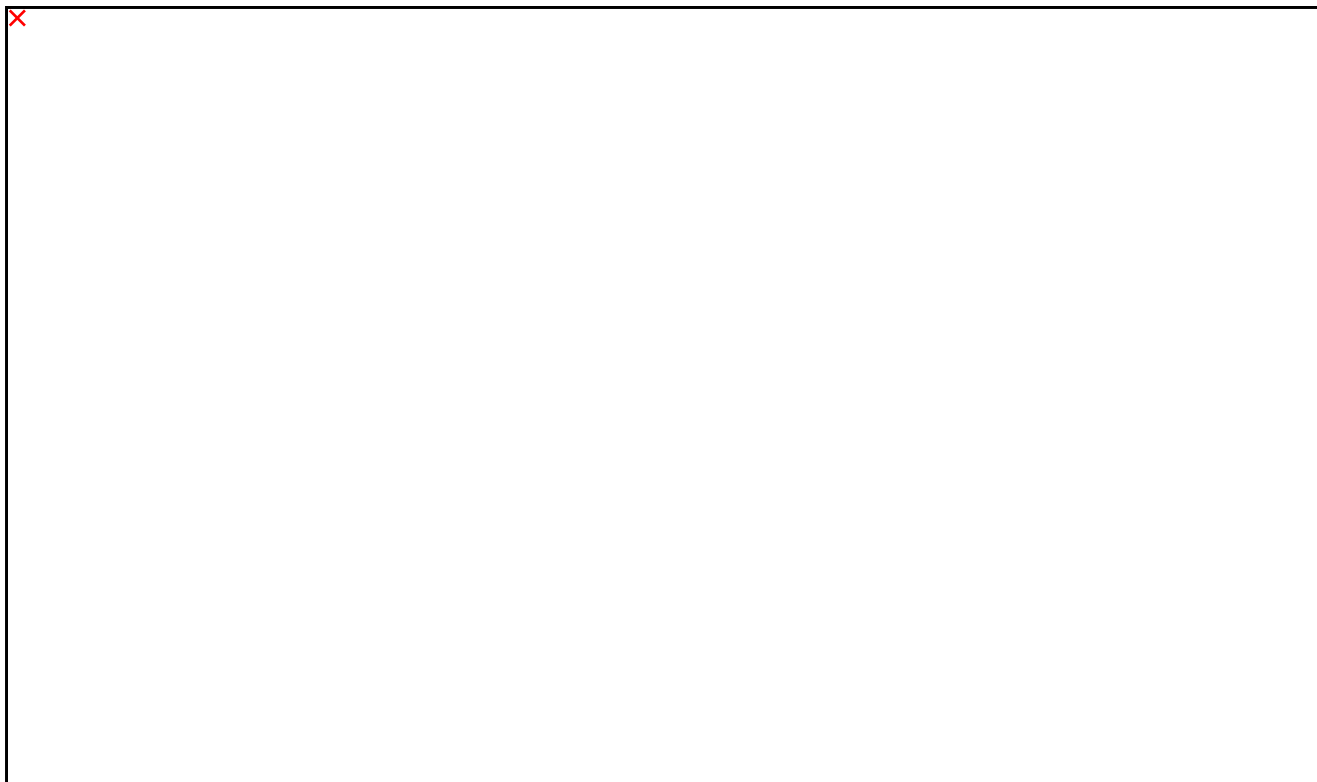


Large and mid-sized contractors rely heavily on the relationships developed by both business development and project staff to identify new opportunities. This is augmented by third party research. However, small contractors rely more heavily on teaming relationships to identify new opportunities, than do large or mid-sized contractors. This could indicate that their relationships with fellow contractors and teaming partners are stronger than their customer relationships due to their small size and limited time in the marketplace. Large and mid-sized contractors, due to their size and longevity in the market, typically have more people interacting with government clients and have deeper client relationships.

Assembling an experienced and well-trained internal team to pursue business is also a critical factor to increasing win rates.

The chart below shows the average mix of resources used to go after new business in the federal contracting companies that Deltek surveyed:





For the most part, all contractors showed an equal likeliness to outsource market research and proposal writing, while business development is the area most likely to have dedicated resources. The majority of contractors realize how important the business development function is to gaining new business and a constant stream of revenue, and are consequently more likely to maintain those resources in-house and dedicating them to the function of generating business.

Opportunity identification and assembly of staff resources are just two pieces of the pipeline management effort, but contribute to an overall solid process. As federal budgets contract and contracting opportunities become smaller in size, business development and pipeline processes need to adapt to provide a constant new stream of business and revenue.

About Deltek's Survey:

In July 2012, Deltek conducted a web survey of 244 of business unit heads, CEOs, COOs, business development leaders, capture managers and proposal managers from 138 companies that provide information technology or professional services to the federal government, with annual revenues of \$25 million or more.