

# A Well-Orchestrated Pipeline Management Process Sets the Foundation for Contract Wins

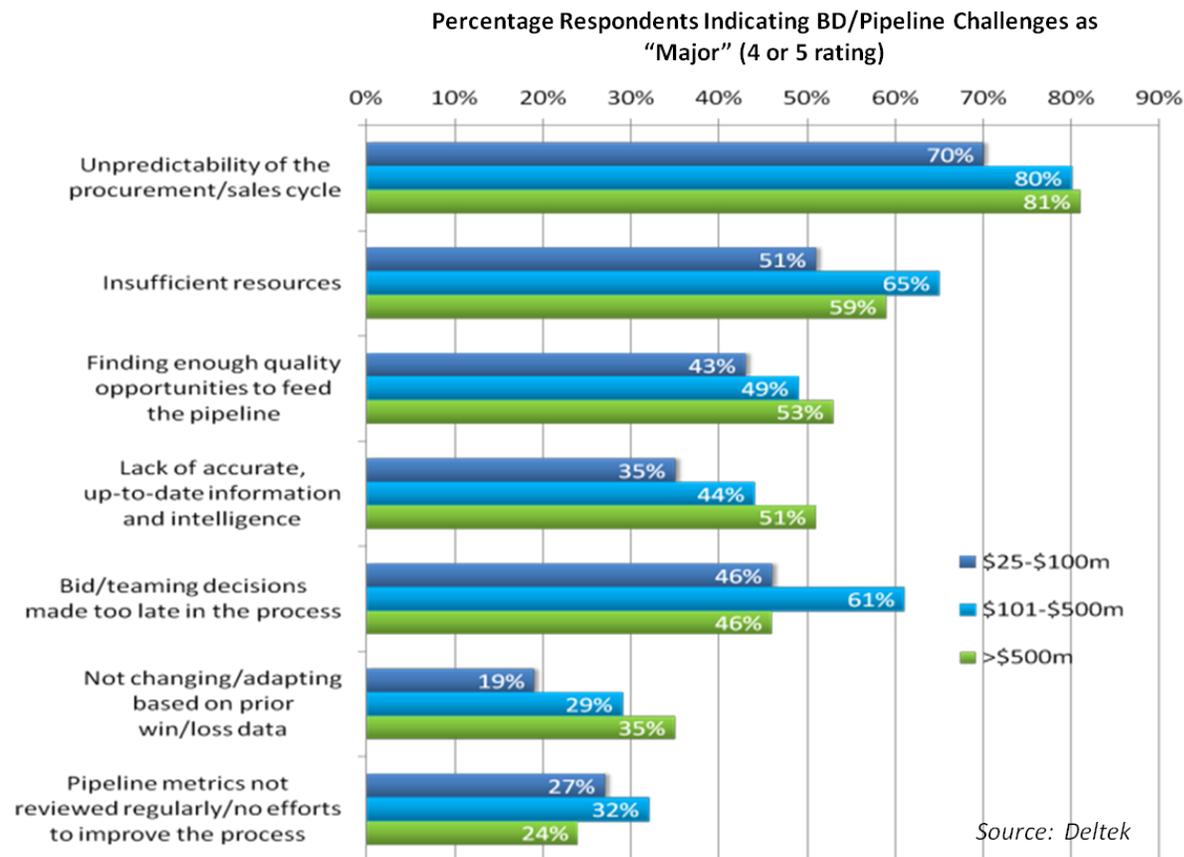
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In an era of contracting federal budgets, lengthening procurement timelines, heightened competition, and increasing client price sensitivity, federal contractors now more than ever need a well-honed pipeline management process to compete in today's federal space. For those of us who have been in the contracting game for several decades, it's easy to recognize that never before have we seen so many forces in play to make it difficult for even the most seasoned federal contractor to compete and gain business in the current environment.

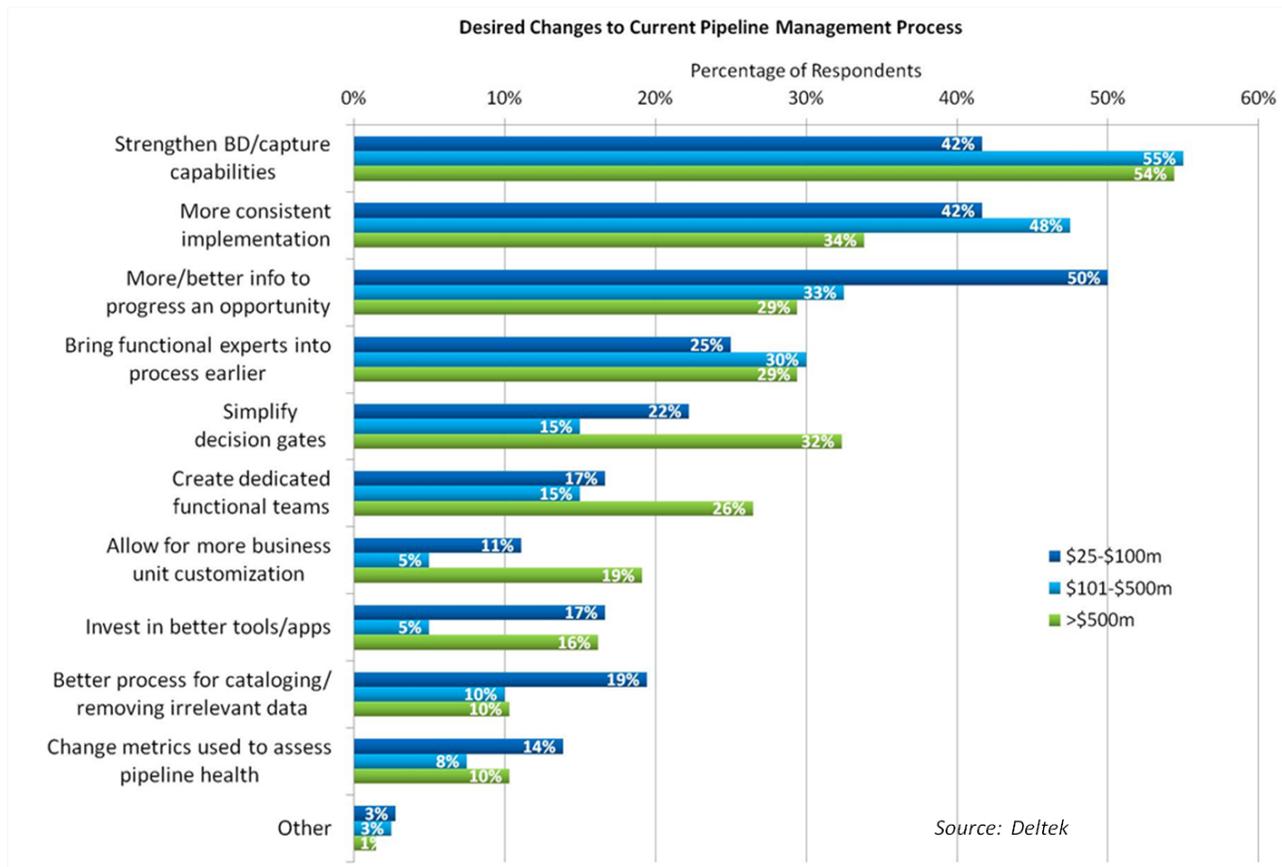
Product and service differentiation no longer provide the only necessary leverage for winning contracts. Contractors must seek to improve upon operational processes to remain competitive. Fewer mega-awards, increasing task order use, modular contracting, and focus on small business contracting, just to name a few, test the temerity of contractors' business development processes and make it more important than ever that they fine tune their pipeline practices. Business development problems will only be made worse in the current environment, so identifying any kinks in the process can improve competitiveness and reduce costs.

Deltek's recent research into the opportunity and pipeline processes of federal contractors sheds light on current business development challenges, pipeline management practices, and methods for monitoring pipeline health. The chart below shows the major business development challenges cited by Deltek's 244 survey respondents:



By far the biggest business development challenge for survey respondents is the unpredictability of procurement/sales cycles. Coupled with the second ranked challenge of insufficient resources, contractors must have an agile and solid management system in place to provide stability in the pipeline process in order to remain competitive. Additionally, mid-sized contractors need to focus on developing teaming and sub/prime decisions earlier in their pipeline process. Scrambling to find a team or assemble a team late in the game will cause mid-sized companies to lose ground in the pipeline process, as well as their competitive positioning.

The chart below shows respondents' desired changes to their current pipeline process:



Most respondents would like to see their company's business development and capture capabilities strengthened, especially mid-sized and large contractors. Additionally, mid-sized contractors would like to see more consistent implementation of pipeline processes. Training, solid processes, and executive level support can help contractors alleviate these pain points and strengthen the BD process and insure more consistent implementation of the pipeline practice across the company.

Most respondents believe there is a correlation between effective pipeline management and corporate financial performance, such as increased revenue, profit, and/or stock price. Contractor business development and pipeline processes are the foundation for generating business. A well orchestrated and managed pipeline process, along with seasoned and well trained staff, can create a competitive advantage and a reliable vehicle for generating contract wins. A consistent, structured pipeline management process can help contractors navigate and weather the challenging federal market environment.

#### 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.