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The competitive procurement ground is shifting right beneath you. From Executive Orders requiring increased competition to omnibus contracts, you can feel the change. With increased requirements, today's government buyer is more tech-savvy than ever. If you thought your solid foundation of incumbency, long relationships or superior technology would protect your position, think again. Selling to the government is fundamentally changing, and in the war for survival and growth, only those who adapt with new strategies will see a promising tomorrow.

It seems that only yesterday, your past performance and counting on your rolodex of contacts in a government agency was all the awareness that your organization required. Or when you needed to establish a competitive position for your organization, you exhibited, made presentations and mixed with customers at selected government events and tradeshows. Then, to complete the positioning process, you checked Input and FedSources for competitive business intelligence. Meanwhile, your proposal team prepared itself for another RFP response and the corporate marketing department targeted its messages to Wall Street and Capitol Hill to maintain your company's standing as financially strong and USA-made. Voila! You were ready to compete. Your traditional B&P investments have always yielded acceptable results.

Alas, while all these basic hunting and gathering tools are still essential, the new government buyers have become increasingly sophisticated, demanding, and most importantly, connected outside their organization's virtual cocoon. While the comfortable cocoon environment focuses on the budget and current program performance, government stakeholders now recognize this may limit their "peripheral vision," as they work closely with the long-time contractors they know and trust. Meanwhile, aggressive, savvy competitors are seizing new opportunities and channels to create an opening and establish credibility among government decision makers who increasingly are going outside the virtual cocoon.

A different world is emerging. Government buyers are now more media-savvy and so are your competitors. They are regularly looking at Web sites (yours and others) to see if your capabilities statements match your past and present performance. You'd never know about it because you think that no one looks at your Web site aside from job seekers and your

competition. Everyday, potential buyers are sizing up your company to see if you understand their new challenges and whether you might have the ability to service their next major contract requirements. Your organization might have excellent experience, 3,000 highly skilled employees and cutting-edge new R&D to offer, but your virtual image gives the perception of a garage operation. Those press releases and financial reporting statements may keep the stock price intact, but they fail to communicate with this buyer. That ink-jetted brochure still works well and is cost-effective, but it may be bankrupting your image. The new government decision makers now use virtual tools to vastly expand their view and the more media-savvy they are, the faster and deeper they will look and learn.

The new government buyer also obtains his information about what's hot and what's not from multiple media outlets including online news sites, vertical search engines, e-mail, user group participation, Webinars, blogs, and online social networks. Therefore, they are not imprisoned by your shop or one industry association. Gone are the days where all marketing activities were confined to focusing on one key tradeshow or meeting like a FOSE or AUSA. Now government decision makers not only expect to learn about you online, but expect a level of thought leadership and engagement with their core issues and their mission before an RFP process begins.

Instead, of attending a major industry event, government stakeholders might subscribe to podcasts, download whitepapers or listen to WTOF or WFED federal newscasts where they can learn about your industry and how you or your competitors might help them with reach their organization's objectives. The new government buyers now operate in an asymmetrical information world, where perceptions become conclusions based on what they see, hear, read and feel. The bottom line is they need to know who you are and what you can offer one to two years before you come to them and respond to an RFP.

The official rules are changing and so are the un-official ones. Together, they signal the need for innovation and action. Increased investments in new business development strategies and tactics may be required. Now more than ever is the time to position your company and solution well in advance of the RFP process. The next contract you target to as a "must-win," can be your catalyst to update your procurement communications strategy.

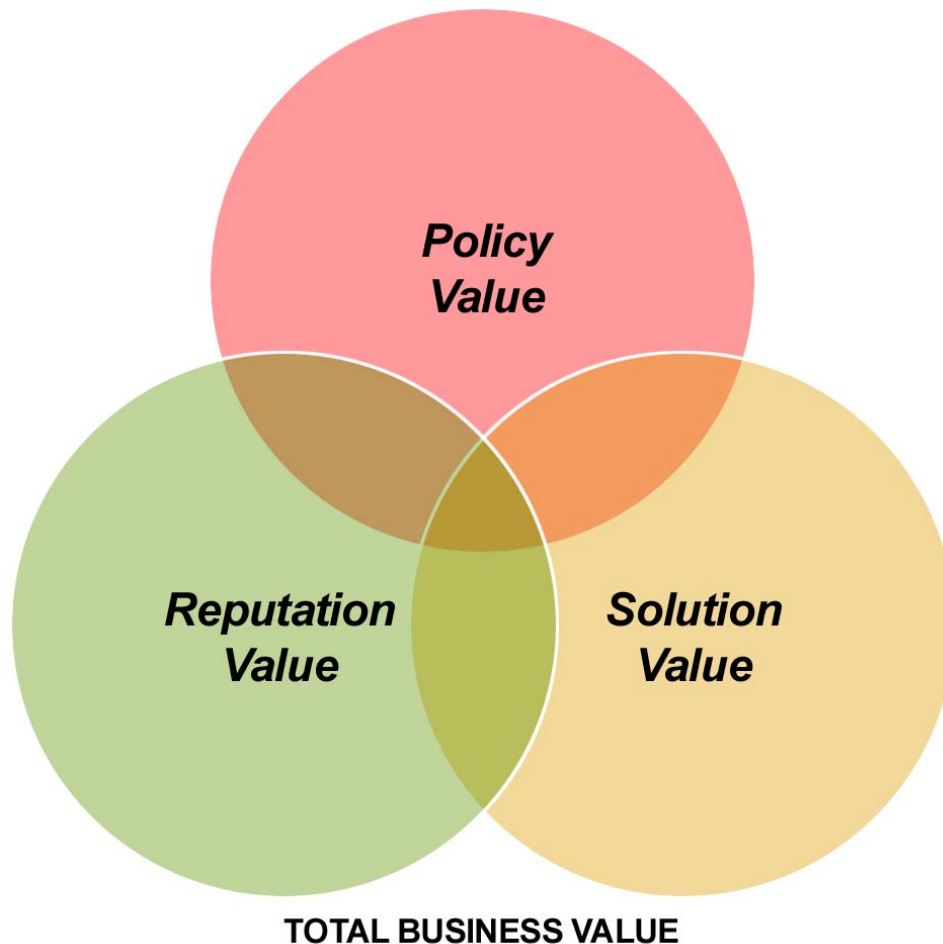
Strategic Procurement Positioning

So what's an organization to do? How do you re-orient your B&P investments and resources to prepare for battle in this new-rules environment? The short answer: Strategic Procurement Positioning.

Savvy contractors are realizing that no matter how big or small, new or old, they can build a procurement-specific image and eliminate perception gaps created by old-rules, strategies and tactics. Building a customer-focused communications and awareness campaign that proactively position the strategic value needed to win builds a new "brand" that can

immediately begin to position you early in the procurement cycle and serve as a unifying theme through the proposal and oral presentation stages. Winners understand the importance of establishing a leadership position early and reinforcing it throughout the process. From establishing awareness and familiarity to creating thought leadership in the technology and policy areas of their choice, today's winners will beat you by carefully planning their capture strategy and competitive positioning. Successful companies will use public relations and targeted branding initiatives to ensure government buyers know how they are new, improved, and uniquely prepared to help them.

Ever-cautious minds in public sector tend to think of words like marketing, branding, advertising, and public relations as dirty words – budget line items that should be cut or reduced, fluff that yields no direct business results. After all, business development is about relationships, action, hands-on work and good proposals. And for years, they were right. Under today's rules, however, winners must anticipate the more sophisticated government buyers and the increasing number and velocity of communication channels. Disparate and unfocused communication may have worked once, but today it will be a dismal failure UNLESS you create and deploy an integrated marketing and communications plan to further your “procurement positioning”.



Building a winning position means integrating messages and actions to create an overall “brand” or image of superior value well before an RFP. Effective positioning does not mean criticizing current approaches or competitors. Rather it creatively combines the new value your solution creates, the value your reputation offers, the value of aligning with new policy initiatives, and ultimately the total business value of a relationship with your organization.

Positioning is now more mission critical than ever:

- **From sub to prime:** Many companies are ready, or forced to be ready, to consider bidding as a prime contractor. Establishing your past performance, delivery and support capabilities is vital to be perceived as a credible supplier as well as attract qualified business partners to support a bid. Awareness, perception and reinforcement must be developed early in the business development cycle and adapted over time.
- **Targeting a new agency:** Skills, experience and capabilities that were considered critical by one government agency may be less important to another. Recasting and repositioning core skill sets and capabilities to better align with the customer’s plans, challenges and mission requirements should be a first step in a high quality business development process and positioning campaign.
- **Expanding to a new market:** What was relevant to one market, such as size and depth of experience, may be almost irrelevant in another which places a premium on speed, flexibility and customization of service and support. From imagery to word choice, buyers will quickly conclude whether you “get it” and understand their world.
- **Supporting your prime:** A savvy subcontractor who establishes and reinforces a position of strength, innovation and quality can be a “force-multiplier” for one, or several primes that have included it in their proposal. Helping your prime win will produce more opportunities to play.

To implement this brand strategy, today’s winners must reorient their tactics and invest in early stage positioning. Tactically, there are three main challenges companies face in government positioning campaigns, especially when attempting to position their capabilities and assets to compete in new markets or re-brand their products to boost their competitive edge.

Challenge 1: Companies must face the reality of how they are really perceived: Many struggle with strategically aligning themselves in the market and creating their distinct and unique value proposition to shape outside perception. For example: if you are a government contractor with an outstanding reputation for Enterprise Resource Planning IT support for a DoD agency and are about to lose the contract to a young up-and-coming contractor with better ERP knowledge, you might need to consider pursuing the civilian agency sector. Being ill-equipped from a business perception point-of-view and without a supportive procurement awareness campaign, you are doomed to look like a guy who wore the wrong suit to the job interview. Using targeted focus groups, interviews and Black-hat strategy teams can help sharpen the lens.

Challenge 2: Demonstrating your company's expertise to the target audience: Having to rise above the competition to become a thought-leader in the industry represents a unique new challenge. Beyond standard marketing tactics, the world of Web 2.0, LinkedIn, Twitter, Blogs and access to databases full of articles offers a new opportunity. Buyers increasingly use these and other sources to build their knowledge and perception about which solution they should buy and where they can buy it. If your company isn't in the discussion, you are likely to be perceived as a construction worker rather than an architect. The outcome: it affects your pricing (value in the eyes of the procurement officer) and ultimately your competitive positioning on the totem poll of your customer's list of preferred partners. Contractors need to be perceived as subject-matter experts in the industry and be able to offer valuable expertise on a given topic to stand out. For example, if you had to choose between a contractor that has three or four success stories that show how it made its customers the hero in a government agency, and your organization, which has nothing of substance in the government press aside from award announcements, which one are you likely to pick?

Challenge 3: Developing or adjusting a company brand: This means creating a "virtual" personality that is easily defined and uniquely memorable to reinforce your positioning among key stakeholders. Remember, your brand is the aggregate perception of things you say, your images and your "virtual behavior" (friendliness of your Web site, phone receptionist, etc.). For example: if your company is competing to be perceived as agile but everything about your Web site, marketing collateral, and corporate messaging screams "reliable," how do you expect your target government customer to think of you as "agile?" In other words, does your brand image match what your target customer needs to think of you? Does your public brand align with your procurement brand?

Procurement positioning campaigns offer companies an opportunity to implement new and creative marketing approaches to strengthen business development pursuits. Using proven communication channels such as branding, image building, reputation management, public relations, advertising and viral marketing to support traditional government development activities, winners now focus and refine their positioning early on.

Developing a leading position based on best value requires focusing on current perceptions and positioning within the market place while becoming a subject-matter expert and thought-leader. Using a structured and disciplined business development process that includes careful market segmentation and thorough competitive research is a great source for the building of procurement positioning campaign elements. A Black Hat team can be used to identify creatively how competitors are most likely to position themselves – and you! These "outputs" offer the coordinates for targeting your messages, tactics and actions for greatest effect.

While elements of the procurement positioning campaign are being defined, the company's brand personality is also defined, established and supported using the coordinates of your

capture plan and competitive positioning. This messaging is leveraged and integrated across the multiple media channels today's government buyers use.

A key strategy to increase a company's chances of winning a must-win procurement campaign involves targeting specific government objectives. While most companies have some form of marketing and public relations functions to keep their public image, products and services visible, must-wins offer an opportunity to customize a set of marketing tactics specifically addressing the opportunity with either local, state or federal governments. The must-win campaign will often utilize many of the same media outlets and marketing tactics but focuses on the dynamics of the specific target, not the general market.

Today's government procurement cycles often span longer periods of time and must integrate the traditional and new marketing tools over the entire contract proposal cycle. From brochures to company experts speaking at events, winning today is about staying on message across all communication vehicles, awareness channels and marketing tactics.

Procurement positioning campaigns keep your messages and solution values in front of the decision makers across what can often be a longer process of consideration and through a wide range of communication channels. The most effective must-win procurement campaigns begin early and tightly integrate all elements of the message. For example, in a must-win deal, one competitor may be a clear market share leader but continually fails to emerge as a thought leader. Meanwhile, another competitor may continually offer invaluable expertise and an inspiring value proposition in a clear, concise and sustained way.

In order to market their position in the government arena successfully, companies need to focus on continuing to be shown as experts and thought leaders. Even though incumbents to a government contract are most likely to retain the next contract, it is important to continue to prove the worth and positioning of a company as a continued thought leader using differentiators to distinguish its models from the competition.

Conclusion

Winning government procurement strategies and tactics require re-thinking. Investments in increased business development activities to adjust to the new rules demand careful consideration. While many may be going forward looking in the rear-view mirror, using last year's strategies to defend the market share and contracts they won under the old rules, others are aggressively seizing on the changes occurring in government procurements and leveraging the new rules of engagement.

In the March 2009 issue of Harvard Business Review, authors Lay, Hewlin and Moore suggest that in today's challenging business environment, customers must be "provoked," or challenged with new, creative thought leadership that offers solutions to big problems they did not know they had. The authors make a strong case that traditional "solution selling" may still work in some situations, but that establishing a new position or seeking changes in

traditional spending requires new tactics. The effectiveness of this “provocation strategy” comes from your credibility as a thought leader on such issues. Positioning campaigns which integrate and magnify your carefully crafted messages across multiple channels are the fastest and most effective way to establish your credibility and optimize your winning strategy early on.

The most precious time in the fiercely competitive government procurement world is the early stages of an opportunity. The clock is ticking as the window for competitive positioning closes and the RFP looms. Will you be dragging your old image and baggage with you while competitors move to take advantage of the new rules? Will your proposal claims be undermined by the perceptions created and reinforced by outdated and poorly integrated marketing and public relations messaging? Are you leveraging the new channels of media and information that your buyers are using, even if you are not? Can your brand integrate across all your business development activities?

Procurement positioning is fast emerging as an imperative to winning in the public sector. Winners win because they adapt and do the things it takes to win. It is time to adapt to the new-rules and leverage them to your advantage.

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