



Competitive Assessment and Price-to-Win Analysis

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Introduction

We provide multiple competitive assessment and PTW services that support strategic and other decisions throughout the business development cycle

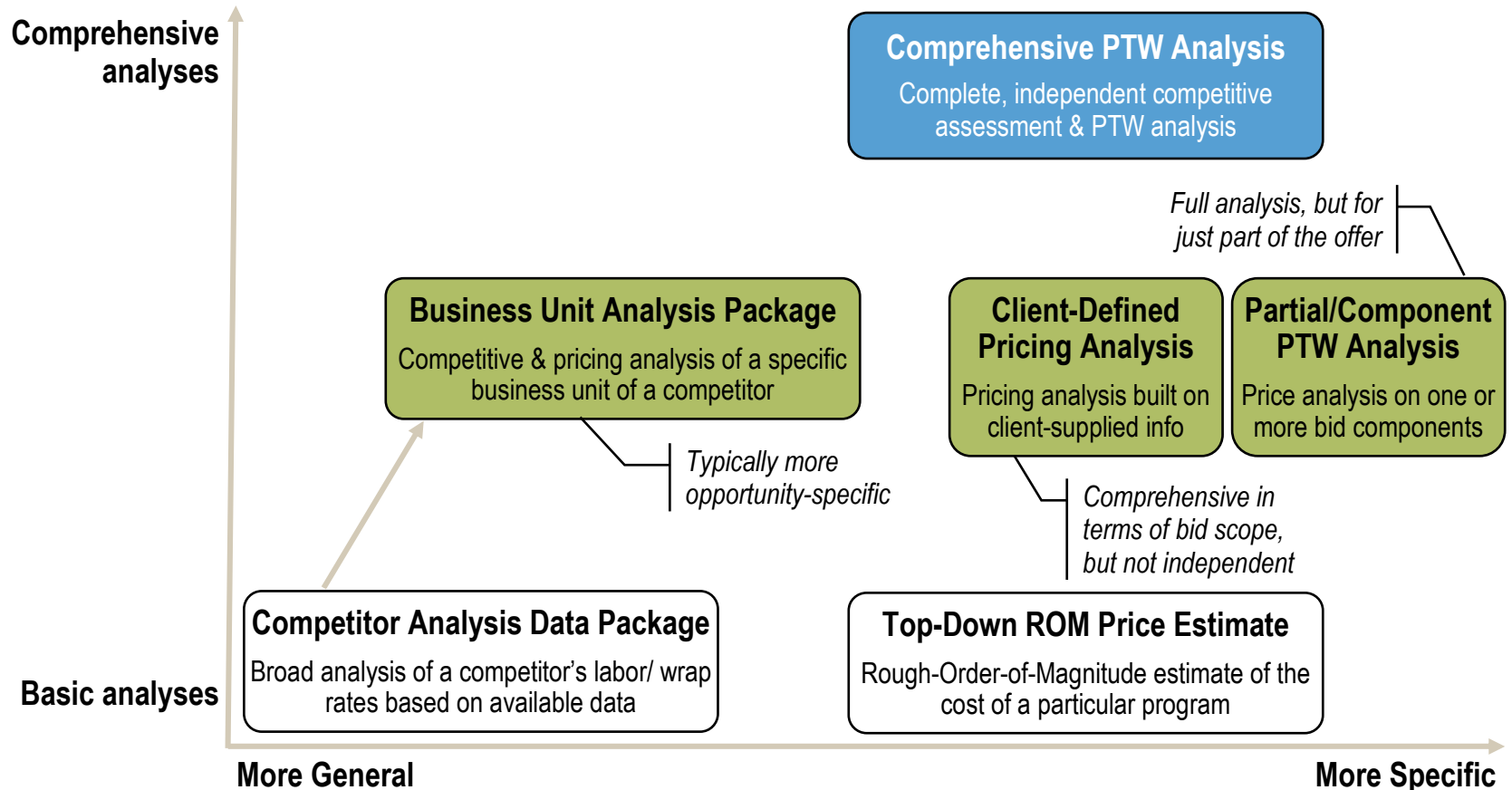
- Our objective is to improve your win probability
- We do that principally by providing you with insight and analysis on high leverage topics that enable better decision-making through the acquisition lifecycle
 - Character of the bid and fit to your business and experience
 - What customers will want and how they typically behave when making buying decisions
 - Competitor analysis (positioning and qualifications, behavior, teaming, approach, pricing)
 - Capture and win strategy (prime/sub role, teaming partners, shaping the procurement, approach, risk and pricing/independent PTW)
- We can also help by providing ad hoc support to your capture team to help execute in some of these areas

Common Federal Contractor Missteps Related to Competitive Assessment and Price-to-Win Analysis

- Failure to:
 - Adequately treat competitive assessment as a central thrust within the capture and decision-making cycle
 - Use competitive assessment and preliminary pricing analysis in making critical business development fide cycle decisions
 - Establish meaningful standards for, and linkages between competitive assessment and PTW analysis
 - Do an “independent” competitive assessment and price-to-win estimate
- Permitting the capture team to select the targets against which competitive assessment and price-to-win analysis is to be done
- Initiating competitive assessment too late in the capture cycle to fully leverage the results
- CA/PTW so late in the capture cycle that it is not possible to get accurate results in time to use them to impact bid content and price
- Using the wrong criteria to select and engage the CA/PTW service providers

Overview of Pricing Analysis Offers

Aside from full PTW analyses, we provide five other pricing offers to meet clients' needs, timelines and budgets



Pricing Analysis Offers

General

Two of our pricing analysis offers focus on the general competitiveness of a company or business unit's pricing

Option	What It Is / Is Not	Value
Competitor Analysis Data Package	<p>Broad analysis of a competitor's labor/wrap rates based on available data</p> <ul style="list-style-type: none"> • Not opportunity-specific • Focuses on a particular company – not necessarily business unit specific – degree of focus depends on client need AND availability of data • Built on aggregate pricing data <u>currently available</u> on the target competitor (COMPASS^GS, web searches, etc.) • May include FOIA information (time permitting) on key contracts or recent wins to supplement currently available data • Deliverable primarily focused on rate data, but included analysis & summary data provide additional context & insights 	<p><i>Provides insight into overall cost competitiveness with a key competitor, for:</i></p> <ul style="list-style-type: none"> • <i>strategic planning purposes, or</i> • <i>as a rough indicator for internal price-to-win efforts</i>
Business Unit Analysis Package	<p>Competitive and pricing analysis of a specific business unit of a targeted competitor</p> <ul style="list-style-type: none"> • Often requested for/focused against a specific opportunity • Provides competitive analysis on the business unit: <ul style="list-style-type: none"> – General profile (revenue base, core business, locations, etc.) – Key programs, strengths & weaknesses, recent wins/losses, etc. • Provides labor & wrap rate data for the business unit with context and insights gleaned from the data • Does not provide a price target for the bid 	<p><i>Provides insight into cost competitiveness with a specific competitor:</i></p> <ul style="list-style-type: none"> • <i>typically relative to a specific bid for internal pricing efforts</i> • <i>can also inform strategic planning discussions</i>

Pricing Analysis Offers *Opportunity Specific*

Our portfolio of pricing-related services provide customers with a range of value-added choices to match their needs and timelines

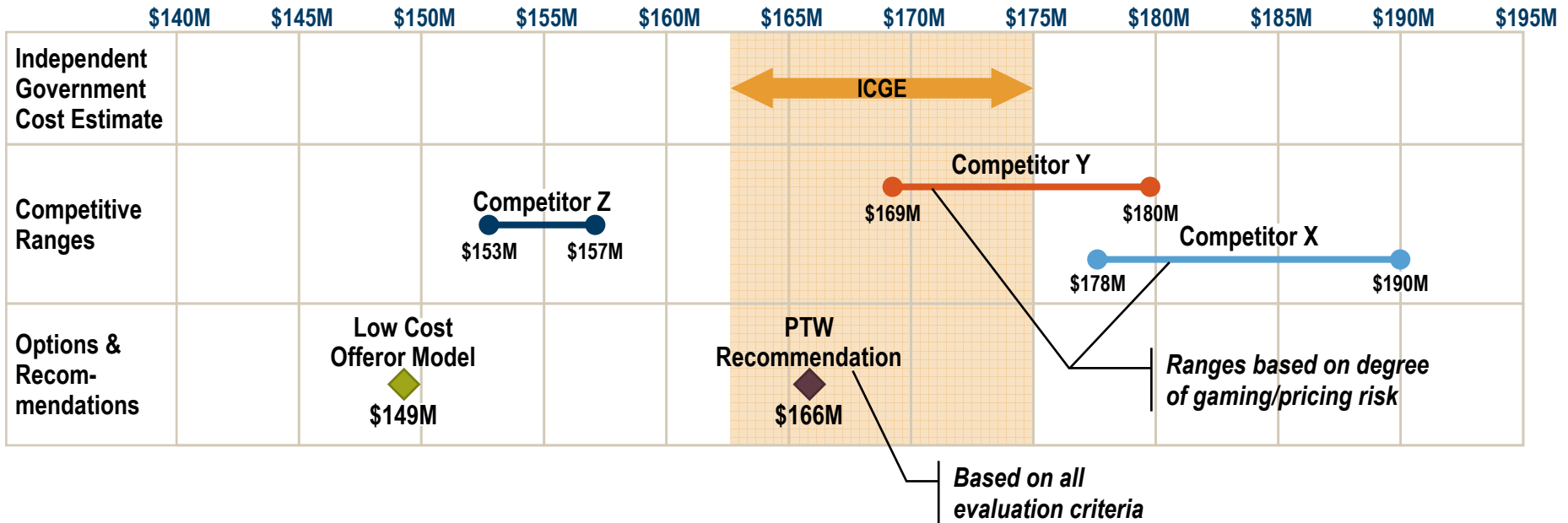
Option	What It Is / Is Not	Value
Top-Down ROM Price Estimate	<p>Rough-Order-of-Magnitude estimate of the cost of a particular program</p> <ul style="list-style-type: none"> • Breaks opportunity into a handful of major components <ul style="list-style-type: none"> – Based on benchmarks or metrics (e.g., percent of budget, 250 FTEs at \$65/hr, etc.) – Where appropriate, back-up analyses are provided on how major components were sized/priced – Requires interaction with client SMEs • Not an SM&A Price-to-Win analysis 	<p><i>Rough price target helps clients:</i></p> <ul style="list-style-type: none"> • <i>set an early price target to guide “design to price” technical & partnering efforts</i> • <i>validate pricing</i>
Client-Defined Pricing Analysis	<p>Pricing analysis built on client-supplied information</p> <ul style="list-style-type: none"> • Price target for the client based on <u>their</u> reality - viewed through the <u>client</u> lens; not an independent view • Client provides: <ul style="list-style-type: none"> – highlights of competitor’s approach & strategy – range of FTEs by major task area – SMEs to answer follow-up questions 	<p><i>Cost-effective approach for situations where client is confident in their assessment of the competitor’s approach & strategy or where there is inadequate time to do this independently</i></p>
Partial / Component PTW Analysis	<p>Client engages SM&A to perform a price analysis on one or more components of the bid</p> <ul style="list-style-type: none"> • SM&A performs an independent analysis (competitive assessment & pricing analysis) of the selected component(s) <ul style="list-style-type: none"> – e.g.: Fielding component of US-VISIT (site surveys through cutover support) • Provides the client with a piece of the PTW 	<p><i>Cost-effective approach to address one or more areas of particular concern</i></p>

Price Analysis Service Offerings

Portfolio of pricing related services provide customers with a range of value-added choices to match their needs and timelines

Option	What It Is / Is Not	Value
Comprehensive PTW Analysis	<p>Complete, independent competitive assessment & PTW analysis</p> <ul style="list-style-type: none"> Provides the client with a pricing analysis of multiple competitors and a client-specific PTW recommendation in the context of price and non-price evaluation factors relative to the competitive landscape 	<i>Defines recommended price-to-win for the opportunity in question</i>

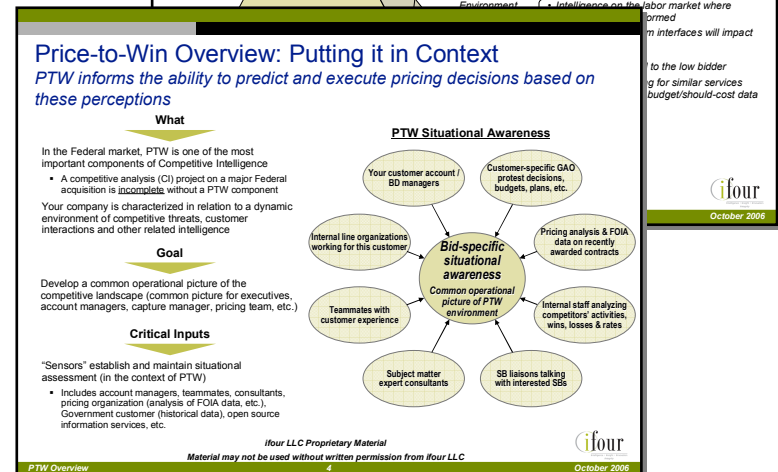
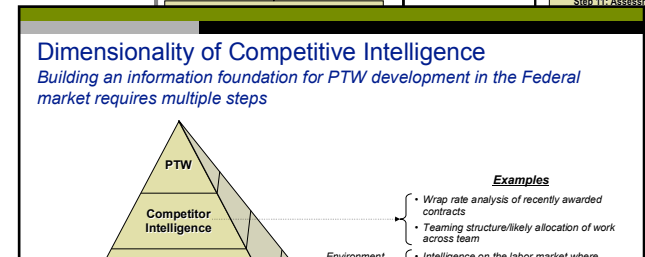
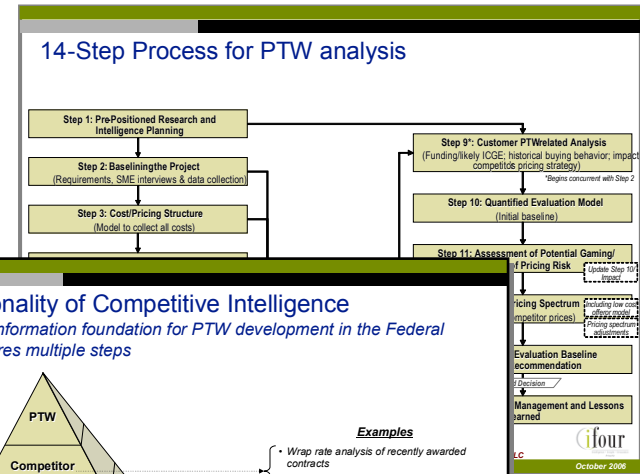
Illustrative PTW Pricing Spectrum



Price-To-Win Analysis

We provide premier PTW analysis in support of critical bids

- Price-to-Win is a multi-variable hypothesis of the competitors' predicted behavior
 - It is not simply applying the competitor's historical pricing behavior
 - It takes into account variables associated with the Government customer (example: competitor's view of evaluation process)
- Major PTW variables include:
 - Customer's funding/should-cost/ROMs, etc.
 - Customer's historical buying behavior
 - What the customer is saying about this specific opportunity (predict their buying behavior based on their stated preferences)
 - Competitor's likely win strategy, approach and teaming strategy
 - Competitor's historical pricing behavior
 - Competitor's likely pricing behavior on this specific opportunity



Overall Summary of Opportunity

Focused Services

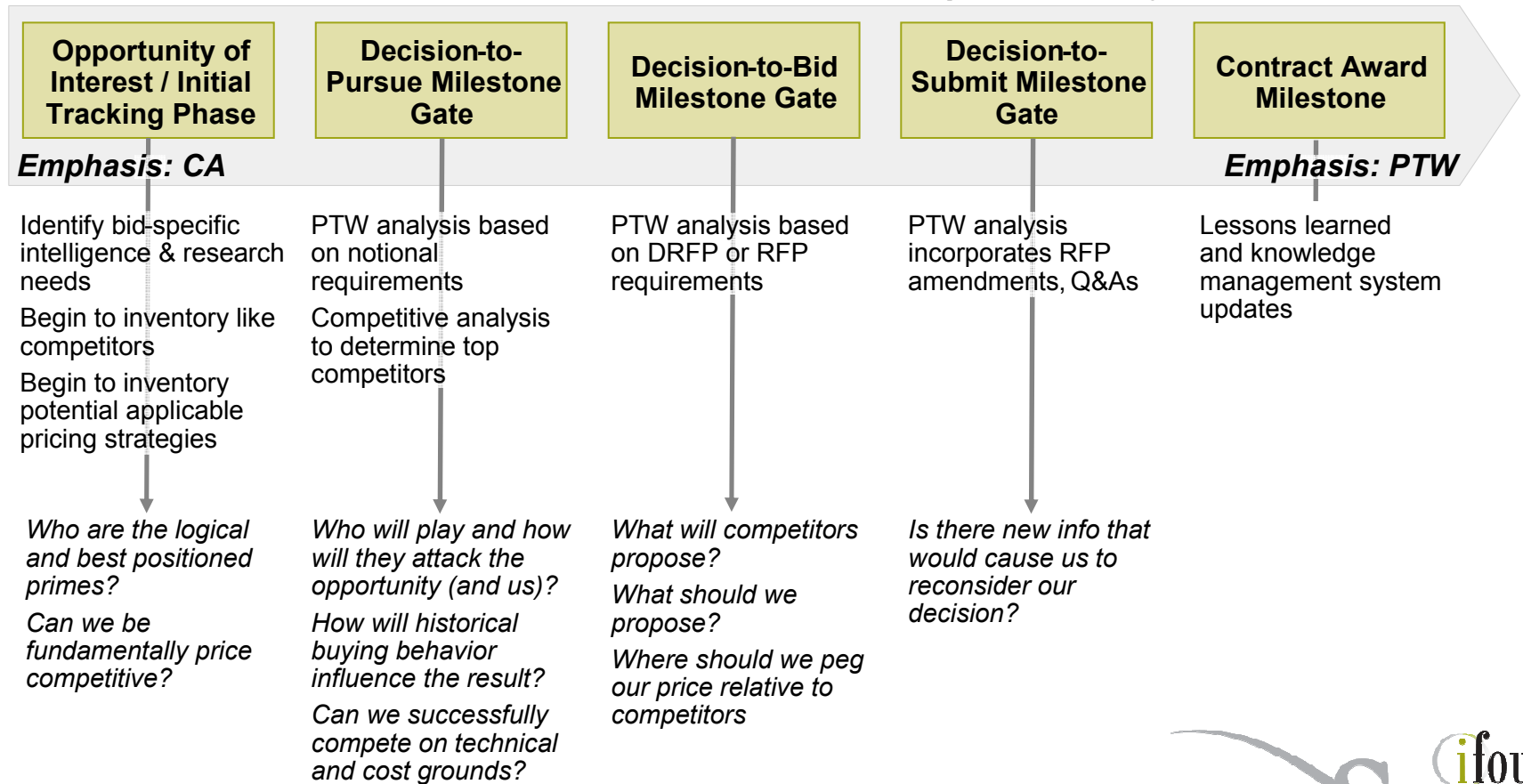
Our support is customized to the uniqueness of each opportunity and to your needs and desires for that opportunity

Products/Deliverables (FFP)	Support (may be FFP or T&M)
<ul style="list-style-type: none"> ▪ Initial analysis and assessment <ul style="list-style-type: none"> - What kind of company will win? - How does our company look at first blush? 	<ul style="list-style-type: none"> ▪ Support to BD team in preparing for milestone review
<ul style="list-style-type: none"> ▪ High level competitive assessment <ul style="list-style-type: none"> - Rank order the competitive field - Select the top “N” competitor “targets” for further analysis ▪ Initial look at pricing requirements 	<ul style="list-style-type: none"> ▪ Recompete pricing analysis and support ▪ Prime/sub position recommendation ▪ Teaming recommendation ▪ Support to BD team in preparing for milestone review
<ul style="list-style-type: none"> ▪ Detailed competitive assessment against “targeted” companies ▪ Initial look at pricing solutions and likely approaches 	<ul style="list-style-type: none"> ▪ Capture planning and strategy ▪ Call Plan development ▪ Teaming strategy and process support (exhibit development, Ts & Cs, etc.) ▪ Black Hat facilitation, participation, or support (customer and competitor) ▪ Support to BD team in preparing for milestone review
<ul style="list-style-type: none"> ▪ Initial pricing analysis based on either notional RFP provisions or on DRFP content 	<ul style="list-style-type: none"> ▪ Capture strategy evolution ▪ Conduct Proposal Readiness Review ▪ Support to BD team in preparing for milestone review
<ul style="list-style-type: none"> ▪ Final pre-bid PTW ▪ PTW support to support BAFO/FPR 	<ul style="list-style-type: none"> ▪ Support to pricing team in achieving PTW target ▪ Color Team review participation ▪ Support to BD team in preparing for milestone review

CA & PTW Impact in the Decision-Making Lifecycle

There are many different ways in which competitive analyses can positively influence your bidding decisions and behavior

Essential PTW activities exist across the acquisition lifecycle



How it all Comes Together

Competitive assessment provides critical inputs to PTW

The opportunity

- Is it funded?
- What other programs are competing for the funding?
- What is the schedule?
- What are the evaluation criteria?

The customer

- Who are the customers?
- What is the budget?
- What are the customer's buying habits?
- Who is on the SSB?
- What is their opinion of the client?

The competitors

- Who are the competitors and their teammates?
- What is their competitor profile?
- What is their likely solution?
- What is their likely overall deal?

Price-to-Win

- **Bottoms up analysis with wrap rate development**
- **Reverse engineering for rates/wrap rates used in other contracts**
- **Rates points from an industry perspective**
- **Parametric modeling**
- **Integrate price and non-price factors**

Qualification and Positioning

- Who are the logical and most well positioned primes
- Can we be fundamentally price competitive?

Opportunity of Interest
Identification and Qualification



Potential competitive assessment activities:

- Initial look at probable customer requirements for the opportunity
- Establish the skills and corporate experience base likely required to win
- Perform high level assessment to determine extent to which price is determining factor in this or related procurements



Outputs inform Qualification decision:

- Is our company the kind of company the customer is seeking?
- Does our general experience base match the requirements?
- Is our cost structure generally a good match for the competitive environment and the customer's past buying behavior?



Decision to Pursue the Opportunity

- Who will play and how will they attack the opportunity (and us)?
- How will historical buying behavior influence the result?
- Can we successfully compete on technical and cost grounds?

Decision to Pursue
Milestone/Gate



Potential competitive assessment activities

- High level but complete inventory of likely competitors and teaming partners
 - Review the industry base to inventory the set of companies/skills whose past performance or actions make them likely prime or subcontractor candidates
 - Rank order candidates and present rationale for why these companies would make either good teammates (either as your prime or as your teammate to fill in “gaps”)
- High level inventory of potential, applicable competitive strategies
 - Establish general but typical price points for a successful offering in this space
 - Inventory possible types of cost and price solutions for consideration



Outputs inform Pursuit decision:

- How does our general experience base match the requirements relative to those of our probable competitors?
- How do our “gaps” look relative to strengths? Are we credible as a prime, or better positioned as a subcontractor?
- Who would make the best teammates?
 - From a customer/domain perspective?
 - With the right cost structure to be competitive?
- At this point is our win probability sufficiently high to continue investing?



The Bid Decision

Is there new info that would cause us to reconsider our decision?

Decision to Bid
Milestone/Gate



Potential competitive assessment and PTW activities:

- From among all potential competitors, select the competitor targets of primary concern for detailed assessment & modeling
- Detailed competitive assessment on target competitors
 - Focus is on specific programs with this customer, or on similar programs with other customers
 - Develop background context and data that becomes the foundation for PTW analysis
 - Develop Black Hat material; facilitate the Black Hat competitor simulation
- Facilitate a “Customer Simulation” Black Hat as a means to establish broad customer requirements and beliefs to support decision-making early in the opportunity life cycle.
- Using a DRFP or an RFP modeled from a previous procurement against a notional set of requirements, initiate the pricing analysis that forms the basis for the ultimate PTW
 - Develop initial model and price target for teammates



Outputs inform Bid decision and help to set competitive strategy:

- Detailed competitive assessments against target companies
- Competitor and Customer simulation Black Hat results
- Results of initial competitive pricing analysis
 - Supports initial price discussions with teammates



Decision to Submit the Bid

What will others propose? What should I propose?
Where should we peg our price relative to others?

Decision to Submit
Milestone/Gate



Potential competitive assessment and PTW activities:

- Update pricing analysis model to reflect actual DRFP and then final RFP requirements and evaluation criteria (including amendments, questions and answers, etc.)
- Finalize estimates of price for target competitors
- Establish your PTW based on the above
- Suggest recommendations on ways to achieve target price (where feasible)



Outputs inform bid strategy end game and final pricing decisions:

- Updated and finalized detailed competitive assessments against target companies includes pricing
- PTW results together with rationale and options for achieving them

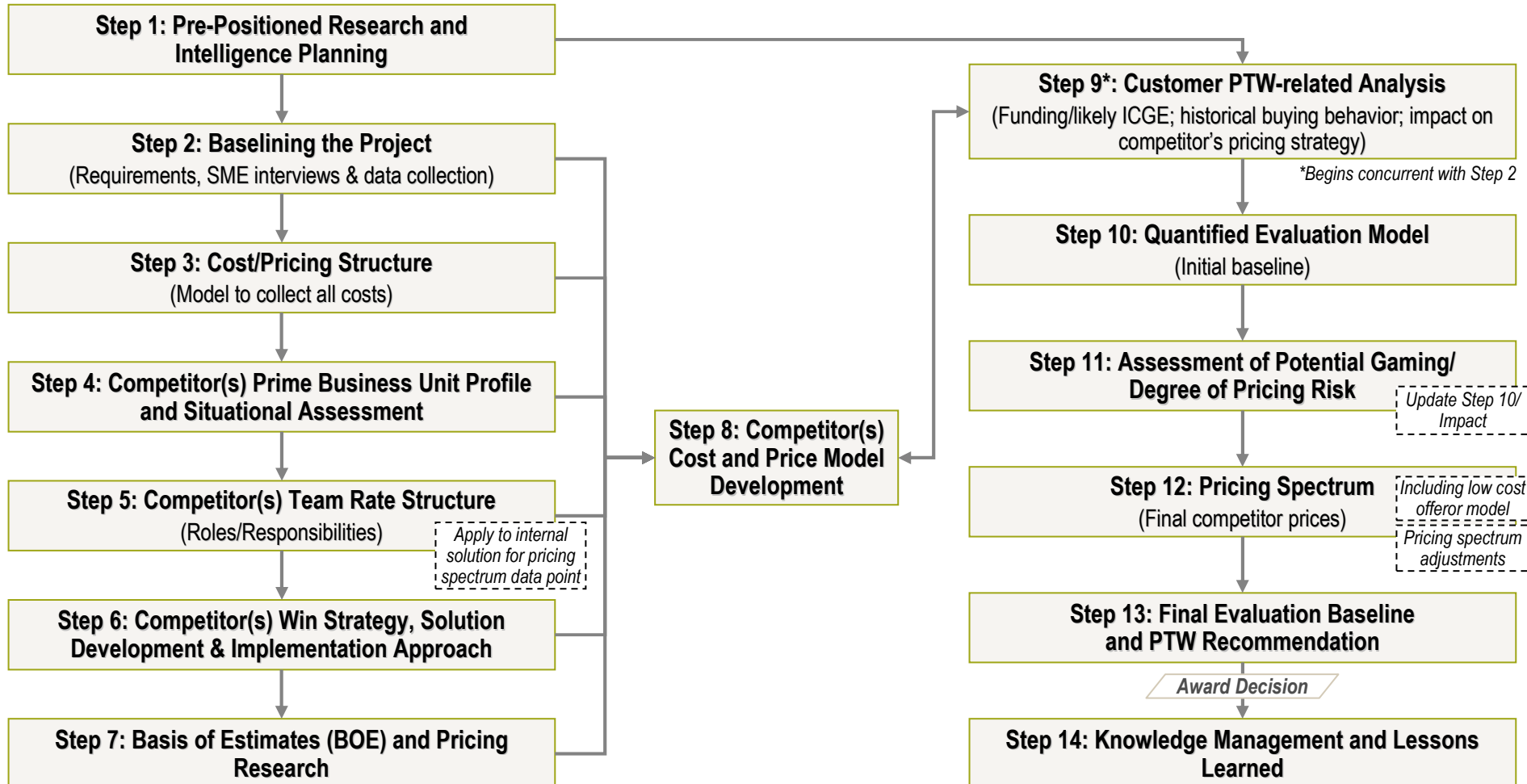


Maximizing Advantage from CA and PTW analyses

What factors are needed for a successful CA/PTW engagement?

<i>What Makes For a Successful Engagement?</i>	<i>Client Operating Concept to Optimize Support</i>
<p>Engage as early as possible in the acquisition timeline</p> <ul style="list-style-type: none"> ▪ We recommend clients engage with us for this type of support 6-12 months out from the RFP 	<ul style="list-style-type: none"> ▪ Maximizes your ability to leverage of the developed insight and analysis ▪ Ensures that ifour is not conflicted with another company on this opportunity ▪ Ensures that ifour will have the capacity to perform when you need it
<p>Selecting opportunities where the experience base is a good match with the procurement</p>	<p>SM&A undertakes PTW engagements only if, based on our experience and developed intuition, we believe we can do a good job for you</p> <p>If we decide that we can not, we will tell you</p>

ifour 14-Step Process for PTW Analysis





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