

Working With Federal Proposals

Introduction

In this fact sheet we answer the four most common questions new clients ask:

- What tasks do you perform and what do you need from us?
- How do we use the Virtual War Rooms?
- How much is this going to cost us?
- How do we get started?

Are Your Needs Consistent with Our Skills?

At Federal Proposals, we see our mission as **WINNING** procurements for our clients – and our success rate attests to our skill in doing so. We are not *proposal consultants* or *proposal writers* in the conventional sense. We accept responsibility for taking your company's offering (product, service, or solution) and tailoring it or improving on it – to present the government with the most attractive solution among your company's competitors. This frequently means we are involved at all levels of the proposal process. If we can't make your offering a top competitor for the solicitation, we'll tell you so.

If you are looking only for *assistance in writing* a proposal, stop here. We are over-qualified and over-priced for your needs. We recommend that you search the web for *proposal writers* or *proposal consultants*. However, we caution you that *writers* generally work with what you give them – so you should have confidence that your offering has the elements for winning (most companies overestimate the attractiveness of their offering). When winning and ROI are important, you should think beyond *writing assistance*. **Our clients return \$768 for every \$1 invested in our services.**

Tasks We Normally Perform

Overview

Federal Proposals is a full-service provider. We work with your company on all facets of the proposal, from pre-RFP planning to printing of full-color proposals ready for delivery to the government. Generally, we are a fully-integrated element of your proposal team – and sometimes we are a great percentage of your team. The work share between your company's internal proposal team members and Federal Proposals is agreed upon in advance.



Proposal Research, Planning and Offer Positioning

We can improve your company's probability of winning when we begin our relationship in sufficient time to conduct research (very few companies adequately research the government's needs and preferred solutions), assist in identifying potential weaknesses of your offering, and planning the proposal content. Few bidders think about positioning their offer to: 1) match the government's envisioned solution, and 2) be more attractive than the competitor.

Remember, the government selects the best solution. Our favorite selection example: Attila the Hun might have clearly stated the need for an improved sword, but the competitor offering an automatic rifle would probably have won the procurement.

Technical and Management Solution Development

Nearly all our clients come to us with a "story." As they see it, they have a better product or service, and the government would be foolish not to see it. Far too often, they can't *see* the government's preferred solution because of the "forest" of hype they have created around their solution. Almost invariably, we can improve upon the technical and management solutions to bring them in line with the government's preferred solution (remember, your company's best procurement intelligence is likely to reflect only 50% of the factors that will ultimately determine the winner). This is Federal Proposals strong suite. We know what wins procurements, and we position your solution to be a top contender.

Proposal Management

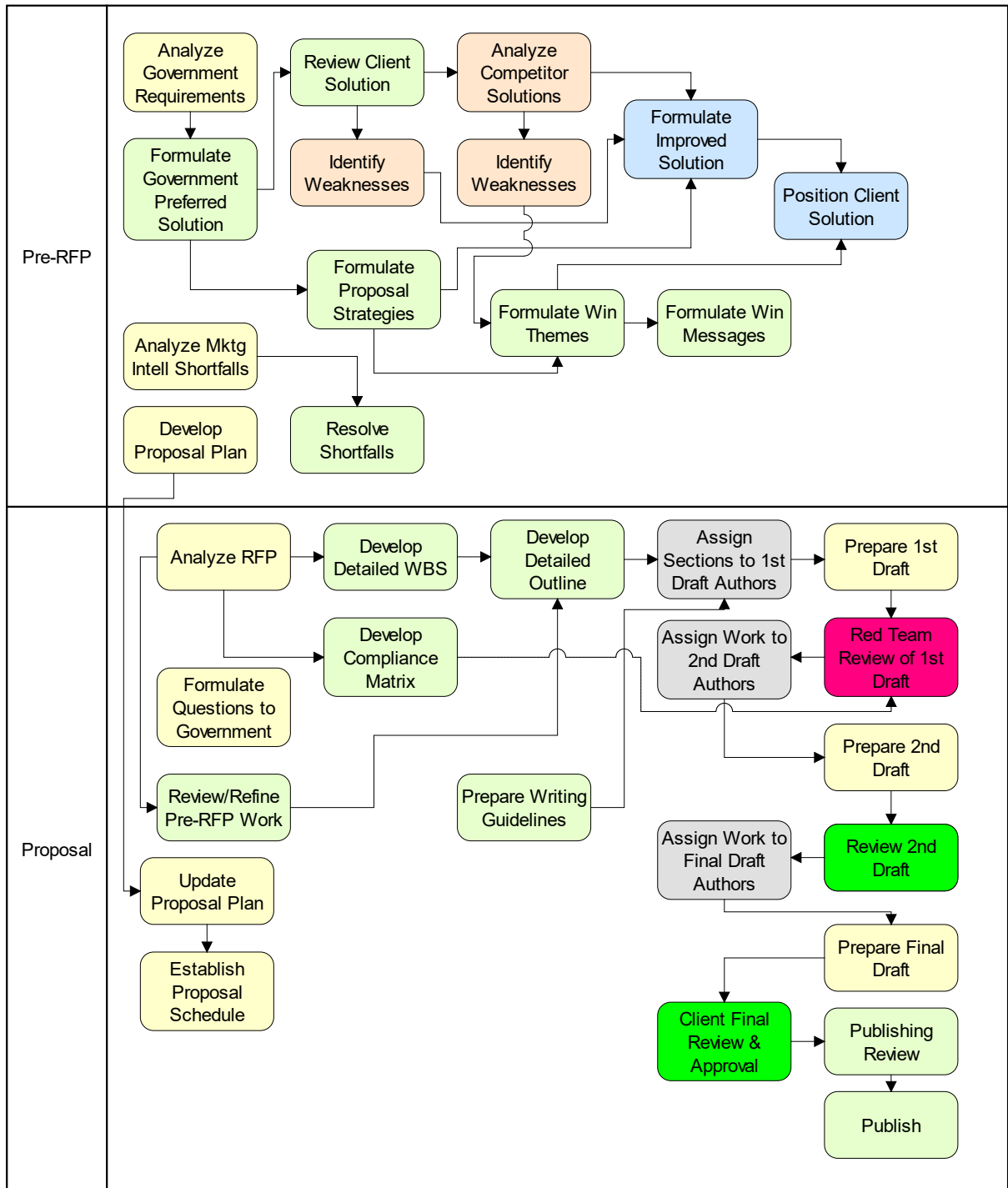
We see proposal management as two functions: 1) administrative management and 2) content management. Our clients are most successful when they select us to provide *content management* – all the elements of the delivered technical and management proposal. We are equipped to effectively manage your proposal team's efforts while you maintain administrative management of your team. We can also work effectively under your company's content manager, however, in our experience, few companies have this skill on staff. Many corporate proposal teams are centered on process-oriented work and skills – and innovative, winning content is missing. We often fill that need.

How We Work with You on Proposal Tasks

Our normal approach to a posted solicitation is to: 1) analyze the RFP and create a requirements matrix, 2) create a detailed work breakdown structure (WBS) for the proposal (and a separate WBS for the solution) using WBS software tools, and 3) develop a detailed outline down to the paragraph (including figures and tables) level. We then work with you to assign initial writing responsibility for each paragraph. In some cases, we will create the first draft from your inputs, in other cases your technical and management proposal contributors will create the first draft, and in still other cases, we will create the draft from interviews with your technical and management team. We will collect all information and writer inputs using the team collaboration and document control tools in our Virtual War Room.

Generally, we assemble the first draft for a Red Team review by your technical and management team. From this initial compilation, we maintain configuration control over the proposal until submission. Based on review comments, we make improvements using appropriate inputs from your technical and management team and prepare a second draft for review by them. Normally

we do not ask original drafters to rewrite their sections, preferring instead to obtaining responses to specific information needs. Our clients always have final approval of the proposal products. Our proposal process is summarized in the Figure below.



What We Deliver

We deliver the proposal ready for submission as prescribed in the RFP, and we deliver both hard copies and electronic versions of all source documents to your company.

Operational Flexibility

We have described our normal operations. We are very flexible in adapting our work to your company's proposal needs and style of operating. We are accustomed to being a fully integrated member of your corporate team. However, the customer is always right does not always apply. We are working with you to WIN and we will let you know very clearly if we believe your decisions will reduce your chance of winning. After all, you hire us for our expertise, not for our conformance.

Using Our Virtual War Rooms

Federal Proposals uses private, secure web-based applications to provide dedicated Proposal Virtual War Rooms for each client and each solicitation. All proposal team members have individual roles and passwords assigned. These Virtual War Rooms provide all the tools required to manage proposal activities and proposal content. We believe the practice of assembling large proposal teams in one location is obsolete, ineffective, and inefficient – and seldom brings together the best technical talent.

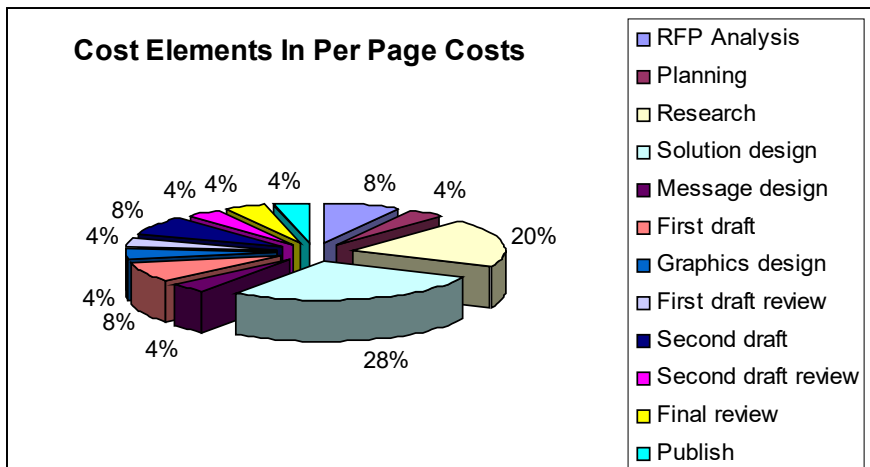
Estimating Proposal Costs

Proposal Costs Are an Investment

Something you may not have considered – the costs of a losing proposal. Well over 50% of proposals received by the federal government don't make the competitive range. They are "dead-on-arrival." The bid costs for those bids were thrown away – zero return on investment. Knowing this, why do companies in the aggregate continue to throw away 50% of their bid investment with no opportunity for return? The answer is that they don't know. Far too many companies don't understand the government procurement process; don't know how to win government procurements; and don't have a realistic view of the quality of their proposals – **yet believe they do**. Proposal costs are an investment – and you should be striving to maximize return on that investment. Yet, many companies spend this investment to support unassigned staff or very inefficient proposal projects. For many companies, proposals are their most inefficient projects.

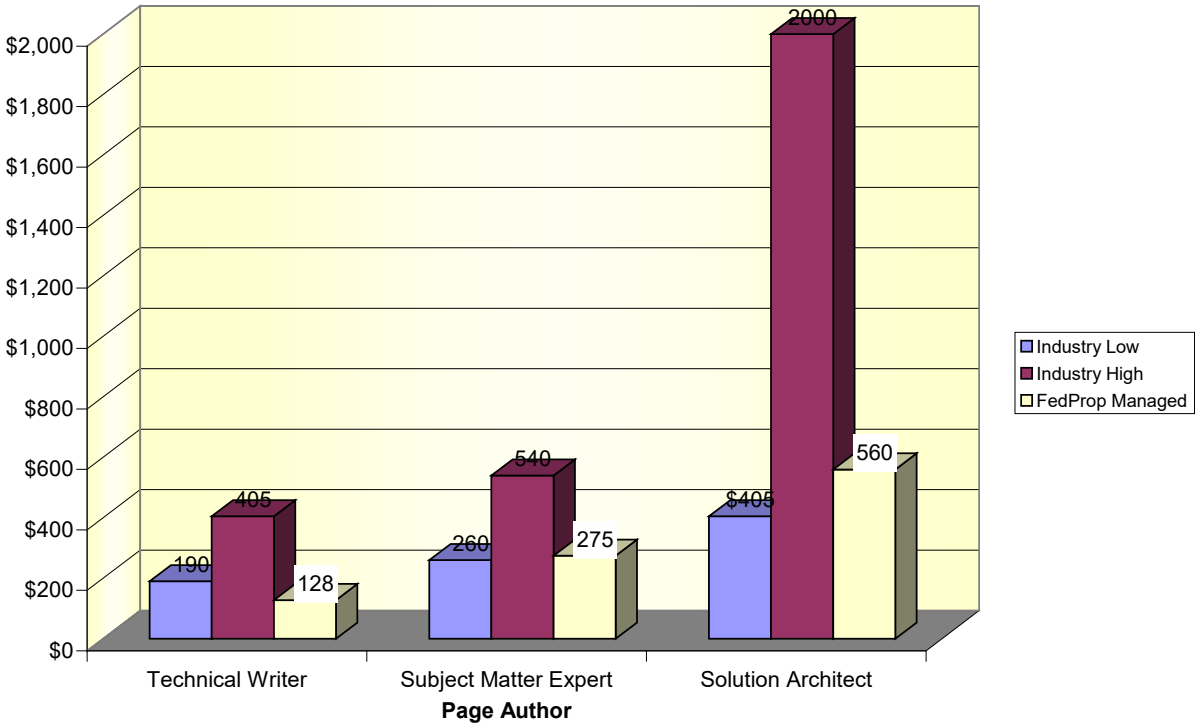
Typical Proposal Costs

Despite the look-alike appearance of government solicitations, every



procurement is unique in its combination of requirements, evaluation factors and selection philosophy. In our experience, those who believe in template-oriented proposal processes have very low win rates. That said, we have compiled and evaluated proposal costs for a wide range of proposals across the industry – some with professional proposal assistance and some solely with internal resources. Our analysis indicates that the best preliminary estimator of proposal costs (prior to development of detailed pricing) is page count and page complexity. In the following Figure we show the industry average and Federal Proposals average costs for three page complexities.

Industry Average Proposals Costs Per Page



We have defined page complexity as the technical skill level (and associated labor costs) required of the author. The three complexities are:

Complexity	Example Pages
Technical writer	Corporate descriptions, project experience, staff resumes
Subject matter expert	Technical descriptions, analysis, management and quality plan
Strategist, solution architect	Innovative solution design, system architect, executive summary

The per page costs are the total costs from creation through submission and include first and second drafts, two or more reviews, graphics, and production.

Outsourcing Vs. Internal Costs

If you are contemplating using the services of Federal Proposals, you will generally have two categories of costs: 1) internal labor and support costs, and 2) Federal Proposals costs. For government contractors with cost accounting disclosures that include bid and proposal (B&P) costs, Federal Proposals costs are normally substantially lower for any given proposal task than internal costs – primarily because, 1) we are proposal professionals who complete tasks in far fewer hours than your company’s internal staff, 2) our process minimizes the use of internal staff and, 3) we don’t create a reduction in direct (billable) labor which makes you pay twice for this labor pool. Our clients who use our proposal management services report 30-40% lower overall B&P costs as compared to internally managed proposals.

Federal Proposal Costs

We have developed a web-based proposal cost estimator which you may use to estimate Federal Proposals costs. This is only an estimator and actual costs will be determined by our fee schedule and contract.

How We Establish a Business Relationship

Federal Proposals provides services through a simplified contract. A model contract may be provided in advance.

Our pricing is based upon staff hourly labor rates or a composite team rate, whichever is selected by the client. Average rates are shown in the Table below. Actual rates will vary based upon assigned staff.

<i>Author</i>	<i>Average Hourly Rate</i>
<i>Technical writer</i>	\$95
<i>Subject matter expert</i>	\$165
<i>Solution architect</i>	\$225

Our composite team rate is \$165 and includes graphics and production at no hourly cost. For established clients and well-definable efforts, we offer a fixed price schedule.

For new clients, we generally require a start work fee equal to 33% of the estimated price, which is credited against the final payment. This fee is not required for established clients.