

Positioning to Win Federal Business

Survey Results Summary

April 3, 2009



Agenda

- Study Methodology
- Respondent Profile
- Study Highlights
 - Business Outlook
 - Business Capture and Marketing Best Practices
 - Strategies for Continued Success
- Panel Discussion

2009 Government Contractor Study Methodology

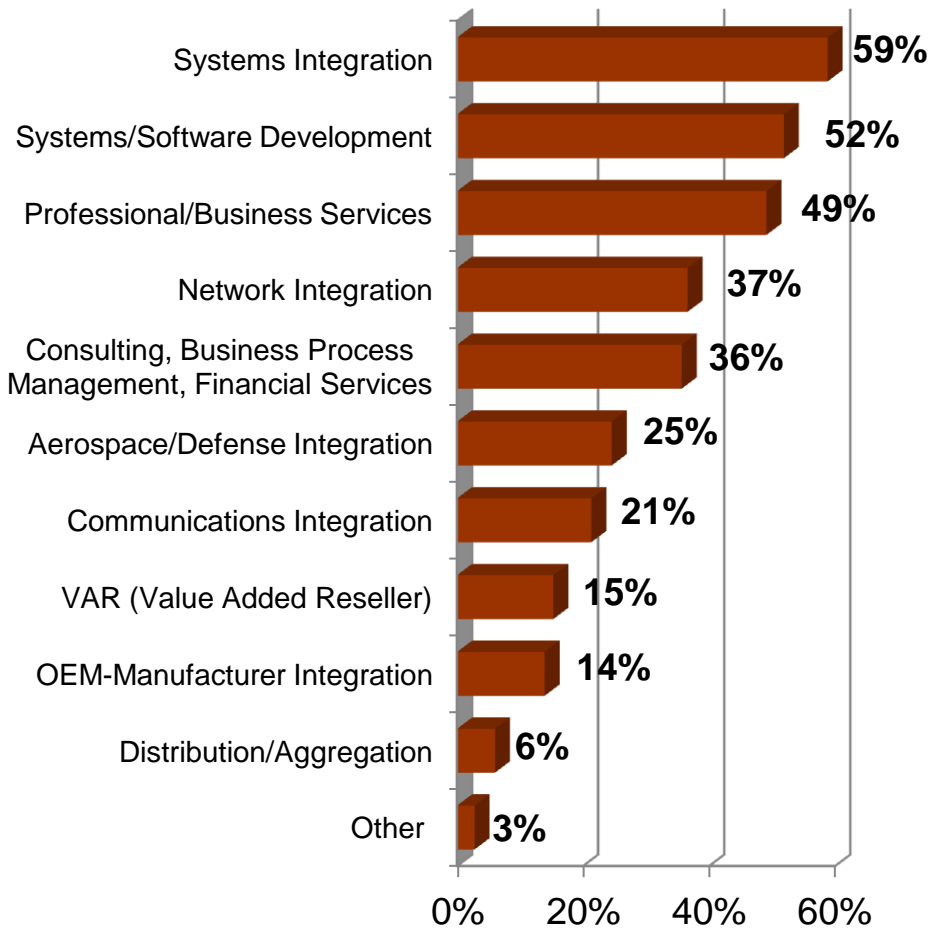
- Five 45-minute, in-depth telephone interviews were conducted with key corporate, business development, and marketing decision makers.
- An online survey of 228 decision makers and influencers from companies serving the federal government was completed from February 24 – March 9, 2009.
- Survey invitations were extended to *Washington Technology* subscribers, and Market Connections' house lists.



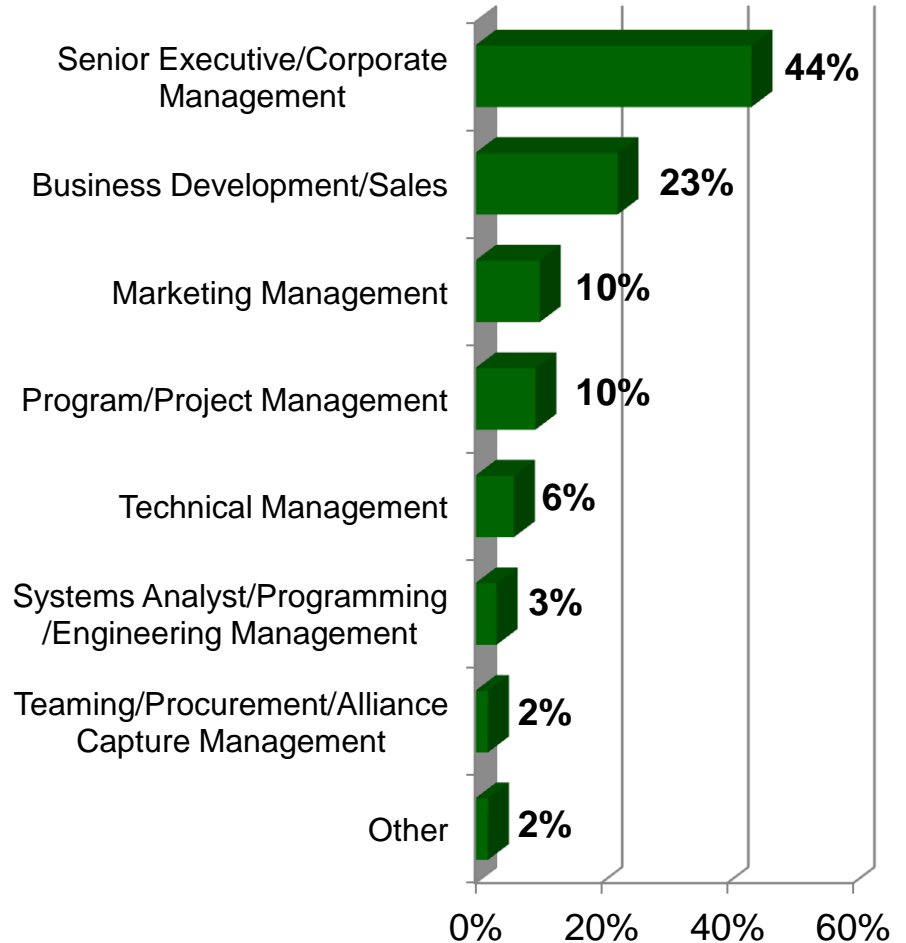
Respondent Profile

Key Business Activities and Job Functions

Key Business Activities



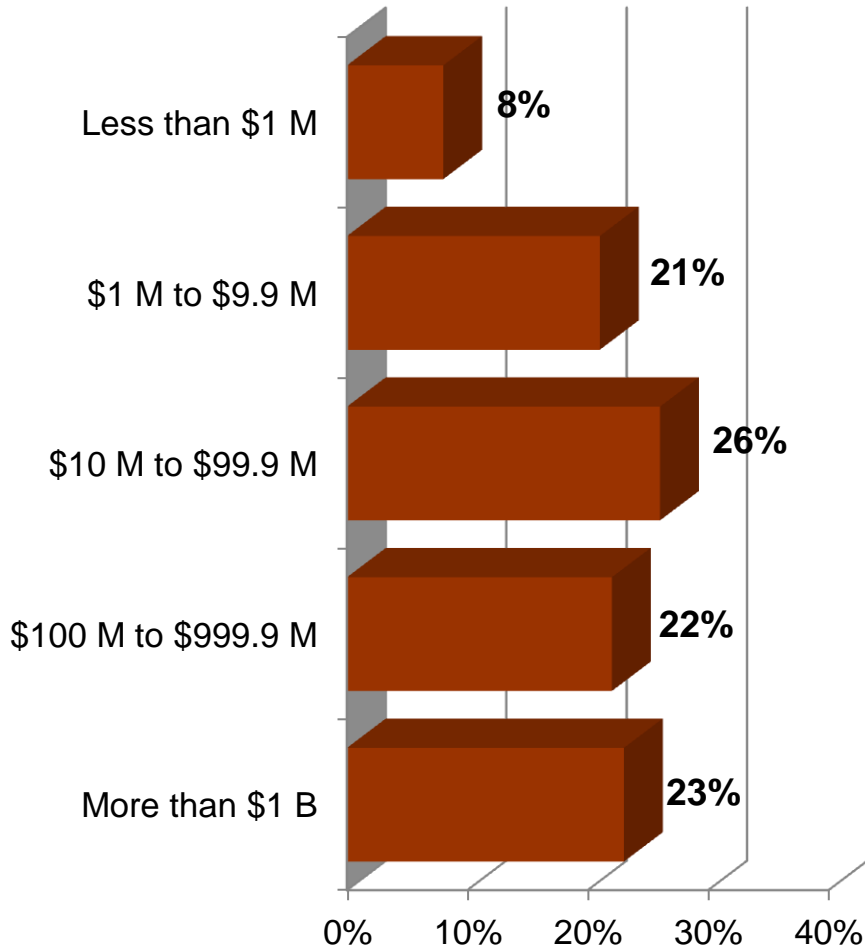
Job Functions



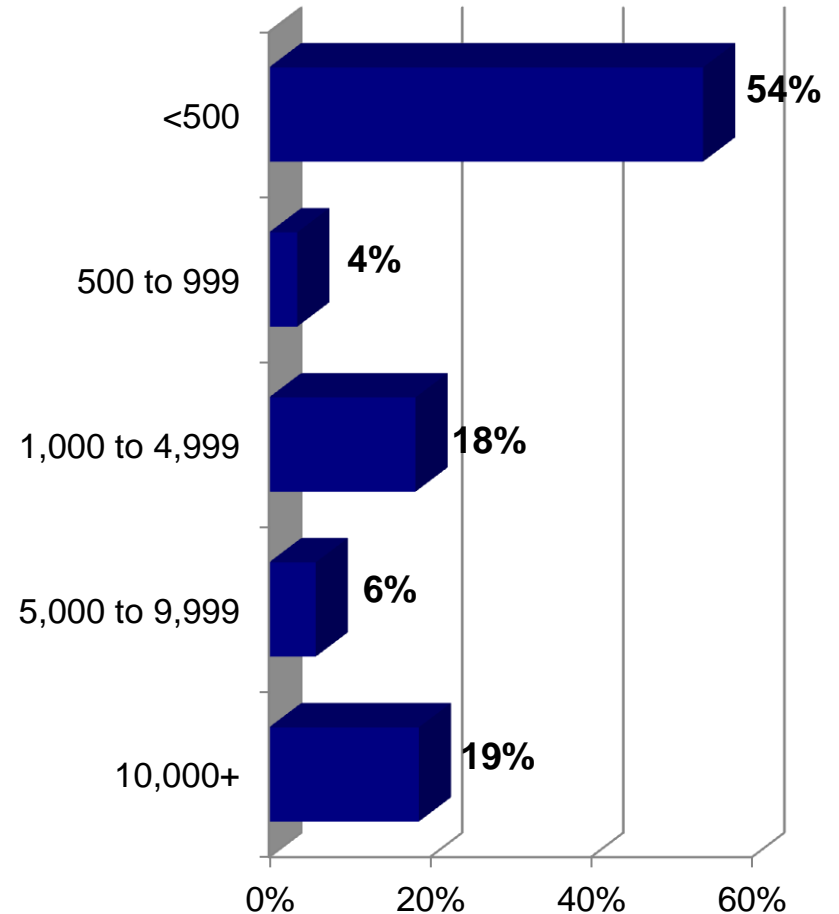
Note: Multiple responses provided

2008 US Revenue and Organization Size

2008 US Revenue



Number of Employees

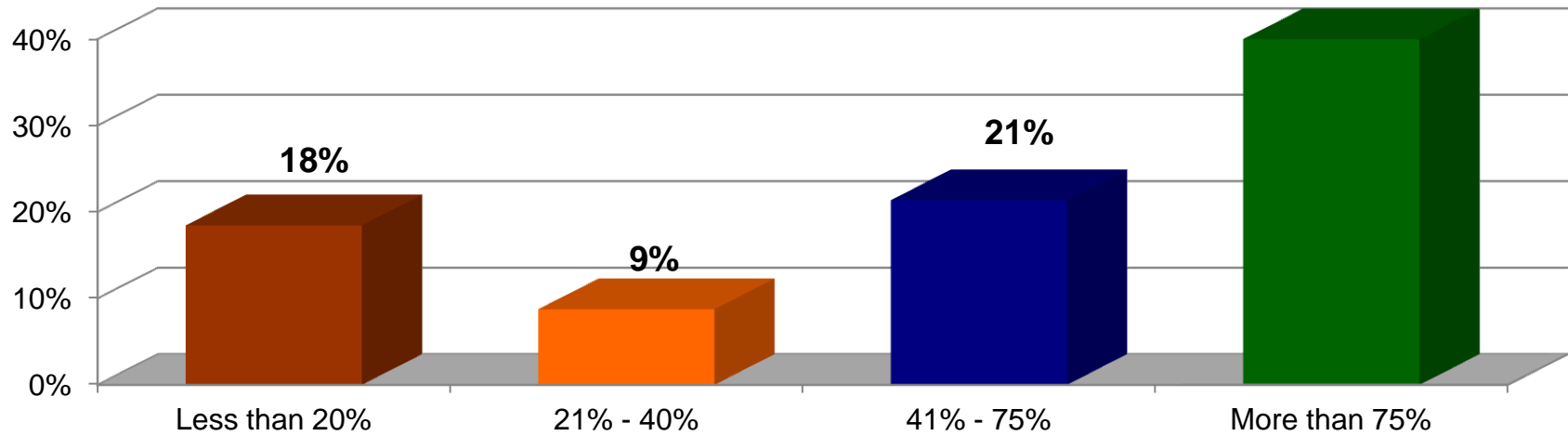




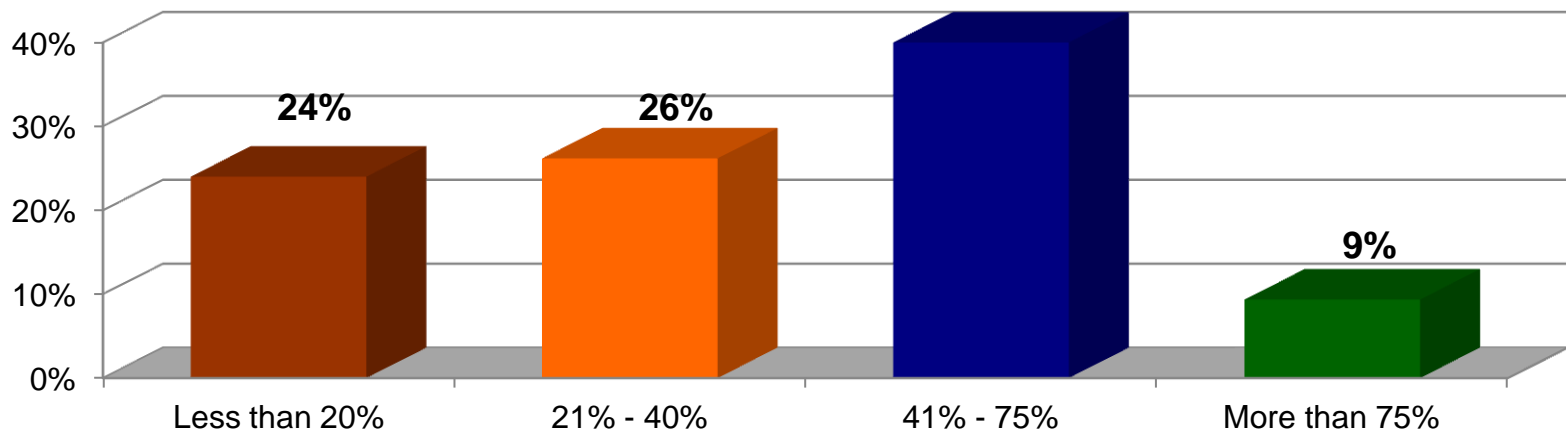
Business Climate

2008 Win Rates

Re-compete Win Rates

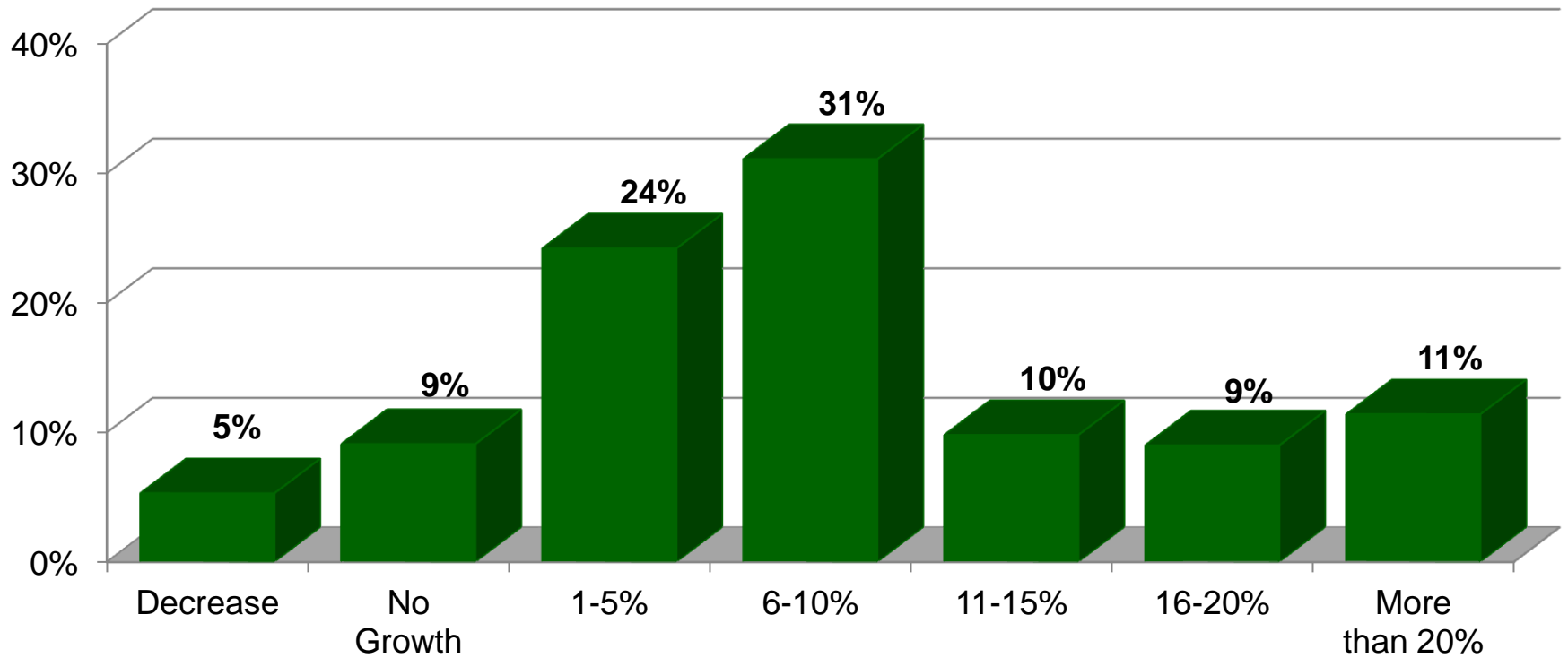


New Bid Win Rates

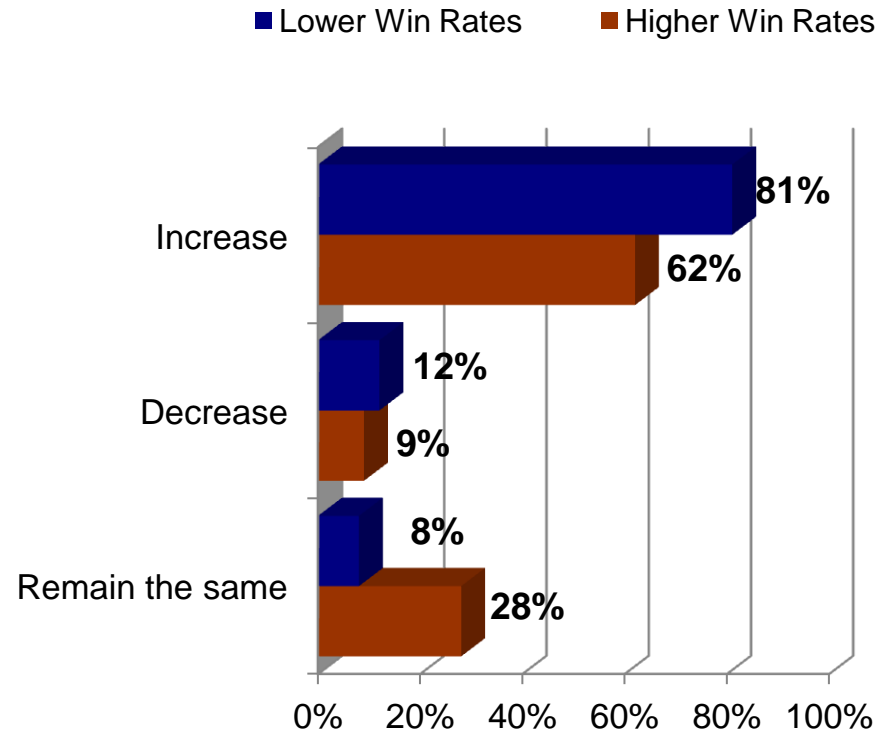
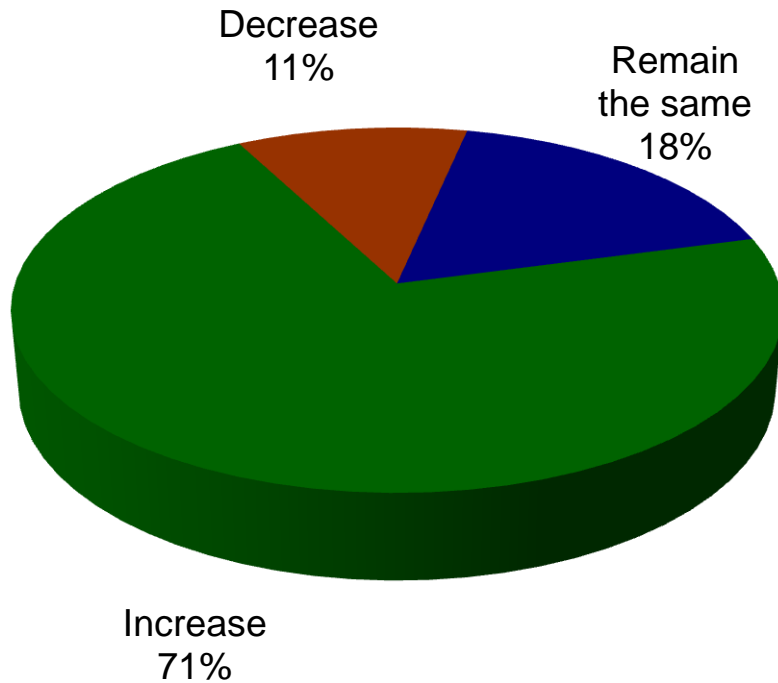


2009 Revenue Growth Estimate

Estimated Growth for 2009 Revenues

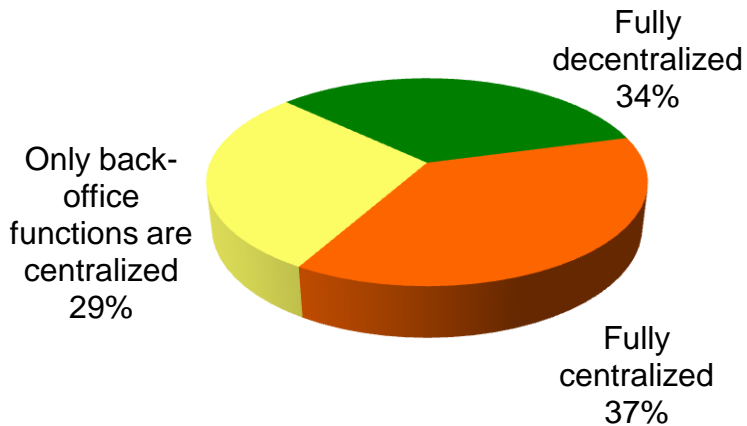


Bid Activity Increasing in 2009

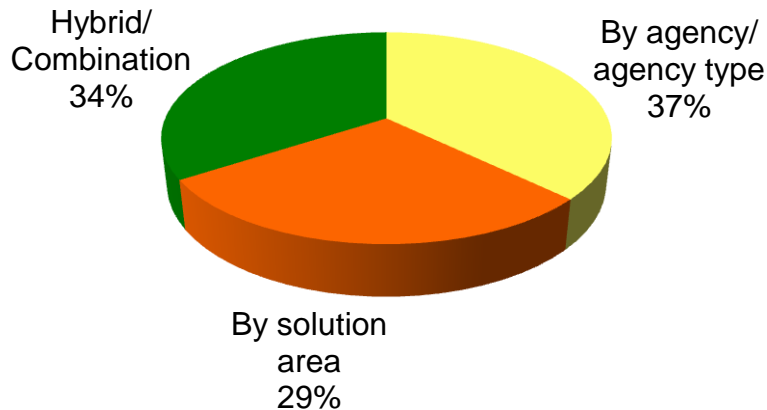


Structure of Business Development Function Varies

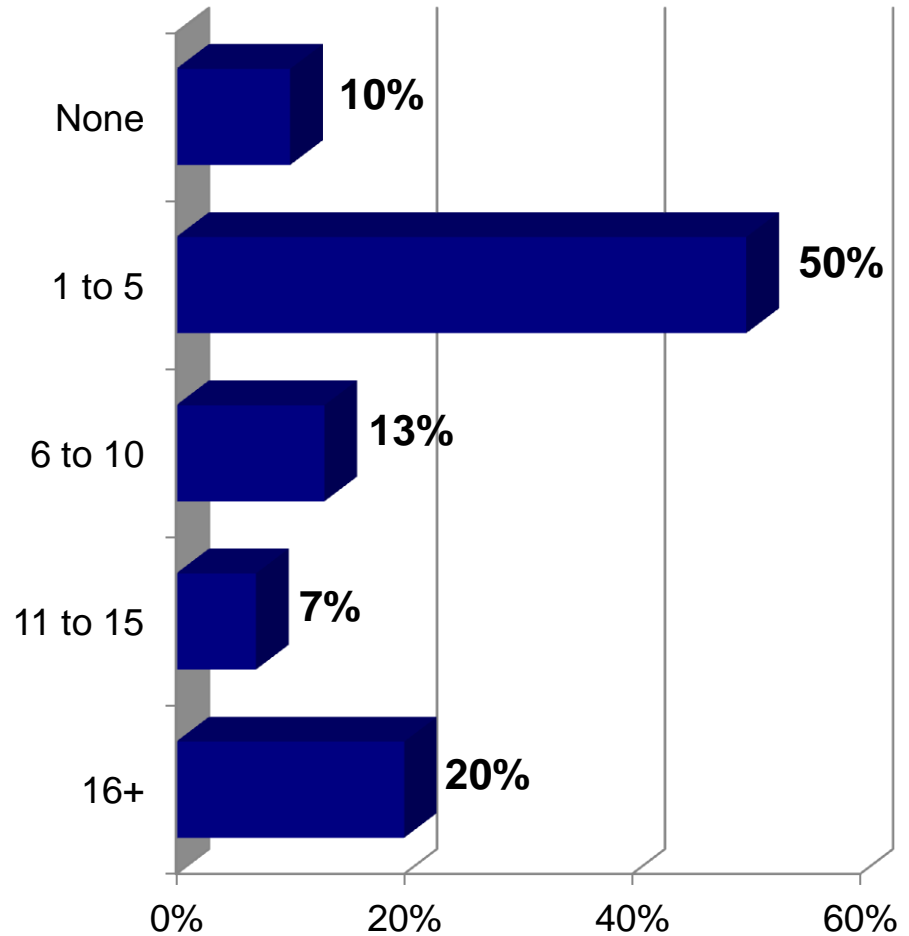
Structure of Organizations with Divisions/Business Units



Federal Business Organization

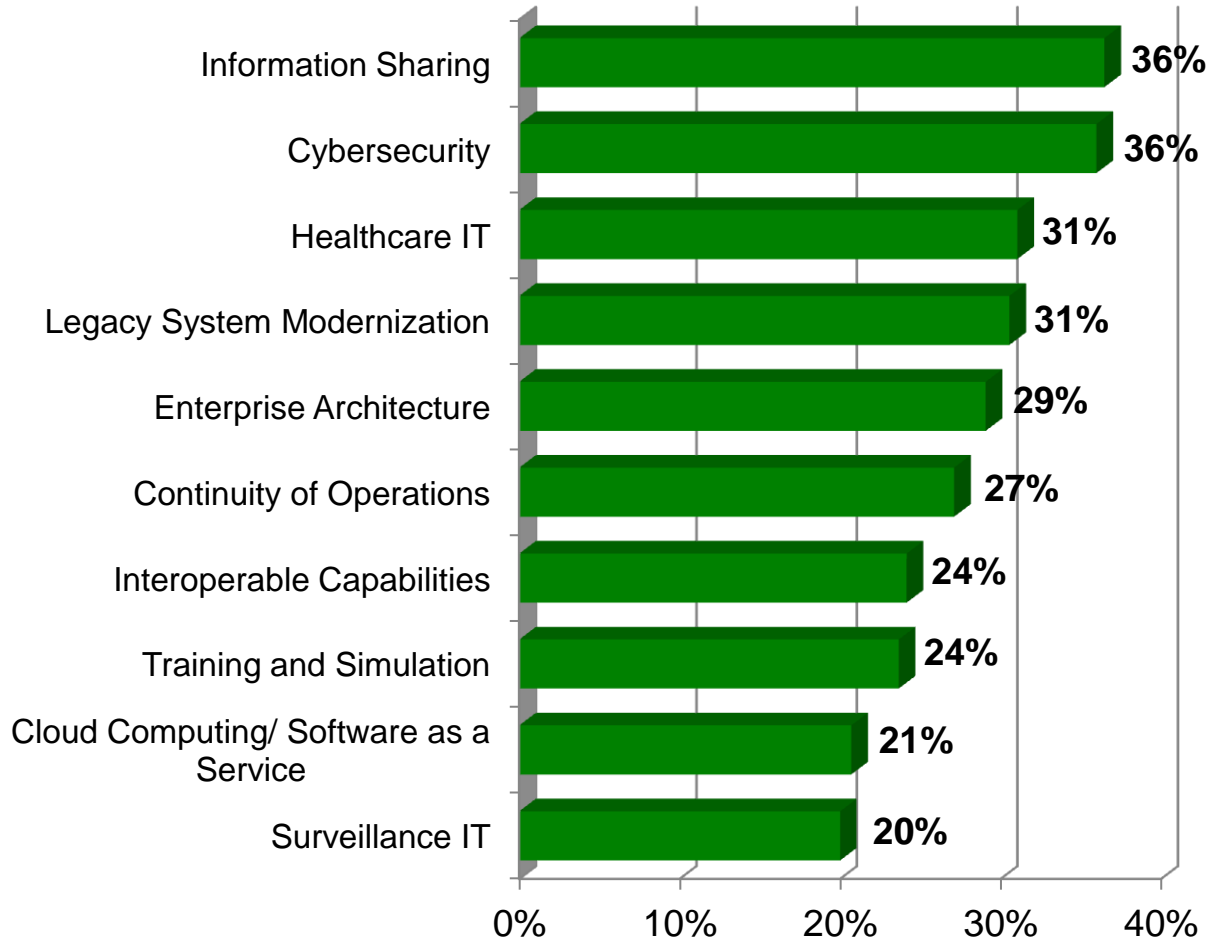


Number of Business Development/Sales Employees



Information Sharing and Cybersecurity Top Business Opportunities Over Next 12 Months

Top 10 Business Opportunities



Note: Multiple responses provided

Changes in Strategy/Initiatives with the New Administration Top Challenge Over Next 12 Months

“Clearly with the new administration there’s new strategy and new initiatives. I think there’s going to be new emphasis and new interest in different things.”

“Another big challenge for us will be rapidly adapting to where the US Government is going, from a procurement perspective.”

Top 10 Challenges



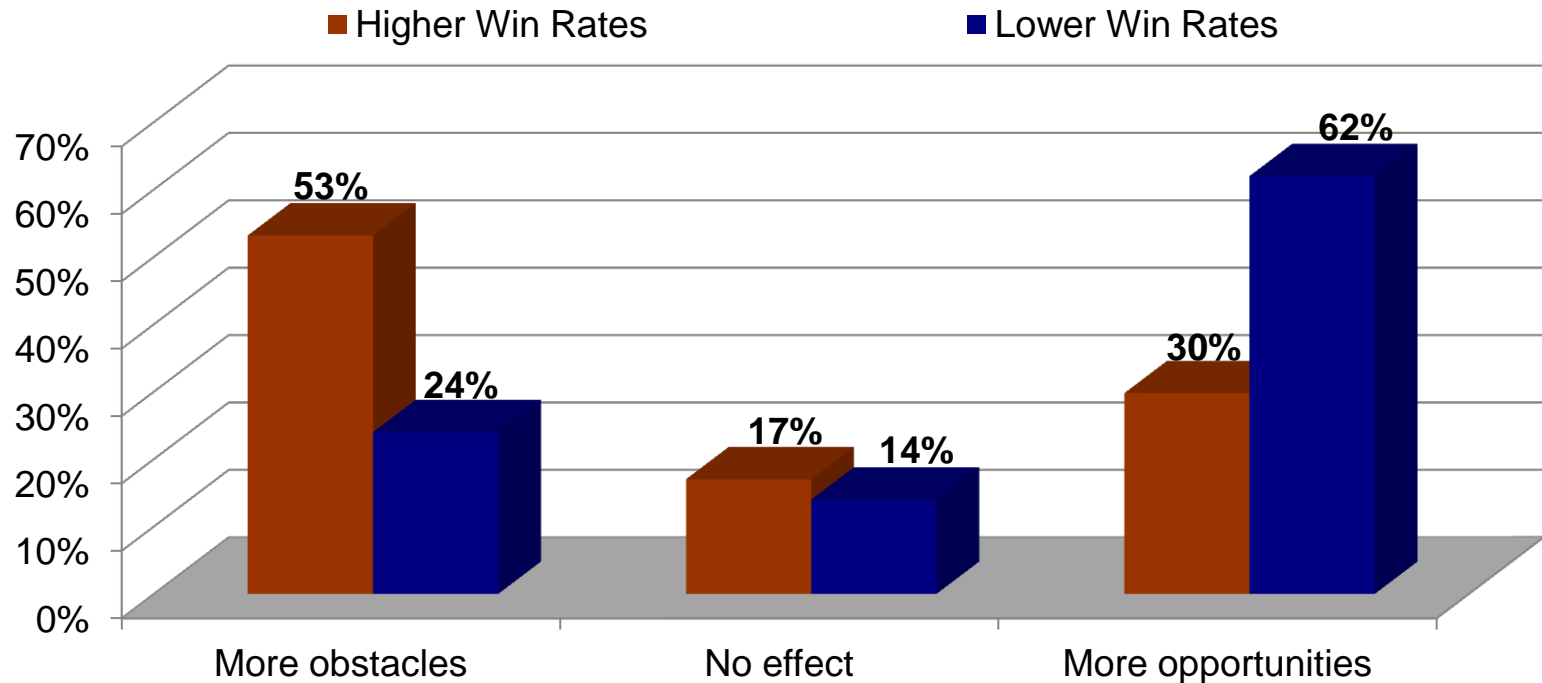
 = Higher Win Rates

 = BD/Sales Personnel

Note: Multiple responses provided

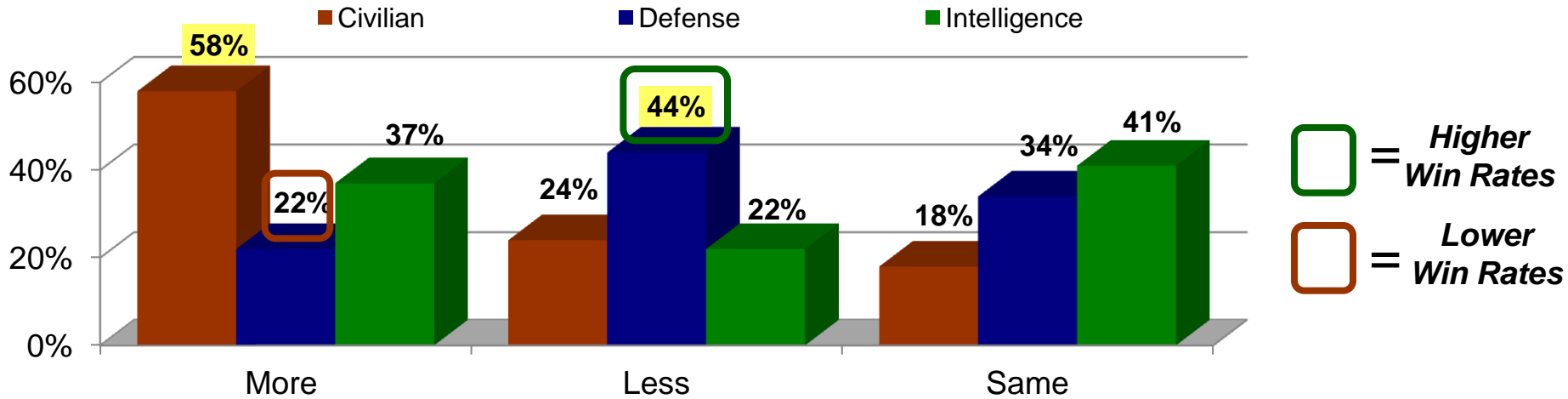
Mixed Expectations for New Administration's Effect on Contract Opportunities in Next 12 Months

"I would say for the next 12-18 months it's going to be a time of great confusion, figuring out what works and what doesn't from the last administration and getting changes made."

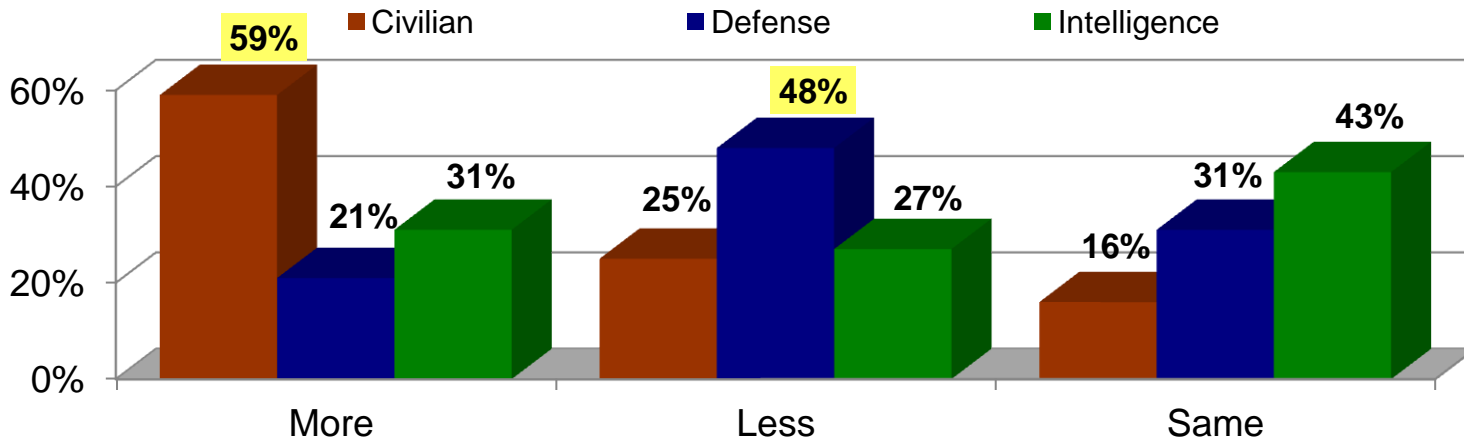


More Civilian Contracts with Higher Value Estimated; Defense Contracts Expected to Decrease

Number of Contracts in 2009



\$ Value of Contracts in 2009

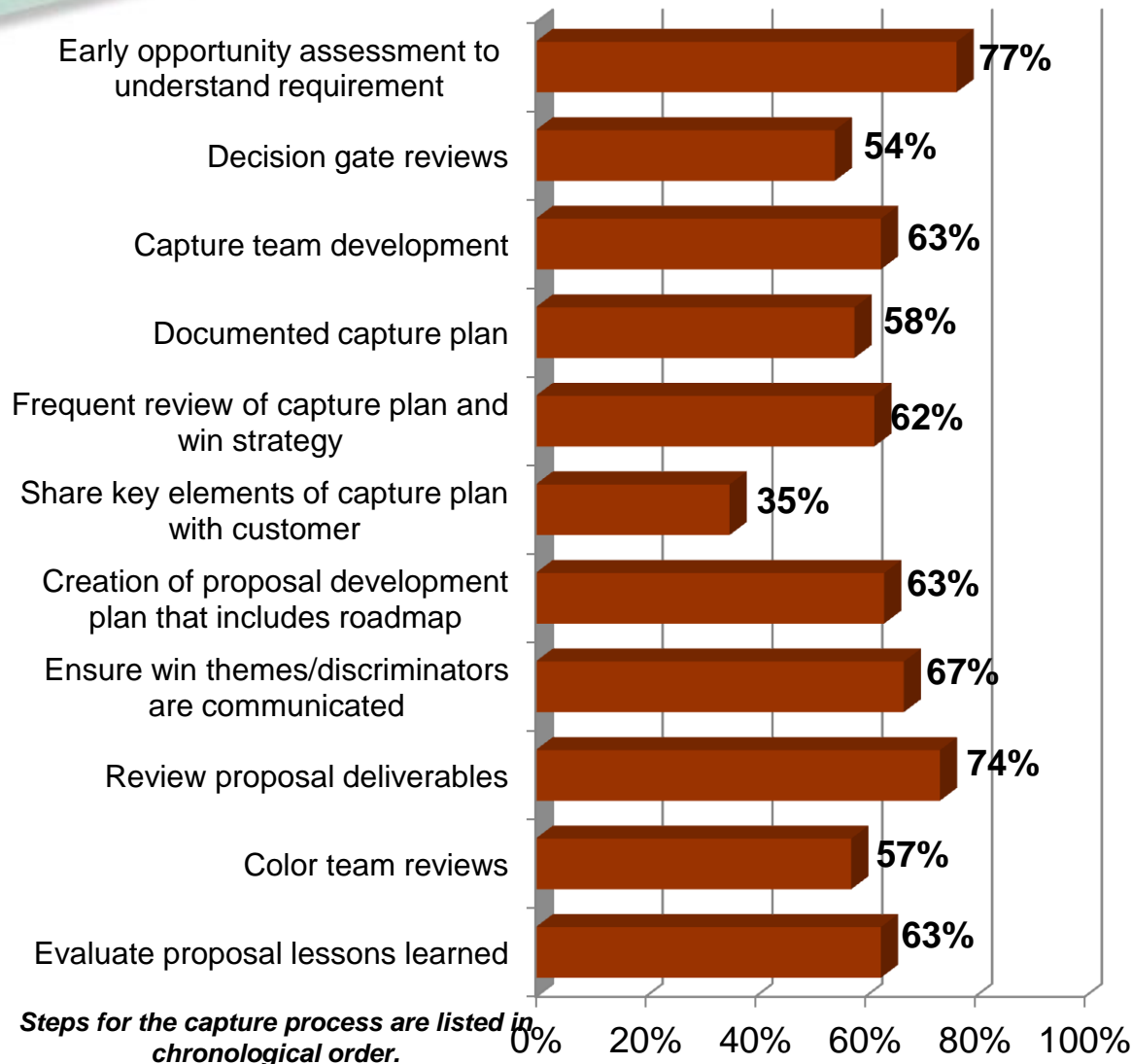




***Business Capture and Marketing
Best Practices***

Capture Management Steps

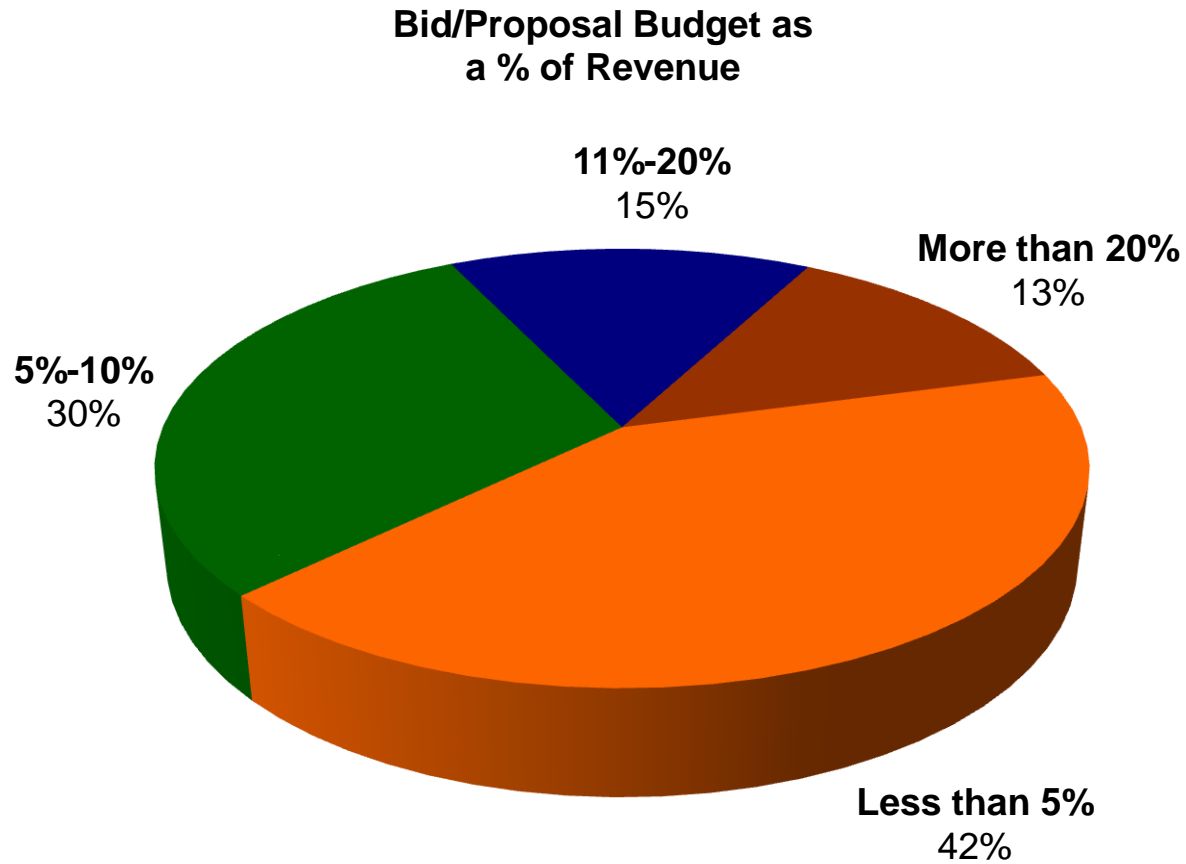
Steps Taken in Capture Process



Lower Win Rates	Higher Win Rates
-	-
-	-
-	-
-	-
55%	77%
-	-
-	-
58%	83%
-	-
42%	73%
56%	81%

Note: Multiple responses provided

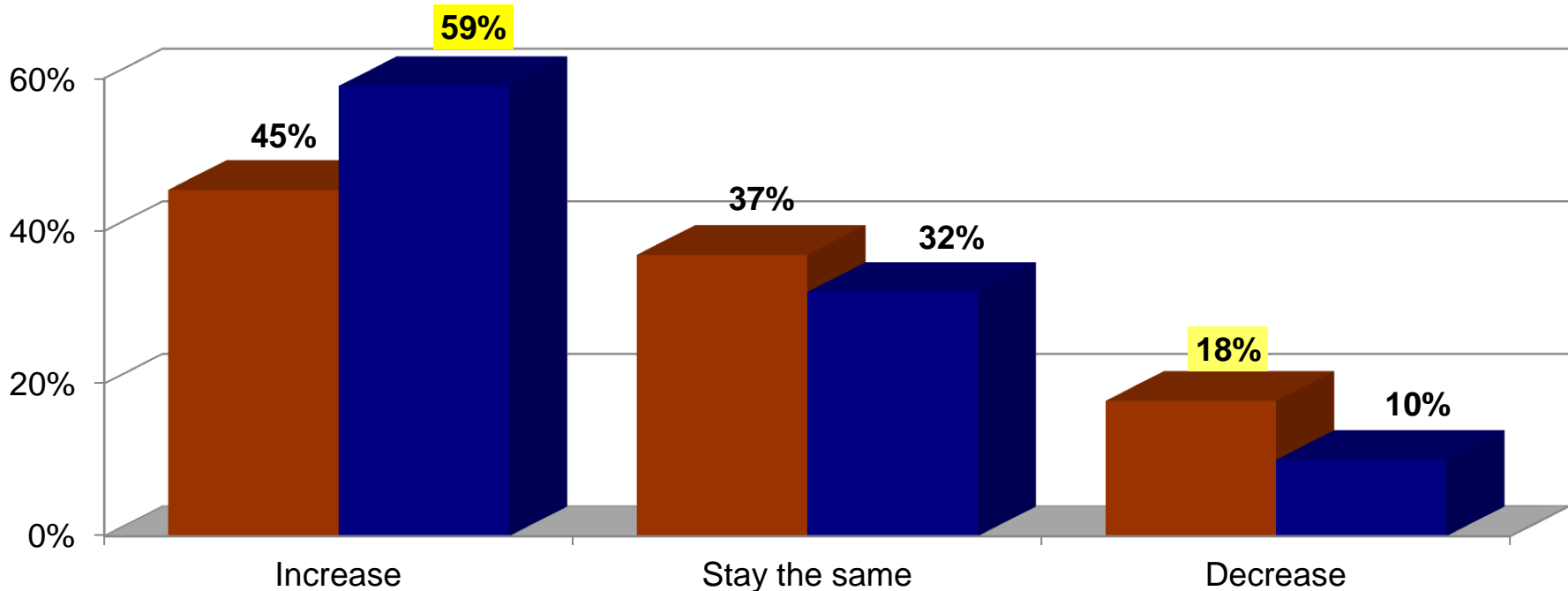
Bid/Proposal Budget as a Percentage of Revenue



Majority Anticipate Bid/Proposal Budget Increases; Marketing Budget to Decrease for 1 in 5 Contractors

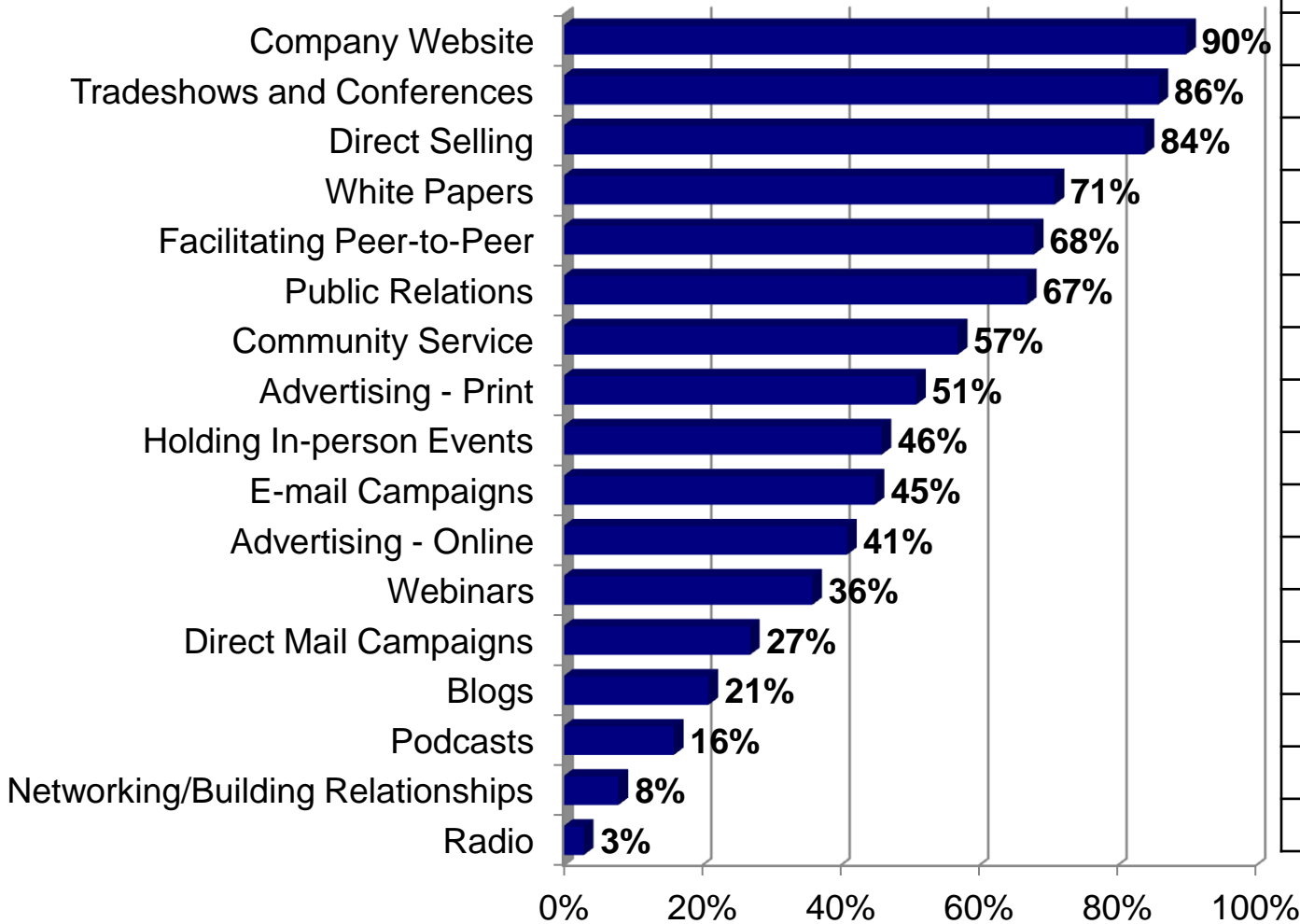
Anticipated Budget Changes Over Next 12 Months

■ Marketing Budget Changes ■ Bid/Proposal Budget Changes



Company Websites, Tradeshows/Conferences, and Direct Selling Used Most in 2008

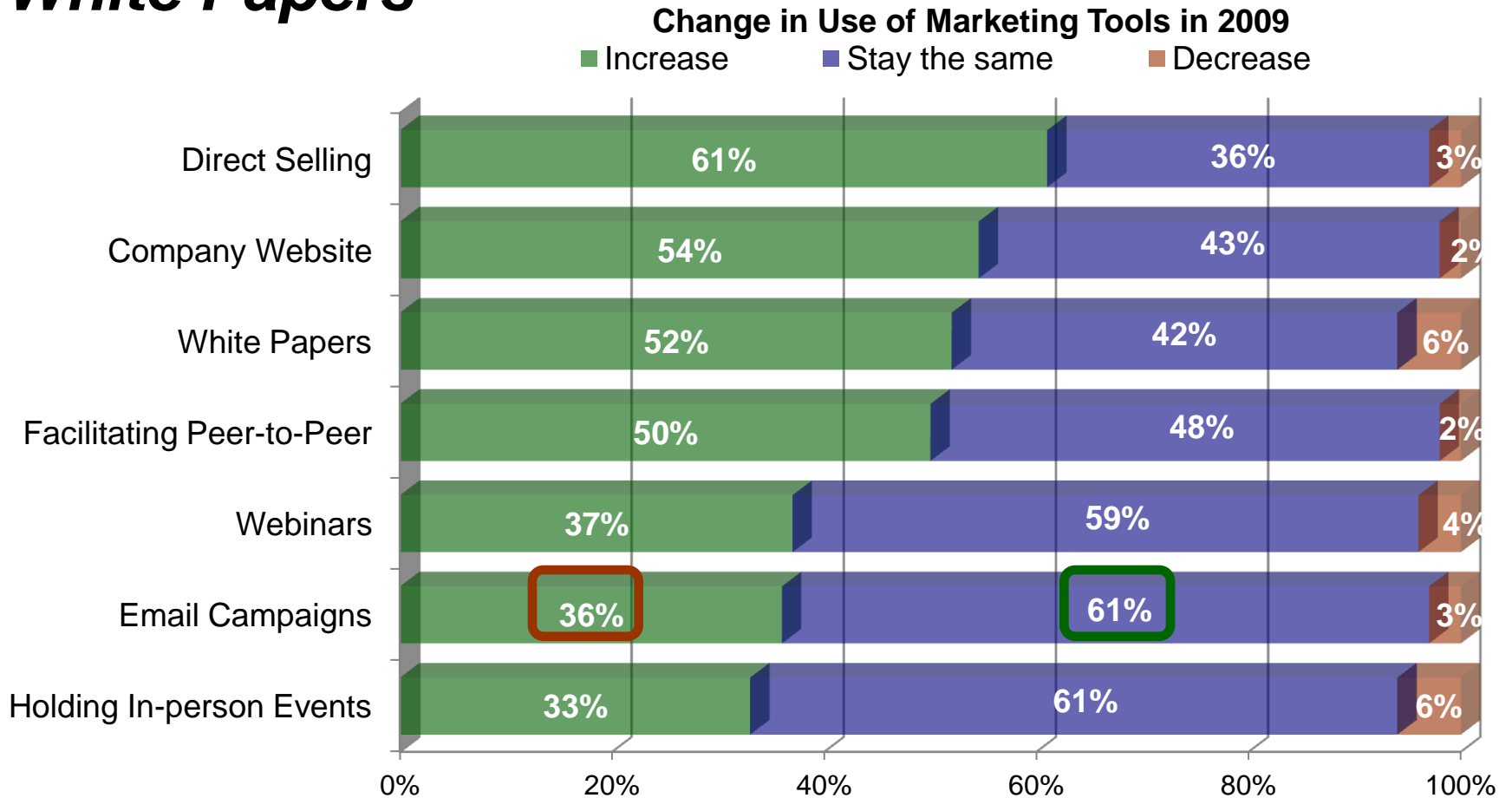
Marketing Tools Used in 2008



Lower Win Rates	Higher Win Rates
-	-
-	-
-	-
-	-
-	-
-	-
-	-
39%	61%
-	-
67%	22%
52%	31%
-	-
-	-
-	-
-	-
-	-

Note: Multiple responses provided

More Than Half of Contractors Plan to Increase Direct Selling, Use of Company Websites, and White Papers



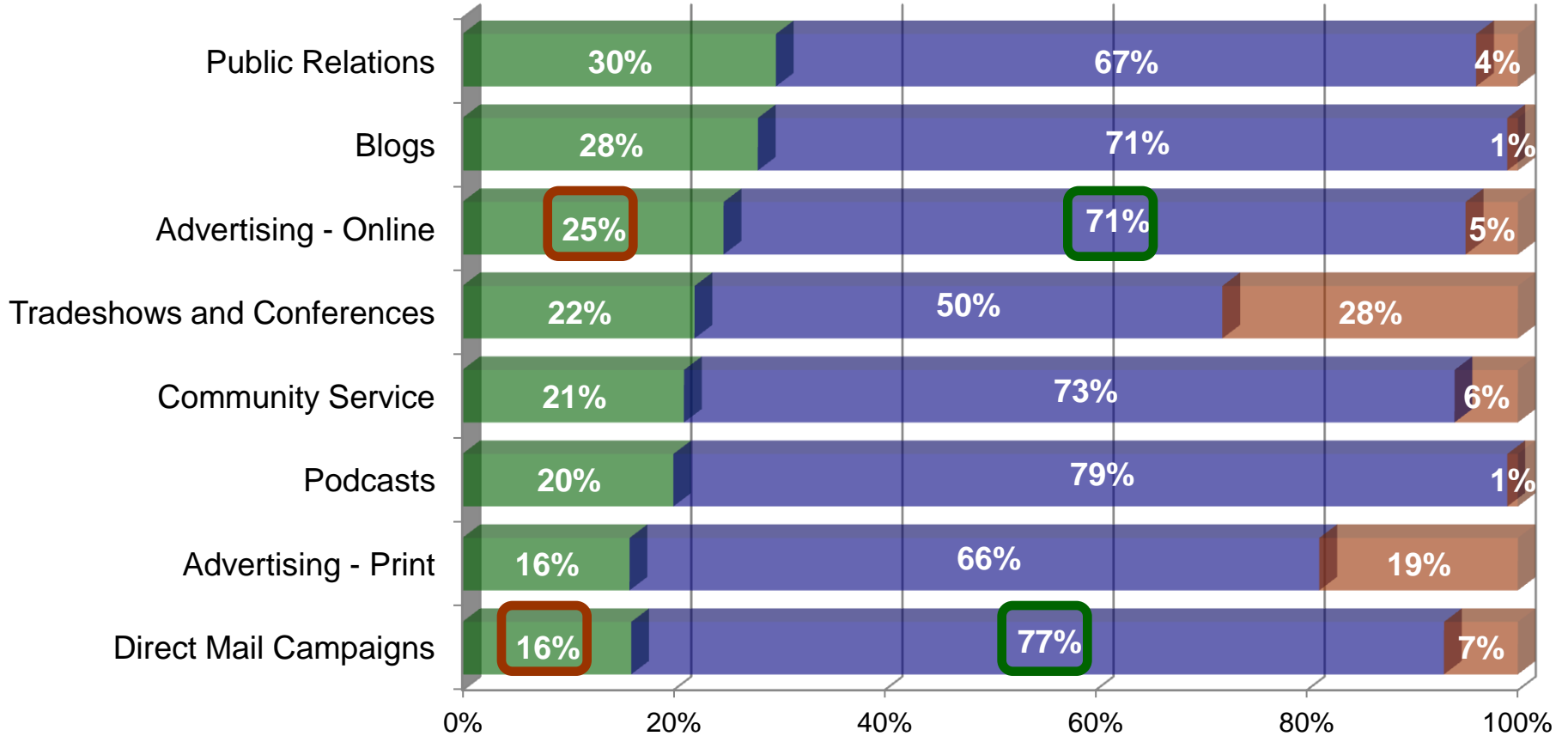
 = Higher Win Rates

 = Lower Win Rates

Plans Mixed for Use of Tradeshows/Conferences and Print Advertising

Change in Use of Marketing Tools in 2009

■ Increase ■ Stay the same ■ Decrease



□ = Higher Win Rates

□ = Lower Win Rates



Strategies for Continued Success

Successful Contractors Share Plans to Improve Capture Processes

Developing New/Maintaining Existing Relationships

“Better relationships with existing and new clients.”

New Partners/Expanded Targets

“Extend into more contract vehicles and relationships.”

Focusing Efforts Earlier in BD Process

“Put more emphasis on the early capture process.”

More Rigorous Bid Selection

“Focus our best resources [on] fewer, very large bids.”

Coordinating/Collaborating Internally and with Partners

“Close coordination of Account, Capture/BD and Solutions Organizations.”

Reviewing and Improving Processes

“Having an outside party evaluate our processes to ensure we are effective in all areas.”

Successful Contractors Share Plans to Position for Success in the Next 3-5 Years

Maintaining/Building Client Relationships

“Continued in-person interaction with current and potential customers...”

“Client Satisfaction.”

Marketing and Branding

“Market [our] technology strengths and innovative, cost effective solutions.”

“Direct marketing to customers”

“Developing and executing a well designed marketing plan for the federal space...”

Hiring/Retaining Qualified Personnel

“Recruiting and retaining knowledgeable managers to market to targeted agencies.”

“...strategic hires.”

Diversifying/Expanding Offerings

“Move into new service areas...”

“Diversification...”



What Questions Do You Have?

Panel Discussion

- Lisa Dezzutti, President, Market Connections, Inc. *Moderator*
- Bob Clerman, Corporate Vice President, Noblis
- Lee Cooper, Vice President of Business Development, Raytheon
- William C. Hoover, President & CEO, AMERICAN SYSTEMS
- Tricia Iveson, Vice President of Business Development, Vistronix
- Nick Wakeman, Editor-in-Chief, *Washington Technology*

Market Connections, Inc
14555 Avion Parkway, Suite 125
Chantilly, VA 20151
703.378.2025

www.marketconnectionsinc.com

