What It Takes to Win (in Any Market):
The Cold, Hard Truth

BY W. BRUCE LEA AND J. ROSSI

The great merchant John Wannamaker once said, “I know that half of my marketing budget is wasted; I just don’t know which half.” We do. And deep down you do, too. In fact, the truth is much more than half is being wasted at the very time that resources are at their most precious.

Which half is it? It’s the half, or way more than half, that we (design and construction professionals as a whole) are spending on chasing and responding to RFPs we have no earthly chance of winning.

A little history: During the early 1990s, we were appalled to see 30, 40, or more firms show up for pre-proposal conferences with most of them submitting a proposal. Firms were desperate for work, and marketers were pressured to pursue any RFP they could find. The specter of staff layoffs will cause that. Even when firms were eminently qualified for a given project, they would lose. The more effort that went into proposals and presentations, the worse the hit ratios became.

To compete successfully, an athlete must first master the fundamentals of her sport. What then are the fundamentals we must master to bring work in the door? Actually, we believed we knew what it takes to win, but we wanted to
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prove it with hard evidence. So we conducted a study of the actual behavior that occurred with wins. We sought empirical evidence, not opinions about who had the best graphics or most charismatic presenters. What had the winners actually done to position themselves to win?

The first study back in the early ‘90s was conducted among firms in Florida. It was straightforward in that we simply looked at the last project each participating firm had been awarded, and we asked a series of questions to test our hypothesis about the behavioral characteristic of winners. The results were so overwhelmingly clear that we thought the first study may have been an aberration, so we repeated it in other parts of the country. Regardless of the location, we got the same results.

By the late 1990s, the design and construction industry was roaring hot, so we wondered if the same fundamentals that had been so powerful in a down market would still apply. We conducted the study again, and surprise, we got virtually the same result.

Fast forward to today, the worst market conditions in our roughly 30-year careers. Similar to the early 1990s, we are seeing two and three dozen firms, often more, at pre-proposal conferences with similar numbers submitting proposals. Co-author of this article, Bruce Lea attended a pre-proposal conference with nearly 100 people representing 30 firms. Gilbane usually follows protocols closely aligned with the fundamentals demonstrated by our studies, so his team made a “no-go” decision. Because Bruce had “signed in,” however, he remained on the e-mail list receiving information sent to the competing firms. What he learned: Twenty-nine firms submitted proposals, five were shortlisted, and the project was awarded to the firm who had successfully completed the client’s three previous projects.

How much time, effort, and dollars were wasted by all of these firms? We’re not blaming the client in this case. Wouldn’t you want to continue working with someone who had performed well for you in the past? Don’t you want your clients to reward excellent performance with repeat work?

Equally bad, these feeding frenzies encourage dangerous price-cutting by competitors and onerous behavior and terms by owners, all of which can lead to disastrous impacts on the so-called winners over the two- to four-year life of a typical project. Plus, in our opinion, it demeans the professions. Moreover, if we devalue our services today, how do we expect to make the case that those same services warrant higher fees tomorrow?

In light of these conditions, we approached Marketer editor Randy Pollock proposing to publish the results of our earlier studies, which heretofore had been presented only in a few SMPS chapters during the time they were originally conducted. He wisely recommended we re-validate the information by re-conducting the study and comparing results in 2009 with results in 1991 and 1999. We did, and (drumroll, please) the results were identical.

Below are the key questions we asked in our surveys regarding the respondents’ last project won in which selection was based on criteria other than solely price, along with the results. The questions query behavior and activities accomplished before the RFP is issued.

1. Did you or someone in your firm meet with the client before the RFP was published?  
   Yes = 81%, No = 19%

2. How many months before the RFP did you have your first meeting?  
   Average = 7 months

3. How many meetings did you have before the RFP?  
   Average = 5

4. With whom in the client’s organization did you meet?  
   – Senior executive: 81%  
   – Department manager: 65%  
   – Staff: 42%

5. Who from your firm attended the meetings?  
   – Principals: 81%  
   – Non-principal professional: 38%  
   – Full-time marketer/business developer: 55%
6. With what percentage of the selection committee did you meet before the RFP?
   **Average = 75%**

7. Did anyone from your firm develop a relationship with anyone in the client’s organization involved in the project? A *relationship* is defined as something resulting from multiple meetings, participating in at least some activity together away from the office, and being on a first-name basis.
   **Yes = 89%**

8. Who in your firm had the relationship?
   - Principal: 71%
   - Non-principal professional: 44%
   - Full-time marketer/business developer: 41%

   Overwhelmingly, a relationship had been developed at the client’s senior executive level (79%), trailed by department manager at 59%.

9. Did you develop an advocate for your company prior to receiving the RFP? An *advocate* is defined as someone with clout in the client’s organization who will speak on your firm’s behalf at a crucial time in the selection process.
   **Yes = 71%**

   Note: In some of the studies, when we also asked if an advocate was developed between the time that the RFP was issued and the final selection decision was made, the percentage of “yes” responses jumped to 95%.

As noted earlier, the results for each question were remarkably close in all of our studies. The two questions that did exhibit a bit more variance in responses were those regarding the percentage of the selection committee met with prior to the RFP and whether a relationship with the client was formed before the RFP was issued. In both cases, the responses for the two down markets were somewhat higher than for the boom market. Our conclusion is that, in today’s environment, meeting with a higher percentage of the selection committee and establishing a relationship prior the RFP are even more important characteristics of winners.

We also asked questions about firm demographics such as the types of services offered by the firms (i.e., architecture, engineering, multi-discipline, construction) and whether the firms operated in public or private markets. The results were similar across the board.

What conclusions can we draw from this empirical evidence? Based on our research, a winning pursuit has the following characteristics:

- A deep and wide pre-sell effort that begins long before the RFP is issued
- Effort focused on high levels in the client organization, and high-level personnel critically involved in the pre-sell process
“To borrow a lyric from the great George Jones, ‘[It’s] the cold hard truth.’ Our advice: Don’t waste, don’t gamble. Instead, invest in the science.”

- A relationship developed by a principal in the firm with a senior executive for the client
- An advocate developed prior to the RFP or during the proposal/interview process

Are we saying that if you meet all of the characteristics above you are guaranteed to win? No, because nothing in marketing works all of the time. For example, if you do #1 through #8, but your competitor gets to #9, you will probably lose. There are only two cases in which a firm that has developed an advocate before the RFP is issued can lose:

A. Your competitor has an advocate with more clout (so be sure you have the right advocate).
B. You take all the pre-sell positioning for granted and do a lackluster proposal or interview that either embarrasses or neuters your advocate.

What we are saying is, regardless, this is what a win looks like.

In some of the studies, we also examined the last pursuit the respondents lost, but the survey rarely goes very far. Usually the “yes” and “no” percentages for question #1 (Did you or someone in your firm meet with the client before the RFP was published? Yes = 81%, No = 19%) are roughly reversed, and even those responding “yes” rarely get as far as #7 (Did anyone from your firm develop a relationship with anyone in the client’s organization involved in the project?).

The three questions that probably tell the tale most vividly are #1, #7, and #9:

1. Did you or someone in your firm meet with the client before the RFP was published?
7. Did anyone from your firm develop a relationship with anyone in the client’s organization involved in the project?
9. Did you develop an advocate for your company prior to receiving the RFP?

When the RFP hits your desk, if you cannot answer “yes” to #1, #7 and #9, and if your firm’s relationship is not with a senior executive (question #8), your chance of winning is less than slim.

Is it ever possible to win if you answer “no” to #1? Yes, if (to borrow an analogy from a friend) the client wants a yellow raincoat and you have the only yellow raincoat available to sell, you possibly could beat the odds. Most gamblers—and that’s all they are—go broke betting against the house. Plus, in this down market with so many coats crowding the racks, the owner might not see your yellow raincoat. Besides, if you’ve neither met the client nor developed at least some sort of relationship, how will you know he/she wants a yellow raincoat?

Marketing has been described as part science, part art. What we’ve presented here is science. How you develop a relationship (and then develop an advocate) is art and a subject for another time. When you do not have the science on your side, yet you submit a proposal anyway, well, that’s the half of your marketing budget you are wasting. Evidence like this can feel like an awfully cold shower, when you desperately need work, but it clearly shows there are no shortcuts to winning.

To borrow a lyric from the great George Jones, “[It’s] the cold hard truth.” Our advice: Don’t waste, don’t gamble. Instead, invest in the science.

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