Capture Planning is the process of identifying opportunities, assessing the environment, and implementing winning strategies to capture a specific business opportunity by influencing the customer to prefer your organization and solution. Consistently successful capture planning requires written, action-oriented capture plans and the discipline to implement, monitor, and adapt those plans to changing customer needs, internal issues, and competitive conditions.

What Is Capture Planning?

To understand capture planning, consider the **aim**, **potential outcomes**, **origin**, **context**, and **relationship with established selling methodologies.**

The **aim** of capture planning is to progress from an initial unknown position to a favored position as viewed by the customer. Initially, the customer is unknown by the seller and the seller is unknown by the customer. Your initial *unknown* seller's position is ignorance about customer needs, the customer's view of your organization, and your relative competitive position.

Capture planning consists of iterative activities designed to attain a favored position with the customer.

Because the customer's view is the only relevant view, the aim of the seller is to progress from *unknown*, to *known*, to *improved position*, and eventually *favored position* as shown in figure 1. Of course, relatively few initial positions are completely unknown, and achieving a favored position might not be possible.

To move from an *unknown* to a *known* position, research the market, interact with the customer, and analyze your findings. To move to an *improved* position, develop your strategy and tactics, implement, and validate them with the customer. Attain a *favored* position by repeating this iterative capture planning process.

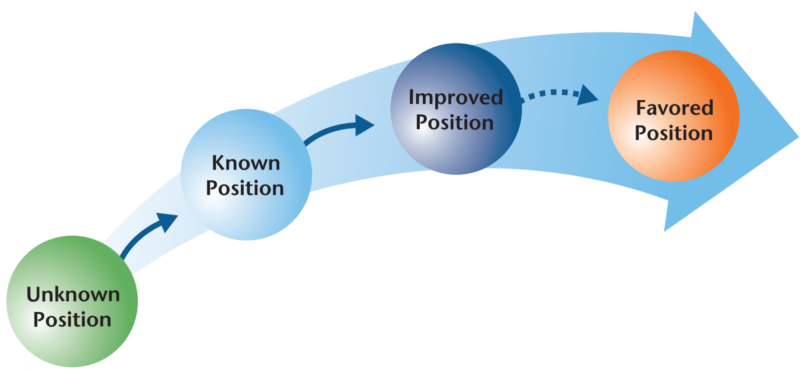


Figure 1. Capture Planning Progression. *The fundamental capture planning process is an iterative progression from an* unknown *to a* favored *position. The capture planning template is simply an orderly method to prompt research, analysis, strategy development, and tactical execution to achieve a favored position.*

Four **potential outcomes** are likely:

1. The customer opts to negotiate a contract without competition because:
   - Preparing solicitation documents, soliciting and evaluating proposals, then negotiating a contract are expensive and time consuming.
   - Implementing a solution promptly offers greater benefits than the potential cost savings from competitive bidding.
   - Finding a solution superior to yours is unlikely.
2. The customer prefers your organization and solution but opts to solicit proposals for one or more of the following reasons:
   - Purchasing regulations or guidelines mandate competitive bids.
   - Competitive bids often result in superior solutions.
   - Competitive bids often result in lower prices.
   - Competitive bids are less likely to be questioned by senior management or regulatory authorities.
   - Competitive bids give the customer additional knowledge and leverage in contract negotiations.
3. The customer opts for a fair and open competition. Customers typically insist every competition is fair and open, even if not. Determining whether a competition is truly fair and open (or can be influenced to become so) is a key element of decision gate reviews, competitive intelligence, and capture strategy development.
4. The customer prefers another organization's solution, and you are kept in the competition as leverage or *column fodder* to secure a better solution or price from the preferred vendor. You should usually not pursue or bid unless you have solid evidence that staying in the competition will lead to profitable, future business.

Capture planning originated in the 1980s as a phrase describing a recognized discipline. Capture planning became more recognized in the 1990s inside organizations primarily focused on large U.S. Department of Defense opportunities. However, the concept of influencing a customer prior to a procurement is as old as selling.

Intelligently adapt capture principles to your organization, selling environment, and the opportunity.

As the terminology of capture planning spread to organizations of various sizes serving a variety of markets in multiple countries, business development professionals noted that it was synonymous with complex sales cycles. Concurrently, a few commercial organizations pursuing large, complex opportunities were developing and practicing similar disciplines they called account or sales planning. Both are different ways of referring to the practice of engaging with a customer early in the business development process to improve win probability.

The usual **context** for capture planning is within organizations pursuing complex opportunities with some or all the following characteristics:

- High value or strategic significance (for either buyer or seller)
- Loosely understood requirements and solutions, at least in early phases
- Buying committees or teams, rather than a single purchasing agent
- Selling committees or teams comprising many skills and disciplines
- Long sales cycles (months or years)
- Significant communication prior to a solicitation between buying and selling teams, often including meetings and document exchanges
- Formally structured procurement environments

Talented individuals can win smaller and less competitive opportunities by themselves. Capture teams are required to win large, complex, highly competitive opportunities. The more your opportunity exhibits characteristics from the foregoing list, the more likely you are to benefit from applying the guidance in this *Capture Guide*. Skip the all-or-nothing approach by adapting capture principles to each opportunity that is worth winning. Intelligently adapt the principles based on opportunity size and complexity, time available, and importance of the opportunity to your organization.

See **Strategy**.

Some commercial organizations use the terms *account plan* and *capture plan* interchangeably. Classically, account plans are not opportunity-specific but intended to describe all potential opportunities for contracting services and products with a particular account or customer.

The least sophisticated account plans merely allocate the selling organization's revenue objectives among accounts.

A capture plan, on the other hand, is a written, action-oriented plan analyzing and summarizing the situation and recording tasks and steps to influence a customer to prefer your organization's solution for a specific opportunity. While the length, complexity, and format vary, a written plan offers reviewable evidence of the quality of thinking of the planners and the soundness of the plan.

Capture planning is compatible with and supportive of major sales methodologies, despite minor differences in defined roles, titles, processes, and tools. Managers in many organizations opt to incorporate capture planning concepts into their sales methodologies or incorporate sales methodologies into their capture planning processes, depending on which are most mature.

Most popular sales methodologies comprise both strategic and tactical elements, a notion completely consistent with capture planning best practices.

Strategic elements focus on assessing your current position with the customer in the context of the competition and your desired or preferred position. In this context, capture planning and strategic sales methodologies are conceptually identical. Developing strategy requires extensive data gathering and analysis.

Strategic sales methodologies typically embrace a series of tools designed to support data gathering and analysis, much like capture tools. If you have an existing, embedded sales methodology, blend its best elements with capture planning principles, then follow a single, blended process.

Tactical elements comprise the actions that you will take to improve your position. Sales plans tend to loosely define actions, specifying only actions of the individual in the sales role. Capture plans define actions more precisely and broadly, specifying actions for an entire team.

In summary, capture planning can be thought of as a disciplined approach to influencing customers to favor your solution before actual procurement action begins and during the procurement *if permitted under procurement guidelines*. It relies heavily on research and analysis about the customer, the opportunity, and potential competitors. It involves working collaboratively with the customer to shape requirements and buying approaches in ways advantageous to your organization. Lastly, it helps harness diverse resources and skills from wherever they reside to help position your organization win.

What Are the Benefits of Capture Planning?

Doubling win rates, improving profitability, and predictably meeting revenue and profit forecasts are the most frequently reported benefits of capture planning. If you are not already practicing some form of capture planning, you likely will be after you learn of the quantitative, documented benefits reported by others.

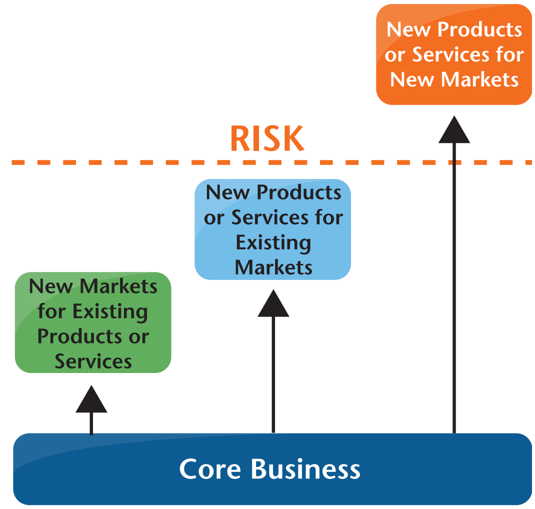
Consider the potential benefits of capture planning from three perspectives:

- Theoretical justification
- Quantitative justification
- Applicability to your selling environment

The **theoretical justification** for implementing a capture planning discipline is linked to improving your ability and the ability of your organization to capture competitive business opportunities. Instituting a culture incorporating regular, structured capture planning processes can impart three major benefits:

- Increase top-line organic growth or total sales revenue in a competitive environment. Few organizations can grow total revenues by selling more of the same products and services to the same customers. They must expand beyond their core business to new markets with existing products or services, new products or services in existing markets, or new products or services in new markets as shown in figure 2.
- Reduce costs of capturing new revenue. Capture planning improves both efficiency and effectiveness of new business development, which translates to capturing more bids, larger bids, and perhaps more profitable bids at the same or reduced cost. Savings may convert directly to profit or fuel additional growth.
- Improve the predictability of quarterly and annual revenue and net profit. Capture planning puts organizations into closer contact with their markets and customers and gives management greater visibility over potential new contracts. Pursuit of only the most likely targets, but with better competitive intelligence and greater chance of success, reduces forecast uncertainty. Improving the quality of new business while lowering the costs of winning has a positive impact on profits.

Quantitative, documented, and verified benefits demonstrate that capture planning principles benefit organizations in most selling environments and markets.



Increasing Risk and Marketing Costs

Figure 2. Avenues to Increase Revenue. *To meet revenue growth goals, most organizations must expand beyond core business areas. The least risky expansion is to offer proven products or services to new markets because you can predictably price and deliver. Offering new products and services to existing markets and familiar customers might seem less risky, but a stumble threatens current revenue. Taking new products and services to new markets requires solid strategic, business, and market planning and is beyond the normal scope of capture planning.*

The **quantitative justification** for introducing capture discipline into your organization must be that the benefits significantly outweigh costs. Make no mistake—implementing new systems, training personnel to use them, and then maintaining operational discipline require investment. Perhaps the best way to assess potential quantitative benefits is to consider the experiences of other organizations.

The quantitative results are summarized in figures 3 and 4. Across varied industries, countries, and selling environments, organizations reported remarkable results after incorporating capture planning into their structured business development processes. Results often exceeded their expectations and in relatively short time frames.

A common success factor in the organizations summarized in figures 3 and 4 was that one or more senior managers embraced and championed the changes. These managers knew that process mattered and capture practices were effective. Just focusing on improving proposal quality was no longer sufficient. Proposal quality does matter, but as competitive organizations improve their ability to submit quality proposals, front-end positioning, capture activity, and process discipline are more effective ways to improve win rates, business capture effectiveness, margins, and win predictability.

COMPANY DESCRIPTION	BEFORE	TIME FRAME	AFTER IMPLEMENTING CAPTURE PLANNING
IT services (federal, state, municipal)	• 1,200 proposals per year • Under 30% win rate • $440 million annual sales	9 months	• Less than 500 proposals submitted per year • Over 70% win rate • $1.05 billion annual sales
Engineering services	• $20 million annual sales	12 months	• Over $60 million annual sales
IT services	• $350 million annual sales	18 months	• $1 billion annual sales • Doubled capture ratio
IT services and logistics	• $1.2 billion annual sales	12 months	• $1.8 billion annual sales • Lowered costs by pursuing 40% less business
Defense contractor	• $1 billion annual sales	12 months	• $1.8 billion annual sales
Defense contractor	• 28% win rate • $223 cost per proposal page • 0.28 proposal pages per hour	24 months	• 89% win rate • $109 cost per proposal page • 0.65 proposal pages per hour
Telecom -$7 billion sales, 9000 employees	• 55% win rate • $49 million net profit	12 months	• Above 70% win rate • $64 million net profit
International business consulting	• 30% win rate	18 months	• 65% win rate • 50% annual sales increase • 50% fewer bids submitted
Legal services	• Under 30% win rate	24 months	• 70% + win rate

Figure 3. Before-and-After Metrics Show Benefits of Capture and Process Discipline. *If you doubt the benefits of a disciplined capture and business development process, review these before-and-after metrics reported by other organizations. Each organization collected and managed different metrics, but all reported improvements. (Companies shared their stories with the understanding that their identities would remain confidential.)*

COMPANY DESCRIPTION	DIVISION WITH AD HOC PROCESSES	TIME FRAME	DIVISION FOLLOWING STRUCTURED BUSINESS DEVELOPMENT PROCESS
Global telecom	• 51% win rate • 33% capture ratio (percent of total amount bid)	• 18 months	• 67% win rate • 80% capture ratio (percent of total amount bid)
Defense	• 65% re-compete win rate: • 50% capture ratio (percent of total amount bid)	• 12 months	• 100% re-compete win rate • 67% capture ratio (percent of total amount bid)

Figure 4. Capture Metrics in the Same Organization. *In two instances, capture and business development process disciplines were implemented in only one of two similarly performing divisions within the same organization. The benefits of practicing capture and process discipline were clear within 12–18 months. (Companies shared their stories with the understanding that their identities would remain confidential.)*

It is important to note, however, that some organizations included in figures 3 and 4 were not able to sustain the improvements, usually because management focus shifted to other challenges, such as delivering the higher sales volume. Several organizations were acquired due to their outstanding top- and bottom-line growth. However, the new owners sometimes did not understand the reasons for this growth and eliminated capture planning and business development process improvements. By abandoning selective bidding, decision gate reviews, and early color team reviews, they precipitated a return to lower capture rates. Having experienced a better approach, many key business development professionals grew frustrated and left these organizations.

Capture planning and process best practices have proven effective in a range of organizations, not just large government contractors. While defense contractors were the first to embrace capture planning disciplines, best practices apply universally to large and small organizations, across market sectors, and in different selling environments.

Finally, consider the **applicability of capture planning to your selling environment** by assessing the characteristics of the opportunities you target.

The Capture Opportunity Evaluation Matrix depicted in figure 5 is an assessment tool, not a decision tool. Use and refine it to evaluate specific opportunities.

Refine the tool for your environment. Here are some potential refinement options:

- Add or delete characteristics. For example, if you consider the *strategic importance for competitor(s)* unimportant to you, delete it.
- Draft standards for the characteristics. For example, define what you consider *high value* and *low value*.
- Consider adding a *weight* to each characteristic. The importance of each factor is unlikely to be equal, so even a rough weighting will improve the tool. If so, multiply the weight by the rating before totaling the scores.
- Consider whether to use total scores to suggest levels of capture planning detail. For example, opportunities scoring below 30 (unweighted) in your market might not typically deserve the attention of detailed capture planning. Scores above 75 might require a full capture team, with everything else meriting scaled processes. Beware the trap of too many predefined categories; they can stifle thinking.

CAPTURE OPPORTUNITY EVALUATION MATRIX

CAPTURE PLANNING APPLICABILITY MATRIX FOR: (Insert opportunity name/type)							
#	*Characteristic: More Applicable*	*5*	*4*	*3*	*2*	*1*	*Characteristic: Less Applicable*
1	High value						Low value
2	Strategic for buyer						Not strategic for buyer
3	Strategic for us						Not strategic for us
4	Strategic for competitors						Not strategic for competitors
5	Loosely understood requirements and solutions (at least in early phases)						Well-understood and defined requirements and solutions
6	Buying committees						Single purchasing agent
7	Multi-disciplined selling teams						Single sales person
8	Long sales cycles (months or years)						Short sales cycle (days)
9	Significant communication prior to a solicitation between buying and selling teams, often including meetings and document exchanges						Minimal, impersonal communication between buyer and seller
10	Formally structured procurement environments						Unstructured buying process, process unlikely to be followed, dishonest, or illegal

Figure 5. Capture Planning Applicability Matrix. *Use this tool to evaluate whether a particular opportunity or type of opportunity tends to be in selling environments that would benefit from capture planning. Use it as an assessment tool, not a decision tool.*