

# Shipley Business Development Lifecycle Guide™

Larry Newman, PPF. APMP

Shipley Associates  
532 North 900 West  
Kaysville, UT 84037  
888.772.WINS (9467)

[www.shipleywins.com](http://www.shipleywins.com)

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**This *Business Development Lifecycle Guide*** has three aims: 1) Help senior managers design a single, flexible, and scalable business development process based on industry best practices; 2) Help individuals understand the business development process; and 3) Record best practices in a clear, linear order.

Organizations with effective business development processes gain the following benefits:

- Reduced costs and risks of capturing business
- Increased productivity and staff morale
- Improved sales forecasting
- Increased management visibility and control
- More competitive solutions and proposals

The most successful organizations in any market or selling environment innovate and improve framework processes based upon fundamental principles. Less effective organizations follow tightly defined processes, but limited understanding of the fundamental principles reduces their flexibility to adapt to market and customer shifts. The least effective organizations lack consistent processes and fail to understand fundamental principles.

***Help senior managers design a single, flexible, and scalable business development process based on industry best practices.***

Organizations with a **single** business development process eliminate confusion about which process applies. If you have multiple processes, individuals will repeatedly rationalize why the more disciplined process does not apply to a given opportunity. Business development managers that permit *ad hoc* processes and rely on heroes for success are consistently less successful.

A **flexible** process can be adapted to different types of selling environments, markets, opportunities, and customer requirements.

A **scalable** process can be adapted to differing sizes of opportunities, schedules, resources, and budgets.

As with our *Proposal Guide* and *Capture Guide*, these guidelines are based upon fundamental principles of our consulting practice:

- Align your process to the customer's process.
- Use a disciplined business development process that emphasizes planning.
- Schedule to the process and maintain schedule discipline.

- Base your strategy and tactics on the customer's perspective.
- Maintain customer focus through every step.
- Use **DECISION GATE REVIEWS** to prompt senior management to decide whether to advance the opportunity to the next phase or end the pursuit.
- Use **COLOR TEAM REVIEWS** to improve the quality of the business development work product, whether an account plan, pursuit plan, capture plan, strategy, solution, or proposal.

***Help individuals understand the business development process.***

Whether highly experienced or new to business development, individuals must use common vocabularies and definitions to work effectively and efficiently as a team. Likewise, winning complex, competitive opportunities requires a cohesive, coordinated business development team working with a common understanding of the work process, individual roles, and required tasks.

This *Business Development Lifecycle Guide* is designed to help individuals on your marketing, capture, and proposal teams reach a common understanding of business development process best practices and terms. These fundamental best practices are readily applicable and adaptable when selling to governments and businesses in domestic, international, and export markets; when selling services and products; and in situations requiring security clearances.

Individuals often use common terms with different implicit meanings. Common terms are defined to support cohesive, effective business development teams.

***Record best practices in a clear, linear order.***

At Shipley Associates, we have observed, studied, and recommended business development best practices since 1972. We endeavor to follow these principles in our consulting practice, teach them in our training practice, apply them in our business development process re-engineering practice, and share them in our series of *Guides*.

This *Business Development Lifecycle Guide* describes a business development process comprising 96 steps divided into seven phases. We urge business development professionals to adapt, scale, and tailor this 96-step process to the types and sizes of business opportunities encountered by their organizations. Managers in organizations pursuing large and small opportunities offering products and services in commercial, export, and government sectors have successfully adapted this process to their unique business environments and circumstances.

All of our *Guides* offer guidelines that reflect best practices but are not meant to be taken as rules. Reality encompasses more shades of gray than can be covered in a guide that is intended to be concise.

This *Business Development Lifecycle Guide* differs from the companion *Proposal Guide* and *Capture Guide*. The *Business Development Lifecycle Guide* is organized linearly from identifying strategic markets to contract award and program initiation. However, the linear treatment is a simplification, as many portions are cyclical within a single pursuit. In addition, business development continues during program execution and service delivery.

In contrast, the *Proposal Guide* and *Capture Guide* are organized alphabetically by topic for rapid, easy reference. A topical reference presumes some understanding of the business development process. Hence, our *Guides* are designed to be used together, so topic sections in the *Proposal Guide* and *Capture Guide* are referenced in this *Business Development Lifecycle Guide*.

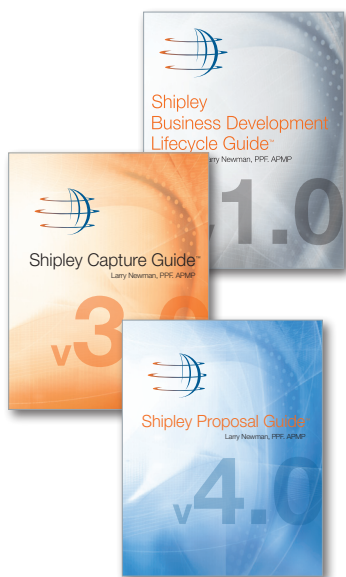
## Acknowledgements

My thanks go to the many colleagues who collaboratively developed the Shipley 96-Step Business Development Lifecycle Process over more than 25 years. Initial contributors included Terry Bacon, Sid Jensen, David Pugh, and Barbara Von Diether. Subsequent major contributors include Ed Alexander, Tony Birch, Robert Horne, Mike Humm, Nancy Kessler, Walt MacEachern, Howard Nutt, Mark Taylor, David Wagner, and Robert Winslow. Nancy Kessler prepared the initial process step descriptions when managing our Process practice. Brad Douglas urged and supported publication, and Doug Brewer edited initial internal drafts. As the author, I am describing a process that was collaboratively developed and repeatedly improved by multiple Shipley consultants.

Equally important, thank you to my Shipley Partners who supported this work: Frank Howard, Matt King, Howard Nutt, Steve Shipley, and Robert Winslow.

Feedback from our clients and consultants through our consulting practice, business process reengineering practice, and training participants has prompted numerous improvements. Our Shipley licensees and affiliates around the world have also been important contributors and collaborators.

This version for publication was extensively revised to incorporate additional content and cross-referenced to the *Shipley Capture Guide* and *Shipley Proposal Guide*.



## About the author

Larry Newman is Vice President and a founding partner of Shipley Associates. He joined Shipley Associates in 1986 as a consultant and training facilitator, helping clients win competitive business in 30 countries and varied selling environments.

Mr. Newman authored all three Shipley Associates *Guides*: *Proposal Guide*, *Capture Guide*, and *Business Development Lifecycle Guide*. The *Shipley Proposal Guide* was awarded the Society for Technical Communication's Award of Excellence in 2008. With approximately 50,000 copies in print since 1999, the *Shipley Proposal Guide* was selected as the basis for APMP proposal management professional certification. In 2010, he authored the *Shipley Capture Guide*, 2nd Edition. Like the *Proposal Guide*, several organizations have selected it as the basis for professional capture management certification.

He has developed and facilitated numerous Shipley Associates workshops in capture planning, proposal writing and management, executive summary writing, sales writing, and costing. He is an Association of Proposal Management Professionals (APMP) Fellow, is APMP accredited at the Professional level, and has presented at more than 20 professional association conferences. He also developed the *Proposal Guide* podcast series in 2008, downloadable on iTunes.

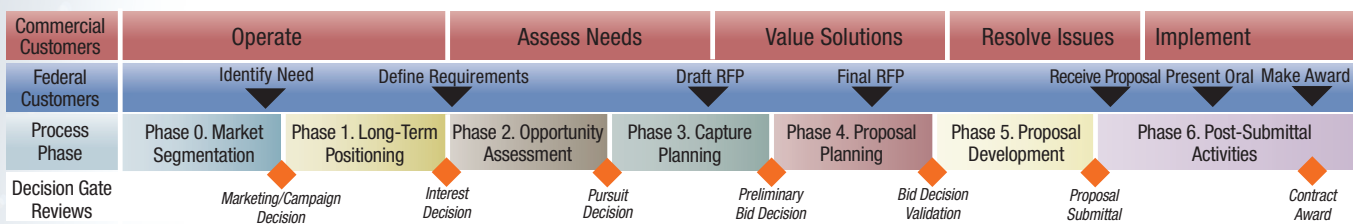
Derive the greatest benefit from this Business Development Lifecycle Guide in the shortest time by understanding the Shipley business development process and underlying assumptions.

To obtain the greatest benefits from this *Guide*, you should be familiar with:

- Structure of Shipley’s 96-step business development process
- Assumptions behind the 96-step business development process
- Organization of this *Guide*
- Suggestions for using this *Guide*

**Structure of Shipley’s 96-step business development process**

The process comprises seven phases, summarized in graphic fashion in figure 1. Phases are separated by decision gate reviews, at which senior management decides whether to advance to the next phase, defer, or end the pursuit. Pursuits that advance through all phases produce new business as contracts are won. Business development comprises a series of these cycles.



**Figure 1. The Business Development Lifecycle.** Phases 0 and 1 link to strategic planning. Phases 2 through 6 align with specific opportunities, and the cycle is repeated for each opportunity. Decision gate reviews delineate the end of one phase and the beginning of the subsequent phase. However, a pursuit might be ended at any decision gate review.

See **DECISION GATE REVIEWS, Capture Guide.**

While the Shipley 96-Step Process has a long history, it is far from fixed. Up until 1986, it was an 82-step process. The increase from 82 to 96 steps was prompted by our desire to emphasize front-end activity, the development of capture planning as a discipline, and the addition of formal decision gate and color team reviews. We further amended and rebalanced the 96-step process in 1998, when Phase 1 was separated into the 0 and 1 phases, and some of the more detailed proposal preparation steps were consolidated.

PRECIPITATING CUSTOMER ACTION	PHASE	DECISION GATE	OBJECTIVE
	0	Marketing/Campaign	Verify market/customer fits your strategic focus.
Begin assessing needs and developing acquisition plan.	1	Interest	Verify the opportunity fits your strategic direction and capability.
Begin developing requirements.	2	Pursuit	Verify opportunity warrants forming capture team and funding capture actions.
Begin refining requirements; release draft bid request.	3	Preliminary Bid	Verify you are positioned to win before committing to an expensive proposal effort.
Release final bid request, contract expiring, accept white paper or study recommendations.	4	Bid Validation	Verify “show stoppers” have been addressed.
Proposals are due.	5	Proposal Submittal	Verify proposal is compliant, responsive, competitive, and conforms to organizational standards.
Contract offered to winner.	6	Contract Approval	Verify contract offers acceptable risks and rewards.

**Figure 2. Decision Gate Review Objectives.** *Decision gate review decisions should be made no later than the event listed in “Precipitating Customer Action.” The ultimate objectives of this phased approach are to allocate sufficient resources to the most “winnable” opportunities. Note that Phase 0 and 1 gate reviews are not opportunity specific, and the Phase 6 gate is simultaneously the last gate in business development and the first gate in program execution.*

**Assumptions behind the 96-step business development process**

The Shipley 96-step process incorporates the following assumptions:

- Each phase is delineated by decision gate reviews. If you have not passed a decision gate review, you are in the same phase, independent of the customer’s activities. You have simply not reacted to the customer’s and competitors’ actions.
- A single process eliminates “shopping” for the most convenient process for each opportunity. The 96-step process is only a starting point. Tailor it to your organization and selling environment.
- While the process appears to be linear, it is cyclical within phases and overall. Many times, the specific order of tasks within a phase is unimportant. Indeed, some tasks routinely belong in different phases within certain markets or organizations, reinforcing the need to tailor the process.
- Flexibility and scalability are incorporated by merging or splitting phases, and then by adding or deleting steps within phases.

See **PROCESS, Capture Guide**.

**Organization of this Guide**

This *Process Guide* is organized to match the 96-step business development lifecycle chart, included as an insert with this *Guide*. The chart is inserted so you can view the chart while turning and reading pages. Figure 3 shows the chart in thumbnail form and is not intended to be readable as shown.

Consider the structure of the 96-step process chart. The seven business development phases, depicted in different colors, are separated into discrete tasks or steps, shown in different colors. Role identifiers on the left side of the chart show which roles support each task (shown by where the horizontal lines extending from the role identifiers intersect task boxes). Four distinct colored bars on the top of the chart approximate how tasks align with customer activities:

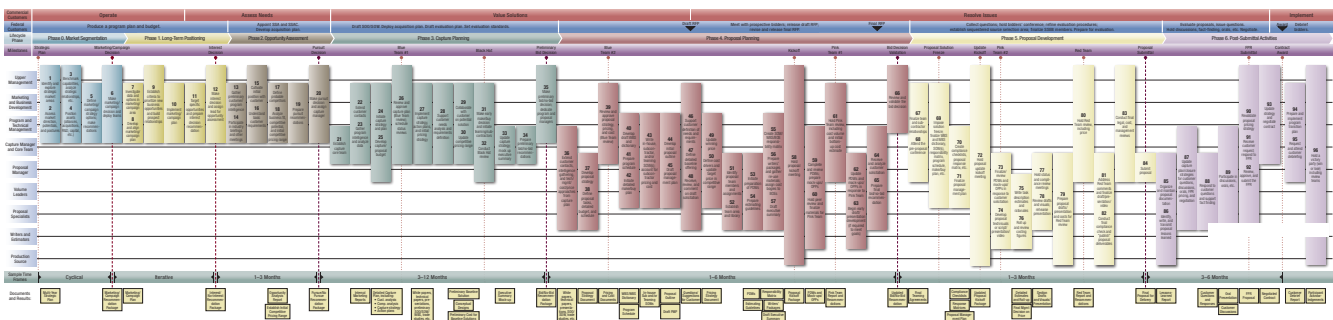
- *Commercial Customers* indicates customers' generic focus as they advance through their buying cycle, and it applies broadly to all potential customers. *Operate* is the ongoing steady state until some internal or external event prompts a customer to assess whether they might benefit by changing their current approach. *Assess Needs* is where latent needs become explicit. Here, value-added sellers collaboratively help customers define requirements. *Value Solutions* is where customers assess the relative value of different solutions to their organization and to themselves personally. *Resolve Issues* is where customers tentatively select a solution and source, and then revisit the risk of that solution and source. *Implement* is where customers implement the solution, and sellers reinforce the value delivered and position subsequent sales. In general, this marks the presumed end of a cyclical process and return to the *Operate* or even *Assess Needs* phases.

- *Federal Customers* is approximately aligned with the U.S. federal government acquisition process, but many aspects are similar to buying processes of other national, state, and regional government entities.
- *Process Phase* lists the seven phases. Note that decision gate reviews delineate phases and should be conducted proactively before or promptly after the precipitating customer event.
- *Milestones* lists decision gate milestones, color team reviews, and major events.

The *Sample Time Frame* bar across the bottom shows a representative timeline for each phase. The times listed are approximate and often related to customer events. In general, if the overall procurement process shortens, the phases also shorten. However, the timing of steps within a phase is largely governed by management's assessment of available resources and the thoroughness and efficiency of their business development processes.

The *Documents and Results* items displayed across the bottom are commonly produced within the phase and are associated with the steps shown. Documents are critically important for three reasons:

- The document is often the only tangible evidence that a task has been completed.
- The quality of the document is often the only means to assess the quality of the work.
- Document content can be shared among the team and with teammates.



**Figure 3. The Shipley 96-Step Business Development Process.** The 7 phases and 96 steps are an efficient basis to understand and develop a framework process for your organization. The full-scale, fold-out, 96-step process chart is an unbound insert designed to be viewable while referring to this Business Development Lifecycle Guide.



For example, an individual might claim to have designed a winning solution, but until it can be communicated to the rest of the business development team, persuasively presented to the customer, accurately costed, competitively priced, and eventually delivered, it has minimal value to the seller or customer.

Within this *Business Development Lifecycle Guide*, each phase is briefly described in order, and relevant steps are shown graphically as a subset of the 96-step chart. Following each phase description, encompassed steps are described in order with cross-references to relevant *Capture Guide* and *Proposal Guide* topic sections.

Business development roles and responsibilities are summarized in Appendix A. Regard these descriptions as a starting point, as titles, roles, and responsibilities vary widely. Many industry colleagues will also share role descriptions used in their organizations if asked. Shipley's 96-step business development process and framework are available by subscription as an interactive, web-based tool. Use it to access descriptions of each phase and step in the lifecycle, integrated with topic sections of the *Shipley Capture Guide* and *Proposal Guide*.

Access the online business development chart via this link:

<http://sbdل.shipleywins.com>

Acronyms used in this *Guide* are defined in Appendix B. Acronyms are coined, changed, and eliminated frequently, so the full range of acronyms likely to be encountered in various selling environments and markets could not possibly be included. For more help, consult current, readily accessible web sources as needed.

### **Suggestions for using the process**

Here are some suggestions on using the 96-step business development process:

- Review every step using the process chart like a checklist to prompt you to consider if that step is necessary.
- Eliminate unnecessary or irrelevant steps. For example, if teaming is not involved, eliminate steps involving teaming.
- Tailor the entire process to each environment and situation. For example, in an Indefinite Delivery Indefinite Quantity (IDIQ) or a task order environment with a 10-day proposal response, many steps and reviews must be eliminated. When selling services, the manufacturing-oriented steps would be eliminated but management processes increasingly emphasized. Similarly, add selected steps for export and secure bids.
- Consider if needed or customary steps should be added because of characteristics of your organization or market.
- Avoid eliminating steps because you lack the resources to complete them. Management needs to know if resources are unavailable. Decide whether they want to assume the risk and understand the importance of those potentially overlooked steps. Reassess the impact of eliminating steps when documenting lessons learned.
- Post the 96-step process chart or your tailored replacement prominently in view of your capture and proposal development teams. Repeatedly note where you are in the process to emphasize the importance of early steps.
- When prompted by a customer event or assigned a task by your management, look upstream and downstream. Look upstream to assess what has been done, what should have been done, and which steps you must still complete. Then look downstream to identify and schedule what remains to be done as you develop your own work plan and schedule. For example, if a bid request is released, your management decides to bid, and you are assigned as the proposal manager, assess prior steps. Which steps were missed but essential? Which subsequent steps are essential? Then schedule these tasks. Assign a single task owner for each step, and manage your plan with primary focus on your next scheduled decision gate review, color team review, or major event.

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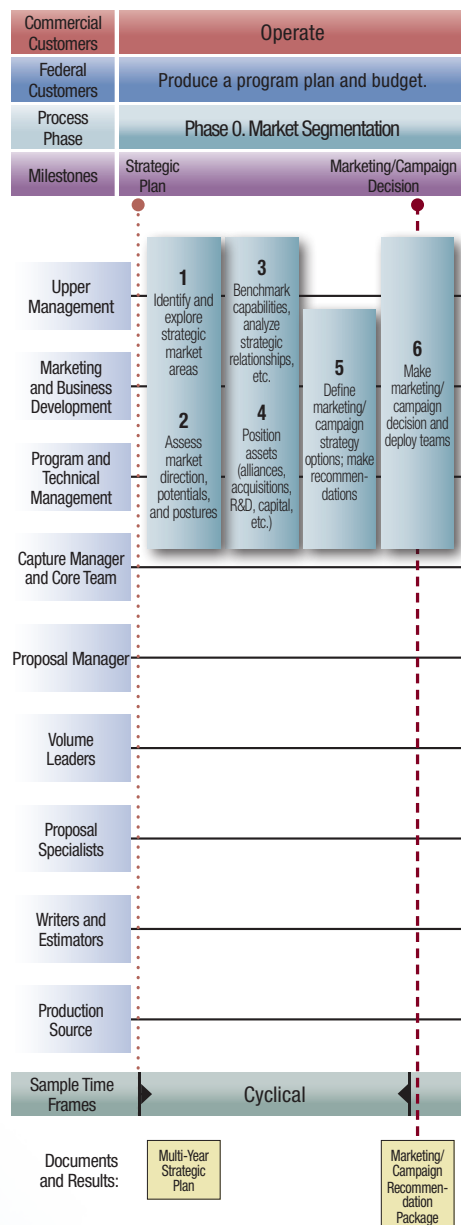
**Market Segmentation** is the process of defining and sub-dividing a large market into segments that exhibit similar needs, wants, or demand characteristics. Your objective is to develop a marketing mix that aligns with your customers' expectations by market segment, geography, and culture. Few organizations are big enough or equipped to competitively meet the demands of all segments, so you must choose the segments that you are best equipped to satisfy.

The steps shown in figure 4 evaluate your marketplace and identify segments of the market in which you want to compete.

To successfully develop new, long-term revenue streams, select business segments that align with your corporate strategic plan. Identify and focus

your marketing efforts on selected segments before you target discrete opportunities.

Business developers who target specific opportunities before they understand a market segment win fewer opportunities at greater expense, and they introduce additional risk.



**Figure 4. Phase 0: Market Segmentation.** This phase includes tasks to characterize markets and decide the types of business you will pursue. Make a marketing/campaign decision before targeting specific opportunities. Phase 0 begins with the identification and exploration of strategic market areas and ends with the decision to pursue a strategic market area.

## 1

1  
Identify and explore strategic market areas

**Identify and explore strategic market areas**

Stemming from your strategic plan, identify, define, and explore market segments that align with your strategic plan.

Consider the behavioral, demographic, geographic, regulatory, and psychographic characteristics of customers by segment. Note that psychographic characteristics refer to the desired benefits sought by customers in that market segment.

Decide how you are going to meet customers' demands. This may include Research and Development (R&D) investments, reorganization, new business acquisition, divestitures, joint ventures, or teaming arrangements.

*Milestones*

- Strategic plan

*Documents and Results*

- Multi-year strategic plan

## 2

2  
Assess market direction, potentials, and postures

**Assess market direction, potentials, and postures**

Once desired customers/new market areas are identified in Step 1, examine each potential target area to gather as much information as possible. Analysis transforms information into intelligence.

Gather and analyze additional information on:

- Customer wants, needs, and problems
- Customer satisfaction with past or current contracts
- Customer budgets, schedules, and plans
- State-of-the-art technology and trends
- Business trends and practices
- Procurement policies and practices
- Competitors' technical capability, quality, cost competitiveness, and production methods

Using this intelligence, determine which market segments you will pursue and how you will pursue them. Focus resources on obtainable target markets, avoid wasting resources on opportunities beyond corporate competencies or capabilities, or diluting your focus by targeting too many market segments.

For each market segment, determine the competitors and their positions with the customers. Is the market expanding, static, mature, or emerging? Can you win additional new market share, or will you have to take business away from a current provider? What is the potential profit from these new markets?

## 3

3  
Benchmark capabilities, analyze strategic relationships, etc.

**Benchmark capabilities, analyze strategic relationships, etc.**

Benchmark your offerings from customers' perspectives, considering their visions, objectives, hot button issues, and requirements.

Assess your capabilities, assets, and risks against the competition and market leaders. What are your relative strengths and weaknesses? Do you have or can you acquire the assets required to compete? What are the risks of new offerings and the potential impact on existing offerings?

How do you rate against best practice? Evaluate how your capabilities align with potential customers' short- and long-term needs and requirements.

What strategic partnerships are in place or needed to establish credibility in the market? Is there a current or potential strategic partner who is well-positioned in the market segment? How can each alliance be leveraged? Are customers in that market segment prone to select teams, which include certain types of organizations (e.g., small and small disadvantaged businesses) or favor pre-qualified suppliers? If such a strategic relationship does not exist, how can one be formed that would support your entry?

## 4

4  
Position  
assets  
(alliances,  
acquisitions,  
R&D, capital,  
etc.)

**Position assets (alliances, acquisitions, R&D, capital, etc.)**

Management develops or acquires and then positions the resources to meet corporate objectives. You must be organized and have subsystems and procedures in place to support sound market decisions. This includes:

- Developing marketing capability to position your organization
- Developing adequate systems to gather, analyze, and exploit marketing intelligence
- Orchestrating intelligence-gathering systems to provide marketplace, customer, and competitive information
- Providing technical expertise to analyze barriers to entry and identify gaps in your current capabilities
- Identifying and staffing R&D requirements
- Participating in professional societies to gain exposure and capture competitive and technical intelligence
- Organizing and aligning sales and BD resources to the market

- Attending trade shows to promote your organization and capabilities while gathering market information
- Preparing and presenting technical papers
- Identifying capability or resource gaps

*Marketing, business development, and sales* are terms with different meanings in different organizations and environments. In the broadest sense, marketing and business development are synonyms. However, in the context of this *Guide*, business development is roughly divided into marketing and sales. Marketing comprises the activities that position an organization in their target market segments. Sales comprises the activities focused on winning specific orders. A campaign comprises a set of marketing activities designed to position an organization to sell their services or products to a specific, targeted market segment.

## 5

5  
Define  
marketing/  
campaign  
strategy  
options; make  
recommen-  
dations

**Define marketing/campaign strategy options; make recommendations**

Based on the outcomes of Steps 1–4, management defines specific market segment objectives. These objectives might include exploiting existing strengths, moving into other new strategic markets, developing new products or services, or abandoning markets that provide little potential. Your near-term strategic marketing plan might position your organization for long-term work.

Consider the following factors when assessing marketing/campaign strategy options:

- Fit to strategic business plan
- Market match or expansion
- Product/service match or expansion
- Risk
- Cost of pursuing the market
- Financial return
- Positioning for future business
- Competition

To enhance your position in a particular market segment, link each factor to specific strategies and implementation tactics. Prepare to brief senior management as part of the Marketing/Campaign Decision Gate review.

Identify and seek management's approval and commitment of resources for R&D, divestitures, mergers, acquisitions and joint ventures, or reorganizations, as needed to pursue these market segments. At regular intervals, review and update market segment campaign plans.

The marketing plan must address the target markets' competitive landscape, financial objectives and budgets risks, and your ability to out perform competitors. External resources are often necessary to collect and analyze competitive data, including the past performance of potential competitors.

## 6

6  
Make  
marketing/  
campaign  
decision and  
deploy teams**Make marketing/campaign decision and deploy teams**

If senior management decides to proceed, the marketing teams begin to gather additional relevant information on each approved market segment and to identify potential opportunity clusters and prospects in each segment.

The marketing team consists of representatives from:

- Senior management
- Sales, marketing, and BD
- Program and technical management

As additional information is gathered and assessed, the overall campaign assumptions and recommendations must be reevaluated and confirmed, modified, or dropped. The timing for subsequent reviews should be specified by senior management as an output of a positive Marketing/Campaign Decision Gate review.

Depending upon the organization and selling environment, many business development executives will ask their account managers, marketers, or field sales professionals to prepare account plans. Account plans tend to be more complete in market segments where customers and sellers have ongoing relationships. In entirely new market segments, account plans might not be prepared until after an Interest Decision Gate review. Organizations that focus primarily on large government opportunities often forego account plans and focus solely on preparing capture plans for specific, defined opportunities.

**Milestones**

- Marketing/campaign decision

**Documents and Results**

- Marketing/campaign recommendation package
- Account Plans (optional)