

**MARKETING SYSTEM FOR APPLYING  
BUSINESS DEVELOPMENT TECHNIQUES/TOOLS AND  
ANALYSIS OF A TYPICAL GOVERNMENT CUSTOMER  
STRUCTURE AND BUSINESS ENVIRONMENT  
FOR A TYPICAL AEROSPACE/ELECTRONICS COMPANY**

**THOMAS T. COBIANCHI**

**JANUARY 1993**

**© 1993 Thomas T. Cobianchi  
All Rights Reserved**

## **ABSTRACT**

The marketing system is designed to provide a series of marketing management tools/techniques to analyze a typical aerospace/electronics oriented company in the business of providing engineered products and services to a U.S. Government customer environment. The marketing system illustrates a strategic and operational marketing management documentation process to plan and execute company business objectives. The Department of Defense (DoD) structure is outlined in terms of accomplishing mission requirements from the initial requirements phase through the funding and procurement phases. This marketing system approach allows the company to optimize the matching of their facilities and capabilities with funded government customer mission requirements.

**MARKETING SYSTEM  
TABLE OF CONTENTS**

**MARKETING TOOLS:**

Briefing Package .....	1
Feature Function Benefit Format .....	2
Contract Research & Development ( CR&D ) Search Road Map .....	3
The Trip report .....	4
Marketing Factors .....	5
Key Customer Factors .....	6
Matching Facilities/Capabilities with Customer Requirements .....	7
Customers and Competitors .....	8

**STRATEGIC AND OPERATIONAL MARKETING MANAGEMENT:**

Survivability/Analysis Business ( Outline ) .....	9
Strategic Overview ( Briefing Outline ) .....	11
Contact Stratification Plan ( ATF Program ) .....	13
Marketing Plan Outline .....	19
5-Year Strategic Plan ( Draft Outline ) .....	21

**DoD CUSTOMER STRUCTURE & FUNDING/MISSION REQUIREMENTS:**

The USAF Customer .....	23
Business Development Process .....	24
Program & Budgeting Process .....	25
Planning, Programming, and Budgeting System ( PPBS ) .....	26
Business Development Methodology Using RDT&E Summary as a Research Baseline ..	28

## **BRIEFING PACKAGE**

### ORGANIZATION

Develop organization chart for parent company including functional divisions and a broad overview of their respective product areas.

Develop organization chart for your division.

### COMPANY OVERVIEW:

Define company facilities, capabilities and product/technology areas.

### COMMITMENT:

Statement indicating the company is committed to supporting this program effort. Example would be to define the company's IR&D program and other technological thrust that support the customer's area of interest.

### PERCEPTION OF CUSTOMER'S ENVIRONMENT:

Explain your company's perception of the specific drivers that effect your customer. Example would be your perception of their mission requirements, technical issues, technology focus and most important program priority. Ask the customer to comment on your perceptions. This communication will put you and your customer on the same wavelength and prevent you from focusing your effort on the wrong area.

### SPECIFIC BRIEFING FOR THIS EVENT:

This part of the briefing relates specifically to the product or technology area you wish to communicate to the customer. The briefing should be short and to the point. The areas that should be covered are your agenda items as follows: define problem ( customer requirement ), technical approach ( concept ), technical proof ( credibility ), and summary ( proposed solution ). A detailed technical "white paper" should be left behind as a supporting document.

### MEETING SUMMARY:

Summarize the purpose of your meeting, your understanding of your customer's situation ( funding, program priority, etc. ), your understanding of where things stand between you and your customer, and request your customer to take some specific action in your behalf ( ie, issue contract, etc. ). Keep in mind why are you visiting this customer.

## FEATURE FUNCTION BENEFIT FORMAT

### OBJECTIVE:

The objective of the feature function benefit format is to design an approach to communicate the value of your product/technology across all elements of your customer's organization. The rationale is: funding, program priority, and technical merit decisions are made by different elements of the customer's organization. Therefore, you must have support for your product/technology from several different customer elements to secure a contract award.

### FEATURE:

The feature describes the product/technology in terms of its overall nature or concept. The customer elements relating to the feature are: contracts, program management, and operational user.

### FUNCTION:

The function describes the technicality of product/technology ( how does it work ). What are the technical concepts and what is their application. The elements relating to the function are: R&D and design engineering.

### BENEFIT:

Define what the feature accomplishes for the customer. Define how the feature satisfies a need in terms of a customer requirement (cost reduction, reliability, safety, etc. ).

### PROOF:

Refer to other applications that are working employing your feature. Supply reference of other satisfied customers. Define your technical credibility.

## DESIGN ANALYSIS SUPPORT

FEATURE	FUNCTION	BENEFIT
Data Base	Indexed electronic data base manipulation summarizing radiation test reports of specific semiconductor and passive components.	Provides comprehensive test data on electronic components without costly research.
Nuclear Radiation Model	Derives mathematical expression of specific electronic circuits from family of tailored models. Integrate nuclear response data with mathematical model.	Improves the efficiency and the time for the designer to meet the radiation requirements of electronic circuits.
Hardening Support	Iterative process between the circuit designer and the nuclear radiation analyst to harden the circuit without changing the circuit topology.	Maximizes designer efficiency in meeting nuclear radiation hardening specification requirement.

## CONTRACT RESEARCH & DEVELOPMENT (CR&D) SEARCH ROAD MAP

### STRATEGY: ( Matching of funding, requirements, and technical solutions )

Communicate to your customer your facilities, capabilities, and product/technologies.

Develop an understanding of the customer's problems.

Provide an acceptable solution to the customer's problems including his inputs as part of the solution.

Coordinate problem solution with funding commitment (CR&D).

### TACTICS: ( Series of customer visits )

Discuss with the customer your company's IR&D efforts in general terms.

Discuss with the customer his organization in terms of structure, program activities, program priorities, and funding ( note: if the customer does not have funding for his programs you may be wasting your assets pursuing business opportunities ).

Discuss with the customer what problems he would like to resolve.

#### Note:

- \* Customer may not know he has a problem.
- \* He probably has a different view of the problem than you.
- \* Make sure you are solving the right problem and not responding to an inaccurate spec. or a misinterpreted mission requirement.
- \* Solution must resolve either technology or system problem.
- \* Problem solution must lead to CR&D ( no pet rocks without funding ).

Define and solve the problem in terms of customer benefits. Use the feature function benefit format.

Develop "white paper" to support your solution.

### DEFINE CUSTOMER ENVIRONMENT: (USAF)

RADC ( Technology driven ) - low value study contracts - awards contracts - 60% effort

ESD ( Systems driven ) - low bidder high value contracts - awards contracts - 30% effort

TAC ( Requirements ) - defines operational issues - does not award contracts - 5% effort

USAF/HQ ( Monitors programs ) - program priorities - does not award contracts - 5% effort

Note: Develop sequence and timeline for visiting customer.

## TRIP REPORT FORMAT

### DISTRIBUTION:

Determine who in the organization needs to receive a copy of the trip report based on need to know and/or part of the action item list. Note: Keep distribution list to a minimum.

### SUBJECT:

Define the nature of the business trip, customer to be visited, program area and date(s).

### ATTENDEES:

List all meeting attendees, their titles and phone numbers.

### OBJECTIVES:

Describe the purpose of the trip and how the dialogue went with the customer in terms of his understanding of your purpose and his reaction to your purpose.

### AGENDA:

Describe customer briefing package in terms of: company overview, organization, commitment, perception of customer requirement and specific product/technology brief.

Note: Product/technology brief to include the following: define problem ( customer requirement ), technical approach ( concept ), technical proof ( credibility ) and summary ( proposed solution ). The briefing package should be a limited number of pages ( usually not more than 10 ). A detailed technical "white paper" should be left behind as a supporting document.

Note: Part of the summary is to determine the customer funding status, program status, timing, where your company fits in the customer's plans and what action you want your customer to take ( issue contract, supply additional data, invite you back, brief other customer elements of your capabilities ).

### ORGANIZATION AND MISSION:

Define your customer's functional organization and the specific mission of the organization and its respective elements.

### SITUATION ANALYSIS:

Define the conditions of the customer environment in which you are dealing ( limited funding, undefined requirement, in general where things stand and what is your position with the customer ).

### KEY DISCUSSION AREAS:

Outline key points of the discussion with the customer that have an impact on your business, actions you may take, actions the customer may take, and program status.

### ACTION ITEMS:

On the basis of this trip, what actions must be taken, by whom, and when.

## MARKETING FACTORS

### MARKETING PLAN:

Plan for increasing sales opportunities and for allocating marketing, sales time ( business development ), and budgets more effectively.

### MARKET FACTORS:

- Business or industry
- Market size and your market share
- Market alternatives
- Product discriminators ( technical superiority, high quality )
- Discriminator timeline
- Base load business
- Incremental business
- Broad base marketing ( total market - horizontal market )
- Niche market ( specific market segment - vertical market )
- Customer classification ( size, location, products, industry )
- Competitors ( size, market share, product line, strengths and weaknesses )



## KEY CUSTOMER FACTORS

### OBJECTIVE:

Define the key customers that represent the most business potential for the company.

### MARKET FACTORS (MACRO):

What causes the company business to increase or decrease?

- DoD market environment
- competitors capacity
- customer in-house capability
- company vertical and horizontal policy structure
- potential competitor
- capital investment
- adaptability of product line to commercial market

### POTENTIAL KEY CUSTOMERS (MICRO):

- company size (pro & con - note: large company with capital may vertically integrate)
- market base ( DoD & other)
- company business health
- location ( factor implies servicing)
- position in food chain
- investment profile towards diversification
- make or buy policy
- interdivision business policy ( buy from sister division only)

### LIST COMPANIES IN ORDER OF BUSINESS POTENTIAL:

- best dollar volume
- attitude towards your company
- non-competitor
- limited or no in-house capability
- poor performance from other competitors

## MATCHING FACILITIES/CAPABILITIES WITH CUSTOMER REQUIREMENTS

### OBJECTIVE:

Develop tools for customer dialogue in order to match the company's facilities and capabilities with customer requirements.

### CUSTOMER ENVIRONMENT:

1. Define customers' product line/services and market.
2. What are the customers' requirements for products and services?
3. Define customer drivers (what is important to the customer in his mind?).
  - price
  - delivery
  - technical capability
  - past performance
  - customer service
  - depth and range of service
  - potential teaming (risk sharing)
  - potential competitor
  - what problem is he trying to solve
  - what benefits is he looking for

### COMPANY ENVIRONMENT:

1. Define the company's strengths and minimize weaknesses in the customers' eyes in your facilities and capabilities story
2. Develop facilities and capabilities story
  - company overview
  - organization
  - commitment
  - perception of customers' requirements (problems)
  - product/service briefing
  - white paper or technical data support for briefing
  - brochure(s) on the company's facilities and capabilities

Note: see attached briefing package guideline and feature function benefit format

## CUSTOMERS AND COMPETITORS

### CUSTOMERS:

South Bend	Bendix	GE - Camden
Fibricom	Teledyne Ryan Electronics	Teledyne Systems
Teledyne Electronics	Northridge	Microwave (MMD)
Miltope	Jet	Titan/Linkabit
Smith Ind	Lear	ITT - Nutley
ITT - Ind	Simmons Precision	Martin Marietta - Ord
Gould	Hughes - Torrance	GD Land Systems
Systron Donner	EG & G Alumond	

### COMPETITORS:

SAIC (1)	BDM (2)	EG & G (3)
Rockwell (in-house)	Jaycor	Boeing (in-house)
GE - Valley Forge	Mission Research Corp (MRC)	SEA

## **SURVIVABILITY/HARDENING ANALYSIS BUSINESS (OUTLINE)**

### **BUSINESS:**

Nuclear radiation survivability - Assisting the customer meet specification requirements for survivability through analysis, hardening and testing support ( utilizing in-house and government facilities ) in the areas of TREE, EMP, nuclear and thermal blast, NBC, threat definition and shielding analysis support for the natural radiation environment. In addition support for program plans, weapons effects test plans and reports, and hardness plans for assurance, maintenance, and surveillance.

### **MARKET SIZE:**

- Total DoD market value in the range of \$100 Mil
- Company sales volume - \$ 1.2 Mil ( represents 0.5 to 1.0% market share )
- Market size basis - % of DoD related budget and sum of competitors' sales volume

### **SECONDARY MARKETS ( MARKET SPIN OFFS ):**

- DNA - nuclear plant instrumentation protection for orderly plant shut down
- Federal Emergency Management Agency ( FEMA ) - communications network
- FAA - radar and communications systems
- Computer banking systems - memory protection ( low potential market )

### **METHODOLOGY:**

- Review radiation specification requirements
- Analyze customer circuit vulnerability to radiation
- Recommend circuit redesign without changing circuit topology
- Recommend component substitution
- Test components and circuits and modify to assure nuclear hardening

### **MARKET ACTIVITY:**

Decreasing Soviet nuclear threat because of improvement in U.S./Soviet political relationship.

### **MARKET DRIVER (ENVIRONMENT):**

DoD budget related to nuclear survivability of air defense and weapon systems.

### **MARKET DRIVERS (CUSTOMER):**

- Cost effective - total value
- Technical support
- Performance
- Proposal response
- Total survivability program capability

CUSTOMERS:

Key Customers:

Bendix  
GE/RCA - Camden  
Titan  
EG & G - Almond

Potential Customers:

GDLS - M1 Tank  
GDP - Weapons Systems  
Boeing - Peacemaker  
Eaton AIL - Avionics  
Westinghouse - TBD

POTENTIAL TEAMING PARTNERS ( RISK SHARING AND SYNERGY )

- Titan - IIT Nutley - Teledyne Energy

COMPETITORS:

- SAIC
- Mission Research Corp. ( MRC )
- ITTRI
- BDM
- GE Valley Forge ( nuclear hardening and testing )

COMPANY STRENGTHS:

- Total nuclear analysis and hardening capability ( analysis, data base, in-house testing )
- Non-hardware competitor
- High quality performance record
- Service oriented

COMPANY WEAKNESSES:

- High cost supplier ( direct labor, overhead, capital equipment, location )
- Reduced NBC capability
- Location ( service to East coast customers )
- Limited blast and thermal capability
- Reduced hardening technology
- The need to subcontract EMI requirements
- Contracts ( limited experience )

COMPETITION STRENGTH AND WEAKNESS: -TBD

SURVIVABILITY/HARDENING ANALYSIS BUSINESS OBJECTIVES:

- Identify potential customers
- Communicate capabilities to survivability market ( customer, end user and, specifier )
- Define how SAIC pursues business development ( theme and methodology )

STRATEGY: - TBD

ACTION PLAN: - TBD

## STRATEGIC OVERVIEW (BRIEFING OUTLINE)

### I. CONTENTS OUTLINE:

- Business Environment
- Vision Statement
- Image and Perception
- Objectives
- Strategy
- Investment Opportunities

### II. BUSINESS ENVIRONMENT:

- DoD budget will shrink 4% per year FY92 thru FY96  
( Relevant programs, Constant dollars - \$207B/\$172B)
- DoD Electronics budget will increase 4% per year FY91 thru FY00  
(All programs, Inflated dollars - \$38B/\$53B)
- Prime contractor will increase their subcontracting survivability/hardening effort from 33% to 50%
- The electronics survivability/hardening business has survived and grown during the critical period of DoD budget cuts
- The electronics survivability/hardening business will maintain market share and grow throughout the decade of the 90's

### III. VISION STATEMENT:

Establish position in the DoD and commercial markets as the high quality cost-effective research and engineering company offering one stop shopping and the best total value solutions to the customer's radiation effects and electromagnetic problems

### IV. IMAGE AND PERCEPTION:

- High level of technical experience:
  - Senior engineer/scientist advanced degree personnel
  - Technical support (tailor requirements in order to optimize the program objectives)
  - Over 200 customers and over 1800 program contracts
  - Total program support
- Customer comments:
  - Lockheed: High level of technical competence
  - General Dynamics: We need your testing experience
  - Teledyne Ryan Electronics: You will continue to get all our business
  - SDIO: Survivability innovative contractor award 1990
  - DNA: Regarded as EMP hardware and field test experts

## V. OBJECTIVES:

- Protect and grow core business market share
- Acquire hybrid manufacturer and expand power electronics
- Win follow-on survivability/hardening contract, pursue other technology programs and expand field office efforts
- Identify non-traditional markets supporting core business
- Double sales in 5-years and develop new products
- Establish strategic alliances
- Market and exploit automated test technology

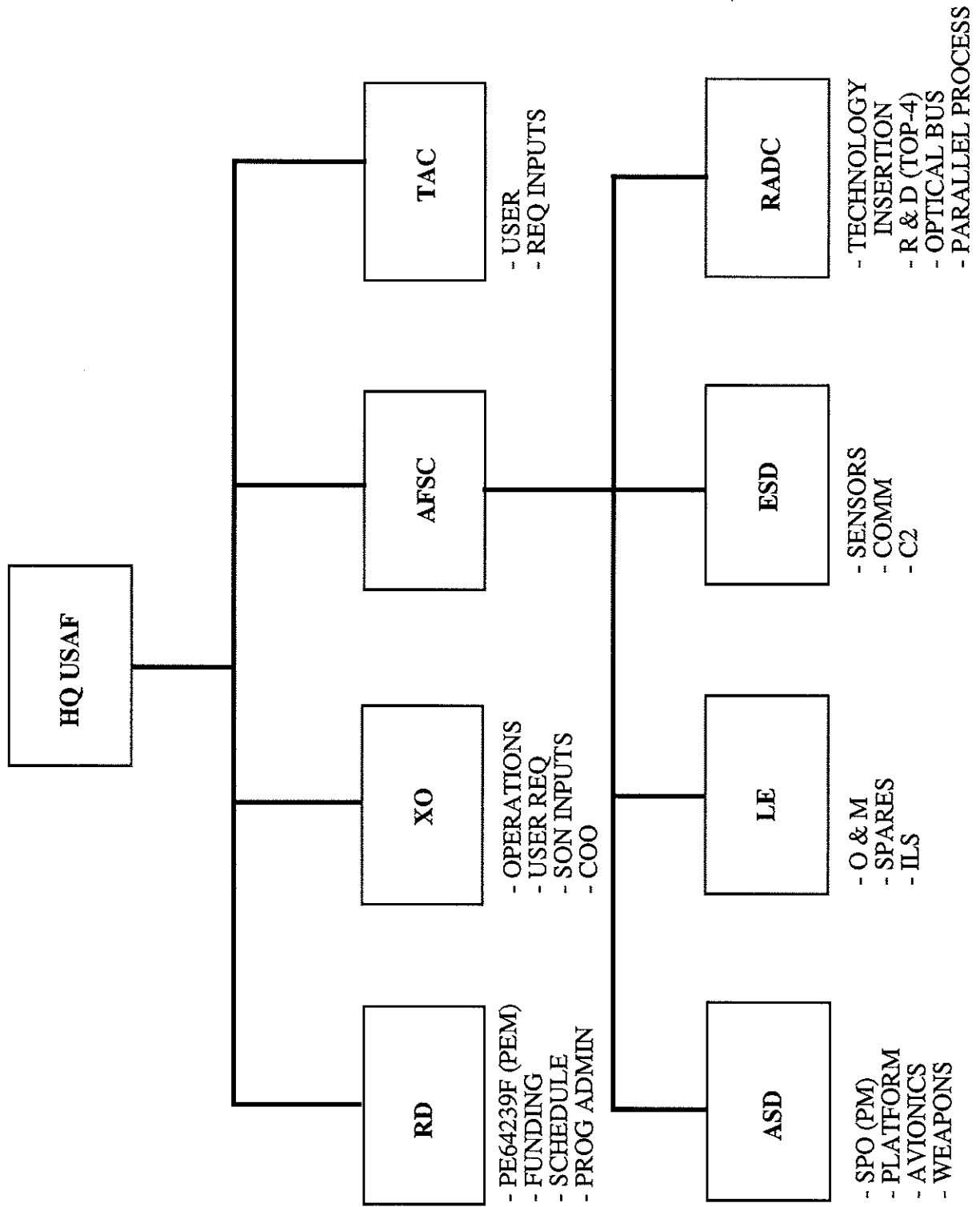
## VI. STRATEGY:

- Develop contact stratification plan that allows the company to penetrate the end user, prime, and subcontractor customer environment vertically and horizontally
- Pursue advance identification and influence of major technology programs
- Pursue electromagnetic and radiation effects architect role for supporting the end user and prime contractor survivability requirements
- Provide total survivability capability through the establishment of strategic alliances
- Pursue pieceparts testing business through hybrid market
- Acquire hybrid house to integrate the product line and to penetrate the power electronics market

## VII. INVESTMENT OPPORTUNITIES:

- Acquire hybrid manufacturer
- Hire or develop radiation effects guru
- Establish significant advertising budget
- Establish budget for staff development (technical/marketing/management/entrepreneurial)
- Develop equitable financial incentives and recognition system to encourage ambition and foster morale
- Continue to invest in facilities enhancement

**ATF PROGRAM  
(CONTACT STRATIFICATION)**





**F-22 ATF PROGRAM TEAM (CONTACT STRATIFICATION)**

SHEET 1 OF 1

COMPANY	ADDRESS	LEAD	CONTACT	PHONE	COMMENTS
Lockheed Aeronautical Systems Company (LASC)	Dept. 7F20, Mail Stop 0657 86 South Cobb Drive Marietta, GA 30063  General Phone Number (404) 494-4411  Mickey Blackwell F-22 VP & GM (LASC)	TC JK	Don Farr-E3 Mgr  Brian Lessard E3 ATF  Bob Ertman E3 Div.  Taymor Rashidi E3 Analyst  David Akers E3 Analyst  David Larsen Avionics Mgr.	404-494-1380  404-494-8134  404-494-8136  404-494-8135  404-494-8133	Ongoing discussions and technical briefings  9/10-Lessard is encouraging the company to submit methodology/testing work scope which stresses the company's capabilities. Lessard also indicated the company could pursue his E3 contacts at GD & Boeing. He does however not want the company to contact the SPO (Manny-civilian). We expect to reply within 2-weeks.
General Dynamics Fort Worth (GDFW)	PO Box 748, MZ 5995 Fort Worth, TX 76101.  General Phone Number (817) 777-2000  Dick Hall (E3) 817-762-9540	TC JK	H.J. Durham ATF Program  Duane Sehon ATF Program  Doug Grope A-12 S/V TRE Customer	817-762-9023  817-762-9057  817-777-1449	Referred by Phil Currier, GDE  Rod Bandt, TRE indicated Doug Grope perceived the the company cost to be high on A-12
Boeing Aircraft Company	PO Box 3707, 4L-05 Seattle, WA 98124  General Phone Number (206) 655-1131  Glen Olsen (E3) 206-544-1058	TC JK	Mickey Michellich Chief Engr ATF	206-655-6354	Referred by Vernon Ramsey and Bob Elliott, Boeing Defense & Space Group

**LOCKHEED F-22 ATF PROGRAM SUBS**

SHEET 1 OF 2

COMPANY	ADDRESS	LEAD	CONTACT	PHONE	COMMENTS
Hughes Radar System Group	2000 East Imperial Highway El Segundo, CA 90245	JK BH		213-648-2345 213-615-8213	Malcom Currie, CEO - \$100Mil invest
Harris Gov't Aerospace Sys 2400 NE Palm Bay Road Palm Bay, FL 32905	Mail Stop-101/4827 PO Box 94000 Melbourne, FL 32902	TC	Roger Yhlhorn Bill Whitehead Tom Hicks	407-729-7489 407-729-7817 407-727-6256	8/27-meeting to Harris canceled. Roger indicated resistance from Wayne Abare, Gp Ldr-S/N 407-729-7224.MS 101/4825
Fairchild Defense	20301 Century Blvd. Germantown,MD 20874	LL	Robert Mills	301-428-6000	
GEC Avionics 2975 North Woods Pkwy Norcross, GA	PO Box 81999 Atlanta, GA 30366 \$15Mil invest	TC	Charlie Doerlick Pat Birmingham PM-ATF	404-448-1947 ext 144	Met with Birmingham and Doerlich on 8/26, capabilities story passed to GEC Rochester, UK & submit ROM on MI
Lockheed Sanders Avionics Div.	PO Box 868 Nashua, NH 03061-0868	LL		603-885-4321	
Lockheed Sanders Information Systems Div. Merrimack, NH	PO Box 898 Nashua, NH 03061-0868	LL		603-885-4321	
Lockheed Sanders Defense Systems Div. Merrimack, NH	PO Box 898 Nashua, NH 03061-0868	LL		603-885-4321	
Digital Equipment Corp. (Marketing Organization) Merrimack, NH	Corporate HQ 146 Main Street Maynard, MA 01754			508-493-2211 603-884-5111 (MA & NH)	
TRW Avionics & Surveillance Group-Military Electronics & Avionics Div.	One Rancho Carmel San Diego, CA 92128	TC	Bob Kohler Rich Adams Rich Tucker	592-3450 592-3000	\$100Mil invest - TRW has survivability in Albuquerque (Harry Hodges)
XAR Industries	151 Puente Ave. City of Industry, C A 91746			818-333-3878	
Motorola	8201 East McDowell Scottsdale, AZ 85252	SJ	Joe Hokmuth Steve Kalafus	602-441-3033 602-441-2755	
United Technologies Corp. Hamilton Standard Div.	One Hamilton Road Windsor Locks, CT 06096-1010	LL		203-654-6000	
Sanders/General Electric Joint Venture Team	PO Box 898 Nashua, NH 03061-0868	JK	Darian Neard (Utica NY)	603-885-4321 800-626-2000 (NY)	

LOCKHEED F-22 ATF PROGRAM SUBS

SHEET 2 OF 2

COMPANY	ADDRESS	LEAD	CONTACT	PHONE	COMMENTS
Texas Instrument Defense Systems & Electronics Group	13500 North Central Parkway Dallas, TX 75243	LD		214-995-2011	
Menasco Aerospace Div. Dallas, TX	4000 South Highway #157 Evless, TX 76040-7012			817-283-4471	

**GDFW F-22 ATF PROGRAM SUBS**

SHEET 1 OF 1

COMPANY	ADDRESS	LEAD	CONTACT	PHONE	COMMENTS
Rosemount Aerospace Div.	14300 Judicial Road Burnsville, MN 55337	SJ	James Ladwig Don Hoff PM ATF	612-892-4300 612-892-4053	
Allies Signal Aerospace Co. (Bendix) Wheels & Brakes Div.	35250 Westmore Street PO Box 10 (IN 46624) South Bend, IN 46628	TC JK	Lionel Massing Eng Supr-PreDsgn Zia Marza	219-213-2248 219-231-2000	8/14-spoke to Lionel and he did not see a S/V req. Their sensors are to detect heat only. 9/13-SENT INFO
Curtiss-Wright Flight Systems	300 Farfield Road Fairfield, NJ 07004	LL TC	Ken Burns Engr Mgr Bob Roppenecker	201-575-2200	
Dowty Decoto	2720 West Washington Ave. PO Box 9907 (WA 98909) Yakima, WA 98903	LL		509-248-5000	
EDO Corporation Gov't Systems Div.	14-04 111th Street College Point, NY 11356			718-445-6000	
Lear Astronics Corp.	3400 Airport Ave. Santa Monica, CA 90406	JK BH RJ	Jim Kam-PM ATF	213-452-6000	
National Water Lift (NWL) NWL Control Systems	2220 Palmer Ave. Kalamazoo, MI			616-384-3400	
Parker-Hannifin Corp. Parker-Berta Group	14300 Alton Parkway Irvine, CA 92718	BH		714-833-3000	
Simmons Precision	Panton Road Vergennes, VT 05491	LL	John Dula-Purch	802-877-4229	
Sterer Engineering	4690 Colorado Blvd. Los Angeles, CA 90039			818-409-0200	



## MARKETING PLAN OUTLINE

### I. OBJECTIVES:

- A. Short term goal (immediate cash flow programs)
  - Nuclear radiation hardening
  - Commercial business
- B. Long term goal (IR&D, P3I, new technology areas)
  - Nuclear radiation hardening
  - Commercial business
- C. Coordinate marketing objectives with division business and operating plans

### II. STRATEGY:

- A. Capitalize on company strengths (high quality, one stop shopping)
- B. Investigate teaming with other companies (8A, disadvantaged business, other TBD)
- C. Investigate teaming with other company divisions (NASA)
- D. Pursue second source opportunities
- E. Pursue prime contractor support role (total program support)
- F. Investigate acquisition opportunities
- G. Develop product mix balance and synergy among division business areas
- H. Advertise company facilities and capabilities
- I. Develop aggressive customer visit plan

### III. COMPANY (STRENGTHS AND WEAKNESSES): TBD

### IV. MARKETING ENVIRONMENT:

- A. Analysis of customer segments
  - Define customer organizations (organization charts)
  - Funding profiles( RDT&E(R1), Procurement(P1), programs)
  - Operational requirements (support customer product line needs)
- B. Competition assessment
  - Customer base
  - Product line definition
  - Strengths and weaknesses (defined in electronics sector marketing book)
- C. Barriers to market entrance
  - Undefined customer requirements
  - Electronics sector capabilities unknown to prime contractors and users
  - Investment profile
  - Availability of technology
  - Resources (personnel and facilities)

## V. METHODOLOGY:

- A. Business development
  - Customer segmentation (R&D, engineering, programs, procurement, management)
  - Product line linkage ( multiple users encourage economy of scale advantage)
  
- B. Customer contact plan (contact stratification - define roles and responsibilities)
  - Senior management
  - Division marketing
  - Field sales organization (division personnel and field reps)
  - Trip report structure (action plan oriented)
  
- C. Develop product line overview
  - Define company overview (business and technical theme, balanced product line, division synergy)
  - Company technical summary ( feature, function, benefit format )
  
- D. Develop product line working groups
  - Coordinate among marketing, engineering, programs, contracts (eliminates hidden agendas)
  - Match customer requirements (needs) with electronics company facilities and capabilities
  
- E. Trade show and technical conference participation - TBD

## VI. MARKETING ORGANIZATION:

- A. Marketing personnel (job scope)
  - Division
  - Company field offices
  - Field reps
  
- B. Training (product knowledge and marketing skill development)
  
- C. Budget allocation ( division business development, marketing communications, advertising, trade show and technical conferences, B&P)
  
- D. Promotion (trade shows and technical conferences)
  
- E. Personnel evaluations ( setting objectives and evaluating performance)

## 5-YEAR STRATEGIC PLAN FOR (DRAFT OUTLINE)

### I. STRATEGIC PLAN OVERVIEW

Define sector background (history and experience)

Define strategy

- Maintain current DoD business base
- Develop potential new DoD business base
- Develop commercial opportunities

### II. SECTOR MISSION STATEMENT

Company is an active subcontractor in the aerospace industry as a supplier of nuclear and non-nuclear radiation hardening/survivability services and products in major military critical mission programs and commercial applications.

Company mission is focused as follows:

- Establish a reputation as a total survivability and high quality subcontractor
- Increase business base as a major subcontractor to leading aerospace primes and electronics system integrators
- Analyze, design, engineer, test and produce survivability services, components and equipment

### III. COMPANY OBJECTIVES

External

- Broaden business to reduce dependency on DoD business
  - \* Commercial circuit protection (non-nuclear)
  - \* Explore non-aerospace industries
- Maintain positive relationship with customers
  - \* Focus on service
  - \* Focus on quality
- Expand customer contact network
  - \* Establish contact stratification plan ranging from general management to professional personnel
  - \* Identify and establish contact with end users, prime contractors, technology developers, system developers, and specifying agencies

Internal

- Manage the company to profit plan
  - \* Focus on short term opportunities with current customers with minimum cost/investment
  - \* Reduce expense by making regional customer visits with multiple objectives rather than individual customer visits with a single objective
  - \* Encourage utilization of regional personnel
  - \* Focus assets to areas with a balance of short and long term opportunities



- Develop overall sector theme that synergizes section strengths
  - \* Focus on strengths (EMP and piece part testing)
  - \* Minimize weakness (NBC, thermal and blast)
  - \* Expand customer briefing package to communicate the company theme
  
- Personnel development
  - \* Encourage division/group managers to focus on business objectives
  - \* Encourage section manager synergy

#### IV. IR&D PLAN

Define IR&D plan that focuses on the following:

- Expand current technology base
  
- Investigate R&D opportunities that support commercial market applications (non-nuclear circuit protection)

#### V. PRODUCT QUALITY

Outline TQM plan

#### VI. HUMAN RESOURCES

Personnel assessment  
Personnel growth plan

- Training
- Skill development
- Cultural changes due to changing business environment

#### VII. FACILITIES PLAN

Define facilities plan in terms of supporting objectives and product/business areas

#### VIII. ACQUISITION PLAN

Investigate acquisition opportunities that support financial objectives, synergize current product/services and expands the company's market into other industries

## THE USAF CUSTOMER

USER: (CINCs) - Requirements Inputs

- Unified Commands
- Joint Service Commands
- Specified Commands - Aerospace Defense Command
  - Strategic Air Command
  - Military Airlift Command

DEVELOPER: (Major Commands) - Specify Systems and Award Contracts

- Air Force Systems Command (AFSC) - Product Divisions
  - Aeronautical Systems Division (ASD) - Aircraft Systems
  - Electronic Systems Division (ESD) - Electronic Systems
  - Space Systems Command - Space Systems
    - Air Force Space Technology Group
      - Geophysics Lab
      - Weapons Lab

Tactical Air Command (TAC) - Staff and Equipment - User Inputs

Space Command - Staff and Equipment - User Inputs

R&D: (Technical Community) - Specify Technology and Award Technology Contracts

Rome Air Development Center (RADC):

- IR&D/CRAD Programs
- Develop Technology For New and Existing Systems
- P3I and Enhancements Through R&D

PRODUCT SUPPORT: (Logistics Community) - Assure Product is Supported

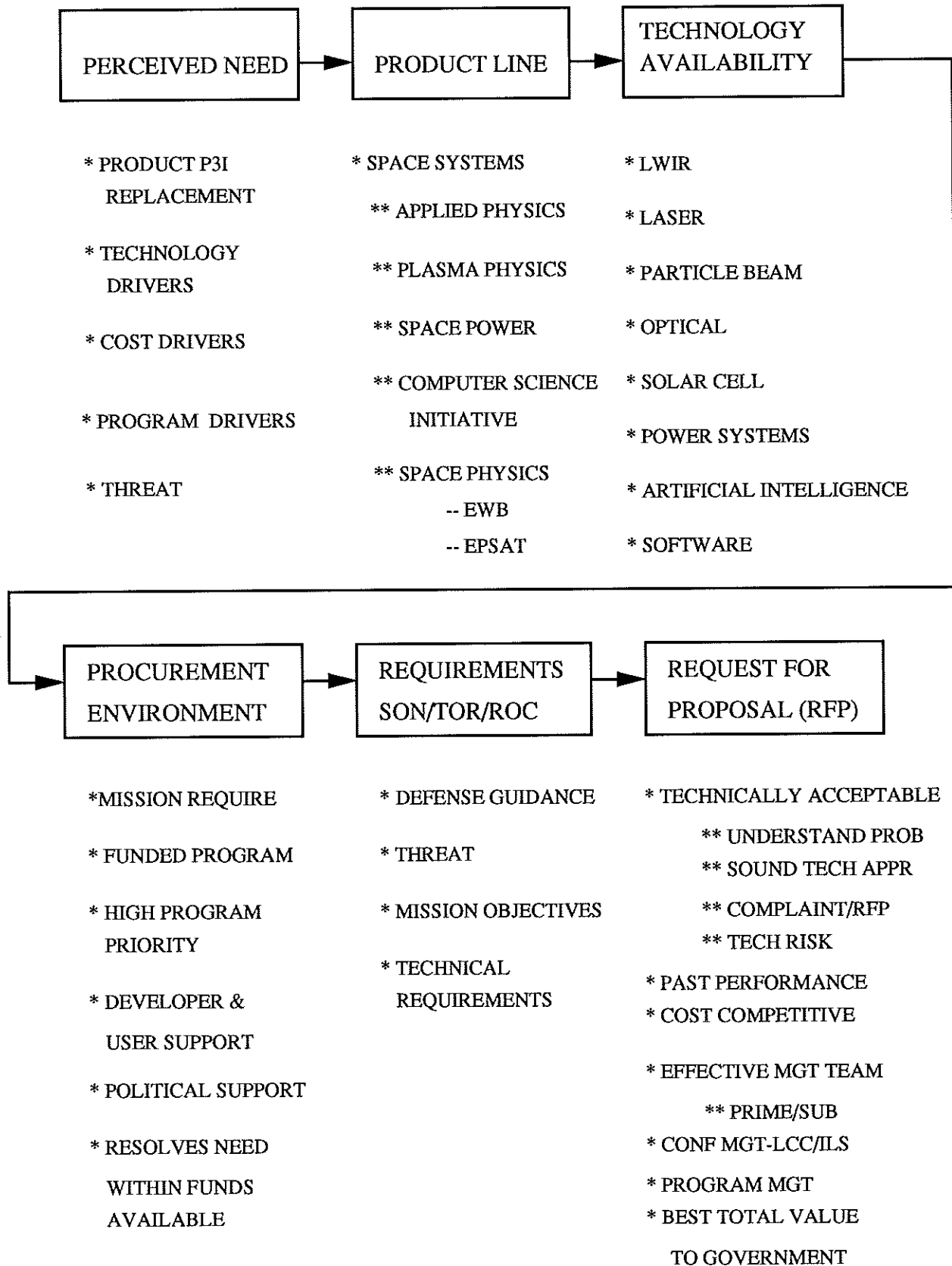
Air Force Logistics Command (AFLC):

- Life Cycle Cost (LCC).
- Operations and Maintenance (O&M) - Costs
- Spare Parts

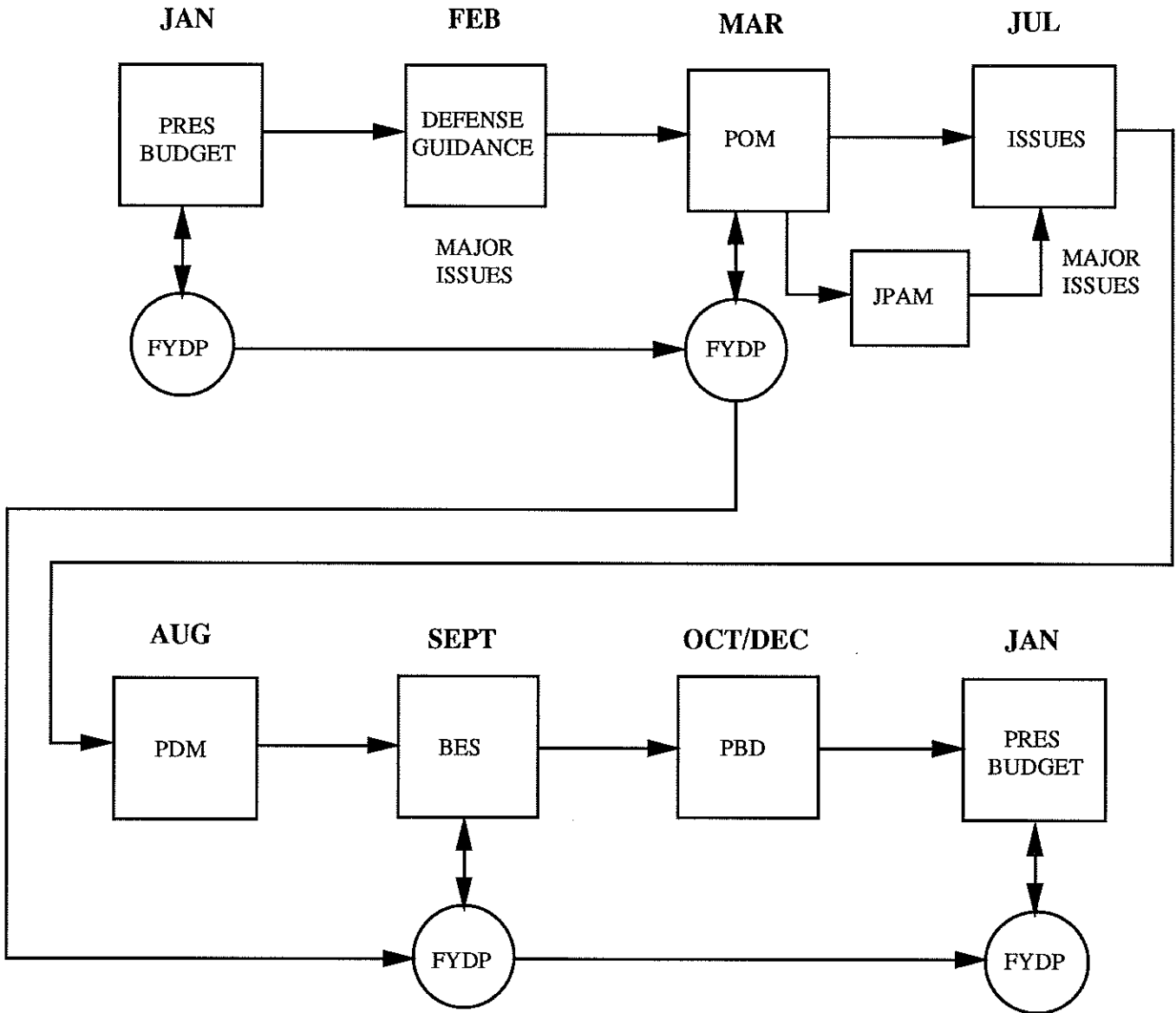
FUNDING: (Air Staff) - Program Administration

- Program Element Monitor (PEM) - Funding Profile
- Operations Staff (XO) - Program Direction and User Summary
- International Programs (PRI) - LOA and DSAA Interface

## BUSINESS DEVELOPMENT PROCESS



## PROGRAMMING & BUDGETING PROCESS



POM - PROGRAM OBJECTIVE MEMORANDUM

JPAM - JOINT PROGRAM ASSESSMENT MEMORANDUM

PDM - PROGRAM DECISION MEMORANDUM

BES - BUDGET ESTIMATE SUBMITTAL

PBD - PROGRAM BUDGET DECISION

PPBS - PLANNING, PROGRAMMING, AND BUDGET SYSTEM

**PPBS = THREAT = STRATEGY = REQUIREMENTS = FUNDS**

SOURCE: DCS/PLANS & PROGRAMS - USAF

## **PLANNING, PROGRAMMING, AND BUDGETING SYSTEM (PPBS)**

**PPBS:** The DOD resource management system and its purpose is to identify mission needs, match them with resources and requirements, and translate them into budget proposals.

**SYSTEM OUTPUTS:** Defense Guidance (DG), Five year Defense Program (FYDP), and the DOD portion of the President's Budget.

### **PLANNING:**

- Determine total forces required to counter the threat
- Establish benchmark to:
  - Highest critical needs
  - Measure risks
  - Guide resource decisions

### **PROGRAMMING:**

- Match available dollars with most critical needs
- Develop 5-year resource proposal

### **BUDGETING:**

- Final cost approved programs
- Prepare and submit detailed budget
- Enact and execute

### **FUNDING:**

- Service POM (service program development)
- Program Element (PE) (funded program)

### **REQUIREMENTS:**

- Statement of Need (SON) - USAF documented requirement based on mission need.
- Tentative Operational Requirement (TOR) - USN documented requirement based on mission need.
- Required Operational Capability (ROC) - US Army documented requirement based on mission need.

PRIORITIES:

- Core programs:
  - Base support (structure, personnel, logistics, other)
  - Directed programs (intel, strategic, other)
  - Essential levels of:
    - + Readiness
    - + Sustainability
    - + R&D
  - Peacetime operations and training
- Flexible area programs:
  - Increased levels of readiness
  - Modernization
- Procurement Programs
  - Force growth procurement

*SOURCE: DCS/PLANS & PROGRAMS - USAF*

## **BUSINESS DEVELOPMENT METHODOLOGY USING RDT&E SUMMARY AS A RESEARCH BASELINE**

### METHODOLOGY:

I. Define the program elements with potential requirements from RDT&E Summary list

- Strategic
- Tactical

II. Identify specific programs of interest and identify the following

- Funding profile
- Schedule
- Program descriptive summary
- Program Element Monitor (PEM)

III. Identify key customer elements

- User (Cinc or Command)
- System developer (product division)
- Technology developer (DoD labs)
- Requirements agency (Gov't labs)

IV. Identify key prime contractors (platform or system integrator)

Platform:

- General Dynamics
- Boeing
- Lockheed
- Other

Electronics integrator:

- Westinghouse
- General Electric
- Hughes
- Other

V. Identify key subcontractors (subsystems and components)

- Power supply
- Transmitter
- Receiver
- Other

### STRATEGY - CONTACT STRATIFICATION PLAN:

I. Current customer base

II. Potential customers (competitors' key customers)

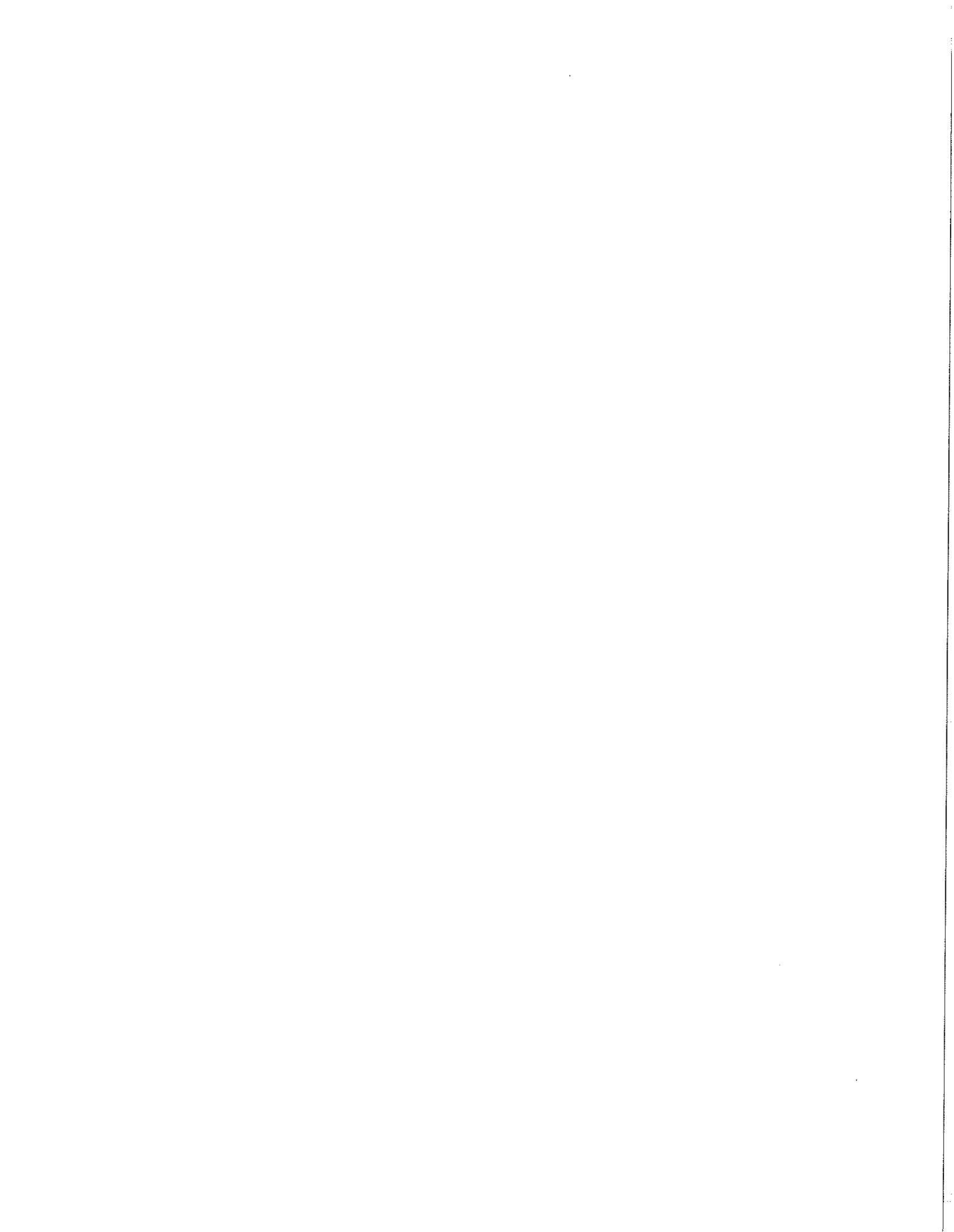
III. DoD user developer

IV. Prime contractors ( platform and electronic integrators)

V. Subcontractors (subsystem and components)

VI. DoD labs

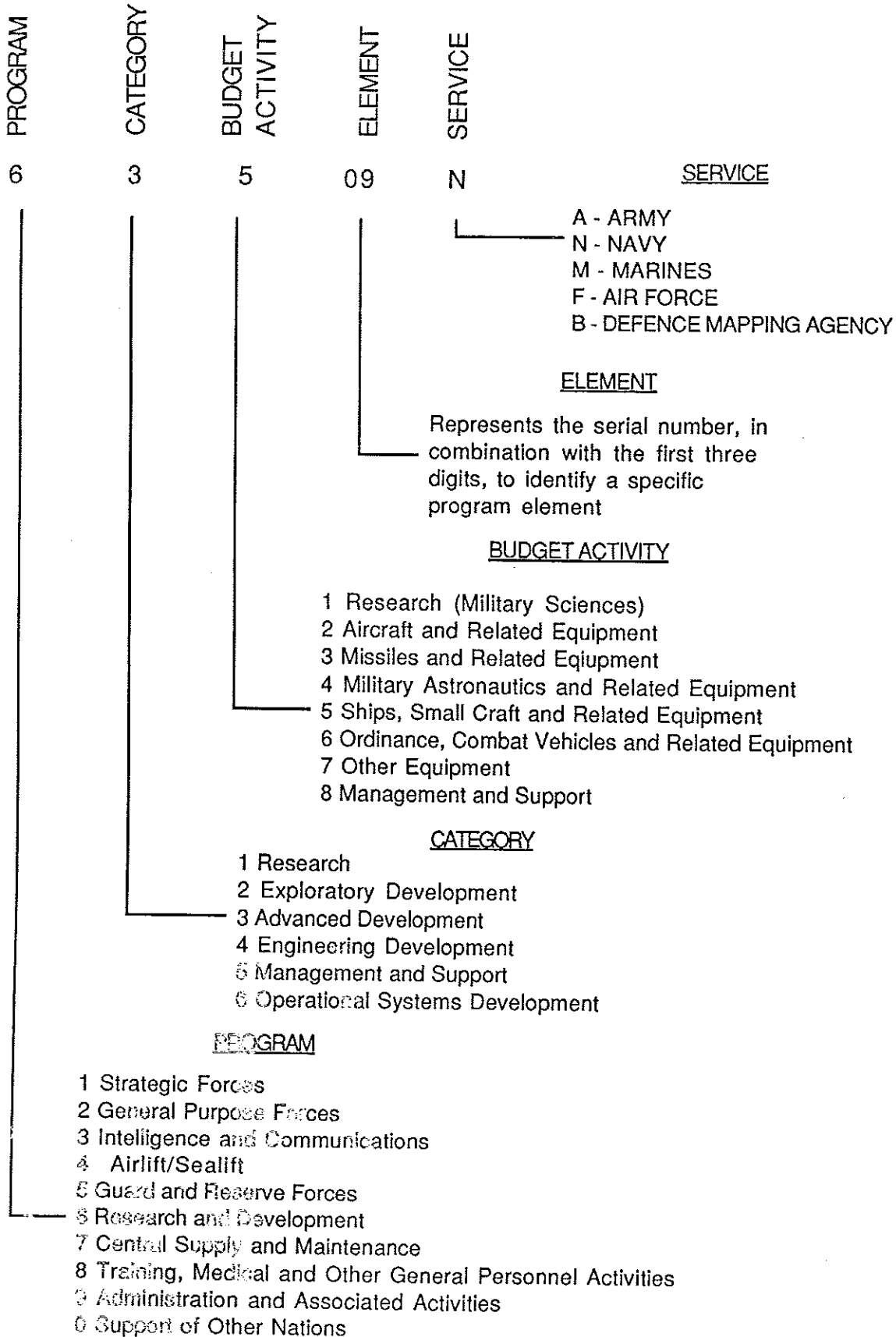
VII. Gov't labs (specifying agency)





# FISCAL & LIFE CYCLES of DEFENSE SYSTEMS

## SAMPLE PROGRAM ELEMENT



% OF CONTRACTOR INVOLVMENT

	<u>GOVT</u>	<u>CONTR</u>
6.1 RESEARCH	95	5
6.2 EXPLOR DEV	75	25
6.3 ADV DEV	25	75

6.4 ENG DEV (FULL SCALE DEV)

15 85

▶ 6.5 **MGT & SUPPORT**

90 10

(FALLS IN BOTH CRAD & NON-CRAD CATEGORIES)

OPERATIONAL SYSTEMS DEVELOPMENT (SOMETIMES CALLED 6.6)

1 STEP HIGHER THAN 6.4

PROGRAM ELEMENT

WILL BEGIN WITH P.E. # OF 1-5, 7-0

1 STRATEGIC PROGRAM

2 TACTICAL PROGRAMS

3 INTELL & COMM

4 AIRLIFT/SEALIFT

5 RESERVES

6 R&D

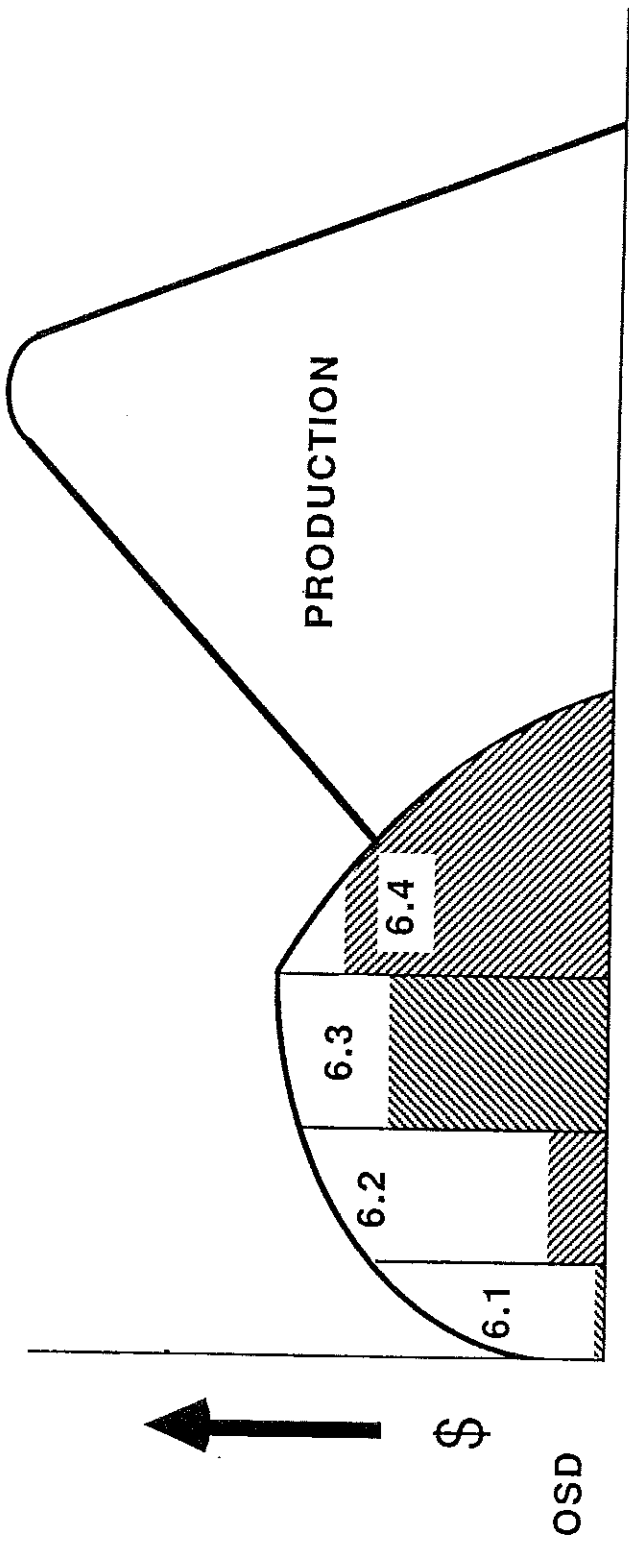
7 SUPPLY & MAINT

8 MEDICAL

9 SUPPORT & MGT

0 INTERNATIONAL

← R&D ON CATA 1-5 PGM IS CALLED OPER SYS DEV



R & D

GOVT. CONTR.



	GOVT.	CONTR.
6.1 RESEARCH	95	5
6.2 EXPLOR. DEV.	75	25
6.3 ADV. DEV.	25	75
6.4 ENG. DEV. (FULL SCALE DEV.)	15	85

## DIVISION CRITERIA

RESEARCH AND DEVELOPMENT CONTRACTS MUST SATISFY THE FOLLOWING TWO CRITERIA TO BE CLASSIFIED CONTRACTED RESEARCH AND DEVELOPMENT (CRAD):

- CONTRACTS WHICH ARE FUNDED BY AN ORGANIZATION OTHER THAN GENERAL DYNAMICS TO PERFORM ACTIVITIES GENERICALLY THE SAME AS THOSE DESCRIBED IN THE DAR FOR IR&D (15-205.35) ARE TO BE CONSIDERED CRAD. THE ACTIVITIES INCLUDE BASIC AND APPLIED RESEARCH IN THE SCIENCES AND IN ENGINEERING, PROTOTYPE AND SYSTEM DESIGN AND DEVELOPMENT, AND OTHER CONCEPT FORMULATION STUDIES OUTSIDE THE BASIC CONTRACTUAL REQUIREMENTS OF MAJOR PRODUCTION PROGRAMS. CONTRACTED ACTIVITIES IN THE AREAS OF PRODUCTIVITY, INCLUDING MANUFACTURING TECHNOLOGY DEVELOPMENT, ARE NOT CONSIDERED TO BE CRAD.
- CONTRACTED WORK DESCRIBED ABOVE THAT SATISFIES ONE OF THE FOLLOWING FUNDING CRITERIA:
  - CONTRACTS FOR RESEARCH OR EXPLORATORY DEVELOPMENT, WHICH ARE TYPICALLY FUNDED UNDER DoD 6.1 OR 6.2 PROGRAM ELEMENTS, RESPECTIVELY.
  - CONTRACTS FOR ADVANCED DEVELOPMENT PROGRAMS, WHICH ARE TYPICALLY FUNDED UNDER DoD 6.3 PROGRAM ELEMENTS, EXCEPT THOSE IN SUPPORT OF PROGRAMS THAT HAVE SURPASSED DoD MILESTONE II.
  - CONTRACTS FUNDED UNDER DoD 6.3 (ADVANCED DEVELOPMENT) OR 6.4 (FULL SCALE DEVELOPMENT) PROGRAM ELEMENTS IN SUPPORT OF PROGRAMS THAT HAVE SURPASSED DoD MILESTONE II WHERE THERE IS NO INTENT TO INCORPORATE THE CONTRACTED WORK INTO AN ELEMENT OF THE PRODUCTION-CONFIGURED SYSTEM OR PLANNED VARIANT THEREOF.
  - NASA CONTRACTS ON PROGRAMS OR PROJECTS THAT HAVE NOT REACHED A STATURE SIMILAR TO A DoD FULL SCALE DEVELOPMENT PROGRAM OR WHERE THERE IS NO INTENT TO GO INTO PRODUCTION OF THE PROJECT BEING DEVELOPED. THESE PROGRAMS OR PROJECTS ARE TYPICALLY THOSE FUNDED DURING NASA PHASES A, B, AND C.
  - SUBCONTRACTS FROM OTHER DoD OR NASA CONTRACTORS OR FROM OTHER GENERAL DYNAMICS DIVISIONS TO SUPPORT PROGRAMS OR PROJECTS THAT SATISFY ONE OF THE GUIDELINES LISTED ABOVE.
  - THE RESEARCH, ENGINEERING, AND DEVELOPMENT ELEMENTS OF COMMERCIAL CONTRACTS NOT INTENDED PRINCIPALLY TO PROCURE OR MODIFY A RECOGNIZED CURRENT DIVISION PRODUCT.

**STRATEGIC MANAGEMENT MODEL**  
(Strategic and Operational)

