

MARKET RESEARCH

Make market research a core and continuous organizational capability

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Problem: Market research currently responds to consolidated requirements that were not informed about the technological state of the art, and thus are biased toward legacy solutions

Recommendation: Develop an organizational capability to engage continuously with industry, identify technologies that can increase program value, and increase vendor competition

Active Engagement:

- Develop a communications strategy
- Create a narrative of the program and needs
- Attend/create trade shows, make contacts, and schedule meetings
- Keep an open door
- Access media channels
- Consult third-party experts
- Carve out the budget
- Visit contractor sites
- Interactive RFIs with demos
- Use simple language
- Make sign-up easy

Organizational Design:

- Organic capability in the PMO/PEO
- Funnel all leads to a single point of entry who can broker the right interactions
 - Cannot have source selection duties
 - Coordinate information with adjacent organizations, labs, tech accelerators
 - Designate market research duties
- Need a consistent metric for transition success

Other Tips:

- RFIs should either be focused/short to support informed requirements or broad/open to invite new ideas
- Ask vendors about their active contract vehicles

Success: The program is continually scanning the market and is able to onboard new capabilities and vendors as appropriate

Resources: DHS PIL Bootcamp; DoD Market Research Report Guide

Context & Motivation

Market research should inform virtually all decisions made on a program. For every solution planned in the master schedule, there is a constellation of alternatives. How is the rest of the world acting in similar situations? The answer changes all the time as the global economy accelerates technologies and creates new possibilities. Technological change no longer happens within the confines of programs or governments. Acquisition officials must plan for the unplanned by building the capacity for recognizing and responding to opportunity.

Market research can sometimes feel like a check-the-box exercise because so much of a program is pre-determined. Figure 5 on the next page illustrates how external organizations can influence many parts of an acquisition program before it even starts. The resulting requirements are often so detailed that only the largest primes can bid. What market research remains is outsourced to the primes in their responses to [RFIs](#) and [RFPs](#). The winner then has little incentive to continue market research and identify second sources after contract award. Moreover, many government officials have short tours of duty,



perhaps two to four years. Much of the execution plan has been set by predecessors.

Active engagement not only requires officials to have the time, desire, and funds, but also the opportunity for their actions to impact the program. Creating an iterative process for requirements with a community of stakeholders opens the aperture of what is possible. However, organizational design should complement the new emphasis. The types of market research each program office or laboratory needs are different.

Active Engagement

Communications Strategy. Outreach through trade shows, open doors, oral presentations, and so forth must be coordinated through a coherent communications strategy. How will the program office get the word out through traditional media, social media, professional memberships, and other channels? What will be the cadence for engagement? Look into the marketing strategies used by commercial firms such as content distrib-

ution, search engine optimization, making sign-up easy, and so forth. When interacting in public, officials do not need to go through public affairs unless there's a release of technical data. The bias should be towards allowing government personnel to communicate openly, recognizing that mistakes may be made.

Demonstration Events. One of the top priorities for a communication strategy is to provide clarity on the program narrative and on-ramp opportunities. This provides confidence so that industry can invest with an understanding of the potential revenue should they be successful. Coordinate regular market research observations as opposed to official test events. This avoids formal procedures that can stifle the discovery process. Fund coordination of the event and provide each participant \$50,000 or so for their time. See in the real world what participants put in a white paper or oral presentation. **Prize competitions** and other alternatives are equally useful. Whatever the process, provide clear and consistent details in the communications strategy.

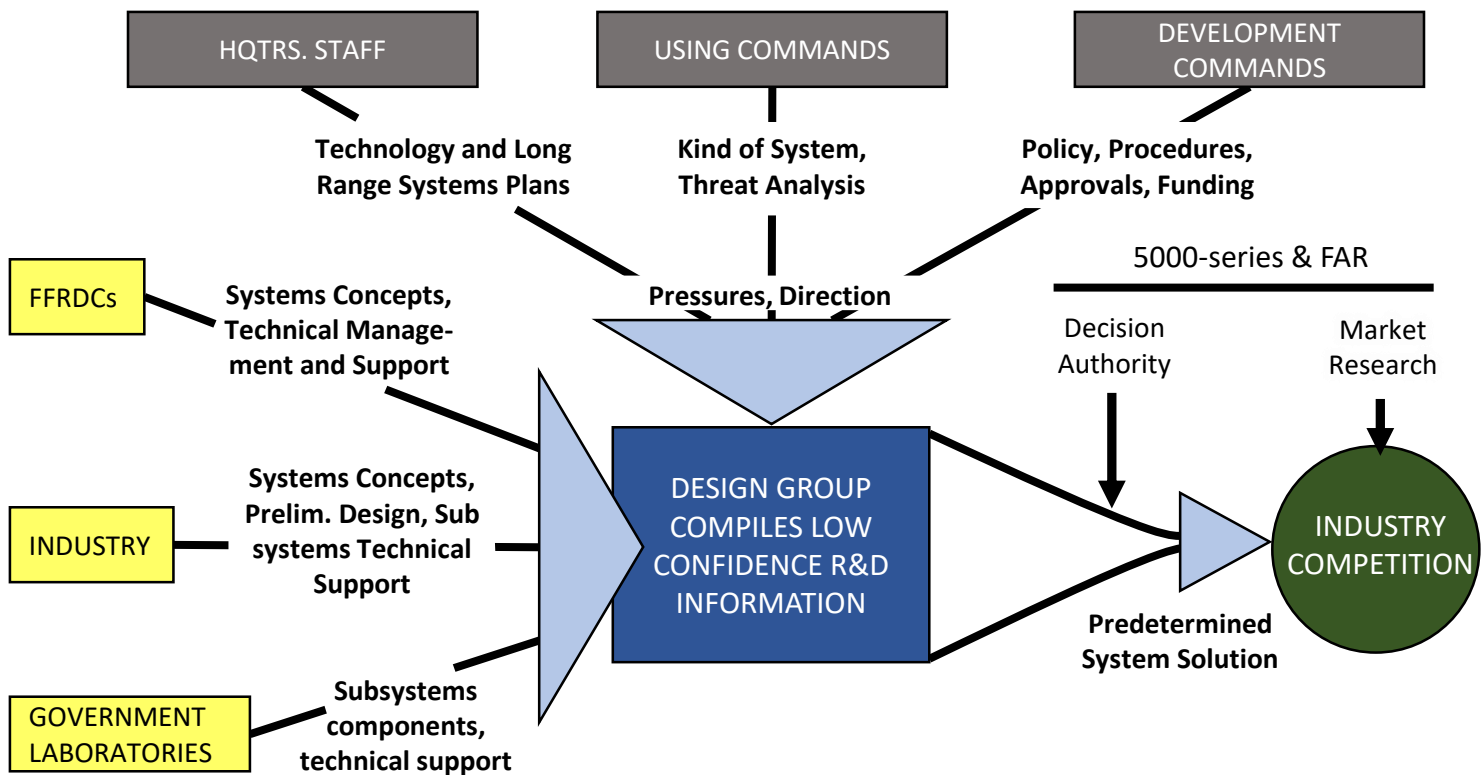


Figure 5. How External Organizations Pre-Determine Program Solutions [[Source](#)]

Carve out the Budget. There is rarely any funding available for program officials to do site visits or market research observations. Much less than flying out to observe performing and prospective contractors, officials sometimes do not even have the time or budget to drive 20 miles down the street. Downward pressures on workforce size at the same time as funds obligation requirements have grown squeezes out the in-person interactions that generate understanding and enthusiasm for the mission as well as oversight of the contractors. Adding a withhold to certain budget accounts can be an effective means for getting the program team out of the office to connect the figures on a spreadsheet to real technology and production.

Organizational Design

Core to the Organization. Market intelligence should be an organic capability of the program office. Information can be coordinated throughout a program executive office as the primary portfolio, and coordinated with other organizations including the labs and accelerators. There are over 30 tech accelerators in the Department of Defense, and while these capabilities should be leveraged they cannot replace the domain expertise in the program office.

Single Point of Entry. With market research being performed across numerous organizations, the problem of duplication arises. Vendors may feel like they are providing the same information over and over. Moreover, government officials act cautiously even when there's no open solicitation. Under a modular contract structure where solicitations are frequently open, protest risk may increase. In order to reduce protest risk and centralize aspects of the market research function, one individual in each program office should be designated the single point of entry. This individual may be a chief of acquisition or a deputy program manager who will never participate in source selection to avoid conflicts of interest. Rather than another functional stovepipe, the single point of entry should act as the lead facilitator of market research. This outreach official must leverage the technical knowledge in the program office, labs, and counterparts across government to broker the right interactions.

Stratification of Duties. Market research needs not only differ by organization, but functional area as well. Science & Technology officers are responsible for *strategic* market research that may have program impacts in three or more years. The single point of entry is responsible for *operational* market research that may generate new contract solicitations including demonstration events. The contracting officer is responsible for market research at the *tactical* level associated with a particular contract order. Each of these officials has their own market research needs and leverages personnel from across the organization such as the contracting officer's representatives. One of the major challenges remains the effective distribution of information. Market research is everyone's duty, but the single point of entry should serve as the organizational leader, even if market research is a team exercise.

“ In the military, intelligence is the market research function. It's part of operations. You don't do intelligence every time there's a potential war. It's continuous. ”

Contracting Officer

Wrap Up. A strong argument can be made that the market research play should come first in the sequence. Requirements are increasingly impacted by new technologies. However, a continuous market research capability can have only limited impact until an iterative requirements process is established. Only then can a strategy for active engagement and a single point of entry help the program continuously insert new capabilities.