

Good morning, welcome to The Family Business Institute, where *We Build Better Contractors*. I'm John Woodcock. Thanks for tuning in.

In my last two blogs, I talked about shifting our thinking about sales and winning work upstream to focus on clients before projects, and about the concept of early, middle and end game strategies for winning work. Today, I want to share some thoughts about one of the fundamental business tools for contractors that I think is related to all of this, that's the go-no-go. In most cases we think about a go-no-go as a risk management tool. It's there to prevent us from taking on that one bad job. Well, that's very true, but it can also be a great tool to sharpen your sales organization.

In the last two blogs, we talked about identifying and qualifying the best clients in early game and qualifying the best projects in middle game, all before we actually start the effort of winning that job in end game. The whole point of this approach was really illustrated by that brutal fact that in most markets, by the time the RFP is out, the ultimate winner of that job is probably way down the road with a plan to win it. We talked about early game where we establish criteria and identify the best clients, the ones that match our strategy and present the best opportunities for a long-term stream of profitable work. Then we position ourselves with those clients. We then talked about the stage where we identified the best opportunities with those clients, ideally well before the RFP hits the street. We called this middle game.

This is where I think a go-no-go can make a real impact for a contractor. Why so? Well, we need a process to challenge whether these opportunities are truly the best opportunities, so that we ensure that we don't spend valuable resources on the wrong opportunities. We want to do this before weeks or months of budgeting, developing proposals and getting emotionally committed to a deal that was probably never the right one for us in the first place. At this point, there may be a lot of things we still don't know about this opportunity, but there's probably a lot you do, and arguably should know. In fact, if you don't know some of these things, it may be an indication that it's not the right opportunity for you.

So, what are some of the things you might be evaluating at this stage, and that should be in a good go-no-go process? Now, it may vary by contractor depending on your market and the kind of work you do, but whatever your process, it ought to answer three fundamental questions. First, what's the quality of the opportunity? Two, what's the likelihood that we can win it? And three what's the likelihood of our ability to successfully deliver it. So, let's quickly take these one by one.

The quality of the opportunity addresses things like the client. Do they fit our ideal client profile that we talked about in early game? The size and profit potential for the opportunity, do they meet our criteria, whatever they may be? What's the likelihood of it going forward? What has to happen for this deal to be real? Is it funded? Are there zoning or political issues still in play that may prevent it from going forward? How's it being procured? Is it a wide open bid list or is it going to be a select competition based on qualifications? Is there any ability to negotiate the deal? Do we know the budget and the schedule, and do we really think they're realistic? Do we understand the level of design and construction risk that we might be asked to take in this opportunity?

Can we win it? Well, this question forces us to think about critical issues like the competition, how well we know them. Do we have a good win strategy? How are we going to differentiate ourselves? What's our position with the designer or some of the key decision makers? How does our team stack up against the competition? Do we have the right subs and other partners in the supply chain that are going to allow us to win and be successful?

And then lastly, can we deliver it? This isn't just about technical delivery, but it's also about delivering it in a way that's going to allow us to achieve our financial results. It asks questions like whether we clearly understand the delivery method. Do we have relevant experience with this project type and the critical systems or components of this project? Do we know the local market, things like local labor, local subcontractors, codes, the local inspectors? Can we manage the design risk that is inherent in the project? Again, we're going to ask if we have the right subcontractor partners to execute, not just

to win and are the contract terms acceptable and aligned with the risks? And lastly, are we absolutely certain that we have entitlement to payment for any work that we perform?

Now, some of these might require some assumptions, but if you're guessing in a lot of these, it may be an indication that there's more risk in this deal than you should take. And one of the biggest risks is that by the time you are ready to submit the bid and know the rest of the answers to these questions, you become so committed that withdrawing becomes a really bad option. Doing go-no-go in middle game not only ensures that you're focusing on only the best opportunities, but it also enables you to avoid the pitfall of getting invested in a bad deal, and then damaging the business when you have to make the late decision to pull out.

Finally, while doing all this in middle game is smart practice, it doesn't mean you shouldn't review the opportunity before final submission. You absolutely should. You want to make sure that all those assumptions were accurate, that the deal hasn't changed, the funding is still available to be ensured that you're going to get paid. And the final contract terms are acceptable to you.

Remember, this is a process that ought to be tailored for your specific business, but you really should have one. If your organization doesn't experience a little pain in determining what opportunities to pursue, you'll end up pursuing more than you need to. Your hit rates are going to suffer, but most importantly, you'll waste valuable resources and run the risk of ending up with some bad deals. Create a little bit of pain front, and you'll be rewarded on the back end with higher hit rates and work that's aligned with who you are and will make you more money.

Thanks for tuning in this morning. As always, we appreciate your feedback. Please leave any thoughts that you have in the comment box below. Have a great week.