



Gate Decisions

A Comprehensive Guide



What are Gate Decisions?

Gate decisions or Bid decisions are used for making effective decisions regarding a business.

Gate decisions help in having a stronger focus on opportunities with a higher win probability.

It helps to critically evaluate each opportunity.

Concepts that drive a successful gate-decision processes:



Gate decisions are critical for successful business development (BD) and revenue generation.

Each opportunity is analyzed based on customer needs, company solutions and competition.

Gate decisions have a regular schedule on the organizational calendar.

Concepts that drive a successful gate-decision processes:



A 'bid board' or 'business acquisition panel' is established to evaluate the value and risk of the bid.

This team has direct responsibility for business-acquisition-decision success.

All decisions are evaluated based on the success rate and the resources needed.



1. Make a series of gate decisions

Gate decisions must be organized to achieve organizational objectives with relation to cost, success rate and competition.

They are normally organized around certain milestones related to business opportunities.



1. Make a series of gate decisions

Use the **Opportunity Qualification Decision** to confirm whether the opportunity merits expending resources for research and assessment.

Use the **Pursuit Decision** to determine whether to commit resources to developing opportunity plans and influencing the customer to prefer your solution.



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Use the **Bid/No-bid Decision** to determine if you have positioned yourself favorably enough to justify planning to develop a proposal.

Use the **Bid Validation Decision** to determine whether the opportunity is still worth pursuing and the proposal worth preparing, considering the final details in the RFP.



1. Make a series of gate decisions

Use **Final Review** to determine whether to submit the proposal prepared, considering the anticipated financial reward and level of risk.

Each of these assessments are based on crucial questions that determine the effectiveness of a decision.



2. Standardize company templates and schedules

Standardized templates and schedules promote effective decision-making.

Meeting dates are known, expectations are set, and information to be presented for the decision is defined and understood.

Templates for the reviews are generally created in presentation or word processing software .



2. Standardize company templates and schedules

Gate decisions are generally scheduled for a consistent day, time, and location and can be based on an opportunity-driven schedule.

3. Set expectations for information maturation across the gate decision cycle



Effective gate-decision processes acknowledge that with the right actions taken by the opportunity team, information quality on an opportunity increases over time.

Organizations must set reasonable expectations for information quality and maturity at various gate decisions.

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3. Set expectations for information maturation across the gate decision cycle



These expectations must be understood by presenters and reviewers.

Information for gate decisions should be collected continuously throughout the bid process.



4. Determine bid and proposal investment

Pursuing and winning business is not cheap.

Cost should always be determined based on what it will cost to win, not what it will cost to bid.

Cost should include labor, other direct costs, travel, and incidentals required to develop and submit a winning bid.



5. Establish company-appropriate decision criteria

Develop a first-order decision criteria to enable the rapid elimination of opportunities that do not contribute to the organization's objectives.



5. Establish company-appropriate decision criteria

Examples of these first-order metrics include:

Revenue

Strategic fit

Cost to win

Resources to win

Customer knowledge

Opportunity knowledge and funding

Company capability

Company experience/past performance

Growth potential

Time to solicitation/tender release

Probability of win

Probability of customer proceeding to award



6. Determine probability of win and probability of go

Probability of win and probability of go are broad-based calculations of an organization's likelihood of winning an opportunity.

Probability of win has a broad set of parameters used to develop a calculation based on customer perception of the bidding organization.



6. Determine probability of win and probability of go

Probability of go represents the likelihood the customer will actually proceed with a funded program upon making an award decision.

These calculations are intended to provide a first-order understanding of opportunity difficulty and value when it comes to winning.



7. Understand who is responsible for gate decisions

Leadership and presentation roles change at gate decisions as the opportunity progresses.

The opportunity team ultimately maintains responsibility, but at opportunity qualification, is based on the functional area.

For the pursuit, the assigned Opportunity Manager assumes the lead and generally maintains it through the final review.



8. Follow up on action items related to gate decisions

Successful gate decisions depend on recording and following up on action items that fall out of gate-decision reviews.

Opportunities receiving a “proceed” decision at the gate must be clearly defined, assigned, scheduled for completion, and resourced.



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Baachu

Sussex Innovation, No.1 Croydon, 12-16 Addiscombe Rd, Croydon CR0 0XT

www.baachuscribble.com

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07718193599



baskar@baachu.com



www.baachu.com



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