

# AWARD FEE™

## MAXIMIZE PROFITS – ENHANCE PROGRAM PERFORMANCE

### THE AWARD FEE CHALLENGE

Program teams find themselves faced with a number of challenges that hinder their ability to maximize award fee potential and the program's profitability including:

- Lack of bandwidth (time, resources, and/or experience) to focus attention on award fee criteria
- Organizations structured to manage program performance, not award fee criteria
- Award fee strategies commonly limited to the current period, rather than the long-term
- Increased external pressures to improve program performance resulting in reduced awarded profits
- More complicated contract types, combining award fees with other incentive provisions

### AWARD FEE™ BENEFITS:

- Increase customer satisfaction
- Minimize impact to the organization
- Increase profitability for the life of the program
- Positively affect the ability to win future business

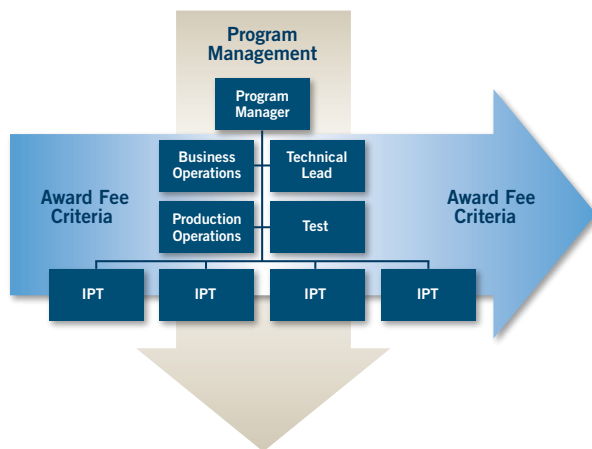
### OUR SOLUTION

The SM&A AWARD FEE™ solution helps clients to manage the program's award fee process and maximize award fee potential for the life of the program. AWARD FEE™ is a systems engineering-based solution and is applied by SM&A's most experienced Program Managers, who have more than 25 years of experience in managing government programs, both inside the government and within the Aerospace and Defense industry.

Our process includes the following features:

- Assesses the client's current award fee environment
- Develop a solid, long-term award fee management strategy to maximize profits for the life of the program
- Recommend key actions for success to improve the client's award fee potential
- Provide guidance to help improve communication and rapport between the customer and client
- Guide period ending self-assessments
- Advise the client on how to maximize the profit potential across disparate contract types
- Provide the "honest broker" approach to identify strengths and weaknesses and recommend solutions for improved award fee management

### Program Management vs. Award Fee Criteria



Award fee criteria cuts across the program organization in ways that are not directly correlated to program management.

# Why Partner With SM&A?

AWARDFEE™

## HISTORY OF WINNING SOLUTIONS

For 25 years, SM&A has helped clients to win with our systems engineering based solutions. We have provided leadership and support on over 150 high profile programs, with results from an independently audited survey that confirm SM&A has a 93% client satisfaction rate. We leverage the same systems engineering processes that we have used to win over \$200 billion in competitive proposals and apply them to our AWARDFEE™ solution.

## EXPERT GUIDANCE TO SUPPLEMENT WORKFORCE

Our Associates have the right combination of knowledge, skills and experience to help your organization effectively develop and implement a successful award fee program

A typical SM&A AWARDFEE™ Associate's experience includes:

- As many as 35 years of business experience and/or 25 years of experience within the government
- Masters or Doctorate level business degrees
- Certified top-level government program management
- Program Managers and/or former Fee Determining Officials

## ROI INCLUDES PROFIT AND VALUE ADDED BENEFITS

Our costs typically represent a very small expenditure in the life of a major program. The return on investment experienced by a program may include other qualitative value added benefits, in addition to a huge profit.

- A small increase in award fee scores can result in significant gain
- The political implications of higher scores can be significant in government funding decisions
- The cost of our solution is reimbursable under most Cost Plus Award Fee programs/contracts as a program management improvement initiative
- We take workload off your management team and eliminate the need to hire a full time employee or burden an overworked staff with these additional responsibilities

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SM&A is an industry leader in providing the strategic insight and business intelligence to position you to PURSUE the right business opportunities; 26 years of proven success in capture and proposal management to help you WIN new business; and fully integrated program services that enable you to PERFORM successfully from opportunity identification through execution.



## CASE STUDY

### Helping Clients to Achieve Higher Award Fee Scores

SM&A was hired by a leading A&D company to support its multi-billion dollar program with award fee management. Prior to partnering with SM&A, the program saw declining award fees and received criticism from the customer that their Self-Assessment presentation was not a balanced approach. With the help of SM&A, the client energized a "strike team" to address the technical issues. The strike team solved the technical issues more quickly than originally planned. Concurrently, SM&A worked with the client to develop a more balanced self-assessment approach that reported the positive and negative aspects against the award fee criteria and presented a plan to resolve open issues. The client's credibility with the customer was re-established and over the subsequent four periods, award fee scores increased 85%-93%.



Even a small increase in award fee can be worth millions in profitability over the life of the program.

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