



# Successful Selling to the Government

JANUARY 2006

SENECA CREEK CONSULTING, LLC. COPYRIGHT 2006

VOLUME 2 NUMBER 1

## Myths About Selling to the Federal Government

By Tom Basile, *Seneca Creek Consulting*

### ***Myth: The Government is a closed market.***

This could not be further from the truth. The federal government is one of the most open markets anywhere. There are a few exceptions, however, such as the intelligence community and selected Department of Defense agencies. These Agencies require a different commitment and strategy which we will address in future articles. However the mainstream Department of Defense and Civilian agencies are wide open to any committed solution provider.

Information is readily available on the web and through a number of independent research services as well as from government dedicated press publications. All you need is time and patience. Some of the types of information readily available include:

- Budgets
- Strategic and IT Plans
- Performance goals
- Organization charts
- Phone lists
- Acquisition announcements (like FedBizOps and Navy NECO)
- Government Accounting Office (GAO) reports on agency weaknesses

With a little digging you will be surprised just how much you can learn about a particular agency just by visiting their web site. Further, by investing in an independent research service you will have access to major procurement activity and G2 to put you one step ahead of your competitors.

Without real intelligence in hand, your efforts will, in all likelihood, be wasted. You need to understand the Agency, its mission, specific funded programs, and major points of contact within the targeted program. Anything short of this intelligence puts a firm out of the running to do business in most Federal Government Programs.

Whether you acquire this information yourself or contract with an independent firm to do this essential legwork is your choice. You cannot, however, dispense with the need to gain this market knowledge.

Do your homework before committing your sales dollars. Research where you need to be and why, and then develop your plan of attack. Your sales dollars will go a lot further if you follow this simple prescription.

## **The GSA Corner: GSA Oversight on the Rise**

By Deborah Wolland, *The JDS Marketing Group*

### **Annual Certifications**

In light of oversight on Trade Agreements Act compliance and the increase in post award audits, I have recommended to my clients that they begin a proactive approach with their manufacturers/suppliers on a yearly basis. The process is as follows:

- Draft a letter to your manufacturers requesting current production point information for each line item on your Schedule.
- Ensure that each production point is compliant with the current Trade Agreements Act.
- Immediately remove any non compliant products from Schedule and GSA Advantage!
- Request updated commercial sales practices charts from each manufacturer. Have them carefully document any changes, to include rebates, deal registration and/or concessions.
- If necessary, disclose changes to GSA to ensure that the most recent practices are on file. It may be necessary to renegotiate pricing with the Government.

If you manufacture your own products, ensure that the point of production is indeed as stated on your contract. It may be necessary to involve legal counsel if components are produced in a non compliant country and you are relying on the "manufacture rule."

In addition to these important Schedule compliance issues, ensure that your listings in CCR and the new Online Reps and Certs site are current.

## **Government Wide Acquisition Contracts – What are they and why would you want one?**

By Peter Adler, *Seneca Creek Consulting*

GWACs have become commonplace vehicles for Federal Government clients purchasing a vast array of products and services. In fact, such vehicles account for more than 50% of the money spent on IT-related solutions.

GWACS most often possess several inherent advantages. Among them:

- Vehicles are often mandatory for users in the sponsoring Agency. If you are not on the GWAC, you have no opportunity to bid on the requirement.
- Competition is limited solely to prime contract awardees thereby reducing greatly the number of competitors when compared with Open Market RFPs.
- Major terms and conditions are pre-negotiated as part of the prime contract awards.
- Awards tend to be long term. Typically, 5 or more years before requirements are re-competed.
- GWACs can serve as a convenient procurement means for your Government customers even when they are not part of the sponsoring Agency; hence the

term "Government-Wide."

As with any process, there is a down-side to such acquisition vehicles. An enterprise must be completely candid with itself to determine if a particular GWAC, or even GWACs in general, serve their mission well. Considerations to be weighed:

- There is generally a long timeline from start to finish in planning, issuing, and awarding many of these types of contracts due to their size and complexity.
- An enterprise must possess a niche solution so that they may be distinguished from the many other awardees and their teaming partners.
- If not the Prime Contractor, a team member must have assurances in their Teaming Agreement that the Prime will make available all Delivery or Task orders that are generated under the GWAC.
- The GWAC is the proverbial "hunting license." You must go out and genuinely market and sell to the end user. There are few, if any, bluebirds in this arena. Virtually all Task orders will be pre-sold by the time they are actually released.
- You will invariably be faced with price competition from among the other Prime Contractors pursuing the same Task Order as you are.

GWACs, because of their dominance, cannot be ignored. If your service or product offering addresses a specific problem in a target agency, not having a GWAC or being on a team may lock you out of marketing to that agency. However, as with any investment, you must determine realistically the possible return on investment for the effort required to pursue, bid, manage, market, and sell to eventually capture sales revenue.

## **Inside the Intel Community**

By George Comnenoi and Duane Love, *Seneca Creek Consulting*

The Intelligence Community officially includes the CIA, National Security Agency (NSA), Defense Intelligence Agency (DIA), National Geospatial-Intelligence Agency (NGA), National Reconnaissance Office (NRO), and/or counter-intelligence elements of the FBI, Coast Guard, and Departments of Energy, Homeland Security, and State. Many companies want to do business with these Agencies. Yet, many of these companies do not know the Step-by-Step Process.

Before a Company can get started, a Company must do the following to establish technical capabilities:

- Attend small business briefings
- Register with NSA's Acquisition Resource Center (ARC)
- Attend Intelligence Community Outreach Events (like Technical Expos etc.)

After the completion of the above, a Company can now start the Step-by Step Process as follows:

1. Conduct capability briefings with Technical Directors in an effort to show your Technical Recommendation
2. Technical Recommendation is submitted to Small Business Office for sponsorship in program by recommending office
3. The Counterintelligence Assessment Form (SF328) will be issued after company Technical Recommendation has been approved. This Form must be returned to the Industry Outreach Office before a Memo of Understanding (MOU) signing will be scheduled
4. The MOU scheduled is based on a favorable assessment of completing form SF328. This provides a formal sponsorship for your technical recommendation
5. Now Industrial Security makes a determination based on results of CI

Assessment. Industrial Security will determine if Company is eligible to submit individuals for sensitive compartmented information (SCI) access.

The next steps will be outlined in next month's Seneca Creek Consulting newsletter. One must remember that in order to succeed, one must use their personal relationships that have been established over a long period through a great number of face to face meetings.

## **Procurement Spotlight**

### **SBA increased dollar-based size standards to keep up with inflation**

By Warren Corbett, *Set-Aside Alert*

Copyright 2005 by Set-Aside Alert/Business Research Services Inc.

For the second time in four years, SBA has increased dollar-based size standards to keep up with inflation.

Under an interim rule issued Dec. 6, all size standards currently set at \$6 million will go up to \$6.5 million. Other standards will increase by \$1 million to \$2.5 million. Size standards measured by employment, such as most manufacturing categories, are not affected.

SBA estimated that about 11,600 businesses will become eligible for federal small business programs as a result of the changes. The new standards were effective Dec. 6 for loan programs and will take effect Jan. 5 for federal procurements.

The agency estimated that up to \$400 million in federal contracts could be awarded to firms that will gain small-business status under the rule.

SBA said the increases reflect an 8.7% growth in the urban consumer price index since its last adjustment in February 2002.

The largest percentage increase goes to industries with a size standard of \$2 million, such as real estate agents, which increases to \$2.5 million. That standard was not changed in the last inflation adjustment.

SBA said it continues to work on a comprehensive revision of all its size standards. The agency withdrew a 2004 proposal to base most standards on the number of employees rather than receipts, and then asked for comments on the issue in December 2004. SBA said it cannot predict when its review will be finished.

Administrator Hector Barreto said, "We decided to make these changes immediately, rather than wait, because of the pressing needs that so many small businesses have in the Gulf Coast and in Florida from the recent destructive hurricanes."

The interim rule is RIN 3245-AF41.

## **Planning Your Brand Presence** (Corporate Strategy)

By Albert Pines, *Seneca Creek Consulting*

[This is a shortened version of our article on Planning. You can see the entire article at the Seneca Creek website.]

In our last article we discussed the importance of establishing a brand presence and described this as an umbrella activity that is integrally linked to the entire selling process, which we described as a life-cycle model having 5 major phases:



Today we want to talk about the first phase – the development of a corporate strategy. Now strategy is nothing new. In fact the development of winning strategies has been regarded as critical in sports, warfare, and politics since the earliest days of organized society. With such a long history can we assume that strategy has attained its rightful place as a critical part of ‘winning’?

Unfortunately there are strong indicators that very few companies have a well thought out, cohesive strategy that is integrated into the execution of their business. Our own research using our Directional Consensus Analysis with over 100 companies shows fewer than 2% receive a satisfactory score. This is not to say that companies do not have a written document called the strategic plan. The real turning point rests with the phrase “integrated into the execution of their business.” This is where even the firms that have taken the time to develop their plans fall down.

And, one might want to consider that what is good for the goose is good for the gander. Today, government is embracing performance management concepts which, through the GPRA legislation of 1993 and the Presidents Management Agenda of 2002 have resulted in **every federal agency** adopting a technique known as Balanced Scorecards. Here is a statement from the web page of the Balanced Scorecard Collaborative (the firm formed by the Scorecard’s developers): “While most organizations don't know how to describe, manage, or execute their strategies successfully, Balanced Scorecard users beat the odds by successfully executing their strategies and achieving breakthrough performance results.

To sustain those results, however, requires making strategy execution a core competency within their organizations.” They call companies using the scorecard approach as SFO’s – Strategy Focused Organizations. Now, if the customer you want to chase (a federal agency, in fact every federal agency) thinks of itself as an SFO can you possibly see that having a good strategic plan of your own might fit nicely into your efforts to establish your brand and successfully build up your customers confidence in your firm.

We are not saying that you should be adopting the Balanced Scorecard approach but we are saying that you need to be doing something, if not to make your customer happy than how about for the simple fact that some of those ‘results’ you will achieve are likely to make you happy. So, a few things to think about:

**Core Competency:** You may want to do a number of things, and some diversity is a good thing, but you will want to have something you really shine at and everyone in your organization needs to know clearly what this is. And, while it is not always possible, a core competency works best when it is something that everyone in the company can contribute to.

**Smart Mission:** A smart mission is one that outlines to everyone in the company how you intend to run the business. It clearly states what is important in terms of the ‘character’ of your business and sets the foundation upon which to develop specific goals to be achieved. Smart Missions are usually broken down into Mission Elements that cover the significant areas that every company needs to pay attention to in order to be successful.

Once you have developed your Mission Elements you need to begin the process of defining specific goals so you can measure your progress in executing your mission. Goals should be specific to Mission Elements so that the relationship between the actions taken and the mission remain clear. This helps to keep your Strategy Map (a Balanced Scorecard concept) clean and simple. However, you are not done. Now for each of the Goals you need to answer another set of questions: What, When, How, and How Well?

The answers to these questions need to link your goals to your processes, objectives, business metrics, and reward system.

With a well thought out and structured strategy in place you now need to think about how you are going to use it. By linking mission with goals – objectives – and processes you will have created a clear road map for your entire organization. In addition, by having it be the focal point for your management metrics and reward system it will become an integral part of your operational experience.

Now all of this does not just fall out of the sky, but you knew that did not you. It takes commitment, research, creativity, and teamwork. And, it is the first essential step to creating your brand and driving the focus that will propel the life-cycle selling model that will build your revenue and your success.

## Partner Corner

*Seneca Creek Consulting* is proud to be associated with some of the industry's leading providers of specialized services targeted to companies interested in expanding their government business. Mention Seneca Creek Consulting and receive a special discount!

**Federal Sources, Inc. (FSI)** - FSI invests in the success of our clients, partnering to strengthen and support their business development, marketing, and sales initiatives. As a community of industry thought leaders, we cultivate a team environment focused on providing clients unique insights and actionable guidance needed to stay ahead in this challenging and ever-changing market. For more information contact Joe Caggiano at [www.jcaggiano@fedsources.com](mailto:www.jcaggiano@fedsources.com). For more information go to [www.fedsources.com](http://www.fedsources.com).

**The JDS Marketing Group, Ltd.** - Offering premiere GSA Schedule Negotiation and Marketing Consulting Services to the Federal Government contracting community for over 15 years. Contact Debbie Wolland at 703-502-1500 or email at: [dwolland@jdsmarketing.com](mailto:dwolland@jdsmarketing.com). For more information go to [www.jdsmarketing.com](http://www.jdsmarketing.com).

**Set-Aside Alert** - the premier federal government contract information service written especially for small, minority, and women-owned businesses. Includes daily e-mail of contracting and teaming opportunities and a biweekly newsletter with the latest news, insider tips, and proven strategies used by successful small businesses. Contact Warren Corbett 301-229-5561, or email [wpcorbett@setasidealert.com](mailto:wpcorbett@setasidealert.com). For more information go to [www.setasidealert.com](http://www.setasidealert.com).

**Carroll Publishing** - America's largest database of government decision makers. Carroll is the exclusive provider of organization charts of the federal government and DoD. With 320,000 government contacts, and 800 organization charts, Carroll helps you find your key government decision maker quickly Contact Gordon Peil at 703-757-8228, or by fax at 703-759-6383 or [gpeil@carrollpub.com](mailto:gpeil@carrollpub.com). For more information go to [www.carrollpub.com](http://www.carrollpub.com).

**INPUT** - Offers products and services addressing the needs of both buyers and sellers in the government marketplace. Technology vendors, government organizations and higher education institutions, all of our clients benefit from our dedication to providing high-quality research, objective analysis and unparalleled coverage and identification of upcoming and active government contract and grant funding opportunities. For more information contact Kevin Plexico, at 703-707-3500 or email at: [kplexico@input.com](mailto:kplexico@input.com).

## Subscription

If you would like to receive a **FREE**, monthly subscription to "Successful Selling to the Government", please visit our web page at:

[www.SenecaCreekConsulting.com/newsletter](http://www.SenecaCreekConsulting.com/newsletter)

Seneca Creek Consulting, LLC, offers experienced direction and sales support to companies desiring to enter or expand business in the Government market. We

provide a full compliment of services including sales outsourcing; business development; marketing; part-time sales executive program, proposal management and customized federal sales training.

For more information contact us at 301-947-0652

Or visit us on the web at:

[www.SenecaCreekConsulting.com](http://www.SenecaCreekConsulting.com)

To unsubscribe contact [padler@senecacreekconsulting.com](mailto:padler@senecacreekconsulting.com)

Copyright 2006

Seneca Creek Consulting, LLC

16013 Copen Meadow Drive. Suite 200. Gaithersburg, MD 20878

[www.SenecaCreekConsulting.com](http://www.SenecaCreekConsulting.com)