Successful Selling to the Government

NOVEMBER 2005 SENECA CREEK CONSULTING, LLC. COPYRIGHT 2005 VOLUME 1 NUMBER 5

Myths About Selling to the Federal Government

By Tom Basile, *Seneca Creek Consulting*

Myth: All we need is a GSA Schedule and the phone should start Ringing!

Wrong assumption. The GSA Schedule or any other multiple award contracts are only an invitation to enter the race. The government will not call you. You must make the investment to market your services and products. Having a schedule makes it easier for the customer to buy. However, just because you have a schedule contract does not eliminate competition. Under most circumstances, contracting officers are required to solicit a minimum of three bids for all purchases over $2,500.

However, the larger question one should consider is whether the investment in obtaining a GSA Schedule is right for your company. Although the investment to make a qualified submission is low (depending on your size) there are certain considerations that need to be taken into account. For example, holding a GSA Schedule requires that you establish standard pricing practices. In addition, you are required to provide in-depth historical price and discounting data. Companies that are used to dealing strictly in the commercial world may find some constraints too demanding, limiting, or onerous.

For some companies, perhaps an alternative contracting strategy may be in order. One strategy is to have another company hold your GSA Schedule, if your solution is comprised primarily of product offerings. The benefits are that the 3rd party provides for all administration and payment of the GSA fee for purchases made from Schedule; updates the Schedule as new offerings become available; and, keeps you up-to-date on any changes that may affect your Schedule offerings.

Another strategy to consider may be to bid as a prime or subcontractor on selected Government Wide Acquisition Contracts (GWACs). GWACs typically do not carry some of the strict price control guidelines and reporting requirements as the GSA Schedule but offer a contracting vehicle accessible by multiple agencies. A third option may be to pursue a subcontract relationship with companies that are prime contract holders in the target agencies that your services and products have the best fit.

Before deciding on a contracting strategy, step back a moment and do a self assessment. Define what you are selling and determine if there is in fact, demand for this service or product in the federal market. Are you solving a specific problem? If the answer is yes, then decide how you will differentiate your company from the rest of the competition.

The federal government is large. Each agency is unique in the way they do business. Determine which agencies are the best targets for your solution and begin positioning your company for upcoming procurements where you bring value. Identify which companies are currently doing business within your target agencies and assess the viability of teaming.

Once you have determined the buying habits and preferences of your target agencies now you are ready to consider contracting strategies. Perhaps one of your target agencies has a multiple award contract in place and prefers this method over using the GSA Schedule. If this is the case, then a strategy might be to get on an existing prime contractor's team. Of course, you will need to have a compelling story for a prime contractor to bring you on their team and more so if the contract is in the post award stage.

Remember, agency's are mandated to meet small business set aside goals (see the January 2005 Newsletter). More and more small business buys are being set aside for sub-categories like small business service disabled veteran owned or minority owned companies. If you are a small business but do not fit into one of these categories, consider developing a relationship with a quality company that does.

In summary, the goal is to obtain well-defined answers to some of the fundamental questions about your solutions' fit and focus before you decide on a contracting strategy.

The GSA Corner: GSA Oversight on the Rise

By Deborah Wolland, *The JDS Marketing Group*

With the success of the Schedule program comes a price. GSA anticipates an increase in post award audits as a direct result of the July Congressional recommendation that the Agency resume these audits as a means to correct defective pricing data.

GSA discontinued post award audits in 1997, just when the program began to build. Speculators say it was the result of industry pressure related to the disruptiveness of the audits. The Department of Veterans Affairs maintains its' audit program and has found over $300M in the past 12 years due the Government.

Last February's GAO report has also contributed to the new look at post award audits. This report stated that contract pricing continues to be an issue in GSA's MAS program.

Current contractors are seeing a rise in the number of pre extension audits as well. Contracts are randomly chosen from those due for a 5 year period of performance extension. Commercial sales practices and all pricing data are audited and recommendations made to the Contracting Officer prior to approval of the next option period.

Additionally, Administrative Contracting Officer's in the field are scanning the Schedules for contractors who have reported little or no sales in the past 10 quarters. **These contracts are being cancelled for lack of use.**

Conclusion – maintain the minimum $25k in sales and ensure contract pricing compliance.

Back to Basics: Creating Interest when Prospecting

By Peter Adler, *Seneca Creek Consulting*

For those of us engaged in Government sales, we oftentimes must approach a prospective client without the benefit of a "bow wave." A bow wave in this context is any action on the part of your enterprise that leads the way into a prospect's mind by delivering marketing messages via a wide variety of means. This can be telemarketing; print or internet advertising; trade show representation; and major mail campaigns, among others.

Many of the commercial providers of solutions to government do not have the resources essential for creating this bow wave. So, in the absence of this powerful asset, what are we to do when making initial contact with a prospective client? The answer is that we do not depend upon the brand equity of major Fortune 1000 concerns that permit instant recognition among Government buyers. Rather, we must depend upon detailed knowledge of an area of topical interest to the buyer.

A hypothetical example of such an opening is when addressing a manager within a Program Office may be: "I understand that when submitting requirements to your Acquisition Office, it is now imperative that you can demonstrate that all your requested needs must comply with the most recent FISMA standards. We provide a software solution that addresses specifically this need and guides you through the compliance process and provides the citations from within the standards that will now be included with your requirements submission."

The issue is obvious. If the problem is real, it is not of major concern initially where you hail from. Rather the interest is peaked by your knowledge of the prospect's needs and timing. Ultimately, you will have to offer proof statements to substantiate your claims. However, there is no opportunity to provide this until you have the buyer's interest. If you are from major systems integration or other large commercial organization, the marketing that precedes your call is oftentimes sufficient to engage the client.

This is not normally true when you phone a Government facility and introduce yourself as a member of a virtually unknown organization. The buyer's first thought is: "Who is this?" Not, "does he understand my operation and my needs"? Therefore, if your organization is absent this "bow wave," it is imperative that you immediately go to the heart of the problem. Failure to do this, will often lead to a rejected phone call or, at best, a perfunctory conversation that does nothing to move you toward your goal of a meeting and further discussion of the applicability of your solutions.

Information on specific activities within the Government, even at the Program level, are available readily from literally scores of sources such as Government Computer News, Federal Computer Week, National Journal, daily news articles on internet sites, along with dozens of other information assets that are available for the "looking."

Therefore, until your enterprise chooses to establish its own "bow wave" to clear a path for your sales entrance, you must apply the techniques that have repeatedly proven successful. Use all available intelligence to provide a sales entrance tool that allows you to connect to your targeted Agencies and Programs.

Winning Proposals: Making your Technical Proposal a Selling Document

By Joe Nocerino, *Seneca Creek Consulting*

Most people, regardless of their years in the business, confuse marketing with selling. In the competitive proposal arena, marketing is every activity that leads up to the release of a proposal solicitation. The proposal preparation is where selling happens. To win, a proposal must sell both in content and format. In many cases form and format can be equally or more important than content.

Putting together a compliant technical proposal, i.e., one that meets all procurement requirements, is a minimal starting point for winning. It just levels the playing field. Proposed innovative solutions, as part of meeting requirements, is also a prerequisite to being a contender, but not sufficient. To win, your proposal must also sell your message. What follows are tips for selling your message.

A winning proposal must answer the question, "of what benefit is your innovative solution to the procuring agency; how does it meet the requirements; and why is it better than a competitor's solution"?

A winning proposal begins with the cover and extends all the way to the last appendix. The cover is the beginning of your executive summary. You must grab the evaluator as soon as the document is picked up, and maintain that hold, until the reading is completed.

We sometimes forget that evaluators are people just like you and I. They want to quickly get through the proposal and feel confident about their appraisal. Making a proposal an easy read goes a long way to winning. This includes a detailed table of contents and a complete compliance matrix. In addition, sentence and paragraphs should be concise, as short as possible, flow logically and be augmented by graphics (e.g., pictures, flow charts, diagrams).

Besides an overall executive summary, each major section should also have its own executive summary, complete with a major theme, graphics, and captions, integrated with content that together encapsulates and sells the more detailed content to follow. It should boldly draw in your evaluator, motivating him or her, to continue reading.

Extensive use of references and pointers are powerful ways to minimize redundancy and pull into the proposal text, appendix details, previously presented graphics, related details in other sections and plans, not required, not submitted and available for review.

These are just a few technical proposal tips for winning. Future articles will address other proposal form and format tips, including how to make your cost/price proposal a winning document.

Inside the Intel Community

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

Given the fact that the current Administration has dramatically altered the organization of the intelligence community, we believe a background brief may serve well those organizations selling into this arena.

The recently appointed Director of National Intelligence (DNI) has three distinct management responsibilities for resource management and policy. First, the DNI evaluates the Intelligence community's outputs. This requires a system for evaluating collection and responsiveness to national intelligence requirements. Second, the DNI supervises the Intelligence Community's programming and budgeting and decides the allocation of funds and personnel. Third, the DNI makes policies applicable to the entire Intelligence Community.

The Community Management Staff (CMS) assists the DNI in executing the above responsibilities. This CMS is not a parliament made up of Intelligence Community Staff, but is made up of personnel sent by various organizations to serve on this staff and they are expected to prevent the DNI from getting involved in detail with their effective business.

The CMS is truly a staff organization. It identifies and analyzes problems, develops solutions, and presents its findings to the DNI. Decisions rest with the DNI, and take on the power of DNI directive authority.

The DNI's responsibilities to evaluate outputs, manage inputs, and make policy must be understood in the interdepartmental and organizational context of the Intelligence Community. The DNI does not have authority to override or interfere with management and command within the Defense Department, the military services, or other agencies with complex and deeply embedded intelligence structures.

The nature of the Intelligence Community makes tensions unavoidable between the DNI on one hand, with DNI's' responsibilities for management and particularly for direction, and the managers and commanders of various departments on the other. Such tensions, however, are kept in track since the DNI is not too literal about "direction" below the upper levels of the Intelligence Community.

Procurement Spotlight

SBA Seeks Contractor to Study Women's Set-Aside

By Warren Corbett, *Set-Aside Alert*

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SBA issued an RFP Oct. 14 for a study to determine which industries will be eligible for the women's set-aside program authorized by Congress five years ago, but implementation of the program is still many months away.

Proposals are due Nov. 29. SBA says the winning contractor will have six to nine months after the contract is awarded to complete the study. After analyzing the study, the agency will issue proposed rules and receive public comments before the set-aside program is open for business.

The statement of work for the study generally follows recommendations of the National Academy of Sciences' Committee on National Statistics. The committee found SBA's previous study of women in federal contracting to be flawed and called for a new one. *(SAA, 3/18)*

The law requires SBA to determine those industries in which woman-owned businesses are "underrepresented" or "substantially underrepresented" in federal contracting. In underrepresented industries, set-asides will be available to small businesses owned by disadvantaged women; in industries found to be substantially underrepresented, all woman-owned small businesses will be eligible for set-asides.

SBA officials have said the agency's previous study was rejected by the Justice Department because it did not prove discrimination against woman-owned businesses, and therefore might not stand up to a court challenge under Supreme Court decisions on affirmative action.

In its report the Committee on National Statistics said proving discrimination would be "a challenging undertaking" that would require long-term research. SBA's statement of work does not address the issue of proving discrimination. Critics, including some businesswomen's organizations and Democratic members of Congress, have accused SBA of deliberately delaying the program, a charge agency officials have denied.

In response to a lawsuit by the U.S. Women's Chamber of Commerce, a federal judge in

Washington has ordered SBA to report to him this fall on its progress toward implementing the set-aside program. *(SAA, 10/7)*

Marketing Trends: Are You a Brand?

By Al Pines, *Seneca Creek Consulting*

In almost every market segment companies are constantly battling with each other to establish their 'brand.' Why? There are a number of reasons but one of the key ones is that they know from extensive consumer research that brand recognition provides the buyer with a level of confidence in their buying decision, and confidence is a major factor in that decision process. While we all know that there are other companies that make Kleenex (oops – facial tissue) does anyone doubt that they are getting a good tissue when they buy Kleenex? Are you a little more comfortable buying a Dell or HP computer then one from Triple XXX Machines? We understand these questions when it comes to 'consumer' products but how does any of this relate to winning government business?

To answer this question, ask yourself some questions:

First: Are government program manager's consumers? Of course they are. When they are talking with you, when they are listening to you make a presentation, and when they are reading your proposals their "buying" emotions are the same as yours when you are out choosing your next car. They want to have confidence that you are a good choice, and part of building that confidence is to build your 'brand.'

Second: I know products are brands but do service based organizations have a 'brand'? Of course they do. CSC, IBM, EDS – these are not just service companies they are brands, and the old adage 'you can't go wrong buying blue' is all about a buyer being able to make a decision in which they have confidence.

Third: As a small company is this something that I need to worry about now? You bet it is. In fact, it is more important now because the lack of market presence makes you a 'confidence risk'.

OK, so what do I do to build my brand and raise the confidence level of my potential clients? The first step is to recognize that selling is something that is done by sales people, but 'sales' is something that is done by your entire company. It is a life-cycle process that everyone must be involved with; and it must be performed with a focused strategy, a high level of professionalism, and a clear message that is maintained throughout the process.

What are the stages of this life-cycle sales process?

- Planning (Corporate Strategy)
- Marketing
- Selling
- Proposing
- Delivering

In the following months we will talk about each of the stages of this life-cycle process and what it means to have a master plan on how your company will make all of the pieces fit together to create your 'brand.'

Partner Corner

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Seneca Creek Consulting, LLC

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

www.SenecaCreekConsulting.com