



Successful Selling to the Government

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Getting Your Proposal Started

by Albert Pines, Seneca Creek Consulting

A famous quote on writing: "The hard part is getting to the top of page 1." - Tom Stoppard

Most proposals turn out to be more difficult than they should be for two reasons:

1. The effort is not started early enough
2. People are too anxious to get to the writing

Everyone knows that once the RFP is out the proposal effort is going to be a race to the finish line, and it is not a long distance run, it is a sprint. So why do so many companies wait until the RFP is out to start the effort? A good racer spends time preparing for the event before the gun goes off. You can do the same with your proposals.

If you have tracked a program and spent time marketing the effort then there should be a good deal that you already know about what will be required in the RFP. It is also common for the government to publish draft RFP's which do not tend to change dramatically when issued as final.

With this information in hand you can, before the RFP comes out, begin to:

- gather resumes and place them in a common format
- gather data on the appropriate approach/solution you will propose (what we refer to as 'information chunks')
- develop win themes
- develop competitive ghosting concepts
- and develop competitive discriminators

All of these items will become useful as part of your proposal architecture, which needs to be put together and thoroughly detailed out before you start writing. This is the second big mistake that organizations make; they start to write too soon. The writing of the proposal will be much easier, and more effective, if it is guided by a well thought out and documented proposal architecture. While most organizations know they should take this step (every proposal training class, book, and consultant talks about it) rarely is it done well and often it is not done at all.

Just doing a decomposition of the RFP and creating an outline for the proposal does not constitute proposal architecture. Think about what an architect does when designing a building. They do not simply make up a list of what the building will contain and what materials will be used. They develop conceptual drawings and then detailed drawings to show exactly what the building will look like and how it will be built. Your proposal architecture needs to do the same thing.

News From Set-Aside Alert: GAO Faults Lax Management of Defense Contracts

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The Government Accountability Office warned that the Defense Department is not following "sound business arrangements" in awarding and managing many of its contracts.

In congressional testimony Sept. 7, the head of GAO, Comptroller General David Walker, said DOD is relying more and more on contractors, especially for services, but its overworked acquisition workforce often fails to monitor contractor performance.

"If appropriate monitoring is not being done, DOD is at risk for paying contractors more than the value of the services they performed," he told the House Appropriations Committee's Defense Subcommittee.

Walker said DOD procurement in 2005 totaled about \$270 billion, an 88% increase over fiscal 2000, but the size of its acquisition workforce has remained flat. GAO found that performance monitors were not appointed on many contracts, and some others were overseen by part-time monitors.

Kenneth Krieg, undersecretary of Defense for acquisition, technology and logistics, testified that creating a 21st-century acquisitions workforce was his number-one goal.

Walker also criticized DOD's heavy use of sole-source contracts. He said the Army relied on sole-source awards to hire security guards at 46 bases at a cost of \$495 million, but Army officials acknowledged those contracts cost 25% more than security contracts that were competed.

He repeated GAO's call for tighter restrictions on incentive awards to contractors. He said DOD paid \$8 billion in award fees, some of it on contracts that were behind schedule or over budget. He said the department should not give award fees to companies whose performance was graded only "satisfactory." DOD has previously rejected that recommendation. (SAA, 4/7)

GAO also found that DOD acquisition policies were not followed on many contracts, but officials who violated the policies were rarely held accountable.

Subcommittee Chairman C.W. "Bill" Young pointed out that DOD's own figures show the latest cost estimates for 25 of 85 major programs are 50% higher than the original estimates. "It appears that cost estimates for major programs are understated at the outset in order to get military service, (Office of the Secretary of Defense) and congressional buy-in," he said. "This is exacerbated by the tendency of the services to add new requirements during system development."

Selling to the Government; How do We Gain the Trust of the Government Buyer?

(This is the second in the series of articles addressing gaining the customer's confidence) by Peter Adler, Seneca Creek Consulting

It is common knowledge from Sales 101 that prospective buyers who do not trust us will go out of their way not to conduct business with us or the firms we represent.

So, how do we gain the trust of the buyer? The obvious answer is: to be truthful to a fault with the prospect. If this were the sole ingredient, then everyone would be in a trustworthy relationship. The answer is really quite more complex than this simple statement reveals.

Are we timely with the responses to information requested by the prospect? Do we demonstrate that we have a firm grasp of his/hers required solution. Do we understand the political and budget pressures that the buyer's may be under and the constraints that these positions may impose?

We need to be aware of the buyer's environment and his or her role in relationship to other parties that are part of the entire acquisition process. What is the established relationship with the Contracting Office, members of the Source Selection Board, and the Finance Office? These relationships have a direct bearing on the success of the acquisition. Any lack of confidence in you or your firm by any of these parties will surely result in a set-back for the buyer and his ability to conduct business with you.

So while most of our attention is focused on the buyer/end-user, we must be mindful that we have to be candid, consistent in our presentations and explanations, and responsive to the expressed needs of all of the "players" who are party to the acquisition process.

If any of the parties do not have trust in us, then we have failed to communicate and convey our message in the manner described in the preceding paragraphs. While these points may well be shop-worn bromides, they are nonetheless essential ingredients in gaining and maintaining the trust of the buyers.

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 you're 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're 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.

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