Business Development in Federal Government Contracting

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June 29, 2016

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A Seminar On

Federal Business Development – A Focus on Identifying and Developing Clients

June 29, 2016

Agenda

- General comments on Federal business development
- Performing business development research focused on client identification
- Meetings with agency staff
- Developing Federal clients
- Some do’s and don’ts

General Comments on Federal Business Development

General Comments on Federal Business Development

10 Things Small Businesses Should Do to Develop Federal Business

1. Know what you do well that the “Feds” buy and stick to your <u>sweet spot</u>
2. Develop, maintain, and grow a network of individuals who can provide <u>regular and useful information on Federal activities</u>
3. Identify 1 to 3 target agencies based on knowledge of <u>requirements and access</u>
4. Identify 1 to 3 large firms as primes in the Federal space that <u>you can work with and that will work with you</u>
5. Perform some <u>research</u> on your target agencies and firms
6. <u>Tailor</u> your correspondence, presentations, marketing approach, and collateral materials <u>to your audience, the situation, and the opportunity</u>
7. Identify and focus on business opportunities that are <u>real and winnable</u>
8. Conduct regular management reviews of your Federal BD activities to <u>track effectiveness and ROI</u>
9. Learn the <u>fundamentals</u> of good Federal proposal preparation and writing
10. Join a <u>relevant technical</u> association and be “active”

General Comments on Federal Business Development (Cont'd)

Basic Advice:

- Recognize there is **no easy way**
- **Narrow your focus,** start small, escalate slowly and deliberately
- Use **all possible contacts** – yours, your employees', your family's, and your friends' contacts
- **Focus on mid-level program staff and managers** and not senior decision makers or contract staff
- Once contact in an agency is established **always stay in touch**
- **Try small business offices** at least once
- **Be familiar** with target agency plans, and IG and GAO findings
- If you have no current Federal contacts then **allow 12 to 18 months** to build relationships that lead to business opportunities
- Don't worry about an **agency budget**
- **Ask for help**

General Comments on Federal Business Development (Cont'd)

Basic Advice (Cont'd):

1. Sequestration and general Federal belt tightening has reduced number of prime contracts, subcontracts, and overall value of contracts
   - Government wide the amount of dollars available for contracting has dropped
   - Trend toward using existing contract vehicles
   - Reduction in subcontracting opportunities – offset by departure of unsuccessful small businesses from Federal market
2. Low cost favored pricing method
   - Bigger disadvantage to incumbents than to new firms entering the agency
   - Some indications it is changing
3. Local small businesses with only private sector work should still consider the Federal Gov't
   - Plan carefully, do some research, and maintain a focus on your sweet spot
   - Start small and perform extremely well
   - Don't chase opportunities when there has been no KTR established

General Comments on Federal Business Development (Cont'd)

Small Purchase Order Contracts and Setasides

1. Terms:
   - Federal Acquisition Regulation (FAR): gov't procurement policies; not agency specific
   - Code of Federal Regulations (CFR): policies and regulations on 50 subject areas (e.g., energy, food & drugs, highways, shipping, housing)
   - Micro-purchase Threshold: purchases under $3,000
   - Simplified Acquisition Procedures (SAP) Threshold: purchases under $150,000
   - Request for Quotation (RFQ): usually requires an abbreviated response
   - Federal Program Manager (PM): usually GS 14 or 15; has budget for a program
2. Procedures:
   - Micro-purchase: always by credit card
   - SAP: Reserved for small businesses; can be advertised in fbo.gov or oral or RFQ
   - Federal PM – "Ensures appropriate communication takes place with vendors to keep abreast of industry trends and learn of current products and services available to fulfill requirements as well as available sources and means of acquisition"

Research Focused on Client Identification

Performing Client-focused Research

Source and Type of Information Available:

- Your personal network:
  - Unpublished information on agency activities, programs, issues, staff, vendors, etc.
  - Contact information and introductions
- Agency website:
  - Procurement forecasts, program and contract information
  - Names and positions of key staff
  - Inspector General (IG) reports
- FedBizOps (fbo.gov):
  - Not for finding opportunities
  - Requests for Information (RFIs) and Sources Sought
  - Samples of Requests for Proposal (RFPs) and Requests for Quote (RFQs)
  - Award information by agency, topic, contract (e.g., type, term and value), and company
  - Archived data back many years
- Federal Procurement Data System – Next Generation (fpds.gov):
  - Market analysis on procurements over $3,000
  - No RFPS/RFQs, SOWs, Terms and Conditions, and other contract details

Performing Client-focused Research (Cont'd)

Type of Information Available:

- Internet search engines:
  - Information on agency activities, programs, staff, structure, copies of documents, etc.
  - Information on activities of specific staff
- SBA Sub-Net (https://www.sba.gov/contracting/finding-government-customers/subcontracting): Information on subcontracting opportunities from primes
- GAO (gao.gov): Reports on issues or problems in agencies and offices
- Federal Yellow Book (leadershipdirectories.com/products - $623):
  - Names, email addresses, phone numbers of managers and other key staff
  - Organizational structure
- OMB (whitehouse.gov/omb):
  - Current policies applying to all agencies
  - Guidance on current issues
  - Budget information
- LinkedIn:
  - Personal data on key agency and large prime staff
  - Opportunity to link to key people

Performing Client-focused Research (Cont'd)

Type of Information Available:

- Freedom of Information Act (FOIA) requests:
  - Virtually anything except pricing and personnel information
  - May take months to obtain
  - Warning: protect your identity and be careful of hidden costs
- Subscription only bid support services (GovDirections and GovernmentBids < $1,000):
  - Duplicates much of what FBO does
  - Provides some additional information
- Opportunity Management Firms (fedbidspeed.com >$3,500; pay as you go)
  - Track opportunities, limited research & support capabilities, manage documents
  - Links to FBO.GOV, FPDS.GOV, DIBBS
- Subscription only opportunity databases (GovWin & ePipeline; about $8,500):
  - History of most contracts but not usually task orders
  - Copies of RFPs, SOWs/PWSs, questions and answers, etc.
  - Funding history
  - Projections on follow-on contracts
  - Limited gov't POC information

Meetings With Agency Staff

How to Get a Meeting With Agency Staff

- Find reason for meeting
  - *Research or personal network* could identify reason (e.g., IG or GAO issue)
  - *Chance meeting* at public event could create reason
  - Fall back reason:

    You want to understand more about the challenges the person faces over the next several years so you can assess if your firm can provide support
  - *Never use* pending or existing *contract* as reason
- Identify GS 14 or 15 to call for a meeting
  - *Seek program manager* in functional area that fits service you provide
  - *Use agency web site, Federal Yellow Book, LinkedIn, or your network* to identify target
- Make phone calls requesting a meeting
  - *Two calls 1st week then 1 per week*; ask for a 30-minute office meeting
  - Make *calls on different days*, early morning, midday, early evening
  - Leave *very short voice messages*; never more than 30 seconds
- Send an occasional email
  - *Subject line* is very important
  - Keep them very, very *short with no attachments*
  - *Same day phone call* must refer to email you sent

1^{st} Meeting With Agency Staff

- Strategic objective: make good *impression & begin building relationship*
- Tactical objective: get *useful information*
- Skills required: *Ability to listen* & show interest, *patience*, *creativity*
- Approach:
  - Best team is *you plus one*!
  - Purpose is to understand <u>more</u> about *their issues & future challenges*
  - *Never* try to *discuss* any current or *pending* contract *opportunities* - unless
- Preparation for meeting:
  - Focused *research on office* (e.g., mission, latest news stories, recent contract awards, GAO issues, IG issues, etc.)
  - *Take no marketing materials* to 1st meeting
- During the meeting:
  - Have *short opening* statement (e.g., < 30 seconds) ending in a question then listen
    - Thank them for their time and restate purpose of meeting
  - *Answer questions directly* then ask follow-up question
  - At end of meeting *review next steps* and *ask for introduction* to another person who can help you understand more about their issues and future challenges

1st Meeting With Agency Staff (Cont'd)

- After meeting:
  - Same day make some *notes* on information obtained including personal information about the person (e.g., hobbies, family things, favorite sports teams, colleges attended, etc.)
  - Send very short *thank you* email same day with any additional information person asked for
  - Make very short *follow-up* call "after hours" to leave a message telling the person you sent the email and thank them again for their time and information
  - *Assess potential* of contact for business
  - Make *referral call* next business afternoon to give the person time to notify the referral that you will be calling
  - Have a specific *reason for meeting* with the referral
- Follow-up:
  - Find a reason to send *follow-up email* in two weeks then within 60 days ask for a follow-up meeting but have a very specific reason for a 2nd meeting
  - *Develop* informal *plan* to generate KTR over period of time – if there is potential
  - Find a way to "carefully" *test* the *information* you gained – your personal network?

2nd Meeting With Same Agency Staff

- Briefing may be appropriate
  - *Don't force a presentation* on the client
  - Make it detailed enough to be a *stand alone presentation*
  - Make it about a *client-centered topic* – it is always about them
  - Make it a *quality, error free, power point presentation* with paper copies
- Show you understand client and his or her situation
  - Quickly *summarize actions* you have *taken* since 1st meeting to continue developing an understanding
  - Level of *understanding* should be *evident in* your *follow-on activities*
- Deliver on any commitments previously made
- Provide some initial solutions to known issues or problems
  - *Position your firm as a solution* or a referral to someone else
  - If you are the solution then have very *rough order of magnitude cost* (ROM)
- Seek additional information:
  - *Ask more questions* and do more listening but build on what you learned during 1st visit

How to Get a Meeting With Prime Staff

- Identify large firm to target (e.g., use personal network, SBA Sub-Net)
- Find a reason for a meeting
  - Reason could come from *research, personal network, or chance public meeting*
  - Best reason:

    You are targeting an agency in which the prime has work and you are trying to identify larger firms that are interested in subcontracting opportunities with you
  - *Never use* pending/existing *contract* as reason *UNLESS* RFP/recompete is at *least 18 months in future* <u>and</u> you can appear qualified to prime the contract
- Identify operations person to call for a meeting
  - *Seek manager* of project in your target agency that fits service you provide
  - *Use LinkedIn, your network, or target agency staff member* to identify person
- Make phone calls requesting a meeting
  - *Two calls 1st week then 1 per week*; ask for a 30-minute office meeting
  - *Make calls on different days*, early morning, midday, early evening
  - Leave *very short voice messages*; never more than 30 seconds
- Send an occasional email or use LinkedIn
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Developing Federal Clients

Developing Federal Clients

10 Suggested Activities:

1. Identify and then develop clear role with client
   - Without a role you can't produce plan to guide your future activities
   - Will a contact become a client or just be another member of your expanding network
2. Get to know and understand client and get client to know and understand you - KTR
   - Process should take time, normally many months
   - Don't hurry this process or take short cuts
3. Ask questions, listen, and use information obtained
   - Tendency to be an introvert can make a good listener
   - Avoid being too aggressive - many sales people are not good listeners because they are too aggressive and insist on implementing their agenda quickly
   - If you are talking then you are not listening and not gathering information you might need
   - Seek both business and personal information
4. Look for issues and problems, then suggest solutions
   - Good research should help identify potential issues or problems – remember GAO!
   - Validate issues or problems with client – seek to define requirements
   - At right time suggest solutions and be ready to discuss cost in general terms - ROM

Developing Federal Clients (Cont'd)

10 Suggested activities:

5. Show you understand a situation or an environment
   - Replay some information previously obtained to show your understanding
   - Follow-up questions or activities will show your level of understanding and retention of information previously obtained
   - Solutions or alternatives you suggest show your level of understanding (and ability)
   - Occasionally show sympathy for their challenges
   - Don't always agree – don't be seen as a yes person
6. Convince them you know what you are talking about
   - Starts with your research about them and their environment
   - Includes you staying focused on what you do best
   - Offer examples of directly related prior successes – known as proof points
7. Make some promises and keep them
   - Keeping each promise no matter how small begins trust building phase of client development - do what you say you are going to do
   - Start with little promises that are easy to keep

Developing Federal Clients (Cont’d)

10 Suggested activities:

8. Earn your client’s trust and respect – build KTR
   - Meet all commitments on time or early
   - Stay within your area of expertise
   - Find ways to help your client and do them “little” favors – a white paper or some research or an introduction to someone else or even a book title
9. Put forth consistent effort
   - Stay in touch and don’t disappear for long periods of time – out of sight, out of mind
   - Vary means of communication
   - Don’t pester them
10. Say yes AND no
    - The more you help a client the more valuable you become
    - Don’t automatically or too quickly say yes or no to a request – take time to understand what client wants or needs
    - Seek clarification – just as a “normal” partner would
    - Say no to tasks outside your area of expertise but help client find support

Some Things to Do & To Avoid

Do Federal Business Development Properly!

- Developing client relationships and knowledge, and growing client intimacy (KTR) is time consuming, thus expensive
  - Manage costs by planning and time allocation
  - Check progress regularly
  - Evaluate opportunities and leads regularly
- Good things happen when you focus on building KTR
  - Gain information advantage that increases win rate and retention rate
  - Gain influence over future client requirements thus edge up over competition
  - Ability to win at higher price thus better margins
- Bad things happen when you don’t focus on building KTR
  - Low win rates
  - Low margins – if wins are on price you may be just getting by
  - Shallow client relationships lead to poor information and lost work in a competitive environment
  - Inexpensive staff that increase performance risk and reduce ability to build KTR

Some Things to Do

Applies to both Federal agency and large prime staffs:

1. Develop a clear role, purpose, or goal with each contact and client
2. Maintain consistent effort in both information collection and client development – this starts with maintaining regular contact
3. Make it about them – always
4. Be a good listener and a good learner
5. Treat information collection and client development as you would a client project – think in terms of milestones, progress reviews, and measurable results plus data capture
6. Develop relationships with career managers who will be around long-term
7. Once you meet with client staff find “excuses” to stay connected and help them
8. When you talk with people ask questions about their work environment; show interest
9. Look for issues and problems and then gather relevant information
10. Provide solutions – even if it does not involve your firm
11. Find ways to do <u>small but legal</u> favors for client staff – it gives you needed visibility
12. Figure out ways to prove your reliability and dependability to client – builds KTR

Some Things to Avoid

Don't:

1. Give up too quickly trying to get a meeting once you start trying
2. Talk a lot about you or your firm – always make it about them
3. Give a briefing at your first meeting – unless
4. Assume a problem means money will be available or that work will follow
5. Fail to stay connected with those in your target client network – monthly at least!
6. Dominate any conversation with Federal agency or large prime staff – guide it; listen
7. Fail to replay information to show you understand
8. Focus on one very senior person in an agency
9. Send frequent or long emails to clients
10. Expect too much from agency small business staffers and contract staff and don't focus your energies on them – unless
11. Spend too much time collecting information
12. Fail to record information obtained about the client

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