

## **Landing Government Contracts**

Among the many markets companies target and seek to engage as customers, the government is often overlooked either because it is viewed as a high demand – low reward customer or because the process of obtaining (and maintaining) government contracts are perceived as being complex and wrought with bureaucracy. While these liabilities are often – but not always – true, the advantages of a government contract can outweigh the hassles, and be truly lucrative.

One of the primary advantages of a government contract is that you will avoid the typical hassles associated with collections, as government contracts are reliable and are paid on time. Also, you do not need to worry about profit, as government contracts, while taking price into consideration, also include other factors like operating history and reliability. So, while private sector customers may seek to whittle your profit away, government contracts will allow you to include a reasonable (not excessive) margin.

With this in mind, the notion of pursuing government contracts is not as far fetched as you might have initially thought. So, what is the best way to pursue and land government contracts? Tudog has 7 suggestions:

### **1. Register in All the Right Places**

Although it is not always necessary, being registers on government approved vendor lists such as the GSA (General Services Administration) and CCR (Central Contractor Registry) allow you the opportunity to present your credentials at a time when you are not currently pursuing a specific contract. By listing your strengths and added value and registering your website and other materials, you place yourself on the government radar, get access to RFPs (Request for Proposals), and become a recognized member of the government vendor community (even if you have never yet bid on or received a government contract).

### **2. Have All the Information You Need**

Just like every other sales endeavor, when it comes to government contracts you need to do your homework and make sure that you have all the information you need prior to engaging the process. Make sure you understand the type of agency you are seeking to work with (Federal, State, Local), the requirements they have set for eligibility, the format they wish to seek bids, the guidelines of the bid, and the submission timetable. Other bits of information you may seek to gather, and may sometimes be available, include which other companies are bidding, who in the agency makes the decision and how has he/she made other similar decisions in the past, and what added value can you include in the bid that was not issued as a requirement, but would nonetheless be viewed as an advantage in the selection process.

### **3. Be Competitive**

As noted above, cost is not necessarily the sole criteria when a government agency makes a decision to award a contract. However, the people awarding the bid are aware that they are in the public eye and that their decision is subject to scrutiny and they will now make an award that cannot be defended. Therefore, you must make certain that you are competitive and provide the decision maker with the ability to defend selecting

your company. This can be done through advantages in price, delivery schedule or other added value elements that you are able to bring to the table.

#### **4. Prepare for Bids Ahead of Time**

The issuance of Request for Bids (RFB) or Requests for Proposals (RFP) can come at any moment, and at times the timetable within which you must construct and submit your bid can be less than a month. If you need, during that short window of time, to prepare not only the information specific to the parameters of the Request but also the general information about your company, your products/services, added value, etc., you will find the window of opportunity too narrow to exploit. The way around this is to prepare for bids, as much as possible, before they are even issued. Then, when the bid comes in, you can focus all your energies on preparing the specifics of the bid, mastering the process and demonstrating high levels of competency.

#### **5. Construct a Solid Bid**

The instinct to fall back on price as the keystone to winning a government bid is understandable, but, as previously pointed out, incorrect. What the government really wants to know is that you can do what they need done (and do it well), that you have done it before (and have a track record of getting it done), and that your company is stable and healthy enough to be able to start and complete the job. If you can do all this, and the company with a lower bid has not sufficiently demonstrated that they can too, then you will get the bid, even if your costs are higher. So, the elements of the solid bid are (a) demonstration of capability, (b) demonstration of experience, (c) demonstration of stability, and (d) price.

#### **6. Don't Expect to Get Rich**

Maybe the story of \$3,000 toilet seats being sold to the Department of Defense is true and maybe it's just a rumor. Regardless of its truth, you will not be selling anything at that sort of margin. The idea behind government contracts is fair compensation from a stable and secure customer, who pays on time and demands only what was initially agreed upon. Even when the government stipulates how much profit you can demand, it is still a good deal due to the predictability of the job. Make sure your expectations are in line with the government's parameters for profit, and you will most likely find the experience rewarding.

#### **7. Don't Be Afraid to Partner**

It is often the case that while you have 80% of the skills and experience required to secure a government contract, you are lacking 20%, and that 20% is enough to lose you the bid. In these circumstances, it is wise to partner with a company that has the missing ingredients and leveraging them to complete your skill set. Also, there are contracts that are offered on a priority basis to companies owned by women and minorities, so sometimes it will serve your interests to partner with one of these companies to improve your chances of being selected. Partnering is not something looked down upon as long as you demonstrate clear lines of responsibilities between the partnering parties and show that the 2 (or more) companies can work together as one.

The pursuit of government contracts can be a growth segment within your business that you have, up until now, ignored or shied away from. The government is perhaps one of

the largest buyers of private sector goods and services and is issuing contracts monthly that are worth (collectively) billions of dollars. Working with the government might not offer you maximum profitability. But it does offer a chance at a steady stream of jobs at a good price and with a stable and reliable customer. This should give the government most favored status in your strategy sessions and make government contracts an integral part of your stability and growth plans.