Government Contracts Mythology

NAVY GOLD COAST SMALL BUSINESS CONFERENCE
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Government Contracts Mythology

MYTH
Start Up Small Businesses Should Subcontract to a Prime Contractor

• Commercial Past Performance will support government past performance requirements
  – Successful track record in the commercial sector commendable; federal contracting is a very different environment. Commercial companies frequently do not meet Federal requirements (DCAA Approved System, FAR oriented contract administration/proposal management, quality assurance systems)

• Marketing to the whole federal government should lead to something; tracking opportunities in FBO on a daily basis for RFPs to bid or approach large primes should lead to teaming

• Send a lot of emails but seem to have difficulty getting responses. It’s tough getting any traction with large primes

• Staffing company - see lots of open positions on primes’ websites – should be able to fill them
MYTH ANALYSIS
Start Up Small Businesses Should Subcontract to a Prime Contractor

• Reality:
  – Prime Contractors typically require past performance to demonstrate the SB can support the requirements. Few exceptions
  – Primes look for marketing effort, customer knowledge and experience, customer calls and access, understanding of the customer mission, research, Industry Day participation, etc.
MYTH
Small Business Programs will ensure my success

• I market to the whole federal government so I expect to get something
• Responding to Sources Sought and RFIs is a waste of time
• Large primes need me
• Large primes never meet their goals
MYTH ANALYSIS
Small Business Programs will ensure my success

• Reality:
  – Small Business Programs were designed and implemented to assist SBs in gaining opportunities for contracts. It is not enough that the business is small.
  – Past performance, quality products/services, customer understanding, ability to respond to the requirements, competitive pricing, etc. are necessary to become successful.
MYTH
Financial Health is not a concern

- Primes don’t need to worry about SB financial situation
- It’s none of the prime’s business how a SB sub is doing
MYTH ANALYSIS
Financial Health is not a concern

• Reality:
  – Prime contractors request Dun & Bradstreet reports for their subcontractors
  – It is important that a SB have the financial stability to support the contract. Payment terms and lag time are business realities
  – Primes cannot afford to have SBs that can’t pay employees and suppliers on time
  – Government does not want a SB prime that may default and not complete the contract, and LBs will not sub to a financially-weak SB
MYTH
Presentation is not that big an issue

• Presentation is everything!
  – Emails, VMs
  – Meetings
  – Elevator Speech
  – Responsiveness
  – Registration with a LB

• Registering in databases is a waste of time – they’re just a bunch of big black holes! No one ever uses them….

• I send a lot of emails but seem to have difficulty getting responses. It’s tough getting any traction with large primes
MYTH ANALYSIS
Presentation is not that big an issue

Reality:
• First impressions are critical. Elevator speeches, preparation, capabilities statement, dress, manner, responsiveness, etc.
• Professionalism reflects how focused a SB is on marketing for and execution of contracts
• Presentation and responsiveness may determine if you get to the next level
Get It Right- Business Card

• FRONT OF THE CARD
  – Name
  – Address-email and URL
  – Phone numbers, cell, mobile, work, fax
  – Socioeconomic status
  – Key words, describing business, example: Information Technology, Shipbuilding, Training

• BACK OF THE CARD
  – Primary NAIC Codes
  – Primary FSC Codes
  – Duns #, Cage Code
FIRST IMPRESSIONS COUNT!

• Dress for success
• Always- good grooming
• Have a five minute “elevator” speech prepared
• Know your customer- Do your homework to be ready to discuss how you can bring value to the effort
• Ask for the preferred method of follow-up communication
WHAT DO PEOPLE REMEMBER?

• Face
• Logo
• Sharp five minute speech
• Knowledge of customer needs
• Unique Capabilities
• Follow-up (regularly, but not TOO often)