

What Successful Federal Contractors Do

What are the traits and practices of government contractors that have grown profitable businesses in the federal marketplace?

From the [National Contract Management Association \(NCMA\) annual government contracting survey](#) and anecdotal evidence from our management consulting practice, the following are what successful government contractors know and do:

1. They perform objective past, current and future market research to determine which agencies have and will buy what they are selling and the prices paid for those products and services. They analyze the ecosystem around those agencies: prime contractors, subcontractors, decision makers, decision influencers, budgets, contract vehicles, acquisition strategies, procurement forecasts, re-competes, strategic plans, market research conducted by the agency, industry events, progress toward set aside goals etc.
2. They synthesize that information and determine where their strengths can be leveraged and how to fill the gaps. They compare their offerings, core capabilities, organizational resources, past performance, cost structure and partnerships relative to agencies' missions, upcoming opportunities and acquisition strategies (contract vehicles, LPTA vs. Best Value, setaside recertification cycles, focus on innovation etc.), and consciously plan to compete aggressively. That plan includes a realistic assessment of where and how the company is currently positioned in the market relative to competitors and market demand, and what must change to compete effectively. The plan also includes specific business development action steps regarding targeted agencies, opportunities, partners and contract vehicles, assignments of responsibility, time frames, resources to implement, and the oversight necessary to monitor and guide progress. All relevant stakeholders in the company (executive team, business development team, contract management, quality team, proposal/capture teams, marketing, operations and delivery teams) are working from the same page. Successful contractors also measure the effectiveness of their plan monthly – based upon data and facts, not hopes and dreams.
3. They focus. The \$500b federal market offers many opportunities, but there are also many competitors. Successful contractors spend their business development budgets carefully and go through rigorous opportunity analyses that take into consideration the company's strategic plan, timing, competition and financial resources, well before it is time to develop a

proposal. Egos are checked at the door. Business development professionals are assigned 1-2 agencies to research, attend events, network, develop relationships and articulate the company's value proposition. Specific upcoming opportunities are assigned to them and a strict discipline guides their activities to gather market intelligence and shape the opportunity to the company's advantage. No shooting from the hip. Proposal efforts are evaluated based upon ROI: win rate and profit margin – not the volume of proposals.

4. They partner. The federal marketplace is not a completely free enterprise system. The federal government has a social agenda. Understanding that agenda and the supporting socioeconomic set-aside programs is crucial to all government contractors' success. And, innovation comes in all shapes and sizes. Savvy federal contractors know how to find and nurture teaming partner relationships that benefit the partners and the government.
5. They invest in a team. Competing in the federal marketplace is expensive. It is highly competitive and many times opaque. Decision cycles are lengthy, bureaucratic and political. This marketplace is not for the faint of heart. It is not a place to get rich quick. Small federal contractors spend 8-10% of their annual revenue on business development. Successful federal contractors invest in research, planning, marketing, capture, proposal management, training, quality control, innovation, contract management, program management, cost accounting systems and good people. It's a team sport. They know how to hire the best and keep them all engaged, productive, collaborating and focused on a common goal.
6. They communicate. Clear, consistent, repetitive communication both internally and externally fosters understanding and trust. If employees internalize the vision and mission of the company, they multiply the founders' vision and are able to do the right things without being told. They are given space to innovate, make mistakes, learn and advance their teams' knowledge, effectiveness and client relationships. And the appropriate behaviors and outcomes are rewarded.

External communications reinforce the company's culture and value proposition to inform and attract clients and recruits. Social media, newsletters, press releases, blogs, white papers, collateral material, websites, logos, tag lines, public speaking and trade show booths paint a compelling, easy to understand message about the differentiators and results the company has achieved. Successful contractors know how and when to respond to sources sought notifications and requests for information, and leverage appropriate government sponsored industry events. They know that year round informative, educational outreach to program

offices, contracting offices, small business offices, decision influencers and strategic partners inform future procurements.

7. They evaluate and pivot. Honest criticism about programs, practices, product offerings, approaches, contract profitability, overall financial results, employee and partner performance, and the ability to change, are the hallmarks of government contractors that have been successful over many years. The federal government evolves with each administration. Budgets shift. Priorities change. Successful contractors do too.

Shirley Collier, President of Scale2Market, LLC is a serial entrepreneur with over 30 years of experience in innovation, technology, strategic planning and growing businesses in the federal marketplace. She has helped companies win over \$50m in contracts over the last 3 years.

She can be reached at: SCollier@Scale2Market.com; 410-489-9129

For more information, visit our website: www.scale2market.com