

Marketing to the Federal Government

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About Our Workshop Leader

- **J. Jeffrey Irons**
- **Former Business Development Lead for Large Aerospace Defense Primes, and Mid-Tier Subcontractor**
- **Started ironSclad Solutions in 2002**
- **Have worked with over 50 small businesses since the start of the company**



Today's Questions and Discussion

- Who has tried to sell to the government or a prime(s)?
 - How do you sell?
- Who has an existing prime contract?
 - How did that happen?
- Product or Service?
 - Know your CONCISE offering



First Steps to Selling to a Prime and the Government

- First stop: Small business office (SADBU)
 - Email, call, email, call...push for an introductory SADBU capabilities meeting
 - Bring your capabilities statement/presentation in THEIR format (don't know it? Then ask.)
 - ✓ CLEARLY define your niche
 - ✓ Prime answer may be – “Not at this time.”
 - Capabilities derived from your strategic plan
 - You want names, emails and phone numbers
 - ✓ Agree on the next steps
 - You are not an 8(a) first, but last



Getting that First Contract

- What does the customer want?
 - Are you selling the right product?
 - Do you have the best solution?
- Are relationships important?
- Know your market niche
 - What is the difference between commercial and government sales?
- Politics as part of the process
- Know your customer's requirements
 - Your competitors know them
- Why are you in this at all?

From Whom do You Buy?

- As a customer, what traits do you seek in a seller?
- How important are relationships in your buying decisions?
- If products are the same – quality and price – from whom will you buy?
 - A stranger? Why?
 - Someone you know/like? Why?
- How do customers buy their products?
 - Are your customers different from you?
- First contracts often come from previous work relationships with someone at the prime
 - Relationship based - Knows what you offer
 - Closing a “cold call” is almost impossible

How do You Win New Business?

- Is it the best technical solution?
- Is it the best political solution?

- One example –

- You may offer the prime both a technical and a political solution – if they need what you offer, AND you can help them politically

Small Business Observations

- Most small businesses do not state their niche clearly – what specifically do you do?
- Most small businesses do not have a strategic plan (10 pages or less)
 - Clearly state your vision and mission
 - Define your market space
 - Outline the types of opportunities (niche)
 - How we are going to “get there”
 - ✓ Focus
 - ✓ Targets
 - ✓ No “pop-ups” that do not fit in the plan
- Finances are important – but they are not the vision
- Everyone must understand the vision/plan

Have a Business Development Process in Place

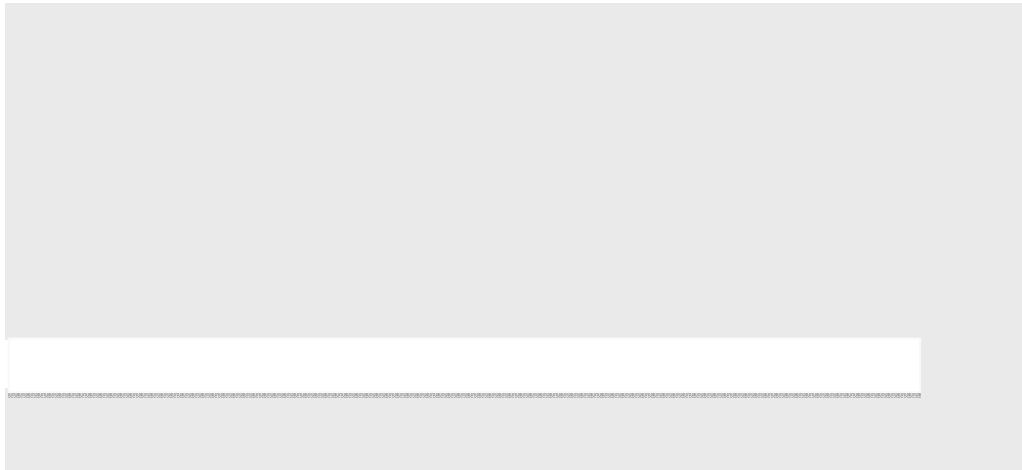
- Opportunity qualification process (12 questions)
 - ALL new business opportunities go through this gate (not just “BIS”)
 - Fits the strategic plan
- Capture plan (3 pages)
 - The 30-60 day plan including briefing, meetings, white papers, political, etc.
- Communications plan
 - To your stakeholders

Conclusions

- Always start with the small business office
 - Have your CLEARLY defined capabilities in their format
- Know what the customer(s) want(s)
 - ASK THEM
- Relationships are important
- Do you offer the best solution(technical and political)
- Strategic Plan
 - Post it on your web page
- New Business Process
 - Need one
- Let me know if I can help –
 - Ironsclad@comcast.net, or www.ironSclad.com

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Lessons Learned in Government Contracting – The Real Problems that CEOs face



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What Problems do CEOs Face?

- Family Gets in the Way
- What is my Correct Capital?
- What do You do, and Who are These People Working Here Anyway?
- Does Anyone Know our Vision?
- Hiring, Organizing and Sharing
- Your Corporate Niche and Culture
- When/Why do I get Started?

Family Gets in the Way

- Your Personal Sacrifice gets in the Way of Your Personal Life
 - Given up “Real” Vacations for Years
 - Working 6-7 day work weeks (10-12 hours/day)
 - “You are ruining our plans/lives” - Family
 - ✓ What do you do? Shut down the business?
 - Are you going it alone?
- Thoughts
 - Need trusted group of advisors
 - ✓ Sign non-disclosure for assurance of privacy
 - ✓ Meet regularly – on specific agenda topics/timeline
 - Open your mind and heart – and LISTEN
 - Always lonely at the top

Family Gets in the Way

- More Thoughts
 - Delegate, delegate, delegate
 - ✓ Can't afford to do everything on your own
 - ✓ Hire(d) capable people. Let them do their jobs
 - ✓ Your goal - manage and focus on the customer and company growth
 - Challenge your staff with critical business and administrative assignments/decisions
 - ✓ They will do it their way – not YOUR WAY – GOOD!

What is the Correct Capital?

- I Learned - Cash is King – BUT, Cash Flow is the Emperor of the World
 - Companies live and die on cash flow
 - ✓ Your corporate viability
 - ✓ You can be profitable (on the books) and broke
- Realistic Budgets
 - Thorough budget analysis of income and expenses
 - Real income
 - ✓ Committed customers identified? How much/month?
 - ✓ Potential customers – realistic probability factor for income
 - ✓ Ask them
 - ✓ Billing cycle? How soon can you get your cash?
 - Detailed cash flow analysis

What is the Correct Capital?

- Do you need start up money?
 - Banks do not like start ups (They will disagree with me)
 - ✓ Even with a good business plan – you will personally back your business loan
 - ✓ Need assets? – personal property, cash, other tangibles will be guaranteed to back your loan
- Self-financing a start up is best
- Bank line of credit ASAP
 - Borrow more than you need – use the entire line often
 - ✓ Borrow from the line – pay it back on time
 - ✓ Your company must be an excellent credit risk

What do You do? Who are These People Working Here Anyway?

- What do You do?
 - Are You a Direct charge CEO?
 - ✓ Save nights and weekends for business development
 - ✓ You can make more money – and have less time.
 - ✓ What is important to you? ironSclad in 2009.
 - ✓ Can anyone earn more time?
 - Must “Replace Yourself” from direct billing to move to indirect
 - ✓ Focus on strategic thinking/business growth
- Who are these People?
 - What Ship do you Captain?
 - ✓ Fun Cruise Line – “Good Ship Lollipop”
 - ✓ Pirate Ship – “Jolly Roger”



The Good Ship

- Addresses Employee Satisfaction
 - CEO critical to employee recognition and rewards
 - ✓ Never Forget - Employees generate your revenue. Satisfied Employees generate MORE revenue.
 - ✓ Treat them generously – it is usually more than money
 - ✓ Ask the employees what is important to them (don't assume you know the answer)

The Jolly Roger

- Everyone for Themselves – Mercenary Attitude
 - This company is only a training program for other companies' employees
 - High turn over rate
 - Little employee recognition
 - Use pacifiers in employee disputes

Does Anyone Know our Vision?

- Strategic Plan is a Must
 - 10 Pages or Less – go to the ironSclad website for examples
- The Plan is the Vision – for the Company and by the CEO
 - Needs to be rolled out at all hands meeting(s)
 - CEO needs to explain it – and LISTEN to feedback
 - Must be available to all employees – and revisited yearly
 - On the website (minus proprietary data)
 - NEVER develop the plan in a vacuum and keep it secret
- Share the vision and the plan
 - Your employees will sell it!



Hiring, Organizing and Sharing

- People
 - Are your most valuable resource
 - Are expensive to recruit and expensive to lose
 - Cost the company a lot of money in turnovers
 - Can be over-promised
 - ✓ Responsibilities
 - ✓ Rewards
- Need to Hire Smart and Right
 - Thorough job description for each different position
 - ✓ Must be complete
 - Accurate and thorough compensation package
 - ✓ No questions afterwards

Hiring, Organizing and Sharing

- Why an Organization Chart?
 - Read Good to Great
 - ✓ Create the Org. Chart early in your business – your name may be in multiple boxes
 - ✓ Unclear organization leaves employees confused in roles and responsibilities, and no defined career path
 - Accurate and thorough job descriptions for each position
 - Your roadmap to your corporate future
- Equity Sharing – what Percentage?
 - No more than 5% to any one employee
 - ✓ Distributed over time tied to goals
 - ✓ Can be renegotiated with success

Hiring, Organizing and Sharing

- Equity Sharing – more thoughts
 - Need enough stock to entice key employees/hires
 - ✓ Have enough shares available to be meaningful (people are impressed by numbers of shares more than value)
 - Stock/Company Ownership is an excellent tool to
 - ✓ Incentivize and attract key employees
 - ✓ Must be tied to performance goals/metrics
 - ✓ Must have clearly written and understood agreements in place – not given “on the fly”
- No more than 5%

Your Corporate Niche and Culture

- What is your Niche?
 - Many Huntsville companies do the same thing – engineering services/SE&I/modeling and simulation/etc.
 - ✓ Discriminate by business classification(s)
 - “BIS” companies offer nothing to prime contractors
 - ✓ No discriminators
 - ✓ Better to have well defined capabilities and be told “no”
- What is your Culture?
 - You decide on your culture
 - ✓ Excellent benefits, training, inclusive? What did you like about your previous employer(s) – model that

When do I get Started?

- When you get fired? I did.
- When life gets easier?
 - No kids, have the time, have the experience?
 - Will you have the energy to commit the time, money, energy and effort?
 - Do you want to do it then?
- There is no perfect time to get started
 - Do your business plan
 - Honestly assess if you want to make all these sacrifice(s)

Marketing to the Government and Prime Contractors Conclusions

- Always start with the small business office
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- Know what the customer(s) want(s)
 - Don't know? ASK THEM
- Relationships are very important
- Do you offer the best solution (technical and political)?
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Contact Info

- Call the WBCNA at 256-535-2038
- Email the WBCNA at info@wbnca.org
- Check out our website at www.wbcna.org
- Don't forget to take advantage of WBCNA's free coaching. Schedule your session before you leave today.