

# **STRATEGIES FOR WINNING GOVERNMENT CONTRACTS AND MARKETING FOR SMALL BUSINESSES**

**Presentation to the Enterprise Network Chapter  
Los Angeles Section of the AIAA**

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## OVERVIEW

**PREMISE** – Government Contracts and Grants are an attractive funding source for small emerging technology businesses, particularly SBIR/STTR –

- Easier to win than venture capital
- No payback required
- You retain rights to intellectual property

**THE FLIP SIDE IS:**

- Highly competitive - ~ 1/8 proposals win
- No “Free Lunch” or set asides
- Doing business with government is unique, significantly more paper work
- May not fit within your business plan

**WE WILL EMPHASIZE** (Business capture strategies in general)

- Strategic planning, use of good judgement, and putting enough effort into winning. No magic, just solid principles
- Sufficient technical & management skills

## WHAT WE WILL COVER [& WON'T]

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- DOING BUSINESS WITH THE U.S. GOVERNMENT – And why it's different than doing commercial business
- BUSINESS CAPTURE STRATEGIES IN GENERAL – No magic, just good business principles
- WHAT WINNING PROPOSALS CONTAIN – And common reasons for failure
- SUMMARY OF WINNING STRATEGIES
- MARKETING TO THE U.S. GOVERNMENT
- CONCLUDING REMARKS

[WHAT WE WON'T COVER – Are SBIR or other Government Programs right for you? and, structured methods for writing successful proposals]

## DOING BUSINESS WITH THE U.S. GOVERNMENT

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Q - WHY IS DOING BUSINESS WITH THE US GOVERNMENT DIFFERENT THAN COMMERCIAL?

A – IT'S THE FEDERAL ACQUISITION REGULATIONS (FARs)! – They legislate fair and competitive procurements. Results in requirements for:

- PUBLISHED SOLICITATIONS (or RFPs), AND SCHEDULES – Must comply with solicitation, & march to their drummer.
- PROCURE SOMETHING SPECIFIC -
- WRITTEN PROPOSALS – no other information to be used in source selection
- PUBLISHED PROPOSAL EVALUATION CRITERIA -
- CLOSED COMMUNICATION CURTAIN AFTER FORMAL RELEASE OF SOLICITATION – exception is SITIS. Early marketing is best.
- CAN'T GIVE ANY BIDDER A COMPETITIVE ADVANTAGE – good place for a strong question & answer strategy.

## **SUMMARY OF WINNING PROPOSAL STRATEGIES - AS DERIVED FROM OVER 20 WINNERS**

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**START EARLY!** – Big advantage in marketing, preparation, and winning

**USE AN INTELLIGENT “BID DECISION CRITERIA”** – Size up the job, the probabilities, & the resources to win

**SUCCESSFUL BUSINESS DEVELOPMENT REQUIRES MUCH MORE THAN JUST PROPOSAL WRITING** - Marketing, intelligence workup, understanding the competition, R&D, strategic planning, project planning, and knowledgeable management.

**COMMIT SUFFICIENT RESOURCES TO WIN** – Time, effort, & budget. Usually needs to be a substantial fraction of a Phase I contract. Do same thing for Phase II & III

**YOUR BUSINESS CAPTURE PLAN & PRE-PROPOSAL HOMEWORK SHOULD GIVE YOU CONFIDENCE** – That you can win & successfully perform Phase I, Phase II, and Phase III (commercialization)

YOU MUST HAVE THE TECHNICAL "RIGHT STUFF" - Solid innovation & technical content. Know contemporary "State-Of-The-Art", your competitors, and their technology.

KNOW YOUR COMPETITION! – Use of “ghosts”

SBIR CONTRACT MUST FIT IN YOUR BUSINESS PLAN - Avoid dilution of your principal focus.

FIND/DEVELOP "PRODUCT CHAMPIONS" - Arm them with info. to help sell your agenda.

CUSTOMER CONTACT & INTELLIGENCE WORKUP - Never bid without it! Understand your customer, his beliefs and needs.

SHOW THEM STRONG UNDERSTANDING OF THEIR PROBLEM - That you know what they want, & how to get the results.

GOOD IDEAS ARE NOT ENOUGH !!! - Much more compelling arguments, evidence, and planning are needed.

**STRONG COMMUNICATION** – A common reason for losing is that the proposal was not understood

Use of "themes"

Proposals are the most concise, informative and best written technical documents that you will generally see.

Excellent summaries, and opening/closing statements

Graphics - can be much better than text

Short and sweet

**YOU MUST COMPLETELY CAPTURE THEIR ATTENTION IN THE FIRST PARAGRAPH/PAGE** – Aided by excellent proposal summary, up front

**EMPLOY “COMPELLING ARGUMENTS”** - Evidence that proves your points, and clearly shows the value of your product.

**STRONG COMMERCIALIZATION PLAN AND DUAL-USE FEATURES** -

**ANTICIPATE WHO WILL BE PROPOSAL EVALUATORS** - Write for them

**STRATEGIC ALLIANCES** – Good to have a big business industrial partner. Can help with early cost sharing, and later commercialization (profit sharing).

University researchers also.

RESUMES AND RELATED EXPERIENCE - Successful track record of innovative accomplishment helps. Only cite applicable experience. Experience need not be with current company

WINNING PROPOSAL PREPARATION IS EVOLUTIONARY - First drafts almost never win! Structured "storylining" process facilitates the process.

USE PROPOSAL REVIEWERS - Did your messages really come through ?

PLANNING & SCHEDULE ADHERENCE IN PROPOSAL PREPARATION -

FOLLOW INSTRUCTIONS - Avoid disqualification on a technicality

ALWAYS REQUEST THE PROPOSAL EVALUATION DEBRIEFING! – Win or lose

IF YOU LOSE FIND OUT WHY AND TRY AGAIN – Avoid wasting a lot of hard work

## MARKETING TO THE FEDS

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- WHAT IS MARKETING? –
  - Customer communication for the purpose of new business development & contract capture.
  - Must be closely aligned with your business plan
- OUR EMPHASIS IS ON MARKETING TO FEDERAL AGENCIES – Appreciably different than commercial world
- FARs CREATE DIFFERENT ATTITUDE IN GOVERNMENT EMPLOYEES – Less outgoing (fearful of violating FARs)
- MARKETING STRATEGY SHIFTS TO INTELLIGENCE GATHERING
  - Ask well thought out questions (instead of pitching your ideas)
  - Subtly insert the seeds of your ideas

## FUNCTIONS TO BE ACCOMPLISHED WITH MARKETING?

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- GATHERING INTELLIGENCE – particularly pre-proposal.
- CLARIFICATION OF SOLICITATION - go way beyond the written text.
- CREATE “PRODUCT CHAMPIONS” - people who want to sell you to the rest of their infrastructure.
- ARM THEM WITH WHAT THEY NEED TO HELP YOU WIN –
- UNDERSTAND WHERE THE CUSTOMER IS COMING FROM – Identify how he thinks, preferences, biases, & terminology that he employs.
- WHAT DOES HE WANT TO SEE IN PROPOSAL? - Imagine you are in his shoes.
- IS HE FULLY UP TO SPEED WITH CURRENT TECHNOLOGY? – Develop a strategy to help him get up to speed. Earlier is better.

## HOW DO YOU GO ABOUT MARKETING? --- Some hints

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- WORK HARD TO FIND SOLICITATION AUTHOR! -
- ASK THE RIGHT QUESTIONS! -
  - Spend enough time to prepare a clear, well organized line of questioning (~3 hrs. prep. for 1 hr. of dialogue.) Get them to “spill their guts.”
- DO NOT SPEND MORE THAN ¼ OF YOUR TIME EXPOUNDING ON YOUR IDEAS! – Better to pose issues as questions.
- WORK HARD TO CREATE “PRODUCT CHAMPIONS” – (Consensus if needed.)
- SCHEDULE MEETINGS IN FAVORABLE CONDITIONS –
  - Conferences provide neutral grounds (but don’t expect customer to pal around with you in public)
  - Agree to discuss specific things that the customer likes
  - Telecons can suffice, if done well
- PROPOSAL “STORYLINING” PROCESS – Helps drive out issues, facilitates evolutionary change, do as prelude to marketing discussions

- WHO IS BEST CONTACT POINT FOR YOUR MARKETING? - Solicitation author? His boss? SBIR Administrator? The contracts person? Does he have responsibility for that solicitation? Does he understand the funding (budgeting) process that he is managing?
- WHO SHOULD BE DOING THE MARKETING? – Your best person in the field to be discussed, most often the PI (helps to understand psychology). Beware of heavy accents.
- HELP THEM UNDERSTAND
- DO YOUR MARKETING EARLY! – The first party in there always makes a more favorable impression
- KEEP THE BALL ROLLING – Same communication, and success oriented strategies also work for Phases II & III.