

## Government Contracting for Small Business - The Basics of the Game

by Marsha Lindquist

Many businesses shy away from doing business with the Federal Government largely because they have either heard it's complicated or it requires a large investment in infrastructure to handle successfully. The simple truth is you don't need a complicated network of support people – something small businesses are not able to easily afford. Equally true is doing business with the Federal Government can be a very simple matter of selling your product or service to a very willing buyer.

Don't let either of these myths keep you from engaging in a very rewarding and profitable business with a very stable customer. Understanding how the Federal Government buys what they buy, the approaches of how you can fit that requirement and the ways to fit that requirement are essential to market to this valuable customer.

### How The Government Buys What They Buy in a Nutshell

The Government essentially buys everything the general commercial marketplace buys and more. It's no different. The Government needs the same toilet paper for our troops, engineering design services for that new federal building, and radiation oncology services for the nation's military that commercial businesses need.

The Government generally goes through the same process a business does to buy what they buy. They determine the requirement, write the specifications, assure they have the money, and have the requirement specifically identified. The decision makers are notified of the potential purchase, the requirements and evaluation criteria are detailed for all bidders, and potential bidders are identified. Lastly, all who can reply are given adequate notification and time to respond.

In some cases, it doesn't take any longer for the Federal Government to purchase what they identify they need than it does in the open marketplace. But let's talk about six approaches you can take in order to get started working with the Federal Government.

### The Approaches - How You Can Fit That Requirement

Keep in mind the Federal Government wants to do business with you. Begin thinking that way and you'll see these approaches give you several different ways to easily market your services to this valuable customer.

**1.Small Business Innovation Research Programs (SBIR).** SBIRs are a very available program encouraging small business to explore their technological potential and provide the incentive to profit from its commercialization. The Government wants to include qualified small businesses in R&D so they can stimulate innovation. By reserving a specific percentage of federal R&D funds for small business, SBIR protects the small business and enables it to compete in the same markets as larger businesses. SBIR funds the critical startup and development stages and encourages the commercialization of the technology, product, or service, which, in turn, stimulates the U.S. economy.

**2.Prime Contractors.** Large companies who already do significant business with the Federal Government are in an excellent position to work with small businesses to deliver what the Government needs. What's more they are incentivized to do so. All large businesses that have contracts with the Federal Government are required to get small businesses involved on their contracts. They must meet agency goals for small business participation in their contracts and are always looking for qualified and reputable small businesses to partner with. Contact the small business liaison in those large businesses who you believe need your goods or services and develop a relationship with them. This year twenty-three percent (23%) of government procurement dollars are earmarked for small businesses. There is even a Mentor/Protégé program available to pair up a small business with larger companies.

**3.Purchase Orders.** The Government can buy in small quantities and can usually buy from you using a simple purchase order. Purchase orders with the Federal Government vary widely. However, with limits varying from \$5000 per purchase to a quarter million dollars, they are a purchase vehicle worthy of your attention.

**4.Grants.** Federal grants, generally given to non-profit organizations, are also available to for-profit companies. Grants are most often used for programs or services that benefit the community. You can find and apply for competitive grant opportunities from most Federal agencies. You can electronically obtain information on types of grants and the government agencies that make grants. You can also sign up to receive notification of future grant opportunities.

**5.Small Businesses Representation.** The Government earmarks contract dollars for contracts to small, small disadvantaged, women-owned, Native American, veteran-owned, and service disabled veteran owned businesses. Some of these are self-certifications and others require you apply for the certification and prove viability. Under these certification programs companies can realize a faster path to contract awards.

If you are a small business, one of your first calls should be to the SADBUs of any agency you think might buy what you sell. These individuals are specifically there to assist you, and can and will help you find opportunities in that agency.

**6.Strategic Partnering.** The Government gets significant kudos for awarding to small disadvantaged, women-owned, Native American, veteran-owned, and service disabled veteran owned businesses. If you are not in one of these groups, you can still get a strategic advantage by partnering with a company that is. It's often best to establish those relationships and perform some work with that company commercially before you begin your relationship on a Government contract.

It does take a little work to get Government business and it is not always an easy quick path to growing your business. The Government is a very reliable customer and as a small business you don't always have to compete head on with the big guys. In fact, you shouldn't. By using some of the approaches mentioned here, you can expand your business with just a little effort.

**About the Author**

Marsha Lindquist, CEO of The Management Link, Inc., has over 30 years experience as a business expert in Government contracting. She has enhanced her clients' cost competitiveness, improved their contractual positioning, and solidified overall strategies with companies including BP Amoco, DynCorp, and Northrop Grumman. Marsha adds value by telling you what you need to hear.