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Want to be a federal contractor? Start small, be nice to the big boys Premium content from Washington Business Journal by Jennifer Schaus Date: Monday, August 30, 2010, 12:00am EDT - Last Modified: Wednesday, August 25, 2010, 3:14pm EDT

The federal government, as anybody in this region knows, is one of the fastest growing segments — if not the fastest growing segment — of the economy. Just as there are no fewer than five vehicles to get yourself physically into our nation's capital, there are just as many ways to get yourself in the door of a government agency to do business there. One avenue to winning government contracts is the subcontracting route, although most experts in this field would agree that subcontracting should not be your sole strategy. Successful government sales involve a long-term investment of time and money, as well as a carefully planned strategy and business plan. And, regardless of business size, a company needs to have a quality offering that meets the needs of the buyer, whether the buyer is the federal government or a larger prime contractor. This requires market research to identify

Government sales boil down to Sales 101 and relationship-building. Companies cannot expect to win work directly or through subcontracting based solely on being a small business — after all, more than 92 percent of U.S. companies are considered small businesses, according to Dun & Bradstreet data.

the target agencies that buy your goods or services, as well as their budgets, contract

vehicles and actual "needs."

products they provide.

While being a small business differentiates you from other contractors, you will still need a year or two to do the heavy lifting required to build yourself into a formidable competitor. There are no shortcuts, gimmes or handouts.

Subcontracting can help expedite your entry into the government market, though. Most prime contractors have a small business liaison office that is wiling to work with partners, as long as the partners have something valuable to offer. (Certain agencies' contract vehicles will require large businesses to have a small business subcontracting plan.)

Subcontracting with prime contractors can be almost as cumbersome and challenging as selling directly to the government, but nonetheless should be a part of your plan.

Approach those contractors as you would a federal agency. Do the homework to understand the government agencies in which they specialize and the key technology, services and

Register in their online database of subcontractors, but also roll up your sleeves and really

dig in — take the next logical step and make phone calls, set appointments and make a pitch. Don't blindly expect a partnership to blossom "just because." Conducting research to understand the needs, challenges and objectives of the primes will set you apart from the competition. And just as personal relationships take time, effort and sometimes several tries, so do your business relationships.

The government has begun to focus on a more even distribution of contracts across large, medium and small businesses. Most agencies have established programs to facilitate partnering between different-sized businesses.

The Office of Small and Disadvantaged Business Utilization can assist small companies that might not have the budget to pitch themselves. Additionally, most agencies have a mentor-protege office designed to match smaller companies just entering the government market with larger, more experienced organizations in similar or complementary industries. The good news is that research shouldn't be hard to find: The greatest advantage of selling to the government is the breadth of available information about agencies' budgets, goals, previous contracts and more.

This is a great market to be in. Even though it is competitive and not for the faint of heart, there are several paths to success. Subcontracting is just one of the options.

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