



How To Do Business With The Government And Survive

by Jim Lasswell

Hope is Not A Plan!

- Having lost sight of our objective, we redoubled our efforts.....Anon
- Do you really have a plan? Clear Objectives?
Can you answer:
 - Unlike everyone else who does what I hope to do, I or my company will prevail because.....
 - Why will this product, special competency, relationship(s) or other advantage allow you to succeed where many others have failed?
 - Do you have a "Business Plan" or have you filled out the blanks in a software product?

What Holds up Your Company?



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Competence: Without it, you can go home.

- Work is work
 - Everyone is opportunity-driven at first
 - Sell what you are, what you have, what you have been
 - Then Sell what you don't have
 - You must focus at some point
 - Reputation, performance allow you to hire the best
- You are what your web site says you are (and ProNet, and DUNS, etc)
- Pursue certification for competitive advantage
 - 8(a)
 - HUB Zone
 - SDB
 - WOSB
 - Service Disabled Veteran (SOB)
- Increase competence via Mentor-Protégé program
- Maintain quality at all cost!
 - Reputation and performance allow you to hire the best people
 - Past performance is critical to winning the next one

Relationships: The key to getting in the door.

- Meet anyone and everyone
 - Large primes
 - Small primes
 - Teaming partners
 - SBLOs, SADBUs
- Brief smartly!
 - Introduce and get customer to talk (Shut up and listen. Resist the temptation to give your brief)
 - Tailor brief to what he/she needs. Then find out what he/she needs and sell that! Flexible Marketing Material.
 - People buy things from people they like, who enjoy the same activities, who look, talk, dress like them.
- Join organizations in your market
 - NDIA, AFCEA, Navy League
 - Rotary, Chamber of Commerce

Finance: The important third leg.

- Plan for no revenue for 2 years!
- When to quit your Day Job?
- Learn what you must do financially to play in the gov't market
 - DCAA-approved accounting system
 - Get an accountant who is familiar with government contracting
 - Withstand the pay cycle (see next slide)
- Set up relationships with banks early
 - Lines of credit – Do it early – Rear View Mirror Syndrome
 - Most banks do not understand government services business or how the govt works/pays – Do you?
 - Try new, small banks that really need your business
- Do everything you can to be paid as often and as quickly as possible!
 - Cash Flow is Crucial!
 - Negotiate with primes
 - ↻ Invoice every two weeks
 - ↻ Guaranteed % of work
 - ↻ Progress payments
 - ↻ EFT
 - ↻ Payment terms (net 10)
 - Negotiate with government too
 - Use DFAS WInS (Web Invoicing System) <http://www.dfas.mil/ecedi/>

What would YOU do?

- After slogging for two years with no revenue, you win your first subcontract of 10 employees, set to begin the next day. Assume average salary of \$50,000/yr (\$24.03/hr), that for various reasons you work for two months before you can invoice, it takes 1 month for your prime to get paid and ½ month for prime to pay you.
- In those 3½ months you will pay employees:

$$10 \times \$24.03/\text{hr} \times 168\text{hr}/\text{mo} \times 3.5\text{mo} = \$141,346$$

without receiving a dime on the contract.

- Further, you must set up payroll, benefits, office space, supplies, furniture, you name it. You need about double the payroll amount to cover all this.
- Where will you get \$280,000 (after 2 yrs of no revenue)?

How To Make A Small Fortune Working With The Government?

- Start With a Large Fortune!
- Start With a Real Business Plan!
- Ask Yourself Everyday
 - Unlike everyone else who does what I hope to do, I or my company will prevail because
 - What Objectives are we trying to achieve
 - ↻ Always ask this before each meeting
 - ↻ How will you know if you have achieved the purpose of the meeting (or day) if you can't state the objective(s)?
 - What would Major Hoople or Lt. Flap do with these data?

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