Exactly **Who** *Is* the Government Customer?

If you have prepared a proposal or bid that reflects the best value to all three people—the **technical requisitioner**, the **finance budget-keeper**, and the warranted **contracting officer**—you will win the contract.

BY THOMAS REID

EVERY SALES OR NEGOTIATION TRAINING CLASS TEACHES that those who have contact with the customer should speak only to the decision-maker. Unless you are speaking to the decision-maker, you are told, you are just wasting everybody's time. While there is real wisdom in this advice, when you are a government contractor you have to ask yourself, "just who is the decision-maker?" Many of our clients have asked us that very question—"Who do I need to speak with to sell my product or service to the government?"

While this is the right question to ask, the answer is less straight-forward. The thesis of this article is that there are *three* decision-makers in any government transaction, each with his or her interests and motivations, and each with the independent ability to say "no." Only when you have all three of these decision-makers saying "yes" do you have the ability to close a sale to the government.

This is the most important distinction that separates usual commercial marketing from efforts to market to the government. And, it is this distinction that causes more businesses to fail in marketing to the government.

In the government market, there are some rather obvious differences from the commercial market. The government does not redeem coupons. And although trade-ins are authorized in more situations than they used to be, it is still the exception. Once you enter the marketplace, your prices often become public. Thus, you are faced with a different approach to competition than you usually see in the commercial market.

There are other less obvious factors that cannot be ignored in the process of marketing to the government, such as understanding that many marketing activities that are acceptable in the commercial world are improper, if not illegal, when the government is a party to the transaction. Examples include the use of box seat tickets at a concert or sporting event. You can't take your government customer, or prospective customer, to a fancy dinner, or fly them to Aspen for the weekend. Many transgressions of these rules have been documented in an interesting publication from the Department of Defense Office of General Counsel titled *Encyclopedia of Ethical Failures*.[1] But these differences, while significant, are beyond the scope of this article. Here, we will focus on the three decision-makers who must be convinced your product or service provides the best value to the government.

Let's first take a look at the usual sales negotiation process. In the seminal book *Getting to Yes*, Robert Fisher and William Ury describe the negotiation process as one of focusing on interests rather than positions.[2] On one hand, positions are something you have already decided upon. Interests, on the other hand, are what caused you to so decide on a particular position. These interests derive from each individual's perceptions of his or her interpretation of "needs" as compared to "wants." To reach agreement, then, you must understand the interests and motivations of the other party. When the interests of both buyer and seller have been satisfied, you can close the deal.

Marketing is always a three-step process. The first step is identifying the specific market you are trying to exploit and the people, or "leads," who purchase within that market. Leads can come from independent research, purchased contact lists, Web sites, government lists and databases, trade fairs, chambers of commerce, and a multitude of other sources. A healthy list of leads is critical to a successful marketing effort. It is said that only one in a hundred leads will make a purchase. While this is a gross generality, the fact remains that most prospects will *not* buy. Each "no" is actually a positive event. You can stop wasting valuable time on a person who will never buy and move on to find the one (or those few) out of 100 who will.

The second step is the qualification of the lead. This is where many of the other "no's" will arise. If the prospect is simply not in the market, doesn't have the funds, or is not the person who can authorize the expenditure, then you have the wrong lead. Experienced salespeople know how to ask the right questions to qualify leads quickly.[3] This strategy saves them time and the smart ones move on to the next lead.

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The third step is the actual closing of the sale. This is where you get the signature on the bottom line, or write the order, or do whatever it is your company does to confirm a sale.

To compare, commercial sales are most often made to the "buyer"—a single point of contact. In some situations, companies have defined processes by which end-users can purchase for their needs directly. Most small businesses (the majority of businesses in the United States) have very small hierarchical structures and authority to purchase usually rests with a single person. There may occasionally be a "higher authority," or even a committee on major purchases, but generally speaking company buyers can buy from whom they want on the basis of any factors they deem important, including long-term relationships, quality, or delivery. Price is not always the primary consideration, but it is always a factor. The process results in a purchase based on the "best-value" determination of a single person. If you have this person "sold," then you have made the sale. These individual decision-makers are motivated by a common interest—value to the shareholders. While there may be variations in how that interest is perceived, value to the shareholder, or owner, is paramount.

In federal procurement, the three phases of selling still exist. You still must develop leads, qualify them, and close the deal. With the government, however, there is no "owner" in the commercial sense. We suggest that there are three decision-makers—each empowered to gather the data he or she needs to determine whether the government is getting the best value. It takes all three to agree that the value is real and that it is the best value to the government. If any one of the three says "no," then the deal is not made. So who are these three powerful decision-makers?

The three pieces of the puzzle that must be put in place are the technical or requirements interest, the financial interest, and the contracting officer (CO) interest. While all three are motivated by value to the taxpayer, they also hold very strong divergent interests and each is embodied in separate people with separate responsibilities. Successful marketing to the federal government requires that you "sell" all three, based on their individual interests. If you are lacking any one of the three elements, no sale can be made. Thus, if the need does not yet exist, if the money is not available, or the CO is not prepared to make an award unless and until specific regulatory requirements have been met, then no sale will be made. Each of the three must be ready to buy, or "qualified" to use marketing terms. Failure to get each component qualified results in no sale. The sooner this is known, the sooner efforts can be concentrated on "hotter" prospects, or in addressing the concerns of the specific interested party on the government's side.

For example, the technical representative wants the requirement to be filled as quickly as possible. Program or project managers are usually constrained by the program or project budget as well. They also are in the best position to determine what level of quality, the right quantity, and what delivery schedule best meets their requirements. It may take a long time to get the requirement well documented, and once that is done, they often want the goods or services promptly. To them, the "mission" (whatever that may be in a particular circumstance) has to proceed. Further, progress of the "mission" is probably linked to their performance evaluation. When marketing to the requisitioner, you need to focus on these elements of your product or service. The technical program manager wants you to tell him or her what you will do to make the program successful—a better product or service, a better delivery, and better service after the sale. However, if you as a seller have not convinced the technical monitor that your product or service can make his or her program successful, no requisition is ever generated and the procurement stops. You have failed to make your sale.

The person sitting in the finance chair is charged with protecting the public funds and ensuring that they are used specifically for the purpose designated by Congress. There must first be a budget, it must be the right color of money, and the item being requisitioned must have a higher priority than all the other items being sought by everyone who shares those same funds. Finance people must approve the fund cite in all requisitions, and they have very strong feelings about not violating the Anti-Deficiency Act. This law states, among other things, that the total amount of funds within a specific appropriation may not be exceeded. If that occurs, a report is made to Congress and it is required to name names. No finance person ever wants his or her name on one of those reports. And above all, they are very budget conscious. If the item was not in the budget, a stronger case has to be made to use the funds in an alternate way. The interest of the finance person is, therefore, not opposed to the interest of the technical person, but the respective interests are still different.

Consider, for example, a procurement organization that determines a need for additional training. Sadly, when funds run short for any number of reasons, one of the first items cut is often training. So even though as originally budgeted there were training funds identified, the finance folks can and do make determinations on priorities and can move the training money to program money and use those limited funds in a different manner to support one or more of the programs that needs those funds. Thus, a successful seller to the government is certain to make sure that the finance person is acutely aware of the continued need and works to convince them that, even though some cuts may have to be made, it should not be to the detriment of whatever this particular company is trying to sell.

The budget person is often the most difficult to contact, and in many cases direct contact is not necessary. If a program manager decides he needs what you sell, he will most often take the initiative to work with the budget office to obtain the necessary funds. If all the proposals come in over the budget or over the government estimate (often but not always the same number), the CO will work with the technical lead to convince the budget office to free up additional funds. Budgeting is usually an internal affair and money is a sensitive subject. Of the three, this is the one area where less is more in terms of direct contact. Be a reputable contractor in all other respects and the budget officer will know that money allocated to a program in which you will participate has a greater probability of success. Convince the technical lead and your CO of your knowledge and good performance, and they will usually carry the story back to the budget folks.

Larger companies, which depend on funding that must be renewed every year, such as large weapon programs, will often take the budget battle directly to Congress to ensure that the money is

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available. A "grand slam" to these marketers is getting the money for their product specifically appropriated and "earmarked" for the continuation of the program. Large programs, it is often believed, are easier to have earmarked in this way, but when a budget crisis hits, there are no safe havens. This is particularly true when there has been a political shift in Congress or in the White House. Yes, this is politics, but it is often what must be done when seeking federal money.

The third leg of this three-legged stool is the contracting officer (CO). The CO, while sharing the interest of using tax dollars wisely, has additional interests different from either of his or her other two teammates. The CO needs the requisition from the technical monitor, and needs approval of the funds from finance. The CO also needs to make sure that socioeconomic goals are being met, that *Federal Acquisition Regulation* (*FAR*) rules have been followed, and that the contract file and the decision process reflected therein have been properly documented. The CO is concerned about protests, competition, and measures imposed on him or her, such as procurement action lead time (PALT). Filling the need and supporting the program are always strong motivators, but contracting officers take the trust given to them very seriously. They know the procurement rules and are responsible for ensuring that they are followed. They do not want the procurement delayed by a protest, or by any other action that would violate the rules—be they statutes or regulations, or even agency or site specific rules and regulations. And above all, the CO works diligently to ensure the integrity of the purchasing process.

The CO is often viewed as the decision-maker for the government, since only a warranted contracting officer can place his or her name on a federal contract on behalf of the United States. As you can see, however, the CO is the third part of the team that must approve the procurement. Those who believe that all marketing is done to the contracting officer are missing two legs of their stool, and in most cases their success rate reflects that failure.

The purpose here is not to exhaust all of the possible interests, but to show that among the three parties that must come together before the government may make a purchase, their interests, while not fundamentally opposed, are simply different. The successful salesperson will make sure that all three interests are satisfied.

"OK," you say. "I understand all of that. What I still want to know is—how do you *sell* to the government?"

In government contracting, a sale is consummated by the execution of the contract document by the CO. In most cases, however, this event is preceded by a proposal or quotation process. While the process may be as simple as quoting against a schedule, or even providing a semblance of a technical proposal under a sole-source award, it may also involve a protracted proposal development process requiring a significant investment of resources.

In any case, it is crucial for the survival of the business that its marketing pipeline be maintained; that conscious selection of target markets, market exploitation, and marketing strategy be managed; and that a process for closing the sale is followed. Management attention to the bid/no-bid process, the authority of the individuals entering into agreements on behalf of the contractor, and the process used to develop and qualify leads (including the tracking of these processes) is critical. Without discipline in the system, the processes will get out of control, promises can be made that cannot be kept, tight resources could be stretched beyond their limits, and liability can accrue to the corporation. Failure in these processes can result in the financial ruin of the company. Many larger corporations actually maintain a "client contact list" that specifies who will talk to which person within the government on a particular subject at a particular time. Management of this communication process avoids misunderstandings and helps to foster a trusting relationship between the contractor and its customer or potential customer.

Much training in this arena is "limited, because [it focuses] on the buyer's, as opposed to the seller's, side of the contracting equation."[4] The need for training on the contractors' side, however, is acute. It is the role and obligation of the contractor to develop a positive relationship with the customer. Relationships are not based on phoniness, or on some formulaic process. Companies that view a sale solely as a transaction fail to develop the long-term relationship. Smarter contractors understand that it is necessary to develop a relationship—not so close as to violate ethical rules, but close enough to convince all three government decision-makers that you are good for your word and can be trusted to tell the truth and perform the contract to the best of your abilities. When problems arise, as they inevitably do, a solid relationship built on trust goes a long way toward solving the issue.

As discussed, developing a relationship with a government customer has some significant differences for the company that is used to traditional commercial markets. The ethical rules and limitations make many usual commercial practices illegal. This does not suggest, however, that you can never talk to those on the government side of the house. Trade shows and agency sponsored "vendor days" are excellent opportunities to discover who in the government is buying what you sell. Setting up automatic notices for various services and products posted on **FedBizOpps .gov** will also alert you when an agency is buying what you sell, and provide specific names of contracting officers who buy your goods and products.[5] The Small Business Administration is often very helpful in publicizing the names and contact information for various agency points of contact, and the points of contact for the major prime contractors in the region. There are a number of very legitimate ways to reach your potential customers. With a contact to the CO, you can often get the names of those who define the technical requirements and approve the budgets. Most contracting officers and technical representatives, despite their inordinate busy schedule, will find time to allow you to visit and make a presentation on what you offer. All of this goes into building the relationship with each of the government decision-makers. Just because a CO or a technical representative will not talk to you at a given point in time, don't take it personally. It may be due to limitations placed on them by the Procurement Integrity Act, which limits discussions with potential contractors during the conduct of a solicitation. Once the procurement has been concluded, they are free to talk with you again. If you participated in the procurement and failed to win, ask for a debriefing so that you can find ways to improve your proposal next time.

Each of these is a way (and this list is by no means exhaustive) in which you can begin to develop the relationship with the agency to which you want to sell. Once established as a trusted contractor—i.e., know the rules and follow them, avoid putting any government employee in an awkward situation, deliver goods or services on time and on budget, and meet specifications—you can find dealing with the government market a very positive experience.

Conclusion

This process of identifying the three decision-makers within the government makes sense when you think about the true role of the government—to govern. The government spends public money—your tax dollars. It is appropriate to have checks and balances institutionalized within the process. This three-prong balance presents additional work for those who wish to sell to the government, but it is necessary to ensure a fair process.

The technical requisitioner, the finance budget-keeper, and the warranted contracting officer each have a specific role to play. They are differently motivated to protect those interests and ensure that the government is receiving best value. This best value is often tempered with a more expansive view of value, and includes the support of socioeconomic programs, Buy American protections, and the overall integrity of the purchasing function. These dedicated civil servants have the right, if not the duty, to say "no" when one of the interests entrusted to them is not followed, or when, in their personal judgment, the best value is not being achieved. The successful companies marketing to the government understand all three of these people and the interests that motivate them. Trust, respect, and absolute integrity go a long way in ensuring that a particular procurement will succeed, and if you have prepared the proposal or bid that reflects the best value to all three people, you will win the contract. ***CM***

Endnotes

1. **www.dod.mil/dodgc/defense_ethics/dod_oge/Encyclopedia_of_Ethical_Failures_2006_Full_Version.doc.** Accessed October 4, 2006.
2. Roger Fisher, and William Ury, *Getting to Yes* (New York: Houghton Mifflin Co., 1981) (2d ed., 1991).
3. The importance of asking excellent questions cannot be over stated in both selling and negotiating, but is beyond the scope of this article. One source of further information on this topic can be found at: **www.ncmahq.org/meetings/wc06/sessionApr10.asp** and clicking on "Advanced Negotiation Workshop." This is a presentation by the author from the 2006 World Congress.
4. Gregory A. Garrett, *World-Class Contracting, How Winning Companies Build Successful Partnerships in the e-Business Age* (Riverwoods, IL: CCH, Inc., 2001), 195.
5. **http://vsearch1.fbo.gov/servlet/SearchServlet.**