

THE 25 BIGGEST MISCONCEPTIONS SMALL BUSINESSES HAVE REGARDING FEDERAL CONTRACTING

1. I am too small to do business with the federal government.

The federal government's goal is to set aside 23 percent of their purchases specifically for small businesses. Each agency must do their very best to meet that goal. If you can supply the product in the volume and time frame required, you are not too small. There are many daily sales opportunities for \$10,000 or less.

2. I don't have time to learn about this.

How much time do you currently spend on your most favored customers? Remember: The federal government is the biggest customer in the entire world! This one customer can give you more

business than all of your commercial customers combined! This book will take you step-by-step through the entire process—from finding the sales opportunities, putting in a bid, and following through after you are awarded. Much of the paperwork is exactly the same from bid to bid, so that once you have prepared a few offers you will feel much more confident. Once you are familiar with the format of a particular agency's site, you will find that you can submit many electronic bids in as little as six minutes!

3. You need contacts in the federal government to win an award.

No! You just need to know where the sales opportunities are. The federal government issues more than 10,000 different sales opportunities every day, and many are issued and awarded automatically by computer.

4. I can't make a profit in this marketplace.

You will never know whether or not you are competitive in this marketplace unless you get involved! Using this book you will be able to find out what the government is paying for an item right now, *before* you put in your bid! Also, remember that the purchase may be set-aside exclusively for small, woman-owned, minority-owned, veteran-owned, or disadvantaged businesses. This book will show you how to identify if you qualify for these set-asides. Another factor to remember is that, often, the contract will be awarded using what is known as Best Value Purchasing rather than simply on price alone—if you can offer a better delivery time, or a better warranty than your competitors you *will* be awarded the contract, even if your price is somewhat higher!

5. I tried this before, but it didn't work out.

Plenty has changed in the last few years—what used to take 10 days to complete, now thanks to the internet, takes only 10 minutes! The e-government initiative has made it much simpler to find bids and submit offers, particularly for purchases less than \$100,000—known as the Simplified Acquisition Threshold.

6. My small business can't handle multimillion-dollar contracts.

There are many smaller bid opportunities out there for you—you just need to know how to find them! This book shows you where they are! There are an estimated 10,000 sales opportunities each day, across all agencies—95 percent of them are estimated to be \$100,000 or less!

7. I don't understand the jargon.

This book explains each government term in simple easy-to-understand language that does not assume any previous knowledge in this area.

8. I don't know where to begin.

The first step will be to register your company at the Central Contractor Registration site. You must be registered at this site in order to receive an award. In Chapter 1, we take you step-by-step through the registration process. We also explain the other important business codes and numbers you will need in order to begin.

9. I am a small service company—there's no market for me.

Are you a small landscaping company? The government contracts for lawn mowing and grounds maintenance. Are you a staffing agency? The government contracts out much of their administrative work to civilian contractors. Are you a small building company? There are many opportunities for you out there—you just need to know where to find them! Are you a small marketing/public relations firm? A video production firm? An online distance-learning company? A computer programming firm? I have helped *all* these service companies to win government contracts in the 30 years he has been in this business, and this book can help your company too!

10. The government takes too long to pay.

The federal government is required by regulations to pay small businesses in 30 days. You need to understand their invoicing system. Many awards are paid via Electronic Funds Transfer, and new systems such as Wide Area Workflow allow you to keep track of your invoice as it travels through the system until you are paid. This book shows you how to get started using these systems.

11. I don't have a GSA contract, so I can't submit competitive bids.

The *only* requirement for you to be awarded a government contract (and to get paid) is to be registered in the Central Contractors Registration (CCR) site. GSA contracts are just one of the many tools the government uses to make purchases, and we discuss the advantages of getting your GSA contract number in this book. But you do *not* need one in order to begin. If you find out that you are competitive and you can win awards, then a GSA contract will be another tool for you.

12. There is too much competition in this marketplace.

Fewer than 2 percent of registered U.S. companies actively seek out this market. This could mean that fewer than 2 percent of your competitors actively seek out this market. This book will show you how to do some research to find out who your competitors are in this market.

13. I sell products that are made outside of the United States.

The Buy American Act places certain restrictions on foreign products but there are more than a dozen exceptions to this regulation. For example, if at least 51 percent of the cost of producing the finished item is incurred in the United States, Mexico, or Canada, it is *not* considered an imported item. Use this book to find out more.

14. There are too many rules and regulations.

Federal agencies are strongly encouraged to make use of accepted commercial standards whenever possible, so this need not be an obstacle.

15. There isn't anyone to go to for direction.

Take advantage of local organizations that can help you get started—for example the Small Business Administration (SBA), or the local Procurement Technical Assistance Centers (PTAC). Information on how to locate your nearest office is located in Chapter 1.

16. I need Drawings and Specifications for my products.

This book will show you step-by-step where to go, and how to download drawings and specifications immediately from the Internet.

17. I am a dealer—I won't be able to sell to the government.

If you are a dealer, you can still sell your products to the government. This book shows you how.

18. I'll just hand this one over to Bob! (or Barbara!)

Don't try to give the responsibility for this to someone who already has too much to do, because it won't get done! Assign someone in the company to research this thoroughly so that you give it a fair shot. It doesn't need to be one of your executive staff, but someone in the company should read this book, find out who your competition is, do some research into the market, put in some bids, and follow up on them. If one agency doesn't buy your products, look elsewhere. This is the *only* way to really tell if this market is right for your company. You will never know until you try!

19. I'll just skim over the details—there is too much to read.

Like any other sales opportunity you must understand the terms and conditions of the contract before you put in your offer. Everything is there in black and white, and a few moments checking out the details could save you a lot of time later on. If you have a question on a bid there is always a point of contact on the very first page to answer all and any questions.

20. I need professional training—it will cost too much, and take too much time.

Look at this book as your training manual. Everything you need to know in order to win contracts is in the book. In addition, there are many free training seminars available at your local Small Business Administration (SBA) office, or the local Procurement Technical Assistance Center (PTAC). There are a number of free online government training resources that will help you to master any of the systems you need to understand. For example, the new Wide Area Work Flow (WAWF) system, which tracks products and services from delivery to invoicing and payment, has a free online training session to help you navigate the system, as well as a practice site where you can fill out dummy invoices to understand how the system works. Remember that government officers are always willing to help you with any problems—you just have to ask!

21. The agency will never return my calls.

The agency's Contracting Officer really is there to help you! Send an e-mail to the point of contact listed in the solicitation and you will get a reply—these people really are professional, highly trained, courteous, and patient.

22. I already do business with a federal agency.

Just because you have done business with the United States Postal Service, the Air Force, or the Secret Service does not mean you know how to do business with other agencies! Every agency does business differently, but they are all required to use the same basic regulations. In the commercial marketplace, you know that every sale is different, even though you are selling the same product or service, and you must tailor your approach accordingly. In a similar way each agency is different because they all have a different mission.

23. I don't need to keep records.

Wrong! The government never throws away records, and neither should you! Keep a record of every sales opportunity with which you are involved. If you speak to someone on the phone, send an e-mail to follow up. When you win a contract keep every record for a minimum of three years after the contract has expired.

24. My record with one agency won't help me get business with other agencies.

You think that being a good vendor only counts with the particular purchasing agent with which you did business? The government keeps a report card in a central location for each vendor so that other purchasing agents can see how well you performed on previous contracts. Your good record counts!

25. I'll look at this next week—or next month....

The opportunities for your small business *are* out there! Don't wait for some vague time in the future when you think you will be able to find the time! Find the time *today* and *get started now!*