

The 3 Attributes Needed to Become a Government Subcontractor

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Over the years I have read many self-help books in which, no matter what the problem, the books proclaim “You can overcome your problem with a positive attitude.” The writers go on to promise that anyone can achieve whatever magical feat is being described by simply visualizing the end goal. This is not one of those feats. While having a positive attitude always helps, let’s face it, preparing your company for any new type of customer or revenue stream is hard work. Subcontracting is no exception. There are shortcuts, techniques, and options, but it is still effort and that requires time. But take heart—the work can be divided into small, bite-sized milestones that shouldn’t take more than a few hours per week to accomplish, making it easier to squeeze the effort into your already busy schedule, without ending your personal life.

Definition of Terms

In government contracting a business that has won a contract is referred to as the prime contractor or simply the “prime”. There are two areas in which the prime may need assistance and therefore seek subcontractors or in contract-speak sub-to-the-primers: 1) the prime needs assistance with a portion of the contract. This could be in the areas of general staffing or staffing in a specific location or trade, technical expertise, logistics or managerial assistance of technical; 2) The prime must fill its subcontracting requirements as specified by the SBA (Small Business Administration) and the funding agency. While the

number varies the standard amount that must be subcontracted to small businesses frequently lands in the 20 – 28% arena of the total contract value. In addition to this amount the agency may insist upon quotas for the overall business operations (even those not covered by government contracting) that normally range from 1 – 5% of all purchases.

The 3 Attributes

I am often asked to describe the types of goods or services that are needed. My response is always the same: Everything. As stated by the Small Business Administration (SBA) the US Government is the single largest purchaser of goods and serves in the world. Simply put, the US Government buys virtually everything--from paper clips to tactical gear and on to breakfast cereals. Whatever you are selling, a prime contractor is buying it, in one form or another, on behalf of the US Government. The trick is to find the right “form” and then market your product successfully to the Primes who need it.

Knowing that virtually all products are needed, a potential subcontractor needs to possess only three (3) attributes in order to be a candidate for subcontract work. However, possessing these skills/attributes is only half the battle as you must also be ready to demonstrate this when you approach the Primes. These are listed on the next page.

Any product and any service can benefit from government spending no matter what product you sell or what service you

offer as long as you can demonstrate that your company possesses these three attributes:

- 1) Your company is a capable vendor,
- 2) Your company produces a quality product or service, and
- 3) You and your company are fully adaptable to new criteria.

These are discussed in more detail below.

A Capable Vendor

While the Prime will happily provide mentoring and guidance to a new subcontractor, the last thing a prime contractor wants is to subcontract with a company that requires constant hand-holding and encouragement to perform normal tasks. As a result, you should be prepared to assure the Prime that you would make an excellent business partner without weighing down the Prime's own resources. This is probably the most critical hurdle to overcome when you first approach a large corporation, as most Prime's have experienced that undesirable hand-holding process on at least one occasion. While it is true the prime contractor will assist you in many ways, they need to be assured that you are capable of running your own business. In return, they will assist you with the government contracting needs, audits, certifications, etc., that you may lack to prior to becoming a Sub-to-the-Prime.

A Quality Product or Service

Remember it is not sufficient to simply "know" that you produce a quality product or service you must be prepared to

demonstrate this to a prime contractor. There are many methods available that accomplish this process but these vary greatly from industry to industry. A few examples include obtaining a quality certification (such as ISO), membership in organizations that perform quality audits and testing/verification of your processes, regulatory audits and licensing agencies who have given you the seal of approval, etc.

Adaptable to new criteria

During my first government contracting class, on the first day of class, the professor opened up the lecture by tossing out questions to the class. The questions were pretty tough and seemed to be impossible to answer. After a few minutes he gave us a clue: "The solution is the same to every question I have tossed at your today." He continued to fire his questions for a few minutes then offered another clue: "It is a two word answer." Then suddenly from the back of the room a voice meekly answers "It depends." The professor acknowledged the student and said "That is right it depends upon the contract."

This remains true today...every contract is different and the criteria needed by the customer changes often. Some folks like to say that the only constant in government contracting is change itself, and after 20 years of this life I agree. If you can change quickly and adapt both yourself and your company to meet the changing needs, your prime contractor will turn to you often for assistance.

“All our dreams can come true—if we only have the courage to pursue them.”

Walter Elias (Walt) Disney

Marketing your business to a government prime contractor is much like selling to any other entity. You must find customers who can use your goods or services and convince them that your company is a capable vendor. With this in hand you can now move into demonstrating that you offer a quality product or service and then conclude with the fact that you are lean, flexible and adaptable. These attributes will make you an excellent small business and one that many prime contractors will want to pursue.

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