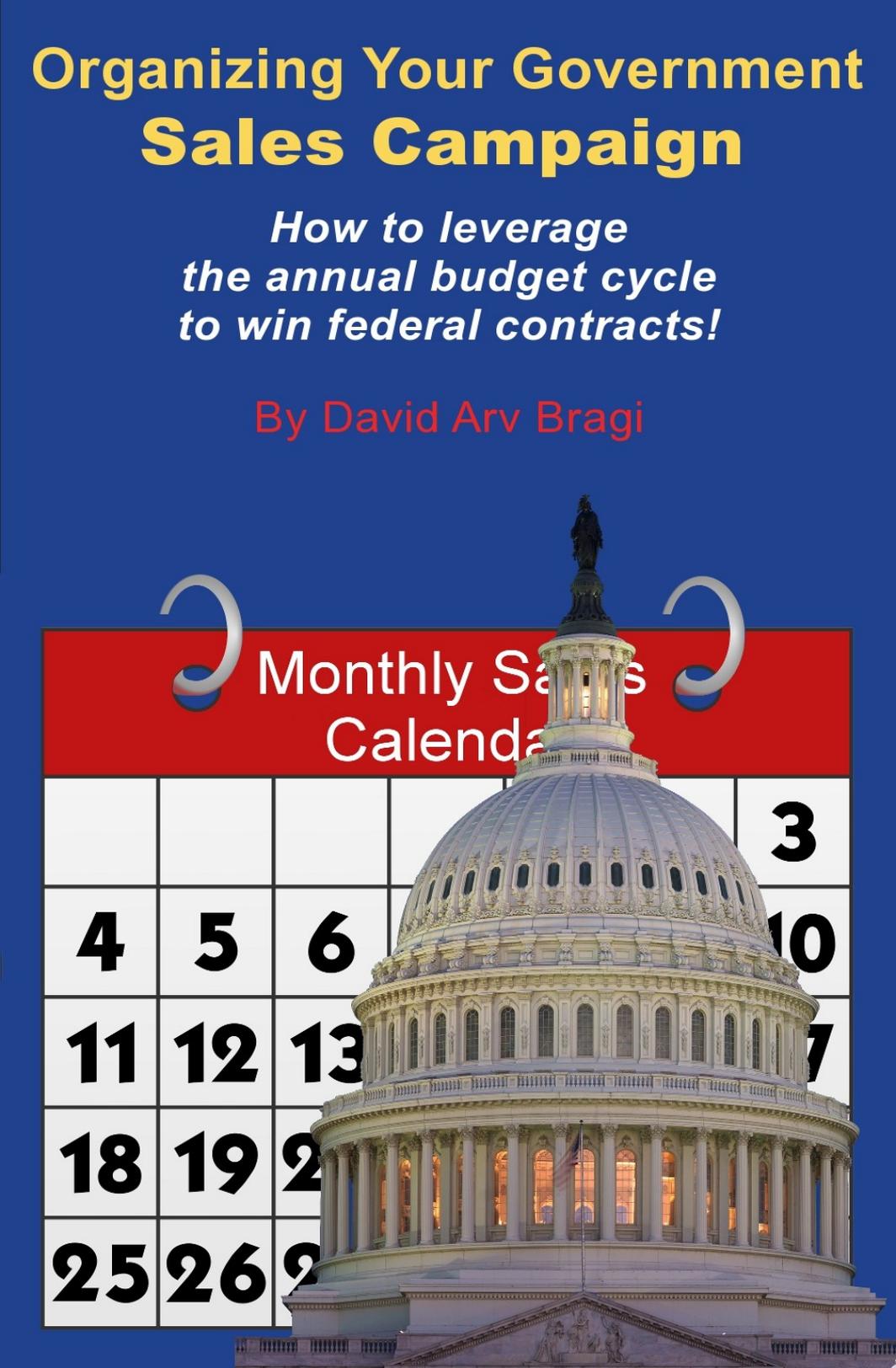


# Organizing Your Government Sales Campaign

*How to leverage the annual budget cycle to win federal contracts!*

By David Arv Bragi



Monthly Sales Calendar

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# **Organizing Your Government Sales Campaign**

*How to leverage the annual budget cycle to win federal contracts!*

**David Arv Bragi**

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Organizing Your Government Sales Campaign: How to leverage the annual budget cycle to win federal contracts!

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# Introduction



It's not where the money is. It's *when* the money is.

Are you a small business owner, individual entrepreneur, or sales professional who has a product that you could sell to the federal government, if only you could find the right people and talk to them at the right time?

Contrary to common belief, the US Government doesn't just print and spend money any time that it needs it. Like any business or household, it has specific cash flow requirements. At certain times of the year, government customers are most receptive to learning about new products. At other times of the year, they are most able to contract, purchase and pay for them.

Knowing the difference is knowing when and how to market to them with the greatest efficiency.

The strategy described in this book will walk you through the various stages of the federal fiscal year, the twelve-month cycle during which government agencies receive money from Congress and then spend it to fund their operations and projects. You will learn how to organize sales campaigns

around this cycle, time your sales calls to coincide with your customers' current needs and resources, and manage the unique requirements of government business transactions.

Eventually, your marketing efforts will run parallel with the government's own business routines. Your customers will find you so easy to work with that many of them will put you on their short list and refer you to their colleagues. Best of all, you can do all of this with the smallest of marketing budgets.

If you can talk on the phone, write email messages, and design product literature, then you can sell to the federal government. You just have to catch the right wave and ride it to the beach.

## *The annual cycle*

Every year, the United States Congress passes and the president signs a series of appropriation and funding bills. Altogether, they authorize each department, bureau, commission, office, division, agency etc. to spend a specific amount of money over the course of a twelve-month period called the “federal fiscal year.” (Just to keep things simple, this book will usually refer to any organizational level as an “agency,” regardless of its official title.)

Different from the January-to-December calendar year, the federal fiscal year runs from October to September. For instance, “FY 2018” began on October 1<sup>st</sup>, 2017 and ended on September 30<sup>th</sup>, 2018. The agencies can start spending the

appropriated money no earlier than October 1<sup>st</sup> and, with few exceptions, have until September 30<sup>th</sup> to finish spending it.

If an agency – for instance, Yellowstone National Park or the Customs Service – were to spend its money too quickly and therefore run out before September 30<sup>th</sup>, then that agency would “go broke” and have to shut down or curtail its activities, unless the Congress were to appropriate emergency funds.

On the other hand, if the agency spends too slowly and still has some money in the till as of September 30<sup>th</sup>, it is not allowed to keep that money. Instead, leftover funds are returned to the Treasury to be spent as Congress deems fit. This is because federal appropriations don't carry over into the next fiscal year, unless Congress has made special arrangements to allow it.

(This is one reason why government bureaucrats and contractors alike become anxious whenever Congress and the President can't agree on a budget by late summer. When the faucet gets turned off, the pipes run dry very quickly.)

No agency director wants to suffer the embarrassment of going broke, so they tend to craft their internal budgets conservatively, assuring themselves of enough money to keep the doors open. Since it is impossible to predict future spending down to the dollar, this means that many agencies end up with leftover funds at the end of the fiscal year.

No agency director wants to lose any part of the appropriations that they fought so hard to obtain in the first place.

Worse yet, Congress might assume that they are over-budgeted and cut their appropriation for the following fiscal year. So, they spend the leftover funds, quickly and on anything that they might have a use for but never got around to buying during the previous eleven months.

This spending spree usually occurs during the months of August and September and is sometimes called “fallout money.” Remember this term; it is one of the most critical keys to your annual sales cycle.

Come October, the new fiscal year's appropriations kick in. The annual cycle starts all over again, with new money, new projects, new budgets and new purchases to be made.

Congratulations. Now you know when the money is. Let's go out and get some of it.

## *How this book is organized*

A calender is normally drawn as a kind of Chinese box, with small boxes for hours and days nestled inside of larger boxes for weeks and months. But in another perspective, calenders are more like circles divided into pie wedges. Follow one around long enough and you will end up back where you started.

The same goes for the structure of this book. It is important that you read through all of the chapters, in order, before launching your first sales campaign. Each one includes not only suggestions for that month's activities, but additional

material of a general nature, such as how to prepare a government price quote.

That said, once you have finished reading, feel free to launch a new sales campaign any time of the year. You don't have to wait until the beginning of a fiscal or calendar year to begin. Just jump in when you can, adapt the clock to suit your current needs, and start making money.

This book also discusses some basic business-to-government marketing strategies. If you are an experienced consultative salesperson, you have likely heard it all before. If not, it will provide you with some great tips for building trust and working closely with your customers. As any professional knows, it never hurts to repeat the basics.

My knowledge comes ten years of experience selling and marketing maintenance equipment for a small manufacturer and distributor to the departments of Defense, Homeland Security and State. We also made related sales to major corporations holding federal contracts (which this book also discusses), state and local governments that receive federal grants, and overseas governments making purchases funded by US foreign aid programs.

If you have other experiences or sources of information that supplement or even contradict this book, please make good use of them. But whatever you do, never run with the herd. Never chase after the money. Get out in front of the money, so that it chases you.

# January

## *Prep Time*



January begins the first quarter of the calendar year and the second quarter of the fiscal year, which began in October.

By now, your customers and potential customers have long since finalized their initial spending plans for the fiscal year. However, they have not yet spent anywhere near all of their available funds, nor have they made all of their purchasing decisions. You still have plenty of time to get organized and plan your year's campaigns.

January is also the only month that begins with a federal holiday, New Year's Day. This ends the holiday season, which is traditionally a slow period for government activity.

You may have some unfinished business with your customers that has been on hold during the holidays. Wait for a couple of days after the first of the month, to account for travel and hangovers, then get back in touch with any customers with whom you are currently working on active deals, or who otherwise should be contacted now.

Theoretically, you could also start cold-calling new and inactive customers this month. Instead, let's take some time away from the phone and email to prepare for the sales campaigns that define your federal-related activities throughout the year, “New Products”, “Fallout Money”, “New Budget” and “Private Contractor.”

By investing your energies in laying some solid groundwork now, when business is traditionally slow anyway, you will be in a better position to hit the ground running when the cycle starts to pick up some serious speed about six months from now.

## *Contacts*

Your sales strategy will center around making numerous personal points-of-contact (POC's) at any agency that may have a good use for your product line. By actively nurturing business relationships with technical experts, resource advisors, contracting specialists and other individuals who can influence purchasing decisions, you will develop a network of POC's who work with you regularly to assure that their organization has the tools that it needs to fulfill its mission.

Completing a government purchase is a complex process involving many individuals performing a narrow set of bureaucratic tasks in concert with you and your staff. Sometimes you will contact several different POC's at different steps in the

sales process. At other times, the same POC will be involved in several different purchase projects.

So, to begin with, install or subscribe to a good customer relationship management (CRM) software package that can keep track of the hundreds of POC's and sales projects that you will accumulate over the next few years. Think about it. If you meet just one new person each business day, then after two years you will have five hundred POC's in your contact database. You cannot track that with a simple spreadsheet.

Your database will record contact notes, schedule follow-ups, organize by common factors (such as job description, product preference, or agency) and cross-reference multiple POC's for the same customer or sales cycle. You don't necessarily need a custom package costing thousands of dollars. An off-the-shelf system or basic online subscription service will do just as well, or at least until you hit the big time. But however you do it, develop a plan to stay on top of most complex organizational structure ever created, the United States Government and its network of suppliers.

Once the CRM software is up and running, organize contact lists. Start with any POC's that you already have on file, regardless of job title. It is only necessary that they are either employees of the federal government (including US military personnel), private contractors working in government offices, or officials from other countries with access to US foreign aid.

At this point in time, it doesn't matter so much whether or not they have purchasing influence. If so, then you have the opportunity to work with them directly to facilitate a sale. If not, then they may still be able to refer you to relevant POC's, provide you with general information about conditions at the agency, or otherwise point you in the right direction.

That said, you will eventually want to contact POC's who understand your product and can discuss its benefits with you intelligently. In an organization, every product has a user and every user has a supervisor, so your “user-POC's”, as we will call them, are the people who operate or supervise the operation of your product in the field.

In a large organization, user-POC's will probably not be senior managers, command officers, or political appointees. Tempting as it may be to seek out the highest level in the food chain, with our strategy you start somewhere in the middle, with the people who understand and derive direct benefit from the your product and have enough seniority and respect within their field of expertise to recommend its purchase.

This might be a line supervisor, senior engineer, master sergeant, crew chief, or some other senior technical position. In other words, if they like talking shop, then by all means talk with them.

By educating the user-POC on the benefits of your product, you will turn them into an army of foot soldiers who carry the fight for you within their organization, because it is in the best

interest of their organization. If you convince them of the value of your product, they will refer you to higher-level POC's, make recommendations to managers or commanders who trust them, and help you to navigate the complex paperwork that comes with federal sales, especially the big-money sales.

User-POC's don't normally make buying decisions on their own. They need to obtain funding approval, which moves your product information up the food chain to what we will call an "approval-POC." This might be a department head, project engineer, lieutenant-colonel, operations director, or some other middle-to-upper management position. Their job is to evaluate the recommendations placed on their desk by the user-POC.

It is entirely possible to close a sale without ever talking to an approval-POC, if your user-POC has sufficient influence and enthusiasm to sell the former on your product. That said, if you can get hold of the approval-POC after the user-POC has done the ground work for you, go for it.

However, one thing that you will rarely have to do is close the actual sale during a conversation with any POC. They usually prefer not to make an actual buying decision in your presence. That action comes after they have performed their due diligence, in their own good time. However, during that process they may have further questions, resources and opportunities and would benefit from a direct discussion with you.

Actually, the difference between user- and approval-POC's can get kind of blurry. Senior technical personnel are often given limited management responsibilities. In fact, sometimes you will begin a sales effort with an approval-POC instead of a user-POC, depending upon who you run into first during your travels. In the end, just make sure that you know who you are talking to and how they relate to the product that you are pitching.

## *Lists*

In order to schedule your sales calls correctly, divide all of the POC's whom you have already contacted in the past into three lists. (Hold your cold-call list of never-been-contacted agencies for later.)

The first list includes government POC's whom you have not yet updated on all relevant changes to your current product catalog, as well as those who are generally unfamiliar with your catalog. You will use it for a "New Products" sales campaign that will begin in February.

The second list includes government POC's who are already familiar with your catalog and have been updated on all relevant changes to it. You will use it for a "Fallout Money" campaign that will begin in July.

The third list will include POC's at private-sector companies who contract with the federal government and with whom you may wish to subcontract. You will use it for a "Private Con-

tractor” campaign that will begin in May. For organizational purposes, you may wish to include foreign government customers in this list.

Let's take a moment to look at private contractors and how they fit into your contact database.

On the one hand, you will occasionally run across a POC at a federal agency who is not actually a federal employee, but is an employee of a private company. They work alongside federal employees, perform similar duties, and use or manage (or even purchase) government-owned assets. Their paycheck comes from an outside source, but for operational purposes they and their direct-hire counterparts are part of the same team. This is similar to a “temp,” “freelancer” or “consultant” in the private sector, who works as an integrated part of the company's team but is paid under a separate arrangement.

For the purposes of your contact database, group these contractors with “government” POC's, but also note the name of their direct employer. You never know, one of them might end up as a decent source of referrals to prospects in their own company.

On the other hand, you will also run across POC's who are private contractors performing distinctly separate duties from actual government employees, and using or managing (or even purchasing) company-owned assets. This is similar to a subcontractor performing a specialized project at a large construction site. Their paycheck comes from a separate, private-sector

source, as does the \$10,000 tractor they drive around the parking lot. This is important to know if you sell tractors.

For the purposes of your contact database, group them with “private contractor” POC's, but also note the name of the federal facility where they work. If that company should lose their government contract, you can find out who is replacing them.

Whether you place a POC on the government or private-contractor list depends upon one question. If you sell a tractor, who pays you for it and cuts you the remittance check? You want to know whether the government or the contractor is your direct customer. Not only does this help you to place the POC in the correct list, you might also want to offer different payment terms or have different liability issues with private vs. government customers.

After you have listed all of your current POC's, start rooting through any cold-call lists or directories of federal agencies or private contractors to whom you would like to sell your products, but you don't yet know anyone there.

If you don't have any lists or directories, you can find plenty of them online, even by visiting the agency's website. One good place to start is the [A-Z Index of U.S. Government Agencies](#). Find at least one phone number, even if it is just the building's phone operator for general information. Add these cold leads to the first (New Products campaign) list. They will come in handy later.

Find a phone number whenever possible. While email provides an excellent avenue for technically-oriented sales correspondence with existing POC's, it usually takes you to a dead end when cold-calling people who don't know you. If you want to get a response, pick up the phone, find a live person and talk to them. The only exception is for international locations, where time zone or geographic considerations may make overseas calls inconvenient for your customer. Unless, of course, you like working at night.

# February

## *“New Products” Campaign*



February can be one of the slowest sales months of the year for federal government suppliers. Any initial burst of activity following the beginning of the fiscal year in October has likely played itself out by now. It is time for you to drum up some business with a New Products sales campaign.

Go into your contact database and access the New Products campaign list that you prepared last month. These would be warm leads who need to be updated on your current catalog and cold leads who not yet met you. Pick up the phone and call them.

In this preliminary phase, focus on learning about their needs and discussing with them how your product will meet those needs. Your goal is to inspire them to keep your product on their short list of desired purchases until they have funds available, whether that be immediately or months, or even years, in the future. Follow up by sending them product brochures, arranging for field demonstrations, or doing whatever you normally do to educate your customers.

Don't press for a commitment to purchase right away. In fact, you will rarely if ever close an actual sale over the phone or during a face-to-face meeting. Buying decisions are approved by a senior manager, sometimes in a committee meeting, after going through an internal vetting process. In either case, you won't be present when they make that final decision.

So, you will “close” a sales pitch to your user-POC successfully by convincing them to submit to their decision-maker a request that the product be purchased. If you then make direct contact with their decision maker – who then becomes your approval-POC – you will close successfully by coming to an agreement with them that the user-POC's request is should be given serious consideration.

## *Consultative Selling*

If you are familiar with consultative sales techniques, use them. If not, buy a good book on the subject and read it. In a nutshell, consultative selling is all about listening and learning. Familiarize yourself with an agency's mission before contacting them. Ask your POC probing questions about what they do and what they need. Listen carefully to their answers and reply with follow-up questions.

Once you have a reasonably good picture in your head, discuss with them how your products can serve those needs. Answer their questions truthfully and thoroughly. Have techni-

cal and pricing information at your fingertips, or alternatively let them know that you will follow-up with a detailed response.

If their current needs have nothing to do with your product line, offer to refer them to helpful sources of information on other matters until their future needs include you. Over time, you can become their outside “go-to” person for industry-related questions. Don't forget to ask them for referrals to colleagues who have a better reason to talk with you.

You can use a fast and assertive voice, a slow and reassuring voice, or whatever kind of voice suits you. But in no way should you try to “hard sell” your customers. They, or their colleagues, will know at least as much as you about what their agency needs, what technologies they have used, and how well they have worked.

In addition, they operate in a bureaucratic environment where detailed procedures govern every task and decision, including product acquisition. They are not susceptible to “impulse buying” techniques simply because their job description doesn't allow them to make impulsive decisions.

## *Finding Leads*

Now, like most sales professionals or independent entrepreneurs, you have probably endured your fair share of disagreeable cold-calling campaigns. Some folks hang up in your face because you interrupted their regular routine. Others stay on the line just long enough to accuse you of being the

scumbag scam artist of their worst nightmares. Still others dutifully take down your name and number and then toss it in the trash can.

Delightfully, you see very little of that in business-to-government sales. Most of the time, when you cold-call and get a federal employee on the phone, they will either help you directly or refer you to the person who can. This is because government work is very procedure-driven. Most federal employees don't have the authority to decide whether or not the person calling them the phone is worthy of the government's time. So, you might end up being referred from person to person until you hit paydirt.

The key to finding the right POC is to know in advance the type of employee that you need to reach, then explain clearly and concisely to the random person that your reached on the phone who you are, what is your technical field, and why you are calling. Try something like:

Good morning. My name is Jane Juarez with BW Industries. Can you direct me to the extension of the individual responsible for the maintenance and repair of your buggy whips?

Generally, this is all that you need. If the person at the other end is unsure of what you mean by “buggy whips”, you might say something like:

We supply the federal government with its mechanized Buggy Whips. I normally speak with an operations

supervisor or a senior equestrian engineer in the vehicle maintenance department.

That should do the trick. If they still are still unsure, just get them to transfer you to someone closer to the action. Keep it short and sweet, saving your great sales techniques for the right POC. Neither emphasize nor deny that this is a sales call. They won't really care, unless you have reached a “dragon at the front gate” receptionist who is charged with protecting a senior manager's valuable time and is trained to avoid sales calls like the plague. In this case, reassure them with something like:

Oh, I don't need to speak with your department head. I'm looking for a technical specialist, who would understand what this call is about.

In other words, just get the dragon to transfer you to another phone number, any phone number. Otherwise, she will just take down your name and number and hang up and you will have to start again from scratch. Later, once your technical specialist POC has learned about your product and discussed it with colleagues, you will have a much easier time reaching higher management.

After you have introduced or updated a POC on your current catalog, transfer them from the “New Products” lists to the “Fallout Money” list. This will help keep you organized later in the year. However, if it turns out that they have funds

available now, don't wait until summer to close the deal. Pursue it as a hot sale immediately.

If you have ever tried selling to the government in the past, you may have run across the public bid boards, which are lists of opportunities and notifications related to purchases that the government is considering making in the near future. The most important of them is the government-run Federal Business Opportunities web site at <http://www.fbo.gov>. Many of the private bid boards merely re-post data from this site.

Different type of entries on a bid board include an open invitation for vendors to express their possible interest in participating in a project that is still in the planning stages, an open solicitation for vendors to submit price quotes for an imminent purchase, and notification that a specific vendor has been awarded a contract or that no contract will be awarded. You can learn valuable information about how federal purchasing works just by browsing the bid boards. Sometimes you may even find an opportunity worth pursuing.

But when it comes to prospecting for opportunities, by the time a project reaches the boards, it may be too late to get involved with a reasonable expectation of winning a contract, especially if the product is unique or has a detailed set of specifications.

This is because another sales rep from another company has already done the leg work and sold the agency on purchasing their product instead of yours. If you contact the customer

before they have initiated the purchasing cycle and convince them that your product best meets their requirements, then you will become that sales rep.

# March

## *You Can Quote Me On That*



Last month, you began a New Products campaign, introducing customers to the benefits of your current product line. This month, continue working on the same campaign. Focus on energizing POC's about product benefits and feeding them information about prices and specifications. Then, when funds become available down the line, they will already have you on their short list.

March 31<sup>st</sup> is also the end of the second federal fiscal quarter. Some of your customers will budget on a quarterly, as well as an annual, basis, which means that at the end of the quarter they may have some leftover funds to spend. This affords a minor opportunity to pick up some sales. The chances that a given customer will have leftover funds at the end of a fiscal quarter is much less than at the end of the fiscal year, but you need only ask the question to find out.

If you have done your job well thus far, you may have already received some requests for price quotes. Later this summer, as the end of the fiscal year approaches, you will receive even more. If you haven't yet received any, go ahead

and start offering to send one whenever it feels appropriate. Even at this early stage, some POC's will like having a formal offer on file, along with your general product literature.

(As a point of clarification, when the term “quote” is used in this book, it can mean anything from a simple price quote to a complex project proposal, so long as a firm price is included. It must also be addressed to that specific customer as a personalized document, as opposed to a generic price list.)

## *Formatting*

A price quote to a federal customer needs to include certain types of information.

First, create a static quote template in the form of a letter, memorandum, or dedicated quote form. You can use a word processor or whatever software you like, so long as you can revise the template as needed. Include your company letterhead and contact information. Address it to a specific individual by name, most likely your POC, otherwise whomever your POC specifies as the recipient.

Include the following data, so that they can access your company's basic information while performing due diligence:

Following is our company  
information:

Tax ID Number: XX-XXXXXXX

We are registered with SAM.

Cage Code: XXXXX

DUNS Number: XXXXXXXXX

SBA Classification: Small Business,  
Women-Owned, Disabled Veteran

If you do not yet have all of the above information, assemble it before sending any quotes. Your user-POC's probably won't need it, but decision makers might and contracting officers definitely will.

You should already have your company's Tax ID number on file. Otherwise, for more information visit:

<https://www.irs.gov/businesses/small-businesses-self-employed/employer-id-numbers-eins>

You need to register your company with SAM (System For Award Management), the government's database of companies that do business or wish to do business with the federal government. For more information, visit:

<https://www.sam.gov/portal/public/SAM/>

As part of SAM registration, you will receive a CAGE (Commercial and Government Entity) Code, an alpha/numeric code used by various systems to identify your company. However, if your entity is located outside of the United States or its Territories, you will need to obtain an NCAGE code. For more information, visit:

<https://eportal.nspa.nato.int/AC135Public/scage/CageList.aspx>

A DUNS (Data Universal Numbering System) number is a widely-used numeric code that identifies each physical location

of your business. They are available free of charge from Dun & Bradstreet. To obtain a DUNS number, visit:

<http://www.dnb.com/get-a-duns-number.html>

You should know your Small Business Administration (SBA) classification because your customer may have set-asides or outreach programs for businesses like yours. For more information, visit:

[www.sba.gov/category/navigation-structure/contracting](http://www.sba.gov/category/navigation-structure/contracting)

## *Pricing*

Federal purchase documents usually itemize purchases by part number. So, list each item separately by part number, description, unit price, quantity and extended price. It will look something like:

Part#: BW-12a.

Description: Leather Buggy Whip,  
black.

Unit Price: \$738.50

Quantity: 4

Extended Price: \$2,954.00

If your quote lists Shipping & Handling as a separate line item, then after you deliver the product but before the customer pays you, they may ask you to document your actual delivery costs and pay you only that amount. So, if you quote \$100 for delivery but your carrier only charges you \$75.00, the

government may elect to pay you only \$75.00. If your carrier's fee is your only S&H cost, then this presents no problem.

However, if you have internal or other S&H costs that are hard to document, such as building a customized shipping crate using existing staff and materials, then you need to insure that your customer reimburses you for those costs. One solution is to average your S&H costs over a range of potential sales scenarios, roll that average into the product's unit and extended price, and note in the formal quote that S&H is included.

In fact, telling your customer that the price “includes Shipping & Handling to your door” is often a point in your favor, because it means less paperwork for them. No matter how much they need your product, Your POC's and their colleagues will need to jump through various paperwork hoops in order to purchase from you. If you already have your ducks lined up in a row, then you are making it easier for them to do business with you.

Price your goods fairly and reasonably. If you overcharge beyond what the market will bear, you will lose out to the competition, and there is always competition for federal business. Don't listen to the stories about companies that sold the government \$600 toilet seats. Not all of them are true and for every one that is true, there are hundreds of contracting officers, agency directors, and members of Congress who are savvy to these schemes and more than willing to make an example of you for trying to put one over on them.

Price your goods consistently. From time to time, a contracting officer (the individual responsible for awarding contracts to suppliers like you) will request copies of recent invoices for the same product. They then compare prices that you have charged in the past against your current quote. If the new price is higher than the old price, they will ask you to justify it.

This may require nothing more than replying “our materials costs increased over the past six months” or “they wanted a rush delivery” or another truthful statement. You may or may not have to supply documentation to prove it, so keep a record of past sales-related correspondence. If you have not previously sold the government that product, just advise same to the contracting officer. They may ask for non-federal invoices or, just as likely, say thank you and approve the contract anyway.

## *Terms*

When specifying payment terms, keep in mind two considerations. First, the government is always behind on its paperwork and tends to pay late. Second, government purchase contracts are structured as if it never pays late. The best that you can do is just soldier on as if the government really is as efficient as it thinks it is. If you normally offer Net 30 Days terms, continue to offer them 30 days. Just forecast your internal cash flow based on receiving payment in 60 or 90 days.

If the product's total price, including S&H and all other charges, falls below a certain amount, such as \$3,000 or \$3,500, then your federal customer can and probably will charge it to a credit card (also called a Government Purchase Card), which is

usually a VISA card. Compared to the contracting process, this is a quick and simple process for both buyer and seller.

So, for quotes up to \$3,000 or \$3,500 (or whichever dollar limit you wish), write the terms as something like:

Payment terms: Either via  
Government Purchase Card, with card  
to be charged when the goods are  
shipped; or Net 30 Days on Purchase  
Orders.

The phrase about charging when goods are shipped reflects existing government policy regarding card purchases. To avoid dealing with accounting issues related to delayed or non-existent shipments, they do not like to charge a card for goods that are still on your loading dock.

It can take an agency months to decide whether or not to buy a toothpick, even after you have completely convinced your POC's that the government will fall and chaos will grip the land if they don't buy something, anything from you as soon as possible.

So, guarantee your quoted price for as long as you can without risking a loss on the sale. Ninety days is a decent length if your product and shipping costs tend not to fluctuate. If they do, calculate a time frame that makes sense for your

industry and keep your POC in the loop for any changes. If the quote expires before the sale is closed, which is fairly often, you may be asked to provide an updated quote. The fewer times you have to do this, the less paperwork for all parties.

At some point, your customer may ask if your product has a GSA Scheduling Contract, National Stock Number, or something with a similar sound to it. (If you have one, then you know how to proceed and you can skip this part.) The government maintains price catalogs of various products offered by various vendors that make it very easy for government employees to purchase those products. Getting into such a catalog is a long and difficult process and beyond the purview of this book.

So, if your POC asks the question, tell them no you do not, offer to send them a price quote and technical specifications anyway, and keep selling. If they really want what you have, they will go through other paperwork routes to buy it.

## *Specifications*

Where your marketing materials should stress the product's sizzling benefits, the quote must stress its dry specifications. A price quote is a formal business document, not an advertisement. Don't include in it selling adjectives, such as "top of the line service", "best price in the industry", and "nine out of ten operators recommend us."

Instead, include a straightforward list of product specifications, sometimes called a "spec sheet." This will reassure your

customer that your product meets their requirements. This increases the likelihood that, if your customer has several possible vendors to choose from, they will choose you.

In most cases, the government has a legal obligation to attempt to obtain competing bids for the product that you have offered to sell them. After all, nobody has an obligation to buy from you just because you introduced the idea to them in the first place. This means that, after putting in months of work to convince a customer of your product's value, you risk watching another supplier arrive at the last minute to grab the sale with a bid one percent lower than yours.

Obviously, it is in your best interest to avoid the bidding process when possible. If you are the only manufacturer or distributor of a unique product, you might qualify for status as a “sole source” supplier. This involves sending a letter to your customer stating that you are the only supplier of your type of product, whether it be due to a unique set of technical specifications, patents that you hold, market research that you have performed, or other valid reasons.

It must refer to relevant qualities of your product. Nobody at NASA cares that your Space Alien Language Detection Satellite Module comes with a toaster oven attachment. In the end, the government has the sole discretion to decide whether or not to award you that status. But if your product is truly unique, there is no harm in attaching a letter to your quote and spec sheet. In business, if you don't ask, you don't get.

# April

## *Follow Me*



April begins the third quarter of the federal fiscal year and the second quarter of the calendar year. As the spring season progresses, better weather comes to the northern latitudes, which for outdoor-oriented products means scheduling visits and product demonstrations.

Since the fiscal year is only half over, some customers might have unspent money with which they can make a purchase now, hopefully from you. If they indicate as much, work it like a regular sale, not a fallout money sale. Be prepared to accelerate your activities with the customer and close the deal as soon as you can.

If your POC advises that no funds are currently budgeted for such a purchase, suggest that they try to obtain leftover funds at the end of the fiscal year. They will probably know what you are talking about and might even suggest it before you do. Just bring it up and listen carefully to their response.

If they like the idea, ask if they need additional information, quotes, documentation or other resources that may be of

help when they ask their decision-makers for funding approval. They may not need the information immediately, but it is better to get that out of the way now, before your busy season starts in July.

If your POC advises you that they are already short of funds for the remainder of the fiscal year and will have nothing left over in September, ask them when would be a good time to revive the project with new funds from the next fiscal year, which starts in October. Reassure them you understand the challenges of the federal funding process and are used to working with customers over the long term.

If they like your product, then hopefully they will appreciate your patience and willingness to invest your time to meet their needs. They will be more likely to keep your information on file and point it out to their successor when they retire or transfer.

Regardless of when you think the deal might close, this is also a good time to ask for the name and contact information of the POC to whom they forward their purchase requests.

They might be happy to shove this entire matter upstairs and off their desk. If so, find out when that information packet will hit your new approval-POC's desk and schedule a follow-up accordingly. On the other hand, they might advise you that the higher-ups don't talk to sales reps, or that they will contact you if appropriate. In that case, continue working with your current user-POC.

In large, bureaucratic organizations, decisions are rarely made by one individual without the input of a ladder of specialists and managers, each weighing in during their step in the approval process. By starting at the bottom and gradually climbing the ladder as far as you can, you will have the support of the POC's at the lower rungs when you speak to the POC at the next level up.

Remember also to ask for referrals to other agencies or organizations that may also benefit from your product line. Do this throughout all stages of the sales and after-sale process, whenever the POC expresses a positive attitude toward your product or company.

At this stage, patience is the key to a thorough sales pitch. Purchases by big organizations take time to complete. Just keep feeding the sparks until they catch fire, because if you inspire a POC today, they will carry the torch for you tomorrow, discussing your product and company with decision makers who you cannot access directly.

By the way, you can take the above actions earlier than this month, as appropriate. This book presents a rough calendar in order to provide you with a firm foundation for your own, individualized calendar.

Another, less predictable, budget cycle offers a potential danger to your campaigns. The US Congress normally budgets on an annual basis, appropriating enough money for one fiscal year. However, the political situation in Washington has dete-

riorated to the point that the Congress is increasingly unable to agree on a full budget. So, it passes a “continuing resolution” with just enough money to keep the government running for a few weeks or months.

Uncertain as to if or when they will receive a year's worth of funding, your customers may find it difficult to make long-range plans to start new projects and make new purchases. Often, they play it safe and limit purchases to necessary staple items that maintain their basic operations, putting off capital improvements and new projects until the situation stabilizes.

Throughout the year, follow the news and try to stay ahead of this curve. Anticipate when Congress is likely to pass – or fail to pass – a new budget, temporary continuing resolution, increase in the debt ceiling, or other money-oriented measures. Ask you customers how this might affect their ability to make purchases and let them know that you will work with them.

# May

## *“Private Contractor” Campaign*



Memorial Day, a federal holiday, is observed this month. Take the day off and enjoy a long springtime weekend. Come the madness of summer, you will be glad that you did. Your busiest sales campaign of the year won't hit full stride until then, so May offers a great time to start a Private Contractor campaign to drum up some additional business.

Go into your contact database and access the Private Contractor campaign list that you prepared in January.

Large corporations who contract with various levels of government are always looking for suppliers and subcontractors. They purchase just as diverse a set of products and services as their public counterparts. In fact, the federal government outsources so much of its work that any small business doing federal business should keep a second list of large contractors and develop good relationships with critical POC's.

Corporations operate on their own fiscal year, which is often different from the federal fiscal year. They tend to spend a lot of money not long after receiving a contract, when they

need to ramp up their assets to support new operations. On the other hand, if their contract is due to expire soon, they will be reluctant to spend any money. If they are preparing to bid on a new contract, they will need a price quote from you in order to estimate their costs.

A really nice sales arc would start with you learning that a corporation is preparing to bid as the prime contractor for a large federal contract. You contact them, ascertain that they will need the type of product that you supply, and send them a comprehensive price quote to help them estimate their costs. Now you are helping them to prepare their bid! By the time they (hopefully) win the contract, you have an active working relationship with them and they purchase the product from you.

By the way, don't hesitate to do the same with all corporations bidding on that contract. One of them has to win it, so you might as well be on all of their short lists.

These cycles are not based so much on anybody's fiscal year, but on the time lines of the bidding process, the duration of the contract, and the contractor's operations. So, when working your POC's, always try to get a handle on where they are in that cycle. That will tell you how to plan and schedule your individual sales campaigns.

Quotes to corporate customers can look pretty much the same as quotes to government customers. They will need just about the same set of information, and if not they will advise

you. Your pricing should be similar. You may or may not want to offer different payment terms, depending upon who you are working with.

Selling to a large contractor means selling to a large corporation, which involves just as much paperwork as selling to the government directly. Once you have reached the point of closing a sale, they may ask you to “register” with them as a vendor. This usually means signing a series of documents in which you agree to a laundry list of some sort, such as delivering the goods in a timely manner, warranting against defects, certifying the national origin of all materials, and so on.

If it is a reputable corporation with a well-known brand, don't worry too much about it. Numerous other subcontractors are already earning profits by working with them. But if you don't recognize the company or have any doubts about their integrity, research their business reputation before signing. Government contracting attracts a lot of unsavory characters, so in this case a small dose of paranoia can actually keep your bottom line healthy.

Contractors are, of course, susceptible to changes in the cash flow coming out of Washington. On the downside, if the government fails to pay them, then they may delay paying you on time. This is a standard provision in most subcontracts, which the prime contractor uses to protect itself. Keep your ear to ground, always.

You can sometimes pick up corporate business after promoting your product directly to the government (and vice versa). As a customer, the government sets the standards and specifications for the goods or services that they are willing to purchase from a prime contractor. If an agency likes what you supply, then they may incorporate it into their project specifications as a necessary or recommended item, perhaps even listing you as the recommended source.

In addition, corporate personnel working on-site at a federal facility may be exposed to products that the government has already purchased from you. Never hesitate to suggest to your POC's on one side that they get in touch with your POC's on the other side of the government-private equation.

As discussed earlier, private-government work environments have become so intertwined that, for some deals, your user-POC will be a contractor, your approval-POC a government officer, your purchasing-POC (about whom we will discuss in the August chapter) a contractor, your direct customer a government agency, and you after-care POC, well, just about anybody. That's when your contact management software proves its worth.

# June

## *Prep Time Revisited*



June is the first month of summer. It is also the last month that you will have time to take a summer vacation. If you want to hit the beach, do it now. Next month the beach will be hitting you.

Continue working your Private Contractor campaign and follow up on active leads from your earlier New Products campaign, as appropriate. June 30<sup>th</sup> ends the second fiscal quarter, so there might be some end-of-quarter funds lying around. Your March results may have narrowed down the list of customers who practice quarterly budgeting.

Otherwise, take a partial break from the phones to prepare for the commencement of next month's Fallout Money campaign. Go into your contact database and access the Fallout Money campaign list that you created in January and have been updating ever since. By now, it should include every government POC who is updated on your catalog.

If there is anyone left on the New Products list who is not updated, update them now and transfer their names to the Fallout Money list. It will make your life easier down the line.

Prioritize the names according to how much you want to talk to them. You will know better than anyone how to do this, but following are some basic suggestions.

Place at the top anyone with whom you have already scheduled a critical follow-up call. Presumably you have a good reason to talk to them. However, if it is just a periodic courtesy call, you will have more time for that after the end of September.

Place below them anyone who has expressed an interest in your product and advised that fallout funds might be available. These are hot leads who are already motivated to buy. You have set things up with them, so all that's needed is for you to pull the trigger. Presumably, you have already scheduled followups with these POC's. If not, schedule them for early July.

Place below them anyone who has expressed an interest in your product, but with whom you have not yet discussed this year's fallout money. These POC's can generate new business for you. They already know what you supply, so you don't have to spend time educating them. Instead, you can pick up where you left off and start talking money.

Place below them anyone who has expressed an interest in your product but doubts that fallout money would be available in September. If you have time, give them a courtesy call any-

way. If it turns out that they got lucky, they should know that you stand at the ready to share that luck with them.

Place below them anyone who you couldn't reach during the New Products campaign. Better late than never.

When scheduling your calls or emails, keep in mind how long it has been since your last communication. All other things being equal, the longer it has been since you spoke with them, the sooner you should contact them now.

If your list is too short to warrant a prioritization, then your list is too short. Go back to the January chapter and compile a larger list of potential customers. It is still not too late to introduce your company, especially when offering reasonably-priced products that they may feel comfortable purchasing quickly.

Let's talk about the "wish list." A federal agency won't know exactly how much unspent money they will have at the end of the fiscal year, until the end of the fiscal year. Not wanting to lose a dime of it, they will create a wish list of product items that they would like to purchase if enough money is still in the pot. And, like any good wish list, it will include more items than they will be able to buy, prioritized by how much they want to buy it.

In September, their accountants will determine that dollar figure, and then the agency will start making purchases. They will start at the top of the list and work their way down. Your goal as a sales professional, the goal that you have been work-

ing toward all year, is to get your product on that list and as high up on that list as possible.

If you need to update your prices, quote templates, spec sheets, production and delivery schedules, or other critical information, do it now, so that next month you can hit the ground running. During fallout money, the speed with which you respond to your customer's requests for information, from sending quotes to reviewing contracts, will be of more critical importance than during the New Products campaign. They will be under a deadline, so you will be under a deadline.

If, earlier in the year, your POC told you when they expect to submit their wish, list take this information into account when scheduling your call with them. If they expect to submit the list in late July, call them early in the process, even as early as June. If they submit it in early September, you have more wiggle room to schedule.

Do your quotes normally have a lifespan of “90 days”? If yes, write any quotes that you send during the month of June to expire “until September 30<sup>th</sup>,” then add the year. This way, you won't receive a frantic request from a contracting officer in late September asking for an updated quote before they run out of time to write up your contract, which must be completed and signed by the end of September. By saving you and them some time, it smooths out everybody's workload.

If your quotes normally have a 30 or 60 day lifespan, make this adjustment in July or August, respectively. If your quotes

have a shorter lifespan, seriously consider making them longer. Government purchases can take a long time to complete and no buyer likes relying upon obsolete paperwork.

# July

## *“Fallout Money” Campaign*



July begins the fourth quarter of the federal fiscal year and the third quarter of the calendar year. It also begins your Fallout Money campaign. Don't schedule any long vacations during the months of July, August and September, even if some of your POC's do. As a federal supplier, this quarter is your company's version of the “Christmas Shopping Season.” You will have more than enough work to stay busy during the warm weather.

Start inquiring about the availability of fallout funds at the beginning of this month. A few of your POC's submit their wish lists as soon as July, while others wait until August, or even early September. Since funding disappears at the end of September, this is the one time that you want to be first in line for whatever is left at the bottom of the barrel. And when you are talking about agencies with budgets in the hundreds of millions of dollars, that represents a pretty deep bottom.

Earlier in the year, patience was a virtue. If your customers were unfamiliar with your product line, you wanted them to take time to learn about its benefits and understand how it

would help them to fulfill their missions. If they expressed an interest in making a purchase, you had several months to work out a deal before the fiscal year ended.

Now you want them to make a decision and make it quickly. Specifically, you want your POC to commit to placing your product on their wish list. They will have a deadline for submitting it to their decision-maker or, if they are a decision-maker, deciding how to prioritize the list. After the deadline, the list is closed and no more products will be added to it. You have only three months left until the end of September, which is a blink in the eye to government bureaucracies. Try something like:

I'm touching base to see if you might have some end-of-the-year funds available for a supply of new Buggy Whips. Our state-of-the-art BW-series has proven itself time and again as the premier solution for upgrades to the federal buggy fleet.

You may already have our product information on file. If not, please visit our website or contact me directly. I can also provide you with customized price quotes, technical specifications and delivery schedules.

Quotes that you wrote earlier in the year may have expired, or soon will. Offer to send a fresh quote.

By now, you should know which products from your catalog are of interest to each of your customers. However, if for

some reason any of them still don't understand your product well enough to make a decision – for instance, a new person transferred to that desk a few weeks ago and hasn't read their predecessor's notes – proceed with a February-style sales pitch. This time around, however, also discuss fallout money in the same conversation.

Accelerate your follow-up schedule so that they will have time to put your product on their wish list before it closes. If not, pitch it for inclusion in the new budget that starts in October.

Not all of your clients will use the term “fallout money” and some of them might not even know what you mean, because they happen to use a different term or are not involved in budget matters. So, when first communicating with them during this campaign, use a more general, descriptive phrase, such as “leftover at funds the end of the fiscal year.”

As the fourth fiscal quarter commences, federal agencies have spent most of the money that they will spend during the current fiscal year. Belts tighten, non-critical tasks fall off the duty roster, and low-priority projects move to the back-burner. In the Air National Guard, for instance, some wings just stop flying their planes to save on fuel and maintenance costs. It may be a heck of a way to run a war, but you can profit by understanding when the money flows and when it dries up.

If you hear about belt-tightening at a particular agency, this may portend that they will have zero fallout money. Don't

let that deter you. Offer discounts, offer cheaper alternatives, and offer to try again next fiscal year. Let them know that you will champion their efforts to acquire what they need to do their jobs. Remember, fallout money is money that fell through the budgetary cracks, so it won't show up until your customer has a reason to start looking for it. Be that reason.

Continue using consultative sales techniques, asking and answering questions even when discussing such routine matters as delivery addresses and office hours. Follow up when you say you will follow up. Like any customer, federal agencies respond well to vendors who respond well to them.

## *Non-Federal Customers*

July is a financially important month for another reason. Most state and many local governments work on a fiscal year that starts on July 1<sup>st</sup> and ends on June 30<sup>th</sup>, which is different from the federal October-to-September year. While state and local governments spend less than Washington, especially during recessionary or slow-growth economic periods, there are a lot of them out there and they need all manner of things to keep the doors open.

Selling to state and local governments is outside of the purview of this book. However, it should be noted that their budgets are heavily influenced by direct federal programs for various locally-administered programs. Airports, for instance, rely heavily on grants from the Federal Aviation Administra-

tion to finance capital improvements to their runways and other critical infrastructure.

Assuming that you follow budget-related news at the nation's capitol, which you should, keep an eye peeled year-around for headlines that might affect non-federal government agencies. It also never hurts to keep tabs on your hometown's local news. If the city receives a pot of money to upgrade communications equipment for emergency services personnel and you manufacture secure two-way com systems, then pick up your office phone, give City Hall a call, and start laying the groundwork for a future sale.

From now through the end of September, make your federal customers a higher priority than your private contractors and other private sector customers, unless you have specific deals that require timely attention. Otherwise, you can pick them up again in October, after the dust has settled.

That said, the big contractors keep an eye on the federal budget process, probably a closer one than you will. They employ armies of lobbyists and spend millions of dollars to monitor it and influence it in their favor (although, being a politically-sensitive issue, you generally shouldn't bring it up with them in conversation.)

So, when you find yourself in a friendly chat with a knowledgeable POC in the private sector, it never hurts to talk shop about the spending mood in Congress, how various agencies

are faring financially, and how that might affect your customer's need to invest in your type of product.

# August

## *Keep the Momentum*



Follow up as appropriate with POC's that you contacted in July to inquire about fallout funds.

If there are POC's on your Fallout Money list whom you did not contact last month, contact them now, as soon as possible. Don't wait for breakfast, take your coffee intravenously and put your speed dial on speed dial. If you are lucky, most of them have not yet submitted their wish lists. If not, you just helped another vendor to earn a tidy profit. If you don't get on the wish list, you don't make a sale. Timing is everything.

Later in the month, give your POC's a final, polite “nudge” to keep the process moving. This can take the form of a short phone call or electronic message, something like:

Can you check the status and send me an update on our Buggy Whip project? Your contracting office hasn't yet contacted us about making a purchase.

As we approach the end of the fiscal year, purchasing paperwork can sometimes find itself sidetracked due to heavy work

loads. If you ask your contacts whether any unresolved issues or bottlenecks exist, we will work with you to resolve them any way we can.

The sooner we know if and when the purchase will be made, the sooner we can ramp up production and arrange for timely delivery of your goods. Thanks in advance and feel free to contact me any time.

High priority goes to any POC's who did not already indicate to you last month that they are actively working for approval. If you have done your homework, you will have a sense of who is carrying the flag for you and who needs a little encouragement.

Exclude purchasing-POC's from this effort. Since their role occurs at the end of the process, August is too early to inquire with them about the status of any possible contracts. However, you can and should remain in contact with them to complete any remaining paperwork or answer technical questions.

## *Purchasing POC's*

Any individual who is responsible for choosing which vendor will supply a particular item, preparing and awarding contracts, making credit card purchases, or otherwise administering the purchasing process is a purchasing-POC. Different individuals may be involved in different parts of the process.

They often have little or no experience with your product. However, they will have quotes, tech specs and other documentation on-hand, so that they can confirm that all is in order before making the final purchase. They did not make the decision to purchase the products, but are simply administering the process.

So, you do not need to pitch them on your products benefits. However, be prepared to answer any last minute questions of a technical nature regarding specifications, payment terms and shipping schedules. Their primary role is to assure that due diligence has been observed and your role is to help them to achieve it.

All of this is especially important to remember because you will find yourself interacting with purchasing-POC's more frequently than in past months. You might also have experienced a smaller traffic increase in July. That's how it works from July through September, a trickle turning into a river turning into a flood.

As discussed earlier, If the total sale price lies below a certain dollar limit, the final sale may involve nothing more than your user- or approval-POC asking someone on staff who is has a government credit card to call or email you to make the purchase.

Government agencies usually have a policy requiring you to charge the card only after the goods have shipped, not before. However, in some cases they may instead need you to

charge it before a certain date, often to assure that enough money is on the card to cover the purchase. So, when taking down the card information, advise them approximately when you expect to ship and ask them exactly when you can charge the card.

Keep a record of the card holder's contact information and the nature of the sale, but it is a good practice to delete the card number from your records after charging it. If you need to re-charge it later, call and ask for the number again. Government agencies suffer from serious credit card fraud, so they can be rather touchy about security. Anything that you do to reassure them of your integrity is a point in your favor.

If the price exceeds the dollar limit, or for some other reason a credit card purchase is impossible, an approved purchase request will be forwarded to a contracting office for final disposition. The contracting office will then solicit potential vendors to bid on it (unless they have designated you as the sole-source supplier). After deciding which vendor to purchase from, they will prepare the contract and send it to the vendor.

It is in your best interest to stay on top of the contracting process. Ask your user- or approval-POC if they have a phone number or email address for the contracting office. Check the public bid boards regularly because a public bid solicitation will have that contact information. Look over your historical contact notes for prior contact with that office. Or, the contracting office may contact you privately to discuss your quote and specs.

There is no guarantee that you will get into direct contact with the contracting office. Your POC's might not give you their contact information. The contracting office might solicit alternative bids privately, instead of via a bid board. They might cancel the purchase at the last minute. However, no contact doesn't necessarily mean no contract. Sometimes, you send out a quote, you hear from nobody for weeks or months, then one day a big, fat contract show up in your email box. It's that kind of business.

If you reach the contracting office but don't have the name of an individual, ask for the individual who is handling the purchase request. This will be your purchasing-POC and their job title will be Contracting Officer, Contracting Specialist (who reports to the C.O.), or something similar. If you found the bid solicitation on a bid board, reference the solicitation number. If not, just give them a general description.

Once you reach the right purchasing-POC, ask politely about the status of the purchase request and if they need from you updated quotes or other documentation. Always refer to it as a “purchase request”, not a “purchase”, because the final decision to purchase rests with them. Contracting Officers are very powerful within their organizations and even senior managers must defer to them on complex matters of contract law and procedure.

From your standpoint, the specialists who staff these offices have one mission – to assure that the federal government receives the best value for the taxpayers' dollars. They

are trained to evaluate bids, review a vendor's product specs against the user's required product specs, select appropriate shipping and payment terms, read fine print closely, spot fraud and cronyism, and resist aggressive sales techniques.

While many of them are quite friendly over the phone, you should still treat them like you would an armed state trooper checking your license, registration, insurance and hand movements on a lonely road at two o'clock in the morning after the bars have closed, in the rain. Have your paperwork in order and maintain a sober demeanor.

## *Middlemen*

Going back to the bidding process, there is a certain type of small-time trading company that just trolls the public bid boards for open solicitations. If they find a solicitation for buggy whips, they then look for a private-sector supplier of buggy-whips, ask for a price quote without revealing who it is ultimately for, and then turn around and quote the government a higher price.

You might even be one of these traders, reading this book in an effort to upgrade your marketing strategies. If so, kudos for taking the initiative to move up the food chain.

To you, a direct supplier to the government, they are nothing more than middlemen, jumping in at the last minute to try and win a contract without doing any of the preliminary leg-work. To them, this is purely a numbers game, because without

personal contacts or product knowledge, they must churn out bid after bid before lightning strikes and they win a contract. As the number of bid solicitations on the boards takes a big jump over the summer, so will their efforts.

They may contact you requesting a price quote, without knowing that you are a direct supplier. The contracting office might have listed you as a suggested source, or they found your company in a business directory. If someone calls you asking for a price quote with specifications that roughly match one that you have already sent to one of your customers, ask them if it is for resale and if so, to whom. If they elect to tell you, they may also ask whether you are bidding directly to “their” customer.

Either way, it is totally up to you how to respond and whether or not to send them a quote. If you expect other direct suppliers to bid on the contract, you can safely ignore the middlemen.

However, if you don't expect other suppliers to bid, you may want to issue quotes to at least a few middlemen. Contracting offices have an obligation to obtain, if possible, several bids before issuing a contract. If you send a quote to a middleman and they end up winning the contract (which occasionally happens even if you have the lowest bid), it will help to fulfill the contracting office's obligation.

Even though you are also bidding directly on the contract, this is perfectly legitimate practice. A trading company may

have other assets, such as a better delivery chain or a disadvantaged-business designation, that occasionally makes them a real contender for a contract. In rare cases, you may even want to work with a middleman, such as for an overseas shipment where a middleman with overseas offices is better positioned to absorb the risk of delivery or payment problems.

Middlemen will usually try to negotiate with you for a generous trade discount. This is especially if they don't know that you are also bidding on the same contract, because they think they have you over a barrel. Instead, quote them no less than what you quoted your direct customer. If you quote a lower price and they end up winning the contract, you lose some of your profit.

They may also ask for generous payment terms, such as net 30 days. Instead, offer them terms of 100% paid up front before the goods leave your dock. In many cases, they ask for terms because they don't have enough money in the bank to pay you up front. You can bet your 401K that they will not pay you a dime, if at all, until well after the government pays them.

# September

## *Let The Good Times Roll*



Hang on to your hat! You have just begun your crazy month, your Normandy Landing, your annual cattle drive, your first driver's license test, your wedding and the birth of your first three kids, all rolled into thirty days of nonstop business activity that proves whether or not you got the previous eight months right. Cancel all leaves, stock up on snacks in the office refrigerator and send your family to the in-law's for a nice vacation. You won't have time for one.

In most cases, your user- and approval-POC's have already submitted their wish lists and are waiting to learn which, if any, items on that list will receive funding. Some have not yet done so, which is not really a problem for you. In either case, feel free to give them another polite nudge, as appropriate. Just remind them that you haven't yet received a purchase order and are available to help move the project along as necessary.

Otherwise, if you must contact them, have something concrete to talk about. Avoid the temptation to keep calling just to ask if their efforts were successful. Since user- and approval-

POC's rarely make the final purchase themselves, you might receive the contract before they know that it was awarded. In any case, nobody likes a salesperson who sits in the back seat of a car like a little kid crying, "are we there yet?"

Instead, focus on critical communications of a technical nature. At this stage of the game, much of it will be with purchasing-POC's anyway. If you have additional specifications, can offer a better price, or need to confirm receipt of documents, then by all means do so quickly and efficiently.

If you have not received an order and it feels like you should have by now, ask your purchasing-POC whether or not a purchase has already been made

If yes, ask when it was made and who was the vendor. If it was you, advise them that you never received it. If it was not you and if it was via a contract, ask for a copy. Most government supplier contracts are public documents, so they may be obligated to provide the information. Be polite in your inquiries. Any information that you can glean about the purchase will provide you with valuable market research about rival companies, products and pricing.

If not, ask when they expect to award the contract or place the credit card order. Find out if there is a bottleneck that you can help them with. Sometimes just asking if there is a problem brings it to people's attention for a solution.

For credit card purchases, at this time of year it is vitally important to ask your purchasing-POC when they need you to

charge the card. As discussed earlier, federal policy dictates that you normally charge it after shipping the goods. However, due to the end of the fiscal year, the money that the government pumped into that card may not exist after September 30<sup>th</sup>.

So, if they purchase in September but you cannot deliver until October or November, you may have to charge the card earlier. Coordinate this with your purchasing-POC at the time of purchase and document the arrangement, either via an email thread or your contact notes, in case a question arises down the line.

## *Contracts*

As the month progresses, you should receive an increasing number of orders. Since receiving a contract is a more complex process than taking a credit card order, let's take a close look at the former.

You will likely receive the contract via email, as a PDF or similar file attachment. Depending upon how that contracting office is organized, it may be sent to you by your purchasing-POC, or by another individual in the contracting office who works with them (and who, by default, becomes another purchasing-POC).

Review promptly each contract as it arrives. Near the bottom of the first page, you will see a field that will be checked if the contracting office requires you to affix your signature to

the first page and then return a copy to them via email or fax. By signing, you are formally accepting the contract as written. If it isn't checked, no signature is required and your acceptance is assumed unless you contact them to say otherwise.

If your signature is required, and if you estimate that it will take more than a few hours to review and sign it, reply to the POC who sent it with a courtesy acknowledgment like:

Thank you for the contract, receipt is acknowledged. We will review it promptly and then reply with either our signature of acceptance or any questions.

If the contracting office doesn't require your signature, reply with a courtesy acknowledgment like:

Thank you for the contract, receipt is acknowledged. We will contact you if we have any questions.

If, after review, you are satisfied that everything is in order, sign and return it without delay with a cover message like:

Thank you for the contract. Attached to this message is a copy of the first page with our signature of acceptance affixed. Please advise if I can be of further assistance and kindly confirm receipt with a brief reply.

As with all critical communications, if the purchasing-POC doesn't reply with confirmation of receipt, contact them again to confirm. You don't want to lose an award just because your

email message dropped off the Internet or your fax transmission disappeared.

Also, the contracting officer should have already affixed their own signature to the same page before sending it to you. It is not a valid contract without their signature. If it is missing, it might be a simple oversight or, more importantly, the entire contract might have been sent to you in error. Ask your purchasing-POC to have it signed right away.

Once everyone who needs a signature has a signature, you can begin work on fulfilling the contract.

Most of the information in a federal contract is boilerplate, so over time you will know what to look for. Until then, understand that critical areas of concern include assuring that the part number, quantity, price, delivery location/method/date, and payment terms match your quote.

During review, you may find that the contract contains errors or objectionable conditions. This will happen occasionally and is to be expected, considering the complex nature of federal transactions and the heavy workload in contracting offices. Once you have identified any problems that need to be addressed by the contracting office, contact your purchasing-POC immediately.

Contracting offices know that not all vendors are experts in federal contract terminology. So, feel free to ask about wording that you still don't understand after doing your own research. Sometimes a simple clarification is all that is necessary to

move things along. You can learn more about common federal contract terminology at the Federal Acquisition Register (FAR) website: <http://www.acquisition.gov/far/>

## *Modifications*

Sometimes what looks like a clerical error is actually a more serious misunderstanding. For instance, your quote states that fulfillment will occur over the course of six partial deliveries, but the contract states that all items must be delivered in one shipment. Perhaps your user-POC told you one thing and his supervision another thing. Regardless, you must either accept the contract as-is or try to negotiate a revision in your favor.

If you choose the latter, you will negotiate with the contracting office, so contact your purchasing-POC right away. Don't contact your user- or approval-POC directly, because the contracting office will do this themselves if appropriate. Yes, it sounds counter-intuitive for a sales rep, but contracting offices need to make sure that they know what the user wants, not what the vendor wants them to think the user wants.

Once your company and the contracting office agree that the contract needs to be revised, the contracting office will send you a formal contract modification, or “mod” for short. This is a brief document that details changes made to the original contract.

Both you and the contracting office will have to sign the modification. In this case, however, they may deliberately send it to you without their signature. This is standard practice for modifications, not an error on their part. Once you have reviewed the modification, sign and return it to your POC with a request that they send you a copy with their signature affixed.

Once both parties have signed, the mod becomes an integral part of the contract.

Complete all of these actions, from acknowledgment to acceptance, in a timely fashion. If you fail to make the necessary replies and signatures, they may cancel the contract and either issue a new contract to another vendor or cancel the purchase altogether.

# October

## *“New Money” Campaign*



October begins the first quarter of the federal fiscal year and the fourth quarter of the calendar year. As of close-of-business yesterday (September 30<sup>th</sup>), the federal government had awarded all of the contracts and made all of the credit card purchases that will be paid out of last fiscal year's budgets. Starting October 1<sup>st</sup>, any new purchases will have to be paid out of the new fiscal year's budget.

That said, it is possible that during the first few days of this month you will receive a contract that is dated September 30<sup>th</sup>. Even the high-speed communications of the Internet Age can hiccup once in a while. So, keep an eye on your incoming email and fax.

If all has gone well, expect to spend a good amount of time this month fulfilling the slew of orders that you received last month. Your production, purchasing, warehousing, logistics, delivery and other parts of your organization charged with managing after-sale tasks should be ready for full production.

Maintain good quality control during production. Government sales is all about meeting specifications, so make sure that your product meets theirs. You might get away with shipping a substitute part to a customer with little technical knowledge, but you need to assume that your government customer will know exactly what they want, what it should look like and how it should perform.

Pay attention to the delivery due-date in the contract. The government may penalize you for a late arrival, especially if it comes as a surprise. While individual agencies may be lax about enforcing the due-date, if you are a beginner in the federal sales business, don't ever make that assumption. If a problem crops up and you expect to ship late, keep your user-, approval- and purchasing-POC's in the loop. Bureaucrats can work with you much more easily if you include them in the process.

Once you have shipped, your customer will pay you only after the office responsible for issuing payments has received confirmation from the office responsible for receiving your goods that the goods have indeed been delivered in good order. This is done via a “receiving report” or similar document, which certifies that the government has taken possession of the goods.

So, for orders that have not yet been paid in advance, it doesn't hurt to include on your packing list (and there should always be a packing list) a statement along the lines of:

Attention Receiving Officer or Supervisor: Please complete the receiving report or similar documentation confirming receipt of this shipment and forward it to your purchasing department for payment processing.

After shipping, track it until you are satisfied that it has been delivered. Wait perhaps a week to allow time for them to submit a receiving report, then submit your invoice. (If you submit the invoice before the receiving report has been completed, it can cause a minor paperwork jam.) You may not see any payments for a couple of months, so make sure that you have enough cash on hand until then.

## *New Money*

When you're not moving stock out of your warehouse, return to your customers and promote more sales. As discussed earlier, if you have not received a purchase order by now, then your federal customer was unable or unwilling to fund the purchase at that time. However, this does not mean that you should abandon a sales effort. If they needed your product yesterday, they will still need it today.

That is why October starts your New Money campaign. The beginning of a fiscal year launches Washington's annual \$1 trillion-plus spending spree in discretionary funds. You want to be first in line when the first checks are written.

Just as the results of the New Products campaign fed leads into the Fallout Money campaign, it in turn feeds leads into the New Money campaign.

First, list every potential sale that fell through during the months of July through September because the customer did not have enough money to make a purchase. Perhaps your product was too far down on the wish list. Perhaps no wish list was drawn up in the first place because they had no fallout money at all. Regardless, as of the end of September that became old news. The “new” news is that a new pot of money has arrived in town.

Next, contact the purchasing-POC, or if you do not have one the approval- or user-POC. Ask if a contract has been issued (or a credit card order placed).

If yes, try to obtain some information on the sale, including the name of the successful vendor, as discussed in the September chapter.

If not, contact your approval- or user-POC and encourage them to try again to make the purchase, this time with new funds. Offer to assist with the process and send them a fresh quote. It can take several weeks for new money to filter from the Treasury Department's books to the receiving agency's books, then down the food chain to your POC's desk. So, ask for a rough timeline on when they will put together their new budget and start buying, then schedule your followups accordingly.

If they express absolutely no interest in trying again, put them on your Fallout Money campaign list and call them next July. Or, if you plan to make changes to your catalog in the near future, put them on the New Products campaign list. This way, you're sure to keep in touch with your important customers at least once a year.

Next, list every potential sale that fell through during the months of October through June because the customer did not have enough money to make a purchase. Follow through in the same manner, except that you can skip contacting the purchasing-POC. Instead, contact the user- or approval-POC right off the bat.

You may have previously scheduled some miscellaneous follow-ups for October, for whatever reason. Go ahead and handle them as well. This is also a good month to resume your Private Contractor campaign.

# November & December

## *Happy Holidays*



By now, the new fiscal year's funding has begun filtering down to the organizational levels that are responsible for purchasing your goods. Check back with customers who have expressed a buying interest and, if you have not yet already done so, send a fresh quote. While the pace of sales activity has slowed, keep up a decent level of momentum. Don't stand last in a long line of vendors sending them proposals when they are newly flush with money.

Starting with Veterans Day, November inaugurates a six-week season of federal holidays, religious observances and winter vacations. In some areas, severe weather will affect local operations even more. This can distract POC's from getting involved too deeply with sales reps. By the middle of the December, business activity will have slowed to a crawl. Nobody is likely to hear your sales pitch over the roar of office parties and cars zooming out of the parking lot.

Of course, if you are working any hot deals, then by all means stay in contact with your POC's during this period. Just be willing to work with them on scheduling and be prepared to

put some tasks on the shelf until they and their staff have “gotten through” the holiday season.

You can also work on other projects, such as researching new markets, developing new products and creating new marketing materials. Take a cue from the ultimate small business sector, the arts and crafts industry. During the crafts fair season, they set up their tables and sell their wares. During the off season, they retreat into their workshops and create product.

Actually, this isn't a bad time to take some days off, yourself. See your family, go on a road trip, decompress.

At the same time, December can surprise you with the occasional big sale. If you go on vacation or an extended holiday, make sure that people can reach you via phone or email. If you have a sales staff, try to stagger days off so that somebody is either in the office or can jump back in if a cycle suddenly gets hot.

In a time-honored business tradition, vendors will often send their valued customers a nice holiday present – a bottle of wine, a cheese basket – to express their appreciation of an ongoing and mutually beneficial relationship. However, keep in mind that federal employees and private contractors must adhere to strict ethics policies.

So, before dropping that Christmas fruitcake in the mailbox, make a courtesy call to the recipient and ask if it would be OK with them. They will appreciate your demonstrations of

due diligence and, in any case, any excuse to chat with a client is a good excuse.

Congratulations! You have just worked your way through a full year of sales campaigns, at least in theory. Best of luck in your real-world efforts and, no matter what challenges lay ahead, keep on selling.

THE END

