How To Do Business With The Government And Survive
by Jim Lasswell
Hope is Not A Plan!

Having lost sight of our objective, we redoubled our efforts.....Anon

Do you really have a plan? Clear Objectives? Can you answer:

- Unlike everyone else who does what I hope to do, I or my company will prevail because..........................
- Why will this product, special competency, relationship(s) or other advantage allow you to succeed where many others have failed?
- Do you have a “Business Plan” or have you filled out the blanks in a software product?
What Holds up Your Company?
Competence: Without it, you can go home.

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

Brief smartly!
- Introduce and get customer to talk (Shut up and listen. Resist the temptation to give your brief)
- Tailor brief to what he/she needs. Then find out what he/she needs and sell that! Flexible Marketing Material.
- People buy things from people they like, who enjoy the same activities, who look, talk, dress like them.

Join organizations in your market
- NDIA, AFCEA, Navy League
- Rotary, Chamber of Commerce
Finance: The important third leg.

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

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

In those 3½ months you will pay employees:

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

without receiving a dime on the contract.

Further, you must set up payroll, benefits, office space, supplies, furniture, you name it. You need about double the payroll amount to cover all this.

Where will you get $280,000 (after 2 yrs of no revenue)?
How To Make A Small Fortune Working With The Government?

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