

TEAM TO HELP WIN GOVERNMENT CONTRACTS

This guide provides tips for small businesses seeking to identify and build teaming arrangements with other companies to conduct business with the government. Readers will learn ways to gain exposure to potential teaming partners as well as strategies for building business alliances. Sections include:

- Best Practices in Teaming
- Five Ways to Raise Your Profile
- Teaming Like a Pro
- Teaming Networking Dos and Don'ts
- Networking Resources
- Worksheet: Identifying Prospective Teaming Partners
- Glossary of Key Terms

BEST PRACTICES IN TEAMING

When it comes to small businesses, the federal government is a big proponent of collaboration. The government directs a fair percentage of its procurement to small businesses, but some contracts are just too large for many to handle alone. When this is the case, small businesses can team up with one or more other businesses to collectively perform the contract. Teaming is a great way for small businesses to build credibility and demonstrate proficiency to the government and other contractors.

Teaming is appropriate when a contract requires a larger workforce or a higher volume of work or products than any one small business can comfortably produce. With more government agencies “bundling” several small contracts into one big one to save time and



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money, there are more opportunities than ever before to get started in government contracting this way. In fact, the federal government recognizes and encourages teaming arrangements as a way to serve these types of contracts.

Depending on the products or services that you and your teaming partner offer, you may not need to work near one another. A face-to-face meeting once or twice at a conference or networking event is good so you can assess compatibility, but the rest can be done by phone or email.

While these partnerships can be lucrative for everyone involved, you need to agree on the details and division of labor to ensure the

relationship is fair to and fruitful for each party. Follow these best practices to avoid the pitfalls and derive the most from your teaming efforts.

Lay the groundwork. Successful teaming occurs long before a solicitation is formally published. Many business owners lay the groundwork for alliances by attending networking events and conferences or local city council meetings. Others get acquainted through business associations and publications, or through online message boards and forums. By the time a contract solicitation is published, there may not be enough time to find a potential partner, build an effective relationship, agree to all the terms and write a winning proposal.

Screen potential partners. Be sure to conduct a thorough background check on any potential business partner. Exchange financial information (sign a confidentiality agreement first) and talk to their references. You also can check their financial information, payment history and business scores with one of the business information services that track this information. These include Dun & Bradstreet's PAYDEX[®] score, which reflects a business's payment habits, and FICO's Small Business Scoring Service (SBSSSM). If you see any negative marks — late payments, delinquent accounts, bad credit history — ask for more information about the circumstances before teaming with them.

Put everything in writing. Once you and your potential partner have decided to work together and have identified a target contract, put the details in writing, including objectives, deadlines, tasks and responsibilities, making each as quantifiable as possible. Your businesses will have many conversations over time, so you don't want to rely on verbal communications when it comes to responsibilities and accountability for deliverables.

You'll also need to draft a teaming agreement for the bid. It should cover everything

FIVE WAYS TO RAISE YOUR PROFILE

Establishing connections is key to your government contracting efforts. Follow these approaches to raise your profile and increase the number of connections you make.

1. Tap into social networking

Build your contact list on social networking sites such as LinkedIn, Facebook, Meetup, Twitter, Teaming USA and OPEN Forum. When appropriate, ask for introductions to others' colleagues, and offer to do the same for others. Join online groups pertaining to your industry and pose questions. At the same time, provide answers to others' questions in order to gain a reputation as a knowledgeable expert. Do the same on forums and discussion boards sponsored by industry associations.

2. Attend events

Find out about conferences and workshops that offer training and additional opportunities to meet potential partners. Government agency representatives and prime contractors may attend some of these to answer questions and provide potential business opportunities. The more you learn about each agency and opportunity, the better your chances will be of winning a contract. If you're interested in working with local governments, get involved in community events, too.

3. Become an industry expert

Other key ways to make yourself known in the industry are to speak at conferences and write articles. To be successful, you need to be proactive and reach out to organizations at which

from when the project begins and ends to how the parties will be paid. To ensure that your rights are protected, it's wise to run any agreement by your legal counsel and accountant before signing. Both parties should sign a non-disclosure agreement to protect any private information within the contract.

Start small. It would be best for you and a potential partner to work together on two or three smaller government bids before going after large contracts. By doing this, both parties learn about each other's business structure and habits, as well as the personalities of those involved and the other company's culture. It also helps you work out the kinks in the relationship and develop procedures that make the joint operation run smoothly. This will also help give you a track record, which will help when submitting proposals to other agencies.

Define areas of responsibility. A teaming arrangement that starts out successfully can falter because the parties didn't clarify roles and responsibilities ahead of time. It is the responsibility of both parties to clarify each team member's role and responsibilities, as well as to update those duties as the project progresses. There should also be specific employees identified at each company to be liaisons with the other, in order to prevent mis- or cross-communication.

Choose a partner with complementary services. Synergy is key. Having complementary products or services — for example, you're good at products, while your potential business partner specializes in services — will help both of you. As you develop these relationships, your partners may find other projects for you to collaborate on, and vice versa.

Consider subcontracting and joint ventures. The most common form of teaming arrangement is between a prime contractor and a subcontractor. The prime contractor can either recruit a subcontractor or the subcontractor may identify

FIVE WAYS TO RAISE YOUR PROFILE (continued)

to volunteer. To select a good topic to talk or write about, think about practical information you know that others would benefit from. Describe a business process or service that you implemented. By speaking and getting published, you boost your name recognition and help establish yourself as an expert in your field and with the agencies you target. You also develop your presentation skills.

4. **Join a local business group**

If you don't already belong to a local business network, join one. At networking events, other small business owners will share their experiences and expertise, which may help answer any questions you have.

5. **Volunteer in your community**

Although you think you don't have time to volunteer for a community project, local service can be a great way to enhance your business profile, build professional relationships and strengthen your ties to the community. With thousands of charitable organizations to choose from, make sure the one you select has a good reputation and dovetails in some way with your business goals.

a contract — usually on a local or state level — and then recruit a larger company to serve as the prime contractor. Another type of arrangement is for two or more businesses to establish a new entity or joint venture to perform a contract, with each party contributing capital or other resources and then jointly performing the work of the contract.

— TEAMING LIKE A PRO

If teaming were a professional sport like basketball or football, Nathaniel Couser would be on the level of Michael Jordan or Tom Brady. Having built more than 400 formal teaming relationships in less than five years, Couser understands that partnerships mean more than simply looking out for your own interests.

“Teaming is a very vital word. If I’m going to team with you, I’m going to look out for your welfare as well as mine in an equal manner,” says Couser, president of Nastep Consulting Corp., with offices in Addison, Texas, and Washington, D.C. “Sometimes it may be that I’m looking out for you more than for me. Or, it may be an opportunity that doesn’t fit for me, but it does for another company.”

Couser has watched his company grow from a staff of one to 12 permanent employees and 25 consultants. They provide professional services in seven categories, ranging from products and solutions to consulting on engineering, strategy, energy, operations and biometrics, with the resources to sustain contracts in more than 150 countries.

Here are Couser’s four steps for effective teaming.

1. Understand your capabilities

Before you reach out to anyone, make sure you know your industry inside and out. Learn who the key players are and who and what you’re pursuing. “You have to understand your capabilities and their capabilities in a combination effort,” says Couser. “It requires working on a proposal, putting resources,

teams and personnel together that will fit that particular contract and pricing.”

Couser and his staff have been very strategic in which contracts they pursue. “We’ve had huge growth in tough economic times based on the contracts we selected and our positioning and working with other large, medium and small companies.”

2. Find a mentor

Although Couser worked without a mentor, he urges others to seek out mentors because they can explain processes and help you connect with other key people. It’s also important to stay consistent and have faith and determination.

3. Network with others

In teaming, it’s all about the relationship, and relationships aren’t created over the telephone or by email. They’re made meeting people face to face at events and conferences. “You have to sit down and actually talk to the other person and get to know them,” Couser says. “If you want to do contracting work for the federal government, you will have to travel to Washington, D.C., frequently and meet the contracting officers or the directors of those agencies. If you’re specializing at state or local contracting, you should learn who those players are, look who’s successful and build relationships on that level.” Business Matchmaking (<http://www.businessmatchmaking.com/>) is Couser’s favorite networking platform.

4. Create a formal teaming agreement

When taking professional relationships to the next level, you will need an agreement that both parties sign off on. “Put everything in writing so legally you know where you’re going and so both parties are protected,” Couser says. Make sure you have an attorney who specializes in government contracting on your side. Your legal counsel should ensure that your agreements are acceptable and that you have a non-disclosure clause in place to protect your company assets. ■

TEAMING NETWORKING DO'S AND DON'TS

Networking is an essential building block for government contracting. Locating relevant events and making time to attend them are the first two steps. Next is making sure you gain the most from each outing. Here are eight dos and don'ts to help you network to greatest effect.

Do: Come up with a 30-second “elevator pitch” that describes your business. Make it interesting and descriptive so people will remember you. Practice saying it aloud.

Do: Request cards from those people you sincerely want to stay in touch with. Likewise, hand out your card only to those you're interested in talking to again. Not everyone you meet will be a good resource for your business.

Do: Enter the event with a smile on your face, looking friendly and approachable. When you meet someone, give a firm handshake and repeat his or her name to help you remember it. Make eye contact and be attentive.

Do: Show interest in the person you're talking to. You never know how that person may help you down the road. Be prepared to offer your opinion. When the conversation starts to lull, thank the person, exchange information if appropriate and go meet another person.

Do: Listen more than you talk. Ask questions and inquire about other people's work interests. Find commonalities so you can connect with them. This will help you identify potential partners.

Do: If you meet someone who seems to need your business's product or services, talk for a few minutes, get their business card so you can follow up at a later date and move on.

Do: Jot notes on the back of each person's card. Include something to help you remember them — hair color, if they wore glasses, had a distinct laugh or what school they went to. Better yet, use a contact management system to help you keep track of pertinent details and follow-up activities.

Do: Leverage social networking sites to stay connected. Within 24 hours of the event, follow up with everyone who gave you a card. Send a personal email with specific details about your conversation and an invitation to join your online social network such as LinkedIn or Facebook. For the really important ones, call and invite them to coffee or lunch.

Don't: Go without preparing.

Don't: Make it a contest to collect as many business cards as you can.

Don't: Isolate yourself in a corner or stand with friends or colleagues you already know.

Don't: Let your mind wander while the other person talks.

Don't: Talk about yourself or your business too much.

Don't: Monopolize someone's time.

Don't: Stuff the business cards you collected into a drawer and forget about them.

Don't: Send a generic email blast afterward to everyone you met.

NETWORKING RESOURCES

Use these resources to help network, find local events and national conferences to attend, post questions and answers on online forums and grow your business.

8(a) Sources — Minority and Women-Owned Business Directory

<http://www.sba8a.com/>

This directory lists federally certified minority and women-owned businesses searchable by company name, industry or state. The site is compiled by Business Research Services from government agencies and other sources.

Associated General Contractors of America events

<http://www.agc.org>

The AGCA sponsors events and seminars for general contractors. The site also lets members research potential partners among contractors.

Building Service Contractors Association International Peer-to-Peer Networking

<http://www.bscai.org/peergroup/default.asp>

The BSCAI offers a Peer-to-Peer Networking Program that gives building service contractors and contract security service members a place to share ideas, information and opinions.

Business Matchmaking

<http://www.businessmatchmaking.com/>

Business Matchmaking is a free initiative that provides opportunities for small businesses to secure selling opportunities from government agencies and major corporations at events and through its online network.

Business.gov message board

<http://community2.business.gov/bsng/board?board.id=GovernmentContracting>

Pose questions or answers and see what other discussions are on the community message boards on this site managed by the federal government as a service for small businesses.

Central Contractor Registration's Dynamic Small Business Search

http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm

Search the CCR database for potential collaborators to team up with on projects or list your business on the site so other businesses can find you for possible teaming arrangements.

Distribution Contractors Association events

<http://www.dca-online.org/Pages/Calendar/calendarmain.htm>

The DCA sponsors networking events for its members, who provide specific distribution construction services, including fiber optic, cable and duct installation and the installation, replacement and rehabilitation of gas pipelines.

NETWORKING RESOURCES (continued)

Hispanic GovCon Network

<http://www.hispanicgovcon.net>

This network of large prime contractors and federal government managers is for Hispanic-owned businesses that do government contracting. Its goal is to increase the presence and success of Hispanics in government contracting.

Minority Business Development Agency Community Exchange

<http://www.mbda.gov/apps/forum/>

This message board is operated by the Minority Business Development Agency, which is dedicated to advancing the establishment and growth of minority-owned businesses in the United States.

OPEN Forum

<http://www.OPENForum.com>

This site offers a wealth of business resources, including videos, articles and expert blogs on growing your business; success stories and advice from business owners; and networking opportunities for publicizing your business

WomenBiz.gov events

<http://www.womenbiz.gov/events.html>

Check out events sponsored by this government site, which helps women-owned businesses succeed in government contracting.

Women Impacting Public Policy events and online networking

http://www.wipp.org/events/event_list.asp

WIPP provides a calendar of informational and networking events for women-owned businesses interested in government contracting. The organization also has an online community for registered members and sponsors Instant Impact Teams, which meet and strategize to lobby members of Congress on issues affecting women business owners.

WORKSHEET

IDENTIFYING PROSPECTIVE TEAMING PARTNERS

In teaming, two or more businesses work together to fulfill a contract by combining their capabilities. The benefit is that your company gets to participate in a project it simply wouldn't be able to work on otherwise. Even though you may know how to run your business, the government has many teaming policies that must be adhered to. A key success factor to teaming is choosing the right partners through careful evaluation.

Use this worksheet to answer key questions about your company and potential teaming partners.

PRE-PARTNERING CONSIDERATIONS:

How will the teaming arrangement increase your chances of winning government contracts?

List what your company does, your strengths and your weaknesses.

List the capabilities of any potential partners. Check them against your strengths and weaknesses to determine if they complement those you listed for your company.

Craft a brief business profile of potential partners (years in business, rating, payment history, etc.). Are these profiles of companies you want to be affiliated with?

WORKSHEET

IDENTIFYING PROSPECTIVE TEAMING PARTNERS

Are any potential teaming partners a direct competitor? If so, how will you handle issues that could arise in delivering on a contract?

PARTNERING CONSIDERATIONS:

How will you and your teaming partners divide responsibilities during the project?

Which of you will determine the deadlines to complete the project and ensure that those deadlines are met?

How will you and your teaming partners determine the amount of time each party should contribute?

How will you and your teaming partners determine the terms of the teaming arrangement?

How will you and your teaming partners resolve performance issues that arise?

WORKSHEET

IDENTIFYING PROSPECTIVE TEAMING PARTNERS

How will compensation be handled for all partners, including payment amounts and timing?

Which teaming partner will submit paperwork?

Would a general partnership, limited partnership or joint venture be better than a teaming arrangement for the companies? (Note: Consult with your attorney and/or accountant before setting up such an arrangement.)

What will be your primary communication method (email, online workroom/collaboration site, phone, etc.) with your teaming partners?

Are there defined work hours on the project or are all parties willing to talk about it outside of normal work hours?

What happens to the arrangement if any teaming partner becomes unresponsive?

GLOSSARY OF KEY TERMS

Government terminology can be confusing for the uninitiated. Use this glossary so you may be better able to speak the language.

Basic Ordering Agreement (BOA): Written agreement between a buyer and a seller outlining the terms, specifications and prices of the goods or services to be supplied. A basic ordering agreement is not a contract.

Bid Protest: Challenge by a bidder against the awarding of a government contract.

Blanket Purchase Agreement (BPA): Simplified way to fill anticipated repetitive needs for services and products.

Capability Statement: Document that summarizes a company's background, certifications, experience, capabilities, expertise, past performance and pertinent codes, such as D-U-N-S, CAGE, etc.

Central Contractor Registration (CCR): Primary vendor database for the federal government. All individuals or companies wanting to be awarded government contracts must be registered in the CCR.

Certified 8(a) Firm: Business eligible to receive government contracts under the Small Business Administration's 8(a) Business Development Program because it is owned and operated by socially or economically disadvantaged individuals.

Change: Any action that requires a revision to the original requirements in a contract.

Change Order: Written order directing the contractor to amend a contract.

Commercial And Government Entity (CAGE) Code: Five-character ID number that identifies government contractors.

Commercial Marketing Representative (CMR): Individual who works with prime contractors to locate subcontractors.

Contract: Mutually binding legal agreement that obligates the seller to furnish supplies or services and the buyer to pay for them.

Contracting Officer (CO): Individual who has the authority to enter into, administer and/or terminate contracts and makes related decisions regarding the contract.

GLOSSARY OF KEY TERMS (continued)

Default: Failure by a party to fulfill a contract or to comply with the requirements set in the contract.

D-U-N-S (Data Universal Numbering System) Number: Nine-digit number issued by Dun & Bradstreet that the federal government uses to identify a contractor and list its address, telephone number, employee size and other information.

FedBizOpps: Online entry point for government procurement opportunities over \$25,000. Buyers are allowed to publicize their opportunities directly at the web site (<http://www.fbo.gov>).

Federal Acquisition Regulation Council: Governing body that makes FAR interpretations and rulings.

Federal Acquisition Regulations (FAR): Set of rules that government agencies must follow when purchasing goods and services.

Full and Open Competition: Refers to the rule that all appropriate suppliers may compete for a contract.

General Services Administration (GSA): Independent agency that establishes procurement policy and secures the buildings, products, services, technology and other workplace essentials for government agencies.

Invitation For Bid (IFB): Method used to accept a sealed bid and includes a description of the product or service to be acquired, bidding instructions, packaging, delivery, payment, contract clauses and deadline.

Mentor: Individual or business who creates a program to advance strategic relationships with a less experienced business.

Negotiation: Bargaining process that precedes an agreement between two or more parties. A successful negotiation usually results in a contract.

North American Industry Classification System (NAICS): Set of categories developed by the United States, Canada and Mexico to classify businesses in the three countries. This classification replaces the old SIC code.

Prime contractor: Individual or business contracted to perform a specified piece of work.

Procurement Technology Assistance Centers (PTACs): Located across the United States, these centers help small businesses complete the steps to work with the federal government.

GLOSSARY OF KEY TERMS (continued)

Protégé: Individual or developing business who cooperates with another more experienced individual or company to improve its capabilities.

Request for Proposal (RFP): Government document outlining the criteria and requirements to evaluate offers.

Sealed Bidding: Procurement method involving solicitation of bids and awarding of a contract to the individual or company whose bid benefits the government most, considering price and price-related factors.

SCORE, Counselors to America's Small Business: Nonprofit association that provides entrepreneurs with free, confidential face-to-face and email business counseling.

Small Business Administration (SBA): Independent agency chartered to protect the interests of small businesses and maintain free competitive enterprise.

Standard Industrial Classification (SIC) Code: See NAICS.

Subcontractor: Individual, business or corporation hired by a prime contractor to perform a specified piece of work required as part of an overall contract.

Taxpayer Identification Number (TIN): Number assigned to a business by the IRS that is needed to complete CCR registration.

Women-Owned Small Business (WOSB): Small business that is at least 51 percent owned and controlled by a woman.

NOTES