



The Five Secrets of Federal Sales Success

Mark Hogan, CEO

Federal sales appear to many technology companies to be the Holy Grail of sales. The promise of enormous contracts to dozens of Civilian, Intelligence and Defense agencies for installation in sites around the world quickens the pulse of even the most cynical and skeptical sales executive. The government trade press details every week awards in tens of millions, hundreds of millions and even billions of dollars. Sales of this scope could transform your company. Surely you deserve some small piece of that federal spending pie, don't you?

Every company that we've worked with is led by talented sales executives who frequently share a single common trait: they have no personal experience developing a cohesive, strategic and tactical plan to successfully pursue federal sales. They recognize the sales potential in the federal sector, and they put in place a plan that closely mirrors their commercial sales plan – and often employ their commercial sales reps in the federal sales process. These companies quickly learn the first secret of federal sales success:

Secret #1: The Federal Sales Process Bears No Resemblance to Commercial Sales

This may sound a little dogmatic and perhaps a little self-serving. However, it is entirely and unmistakably accurate.

I could direct you to a dozen CEO's and Vice-Presidents of Sales who would confirm their futile and expensive attempts to pursue a federal sales strategy without experienced federal sales guidance and support. You would hear a familiar litany of distressing tales recounting wasted time – frequently measured in years – wasted money, poor sales hires and anemic results.

There are a number of components that differentiate the federal sales sector. First, newcomers must overcome a significant and confusing language barrier. Government employees and procurement personnel speak a language that is entirely foreign to businesspeople that have spent their careers dealing with and selling to the commercial market. Government employees and contractors speak and think in acronyms. If you aren't familiar with this bewildering collection of acronyms, it's nearly impossible to engage in any meaningful dialog. You'll simply appear naïve, inexperienced and unprofessional, almost certainly condemning your sales efforts to failure.



Once past the issue of fundamental communications, there are additional procedural stumbling blocks.

Secret #2: Find the Money

How tough can this be? Do a little online research, find a published project and direct your sales reps to pursue the project.

It sounds simple, but in the government there is a big difference between having something *budgeted*, and having money *appropriated*. It's important that you ensure there is a "funding site" associated with the program that you're pursuing.

We've had clients pursue projects for years without understanding that there was no money directly appropriated for the project. The agency may have been sincere in pursuing funding, and may have genuinely anticipated that the funding would be appropriated, but at the end of the day, if there is no money, there is no project.

Believe me, you do not want to hear "Thanks for your time. You've been great to work with. We learned a lot and we'll keep you in mind if we ever get the funding."

Secret #3: Verify the Decision Making Tree

Every large federal project involves a project committee. You can't escape it, so you'd better understand it, embrace it and identify everyone involved in the decision making process.

One recent client spent over a year pursuing a \$10 million project with the IRS. The company had a truly compelling technology that addressed a critical problem facing the agency. The client's sales rep believed he understood the federal sales process and spent his time courting and persuading one person who he thought would make the final technology decision. Unfortunately, the sales rep never uncovered the key executive on the committee who wielded the real influence until that person directed the committee to pursue an entirely different technological approach.

Finding the right people to talk to is time consuming and costly. But I guarantee that it will cost less than investing an entire year pursuing a project and walking away with nothing to show for your commitment of time and resources for an entire year.

Secret #4: Meet the Decision Makers

This may be the most important element contributing to successful federal sales. If you do not have a trusted relationship with those individuals who will influence and determine the technology decision, your chances of sales success are near zero.



I know what you're thinking. That's not fair. It's not democratic. It's not an even playing field. You have compelling technology, a demonstrable and persuasive value proposition and a company devoted to client service and support. Why wouldn't the project manager select your technology?

Because they don't know you and they don't know anyone who is vouching for you. You're dealing in a politically influenced world and you've got to play with a new rulebook that places a premium on personal networks, contacts and trust.

Even if you successfully identify the key individuals that will influence or determine the sales outcome, if you have no experience or existing relationship with these people, you may never get a chance to meet them.

I often provide names and telephone numbers of key government executives to prospects who have expressed interest in working with us. Why would I give this information away? Because I know that even with a name, a number and an e-mail address, the chance of a stranger gaining a personal meeting with these contacts is virtually nil. And with the newfound popularity of the government market, the simple act of gaining a personal meeting has become increasingly difficult.

During a recent meeting, a government CIO related to me that he currently receives up to 700 requests for meetings *per day*. Put yourself in his shoes... if he doesn't know you, he's not going to see you. He has to prioritize his time to meet with those people he knows, trusts and relies on for support, information and guidance.

The bottom line is that if you want to procure sales, it is essential that your company either have existing connections and/or hire a firm to assist in introductions and securing the proper meetings.

Secret #5: Navigate the Procurement Maze

Once you find the money, schedule the meetings, and obtain a buy decision, you still must navigate the complex and confusing procurement process. Generally, a meeting is necessary with the government to determine the easiest and most expedient path to obtain an order.

There are a number of inside methods that can be pursued to secure the sale. These include changes to an existing contract held by a major systems integrator, a GSA Schedule buy, or a sole source through an 8(a) firm. An 8(a) is a small, minority owned and operated business that can obtain government contracts while bypassing the time consuming and expensive competitive bid process. The government has established quotas for each agency that prescribe how much of their budget must be spent through these 8(a)'s, but again it's crucial to know the principals at assorted 8(a) firms so you can select the one that is best situated to assist in your sale.

Moreover, you need to have strong relationships with an assortment of systems integrators. Most of the large government projects are procured through one of these systems integrators, and they can provide an ideal procurement vehicle for your technology. It's a lot easier to get a task order change than it is to get a sole source contract, obtain a GSA schedule listing or wait for the results of a competitive bid process.

I've worked with virtually every large systems integrator in the area and we have channeled sales through many of them. It's important to note that the systems integrators will *not* sell your technology. They simply provide the vehicle to facilitate procurement and hasten the sales cycle. Pick the right one, and your sales cycle can be shorter than any sale on the commercial side. Pick the wrong one, and your PO may never print out of your fax machine.

These federal sales secrets are common knowledge to companies that earn their living selling to the federal government. My job is to guide new technology companies through the federal sales process, bypassing hurdles and navigating the confusing maze of procurement so that they generate sales as quickly as possible without wasted effort.

Although we cannot guarantee specific sales targets, we **can** guarantee that GSF will dramatically shorten your sales cycle and position your firm to realize sales from opportunities that would have remained entirely unknown to you and your company.

Mr. Hogan founded GSF with 25 years of highly visible and successful experience in Government contracting. He was personally responsible for building successful Federal Government Divisions for notable companies including *Oracle* and *BEA Systems*.

As VP and General Manager of *BEA Government Systems*, Mr. Hogan drove revenue from less than \$2 million to over \$140 million in less than 3 years. Prior to *BEA*, he was VP of World Wide Government Sales for one of the largest Internet streaming media firms as well as VP of Worldwide Sales and General Manager of one of the nation's largest electronic records management companies, responsible for selling to governments around the world.

A recognized expert mainstreaming commercial technology into the government marketplace, he is a frequent speaker on the subject and has guest lectured at Harvard Business School on selling to the Department of Homeland Security. Additionally, he is a distinguished member of the *Congressional Blue Ribbon Task Force on Aviation Security*.