

# Keys to the Kingdom

by Micheal Tipman

## Building relationships and other tips for selling to government

**T**HEY SAY OTTAWA is a government town – and with the federal government located alongside the amalgamated city government, few would argue that statement. And definitely, in terms of doing business with government, the federal government – whose 2001/2002 annual purchasing was just under \$10 billion – is a major target for business. This includes everything from computer equipment to aircraft components and telecommunications services, to fuels and custodial services. So how does a company tap into those federal dollars? Here are some sug-

gestions on what you can do to ensure that you get your piece of the government pie – and, I suspect, not just the federal government pie.

### Define the customer

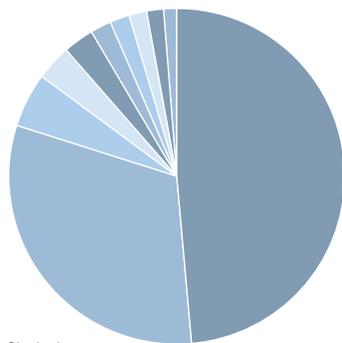
The government is not one customer but hundreds. A breakdown of the ten major customers (federal government departments) and how much they spent along with the major commodities is shown in charts 1 and 2. The major commodities that are being purchased should give you an idea as to where you should be focussing your business development activities.

### Focus on the customer

So how do you sell to this customer? All government departments are a multitude of customers that purchase all of the major commodities. It is critical that you look to your core offerings and focus on that part of the department that will buy your product. If your product suits National Defence, then your customer could be a group (ADM (IM)) or a division (DGIMPD) or a directorate (DPDOIS) or a section (DIMPPC 2) – and yes, the acronyms do identify various parts of the department and part of the challenge is deciphering them. It is critical to target a specific area and not do a shotgun approach to all. There are only so many resources available in business development so make them count; plus your customer is busy too, and they won't appreciate approaches not pertinent to their needs.

Jo-Anne Olive, a long time business developer and currently manager of Consulting Services at CORADIX Technology Consulting Ltd. suggested that “to successfully sell to the federal government, you must ensure that you maintain your relationship with the client; know who has the need and the means to contract for your product or services, then focus on that area. It is important to understand the organizational structure, procurement regulations, budget cycles, goals and objectives of your client in order to provide a solution that meets their needs within

**Chart 1: Spending by federal government department, 2001/2002 (\$ millions)**

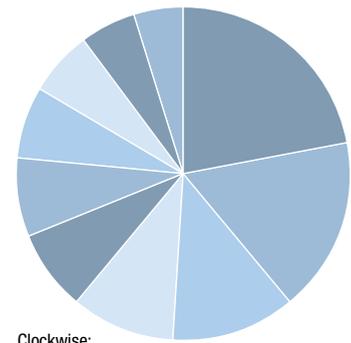


Clockwise:

National Defence	4 500
PWGSC	2 900
Canadian Commercial Corp	485
HRDC	318
Fisheries and Oceans	272
RCMP	187
CSC	175
CCRA	159
VA	149
HC	117

Source: Created by M. Tipman based on information derived from 2001-2002 Statistics, Public Works and Government Services Canada, <http://contracts.canada.gc.ca/en/stats-e.htm>

**Chart 2: Major commodities purchased by the Government of Canada (\$ millions)**



Clockwise:

ADP equip	1 300
Aircraft components	1 000
Telecom services	711
Ships, small craft	594
Comm equip	462
Medical supplies	451
Gov't facilities	412
Fuels	373
Lab equip	319
Custodial services	283

Source: Created by M. Tipman based on information derived from 2001-2002 Statistics, Public Works and Government Services Canada, <http://contracts.canada.gc.ca/en/stats-e.htm>

their regulatory structure. It is critical that you continue to meet with all possible clients and manage the sales cycle (with focus on the buying cycle), but even when they don't have the means to procure (budget and contract vehicle), keep the relationship alive."

## Relationships, relationships, relationships

When asked what was the key to selling to government Olive added, "Relationships, period. If you know the people within your sales area, you know what is going on, you know what they are looking for and they know that you can provide it."

Jim Youngs, until recently a business development professional with Fujitsu, echoed that view. "You have to know your client and understand what the need is. This is only done through face-to-face on-going contact with someone in the client department." Youngs went on to say that

"you absolutely must know what the need is before you know if you can fill it."

Jo-Anne Olive added, "Relationships don't stop at the client. You should maintain good relationships with your competition as well. We call this 'coopetition.' It is common for competitive companies to form partnerships when bidding on government requirements, thereby offering the client the best solution possible and, at the same time, allowing each firm a piece of the business. As long as we can meet the client's needs and provide added value, we are all doing our jobs. This arrangement benefits all parties, most importantly the client."

Relationships with clients and competitors are key, but you should also include your own organization. Maintaining and growing relationships within your organization will ensure that should one part of the company hear of an opportunity, you will hear about it, too. Steve Tipman, na-

tional director of Adminserv in Toronto illustrated how important internal relationships are. "I still receive calls today from my former colleagues in Montreal from time-to-time asking me if Adminserv might be interested in opportunities that they have uncovered with their existing clients." Internal networking is important to business development.

## Intelligent bidding

The government is compelled by law to issue Requests for Proposal (RFP) through MERX™, a government website – one that is used by several other levels of government too. Since almost all RFPS are issued this way, how can you ensure that you win your share of the business? Simple really. Prepare the best proposal at the lowest cost and the government has no choice but to accept your bid. That sounds pretty easy, but how do you know if you have the right product or service and the lowest bid? Intelligence is the key. You cannot be absolutely sure that your proposal is the best or the lowest priced unless you know precisely what the government wants and what your competitors are going to bid.

Jo-Anne Olive's view is that "Unless I know ahead of time that something is going onto MERX, it is unlikely that I will even bid. I need to know what the client really needs and I only know that through constant contact with the client. If something appears on MERX that I don't know about, my chances of winning are pretty low. I probably won't waste my time and energy on a proposal unless my relationship with that client is such that I already know not only that it is coming out on MERX, but that I understand what the client wants."

## Know what you know

Companies are often made up of many divisions – each a resource centre expected to generate revenue – and often those divisions are unaware of what other divisions within the same company are doing. When you have your own alligators biting at your ankles, it's really hard to concern yourself about what other parts of the organization are doing. Consider corporate information. It is there for all to view, right? Well, ideally it is. The reality is that knowledge sharing is often not and knowledge management is really how good you

### Tips for selling to government

Based on my experience, having been both a buyer and a seller, I have put together five keys to selling to government, which have stood the test of my time and others. Use of them may improve your chances of successful selling to government.

#### 1 Focus – know your client

- ✓ you can't sell to the government, you must sell to a client
- ✓ match your product to the specific client
- ✓ narrow the focus to particular clients

#### 2 Build relationships

- ✓ with clients
- ✓ with competition (coopetition)
- ✓ within your own corporation

#### 3 Understand the client's needs

- ✓ not only what may be written in an RFP, but what the client really wants
- ✓ knowledge is a business multiplier

#### 4 Know where the money is

- ✓ who has the money to spend
- ✓ is there a contracting vehicle
- ✓ keep your relationship with all of your clients fresh
- ✓ know what Standing Offers relate to your products and be on them

#### 5 Know what you know

- ✓ understand what all parts of your organization do
- ✓ knowledge management is critical to success
- ✓ knowledge sharing is a business multiplier
- ✓ knowledge hoarding is bad for business

are at looking into filing cabinets. Yes! Filing cabinets. It is not uncommon for an organization to have all the relevant information, but not know where it is. In fact, it is often only resident on an individual's hard drive and not in the corporate bin at all.

There are some simple solutions to this problem. A periodic meeting between division heads is one way to ensure that important opportunities are not missed. The establishment of intranet portals to share information across the corporation also ensures that information is available to all.

Although a significant investment, knowledge sharing is critical to success. American Management Systems (AMS), for example, has an established portal that is available to all employees. The repository has both examples and best practices and all employees are encouraged to both use them and contribute new information to them. As well, if an employee comes across a problem that cannot be resolved locally, an email to all AMS employees will normally result in a response from someone within the corporation with a solution.

## **Selling isn't simple**

There are never any guarantees that even if you have the right product at the right price, that you will have a sale. Selling to government is even more complex since there are many rules that must be followed by both you and the department that you are dealing with. And from the federal government, through the provinces and territories, from cities to towns, the rules are different. Also, when selling to the federal government, almost without exception, you must go through the department of Public Works and Government Services Canada to make the sale. ~~~



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