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[Back to previous page](#)

Contractors may find smoother ride outside the Beltway

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In a year of congressional logjams and sequestered federal budgets, many government contractors are feeling the pinch in one business unit or another.

To ease the pain, some federal contractors are considering entering the state and local government and education IT markets.

The sheer number of state and local entities provides a large pool of potential buyers, making this a tempting strategy. But too often, senior sales staff's views are shaded by their experiences with the federal market.

These decision makers should look past their preconceptions. Barely affected by sequestration, the state and local market emerged from the recession some time ago and is increasingly vibrant.

But replacing lost federal business with smaller state and local contracts requires persistence and determination. It's like replacing a lost \$20 by picking up loose change in the parking lot.

Here are some ideas for market entry strategies:

General Services Administration schedules are key. The GSA's Schedule 70 is the fastest way to enter the state and local market.

State buyers predominantly use the Western States Contracting Alliance schedule. Local governments — which favor GSA schedules more than states — also tend to purchase from statewide term contracts.

But just being listed on a schedule does not guarantee instant business. You still need to promote and differentiate your company from your fellow schedule holders.

Solicitation processes differ. A daunting consideration for companies moving into the state and local market is that every government buyer has a slightly different solicitation process.

Rest assured that the major steps are the same from one buyer to the next — and not much different from federal contracting. But your bid response team must be a stickler for detail as it's extremely

easy to be disqualified for noncompliant responses.

Single-party control speeds contracts. Washington may be paralyzed by partisan bickering, but states and localities are less conflicted. Many are now controlled by just one party, which means elected officials can advance their agendas without much delay from the opposition.

If you can get your solution on the docket in a given state or locality, there's a good chance your political sponsors can make it happen.

Markets embracing innovation. State and local markets are also good testing grounds for innovative solutions. Seek elected officials or IT directors looking to solve problems in new ways.

If you can get these officials to adopt your solution, they will talk it up in the trade press and on conference stages. This is a great way to broaden your sales.

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