

Research your niche

Success in an increasingly difficult federal market: part of the answer is to step up your research.

Times are tough in the federal government market for professional services contracts. Federal spending is barely growing (in real terms) in most engineering, architectural, and environmental segments and it is actually falling in some.

The firms that continue to thrive in the federal arena – or even expand their share as weaker players exit – do so in part by developing more granular approaches to the market. They develop strategies, and deploy marketing targets and tactics that are sensitive to differences in each niche of the federal market in which they have an interest. For each such segment of the market, these firms typically can answer questions such as the following:

- **What is being procured?** In a market characterized by slow or non-existent growth and increased competition, firms that succeed can define in detail exactly how their niches are defined from the buyer’s perspective. Are the agencies buying design-build services, for example, or using a design-bid-build model? Are they buying design excellence, or are they focused on cost-minimizing solutions for extending the life of existing buildings?
- **Who is buying?** Which specific federal agencies procure services in these niches, in what amounts? Are the recent trends pointing up, down, or sideways?
- **How are agencies buying?** How do these agencies procure services? For example, which agencies tend to award work to veteran owned small business firms (VOSBs), and which almost exclusively use small, disadvantaged businesses (SDBs)? Which agencies tend to award definitive contracts and which rely on multiple-award task order style contracts? Which agencies use government-wide contracts (e.g., GSA), and which almost never do? In structuring solicitations and evaluating proposals, which agencies place the most weight on technical factors – and which invariably make awards based primarily on price?
- **From whom are they buying?** Who are the most successful firms in each of the relevant niches? For example, for the market niche that is of most interest to your firm, which firms have been most successful in full-and-open competitions? In set-aside competitions?
- **What are the agencies’ buying preferences?** For example, which agencies place a premium on geographic proximity of contractors? Which agencies tend to reward long-time players and which have a good track record of awarding substantial contracts to newcomers?

At the same time that competitive trends are forcing firms



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**GUEST
SPEAKER**

to do more detailed research, there has been a steady advance in the breadth, accuracy, and accessibility of federal procurement data. In particular, the federal government’s primary acquisition database – the Federal Procurement Data System (FPDS) – has become increasingly robust. More types of data are contained in the system than ever before, in part due to new statutory data reporting requirements that apply to federal contractors and subcontractors, and in part due to federal IT initiatives.

And the increased amount and quality of federal acquisition data recently has become much easier to access. Relatively new systems, such as USASpending.gov, feature easy-to-use and powerful data query tools.

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Is your firm serious about entering the federal market for the first time or shoring up or increasing your existing market share? If so, you will need to perform increasingly detailed quantitative research on the federal market niches of interest to your firm.

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Even non-database experts can easily learn how to use these tools to perform sophisticated queries of federal acquisition data.

Is your firm serious about entering the federal market for the first time or shoring up or increasing your existing market share? If so, you will need to perform increasingly detailed quantitative research on the federal market niches of interest to your firm. As competition continues to tighten, competitive advantages will accrue to firms that invest in research.

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While the *demand* for this research is growing, the technology of supply is more than keeping pace. Resources and tools such as FPDS and USASpending.gov make it less difficult than ever before for firms to perform the types of research that are needed for success in the federal market.



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