

A Publication from INPUT's Federal Information Technology Market Program

Teaming For Success in the 1990s

Teaming is the most effective path to success for small companies in the federal market. Charles Hall, President of PSI International, and Ed Franceski, Contract Manager at IBM, detailed the essential steps to teaming successes at INPUT's 1992 Federal Information Technology Conference.

Although teaming with other bidders is only one way of pursuing federal opportunities, it has its own rewards: acceptable profit, small starts with less risk, development of a competitive outlook, and the opportunity to develop functional skills. 8(a) set-aside awards do not provide opportunities for training in competition; SDB competitions aren't helpful for developing new skills; and bidding a project as a prime contractor is risky for a small business.

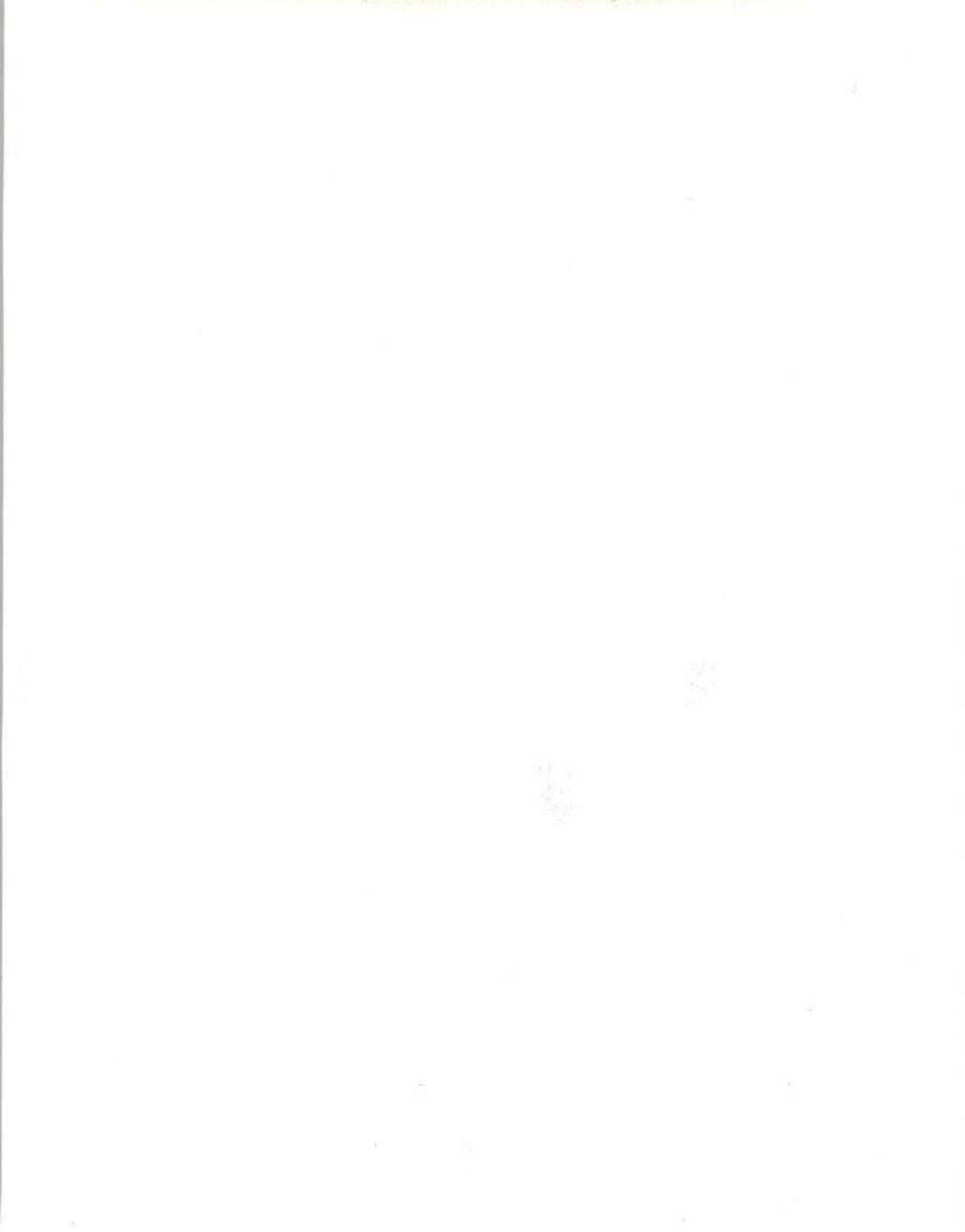
Mr. Hall drew on PSI's experience in identifying the SDB actions for successful teaming: positioning, teaming, strategy and involvement. Mr. Franceski added the views of the large prime for teaming with SDBs: plan access, meet goals, structure alliances and develop mentor/protégé relationships.

Positioning is critical to establishing credibility with bidding partners and clients. Know the real client and the environment of the opportunity, then thoroughly analyze the opportunity. Programmatic knowledge at the

level of a prime bidder allows the SDB to select a functional area that best leverages successful experience. It may also lead to a client recommendation that the prime bidders use a designated SDB. These steps lead to becoming a value-added subcontractor.

Next is the matter of teaming with the right partner. Begin with identification of the strengths and strategies of the most likely competitors. Then evaluate in greater detail the approach of the potential partner before developing a teaming agreement. The candidate prime bidder should either not have the skills or want to provide the technical services the SDB can offer, at a more competitive price. The agreement should be structured with limits that protect the SDB from unnecessary risks, and should include the SDB in the bidding process. It is also important to avoid revealing costing details unless the prime bidder also shows its costs. Today's partner may be tomorrow's competitor, and vice versa.

The smaller company must maintain a role in developing and implementing the win strategy, to assure a continued relationship after award of the contract. The SDB must know the strengths and weaknesses of the team members to be sure that the win strategy will be effective, and be prepared to increase involvement where it can be beneficial. Continued involvement is essential throughout the bidding process.



For any bid larger than \$50 million, plan to incur the delays and costs of protests. Team bids are usually less expensive, permitting involvement in several bids during a protest period, and easing the impact of the delayed award.

Make sure that the teaming agreements are solid business arrangements that protect the bidding investment, then look for other opportunities to be involved with the prime partner. Mr. Hall emphasized that alliances must be structured to protect the rights of the partners, and to permit easy dissolution if common objectives are not met. Subcontracting also provides the SDB with more control over bidding costs, without an inordinate increase in risk.

Mr. Franceski pointed out that prime contractors need to understand how to use SDBs effectively, and must define the relationships up front. Both parties need to plan on how to access each other in a way that rapidly leads to ideas on how they can work together. A properly structured and nurtured agreement can lead to partnerships that last for years.

The SDB subcontractor also must meet all reasonable performance and cost goals of the opportunity and the prime to be invited to join in performing other jobs. The prime should not load the subcontractor with an unwarranted level of risk, although risk sharing is fairly common between long-term bidding partners.

Ideally, the prime contractor will offer—and the SDB will accept—a mentor/protégé relationship. The prime can help the subcontractor meet cash flow emergencies, find needed resources and identify additional areas of functional growth. The SDB can, at the same time, enhance its competitive posture for future opportunities.

INPUT's Federal Information Technology Programs provide focus and assistance to small and disadvantaged businesses. A number of SDB and 8(a) clients make effective use of INPUT's support services, particularly the Procurement Analysis Report data base and hotline.

Mark your Calendar for INPUT's 1992 Conferences!

- Outsourcing Information Systems Conference—*Getting Down to the Nuts and Bolts*—will be held September 17 and 18, 1992 at the Ritz-Carlton Hotel in McLean, Virginia.
- 1992 U.S. Executive Conference will be held November 1, 2, and 3, 1992, at the Fairmont Hotel in San Francisco, California.

For more information contact Barbara Fisher, Conference Coordinator, (703) 847-6870.

