

5 ways to grab your share of the fourth-quarter rush

By Bob Lohfeld

The government spends a third of its total annual budget in the final quarter of the fiscal year, and this is definitely a busy time for government contractors.

So as you enter the final quarter, there are some actions you can take to maximize your share of the government's year-end spending. To do this, almost every customer-facing manager in your company needs to engage in your year-end sales campaign, and your internal sales support organization—especially your proposal team—needs to step up its tempo.

If you orchestrate a well-planned selling blitz, you can maximize your share of the year-end rally.

How big is the year-end rally?

The year-end spending spree comes in the fourth quarter of every government fiscal year, and the spending rate is pretty consistent from year to year. Not all government agencies will obligate a third of their annual budget in the final quarter; some agencies will obligate significantly more. According to Bloomberg Government, in the fourth quarter of the fiscal year, the State Department typically obligates 55% of its annual budget, HHS obligates 48%, and DHS obligates 40%. If these agencies are part of your market focus, then you should be seeing new business activities increasing now.

Much of the year-end spending is done through governmentwide acquisition contracts (GWACS), single agency multiple award contracts (MACS), and GSA schedules. For example, GSA Schedule 70 will close \$3 billion in the fourth quarter, GSA MOBIS will close another \$1.5 billion, Alliant Large Business is good for \$1 billion, and 8(a) STARS II will drop about \$500 million in the final quarter. Navy SeaPort-e will close about \$2 billion, and on the product side of things, NASA SEWP V will close between \$1.5 billion and \$2 billion this quarter.

If you tally up all the year-end spending on these vehicles, you can see there is some serious money moving through the market in the final months of the fiscal year.

Getting your share

Savvy government contractors plan a year ahead for the final government push to award contracts. These companies focus early in the year on selected market segments, identifying procurement opportunities, developing and executing capture plans, meeting with customers to deeply understand requirements, developing solutions, shaping procurements, and writing highly competitive proposals well in advance of the closing months.

These procurements are competed throughout the year, but their awards tend to pile up at year-end. For these companies, much of what they harvest in the final quarter will be from seeds sown earlier in the year.

Other companies begin their year-end push in the final quarter with a strong sales campaign and a plan to handle peaks in internal workload to get winning proposals out the door. The year-end push happens in product companies as well as service companies.

To mobilize your year-end sales campaign, you need to focus on getting dollars on your existing single award contracts and using contract vehicles to secure new funding through task orders.

Here are five actions you can take to accelerate your year-end new business.

1. Use contract modifications to add year-end dollars to your existing single award contracts

All project and program managers should meet with their customers to discuss customer needs. Their immediate objective should be to capture year-end money and book it on their current contracts.

As customer-facing managers, these individuals should already have established a good working relationship with their assigned customers and know what their customers need. With frequent customer interaction, they are probably the best people in your company to know what your customers want and how to provide these services or products.

Now is the time to offer solutions to your customer, not deliberate over what could or could not be done in the long-term. If you are a professional or technical service provider, take some extra resumes along with you and offer these people to do additional work that is within the scope of your current contract—especially if your customer can scrape up some extra dollars to fund these additional people.

Similarly, if you are a product provider, talk with your customer about solutions you can offer that can help them accomplish their mission and offer year-end pricing discounts as appropriate. Your customer may have unobligated funds available and may be looking for ways to spend them. Some good interaction between your project managers and your customers can be just what you need to add these year-end dollars to your existing contracts.

2. Use contract vehicles to close deals for new work

This is the season to be talking with government executives and offering solutions, but it is essential that you have a way to quickly close a deal. The best way to close is to be a trusted supplier on one of the many vehicles available for the government to quickly obligate funds.

For many companies, the best vehicles to use for year-end deals are GSA schedules. Competition can be stiff, but generally fewer bidders are involved so your chance of winning tends to be pretty high especially if you helped generate the demand for your product or service and helped steer the buyer to one of these vehicles.

NASA SEWP V is another great vehicle for year-end buying, and the government staff that manages the vehicle is planning to work through the weekends and late into the nights to process orders in the fourth quarter. They can compete and award delivery orders with blazing speed when the government needs to get things done.

GWACS can also provide excellent closing vehicles, but for these vehicles you will see more bidders and experience a higher level of competition. If GWACS are your vehicle of choice, plan for increased competition and look for deals where you know the customer and understand the requirement. If you're bidding deals where you don't know the customer, or all you understand about the requirement is what is written in the Task Request, then you are probably competing against others who have better customer and task knowledge and who will have a running start when it comes to writing a winning proposal.

There are many other closing techniques ranging from Simplified Acquisition Procedures, to 8(a) sole-source contracts, to HUBZone awards and others, and the government will use all of these in the final quarter.

The key point here is that if you don't have a closing vehicle, then you are not hunting for near-term dollars; instead you are prospecting for next year's bids.

3. Use subcontractors to accelerate your year-end campaign

If you have prime contracts with multiple subcontractors, get your subs engaged in your outreach campaign for year-end dollars. Make sure they know they can bring work through your vehicles, get them energized to talk with their contacts, and stress the benefits of using your contract to lock in year-end spending. Having lots of feet on the street can accelerate your year-end sales campaign.

4. Make good bid decisions in order to win

Be selective about what you bid. Just because you receive an inrush of task requests doesn't mean you're meant to win every one. Competition is keen for task orders, and every bidder is bringing their A game. If you chase every deal that comes along, there is a good chance you will end up losing every one. Bid to your strength and hold to the sound bid decision principles that I wrote about in my last article, [7 questions to answer when making bid/no-bid decisions](#).

5. Increase proposal resources to respond to requests

If your demand-generation sales blitz works, you'll see your proposal activities picking up in this quarter. With this increased op tempo, you'll need extra resources to handle your increased proposal workload. These resources include proposal managers, proposal writers, subject matter experts (SMEs), graphic artists, editors, desktop publishers, pricing analysts, competitive assessment analysts, and so on.

Most companies staff their internal proposal organizations to handle about 2/3 of their proposal workload and then go outside to proposal consulting shops when they need to staff for workload peaks. What you don't want to do is overload and burn out your internal team or stretch your resources to the point where you have junior-level talent working must-win deals. Burning out your in-house proposal team or using unproven in-house resources to write proposals are not winning strategies. If you need extra resources, plan for this and go get them.

Final thought

If you haven't been moving forward on your year-end push, then let's get going. There are 65 shopping days left, and every government agency is spending money.

This article was originally published July 27, 2015 in WashingtonTechnology.com.