

The Federal Business Strategy

Success in the federal IT market depends on the development of an effective federal business strategy. To be effective, a federal business strategy should be divided into two equal and complementary sub-strategies: an *end-user strategy* and a *channel strategy*. The implementation of each sub-strategy should accomplish one of two essential objectives. The end-user strategy should create demand among government end-users. The channel strategy should make the most effective use of available government sales channels. Obviously, both objectives are essential and complementary. Creating government demand ensures that government end-users want to purchase your company's products or services. Making the most effective use of government sales channels ensures that all those that wish to buy your products or services can easily do so. The end-user and channel sub-strategies should be closely coordinated. The two strategies should be implemented simultaneously and information collected as a result of one strategy should be used to evaluate and fine tune the other. If the two strategies are closely integrated, the overall effectiveness of your federal business strategy will be significantly improved.

Elements for Success

Building an effective federal business strategy depends on three general elements: resources, patience, and information.

Resources

The first element, *resources*, refers to your investment of time, a capable staff, and money into the development and implementation of your federal business strategy. Generally, the more resources you can invest, the more successful you will be in the federal IT market. Many companies fail in the IT market simply because they do not fully commit to it.

New companies to the federal IT market often try to reduce their risks by severely limiting the amount of time, labour, and money they invest into developing and implementing their federal business strategy. Unfortunately, the only way to succeed in the federal arena is to take the necessary time to learn the market yourself, collect the information you need, and develop strong and useful business relationships. This simply cannot be done without a significant and **well-planned** investment of time, labour, and money. Companies that severely limit their investment, have already decided to fail. If you are confident in the product or service your company offers and in your ability to build a strong federal business plan, invest your available resources into the effort.

A Note on Marketing and Sales Representation: To minimise risks, many companies new to the federal IT market hire an experienced marketing firm to represent them in the federal market. Most observers of the federal IT market, however, warn companies against this. When a firm with limited federal experience hires a marketing and sales firm, it often pays for services that it does not need. Without experience in the federal market, Canadian firms find it difficult to determine which marketing services are absolutely essential and which are not. Secondly, a Canadian company's own staff will always be the most committed to and knowledgeable about the company's needs, products, and position in the market. Third, and most important, success in the federal market hinges on a firm's ability to build strong, mutually beneficial business relationships. Over time, relationships must be developed with large prime contractors, resellers, other potential teaming partners, and, of course, government end-users. Marketing firms cannot afford to take the time that is necessary to develop strong business relationships for their clients. Canadian companies must locate their own staff in the DC area for this purpose. Regardless of the experience that many marketing firms can offer, companies simply receive the best value for their time and money from their own competent staff.