

# The Channel Strategy

Government sales channels are channels through which firms deliver their products and services to government end-users. The objective of the channel strategy is to make the most effective use of government sales channels; ensuring that all those that wish to purchase your products or services can easily do so. There are primarily six government channels that you can use to sell your company's products or services to the U.S. federal government. They are:

- prime contracts,
- subcontracts,
- GSA schedule contracts,
- 8(a) firms,
- U.S. small businesses, and
- resellers.

## The Channels

Table 9 and 10, below, will be used to explain the merits of each government channel. Table 9 breaks down the FY1994 federal IT market by contractor group. Table 10 identifies the relative share of the federal IT market by procurement vehicle.

**Table 9: Federal IT Spending by Contractor Group -- FY1994**  
(in millions of constant 1994 US\$)

Contractor Group	Amount	% of 1994 IT Procurement
Top 15 Firms	\$10,745	42%
Next 85 Firms	\$7,930	31%
Rest (2500 firms)	\$5,116	20%
8(a) Firms	\$1,791	7%

**Table 10: Federal IT Spending by Procurement Vehicle -- FY1994**  
(in millions of constant 1994 US\$)

Procurement Vehicle	Amount	% of Total 1994 IT Procurement
Prime Contracts	\$21,489	84%
8(a) Set-Aside	\$1,791	7%
GSA Schedule	\$1,023	4%
Other	\$1,279	5%