



FEDERAL MARKET REPORT

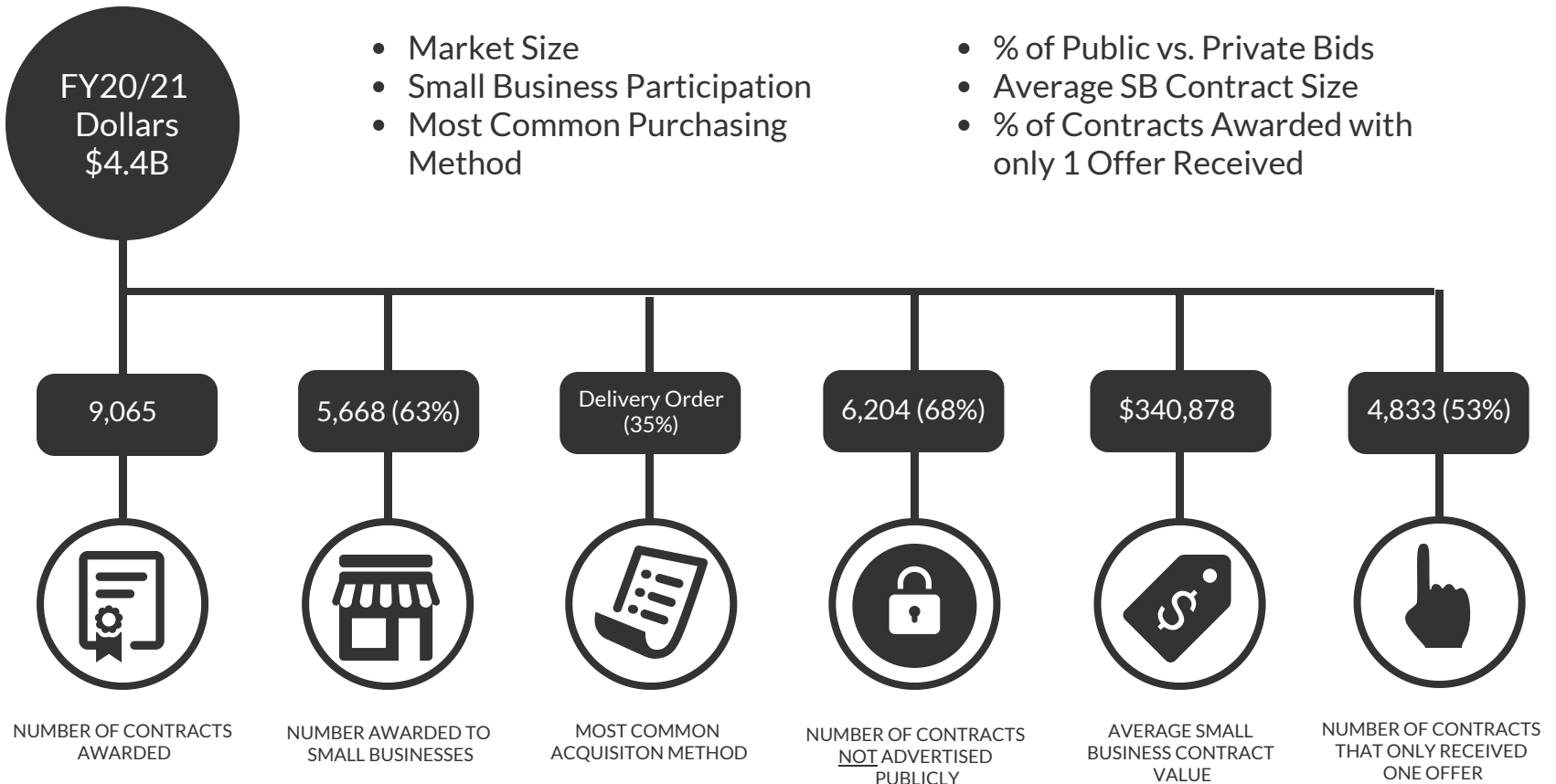
Administrative Management | General Management | Professional Development

updated 10.25.2021

This report provides an overview of federal spending based on the industry codes and keywords listed on page 2 of this report.

The icons below provide key data indicators about aspects of this federal market dataset, including:

- Market Size
- Small Business Participation
- Most Common Purchasing Method
- % of Public vs. Private Bids
- Average SB Contract Size
- % of Contracts Awarded with only 1 Offer Received



MARKET:

Between October 1st 2020 and September 30th, 2021, approximately \$4.4B in federal consulting contracts were awarded to 2,716 businesses (including 1,881 small businesses).

These purchases were executed by 2,617 federal buyers across 143 federal agencies.

STRATEGY:

Step 1 - Research Your Market...it all starts here.

Who Buys? | Who Sells? | How Do They Buy? | How Often?

Step 2 - Optimize Federal and Commercial Foundation

Accept Credit Cards | Check Codes | Narrative and Keywords | Google

Step 3 - Create / Update Capabilities Statement

Add Images | Core Competencies | Differentiators | Key Data

Step 4 - Develop Your Marketing Strategy

Engage Effectively | Make a Good 1st Impression | Build Relationships

Step 5 - Schedule Capabilities Briefings

Create Awareness | Sell Your Company | Fill Their Needs

FEDERAL MARKET REPORT

What is this report?

This is an analysis of federal contracts awarded in Fiscal Year 2021 (Oct 20 - Sep 21) for professional consulting services.

Each contract evaluated in this report was classified under one of two federal contracting categories:

- Administrative Management and General Management Consulting Services (NAICS 541611)
- Professional and Management Development Training (NAICS 611430)

Additionally, each contract contains a specific description of the work that was completed that contains 1 or more of the following keywords / key phrases:

PROGRAM MANAGEMENT
INTELLIGENCE TRAINING
STRATEGIC PLANNING
PROGRAM SUPPORT
PROFESSIONAL DEVELOPMENT
MANAGEMENT TRAINING
LEADERSHIP COACHING
PROJECT MANAGEMENT
EXECUTIVE COACHING
CHANGE MANAGEMENT
HUMAN CAPITAL
EDUCATION/TRAINING
PERSONAL SERVICES CONTRACT
OPERATIONAL PLANNING

ADMINISTRATIVE MANAGEMENT
PROFESSIONAL COACHING
BUSINESS PROCESS
PROFESSIONAL SERVICES
PERFORMANCE MANAGEMENT
STAKEHOLDER TRAINING
PERFORMANCE IMPROVEMENT
PERFORMANCE COACHING
KNOWLEDGE MANAGEMENT
BUSINESS ANALYSIS
LEARNING
LESSONS LEARNED
HUMAN MANAGEMENT



While your organization's specific offerings may differ from this keyword set, in general, we feel this dataset represents the type of professional consulting work most small businesses can provide.

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What does the report tell us?

The report tells us facts about how buyers within the federal government purchase these types of services.

Specifically, the report tells us:

- How much the federal government has spent on these types of services over the last year (\$4.4B),
- What percentage of these contracts were awarded to small businesses (63%),
 - The most common way the federal government purchases these types of services (Delivery Order - 35%),
 - How often the federal government posted these types of opportunities for a public bid competition (32% of the time),
 - The average size of a small business contract within this dataset (\$340,878),
 - How often the federal buyer awarding the contract only received 1 offer (4,833 times - 53%),
- How many different companies won these contracts (2,716),
- How many of the winning companies were small businesses (1,881),
- How many different agencies awarded these contracts (143), and
- How many different federal buyers within these agencies executed these awards (2,617)



FEDERAL MARKET REPORT

What does it mean?

Most small business leaders that are registered for federal contracting feel frustrated.

They don't feel confident that the time and effort they are investing in pursuing federal contracts will ever pay off.

They're not even sure if they are on the right path.

The first step in overcoming this challenge is knowledge. If you want to compete for federal work, you need to know the rules of the game.

In this report, we break down each of the data points listed on the first page in an effort to provide context and meaning.

For each data point, we'll cover three primary questions - "What?", "Why?" and "How?"

"What does it mean?" | "Why is it so?" | How do I move forward?"

We'll also provide an "Insider's Insight" for each data point.

Hopefully, you'll find this report to be informative and instructive in your pursuit of federal work.



FEDERAL MARKET REPORT

FY 21 Dollars - \$4.4B

What does it mean?

From October 1st, 2020 through September 30th, 2021 the federal government awarded approximately \$4.4 billion in new federal contracts for services that include:

- Either NAICS Code 541611 (Administrative Management and General Management Consulting Services) OR NAICS Code 611430 (Professional and Management Development Training), AND
- At least one of the 27 keywords / key phrases listed on pages 1 and 2 of this document.



Why is it so?

Leadership development, executive coaching, management training...these types of services are consistently purchased by all agencies within the federal government.

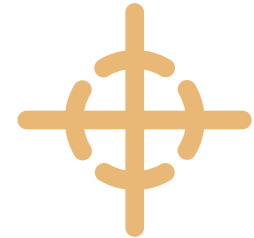
Both military and civilian federal agencies invest significant time and resources into human capital development programs aimed at enhancing performance, increasing operational efficiencies and effectiveness and producing better outcomes.

Because this type of training is specialized, pricing is not commoditized and can vary significantly based on a number of factors.

FEDERAL MARKET REPORT

FY 21 Dollars - \$4.4B

How do I move forward?



First, you need to identify your "Ideal Government Client".

This is accomplished by finding the specific agency within the federal government where your core value offering aligns with their specific needs.

This can be accomplished by:

- Researching previously awarded contracts to find the agencies that have recently purchased similar services,
- Researching agency forecasts to identify future opportunities that align with your offerings.

Insider Insight



If you don't already have an established relationship with your target agency, consider starting small - credit card purchases and purchase orders.

Why?

Federal buyers are typically risk-averse. They want to know you are able to perform the work before they are willing to make a significant buying commitment from you.

An effective way to introduce your offer is to offer a relatively low-risk, smaller "trial" engagement that allows the purchaser an opportunity to better understand your business, your solution and your fit in helping them solve their problems or achieve their goals.

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Small Businesses won 63%.

What does it mean?



Small businesses are winning the majority of these contracts.

If a small business has the experience, acumen, and curriculum sought by the federal government, the fact that they are a "small" business does not preclude them from consideration or award.

In fact, a high percentage of these contracts awarded to small businesses did not include a small business "set-aside". This means the small businesses that won the contracts competed head-to-head with large firms and won.

Why is it so?



There are two likely reasons why small businesses participate in such a large portion of these types of contracts.

First, every agency has unique challenges and goals when it comes to leadership training. Each agency has its own criteria for how its people are trained. Small businesses are typically more agile than large businesses and are thus better positioned to be responsive to specific needs.

Second, the focus of leadership training can evolve rapidly. When events such as COVID create new and immediate challenges, agencies need innovative thought-leaders to help them navigate the uncertainty.

Small businesses are traditionally more innovative and forward-thinking in general than larger, established firms. Innovation and forward-thinking are critical skills to have in a crisis.

FEDERAL MARKET REPORT

Small Businesses won 63%.

How do I move forward?



Start by identifying the federal agencies that have a track record of awarding these types of opportunities to small businesses.

Next, identify the key people within the agency that can help you get connected to stakeholders and decision-makers.

Finally, prepare your business to work specifically with your target audience within your target agency.

Insider Insight



Every federal agency has at least one (and sometimes several) "Small Business Liaisons".

These individuals are responsible for assisting small businesses in understanding how to work with the agency.

In order to maximize your opportunities with a particular agency, do your homework and be prepared to demonstrate your knowledge about the agency's procurement preferences to the small business liaison.

Make a great first impression and demonstrate that you've done your homework, and your small business liaison will advocate for you within the agency.

The Most Common Acquisition Method Was a Delivery Order (35%).



What does it mean?

From the Federal Acquisition Regulation: *A Delivery Order contract means a contract for supplies that does not procure or specify a firm quantity of supplies (other than a minimum or maximum quantity) and that provides for the issuance of orders for the delivery of supplies during the period of the contract.*

In other words, it's an order against an established, long-term (usually 5 year) Master Contract.

Why is it so?

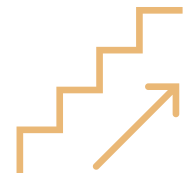


Federal buyers prefer Delivery Orders against Contracting Vehicles because they:

- Provide opportunities to negotiate improved discounts,
- Satisfy recurring requirements,
- Reduce administrative costs by eliminating repetitive acquisition efforts,
- Permit ordering activities to leverage buying power through volume purchasing
- Enable ordering activities to streamline ordering procedures

The Most Common Acquisition Method Was a Delivery Order (40%).

How do I move forward?



If you do not already have an established relationship with your target agency, you will likely need to start with a stand-alone Micropurchase, Purchase Order or Contract before you are awarded an Indefinite Delivery Contract that leads to Delivery Orders..

A federal buyer will likely want to evaluate your performance on a single opportunity before making a larger commitment to your company.



Insider Insight

A GSA Schedule is similar to* of Indefinite Delivery Contract.

However, a GSA Schedule is easier to obtain than many other Indefinite Delivery Contracting Vehicles, because it's always open to accepting new contractors, whereas Indefinite Delivery Contracts typically have very specific timeframes for "onboarding" new contractors.

*Technically, GSA Schedules are known as Federal Supply Schedules, not Indefinite Delivery Contracts - but they are similar in how they are utilized by federal buyers.

68% of Awards Were Not Posted for Public Bid.



What does it mean?

Two out of every three purchases the federal government made for professional consulting services were completed without a publicly-listed bid or quote notification.

If you use public bid websites such as beta.sam.gov as your primary way of finding new bid opportunities, you are missing out on approximately 2/3rds of your potential opportunities.



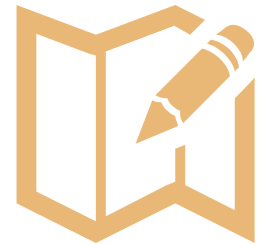
Why is it so?

The federal government has rules that determine when they are required to post contracting opportunities in the federal domain.

Many of the purchases for federal consulting services fall outside the parameters that require a public bid notification. Therefore, government buyers do not post opportunities for public bid. Instead, they reach out directly to potential vendors and request quotes.

FEDERAL MARKET REPORT

68% of Awards Were Not Posted for Public Bid.



How do I move forward?

Start by identifying the agencies that utilize Simplified Acquisition Procedures ("SAP") to purchase professional consulting services.

SAP awards are easier to win and easier to fulfill. In many cases, purchases are executed with credit cards or purchase orders. Quotes can be provided over the phone or via email. The Contracting Officer has full discretion as to whether the opportunity will be posted publicly.



Insider Insight

Many federal buyers will tell you they post all contracting opportunities at sam.gov.

This may be technically true (for "contracting" opportunities) - but they do not execute every purchase through sam.gov.

Be sure to conduct market research before you engage an agency. Know what does - and doesn't - get posted in the public domain.

The Average Small Business Contract Was \$340,878.



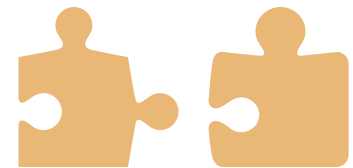
What does it mean?

Small businesses generated significant revenue from federal contracts for professional consulting services over the last 18 months.

In the last 10 years, the average small business contract value in the consulting sector has increased from \$217,255 to over \$325,000.

During that same timeframe, the federal government has increased the ceiling for permitting small business contracts to be awarded without full and open competition.

Why is it so?



Over the past decade, federal agencies have steadily increased budgetary allocations for specialized consulting services around concepts such as leadership development, communication enhancement, and change management.

At the same time, the number of small business consulting firms registered for federal contract work has increased approximately 3.5% per year. As agencies seek more specialized training, small businesses are meeting the demand.

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The Average Small Business Contract Was \$340,878.

How do I move forward?



The key is starting with the right size project.

Make sure you begin with a commitment you can fulfill on time and within budget. For most small businesses, the best opportunity to start working with a new agency comes in the form of a credit card (micropurchase) or purchase order (Simplified Acquisition).

These types of opportunities are easier for new contractors to win, because they are low-risk ways for an agency to evaluate performance.

Insider Insight



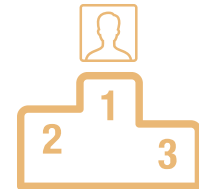
An alternative to working directly with the federal government is to subcontract with a large Prime Contractor.

Large businesses that pursue federal contracts are typically required to subcontract a percentage of the work to small businesses.

For this reason, most large federal contractors have programs to help small businesses subcontract.

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53% of the Time, a Federal Buyer Only Received 1 Offer.



What does it mean?

Even though a large percentage of these contracts are coded as "Full and Open Competition", in reality, the Contracting Officer only receives one offer about half the time.

For contracts awarded to small businesses, the percentage of single-offer awards is even higher (57%).

Why is it so?



There are several explanations for why such a significant percentage of federal awards only receive a single offer.

First, there are rules in place that allow federal buyers to streamline the buying process for certain types of products and services (especially for purchases under \$250,000). In these situations, Contracting Officers may be allowed to proceed after only receiving one offer.

Second, most purchases under \$250,000 are not advertised, publicized or otherwise communicated. Therefore, the majority of eligible businesses do not submit an offer due to a lack of awareness.

FEDERAL MARKET REPORT

53% of the Time, a Federal Buyer Only Received 1 Offer.

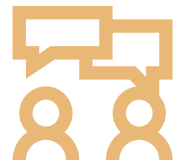
How do I move forward?



You have to find the buyers that are buying your services from your competition using these "Simplified Acquisition" methods.

You need to gain a strong understanding of who is buying your services, how they buy, who they buy from now, and what factors they consider when determining who to buy from in the future.

Insider Insight



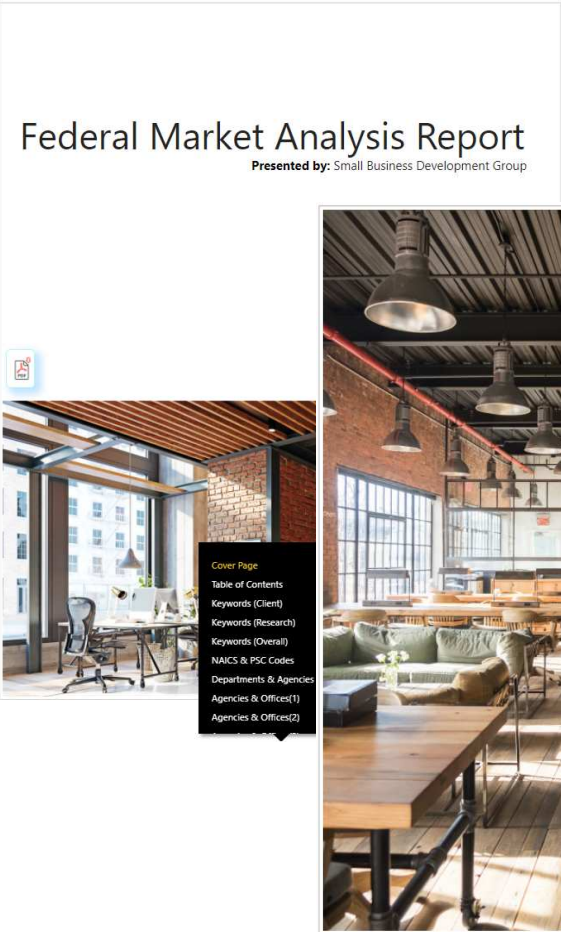
The key to gaining opportunities with a new federal buyer is to schedule a "Capabilities Briefing".

During a Capabilities Briefing, you have an opportunity to communicate directly with your targeted federal buyer, learning about their needs and explaining how your solution(s) may benefit them.

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Want more insight?

Order the SBDC Federal Market Analysis Report – your edge for targeting and winning.



Federal Market Analysis

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RESEARCH METHODOLOGY

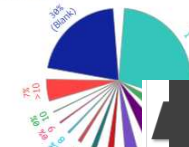
DATA EXPLANATION

- Fiscal Year
- Level 1 Research: Keywords Used
- Level 2 Research: NAICS & DCT Head

TOTAL MARKET: Competition Information

The following table and graph shows the amount of offers received anytime a contract in your 1st level targeting criteria was put out for bid.

Offers	#	%
1	354	41%
2	45	5%
3	55	6%
4	35	4%
5	18	2%
6	14	2%
7	10	1%
8	5	1%
9	4	0%
10	2	0%
> 10	60	7%
(Blank)	257	30%



The following table shows if the contracts were posted in beta.sam.gov before being awarded.

Was It Posted in SAM?	Award	Value
YES	390	\$437,184
NOT APPLICABLE	163	\$107,651
NO	136	\$116,192
(Blank)	180	\$165,687
Grand Total	859	\$848,695

The following table shows the way in which the contracts in your 1st were competed.

How Was The Contract Competed?	Award
COMPETED UNDER SAP	11
FULL AND OPEN COMPETITION	465
FULL AND OPEN COMPETITION AFTER EXCLUSION OF SOURCES	139
NOT AVAILABLE FOR COMPETITION	66
NOT COMPETED	54
NOT COMPETED UNDER SAP	68
Grand Total	859

The following table shows the list of reasons that were coded when t choose not to compete a contract on the full and open market.

Reason Not Competed	Award
NOT AVAILABLE FOR COMPETITION	66
AUTHORIZED BY STATUTE (FAR 6.302-5(A)(2)(i))	66
NOT COMPETED	54
FOLLOW-ON CONTRACT (FAR 6.302-1(A)(2)(i)(ii))	1
MOBILIZATION, ESSENTIAL R&D (FAR 6.302-3)	1
ONLY ONE SOURCE-OTHER (FAR 6.302-1 OTHER)	41
UNIQUE SOURCE (FAR 6.302-1(B)(1))	5
URGENCY (FAR 6.302-2)	6
NOT COMPETED UNDER SAP	68
AUTHORIZED BY STATUTE (FAR 6.302-5(A)(2)(i))	7
LESS THAN OR EQUAL TO THE MICRO-PURCHASE THRESHOLD	2
SAP NON-COMPETITION (FAR 13)	35
Grand Total	188

POINTS OF CONTACT

Logo	Agency	Office	NAME	EMAIL	PHONE
	INTERNAL REVENUE SERVICE	MIDWEST REGION	Redacted	Redacted	Redacted
		NATIONAL OFFICE - PROCUREMENT OBO	Redacted	Redacted	Redacted
		NATIONAL OFFICE - PROCUREMENT OITA	Redacted	Redacted	Redacted
		SOUTHEAST REGION	Redacted	Redacted	Redacted
	NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION	DEPT OF COMMERCE NOAA	Redacted	Redacted	Redacted
	FOOD AND DRUG ADMINISTRATION	FDA OFFICE OF ACQ GRANT SVCS	Redacted	Redacted	Redacted
	VETERANS AFFAIRS DEPARTMENT OF	242-NETWORK CONTRACT OFFICE 02 (SBC242)	Redacted	Redacted	Redacted
		244-NETWORK CONTRACT OFFICE 4 (SBC244)	Redacted	Redacted	Redacted
		246-NETWORK CONTRACT OFFICE 5 (SBC246)	Redacted	Redacted	Redacted
		248-NETWORK CONTRACTING OFFICE 6 (SBC248)	Redacted	Redacted	Redacted
		250-NETWORK CONTRACT OFFICE 10 (SBC250)	Redacted	Redacted	Redacted
		252-NETWORK CONTRACT OFFICE 12 (SBC252)	Redacted	Redacted	Redacted
		254-NETWORK CONTRACT OFFICE 16 (SBC254)	Redacted	Redacted	Redacted
		260-NETWORK CONTRACT OFFICE 20 (SBC260)	Redacted	Redacted	Redacted
		262-NETWORK CONTRACT OFFICE 22L (SBC262)	Redacted	Redacted	Redacted
		PCAC HEALTH INFORMATION (SBC776)	Redacted	Redacted	Redacted
	U.S. CUSTOMS AND BORDER PROTECTION	SAC FREDERICK (SBC100)	Redacted	Redacted	Redacted
		TECHNOLOGY ACQUISITION CENTER NJ (SBC108)	Redacted	Redacted	Redacted
		AIR AND MARINE CTR DIV	Redacted	Redacted	Redacted
		BORDER ENFORCEMENT CTR DIV	Redacted	Redacted	Redacted
		DHS CUSTOMS AND BORDER PROTECTION	Redacted	Redacted	Redacted
		MISSION SUPPORT CTR DIV	Redacted	Redacted	Redacted

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