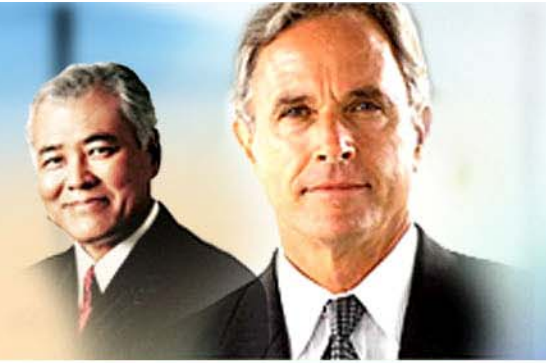




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The authority on government business



# The Importance of Market Research

Brian M. Haney

Senior Vice President, Member Services

**INPUT**

February 28, 2008

- ⌘ Federal Market Overview
- ⌘ Spending Dynamics
- ⌘ Importance of Teaming
- ⌘ Market Research Tools

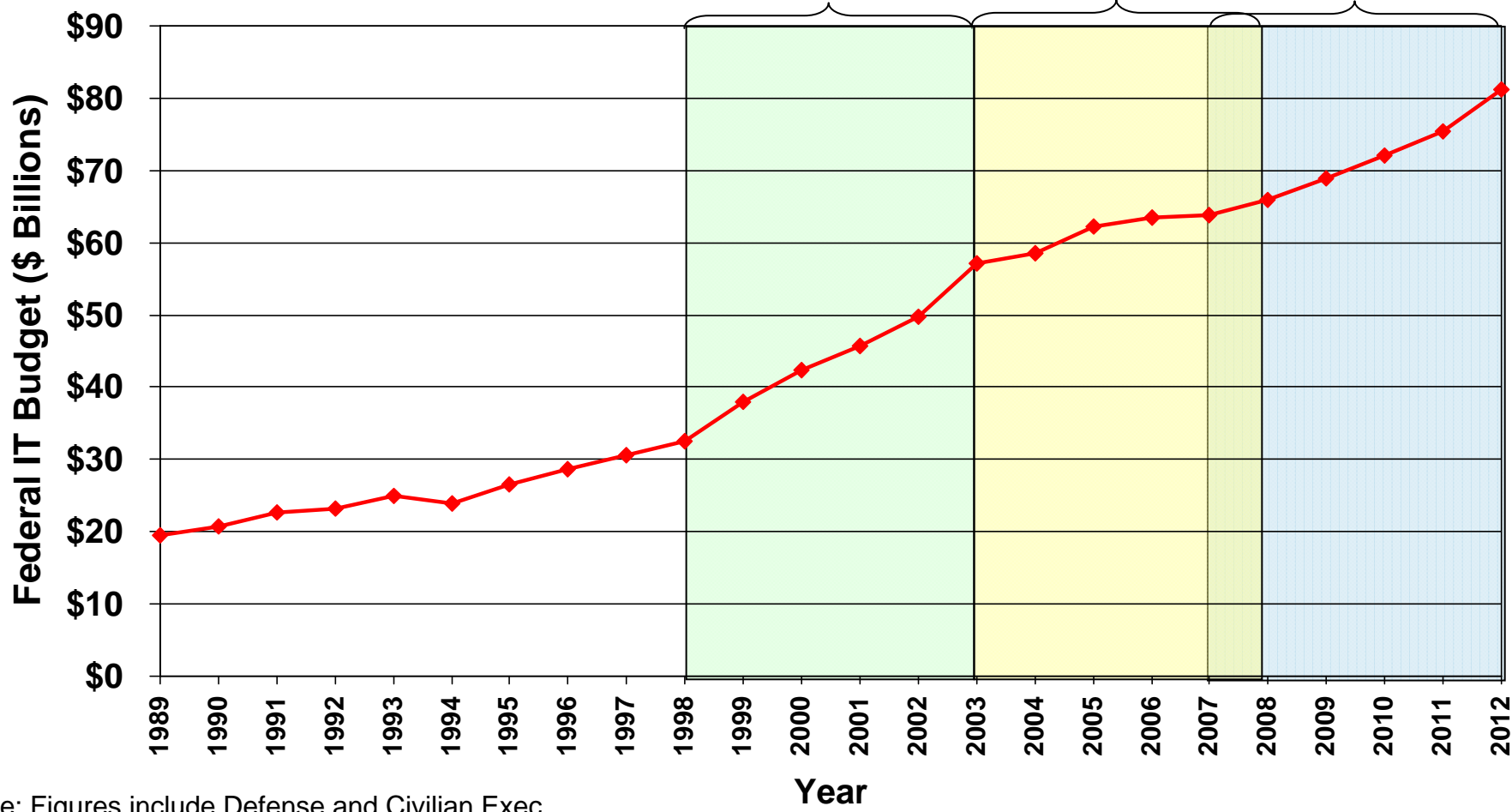
# Federal IT Budget, 1989 – 2012



**Peak:**  
 1998-2003  
 11.9%

**Low:**  
 2003-2008  
 2.9%

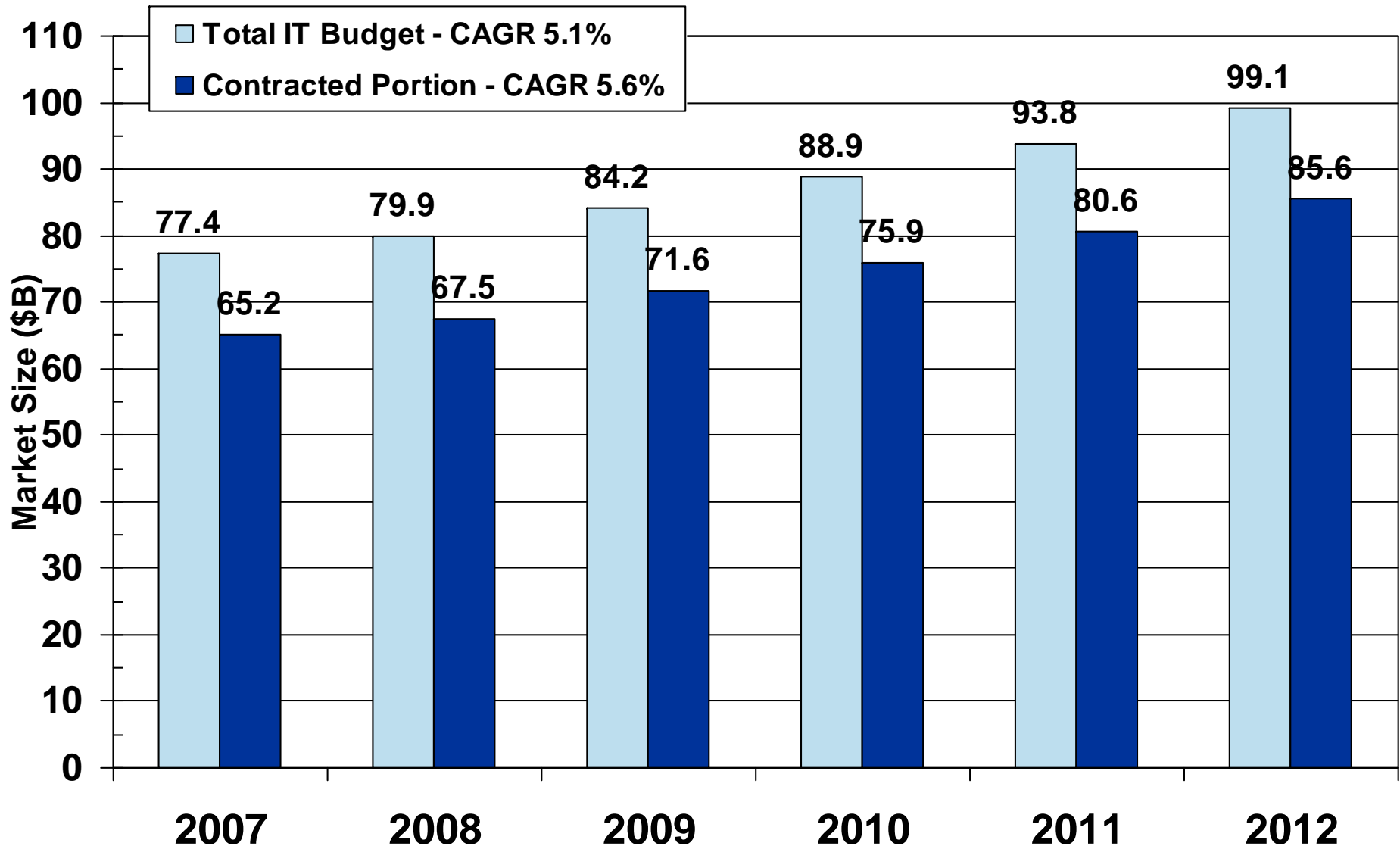
**INPUT Fcst:**  
 2007-2012  
 5.0%



Note: Figures include Defense and Civilian Executive Agencies Only for comparison purposes

Source: OMB, INPUT

# INPUT's Federal IT Forecast, 2007 – 2012

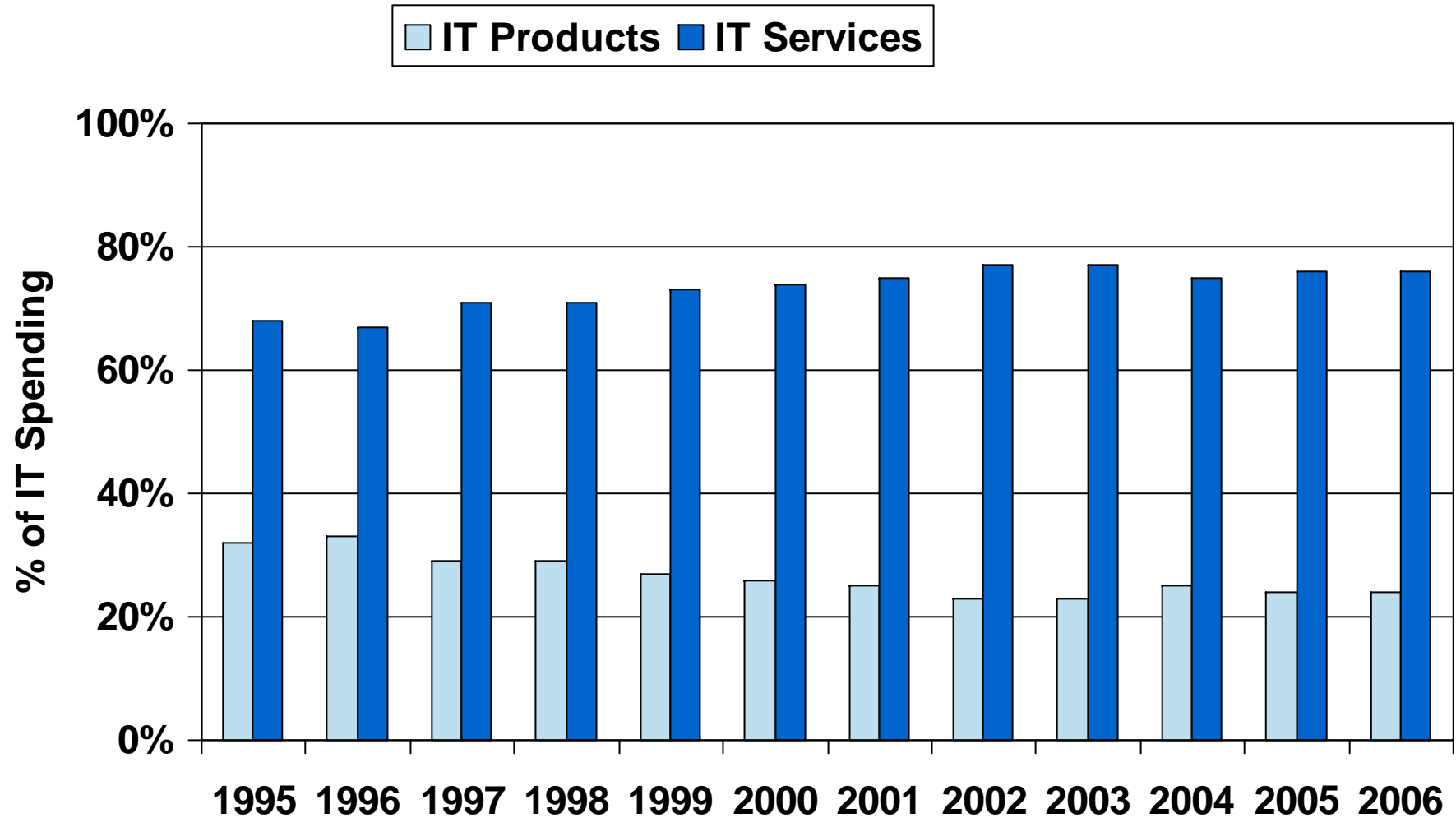


Source: INPUT

- ⊗ Growth rates are healthy
- ⊗ OMB is more influential than ever
  - Requiring strong business case analyses with ROI justification
  - Have the ability to deny funding
- ⊗ Agencies are moving out of reactive mode – renewed focus on planning
  - Creates a wealth of available background information
  - Means more solutions purchases and fewer commodity buys in the *long term*

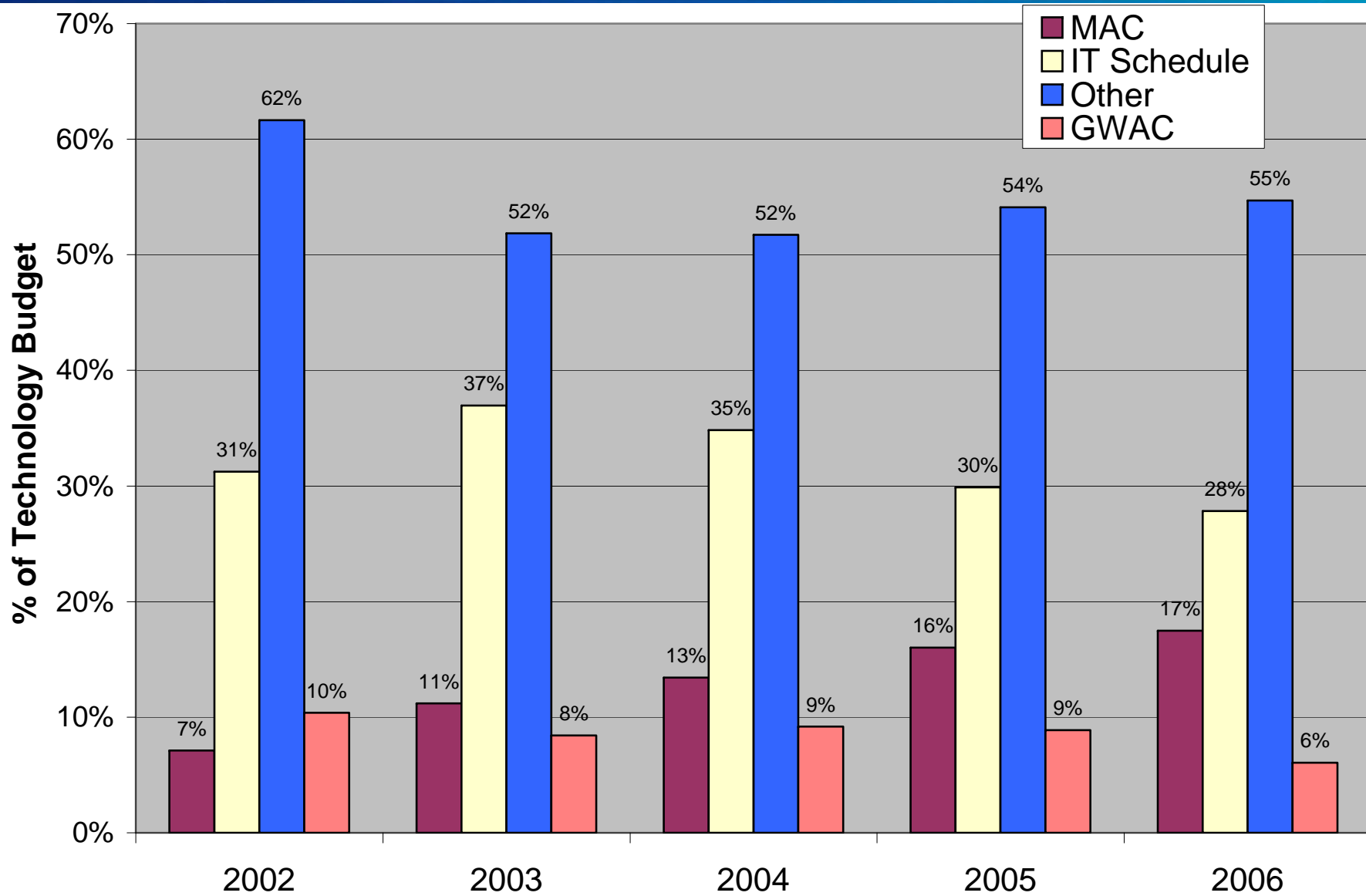
- ⦿ Large, new program funding stalled in the short-term
  - Contentious budget cycle
  - Continuing Resolutions/Omnibus delay new dollars
  - Short-term opportunities may be with *existing* prime contractors
  - Short-term opportunities may be more commodity-based
  - Vendors must show how they create efficiencies as well as solve business issues
  - ROI analyses and past performance (results-oriented) are crucial to your BD and Sales program
  - Presents a lucrative opportunity to vendors who can respond

# Move from Products to Services/Solutions



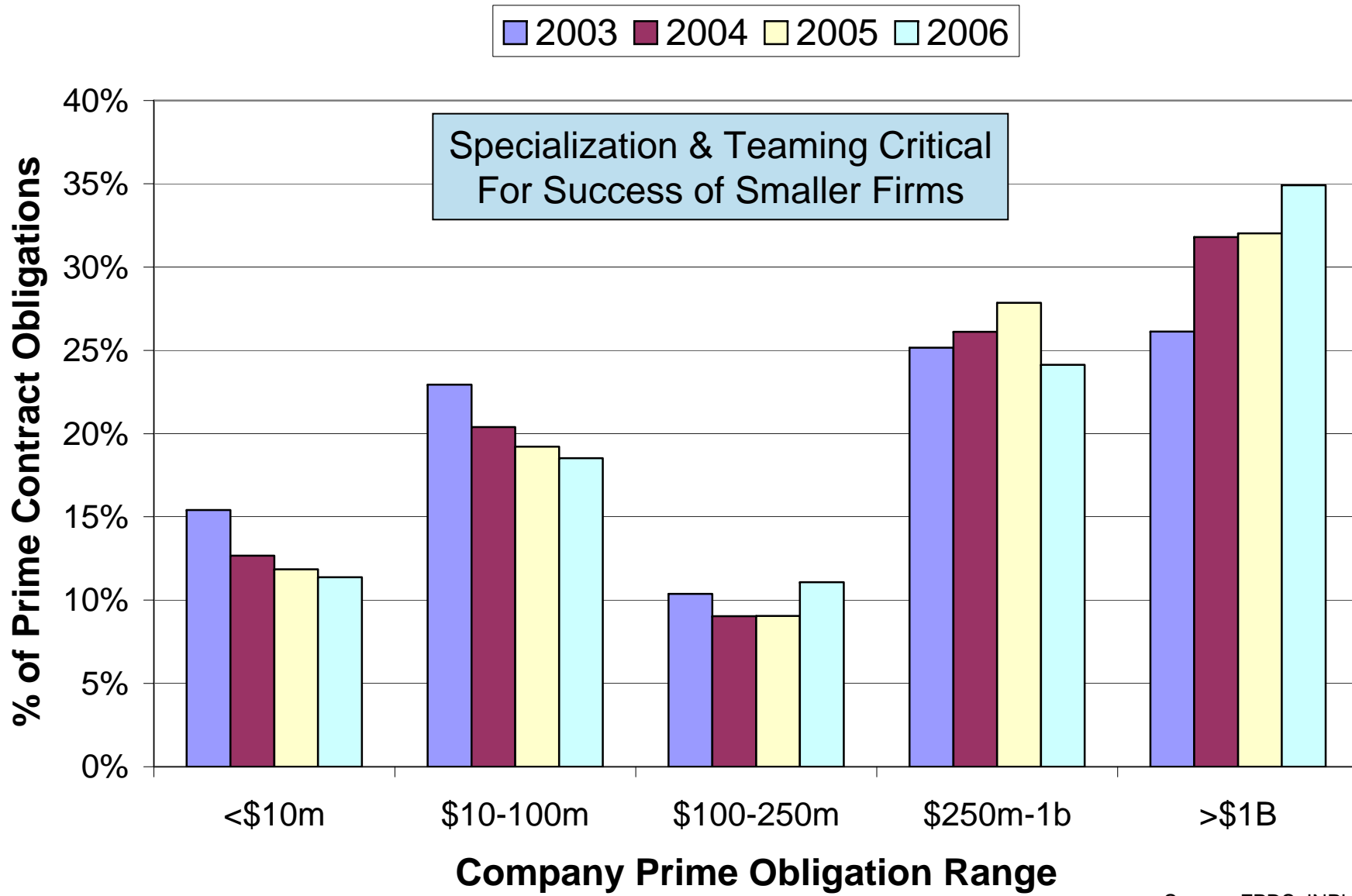
Source: FPDS, INPUT

# Contract Vehicle Preference for Technology



Source: GSA, FPDS, INPUT

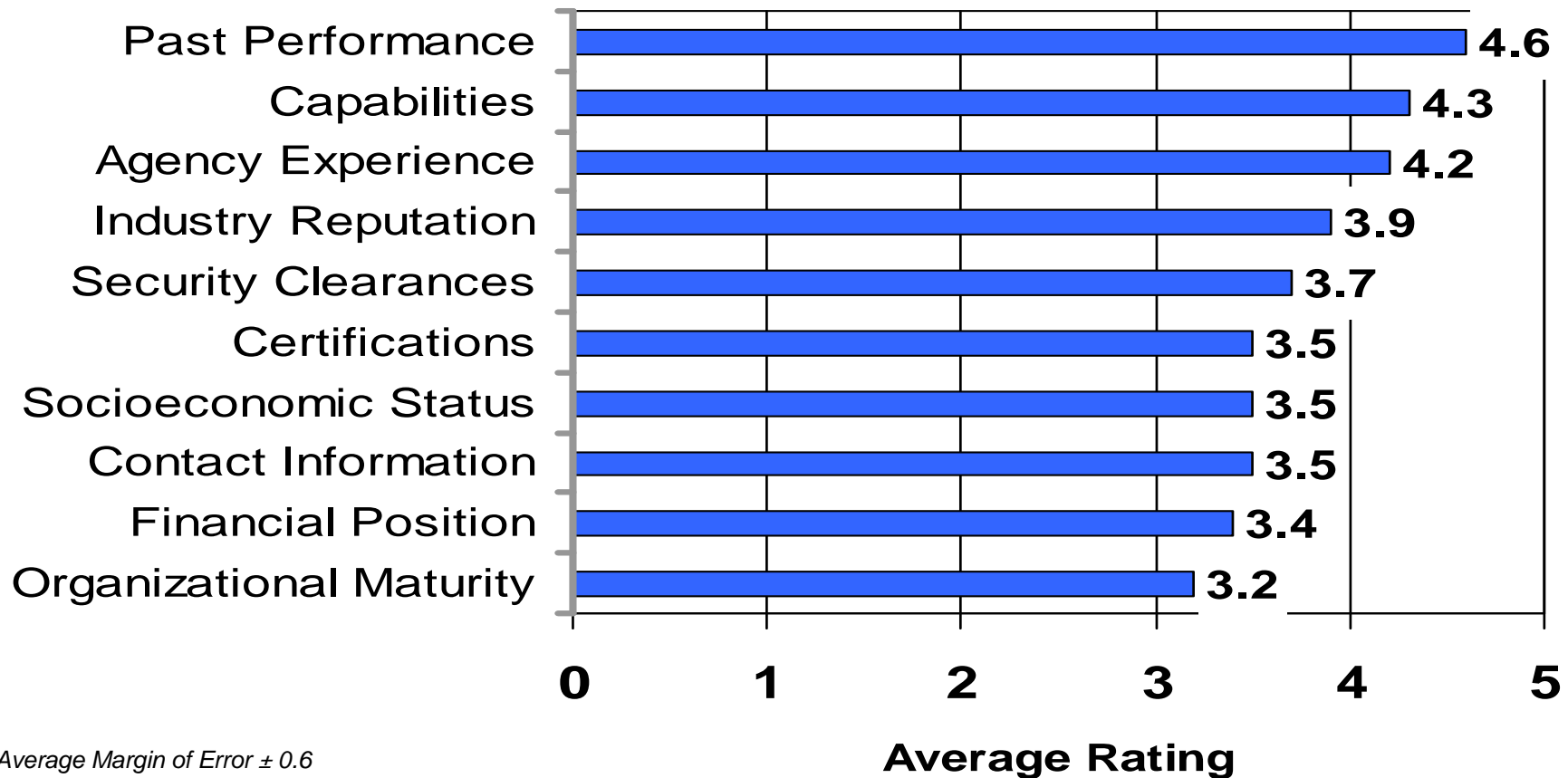
# Squeeze on Small & Mid-Sized Firms



Source: FPDS, INPUT

- ⊕ Top 25 vendors receive over 50% of prime contract dollars
- ⊕ Primes driven to subcontract due to:
  - Set aside requirements
  - Need to deliver off the shelf and/or integrated solutions
- ⊕ Acceleration of the Procurement Process

## Importance of Company Characteristics for Teaming



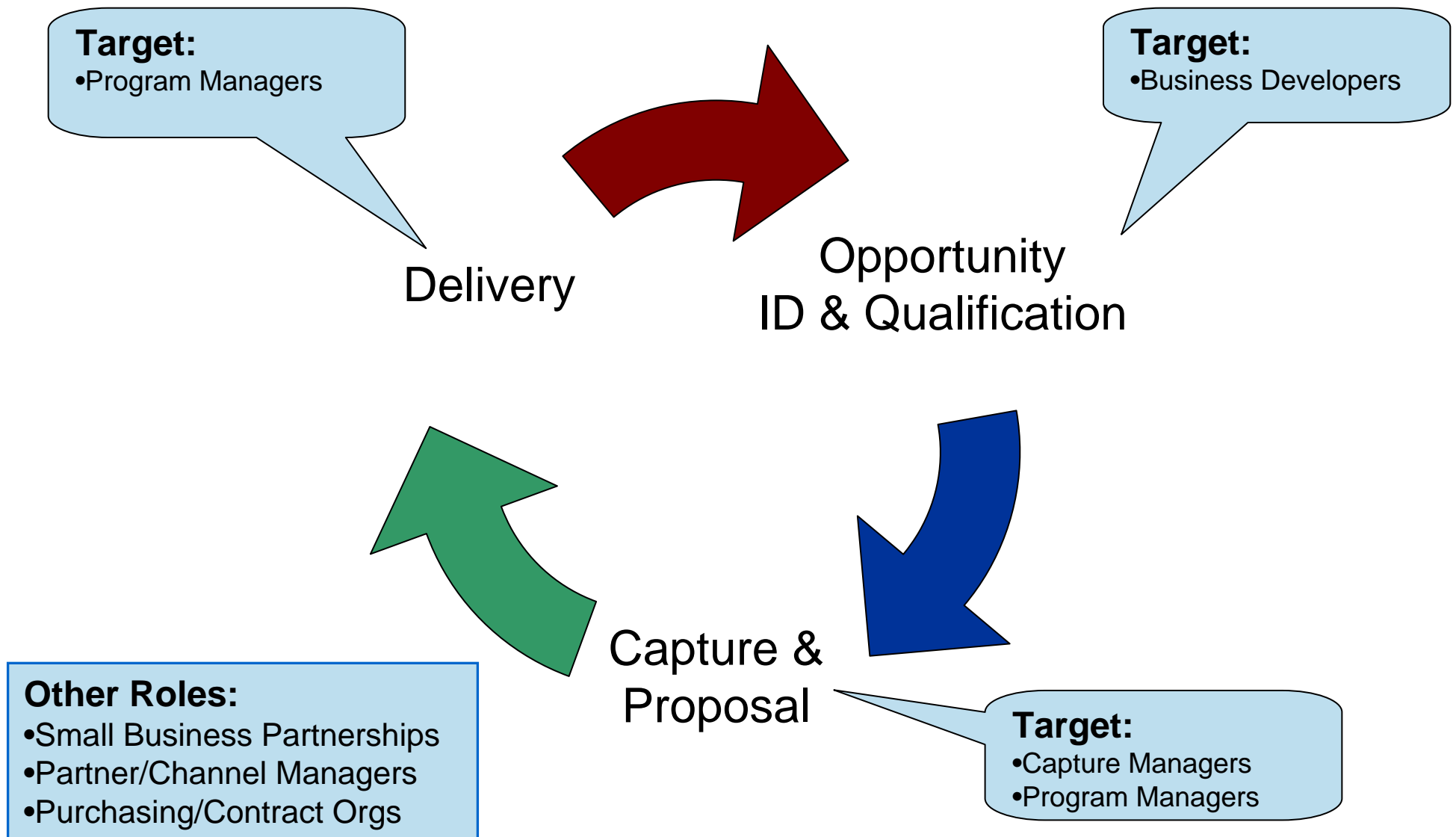
Source: INPUT, NVTC

## Qualifying Factors

- ⦿ Corporate stability/maturity
  - Financial stability
  - Development process
  - Experience in Govt.
- ⦿ Clearances (where applicable)
- ⦿ Socio-economic status
- ⦿ Requisite skills/expertise
- ⦿ Location

## Selection Factors

- ⦿ Unique value
  - Key people
  - Customer relationship
  - Technology or expertise
- ⦿ Past performance
- ⦿ Other factors
  - Exclusivity
  - “Comfort” or cultural fit
  - Willingness to share risk



- ⦿ Connect with the prime early
  - The bigger the opportunity, the earlier planning begins
- ⦿ Do your homework on the primes – pre-qualify them BEFORE contacting them
- ⦿ Find an entry point and connect with the right people
  - Events/Industry Days/Bidders Lists
  - Partner/Small Business Organizations
  - The INPUT Network™ - Community of 10,000+ teaming contacts
- ⦿ Understand and articulate your “unique value”
  - Don’t use the “subcontractor hand shake”

# Finding Companies with Unique Value

	Hoovers/ D&B	CCR	Small Bus. Directory	FPDS	INPUT
Capabilities	✓ -				✓
Customer Relations				✓ -	✓
Maturity	✓ -	✓ -		✓ -	✓
Corporate Info/Financials	✓		✓		✓
Clearances			✓		✓
Locations				✓	✓
Socio-econ Status		✓	✓		✓

# Thank You

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