

**“The Process of Doing
Business as a CRP,
Corporate Entity or
Entrepreneur: Seven Steps
to Insure a Successful
Business Model”**

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Seven Steps to Insure You Have in Place a Successful Business Model For Contract Services



STEP ONE

Business Acuity

Know your overhead costs, the competition, financial ability, the strengths and weaknesses of your agency and how this relates to getting new or keeping business.

Do your homework!

STEP TWO

SALES PLAN

The tools and processes needed to bring business to you.

STEP THREE

SALES PITCH

How to approach the customer using actions that insure your success. What the customers want to hear and how to sell your company.

Stand out from the rest.

STEP FOUR

COSTING MODELS

How to incorporate your expenses into your costs, how to accurately predict labor hours, wages, supplies, equipment, and how to know your price is right for your market place.

STEP FIVE

STATEMENT OF WORK (SOW)

How to read one and use the data to make your business work. How to develop a Scope of Work if the customer does not supply one.

STEP SIX

DELIVERING THE PROPOSAL

Salesmanship techniques that most people know but forget to use.

STEP SEVEN

CONTRACT AWARD

Now the work begins. How to make certain you and your customer “gel” from the start.

Customers buy based on the best price for quality services and on-time delivery.

Feeling good about doing the right thing to support YOUR cause becomes important to the customer after the sale.

Evaluate the Goals and Impact of Contract Operations

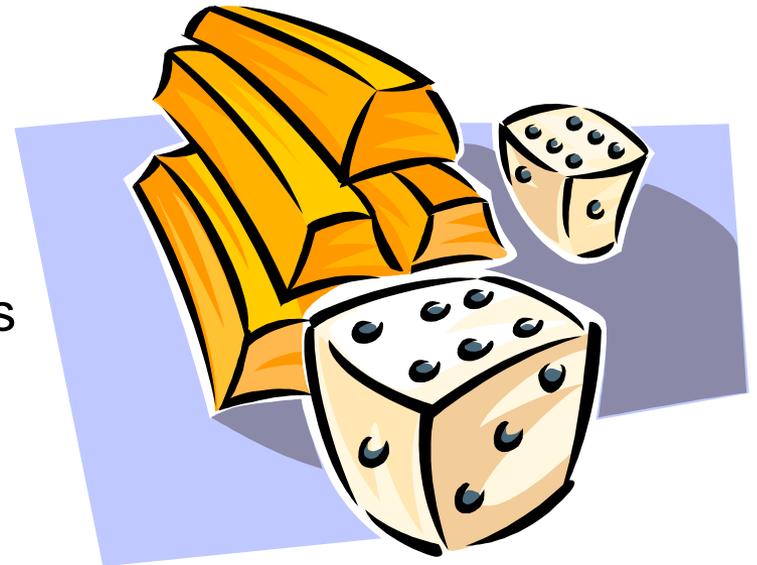
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**DO YOUR
HOMEWORK!!**

EVALUATE YOUR ORGANIZATION'S READINESS

Page [3 – 5]

- Pre- Contract evaluation
- Pricing Capabilities
- Administrative Considerations
- Work Measurement
- Management Considerations
- Facility Considerations
- Supply/Equipment Tracking Systems
- Quality Control Programs
- Safety Program
- Business Plan
- Marketing



PREPARING FOR CONTRACTS OPERATIONS

Page [6 – 8]

- Know your contract
- Estimate Labor (covered on Page 30)
- Determine Staff Requirement
 - Project Manager
- Operations Plan
- Performance Based Contracting
- Partnering
- Evaluate Support Staff – Page [7]
- Collective Bargaining Agreements – *Just say “NO”*
Page [8]

The Twelve Biggest Mistakes Agencies Make in Pricing Service Contracts

12. Don't read in detail the Statement of Work.
11. Assume the Statement of Work fully describes the customer's requirements and expectations.
10. Service contract doesn't support the stated goals of the agency.

9. Take a 'lone ranger' approach to pricing rather than a team approach.
8. Don't conduct a site visit.
7. Don't do a business plan and a cash flow analysis.
6. Don't seek the assistance of an expert in the associated service field.
5. Don't understand Murphy's Law - contingency planning.

4. Don't have adequate cash reserves and capital.
3. Price the service too low or don't consider phase in.
2. Don't take into consideration all costs.

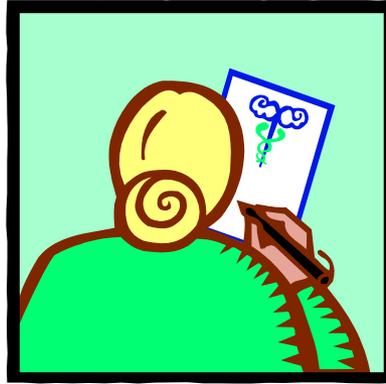
And the number one biggest mistake agencies make in pricing service contracts.....

1. Underestimate labor requirements - hours, wages, and associated costs.

CHECKLISTS

(page 23 - 26)

- ✓ Feasibility Checklist — Page [23]
- ✓ On-Site Visit Checklist — Page [24]
- ✓ Cash Flow Form — Page [25]
- ✓ Pricing Development Checklist — Page [26]



SALES PLAN

The tools and process needed to bring
business to you!

What is a Sales Plan?

- A written, thoughtful set of decisions about the most effective things you can do to get sales.
- Tells you the who, what, when, where, and why to get sales.



A Sales Plan is:



- ✓ A reality check when you first examine the results of your efforts.
- ✓ A Time Table, helping you to coordinate all the activities.
- ✓ A tool that helps you evaluate your position in the market.

- ✓ A vehicle for tracking the progress of your plan.
- ✓ A Blue print for adjusting your efforts to respond to changes in the market.
- ✓ A starting point for future planning.



Why do you need a sales plan?

- For the same reason companies should have a business plan.
- If you don't know where you want to go, how will you get there?



How to Write a Sales Plan

- Executive Summary
- The Product/Service
- Market Analysis
- Market Definition
- Competition
- Advertising
- Pricing



Executive Summary

- Summarizes the information in the entire plan.



The Product/Service

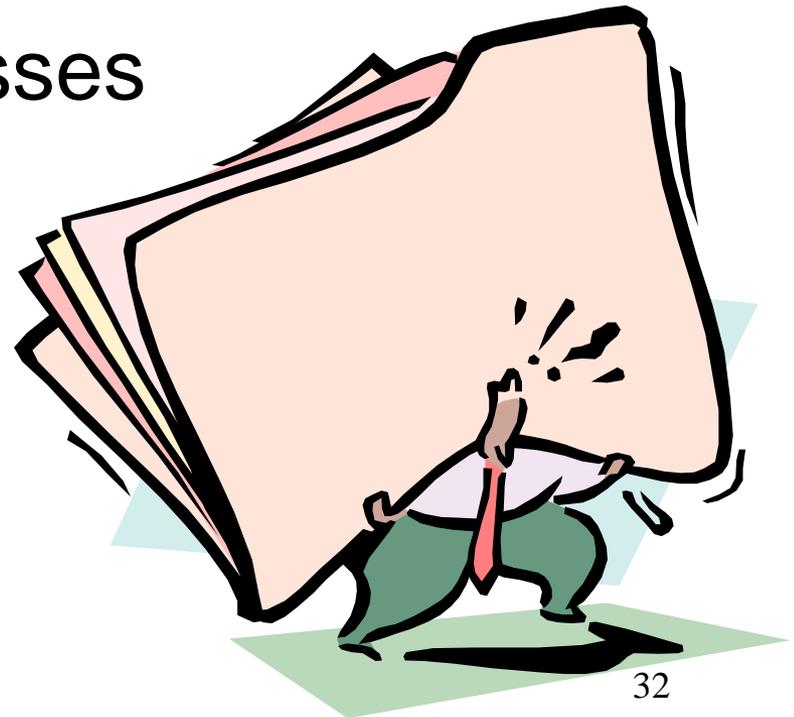
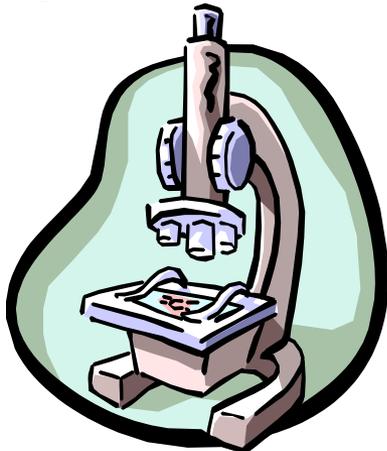
- What is the competitive advantage your product or service has over the competition, or if you are entering a new market, why is there a need for your offering?
- Is your product or service already on the market?
- What differentiates your product or service from your competition?

Market Analysis

- This is a general description or a summary of your market.

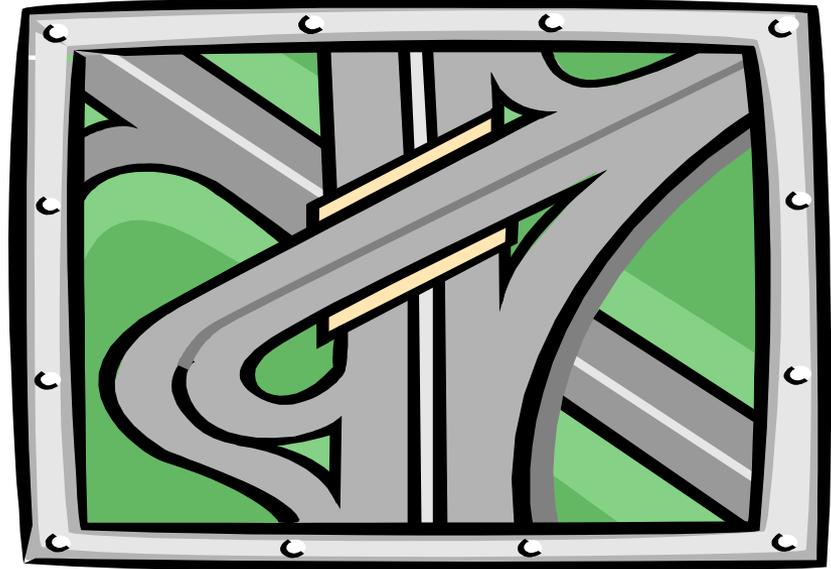
Market Definition

- Who are your customers?
- Your Current Strengths
- Your Current Weaknesses
- Opportunities



Marketing Plan

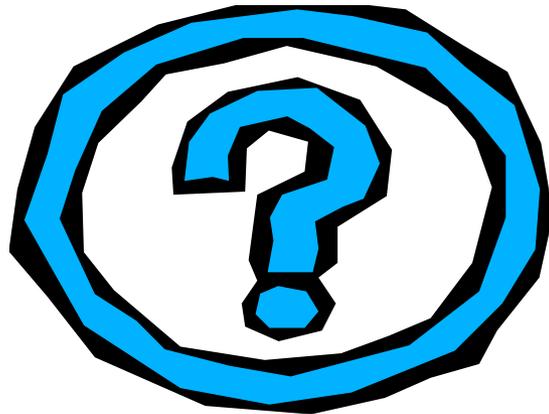
- The Road Map



- How do we get from here to there?

Marketing Objectives

What do we intend to do?



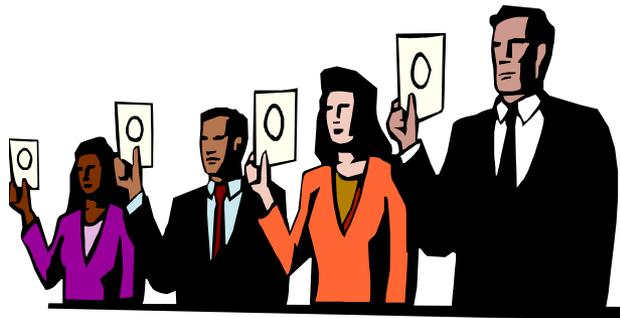
Positioning

How do you want to be perceived by the customer?



Competition

- Who are your competitors?
- What are their strengths and weaknesses?
- Analyze their strategies



Advertising

How will you advertise?



Pricing

What do your competitors charge?



What will you charge?

Sales Plan

No single aspect of the business is more important than determining how to sell.

Without sales, there is no business, no matter how well production, marketing research, and other functions are held.

Your plan must first address the question of exactly how production or service will be sold.

THANK YOU !!

Basket Give-Away

Have a safe trip home!!