White Paper:
Advice for the Tech Startup CEO Considering A Federal Strategy

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Advice for Tech Startups Considering A Federal Strategy

Cognitio is a strategic consulting and engineering firm established and managed by a team of former senior technology executives from the Intelligence Community and business executives with extensive leadership experience. We have created and led successful companies and developed deep trust-based networks across a broad community while doing so. We have also helped 100’s of companies establish and execute successful strategies for serving federal government missions and growing federal business.

This paper provides insights into the federal market from Cognitio’s four founding partners. It captures advice we have shared with numerous clients over the years in the hopes that it informs your approach to this market.

Background:

Most of what we write here comes from years of experience in the federal space. Over time and observation, principles emerge that can help any newcomer to this market get up to speed.

We cannot recommend a one-size-fits-all approach to this market. Every firm is different. And every buyer in the federal space is different.

Which leads to our first big ask: Please just consider the advice below a starting point. You will need to filter all these considerations through your own insights into your capability. And you may want a longer conversation with people you trust before you execute on any strategy you develop after reading this. So please scrutinize these suggestions before acting on them.

It is also important to note that opinions can vary on many elements of this. For us these are proven principles, but you may have other observations or may have heard of other approaches.

Which leads to the second big ask: Please give us your feedback on the tips and strategies you read here. We promise to keep evolving these recommendations and to provide them to others seeking to serve the federal market with potentially virtuous technologies.
Standing Up Your Federal Office

There comes a time for every growing high tech startup when you will be faced with the decision on whether or not you should stand up a federal office. You will want to time this just right. If you do it too early you will be wasting money. If you do it too late you will be losing an opportunity to grow and to serve the nation.

A general rule of thumb for high tech firms pursuing federal business is that you will want to be pursuing business for at least two Octobers. The government does business every day, but for software purchases there is a definite cycle centered around the end of the federal fiscal year. New firms that enter the federal market a few months before the end of the fiscal year can frequently benefit from money that must be spent or lost. But that will probably not be a statistically significant amount. The “two October” rule of thumb is an important one for planning purposes.

As for when you start, here are some tips:

1. Do you need to hire more engineers? If so that is probably a better deployment of your resources than standing up a federal office. Build a great, GA product.

2. Have you detected any “demand” signals that indicate the government needs you now? This can help you decide how fast to move in this direction.

3. Have you finished your B round of VC financing? If yes then we can assume several things. One is that you have some staying power as a VC backed firm. Another is that you have some great VC’s that are probably connected into the DC ecosystem. Tap into their network and get their sense of whether or not you should move towards the DC market.

4. Do you see other firms with similar capabilities in the federal space? Look over our CTOvision.com site as a reference. Watching competitors may help you decide where you are on the federal readiness curve.

5. As CEO, are you ready to personally invest time and energy working on the federal market? If you are dedicated to this market you may want to stand up your office earlier vice later. If you are not going to be able to focus personal time and energy it may be that you should not aggressively work the federal office at this time.

6. What is the nature of your relationships with the federal systems integrators? Do you
have personal contacts at very senior levels? The strength of these relationships may impact your decision on when to establish your federal office.

7. What is the nature of your relationships with senior government leaders? Does this help you track their mission needs?

8. Do you have good awareness of government mission needs? (See the next section of this paper for ideas on how to improve that).

9. Do you have access to a world-class-best federal sales professional? There are only a handful of the really great champions so you might not be lucky enough to be connected to one. But if you are, a great champion like this can make a world of difference and can help you accelerate your federal growth.

10. Have you thought through why you want to grow in the federal space? Be sure to pursue the federal market for the right reasons, like a devotion to federal missions. And be sure to be ready for success. Success will mean a continuing investment of your personal time and energy.

Learning Government Mission Needs

If you are a tech CEO building an awesome new capability there is a very high likelihood that government technologists will have an interest.

The challenge is in finding which technologists will have an interest. Mission needs drive the actions of government technologists, so the best way to find out who will be most interested in your capability is to have a good understanding of high priority government mission needs.

Here are our top ten tips on identifying the government mission needs most relevant to your activities:

1. Sign up for our CTOvision.com newsletters. These newsletters are widely read in government and in the DC tech ecosystem and can help you sense the pulse of activities in the federal space.

2. Other tech blogs that report on federal mission needs include FedScoop, and the traditional trade journals FCW and GCN as well as the social media site GovLoop. All provide background and context that your competitors are reading.
3. Review the wealth of information provided by the government at the CIO.gov website. The directives from the White House and the CIO council are critical drivers of action by the federal IT workforce.

4. Read the aggregated pulse of the federal technology ecosystem at FedTechTicker.com. This is an RSS aggregator that curates all federal technology news feeds from government and industry sources.

5. Understand where the government’s $82B IT budget will be spent. There is an IT chapter in the President’s budget that is especially important to read (download from Whitehouse.gov OMB site).

6. Create an account at FedBizOpps and track government procurements by searching for key terms. The vast majority of the addressable market you will have access to will buy through this site.

7. Track the Congressional testimony by government officials, especially CIOs. One key committee to track is the House Oversight and Government Reform Committee, but look for any testimony by a CIO to any committee.

8. Know the megatrends of enterprise IT. The same big trends that Mary Meeker helps the community track are impacting all in government too. Tracking them can help you anticipate government mission needs.

9. Network with other CEOs who are serving in the federal space now. There are many ways to do this, with perhaps the two quickest being connecting with your VC to ask which CEOs they know who have succeeded in this space or asking the team here at Cognitio to help connect you.

10. Consider establishing a board of advisors with representatives who have federal experience. The right seasoned professionals on your advisory board can speed your understanding of federal mission needs and make direct contributions to your federal growth.

**Working With Systems Integrators**

If you have a technology with a proven capability for enterprises you have probably already started thinking about how you should work with the big systems integrators that serve the federal market. You probably feel in your gut that partnering with them is the way to go.
They absolutely need to be part of your strategy. But there are key considerations. The following is a short list of topics we advise any startup firm as they think about working with federal systems integrators:

1. Every systems integrator has their own personality and culture and it is important to learn the differences in the big firms. All want to serve and win more business, but they have very different approaches. This should play into which integrator has a bigger interest in your capability.

2. The big integrators are everywhere and have an ability to leverage that to spread word of your capability, if they believe it is in their interest to do so. So when providing information to the big integrators be sure to couch things in context designed to resonate with the big integrators.

3. The big integrators also invest time and energy in learning government mission needs. They can be a great source of this info.

4. The big integrators want to partner with small innovative tech firms to help them win the attention of government thought leaders and more importantly to win procurements. So track the big procurements and figure out how you can help the big guys win.

5. The smaller integrators, including some very small “boutique” integrators, can be very agile and when you find the right ones with the right respect for your technology you should do everything possible to further the relationship. Be very good to them.

6. On some contracts, you may be required to commit to only interact with the government via the prime contractor. That is just the way things are. But that will not stop you from all interactions with the government, just the ones under that contract. Ensure you devote the right amount of time building personal relationships with government thought leaders, this is important and is a big hedge against the integrator that may seek to shut you out.

7. We have seen senior engineers big systems integrators communicate to government leaders that they can write better software than their small firm partners. I swear this can happen to you. No matter what you do, one day you could have an integrator telling the government they should not use you. To prevent this, be sure you have paid attention to item 6 above. 8. Remember, big integrators can also be customers. They all have infrastructure that needs protecting, devices that need managing, HR departments that need automation, finance departments that need optimizing etc etc. Don’t be timid
about asking your contacts at the integrators to introduce you to the people who buy for their internal infrastructure.

9. When you see the big integrators at a trade show, keep in mind that the people manning their booths may very well be program managers and engineers and/or subject matter experts that can help you build a relationship with that firm. So use those opportunities to build your networks.

10. Most program managers and engineers from the big integrators are in LinkedIn. Many gather at our LinkedIn group called “The Synergy Forum”. Join us that group and network there.

**Concluding Thoughts**

If you are the CEO of a high tech firm and if you have a capability that can scale to enterprise size you may well have something of value to federal missions. But that doesn’t mean things will be simple for you in the federal market. It will take hard work on your part. That work will be more effective if you have a solid strategy.

We hope the considerations in this paper will inform your strategy and contribute to your success in the federal space.

Please stay connected to us and keep us in the loop as you grow in your ability to serve this mission space. When you are ready to accelerate your growth Cognitio will stand ready to assist by conducting focused market research, building out executable strategies and creating partner eco-systems to help drive opportunity for growth. We also build and execute marketing and development actions leveraging our media properties (based around CTOvision.com and newsletters read by 35,000 in the federal space. We also produce special events with key decision-makers.

For more on these topics contact:

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More Reading
For more federal technology and policy issues visit:

• CTOvision.com- A blog for enterprise technologists with a special focus on Big Data.

• J.mp/ctonews - Sign up for the government technology newsletters including the Government Big Data Weekly.

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David Highnote is a co-founder and partner of Cognitio. He has a strong grasp of both technology and business and brings the unique perspective of a marketing and communications professional to the senior team, helping clients focus on bringing the right message to the right audience at the right time. David’s experience leader research, creating targeted content, crafting messages to influence disparate constituencies provides a critical filter for every client engagement.

For More Information
If you have questions or would like to discuss this report, please contact us at CognitioCorp.com. As advocates for better IT use in enterprises we are committed to keeping this dialogue open on technologies, processes and best practices that will keep us all continually improving our capabilities and ability to support organizational missions.

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