

WHAT, YOU DO NOT HAVE A CAPABILITY STATEMENT YET?!

What is the Purpose of a Capability Statement?

Government contracting has become a very competitive and lucrative market. Businesses of all sizes from small, micro-firms with one employee to large, mega-firms with thousands of employees, have found success in selling products and/or services to government agencies at the federal, state, county, city and municipal levels.

However, competition has heightened as more companies try to tap into this market. Five years ago, only a few companies were familiar with the importance of a Capability Statement. Now it is a critical element to help companies get a foot in the door and become successful, no matter what the size of the company.

Another factor that complicates the process is fewer people are employed by all levels of government to handle outreach and acquisitions. This means contractors must know how to illuminate the information about their company that is most important to a particular decision-maker, state it in a clear and concise manner and reinforce its importance to the prospect.

Successful firms use their Capability Statement for a number of purposes including:

- To complete government registration processes
- To open doors with new agencies
- To provide proof of qualification
- To provide proof of past performance
- To set their company apart from competitors

Capability Statement Format

A Capability Statement should be very brief (only 1 or 2 pages), to the point and written specifically to the individual agency's needs. Ideally, it is a living document that changes depending on the targeted agency. Why is this? Because savvy companies know each agency has its own mission and focus, and the capability statement speaks directly to those needs.

The document should be visually interesting and have similar graphic elements to the company's brand and logo. It must be a searchable document that can easily be sent as a PDF file.

Therefore, it is recommended Capability Statements be created in Word or Publisher using a template that reflects a firm's brand with its own logo, colors and graphic identity. It is important to fit all critical information on one side of one page while at the same time keeping it visually interesting. The second side, if absolutely necessary, may contain additional supporting data important to the targeted agency such as case studies of past successful projects.

Capability Statement Contents

The five key areas included in a successful statement are:

1. Core competencies
2. Past performance
3. Differentiators
4. Corporate data
5. Contact information

Core Competencies

These are short introduction statements relating the company's core competencies to the agency's specific needs, followed by key-word heavy bullet points. This is NOT everything a firm is able to do, but the core expertise of a firm, specifically related to the agency this Capability Statement is written for, its mission and identified opportunities.

Past Performance

Begin by listing past customers for whom your business has done similar work. Prioritize starting with the related agency, list all federal or other government [work](#) and finally to commercial contracts. If the past projects do not relate to the targeted agency's needs, do not list them.

Ideally, include specific contact information for each that may be used for immediate references. Include name, title, email and phone number. Use this information when meeting with decision-makers. Leave this information out of the Capability Statement when you are sending the PDF as an initial outreach effort or leaving as a handout at conferences.

Differentiators

Doing business with the government is highly competitive. Companies have the burden of dealing in this competitive market and rising above the competition. Many companies who are trying to increase sales to the government market do not have a clear value statement that details what makes them different from their competitors. A succinct, clear statement that relates to the specific needs of the agency is what will help the procurement and purchasing staff, the program managers and end users understand why to choose your firm over others.

If your firm has won any awards, received accolades or has notable accomplishments relating to the agency, list them only if you have space.

Sample Differentiator Questions: Use these to write a value statement

- How is your company best suited for the needs of this agency? What is it about your services that make you stand out from the rest? What is it about your employees that give you the advantage over your competitors? Why are your products better solutions than the others that are available?

*If these benefits cannot be clearly communicated, it is impossible for a decision-maker to clearly recommend your company over one of your competitors. Many companies fail to take this critical step and wonder why they are missing out on contracts.

Company Data

Include one or two short sentences with a company description detailing pertinent history. Include: the size of the firm, annual revenue, the number of employees and the typical geographic area you serve.

Readers will visit your web site for additional information. Make sure your web site is constantly updated and government-focused.

List Specific Pertinent Codes

- DUNS

- Socio-economic certifications: 8(a), Minority-Owned, HUBZone, SDVOB, etc.
- NAICS (all) - include code descriptions
- CAGE Code - SAM Active
- Payment Terms i.e. Accept Credit and Purchase Cards
- GSA Schedule Contract Number(s)
- Other federal contract vehicles
- BPAs and other federal contract numbers
- State Contract Numbers
- Name (a specific contact person)
- Address
- Phone (main and cell)
- Email (a person's email, not info@)

Use this information to help your business create a powerful Capability Statement and open doors to contracting opportunities in the federal government. This document is the key to building relationships with important decision-makers in government contracting, providing them with a concise description of the goods and services your business can provide and a consistent reminder of your firm. When properly written, a Capability Statement is the tool that sets your company head and shoulders above your competition.

Tips for Writing a Capability Statement:

It is best to call the document a Capability Statement. This should be stated at the top of the document. This is a term known throughout government contracting decision-makers and indicates that you have knowledge of the contracting process.

A Capability Statement should also show a firm's logo and other branding elements for recognition.

It should be free of long paragraphs, and instead written in short sentences and bulleted lists for quick visual scanning.

When composing a Capability Statement, use the following section labels: Core Competencies, Past Performance and Differentiators. Show contact information, including web site and a specific person's name, email and phone number on each side (page) of the document.

Create a new document for each agency, prime or teaming opportunity. This way each Capability Statement has all the information it needs for that opportunity, and only the needed information.

A Capability Statement is preferably only one page, one side. Go to two sides only if absolutely necessary.

Save and distribute as a PDF, not a Word, PowerPoint or other format. Many federal agencies block Word and Publisher documents because they may harbor viruses. A PDF file is much safer, usually smaller, and stays visually consistent when mailed.

Save the document with your company's name in the file name.