How to Write a Capability Statement

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Seminar Objectives

- What is a capability statement?
- Types of capability statements
- What will it do *for you*
- How to use them to get a meeting with a customer
- How to prepare for the meeting
One Common Question

• Our clients often ask about how to best present themselves to contracting officers and prime contractors.

• There are four key ingredients to making a favorable impression:
  – Familiarizing yourself with the particular agency you are targeting,
  – Being prepared to deliver a concise “elevator speech”,
  – Presenting a business card which displays your CAGE, and NAICS codes, and
  – Having a “Capabilities Statement.”
What is a capability statement?

- It is a document of your individual and organizational competencies.
- Its purpose is to communicate clearly and effectively to potential partners about your capabilities.
- It provides specific information that will assist potential clients to make a decision on whether they should do business with you.
- When written powerfully and persuasively, it will differentiate your business from your competitor.
What will a capability statement do for you?

- Open doors
- Charm customers
- Serve as a focused electronic summary
- Set you apart from your competitors
- Represent you in your absence
- Mitigates risk!
  - Proves you know & understand this market
  - The Government is a risk adverse market
Types of Capability Statements

- Door-opener, used to begin relationship-building process
- Obtain meetings with decision-makers
- Tool to use during meetings
- Requested as part of a Sources Sought or RFI response
Who Receives Your Capability Statement

- If you are the Prime contractor > Agency
- If you are the Subcontractor > Prime Vendors
- If you are a Team member > Other Vendors
A Poor Capability Statement will:

- Slam doors on you
- Highlight your weaknesses
- Proves that you are not competent
- Highlights the risk to hire you
- Proves you DO NOT understand the customer or the market
It is Not...

- It is not a resume
- It is not a brochure
- It is not a one-size-fits-all document
- It is not expensive
- It is not complicated
- It is time consuming if you don’t know yourself
- It is not a PowerPoint
- It is not a *replacement for you*
Door-Opener Capability Statement

- 1 or 2 pages (1 sheet)
- Living document format
  - Depending on its use, it may change for each customer
  - The master copy is the base
- PDF format, small file size, emailed, printed
- If emailed: No Word, Publisher ... document
Door-Opener Capability Statement

Has Five Key Elements that relates specifically to the customer:

1. Title - Capability Statement
2. Core Competencies
3. Past Performance
4. Differentiators
5. Company Data
Key Element # 1: Title

- Title this document a CAPABILITY STATEMENT
- Otherwise it just another flyer or brochure
Key Element # 2: Core Competencies

- Section title: CORE COMPETENCIES
- Laser-focused on the target
- Short introduction statement
- Your solid expertise
- Relate your company’s core competencies to the target’s specific needs
- Followed by *key-word heavy bullet points*
Core Competency

- Is a specific factor that a business sees as being central to the way it, or its employees, works.
- It is not easy for competitors to imitate.

<table>
<thead>
<tr>
<th>Company</th>
<th>Competency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Express</td>
<td>logistics and customer service</td>
</tr>
<tr>
<td>Honda</td>
<td>small engine design</td>
</tr>
<tr>
<td>Sony</td>
<td>miniaturization</td>
</tr>
<tr>
<td>Wal-Mart</td>
<td>real-time information system</td>
</tr>
<tr>
<td>Microsoft</td>
<td>designing office software</td>
</tr>
</tbody>
</table>
Key Element # 3 Past Performance

- Section title: PAST PERFORMANCE
- Show the benefit to the customer
- List past customers for whom you have done similar work. Prioritize by:
  - Internal to that agency
  - Related agency
  - Other government entities: federal, state, local
  - Commercial contracts
Key Element # 3: Past Performance

- Example (if you were the prime):
  - Department of Homeland Security: Provided x-y-z services to enable the effective use of a-b-c thereby reducing costs by $xxx,xxx over three years.

- Name contract vehicle & amount. Give contact reference, name, title, phone and email.

- Note: If past projects do not relate to the targeted agency’s needs, do not list.
Key Element # 3: Past Performance

- Example (if you were the subcontractor):
- Department of Homeland Security: As a subcontractor to PRIME, provided the x-y-z services to enable the effective use of a-b-c thereby reducing costs by $xxxxxx over three years.
- Give contact reference, name, title, phone and email.
- Note: If past projects do not relate to the targeted agency’s needs, do not list.
Key Element # 3: Past Performance

- Example (if you were an employee):
- Department of Homeland Security: As an employee of COMPANY, provided the x-y-z services to enable the effective use of a-b-c thereby reducing costs by $xxxxxx over three years.
- Give contact reference, name, title, phone and email.
- Note: If a reference is not available, do not list.
Past Performance : Sample
Note: Use ONLY with in-person meetings

<table>
<thead>
<tr>
<th>Agency</th>
<th>Work</th>
<th>Contract</th>
<th>Amount</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>VA</td>
<td>Call center assessment</td>
<td>SP4800-R-1234</td>
<td>$50K</td>
<td>Juan del Pueblo&lt;br&gt;<a href="mailto:juan@va.gov">juan@va.gov</a>&lt;br&gt;(787)756-6983</td>
</tr>
<tr>
<td>USDA</td>
<td>VOIP install</td>
<td>HQ234-F-2345</td>
<td>$250K</td>
<td>Juan del Campo&lt;br&gt;<a href="mailto:campo@usda.com">campo@usda.com</a>&lt;br&gt;(202)234-9876</td>
</tr>
</tbody>
</table>
Key Element # 4: Differentiators

- Unique features and or benefits of your products or services that set you apart
- And how this benefits the targeted:
  - Agency
  - Prime
  - Team
Key Element # 4 Differentiators

- What makes you truly different from your competitors:
  - Location (Located within xx miles of)
  - People (Training, certifications, safety record, recognitions...)
  - Capacity (Financial stability, letter of credits, bonding, ramp-up process...)
  - 3rd party certifications (ISO...)
  - Partners and authorized resellers
  - Relationships
  - Experience
  - Metrics, Metrics, Metrics

- Better to have 2 or 3 strong differentiators than an entire list of mediocre or poor ones
Differentiators are NOT

- Socioeconomic certifications, unless you are the only one
- One type fits all
- Generic statements
  - XX years of experience
  - Solutions provider
  - Best in class
  - World class
The start-up Dilemma

- Why are they doing what they are doing
- Experience
- Expertise of key staff
- Will to succeed, drive if can be out in a metric
Key Element # 5 Company Data

- DUNS & CAGE Code
- NAICS (Describe if space permits)
- GSA Schedule Contract Number(s)
- BPAs and other contract numbers
- Socio-economic certifications: SDB, WOSB, 8(a), HUBZone, SDVOB
Key Element # 5 Company Data

- 1 or 2 sentence summary of highlights
- Financial stability
- Number of employees
- Capacity
- Teams
Key Element #5 Company Data

- Building relationships: It is about PEOPLE
- YOUR contact information:
  - Name
  - Email
  - Phone: office, direct
  - Printed on the Capability Statement, not attached as a business card
CAPABILITY STATEMENT
Sample Template

Title this document: Capability Statement

Core Competencies

Short introduction statement relating the company’s core competencies to the agency’s specific needs followed by key-word heavy bullet points

TargetGov Tips:
- No long paragraphs.
- Use short sentences followed by keyword heavy bullet points.
- Create a new document for each agency, prime or teaming opportunity.
- Tailor each Capability Statement to the agency mission or specific opportunity.
- Call this document a Capability Statement.
- Preferably, this Capability Statement is 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.

Past Performance

List past customers for whom you have done similar work. Prioritize by related agency, to all federal to other government to commercial contracts. If the past projects do not relate to the targeted agency’s needs, do not list it.

TargetGov Tip: Ideally, include specific contact information for immediate references. Include name, title, email, phone.

Differentiators

Identify what makes you different from your competitors and how this benefits the targeted agency.

TargetGov Tip: Relate your key differentiators to the needs of the agency, prime or teaming partner.

List Specific Pertinent Codes

- DUNS
- Socio-economic certifications: 8(a), HUB Zone, SDVOB, etc.
- NAICS (all)
- CAGE Code
- Accept Credit and Purchase Cards
- GSA Schedule Contract Number(s)

Company Data

One very brief company description detailing pertinent data.

TargetGov Tip: Readers will visit your website for additional information. Make sure your website is easily accessible and contains the appropriate information.
Tips

- Visually appealing
- 1 page (front and back)
- Present information concisely
- Use bullets, simple tables, highlighted sections for readability
- Have someone from outside your company read your statement and provide feedback, before sharing with customers/potential customers
- Be sure to check spelling and grammar
Uses of Door-Opener Capability Statement

- Relationship building
  - Email introduction
  - Procurement conferences
  - Leave behind (Paper)
  - Follow-up (PDF)
  - Industry days
  - Briefings
  - Vendor-outreach
Uses of Door-Opener Capability Statement

And...obtaining Decision-maker meetings!

– Small Business Reps
– Contracting Officers
– Program Managers
Obtaining Decision-Maker Meetings

1. Identify Targeted Organization
   - Agency, prime, team member
2. Create a Targeted Capability Statement
3. Identify exact person: Small business rep, contracting officer, program manager
Obtaining Decision-Maker Meetings

4. Contact via email to request a Capability Briefing, include your Capability Statement as a PDF
5. Contact via phone
With Whom Will You Meet?

- Small Business Representative, or
- Contracting Officer, or
- Program Manager
- End Customer
- But not all at the same time!
Tips: Requesting the Meeting

- Do your homework first
- Know if/when/how they are buying what you sell
- Give specific reason why you want to meet tailored to that person and their responsibility
Pre-Briefing Research

- Use FPDS.gov for *past opportunities*
- Use FedBizOpps for *current opportunities*
- Use Agency Forecast for *upcoming opportunities*
Subject line: **Capability Briefing request**

Dear Mr ______,

I am writing to request a Capability Briefing to discuss how XYZ Co can fit the requirements of your agency.

Our Capability Statement is attached detailing our Core Competencies and Past Performance. Are you available for a 30 minute meeting on Tuesday at 10am or Thursday at 1pm? I will follow-up with a phone call to firm up the time. If you prefer to reach me my direct line is __.
Tips for Success

- Be able to briefly discuss your:
  - Core Competencies
  - Differentiators
  - Past Performance
  - Company Data
  - *As relates to them!*
More Tips for Success

- Tailor the Capability Statement to the target
- Use their terminology
- You will have many versions, one for each Target
- Make sure the file size is small, under 1MB
- Save the PDF as your company name
Post-Meeting Follow-up

- Always send a tailored Capability Statement in PDF format
- Ask them to forward it to their colleagues
- If you promised anything: do it!
Mistakes to Avoid

- Don’t ask what they need
- Don’t take a *generic* PowerPoint or Capability Statement
- Do not confuse them
BRIDGING THE GAP BETWEEN YOU AND THE FEDERAL GOVERNMENT

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