



GRANTS
OFFICE

GRANTS OFFICE, LLC

Industry Services Division

Improving Sales Through Grants Education

Introduction

Of all the methods for moving money around in the economy, grants are among the most misunderstood. This is partly due to the fact that grants support hundreds of different types of projects for as many different purposes. The confusion is further exacerbated by the fact that grants may be made by individuals, private companies, foundations, non-profit organizations, and all levels of government.

In fact, a grant is simply a vehicle for distributing funding for a particular purpose usually educational, scientific, or charitable. Grants may be made for general operations or for a very specific function, such as the purchase of a piece of equipment, or the development of a study.

Of the roughly \$350 billion¹ distributed in grants each year, most of the funding goes to nonprofit organizations and municipalities. Once the funding check (or EBT) comes to the awardee, it is nearly always incumbent upon the awardee to determine how and when to contract with vendors who will ultimately provide goods and services to the project.

Typically, a nonprofit or municipality grant recipient will contract with vendors for grant funded goods and services through already established contracts (“state contracts”), and through personal contracts with vendors. Although certain funding sources have strict requirements for bid announcements and union scale wages, most do not. Grant funding typically flows to industry through contracts and purchases made with grant dollars.

To a lesser extent, grants may be made directly to industry for research and development of new technology or innovative approaches to a problem. The company usually retains the products and intellectual property rights that result from this research.

Educating your customers about availability of grant funds improves sales in three important ways:

- 1) Providing information that helps your customers bring in funding for any purpose advances customer loyalty and goodwill.
- 2) Your customers will be more likely to be able to initiate or expand the purchase of your products and services if they have grant funds to use for that purpose.
- 3) Educating your customers about grants over the long-term will lead to an increased percentage of grant funds from a particular program that will be used for your products and services vs. your competitors, increasing your market share.

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¹ Office of Management and Budget. Budget of the United States. Fiscal Year 2003. Historic Tables. www.whitehouse.gov/omb/budget/fy2003/hist.html

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The Flow of Grant Funds to Industry

Put your company directly in the pipeline of \$350 billion per year in grant funding.

Without taking any additional steps beyond simply selling your company's goods and services to nonprofit and municipal customers, you're already benefiting from grant funding. These organizations are right now using grant funds to support everything from equipment purchases to staff training, endowment building, and ongoing utilities costs. It's even possible that you have sold your customers on a product that they then had to go out and "find" grant funding to purchase.

ICON KEY	
	Valuable information
	For your deliberation
	Online information
	Grants Office service

Grants are part of the budget picture for nearly every nonprofit and municipal organization in America. With

national grant funding at an all-time high, there has never been a better time to get involved in grants education and support for your customers. You can transform your relationships with your customers by going beyond selling them what they need, to helping them access the resources they need to buy it.

Direct Purchase

The most common method for conveying grant funding to industry is through a grantee's purchase of goods and services from the company. Computers are a good example of this, because most grant programs will fund the purchase of one or more computers. The organization applies for grants funds to do so and so, and in order to do this effectively, the grant writer makes the case that the staff need a computer. The proposal, with a computer in the budget, is approved by the funder, and the organization begins to purchase items funded by the grant, including the computer.

Perhaps it's stating the obvious to say that helping customers obtain grant funds for direct purchase (or procurement, as it is sometimes called, to include the purchase of tangible goods and contracts for services) will be the most profitable

way to begin a grants education initiative. Your sales force is already providing the valuable service of matching the needs of your nonprofit and municipal customers (and prospective customers) to the products and services you offer. The logical next step in providing them with your products and services is to ensure that they have the funding necessary to purchase them.



Selecting the best prospects for direct purchase grants assistance

Before you start sending grants information to every prospective client in your database, you might want to consider segmenting your prospects to maximize available funding. For example, you might provide only complementary grant information to prospects that are ready to buy with funds already in their budget (to help them purchase more in the future), whereas those who are putting off the purchase until the next fiscal year or who are only 50-85% likely to buy might get the full report of grants information and even, depending on the size of the potential purchase, company-sponsored proposal development.

How you use your company's grants development program will depend on your culture, the philosophy of management, and to some extent, the expectations of your customers.

An Edge in Open Bidding

Occasionally, funders require that the purchase of grant-funded goods and services be put out to an open bidding process. As you can imagine, I haven't found many companies that really like open bidding. Companies spend billions of dollars to educate their customers, help customers identify their needs, and create product packages that delight customers, only to find that all this work and money is really benefiting the low bidder who wins the contract.

Quick Response

Providing grants development assistance gives companies an edge in open bidding

Your Edge:

- Faster Bid Turnaround
- RFP Customization

in two important ways. First, grant funders require detailed proposals that include a substantive analysis of a community's needs and specific solutions (both in terms of goods and services, as well as personnel and volunteer support) to address those needs. Your involvement in the

development of funding for the project will make you more responsive to the bid announcement because you're already working with the customer and have probably already worked up a proposal or bid that is exactly in line with the requirements of the bid announcement (or Request for Quotations, Request for Proposals, Request for Qualifications, or Request for Applications). The deadline for bid submission may be short (especially if you have the goodwill of your customer), but you'll be ready to respond.



RFP Customization

Secondly, the proposal you helped your customer create to get the funding probably contains many of your product's specifications (if not product names), and may even include reference to your company's proprietary solutions. The likelihood that these details will follow the funding through the bid process puts your company at the top of the list of bidding contractors and, in the case of proprietary solutions, may result in a sole source contract regardless of the particular purchasing policies the customer has in place.

Goodwill

Goodwill, that intangible but nevertheless very real factor, can un-level the playing field as much as any other competitive advantage. Your company's interest in giving its customers ways to pay for what they need and want builds a partnership between yourself and your customers that will extend into the future and result in many repeat sales, not to mention brand loyalty and referrals.

R&D Enhancement-Direct Funding

Through a variety of vehicles, primarily at the Federal level, grants can fund the research and development of new products. The Small Business Innovation Research (SBIR) grants, the largest Federal Program for this purpose, provide funds for two of three phases of product development, "Product Development" and "Commercialization."² Under this program, the responsibility for "Marketing" is left up to the company. Other funding programs become available from time to time, coordinated buy one or more agencies, which may require the involvement of product development partners such as university researchers. In most cases, intellectual property rights on products developed with funding remain the domain of the company.

Your Edge

- Free money to develop products
- Retained ownership of intellectual property

R&D Enhancement-Field-Testing, Proof of Concept, and Case Studies

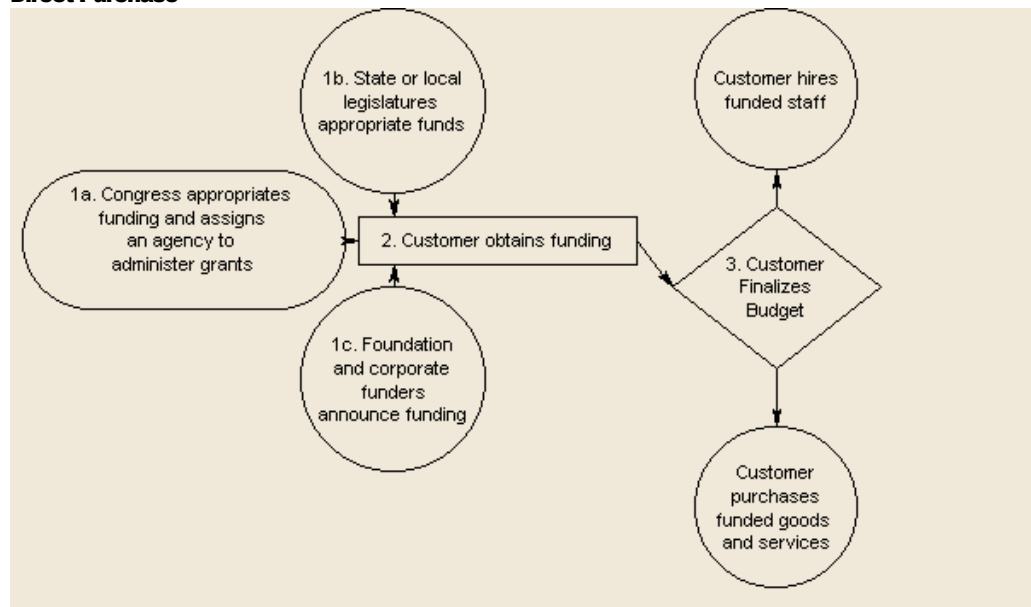
Companies can work with their customers and potential customers to obtain funding that will support proof of concept and case studies to demonstrate the usefulness of their products. This type of funding would typically be obtained by a consortium that would include customers and the company, and may also involve one or more

² U.S. Small Business Administration, Office of Technology. www.sba.gov/sbir.

researchers who would document the results of field-testing. Unlike the SBIR program, which exists to fund businesses, this second type of R&D enhancement is funded by function-specific sources. For example, field testing for a new fire fighting system may be funded by the US Fire Administration or even by a local foundation with an interest in disaster prevention or relief.

The “Flow” Chart

Direct Purchase



IN THIS CHART, Funding flows from the funding community (Federal, State, and Local governments, foundations and corporations) to the customers and finally to the companies from which the customers purchase goods and services.

The point here is to enter the process as early as possible, lock in the customer’s ultimate purchases.

A comprehensive grants development program, including a variety of strategies can yield significant returns over the long term.

Although it may seem a daunting prospect to take on the Federal government, not to mention state and local organizations, you don’t have to work alone. Grants Office’s team of experienced professionals will be with you all the way.

Our comprehensive range of services, combined with our client focus and dynamic knowledge base will allow your company to maximize its return in the shortest possible time.

Strategies for Accessing Grant Funding for Your Customers

Practical tools for making a grants development initiative work

Educating customers should begin with an orientation to the grants development process, followed by regular information and on-going support of the customer. The most important factor here is to be available to the customer with relevant information when it's needed.

The orientation should convey to the customer that grants can fund many of their non-recurring costs. They should understand the functional categories (topical areas) and the budget categories (i.e. Equipment, personnel, consultants, etc.) that grants typically support. The customers should receive tips on grants development that they can use in preparing proposals. The more likely function of these tips will be to build your customers confidence in the grantseeking process.

Relevant, timely information about grant opportunities introduces your customers to their funding prospects and begins the real work of grants development. The customer should spend some time paring down the funders to whom they will ultimately apply in order to allow them to focus sufficient time and resources on the remaining projects. Getting grants is like winning a high jump; focused resources applied to a proposal to an appropriate funder will give the project its best chance for getting over the bar. Too much diffusion of effort can result in every proposal falling short.

Your information flow should allow for customers to approach you with ideas, for you to assist customers you have sold on a concept, and for you to offer free information that builds your customers' confidence in the grants that are available as well as in their ability to successfully pursue them. We have included a sample Grants Office information sheet for you to refer to.

Your customers will probably want to complete their own proposals to the funders they have selected, since the proposals will likely include elements beyond your products and services, such as personnel salaries and benefits, administrative costs, travel costs, and additional equipment and supplies that round out their projects. Grants Office provides comprehensive proposal development services for your customers. Grants Office works with your customers to obtain funding that enables them to initiate or expand their purchase of the goods and services you provide.

Ongoing Support and Maintenance

The lynchpin of this process is the relevance and timeliness of the information you provide to your customers. Therefore, it is important to keep apprised of the products and services they are interested in purchasing and generally how and where they will be applying them.

To facilitate this process, Grants Office has developed a means of communication that allows customers and sales staff to document possibly fundable interests and obtain information on relevant grant opportunities within 24 hours.



Request for Research Update Report

The Request for Research form collects information on the parameters and geographic scope of the customer's intended purchases, as well as their contact information for quick delivery of grants information. The form includes the customer's name, location, phone, Fax, and E-mail, and space for a brief description of the intended project(s). The form also provides space for the company sales representative as well.

Upon receiving a Fax of the Request for Research form, Grants Office staff compiles a set of active (and anticipated) funding prospects to support the intended project(s).

Preliminary Set-up

Prior to receiving any Faxes from a company or its customers, Grants Office matches the company's products and services to a range of related functional categories. This matching allows Grants Office to more readily access and deliver grants information quickly.

Grants Office uses the functional category list of the Catalog of Federal Domestic Assistance (CFDA)³. The CFDA's list is one of a number of similar taxonomies used to classify grant programs and non-profit and municipal activities. It is comprised of 20 primary categories and 220 sub-categories. This list is also very stable, having not been modified since the mid-1970s.

³ Catalog of Federal Domestic Assistance. www.cfda.gov/public/browse_by_fa.asp



**REQUEST FOR RESEARCH
UPDATE REPORT**



GRANTS OFFICE
FAX : (585) 241-4249

Customer Information **Product(s):**
Name: _____ ◆
Location: _____
Phone: _____
FAX: _____
Email: _____

Describe the intended project(s):

FAX the completed form to Grants Office for information on grant opportunities in your area.
Partner Company Customers receive a 20% discount on on-site proposal development services.

Sales Representative _____
(if applicable)

GRANTS OFFICE 50 Prince St. Rochester, NY 14607
Phone: (585) 241- 4329 FAX: (585) 241- 4249

IN THIS FORM, space allows for collection of brief information to direct Grants Office's research.

On-site Training of Staff and Customers

To mobilize your customers and staff to derive the greatest benefit from your grants education program, it's important to orient them to the process and the assistance that grants can provide to them directly.

Staff Training

Highlights

- Overview of grants
- Forms
- Using the information

Staff Training

Since your company's sales staff functions as ambassadors of grants for their customers, they should have a general familiarity with grants, their sources and the application process. They should be comfortable

with the related forms and instruments, both grants-related and process-related. Finally, they should have a mechanism for disseminating the information they receive and using the grant to further the sale.

Customers

Since customers will be applying for funding under the programs you recommend, it will be important to build both their confidence in your company as a partner in the process and their comfort with the grants application process overall. During their training, they should study:

- The history of grantmaking since the New Deal,
This establishes the historicity and stability of grant funding over time.
- Common elements of all grant applications,
This de-mystifies grant applications and empowers your customers to try grantseeking.
- Sources of grant funding, and
This gives your customers a starting point for developing funding prospects.
- Ten tips for getting more grants
This helps build your customers' confidence in obtaining grant funding.

Using Your Web Site

Your company's Web site can provide an important nexus for your grants development program, connecting your customers' grantseeking to your products' purchases, as well as information on current grant opportunities and tips for winning grants from the most likely sources.

Your Edge

- Communicate grant opportunities Whether you post grants information directly on your company's Web site or you create ("sponsor") an entirely new
- Provide tips for winning related grants Web site for the most prominent funding sources that will support the purchase of your company's goods and services, the

Web site is accessible to all your current and potential customers 24-hours a day and should contain:

- Basic summaries of grants that could fund the purchase of your company's products and services;
- Forms and/or instructions for the grant programs most closely aligned with your company's purpose,
- A summary of the customer orientation described above;

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- Bundles of products and services, and corresponding bundle pricing that customers can insert into their grant budgets and purchase (at a discounted price) with grant funds; and
- Some type of feedback form to reveal what your customers need and want from your grants development program.

Unique .info Web sites

Don't be afraid to develop ("sponsor") one or more Web sites devoted to a particular grant program(s) whose purposes intersect with your company's products and services. Providing helpful and complete information on the site will help you develop many new customers from your target industry segments who visit the site for its information. In addition, it will establish your company as a primary resource in the markets in which you provide this type of help.

Grants to Fund Research and Development and Existing Products

Receive funds directly to develop and patent new technologies, products, and processes.

There are a number of Federal programs that will support research and development of new products and services, and other studies and testing that may benefit your company, directly by demonstrating the effectiveness of a product or proprietary approach, or by demonstrating a need for your services and products in a specific geographical area or in society in general.

New Products and Technologies

In 2002, the Federal government spent more than \$23 billion on research and development⁴. Whether this funding goes to major research universities for basic scientific research, or to small businesses for development of commercial products, funding comes from every agency in Washington.

SBIR Phases

- Phase I: Startup
Awards: up to \$100K
- Phase II: Development
Awards: up to \$750K
- Phase III:
Commercialization (no
Federal funding)

The primary funding program (though by no means the only one) that Federal agencies use to pay for private sector R&D is called the Small Business Innovation Research/Small Business Technology Transfer (SBIR/STTR) program⁵. The primary difference between SBIR and STTR is that STTR requires the involvement of university researchers in the project, whereas SBIR grants do not. **In any case, these**

programs provide free money for small businesses (defined as businesses

⁴ National Science Foundation, Division of Science Resources Statistics, Federal R&D Funding by Budget Function: Fiscal Years 2000-2002, NSF 02-301, Project Officer, Ronald L. Meeks(Arlington, VA 2001).

⁵ U.S. Small Business Administration, Office of Technology, SBIR/STTR, Assistant Administrator, Maurice Swinton. Frequently Asked Questions. <http://www.sba.gov/sbir/indexfaqs.htm/>

with less than 500 employees) to research the feasibility of new technologies and develop and test new products.

Other non-SBIR opportunities become available from time to time and are usually managed by an agency that does not have an SBIR program⁶ or by a division with a special need.



Intellectual Property

With few exceptions, new technologies and products developed with Federal funding remain the property of the company that developed them. Intellectual property rights such as patents, copyrights, and trademarks belong as much to the grant-funded company as they would if the company had paid for the R&D out of its own coffers. In fact, the Federal government has even established a waiting period for announcing new grant-funded technologies, to allow companies to pursue and obtain protection for their intellectual property.

Studies to Support Field Testing

Funding is available from a variety of sources to support field-testing of your newly developed products. In this case, the funding may come from any level of government or foundation and would be given to the customer(s) who will be testing the new product.

For this type of funding, look for the money to support:

- The customer(s)' staff time spent conducting the testing,
- Equipment and supplies required to test the product,
- Training for everyone involved in the testing activities, and
- A consultant/researcher to document the testing objectives, methods, and results.

Studies to Show Need, Social or Geographical

With an eye toward informing your company's own marketing research, as well as providing documentation to justify funding for your customers to purchase your company's products and services, grant funds will support overarching studies that can demonstrate a need for your products or a gap in product availability (for possible SBIR application and new product development). The studies may be nationwide (or

⁶ Only the 10 Federal agencies that spend more than \$100 million per year on R&D are required to have agency SBIR programs.

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even global) or confined to a few city blocks, and they will probably involve many other governmental and non-profit organizations as well. You would do well to bring in a university researcher to conduct the study as well, since (s)he would have a statistical and analytical background that may be required to obtain funding in the first place, and certainly would be needed to produce and document the results of the study in a meaningful, credible way.

This type of social benefit funding may also support the development of industry-wide standards. Leadership in developing a national standard would add to the prominence of the company in the industry and may also provide some first-to-market benefits, since you will have all the information necessary to integrate the standard into new and existing products and processes, even while the final versions are under review.

Tracking the Success of Your Grants Education Program

Know thy ROI.

Assessing the success of your grants education program requires that you track the following information:

- Number of requests for information/research,
- Total number of proposals submitted by the client based on information provided,
- Amount spent on grants education,
- Change in net revenues from clients targeted for grants education,
- Change in net revenues from clients who qualify for grant education, but don't receive grant education funding.
- Amount spent on R&D grants development, and
- Amount received from R&D grants.

Ultimately, you will want to track as directly as possible the dollar return, both from the stand point of the firm's investment (profit), as well as the customer's investment in grants development (goodwill). Additionally, you will want to measure your return on R&D grantseeking.