How Lucrative Is Government Contracting—and How Tangled Is the Red Tape?

Government contracting has long been covered in a shroud of mystery for many people unfamiliar with how it works. You have probably heard of the proverbial red tape that goes along with government contracting, especially when someone tries to sell you their expertise. Have you wondered what “red tape” actually means? Should you even try to enter this market? And if you did, how would you succeed in it?
Let’s Demystify Government Contracting

The modern expression *red tape* comes from the venerable practice of tying bundles of official documents with red tape, observed by government bureaucracies since the 16th century in Europe and since the 17th century in America. In the 19th century, American Civil War veterans’ pension records were bound with red twill tape. The expression stuck. Media, politicians, popular TV shows, and even musicians have used the expression on both sides of the Atlantic Ocean to refer to government bureaucracies. No wonder it sounds terrifying, even if it has become a cliché. Essentially, it has to do with getting tangled in endless procedures, rules, approvals, and forms while wasting time in attempting to navigate the highly bureaucratic and complex environment.

Paradoxically, government contracting is a booming trillion-dollar industry in the United States alone. If red tape is so prevalent, why are there so many who are able to navigate this industry? There is indeed a lot to learn about how to work with the government. The good news is this: the red tape is a thing of the past. The labyrinth of government contracting is not that complicated after all—if you have the right guide. Once you understand the basics, which this book will help you do, getting your first government contract and subsequent government contracts will seem rather straightforward. The key to success is getting the right information and guidance.

Before we venture further, let’s look at the pros and cons of whether you should do pursue government contracts in the first place.

The Pros of Entering the Government Contracting Market

By mastering U.S. government contracting, you are can enter a world of endless possibilities and exponential growth. Let’s look at some of the characteristics of government contracting.

Market Size

With an annual budget exceeding $500 billion for contracts alone, the U.S. federal government is the largest, wealthiest customer in the world. It purchases more than 13 million different products and services, including everything from staples to janitorial services to spacecraft. Whatever you sell,