

SMALL BUSINESS SUCCESS STORY: GOVSTOR



Peter Tellier, owner of the certified small business, GovStor

From a small storefront in West Sacramento, Peter Tellier and his five employees are making a big impact on the government market. His certified small business, GovStor, was recently awarded a three-year, \$15 million contract to supply computer servers and training to State agencies.

In business since November, 2001, GovStor provides computer storage and storage management technologies to government agencies. Specializing in the Sun Microsystems line, GovStor has multiple certifications and awards from Sun, allowing the small business to offer better customer service to State agencies.

“Even though we’re small, we really know the products and services we sell,” says Tellier.

Strategic Sourcing and GovStor

Despite its size, GovStor has made impressive inroads into State contracting, winning one of the State’s new “strategically sourced” contracts as a prime contractor.

When the Department of General Services (DGS) implemented a new approach to purchasing called The California Strategic Sourcing Initiative, GovStor took full advantage of this new opportunity. Strategically sourced contracts are designed to fill a statewide need, so they tend to be larger contracts for higher dollar amounts. And though DGS initially expected the majority of small businesses and DVBES would be subcontractors, GovStor won an important contract for computer servers as the prime bidder, offering prices that were approximately 20 percent lower than what the State previously paid.

GovStor now offers six core server configurations to State departments, ranging in price from \$2,500 to \$95,000. State agencies who order from GovStor’s strategically sourced contract can claim 100 percent of their purchase towards their annual small business goals.

Finding His Niche

Part of Mr. Tellier’s success in creating a successful small business was identifying a market that needed to be served and carefully crafting a business that served that market.

We don’t know if Mr. Tellier was aware of the advice offered by the Federal Small Business Administration (SBA), but we certainly think the SBA would agree with his approach. On their Web site at www.sba.gov, one of the SBA’s first recommendations for starting a new business is to identify a “niche” for your product or service. According to the SBA, “A market in its entirety is too broad in scope for any but the largest companies to tackle successfully. The best strategy for a smaller business is to divide demand into manageable market niches. Small operations can then offer specialized goods and services attractive to a specific group of prospective buyers.”

Mr. Tellier has been particularly adept at identifying his niche market and building a business around that niche. In the year 2000, with 30 years of computer experience, including many years working for a Sun Microsystems reseller, Mr. Tellier was ready to set out on his own.

He looked for small businesses who were doing business with Sun Microsystems and found none. Seeing an opportunity for his own business if he could get Sun to qualify him as a dealer, Mr. Tellier pursued and received two important certifications with Sun. These certifications ensured GovStor's comprehensive knowledge of the products and services they were selling.

Further defining his niche market, Mr. Tellier decided to sell only to the government market. Now about 85 percent of his business comes from the State and the remaining 15 percent from local government customers.

“The State is a Good Customer”

When asked about the challenges of doing business with the State, Mr. Tellier responded:

“At the end of the day, selling to the State is a lot like selling to any other customer. You have to bid on projects, sell your capabilities and be aggressive. It's really all about relationships. I can honestly say that the State is a very good customer.”