



Government Contractor *Roundtable Insights*

What *Government Contractors* Are Really Facing in Today's Market

Each year, Hot Dog Marketing brings together leaders from engineering, construction, architecture, and professional services firms for a candid roundtable discussion. This year's conversations revealed a clear picture of where government contractors are struggling and where opportunity exists. Below are the key insights shaping how firms can better position themselves, win work, and grow strategically in 2026 and beyond.

1. Growth Is Strong—But Marketing Is Falling Behind

Many firms reported being busy with project work, yet struggling to maintain consistent marketing efforts.

- Seller-doers are stretched thin
- Marketing becomes reactive (focused on proposals)
- Strategic initiatives stall due to lack of time

Insight:

Being busy is not the same as being positioned for growth. Firms that invest in consistent marketing systems will have a long-term advantage.

2. Proposal Demands Are Increasing—But Capacity Isn't

Across the board, teams are feeling the pressure to create highly customized proposals—without the resources to support it.

- Boilerplate content is no longer effective
- Clients expect tailored messaging
- Marketing teams are overloaded and burned out

Insight:

Firms need scalable messaging frameworks and better internal systems to balance customization with efficiency.

3. Technical Expertise Isn't Translating to Market Visibility

A common challenge: the people who know the work best aren't engaged in marketing.

- Engineers and technical staff hold key insights
- But lack time or interest in marketing activities
- Valuable knowledge never makes it to the market

Insight:

Firms that can extract and translate technical expertise into clear, compelling messaging will stand out quickly.

4. Positioning Is the Biggest Opportunity—and Challenge

Many firms are struggling to clearly articulate what they do and who they serve.

- Broad service offerings create confusion
- Difficulty choosing target markets
- Messaging lacks clarity and differentiation

Insight:

Clear positioning isn't just a branding exercise—it's a growth strategy. Firms that narrow their focus are seeing stronger results.

5. Relationships Still Win Work

Despite new tools and technologies, government contracting remains deeply relationship-driven.

- Being "in the room" still matters
- Owners and leadership must be visible
- Trust and familiarity influence decisions

Insight:

Marketing should support relationship-building—not replace it. Visibility and credibility go hand-in-hand.

6. Market Uncertainty Is Impacting Pipeline Planning

Firms are navigating delayed projects, shifting budgets, and unpredictable timelines.

- Projects are slower to start
- Public sector budgets are tightening in some areas
- Forecasting workload is increasingly difficult

Insight:

This uncertainty is pushing firms to be more selective, strategic, and intentional about the work they pursue.

7. AI Is Gaining Traction—but Strategy Is Lagging

AI came up in every discussion, with firms experimenting in:

- Proposal development
- Research and procurement tracking
- Internal knowledge management

However:

- Adoption is inconsistent
- Concerns about accuracy and integration remain

Insight:

AI will play a major role in marketing and business development—but only for firms that apply it strategically.

8. Smaller Firms Are Feeling Increased Pressure

As larger firms expand services internally, subcontracting opportunities are shifting.

- Fewer partnership opportunities in some cases
- Increased competition across all project sizes
- Greater need for differentiation

Insight:

Smaller and mid-sized firms must clearly communicate their value and expertise to remain competitive.

9. Brand Perception Is Now a Deciding Factor

From websites to social media, firms are being evaluated long before proposals are reviewed.

- Messaging clarity impacts credibility
- Online presence influences perception
- Inconsistent branding can hurt opportunities

Insight:

Your brand is no longer optional—it's part of the evaluation process.



What This Means *Moving Forward*

The firms that will succeed in this environment are not necessarily the largest—but the most strategic.

They will:

- Clearly define their market position
- Invest in consistent, scalable marketing systems
- Translate expertise into thought leadership
- Strengthen both visibility and relationships

Final Thought

The biggest takeaway from this year's roundtable is simple:



Firms don't need to do more marketing
they need to do the right marketing, consistently.