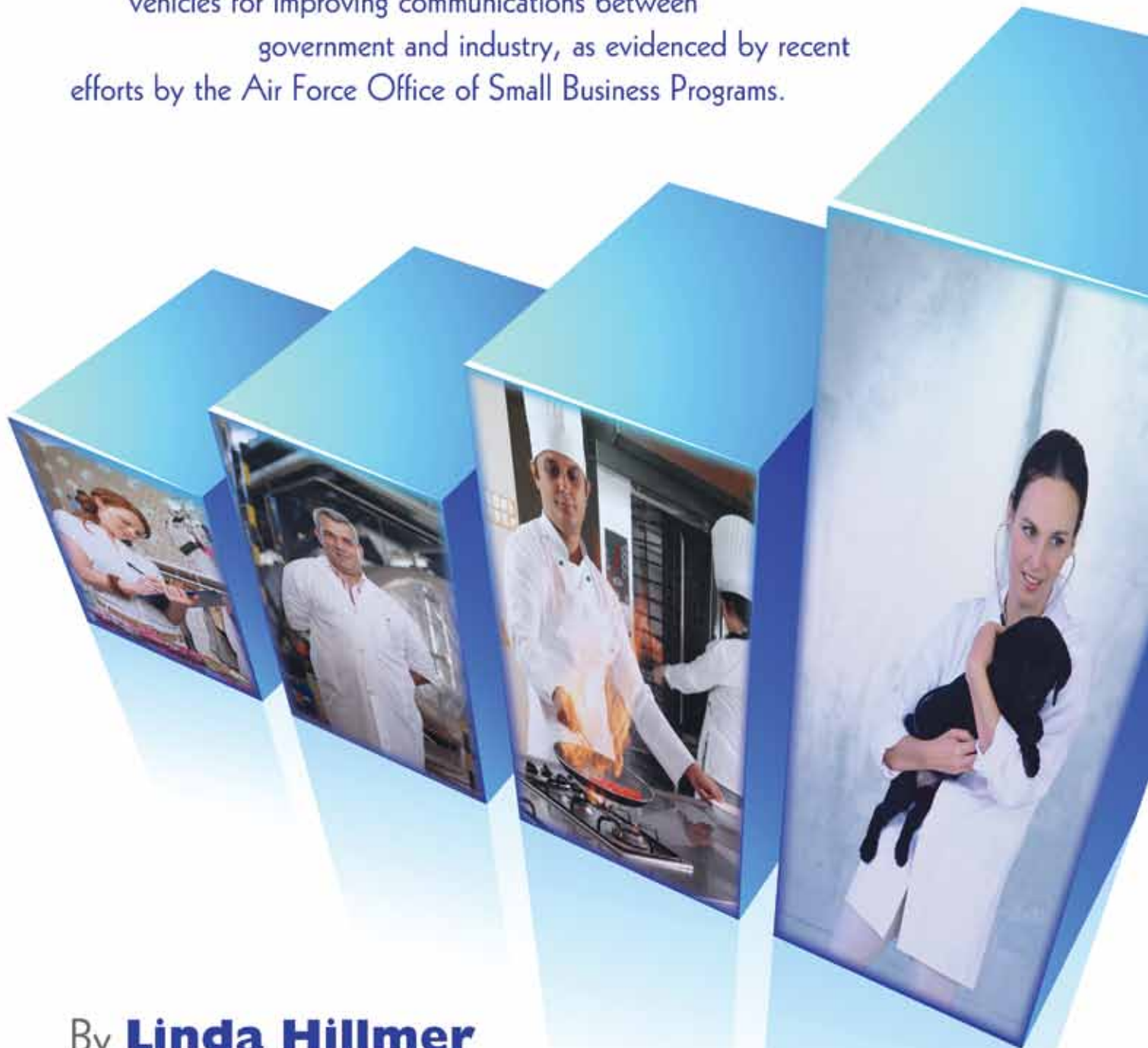


When guided by a strategic communications plan, websites and related tools are effective and efficient vehicles for improving communications between government and industry, as evidenced by recent efforts by the Air Force Office of Small Business Programs.



By **Linda Hillmer**



The *Value* of
Making **SMALL BUSINESS** a
BIG Part of
Your Procurement
Strategy



With the national economy still sluggish and budgetary pressures increasing across all agencies, the U.S. federal government is now focusing on the value that can be derived from small business more than ever before. Why? Because the overall small business value proposition typically includes a greater willingness to exercise restraints over budgets, a heightened sense of urgency to be responsive to customer needs, and greater agility in being able to respond to those needs.

There is the sense that a pervasive "perception versus reality" challenge exists within the acquisition community regarding small business.

Acquisition professionals in industry and in government have started to pay more attention to the benefits delivered by small business, and today there is a clear message being sent throughout government and industry: fiscally responsible contracting practices must take advantage of the value that can be derived from small businesses. In fact, an April 26, 2010, presidential memorandum established an interagency task force on federal contracting to maximize opportunities for small business.¹

The federal government set a 23-percent benchmark for small business spending for a variety of important reasons. By increasing spending with small businesses, the number of innovative suppliers in the industrial base will grow instead of decline; a move that helps to preserve and increase competition in the marketplace. It also provides an additional incentive for businesses both large and small to maintain and improve their performance. Additionally, by expanding the number of suppliers in the industrial base, the government will get access to innovative technologies and solutions that otherwise would not be available.

In its September 2010 report, the interagency task force made several recommendations in the area of regulations and guidance, including the need to:

- Improve subcontracting plan practices,
- Tighten reviews of contract bundling to prevent unjustified bundling,
- Identify alternative options for small businesses when bundling is necessary, and
- More vigorously promote mentor-protégé programs through a governmentwide framework.

The overall message of the report is that the failure of government agencies to meet their annual 23-percent goal deprives taxpayers not only of the innovation and technical expertise that small businesses provide, but also takes away opportunities for small businesses to create jobs and drive the economy forward. According to data from the Small Business Administration, approximately half of the nation's workers are employed by small businesses.

Small Business Perception vs. Reality

There is the sense that a pervasive "perception versus reality" challenge exists within the acquisition community regarding small business. The perception is often that small businesses are more difficult to engage, pose greater risks than large businesses, do not have the depth of experience or expertise needed to fulfill requirements, or are cost-prohibitive in comparison to large businesses.

To combat some of these misperceptions, the Office of Management and Budget (OMB) is directing agencies to bolster their communication initiatives to better promote small business success stories and share best practices. Agencies are being asked to begin collecting success stories and best practices to add to OMB's Web-based MAX system, which is used for governmentwide data collection, tracking, analytics, and publication. The idea is that documenting best practices and success stories (such as those highlighted in the sidebar on page 60) will raise awareness within the acquisition community and correct many of the "perception versus reality" problems that discourage procurement professionals from pursuing contracts with small business.

Additionally, OMB issued a memorandum in February 2011 to chief acquisition officers and senior procurement executives titled: "Myth-Busting: Addressing Misconceptions to Improve Communication with Industry During the Acquisition Process."² The memo addresses the fact that agencies are often unaware of effective communication strategies that would "help the acquisition workforce and industry make the best use of their time and resources."

OMB is directing each agency to develop a high-level vendor communication plan to address how they will reduce unnecessary barriers that currently prevent agencies from communicating early, frequently, and constructively with industry. Guidelines for the plan include ensuring that small businesses are included in communication efforts. The 24 federal departments covered by the Chief Financial Officer (CFO) Act were required to submit their draft plans to OMB by June 30, 2011.

How the Air Force is Improving Communication Between Government and Industry

About two years ago, the Air Force Office of Small Business Programs began several communication initiatives to improve connectivity between the small business community and the procurement personnel whose job it is to identify capable suppliers. The secretary of the Air Force/Small

OMB is on the watch for small business success stories like these...

The National Nuclear Security Administration (NNSA) saved \$22 million by ending a large, high-risk contract and disaggregating requirements to make competitive awards to small businesses.

The Environmental Protection Agency (EPA) achieved 65 percent in savings by shifting from a cost-reimbursement to a fixed-price contract for Superfund clean-up and awarding the contract to a service-disabled veteran-owned small business.

NASA saved \$43 million using competitive set-asides.

The Department of Homeland Security (DHS) saved \$40 million by making thousands of awards to small businesses using electronic reverse auctions; other agencies have similar experiences.

The Military OneSource program saved \$300 million and improved quality of service through the use of competition and small business subcontracting.

Business (SAF/SB) brought in a strategic communications firm that is a small, historically underutilized business zone-certified, woman-owned business to improve outreach and utilize the Internet to better connect the right small businesses with the right procurement officials.³

A key initiative immediately undertaken involved the development of a Web-based, database-driven, long-range acquisition forecast tool, which was a first for the Department of Defense (DOD). This “Contract Opportunities” tool features a user-friendly interface for small businesses to search and view not only current opportunities, but forecasts of projected contracting needs for the coming years. The information and search requests can be easily filtered and sorted by geographic areas (such as state or Air Force base), dollar-value ranges, purchasing organization, and solicitation type.

The “Contracting Opportunities” tool, which was delivered early in 2010, fulfills one of the key strategies put forward in OMB’s 2011 “Myth Busting” memo,⁴ which

recommends using procurement forecasts to generate interest and publicize opportunities available to small businesses. The Web-based tool developed for SAF/SB was not only the first of its kind in DOD, but it has also proven to be popular with the small business community. Over the most recent 12-month period, 12,689 unique visitors have searched Air Force contract opportunities 42,235 times. Additionally, over the same period, 20,681 unique visitors have used the website 33,017 times to use other tools and learn about Air Force small business outreach initiatives.

Two other tools are designed to accelerate and streamline the market-research process for Air Force small business specialists. The tools raise the visibility of innovative companies that would otherwise remain under the radar. A “Locate a Small Business Specialist” tool enables companies to easily connect with the correct small business specialist within the Air Force, and a “Register Your Small Business” tool enables companies to upload information about their business. Companies can provide information about

their products and services, why their firm stands above competing companies, their certified small business status, and North American Industry Classification System (NAICS) codes. The information is housed in a database that enables procurement personnel to more easily identify promising suppliers in the marketplace.

The information collected with the “Register Your Small Business Tool” is accessible by approximately 180 government account holders, which include SAF/SB staff, major command directors, small business specialists, and contracting officers/specialists. Internal communications were used to publicize the availability of the information and how it could be easily searched by variables such as products, services, geographic locations, business types, and NAICS codes. In its first full month of use, 178 individuals used the service 865 times. Currently, there are about 800 companies registered in the database, and this number is expected to increase significantly as “spread the news” outreach is performed with procurement technical assistance centers and small business development centers nationwide.

Other Web-based tools that are not accessible to the general public provide Air Force Small Business staff with actionable information and summaries about:

- The total number and status of contract opportunities within each purchasing organization,
- Questions that have been received through the website’s “Ask a Question” tool,
- Data about small businesses that have asked for meetings via a “Request a Meeting” tool, and
- Geographic areas where registered small businesses are located and a monthly breakdown of new registrants.

To aid in OMB’s request to collect and publish best practices and small business success stories, the Air Force small business website also enables companies in the

marketplace to reach out to the Air Force and share that information. Companies are encouraged to submit quantitative results illustrating the cost savings and increased productivity that they have delivered through their contracts with the Air Force. As a result of having this tool available on the website, the Air Force will be able to identify key data and best practices that otherwise would have remained unnoticed.

When guided by a strategic communications plan, websites and related tools are effective and efficient vehicles for improving communications between government and industry. Together with other communication initiatives, the Air Force Office of Small Business Programs has successfully used the Internet to help transform, modernize, and promote successful practices with respect to engaging small business.

Across government and industry there is an increased awareness of the untapped value available in the small business community. Additionally, there is a growing realization

of the need to further open up channels of communication between government and industry. By effectively engaging and integrating small business into their procurement strategies, acquisition professionals can strike the right balance between large and small businesses and reap the rewards and advantages offered by the small business community. **CM**

ABOUT THE AUTHOR

LINDA HILLMER is a member of NCMA's Washington, DC Chapter. She is president and CEO of Hillmer Inc. (formerly CorpComm, Inc.), an award-winning strategic communications and management consulting firm that serves the Department of Defense and other government agencies. She is a small business federal acquisition expert who has testified before Congress regarding small business and federal acquisition policy. In 2001, after more than 10 years in the federal government directing marketing and communications programs in the procurement and acquisition

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Send comments about this article to cm@ncmahq.org.

ENDNOTES

1. See www.whitehouse.gov/the-press-office/presidential-memorandum-interagency-task-force-federal-contracting-opportunities-sm.
2. Available at www.whitehouse.gov/sites/default/files/omb/procurement/memo/Myth-Busting.pdf.
3. In the interest of full disclosure, I own the firm that was contracted to implement these initiatives.
4. *Op cit.*

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