Promises & Pitfalls
Subcontracting with Primes

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NETS Group

2004

SAIC/NETS
7000 Employees

PRIME

SUBCONTRACTOR

1981

- AMSEC formation 7 employees
- Heavy reliance on subcontracts for initial growth
- Rules of engagement basically unchanged

NETS is subcontractor on 153 contracts
$92 million/year

53 to small biz
$5.5 million/year

208 subcontracts
$84 million/year

$53 million/year
Lesson Learned

Set-asides create the market
They will not give you work
It’s just a ticket to the dance
Lesson Learned

Find your niche
Unique capability
Special people
Price
Inside champion

Do your own marketing
Invest in good planning
Take your plan seriously
Lesson Learned

Understand who your key customer really is …
the prime? the technical client?

Who has the money?

Market for “funded tasks”
Lesson Learned

One Key Customer

Many Customers
Prime’s Program Manager
Technical Client
Contracting Officer
COTR/COR
DCAA
DCMA
Prime’s Corporate Staff
Billing/Paying Agency
Lesson Learned

Relationships Matter
Solve problems before they get to the key customer
Lesson Learned

Top Management
stay close to the
key customer
Lesson Learned

Character Matters
Integrity Matters
Be predictable, reliable and loyal
Do what you say you’ll do
Managers Manage
Leaders Create Change
If you aren’t a leader, hire one
Study leadership, seek a mentor