What You Need to Know
Before You Team/Partner

Presented to
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Army Small Business Conference

Presented By
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Veteran, Disadvantaged, Woman Owned Small Business
Established in June 2002
8(a) Certification Granted: October 2002
2006 Sales: $13.6M Orders: $46.2M
2007 Launching Commercial Business Segments

Locations
★ Corporate Headquarters
2801 US Hwy 17/92 West
Haines City, Florida 33844
★ Bushnell, Florida
★ Opening 3 Sites - 2007

NAICS Codes: 334511, 541511, 514210, 514191, 541513, 541330, 541210, 541330, 336411, 541710

DOD Prime Contractor
TO PRIME DOD CONTRACTS SMALL BUSINESSES MUST:

USE TIME TO COMPETE

- Quick Response
  - VMI
  - ECR
- Synchronous Manufacturing
  - JIT
- Product Development
  - R & D

MANAGE THE SUPPLY CHAIN

- Eliminate Non-Value Adding Activities
- Separate Info. From Product Flow
- Activity Based Costing

FORM ALLIANCES/PARTNERSHIPS

- Logistics
- Marketing
- Manufacturing

TQM Business Reengineering Single Source Solutions
TIE ALLIANCE STRATEGIES TO THE CORPORATE BUSINESS PLAN

ENTRY

• Diversification
• Leveraging
  - Customer Base
  - Infrastructure
• Acquisition Trial
• DOD PRIME vs. SUB

SUSTAINING

• New Discriminator
• Current Cost Reduction
• Pushes Innovation
• Turn Key Solutions
• Lower Risk Exposure
• Reduces Transition Cost

EXIT

• Alternative for Customer
• Buyer/Seller Transition
• Novations
• Reduces Exit Cost
• Stepping Stone
Teaming/Alliance Considerations

Customer Service
- Responsiveness
- On-Time Performance
- Time Based Competition
- Outside Expertise
  - Infrastructure
  - Transportation
  - Combine Technologies

Economics/Costs
- Productivity Gains
- Improved Cost Controls
- Economies of Scale
  - Labor, Insurance
  - Overhead
  - Purchasing Power
  - Asset Utilization

Business Reengineering
- Refocus on Core
- Rationalization
- Integrated Supply Chain
- Rightsizing
- Downsizing
- Cost Reductions

Quality
- Variability
- Damage
- Information
- Customer Interfaces
PARTNERSHIP SELECTION PROCESS

IDENTIFY GOALS
Customer Service
Channel Network
Labor Issues
Investment Alternatives
Operating Costs
Capacity Constraint
Product/Process Technologies
Marketing Access
Functional Expertise
Internal Organization
Vendor Base

IDENTIFY REQUIRED SERVICES
Inbound
Transportation
JIT Pickup / Delivery
Information Systems
Ordering Admin
Import/Export Activities
Production / Assembly

IDENTIFY SPECIFIC OBJECTIVES
Improve Financial Performance
Reduce Investment
Improve Productivity
Improve Customer Service
Improve System Flexibility
Gain Distinctive Competencies
Improve Work Environment
Improve Control Over Operations

DETERMINE SELECTION CRITERIA
Size of Firm
Financial Performance and Stability
Efficiency of Operations
Capacity
Experience / Past Performance Record
IT & Quality Organizations
Compatibility of Corporate Cultures
Managing Long Term Partnerships

Key Factors
- Sense of Trust
- Mutually Beneficial Written Agreement
- Mitigate Affiliation Issues First
- Pricing Strategies
- Management Commitment
- Shared Risk
- Clearly Defined Goals
- Teamwork/Task Force - P&L Center
- On-Going Performance Measurement
- Two-Way Feedback/Communication
- Incentives That Reinforce Goal Structure

1. Identify Partner’s Major Expectations
2. Identify Barriers to a Successful Long Term Partnership
3. Mutually Identify and Set Performance Standards
4. Monitor and Measure Performance
5. Evaluate Variances/Gaps
6. Communicate Problems and Performance Levels
7. Create Environment Based on Mutual Trust
SB PRIMES FACE:

- LARGER CONTRACTS
- PREAWARD SURVEYS
  - PAST PERFORMANCE
  - FINANCING AGTS
  - QUALITY INFRASTRUCTURE
- DFAR/FAR ALLOWS:
  - LG/SB TEAMING
  - SMALL BUSINESS JV
  - MENTOR INVESTMENT

THE SEAMLESS PARTNERSHIP

AMC – AN ACQUISITION ENVIRONMENT ENCOURAGING SMALL BUSINESS TEAMING
**Small Business Benefits**
- Infrastructure Support
- Larger Contract Award $’s
- Lower Cost of Capital
- Increase Facility Capacities
- Subsidized Marketing Costs

**Large Business Benefits**
- Increased Market Share
- Participate in Small Business Segment
- Lowers Material Handling Factor

**Alliance Benefits**
- Innovative Cost Pool
- Leverages Core Competency Synergies
Question and Answer Session

Sample SBA Approved Alliance Business Teaming Agreement at

www.trc-hq.com

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