

Headquarters U.S. Air Force

Integrity - Service - Excellence

Air Force Small Business Outlook

**Year of the Air Force
Family**



**Mr. John Caporal
Deputy Director
Small Business Programs
SAF/SB
May 25, 2010**

Solutions of Choice



Agenda

- **Beyond Goals**
- **Success Stories**
- **Mentor Protégé**
- **Small Business Data**
- **Major Challenges**



“...these traits make **small businesses** important to the Air Force. Our force thrives on innovation, to include areas like unmanned aircraft and cyber where it is increasingly difficult to keep pace with the breakneck speed of technological advances. Due to their size and narrow focus, **small businesses** can help us stay ahead by quickly adjusting to changing requirements and technologies, oftentimes with a personal touch.”

*Michael B. Donley, Secretary of the Air Force
17 November 2009 Air Force Fall Training Conference*



Vision and Mission

- **Air Force Small Business Vision**

We will reach *Beyond Goals* to make Small Business the solution of choice to meet the needs of the Air Force mission

- **Air Force Small Business Mission**

To create and deliver strategies that bring innovative, agile and efficient Small Business solutions to the Air Force to fly, fight and win in air, space and cyberspace and it is exemplified through this *Beyond Goals* strategy

Innovation - Agility - Efficiency - Economy - Diversity!

Integrity - Service - Excellence



Air Force Small Business Strategy

Beyond Goals

- **Brings innovation, agility and efficiency of small businesses to mission of Air Force**
- **Pushes beyond traditional method of measuring success by percentages**
- **Ensures Warfighters' access to comprehensive set of capabilities**

**From Small Business Advocates...
to Advocates for the mission...
met with small business solutions!**

Small Business Solutions of Choice!

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% Goals Aren't Enough, They...

- Are considered the “End” rather than a means
- Are a sole measure of merit – Award and forget
- Don't consider meaningful work
- Don't consider performance after award
- May be unobtainable or not enough
- Inflate small business expectations/conflict
- Reduce incentive - meet the % = STOP
- Create a “check-the-block” mindset
- Fragment small business industrial base



Success Story



8(a) Small Business Provides Valuable Solutions to Vexing Problems

- Space & Missile System Center needed a new Electronic Data Interchange (EDI) system to provide government agencies improved insight into financial data.
- Joint Synergy, an 8(a) small business, provided an expert solution that prevented connectivity issues that were expected to last six months or more.
- Their proactive and innovative solution saved significant costs and improved productivity.



Small Business Haiti Support

- Shortly following the earthquake that recently devastated Haiti, a small, disadvantaged, veteran-owned HUBZone-certified business delivered mission-essential supplies for Air Force relief efforts in record time.
- Palmetto Procurement Company, LLC of Santee, SC, provided the Air Force with parts necessary for wheel loaders on Feb. 12, just three days after receiving the award.

“Palmetto Procurement’s rapid response meant the critical repair parts could be shipped along with the loader and be delivered to Haiti on time”
Judith Croxton, Director of Business Operations, Shaw Air Force Base

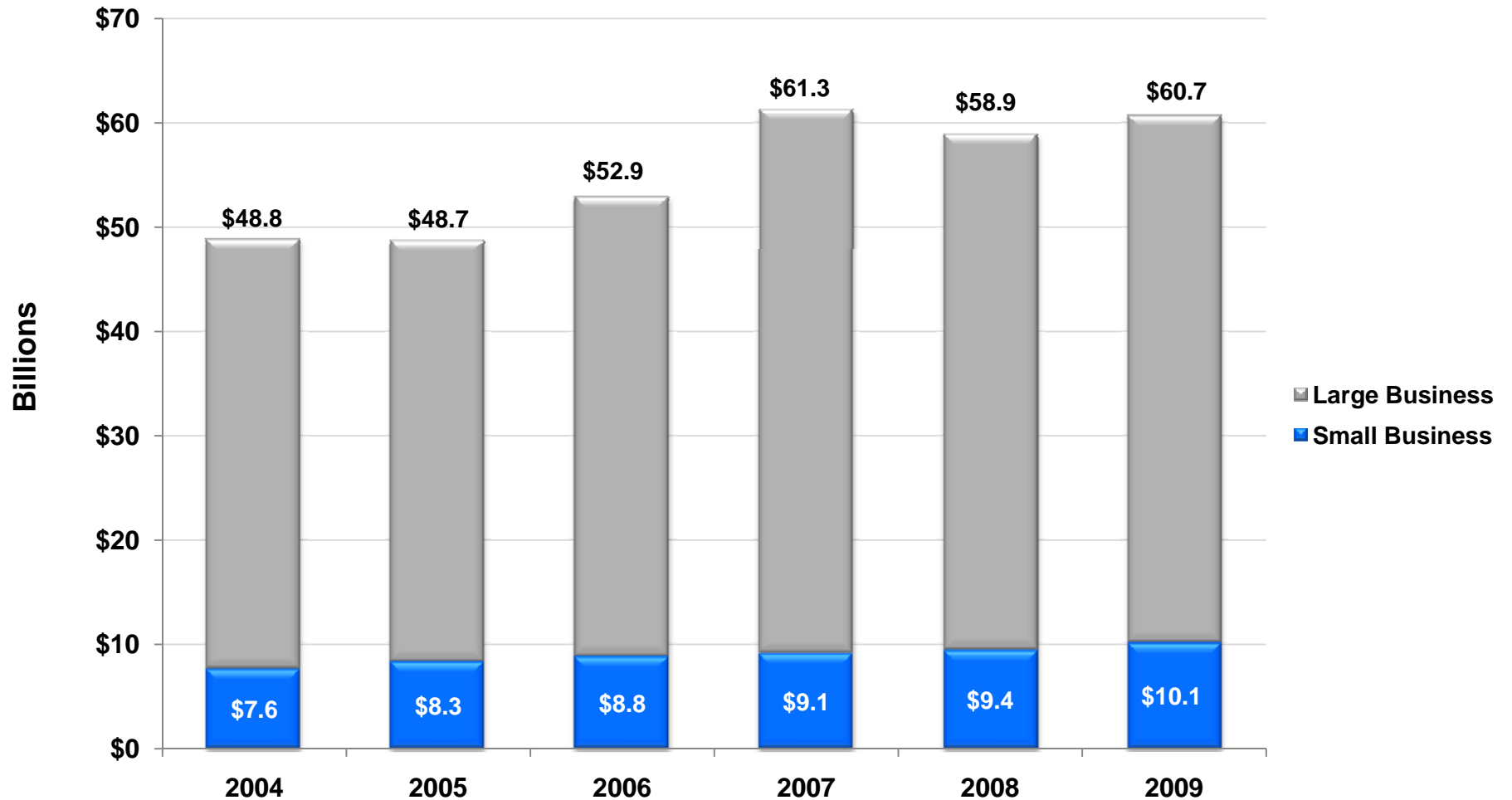


AF Mentor Protégé

- Air Force released FY2010 Mentor Protégé Broad Agency Announcement (BAA) 7 May 2010
- Air Force is focusing on agreements that have a strong technical component or focus on innovative state of the art technology transfer in the domains of air, space, and cyberspace
- Air Force Small Mentor Protégé agreements will concentrate on the Air Force Priority Areas



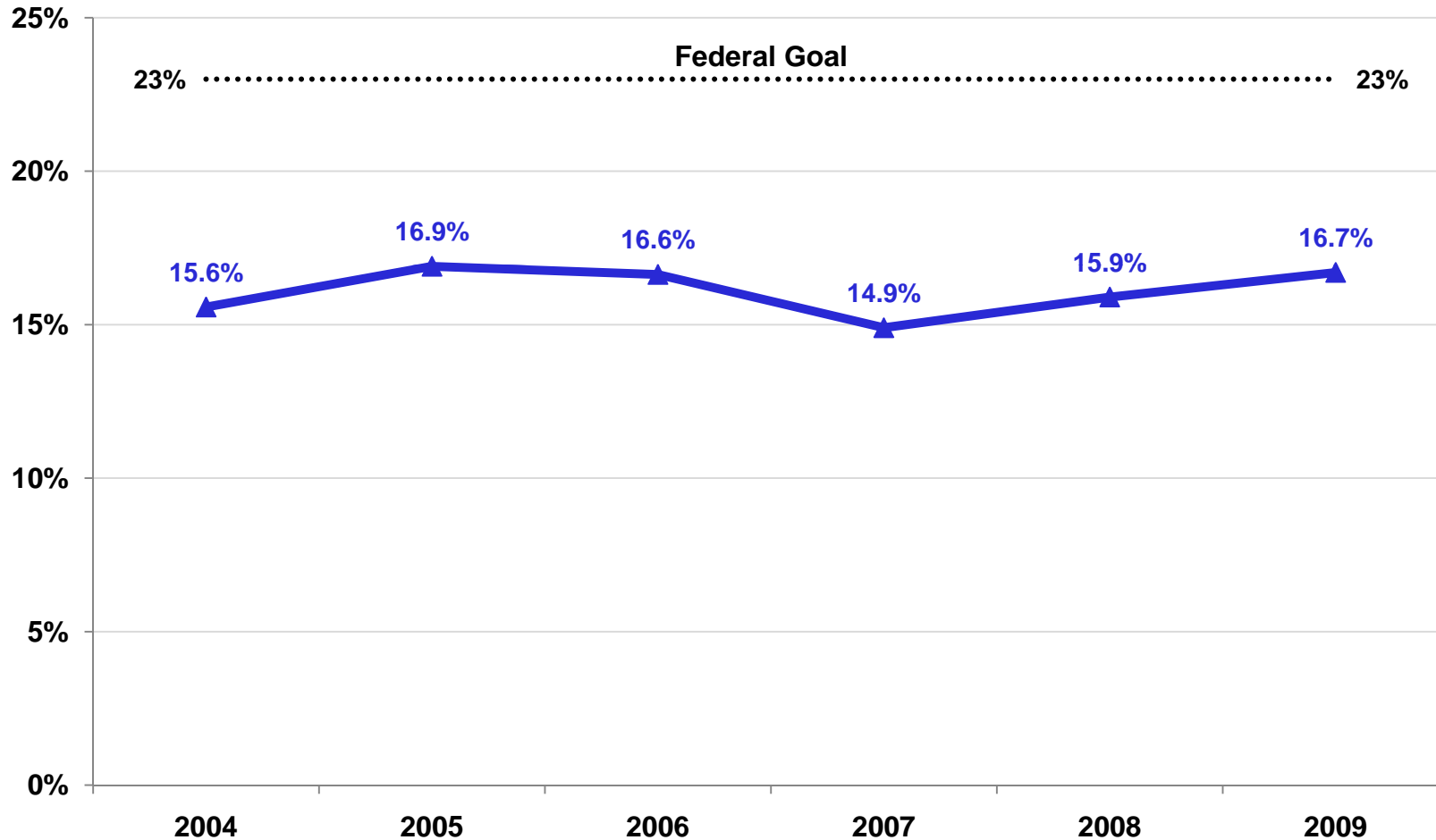
Total Dollars Obligated by the Air Force



Source: FPDS-NG May 2010



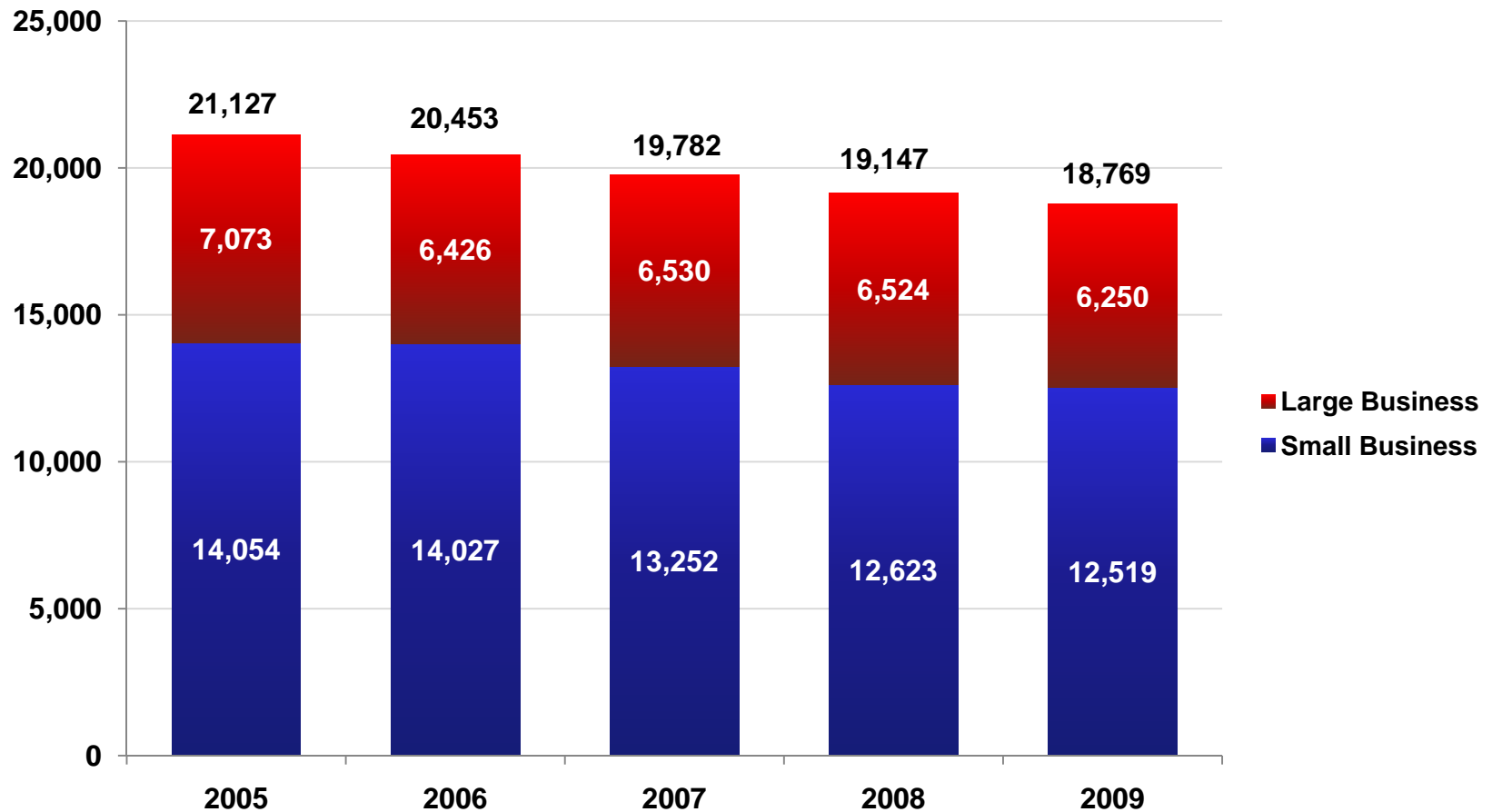
Air Force Small Business Performance



Source: FPDS-NG May 2010



Number of Prime Contractors performing work for the Air Force

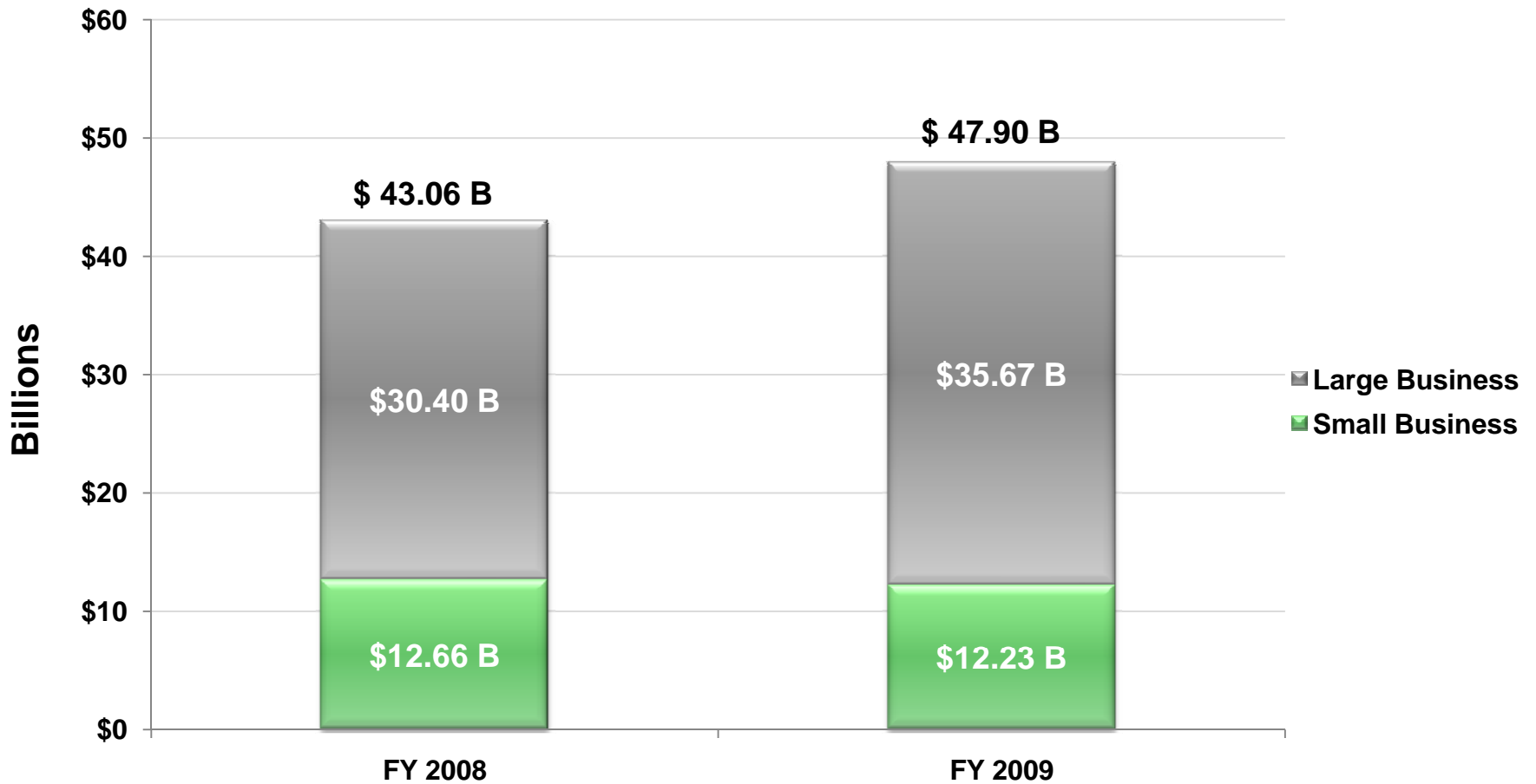


The total dollars obligated by the Air Force has grown by 24.4% between FY 2005 and FY 2009. Meanwhile, the number of firms obligated dollars by the Air Force has declined by approximately 11.2% during the same period.

Source: FPDS-NG (Mar 2010) – Number of contractors determined by distinct DUNS Numbers receiving obligations.



Subcontracted Dollars under the DoD Comprehensive Subcontracting Program

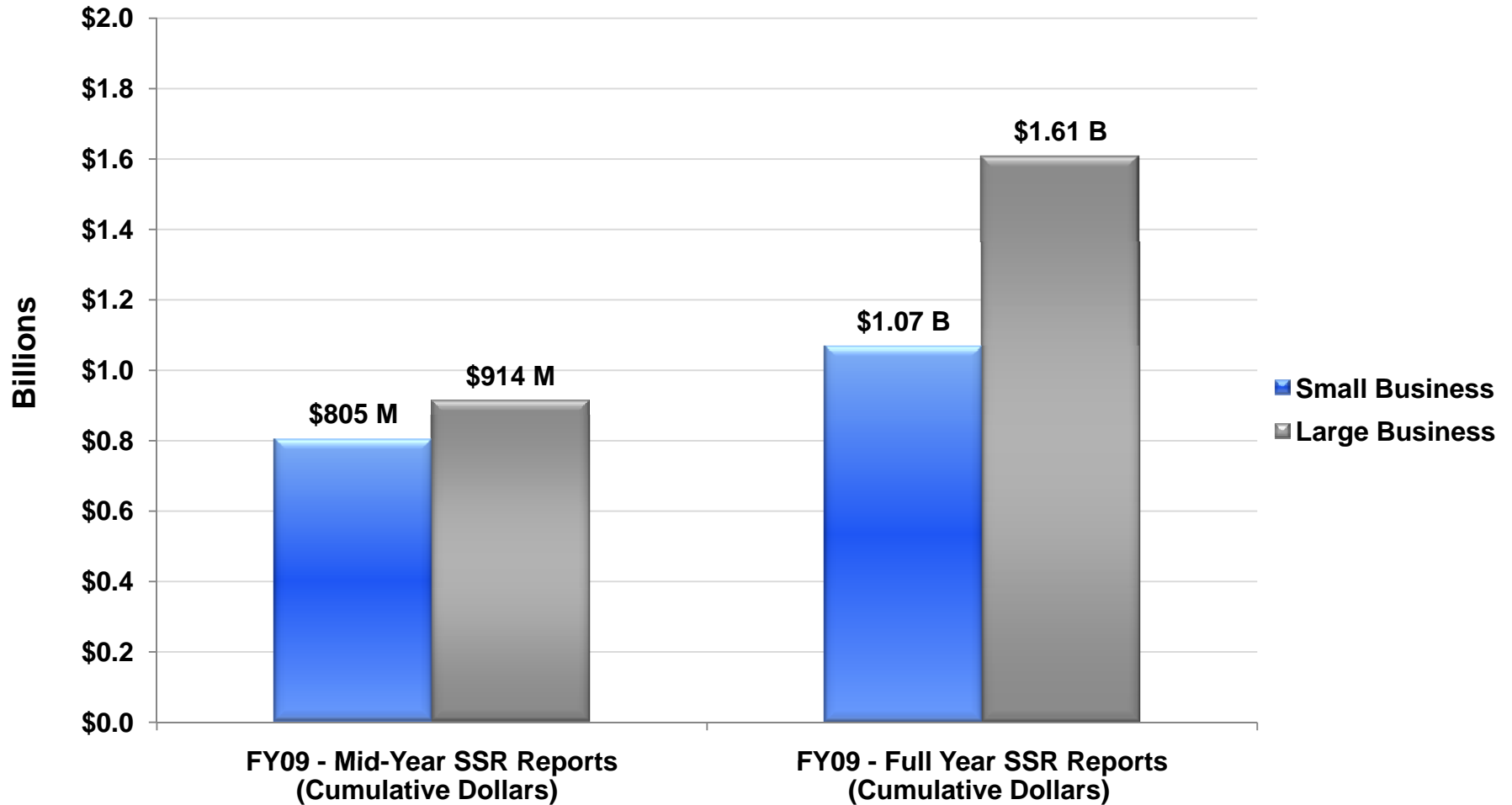


The total dollars subcontracted by firms in the Comprehensive Subcontracting Program increased by 11.2% between FY 08 and FY09, however, the amount subcontracted to Small Business actually declined.

Source: eSRS/DCMA CSP – 17 May 2010. FY09 data is not finalized



FY09 Subcontract dollars awarded under Air Force Contracts (SSRs)



FY09 is the first full year of SSR data in eSRS for contracts outside of the CSP

Source: eSRS – 17 May 2010 - FY09 data not finalized



Major Challenges

- Small Business performance trend – percentages leveling off
- Perception that Small Business = high risk
- “Insourcing” causing a disproportional impact on Small Business
- Achieving maximum impact from the recently released Presidential Executive Orders (26 April 2010)
- Subcontracting program is a “check-the-block” program
- Consolidation and bundling (under strategic sourcing):
- Inadequate market research
- Resource challenges force “simple” sourcing approaches:
 - Single acquisitions take fewer resources than multiple acquisitions
 - Small Business Specialists are double and triple-hatted
 - Nearest Task Order contract for consolidated efforts

Small Business Solutions of Choice!



The screenshot displays the homepage of the Air Force Small Business website. The main header features the 'U.S. AIR FORCE SMALL BUSINESS' logo and the tagline 'PUTTING INNOVATION, EFFICIENCY & AGILITY TO WORK IN SUPPORT OF THE AIR FORCE MISSION'. Navigation tabs include 'FOR GOVERNMENT LEADERSHIP', 'FOR INDUSTRY', 'FOR THE ACQUISITION COMMUNITY', and 'FOR MEDIA'. The main content area is divided into several sections:

- BEYOND GOALS:** A large graphic with a globe and an aircraft, describing a strategy to bring innovation, agility, and efficiency to small businesses. It includes a video player and a 'LEARN MORE ABOUT AIR FORCE SMALL BUSINESS' link.
- Contract Opportunities:** A section for searching the Long Range Acquisition Estimate (LRACE) database to identify upcoming opportunities from the U.S. Air Force.
- Outreach Events:** A calendar view for May 2009, listing various events.
- Spotlight:** A section featuring 'Predators launch at 100th anniversary from Great Bend' and 'Current Statistics for Air Force Small Business'.
- News:** A list of recent news items, including 'Vendors get the government low-down', 'AF officials spread word about innovation', and 'AF officials look at bigger role for small business'.
- Locate a Small Business Specialist:** A tool for finding the right Small Business Specialist for your opportunity, featuring a map of California.

The footer contains a disclaimer, privacy and security information, site map, help links, and partners. The page is dated April 30, 2009.



Small Business—The Future!





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Back-up Slides



Air Force Priorities

- *Continue to Strengthen the Nuclear Enterprise*
- *Partner with the Joint and Coalition Team to Win Today's Fight*
- *Develop and Care for Airmen and their Families*
- *Modernize our Air and Space Inventories, Organizations & Training*
- *Recapture Acquisition Excellence*





Interagency Task Force: Small Business

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

April 26, 2010

April 26, 2010

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Establishing an Interagency Task Force on Federal Contracting Opportunities for Small Businesses

The Federal Government is the world's largest purchaser of goods and services, with purchases totaling over \$500 billion per year. The American Recovery and Reinvestment Act of 2009 (Recovery Act) and other national investments are providing new opportunities for small businesses to compete for Federal contracts, and it is critical that these investments tap into the talents and skills of a broad cross-section of American business and industry. Small businesses must be able to participate in the Nation's economic recovery, including businesses owned by women, minorities, socially and economically disadvantaged individuals, and service-disabled veterans of our Armed Forces. These businesses should be able to compete and participate effectively in Federal contracts.



Interagency Task Force: Veterans Small Business Development

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

April 26, 2010

EXECUTIVE ORDER

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INTERAGENCY TASK FORCE ON VETERANS SMALL BUSINESS DEVELOPMENT

By the authority vested in me as President by the Constitution and the laws of the United States of America, including section 102 of title I of the Military Reservist and Veteran Small Business Reauthorization and Opportunity Act of 2008 (Public Law 110-186) (the "Act"), and in order to establish an interagency task force to coordinate the efforts of Federal agencies to improve capital, business development opportunities, and pre-established Federal contracting goals for small business concerns owned and controlled by veterans and service-disabled veterans, it is hereby ordered as follows:

Section 1. Establishment. The Administrator of the Small Business Administration (Administrator) shall establish within the Small Business Administration an Interagency Task Force on Veterans Small Business Development (Task Force).

Sec. 2. Membership. The Administrator shall serve as Chair of the Task Force and shall direct its work. Other members shall consist of:

(a) a senior level representative, designated by the head of the respective department or agency, from each of the following: