Headquarters U.S. Air Force

Integrity - Service - Excellence

NDIA -- 9th National Small Business Conference

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Small Business Programs
Air Force Materiel Command
20 Jun 2012
Overview

- **Game Strategy** -- Bring your “A Game”
- **Rules of the Road** -- Know your Audience
- **Outreach** -- Engage early and focus
- **Winning Attitude** -- Your VOICE matters
- **Tell Success Story** -- SB Successes Need Heard
- **Help Others** -- teaming, mentor protégé, joint ventures

Accelerate your Growth in Today’s Contracting Climate
Bring Your “A Game”

Game Strategy

- **Performance Matters Most**
  - Highly competitive Federal marketplace
  - Reputation and performance go hand-in-hand
  - Do your homework -- understand Federal Procurement Processes
  - Know where your products / services fit
  - Know your limitations – prime contracts generally require a relevant past performance record
    - Pursue subcontracting experience first if needed

*In the Game of Competition -- the Best ‘Athletes’ Win*
Know Your Audience

Rules of the Road

Concerns drove need for AF SB Improvement Plan, signed 10Feb12

Air Force – AFMC 70% AF Dollars Obligated

Small Business Obligated $
Total Eligible Obligated $

AF FY12 Goal: 16.9%
AF FY12 Threshold: 14.5%

$600M Increase Required To Maintain FY 11 Utilization

% SB Prime Contracts

2009
$10B
16.17%

2010
$8.8B
(.733%) ($1.2B)
15.44%

2011*
$8.2B
(.960%) ($6B)
14.51%

2012 (Estimated CY11)
$7.6B
(1.08%) ($6B)
13.40%

FY11 AFMC $4.1B / $40B

* : FPDS-NG Small Business Achievement Report a/o 14 Jan 2012
### SB Market Segment Comparison

#### Rules of the Road – Know Your Audience (cont’d)

<table>
<thead>
<tr>
<th>Market Segment</th>
<th>Air Force</th>
<th>Army</th>
<th>Navy</th>
<th>DoD Average</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY11</td>
<td>FY08-11</td>
<td>FY11</td>
<td>FY08-11</td>
</tr>
<tr>
<td>Aircraft Mfg</td>
<td>SB %</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Obs (B)</td>
<td>$20.964</td>
<td>$83.053</td>
<td>$9.720</td>
<td>$38.075</td>
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<tr>
<td>Guided Missile</td>
<td>SB %</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Total Obs (B)</td>
<td>$3.473</td>
<td>$15.748</td>
<td>$1.855</td>
<td>$10.520</td>
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<tr>
<td>R&amp;D</td>
<td>SB %</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Total Obs (B)</td>
<td>$9.002</td>
<td>$33.396</td>
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<tr>
<td>Engineering Services</td>
<td>SB %</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Obs (B)</td>
<td>$4.578</td>
<td>$18.978</td>
<td>$11.003</td>
<td>$48.489</td>
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<tr>
<td>Communications Equipment</td>
<td>SB %</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Obs (B)</td>
<td>$4.269</td>
<td>$18.659</td>
<td>$6.255</td>
<td>$32.120</td>
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<tr>
<td>Prof/Scientific Services</td>
<td>SB %</td>
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<td></td>
<td></td>
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<tr>
<td>Total Obs (B)</td>
<td>$2.347</td>
<td>$10.124</td>
<td>$4.282</td>
<td>$18.157</td>
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<tr>
<td>Info Technology</td>
<td>SB %</td>
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<td></td>
<td></td>
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<tr>
<td>Total Obs (B)</td>
<td>$4.036</td>
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<tr>
<td>Facilities Support</td>
<td>SB %</td>
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<td></td>
<td></td>
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<tr>
<td>Total Obs (B)</td>
<td>$1.050</td>
<td>$4.435</td>
<td>$2.312</td>
<td>$10.528</td>
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<tr>
<td>Construction</td>
<td>SB %</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Obs (B)</td>
<td>$2.033</td>
<td>$10.611</td>
<td>$16.368</td>
<td>$85.204</td>
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</table>

Snapshot Based on FPDS-NG as of 6 Dec 2011 using MAXPRAC TOOL

**Integrity - Service - Excellence**
Analysis of Primary AF Industries-Dollars Obligated

Size of symbol represents percent of total AF obligations

Percent obligated to Small Business

<table>
<thead>
<tr>
<th>NAICS Code</th>
<th>NAICS Description</th>
<th>Total Dollars</th>
<th>SB Dollars</th>
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</thead>
<tbody>
<tr>
<td>336411-3, 48819, 611512, 561990</td>
<td>Aircraft Mfg (inc. engines, parts), Air Trans Support, Flight Training</td>
<td>$21,232,086,295.91</td>
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<td>336414, 19</td>
<td>Guided Missile and Space Vehicle Manufacturing (inc. parts)</td>
<td>$3,476,154,871.80</td>
<td>$4,497,011.20</td>
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<td>5417, 927110</td>
<td>R&amp;D; Space Research and Technology</td>
<td>$8,943,850,790.41</td>
<td>$1,541,941,837.99</td>
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<td>541330</td>
<td>Engineering Services</td>
<td>$4,592,661,283.80</td>
<td>$281,255,371.77</td>
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<td>3342, 334419, 334511, 333314, 81121</td>
<td>Communications Equipment; Search, Detect, Nav Sys &amp; Instruments</td>
<td>$4,286,780,576.66</td>
<td>$221,557,038.12</td>
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<tr>
<td>5416, 541990</td>
<td>Professional, Scientific, Tech Services/Management Consulting</td>
<td>$2,371,192,886.82</td>
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<td>5415, 517110, 5179, 33411,44312, 5174, 511210</td>
<td>Information Technology</td>
<td>$4,115,336,520.49</td>
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<td>561210</td>
<td>Facilities Support</td>
<td>$1,074,094,937.05</td>
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<td>23, 5629, 54131</td>
<td>Construction, Civil Engineering</td>
<td>$2,045,341,057.20</td>
<td>$1,408,805,285.67</td>
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</tbody>
</table>

Source: FPDS-NG Small Business Achievement Report a/o 03 Mar 2012
AF Small Business Improvement Plan

Rules of the Road – Know Your Audience (cont’d)

- Developed with data-driven analysis, significant field engagement and Senior Leader buy-in
- Jointly signed by SAF/SB and SAF/AQ, Feb12
- Comprehensive plan to stop decline, reverse trend with game changers and systematically review SB Program resources & alignment
- Applicable to all mission areas within Air Force
  - Program Executive Officer (PEO) programs
  - Supplies and Services– all mission areas
- Senior Leaders and workforce, including SB personnel, engaged in execution of the plan

See the AF Small Business Improvement Plan at this weblink:
http://www.airforcesmallbiz.org/about/beyond-goals.php
Significant Results / Progress to Date

Stop the Decline – Reverse the Trend

- AFMC/CC Direction (Jan 12) for SB Eligibility Review -- all Services requirements -- Requirements Appr Docs (RADs)
  - Supports BBP mandates – increase SB in services
  - Developed new NAICS/PSC Research Tool - % SB $
  - Facilitates Market Research as early indicator for SB utilization & promotes standardized application of NAICS/PSC codes for similar buys
  - Inadvertent discovery of miscoding – able to fix
  - Early SB engagement – turnaround of several RADS to SB

- Significant AF/AFMC SB involvement in Services acquisitions (early strategy sessions, industry day prep, ASPs, support with solicitation language for SB advocacy)
  - FY11 AFPEO/CM portfolio: AFMC programs– $106B / 75 programs (40 programs over $500M)
Significant Results / Progress to Date

- **Stop the Decline – Reverse the Trend (cont’d)**
  - AF Senior Leader Rapid Improvement Event, Mar 12
  - AF Implementation of DEPSECDEF mandate complete-- AF SES performance criteria includes mandatory SES performance requirement for FY12 SB goals
  - Monthly monitoring FY12 vs FY11– executing ahead of FY11 in all categories except Hubzone (awards in pipeline)
  - Deep dive analyses below SAT-- AF/AFMC SB Set-Asides much higher than the SBA average of 50%
Significant Results / Progress to Date

Stop the Decline – Reverse the Trend

15 Jun 12 SB Policy Memo (prime contracts) jointly signed by SAF/SB and SAF/AQ
- Early awareness of expectation / pending AF Memo to ensure General Officers held accountable similar to SES’s
- Establishes expectation-- AF lean forward and first consider / use SB Set-asides (full and partial)
- Establishes use of Rule of 2 in MACS
- Requires SB involvement when Sources Sought synopses used—sets minimum mandatory posting times-lines / thresholds
- Much more in Memo – look for it on “AFSmallBiz.org” website

14 Jun 12 SAF/AQ Memo to AT&L– transmits AF Plan in response to AT&L Memo (Mar12) requesting Agency Plans to improve SB Utilization in Services contracts
**Significant Results / Progress to Date**

- **Assess the SB Workforce and Organizational Alignment**
  - USECAF Memo issued 21May12 directing AF conduct an agency-wide SB Program Manpower Study with initial feedback to the USECAF within 60 days
    - Initial engagement / telecon with SAF/SB, AF Manpower stakeholders and SB field reps initiated
    - Initial study scope documents, MOA in work
    - AF plan to brief early look at fall 4-star summit

- Many other SB Improvement Plan objectives in work and at differing stages of progress
Know what opportunities you’re pursuing– leverage IT

Take Advantage of **earliest** FedBizOp Notices that fit your product / service mix and your capabilities (i.e., ready to prime– or need relevant experience via subcontracting)

- Sources Sought Synopses
- Pre-solicitation Synopses and/or Requests for Information
- Industry Day Notices and Events

Be responsive – you can’t make a difference if you don’t

- Waiting until a solicitation comes out is TOO late

Ask specific questions if you need help navigating (contracting officer/buyer, SB office, etc.)
Use your VOICE to influence-- make a difference

- **Winning Attitudes** are positive – persevere
- **Tell your SB success stories** over & over
  - Bad news travels fast– easily taints program
  - Good SB success stories help promote program

Help Others

- Network-- look for SB teaming partners– LARGER acquisitions require SB teaming, use of joint ventures to prime
- Consider Mentor Protégé Program
- Pursue Large business opportunities – they NEED SBs to help meet subcontracting plan requirements
Questions?