

Small, Minority, Women & Veterans Business Owners Conference

Mr. Ron Poussard
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Thank you for that kind introduction.

Good morning everyone. I'm pleased to be here and to be a part of the 9th Annual Small, Minority, Women and Veterans Conference.

There is much happening here in San Antonio that impacts doing business with the Government. There are many potential opportunities. There are also challenges that require both the Government and small businesses to make some changes to strengthen the role of small businesses in meeting our mission needs. I appreciate the opportunity to be here to share some of my thoughts.

The importance of Small Businesses to the Mission

Every day, small businesses do big things for DoD's mission. We see that recognition coming from the very top. President Obama recently said small businesses are "...the heart of the American economy. They're responsible for half of all private sectors jobs – and they create roughly 70

percent of all new jobs in the past decade. Small businesses are not only job generators; they're also at the heart of the American Dream.”¹

A few weeks ago we hosted a Fall Training Conference where the Secretary of the Air Force reinforced the importance of small business contributions to our Air Force mission.

He said, “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.”

That is good talk. But I would like to share with you how we are working to walk the talk.

Small businesses deliver innovation, agility and efficiency that the military clearly needs to face the challenges before us. To ensure we can get access to these capabilities, the Air Force has launched an initiative we call, “Beyond Goals”. This focuses on the contribution small businesses make to the Air Force mission and priorities, and seeks an acquisition environment where small businesses are the solution of choice for the warfighter. The Beyond Goals strategy seeks to improve market research,

knowledge and tools to increase small business opportunities particularly within strategic sourcing also known as consolidation initiatives. Beyond Goals also means increasing leadership and the customer's awareness of small business capabilities and contributions. And finally, it means creating a force of personnel, you might consider advocates, dedicated to support the mission met with small business solutions. This strategy reaches beyond the traditional metric of small business percentages of contract value as the sole measure of small business value.

In 2008 the Air Force obligated \$9.4 Billion to small businesses. While the Air Force has steadily increased dollars awarded within various socio-economic categories of small businesses such as Small Disadvantaged Businesses, Women Owned Small businesses, HUB Zone firms and Service Disabled Veteran Owned Small Businesses. We still fall far short of the DoD's Agency wide goal of nearly 23%.

We've averaged about 16% overall for the last five years. Our overall program has remained relatively flat. To grow our small business program, we need to increase small business involvement in new areas that support a changing AF mission if we desire to increase the overall small business market share.

If we don't grow the pie, we risk creating a program that takes from one group to give to another. In order to do this, we must adopt a new mindset about these goals...one that looks at percentage goals as a means to an end and not considered the end, in and of itself. Using only percentage goals creates the illusion that we can stop promoting small business participation once specific goals have been met. Unrealistic goals can discourage the users from even trying. Goals also mask the true value of small businesses because they focus on a contract award not contract results.

Hidden in these numbers is the real story—how small businesses support in some way almost every part of the Air Force mission.

For example, a small business runs the program at the Air Force Academy that provides our cadets an operationally-focused program in unmanned aircraft and intelligence, surveillance, and reconnaissance – vital areas to our current operations in Iraq and Afghanistan.

Another example is a small business that is supporting tactical warfighter radios and cooling vests – items to increase mission effectiveness and quality of life for our Security Forces personnel in theater. These are just a few examples of how small business can play a vital role within the Air Force.

Success Stories for Air Force Small business in San Antonio

I have a few great examples of small business success stories in the San Antonio area.

Ms Arthur Dinwiddie, a Small business Specialist for Lackland AFB, was the catalyst for ensuring important medical services requirements were awarded to Service-Disabled Veteran-Owned Small Businesses (SDVOSB).

Additionally, she accomplished extensive market research for the Air Force Dog Breeding Program and software maintenance requirements both of which were awarded to SDVOSBs.

Randolph AFB's 12th contracting squadron, where Estella Calvillo serves as the small business specialist, superbly maximized opportunities for small businesses by awarding over \$19M in IT services and products, and the relocation of the DoD critical C -130 med-evac trainer.

The Air Force Survival School at Fairchild AFB is run by a small business...the linguist school at Goodfellow was converted from a large business to an SDVOSB.

Our preliminary data for fiscal year 2009 shows that, for the first time in a number of years, more Air Force work was performed by small businesses in Texas than in any other state. \$974 million dollars worth of Air Force work was performed by small businesses in Texas in fiscal year 2009. This is a 21% increase over fiscal year 2008. Additionally, Texas small businesses won \$341 million dollars in Air Force work outside of the state of Texas. \$75.87 Million Dollars in Recovery Act Funds were obligated by the Air Force to Texas Small businesses -- Texas small businesses rank 1st in the nation in terms of the dollars awarded by the Air Force under the Recovery Act.

As this data illustrates, the Air Force relies heavily on small businesses. Air Education and Training Command headquartered at Randolph AFB, here in San Antonio recently broke the \$1 billion threshold for small business spend in 2009 for the first time.

Related to the Recovery Act, to date, the Air Force has awarded approximately 70 percent of its stimulus funds to small businesses.

The small business specialists in San Antonio will play a big role in the continued success of small businesses in Texas. I would like to recognize all the small business specialists from the San Antonio area.

Challenges Small businesses face

This all sounds good, but you here in this audience know there are serious challenges confronting small businesses seeking business with the government.

Consolidation – Without aggressive small business strategies, consolidation of contract requirements will have a significant impact on small business participation. Right here in San Antonio, joint basing will create opportunities to consolidate requirements. Not only will you need to have the capabilities to meet the larger needs, you will also need to recognize that contracts may not be awarded by local San Antonio organizations. Solicitations may not be issued locally. You may need to be looking for solicitations issued by other Agencies and other locations around the country. Consolidation of requirements in the name of contract efficiency is a growing trend that must be met with small businesses that can deliver the capabilities to meet larger workloads and strategies that create and promote small business solutions to meet the consolidated requirements where consolidation makes sense and challenge consolidation where it does not.

Opportunities for Small businesses

Small Business Solution Center

To face this particular challenge, we stood up a pilot initiative here in San Antonio, that we have named the Air Force Small Business Solution Center. Their job is to do proactive market research designed to bring small businesses strategies to our largest acquisitions faced with growing consolidation of requirements. Within a short period of time, this small group has already demonstrated that better market research oriented to small businesses increases the likelihood that small business strategies are selected. Working directly for our largest Air Force acquisition command, the pilot program has the potential to be the catalyst for growing the small business opportunities in the face of strategic sourcing and contract consolidations. If it works as we expect, we will work to grow this capability around the Air Force.

As you may know, the Air Force has selected San Antonio as its preferred location for its new cyber command, known formally as the 24th Air Force. San Antonio is already home to a number of cyber innovation technology and research institutions, including the University of Texas at

San Antonio's Institute for Cyber Security and the UTSA Center for Infrastructure Assurance & Security. In addition, San Antonio has cyber security programs such as the National Security Agency's Texas Cryptologic Center, the Air Education and Training Command and the Air Force Cryptologic Systems Group.

Cyberspace is an important and exciting new mission which will allow small businesses to play a prominent role while embodying the "Beyond Goals" initiative. We need small businesses in cyber. Through the work of our small business specialists teamed with SBA, groups such as yourselves, and the PTACS, using tools such as the Small Business Solution Center, we can bring small business solutions to the table to grow the pie, increase opportunities, and ensure our warfighters access to the best capabilities our nation's industrial base can provide.

Tying directly to our conference theme – getting into the game requires that you get to know the small business specialists.

These civil servants serve as a gateway to gain access to Air Force requirements. We have a small business specialist at every Air Force base within the CONUS as do the Army and Navy. Their job is to bring small

business solutions to the contracting officer. They do this by meeting with small businesses and trying to match their capabilities with mission needs. This is an incredibly difficult task but one that is very rewarding. They are people that small businesses like yourselves should get to know. You can locate a small business specialist from our website:

www.AirForceSmallBiz.org

You also need to respond to market research requests known as requests for information or RFI's. In order for the Air Force to make decisions about the role small business should play in acquisitions they request information from potential offerors as part of their market research. It is very important to respond to these requests in order for the contracting officer to gauge small business capabilities. Without your responses they will likely assume that small businesses cannot perform the mission. As a result, the requirement may not be considered for small business set-aside strategies.

Conclusion

The Air Force is focused Beyond Goals because it is capability that our customer demands. We look at goals as a means to an end – not the end in and of itself. We are focused on in reach, not just outreach because

it is important that the customers know the capabilities you bring to the mission in order to shape requirements in a way that allows small businesses an opportunity. The success of the small business program depends on this new strategy – one that requires us to be advocates for the mission, met with small business solutions.

We need your leadership and more importantly your performance to clearly demonstrate that small businesses do bring innovation, agility and efficiency, and ultimately capability to the customer. Thank you for all you do to support the mission of our Air Force and the joint warfighting team.

I appreciate the opportunity to speak here today. Please visit our Air Force Beyond Goals booth in the exhibit hall.