

Georgia District Office

Government Contracting Readiness:

Is Your Small Business Ready for the Federal Market?

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Outline

- Understanding Market Segmentation: B2C, B2B, B2G
 - Federal Opportunity Landscape for Small Business
- Business Readiness: Using Business Model Analysis to Identify Gaps
- Strategic Planning & Closing Gaps: Develop Your Action Plan
- Need Help? Local Resources & Technical Assistance

Understanding Market Segmentation:

B2C, B2B, B2G

Market Segmentation

Growth Opportunities for Your Small Business?

Private Sector

Business to Consumer (B2C)



E.g., increases in quantity, service area,
 expanded solutions offered, specialization/
 niche segments, etc.



Market Segmentation

Growth Opportunities for Your Small Business?

Private Sector

Business to Business (B2B)



- <u>Tier 1</u> <u>Direct</u> Supplier or Vendor to the Client
- o Tier 2 Indirect: Subcontractor to the Tier 1

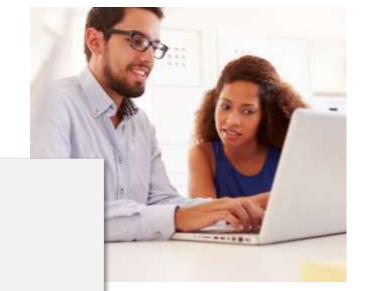


Market Segmentation

Growth Opportunities for Your Small Business?

Public Sector

Business to Government (B2G)



- Local → State → Federal Agencies
 - Prime Contractor Direct to Client Agency
 - Subcontractor Indirect: Supplier or Vendor

to the Prime Contractor

Federal Opportunity Landscape for Small Business

Growth Opportunities for Small Business

✓ World's Largest Buyer



- \$600+ billion/year
- 23% federal contract dollars are intended for small businesses

Set-asides:

- Acquisitions
 - □ \$10,000 Micro Purchase Threshold
 - □ \$250,000 Simplified Acquisition Threshold
 - ☐ Rule on 'two or more small businesses'
- Reserved
- Qualified small businesses



Growth Opportunities for Small Business

\$750,000 or more

■ Non-construction contracts

- If *not* set aside for small business, then...
- Have <u>subcontracting plan</u>
 if awarded to a non-small
 business

Set-asides:

- Acquisitions
 - □ \$10,000 Micro Purchase Threshold
 - □ \$250,000 Simplified Acquisition Threshold
 - □ Above Simplified Acquisition Threshold
- When reserved
- Qualified small businesses



Growth Opportunities for Small Business

\$1.5 million or more

☐ Construction contracts

- If *not* set aside for small business, then...
- Have <u>subcontracting plan</u>
 if awarded to a non-small
 business

Set-asides:

- Acquisitions
 - □ \$10,000 Micro Purchase Threshold
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- When reserved
- Qualified small businesses



SBA Contracting Assistance Programs

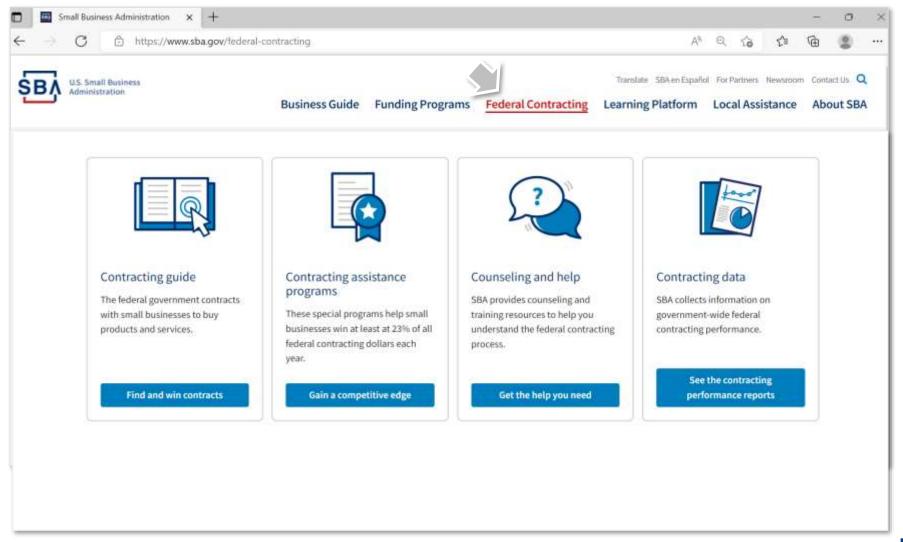
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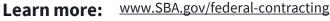


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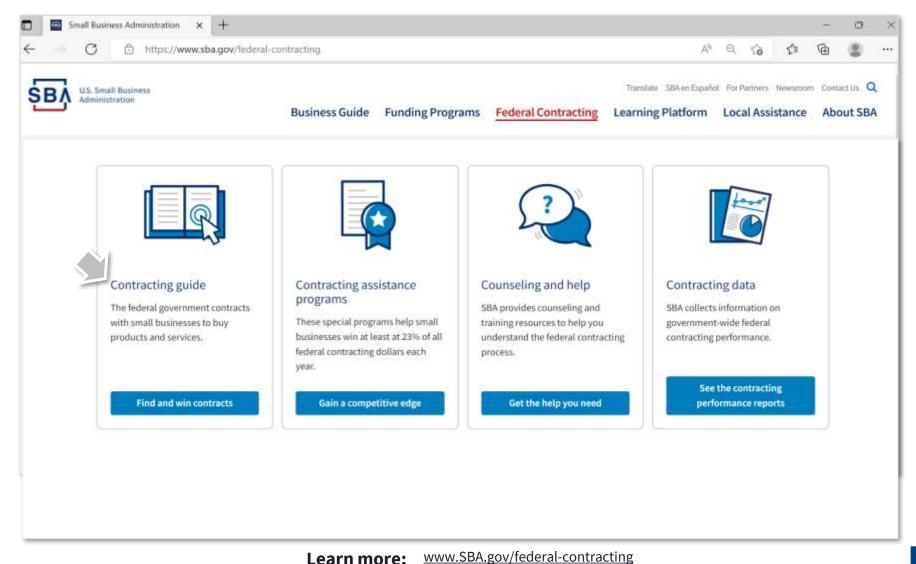




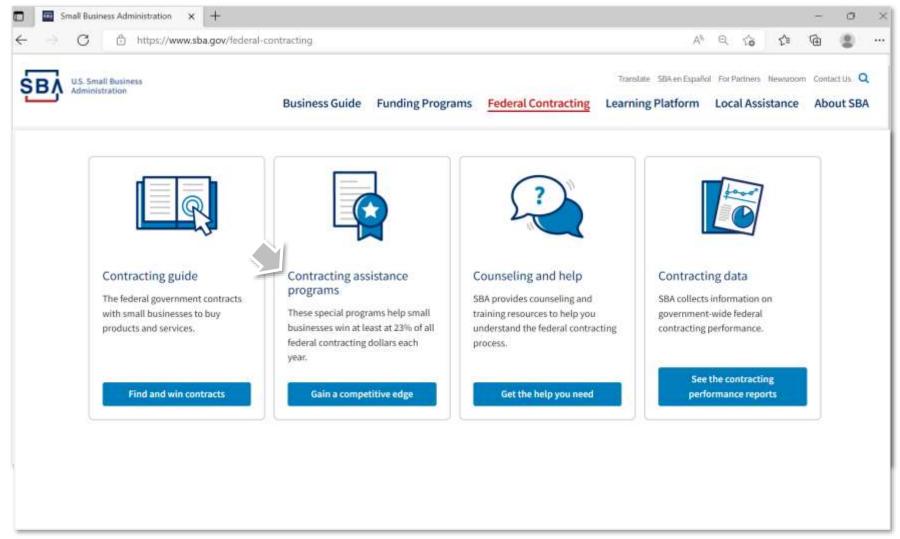




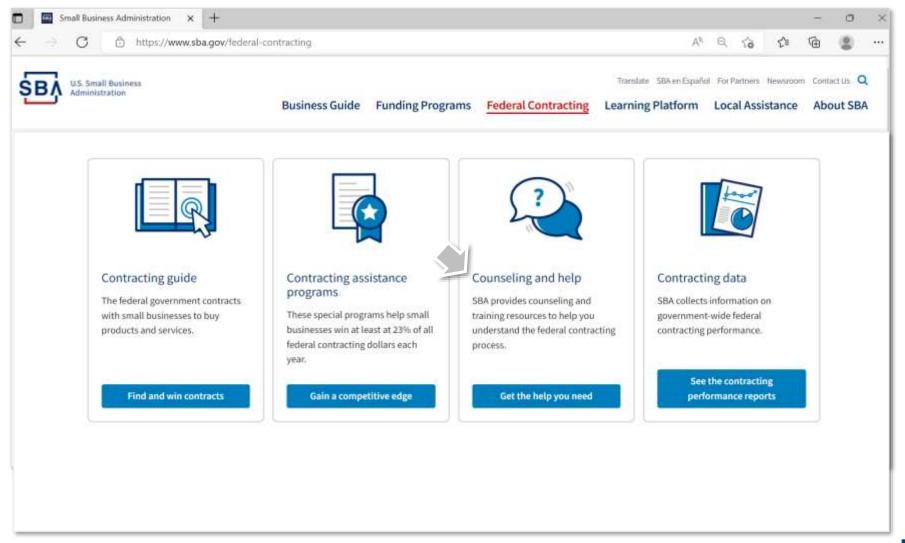


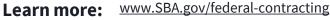




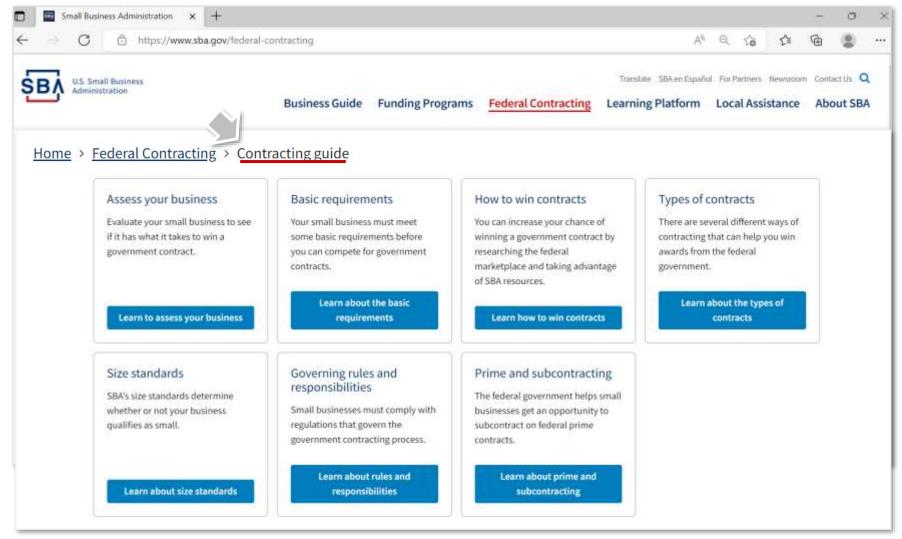






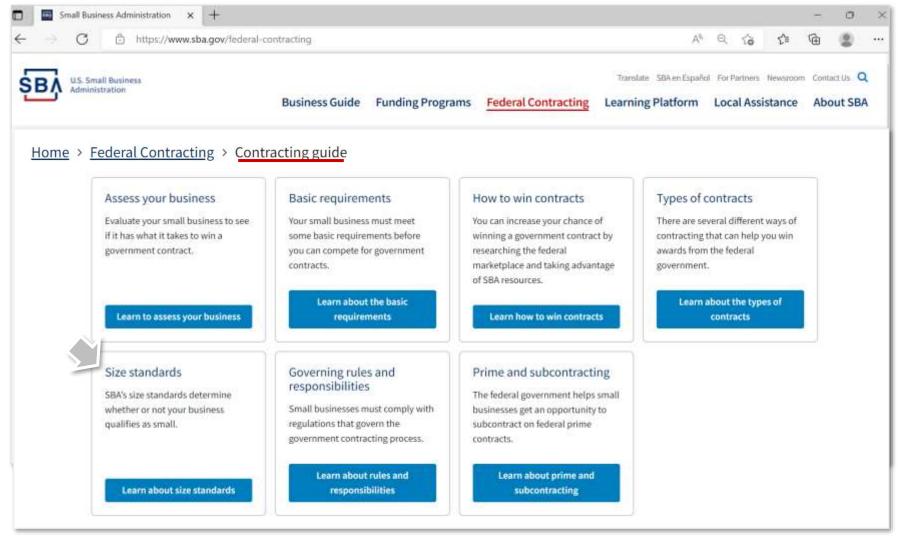






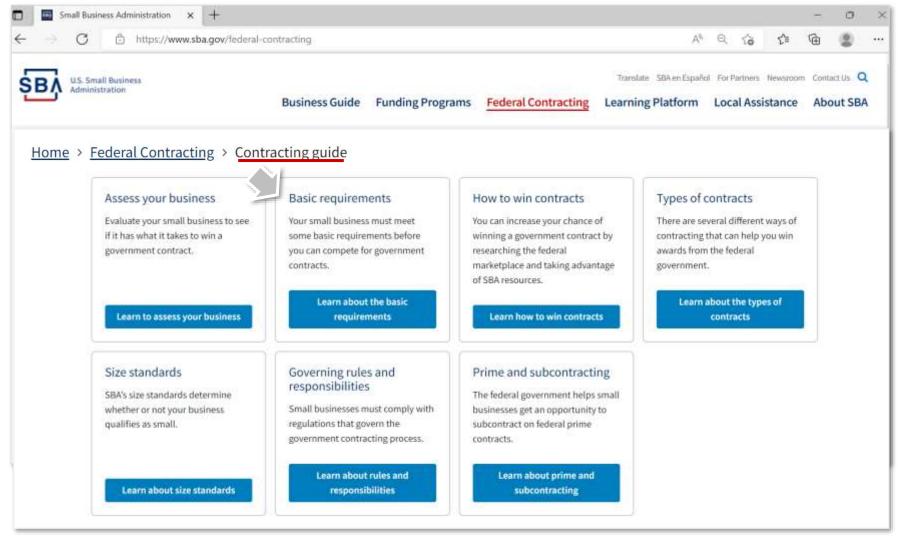






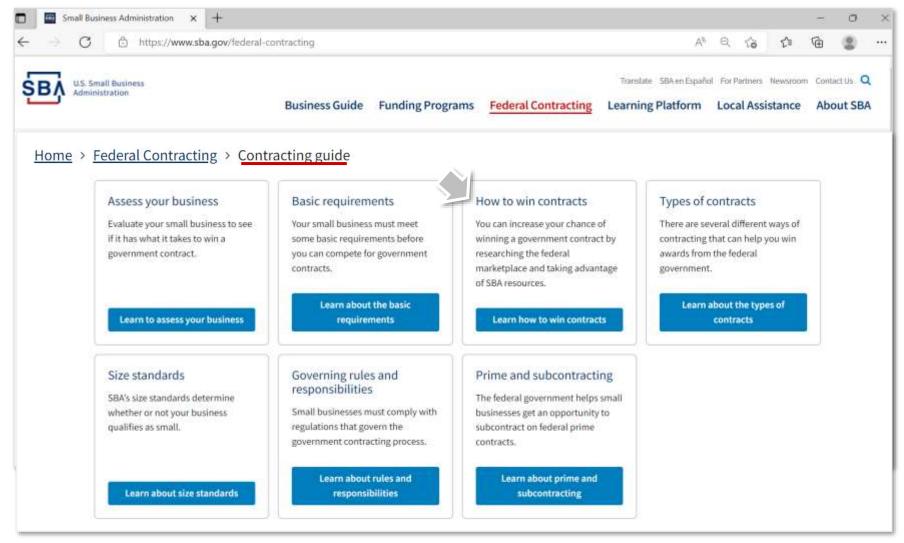






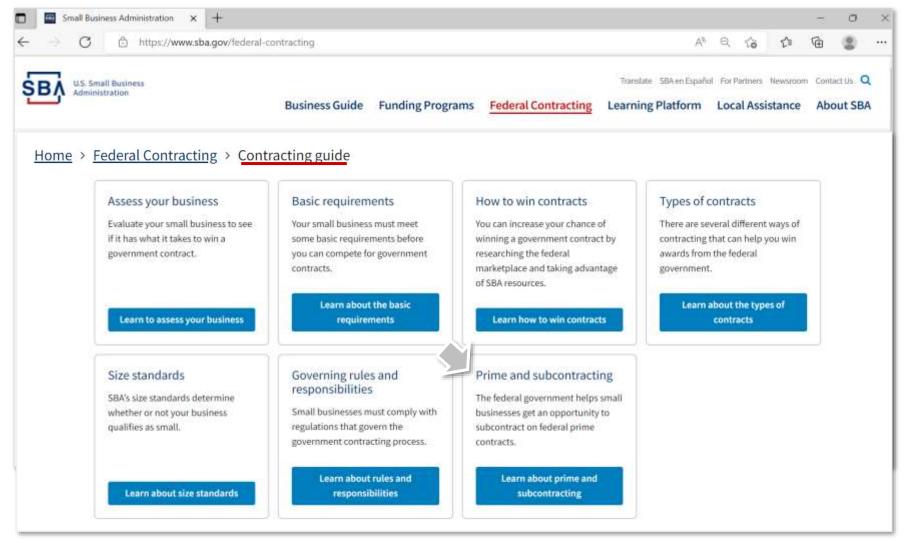
















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Need Help? Local Resources & Technical Assistance

Is Your Small Business Ready for Market Entry?



How to identify the right **contract** opportunities?



How to build a <u>pipeline</u> of forecasted opportunities?



Do you have demonstrated <u>capabilities</u> (past performance)?



Do you have operational <u>capacity</u> for order fulfillment at scale?



Do you have sufficient <u>cash flow</u> (financial capacity) to support contract performance?



Learn more: www.sba.gov/sba-learning-platform

Is Your Business Model Ready for Market Entry?

Business Model Framework

How your business <u>components fit</u> to generate the <u>profit-making</u> logic of your company.



Business Model Framework

Analyze the profit-making logic of your company











Key Activities



Strategies & Processes

Key Resources



Tangible & Intangible

Value Proposition



How We Solve Your Problem

- ✓ Problem
- ✓ Solution (Requirement Match)
- ✓ Differentiators
- ✓ Customer 'ROI'

Contract Administration



Execution & 'ROI'

Channels



Business Development

Customer Segments: Agencies, Primes





End Users, Influencers, Decision-Markers

Cost Structure



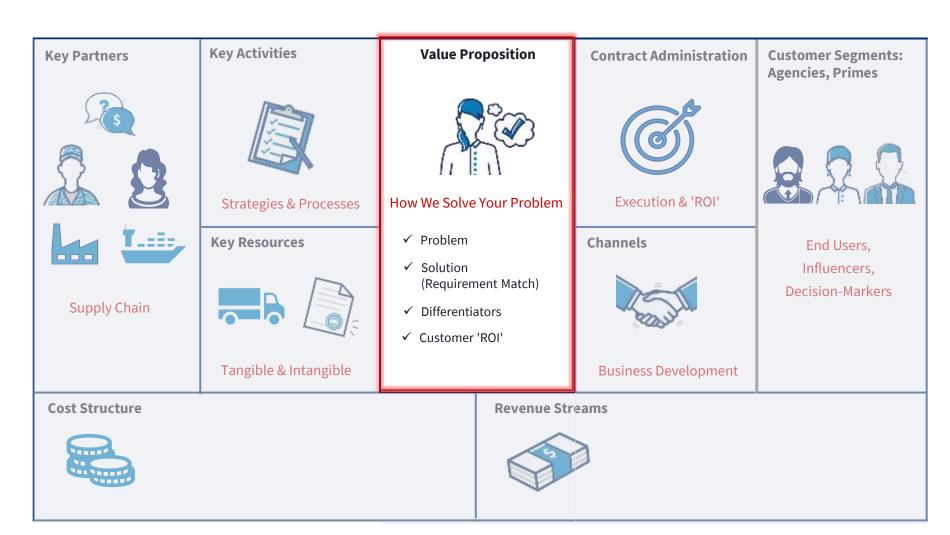
Revenue Streams





Business Model Analysis

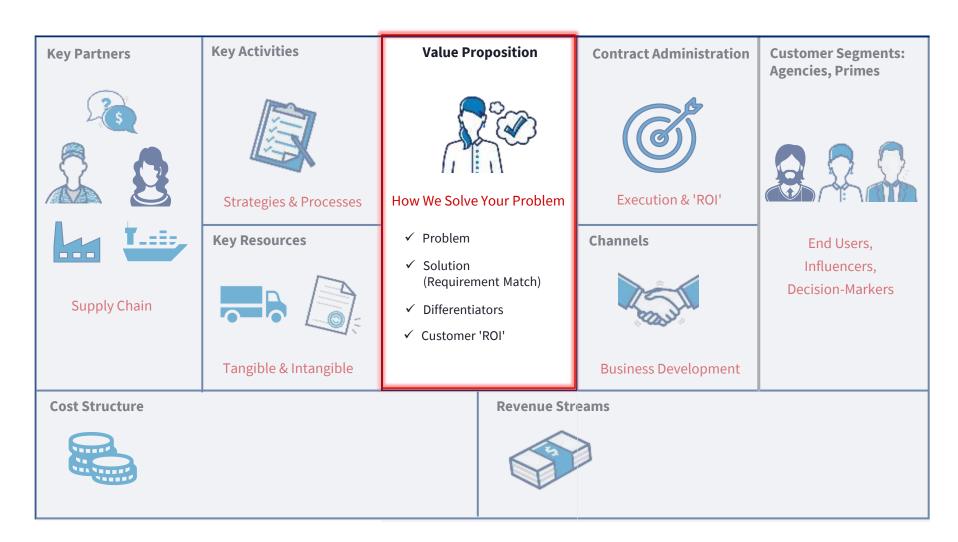
Your **Current** Market Value Proposition: B2C, B2B?





Business Model Analysis

Federal Market Value Proposition: Agencies, Prime Contractors





Federal Market Value Proposition: Know Your NAICS Codes

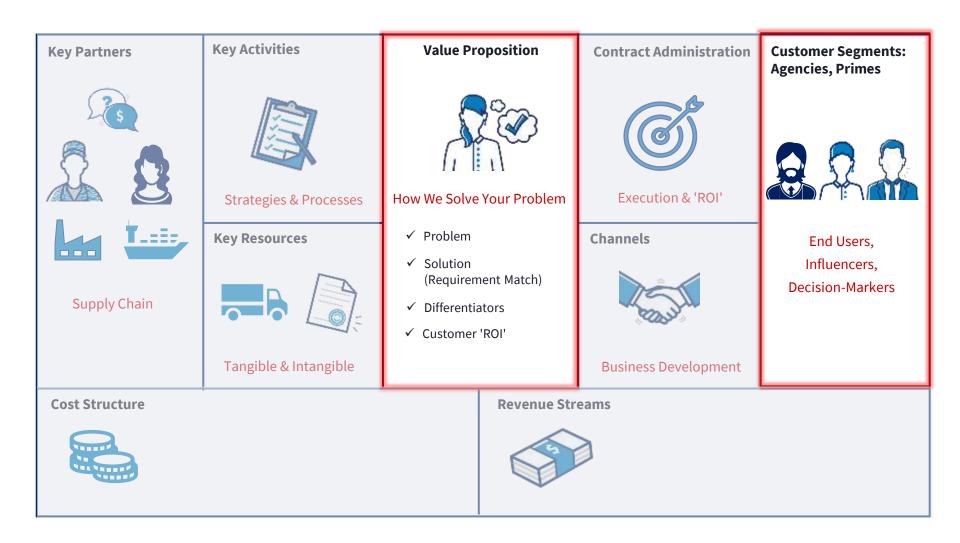








Customer Segments: Agencies & Incumbent Primes





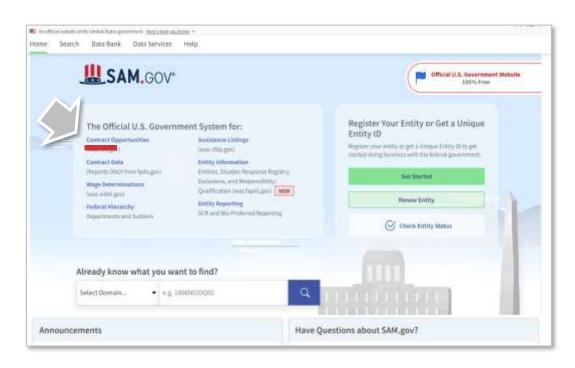
Your Target Buyer: Current & Near-Term Opportunities



<u>Identify</u>

- Your Products or Services
- Which Agencies Buy
- Agency's Problems & Needs
- Purchasing Process





Current & Near-Term Opportunities

RFIs, SSNs, Solicitations, etc.



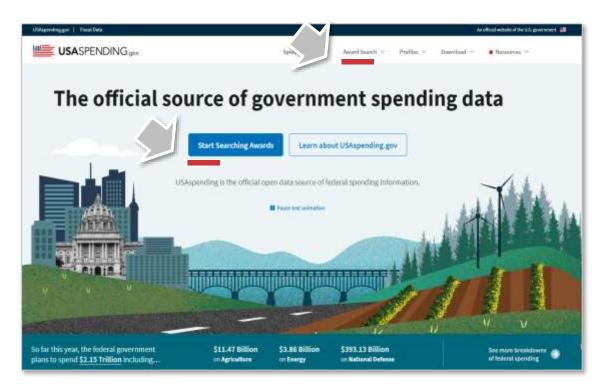
Your Target Buyer: Recent Awards, Expiring Contracts



<u>Identify</u>

- Your Products or Services
- Which Agencies Buy
- Incumbent Suppliers
- Expiring Contracts





Prior Awards, Long-term Trends, Competitive landscape

Expiring contracts?



Your Target Buyer: Agency's Forecasted Opportunities



<u>Identify</u>

- Your Products or Services
- Which Agencies Buy
- Agency's Priorities, Sequence
- PoC, Insights to Purchasing Process





Forecasts, Points-of-Contact





The Right 'Solution Fit': What's Your Unique Value Proposition?







Federal-Agency Focused: Capabilities Statement, DSBS Profile, Company Website, etc.

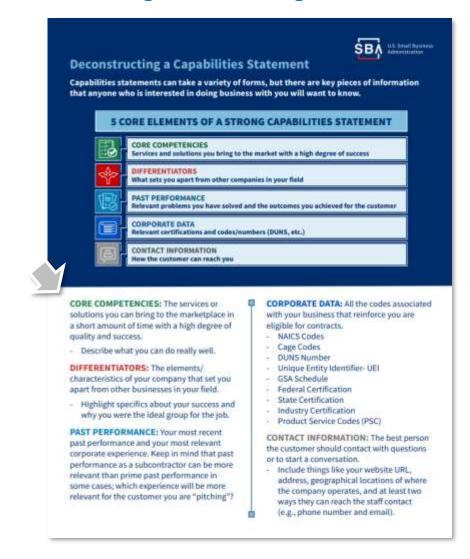


Value Proposition: Your <u>Strategic Positioning</u> for *Federal Market*



Highlights

- Core Competencies
- Relevant Differentiators
- Relevant Past Performance
- Key Company Data





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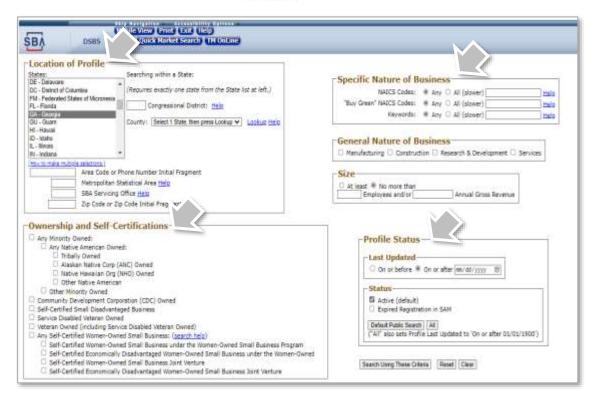
Value Proposition: Your <u>Strategic Positioning</u> for *Federal Market*



Competitive Landscape

- Core Competencies
- Differentiators
- Past Performance
- Marketing Insights





Competitive Landscape, Marketing Insights



Value Proposition: Your <u>Strategic Positioning</u> for *Federal Market*





SBA Profile

Identification, Location & Contacts



Capabilities Narrative:

Construction Group is an industry leader and provider of construction services across several disciplines.

NAICS Codes with Size Determinations by NAICS:



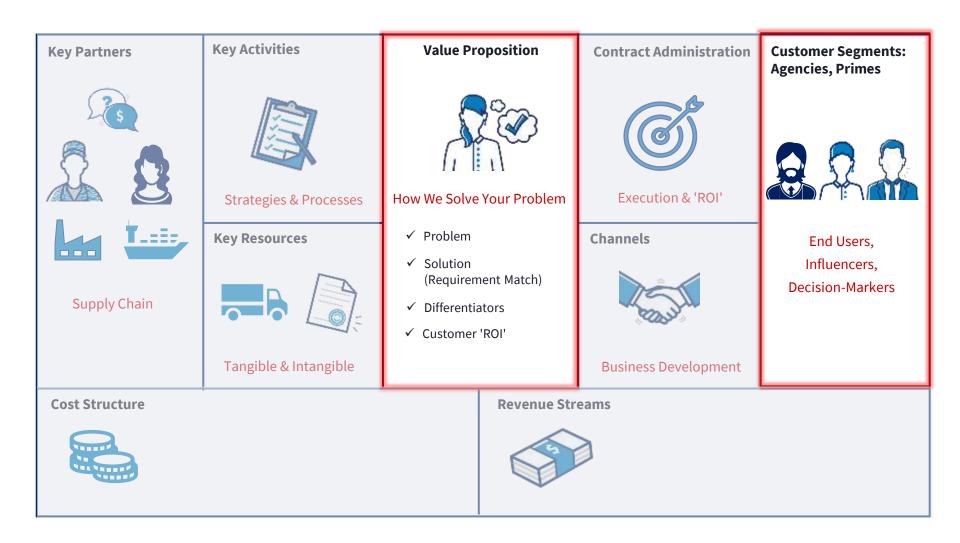
#	Primary?	Code	NAICS Code's Description
1	Yes	237310	Highway, Street, and Bridge Construction
2		236116	New Multifamily Housing Construction (except For-Sale Builders)
3		236118	Residential Remodelers
4		236220	Commercial and Institutional Building Construction
5		237110	Water and Sewer Line and Related Structures Construction
6		237130	Power and Communication Line and Related Structures Construction
7		237990	Other Heavy and Civil Engineering Construction General \$39.50m Small Business Size Standard: [Yes] Special \$32.50m Dredging and Surface Cleanup Activities: [Yes] (4)
8		238110	Poured Concrete Foundation and Structure Contractors
9		238160	Roofing Contractors
10		238220	Plumbing, Heating, and Air-Conditioning Contractors
11		238910	Site Preparation Contractors
12		238990	All Other Specialty Trade Contractors General \$16.50m Small Business Size Standard: [Yes] Special \$16.50m Building and Property Specialty Trade Services: [Yes] (4)
13		561730	Landscaping Services

Keywords:

Some examples ...

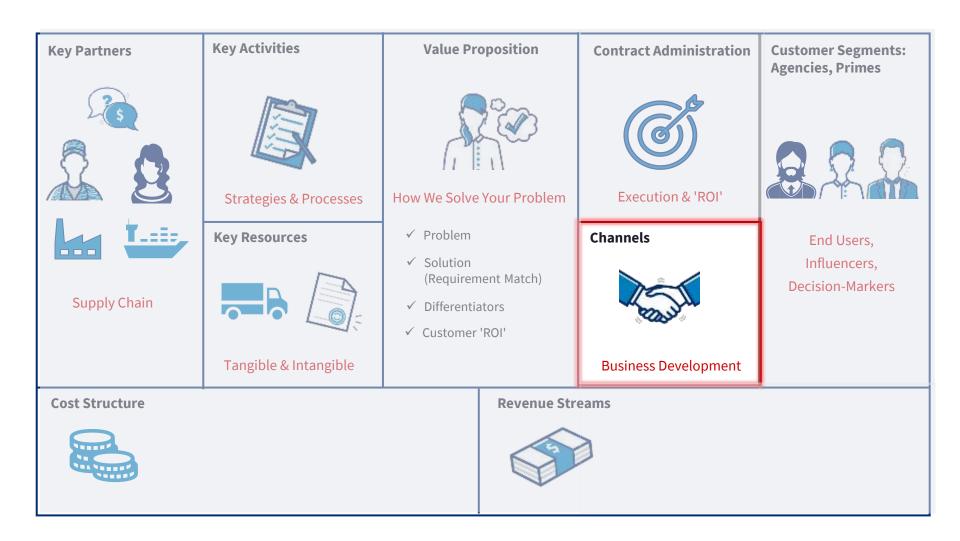


Customer Segments: Agencies & Incumbent Primes





Channels: Business Development & Capture Management





Channels: Prime Awards Business Development & Capture Management





Current & Near-term Opportunities



Forecasts, Points-of-Contact

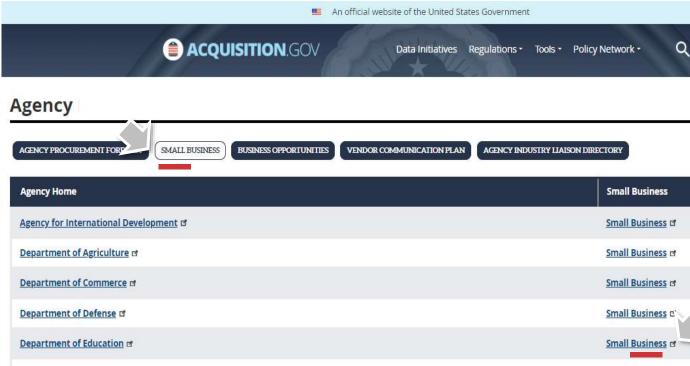


Prior Awards, Expiring Contracts



Getting Started: Agency Small Business Programs





Identify

- Your Products or Services
- · What Agency Buys
- How Agency Buys
- Points of Contact

Agency's Small Business Program (OSDBU)

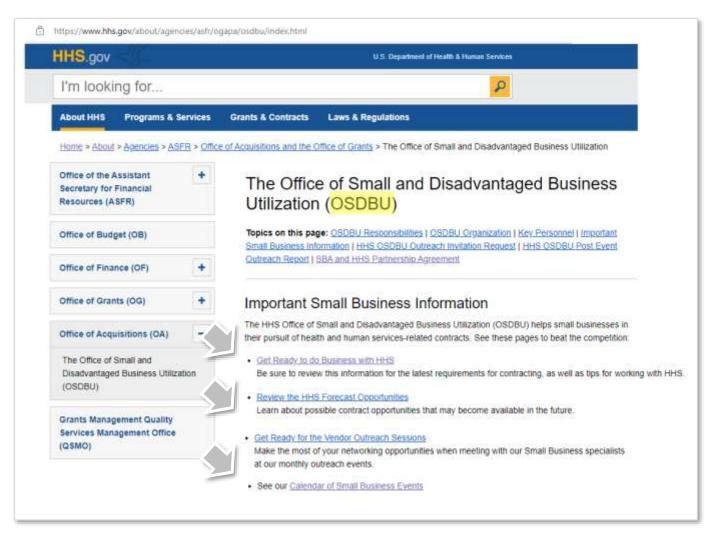


Getting Started: Agency Small Business Program



<u>Identify</u>

- Your Products or Services
- · What Agency Buys
- How Agency Buys
- · Points of Contact





Getting Started: Your Focused Business Development



What's Your Approach

Biz Dev Planning?

(Sample worksheet)

Topic	Notes
Identify NAICS codes for agency opportunities you are targeting:	
Identify specific opportunities for pursuit including forecasted prime awards, expiring contracts, subcontract leads, etc.	
Assess the competitive landscape - e.g., incumbent contractors, former awardees, etc.	
Finalize targeted capabilities statement, business development pitch, 'briefing materials', etc.	
Identify point of contact (POC) for specific opportunities; arrange for meetings - industry days, capabilities briefings, etc.	
Research timing of RFIs, SSNs, RFQs, RFPs	
Identify key milestones, track progress, and follow-up.	



Getting Started: Willing to Be a Subcontractor?





Build Capacity

 Land Opportunity with a Prime Contractor

Work with a Prime

- Teaming / Sub Agreement
- Joint Venture
- Mentor Protégé

Enhance Past Performance

- Gain Experience
- · Expand Opportunities



Subcontracting: Business Development & Capture Management





- Faster way to enter a Complex Marketplace
- Build capacity
- Develop past performance
- Access the Client Agency indirectly

Getting Started: Willing to Be a Subcontractor?





Awards with small business subcontracting plans

Federal contracts awarded to "other than small" businesses over a certain dollar threshold must contain a small business subcontracting plan. In this plan, which follows the requirements of FAR 52.219-9, the prime contractor sets goals for what it plans to subcontract to small businesses, small disadvantaged businesses, women-owned small businesses, HUBZone small businesses, veteran-owned small businesses, and service-disabled veteran-owned small businesses. A listing of contractors with subcontracting plans can be found at SBA's Directory of Federal Government Prime Contractors with a Subcontracting Plan-

Some federal agencies maintain subcontracting websites that include directories of large prime contractors so that small businesses know what contractors may have subcontracting opportunities:

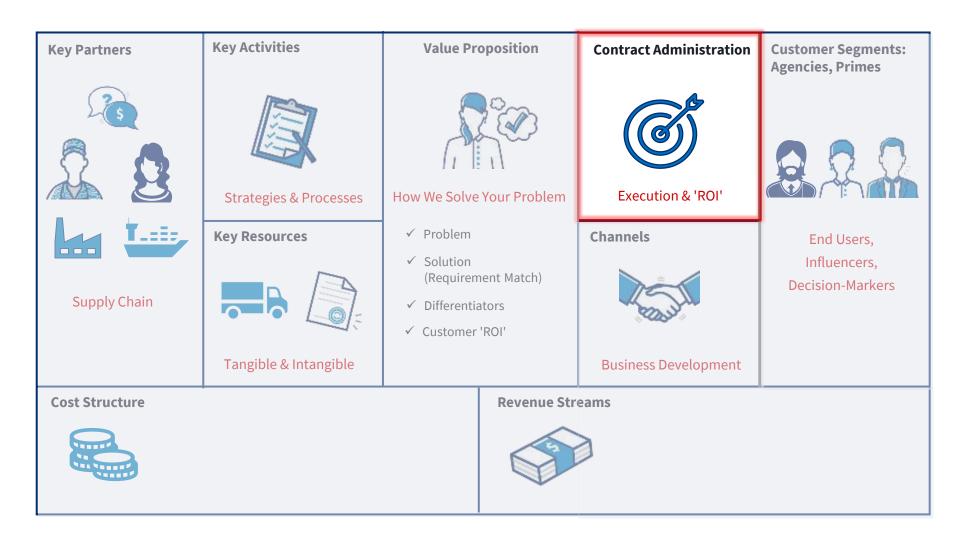
- General Services Administration's Subcontracting Directory for Small Businesses of
- DOT Subcontracting Directory | US Department of Transportation et
- Subcontracting and Other Partnerships | GSAct

In an effort to locate small business subcontractors, any large business can post a notice of a subcontracting opportunity, including the solicitation, to SBA's subcontracting database, <u>SUBNet</u>. Prime contractors wanting to publish opportunities in SUBNet must sign in through <u>SBA Connect</u>. Small businesses can search and view these posted subcontracting opportunities at SUBNet. (Small businesses do not need to register at SBA Connect to view SUBNet postings.)

Prime contractors also use the <u>Dynamic Small Business Search</u> to find small businesses. Ensure that your profile in DSBS is complete including socioeconomic representations and certifications, a capabilities narrative, keywords, NAICS codes, and performance history.



Contract Administration





Delivering for Customer: 'Return on Investment'





Reports and rates prime contractor performance



Track and review subcontracting reports



Revenue Streams





Revenue Streams



What Agency 'Contract Types'

Work for Your Business?

Fixed Price

Multiple Types

Firm Fixed Price (FFP)

FAR 16.202

Cost

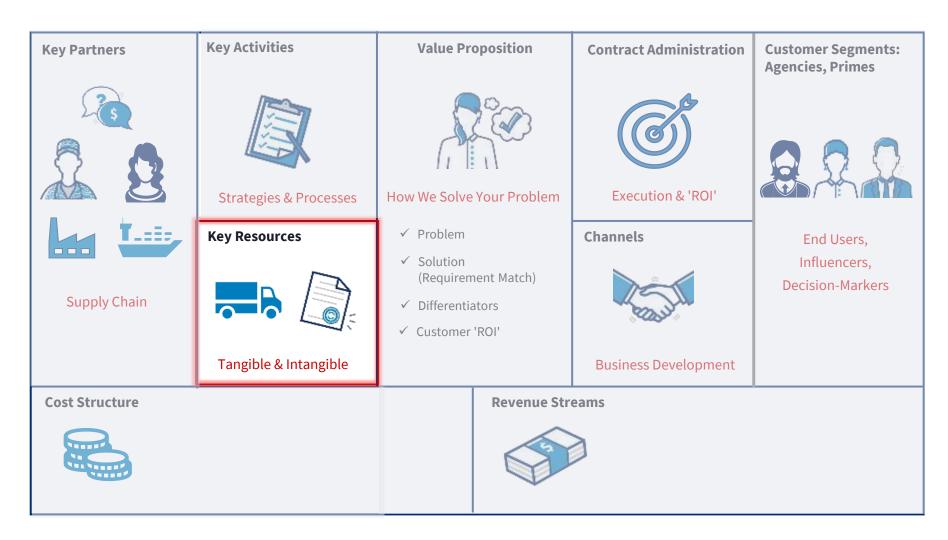
Multiple Types

- Time & Materials (T&M) FAR 16.6
- Cost Plus Fixed Fee (CPFF) FAR 16.306

Some examples



Key Resources





Key Resources: Example Access to Capital





Programs powered by SBA...

Loans: Lender Match* connects you to participating SBA Lenders



7(a) - loans up to \$5 million



504 - loans up to \$5.5 million



Microloans-loans up to \$50,000 (no real estate)

Bonding

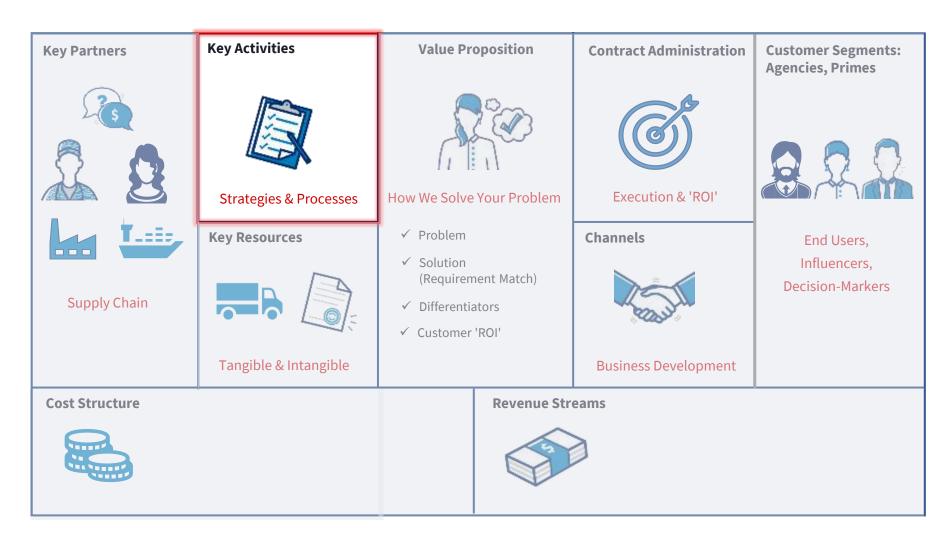
Added Value

Surety Bond Program

Reminder: www.sba.gov/funding-programs/loans/lender-match



Key Activities: Internal Operations, G&A, etc.





Key Partners: Your Supply Chain





Cost Structure





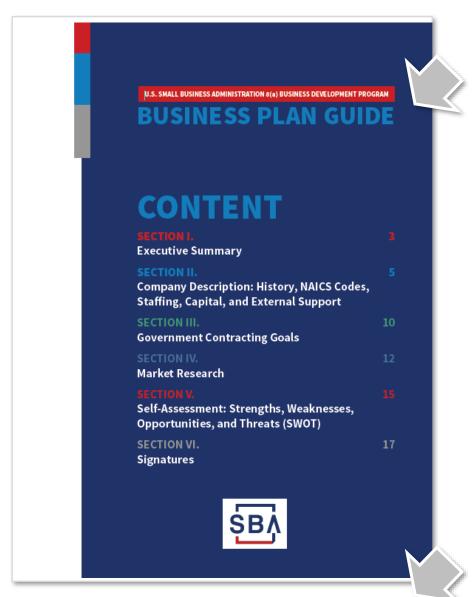
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Business Planning: Federal Market Entry

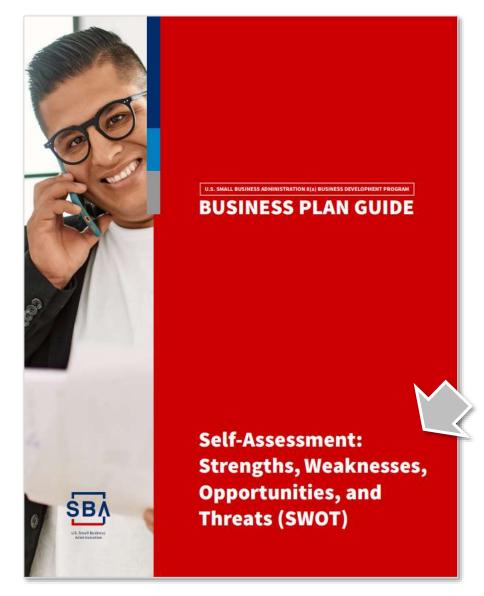






Business Planning: Federal Market Entry







Develop Your Action Plan



Specify the Issues/ Objectives

Collect & Analyze Data

Outline Tasks & Prioritize

Execute, Evaluate, Adjust

Develop Your Action Plan



Project:								
Team:	April 18							
Date:								
Category	Function	Issue	Deliverable	Priority	Team Lead	Start Date	Completion Date	Not
SWOT Analysis	Sales (Channels)	Strength: technical expertise	Create federal capability stmt.	2	BN			



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Local Resources & Technical Assistance



SBDCs

Small Business Development Centers (SBDCs) provide entrepreneurial training and counseling.

Find an SBDC in your area

SCORE Business Mentors

SBA partners with SCORE to connect you with a business mentor.

> Find a SCORE business mentor in your area

Veterans Business Outreach

Get in touch with a Veterans Business Outreach Center (VBOC) to start or grow your business.

Find a Veterans Business
Outreach Center in your area

Women's Business Centers

SBA partners with WBCs around the country to provide training, counseling, and resources to women-owned businesses.

> Find a Women's Business Center in your area

www.sba.gov/local-assistance/resource-partners



www.apexaccelerators.us



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Q&A



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Is Your Small Business Ready for the Federal Market?

Thank You.

SBA Mentor-Protégé Program & Joint Ventures

Federal Contracting





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Contracting guide

Contracting assistance programs

Small Disadvantaged Business

Women-Owned Small Business Federal Contract program

Veteran contracting assistance programs

8(a) Business Development program

SBA Mentor-Protégé program

Joint ventures

HUBZone program

Natural Resource Sales Assistance program

Counseling and help

SBA Mentor-Protégé program

Your small business can learn from an experienced government contractor through SBA's Mentor-Protégé program.

Content

Program improvements

Program benefits

Program qualifications

Apply to the program

Mentor-Protégé duration

Mentor-Protégé annual evaluations





Federal Contracting





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Q

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Joint ventures

Joint ventures allow certain businesses to compete together for government contracts reserved for small businesses.

Content

Program benefits

How to set up a joint venture

Rules for joint ventures

Performance of Work





SBA

U.S. Small Business Administration