



Beyond goals to solutions of choice

Getting the Air Force on the small business team

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Air Force Small Business is at the cusp of major change. We have come to a fork in the road and it is time to take it.

One road demands small business contract awards and achievement of percentage goals because laws, Executive Orders, policies and proclamations require them. The other road demands small business participation because small businesses deliver innovation, agility, efficiency and value to the mission in ways no large businesses can match.

While the percentage goals are important for obvious reasons, our reliance on goals is failing our customers. Unless we take the road that measures small business contributions and value to the mission, our successors will look back to find a significantly reduced small business industrial base, game-changing technologies left on the cutting room floor, reduced access to innovation, and a high pass-through price to get to the value only small businesses can deliver.

The Air Force Small Business “Force” is heading down the value path. We are reaching “Beyond Goals” to grow and strengthen small business to be the “Solution of Choice” to meet Air Force mission and priorities. The challenge ahead is to get the Air Force on the Small Business team.

Goals and percents can be destructive

Policies that mandate goals are important but inadequate.

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The data proves it out. For over 10 years, DoD has failed to achieve its mandated 23 percent goal. Except for Fiscal 2007, as an enterprise, the Air Force has remained relatively flat, relying on annual improvement factors that perpetuate only nominal changes in the status quo.

Fiscal 2007 represents our largest decline in small business achievement in over 10 years, dropping 1.5 percent over Fiscal 2006 performance.

Even our operational major commands that traditionally deliver small business awards between 50 and 80 percent of obligations declined in Fiscal 2007.

It doesn't take a think tank study to understand what is at the heart of this lackluster performance. A goal is just a goal.

Small business goals are not requirements and therefore, there is little incentive to achieve them. Customers view a goal-centric small business program as part of the stove-piped bureaucracy that seeks to achieve a goal in spite or at the expense of the mission.

Large prime contractors often seek to meet the minimum small business requirements in the contract and look for ways to reduce those requirements in the case of supply chain management. As a result, many believe small business means big risk.

Goals perpetuate the belief that success is measured only by contract awards. Goals also create the illusion we can

stop promoting small business participation once the goal is met.

Many more challenges

Ask any small business specialist and they will tell you about other challenges:

- ▶ Explosive growth in consolidation of requirements across organizations and enterprises
- ▶ Strategic sourcing strategies built on assumptions that bigger is better resulting in “simple sourcing”
- ▶ The lack of contracting and technical resources to accomplish small business acquisitions
- ▶ Inability of part-time or dual-hatted small business specialists to perform the small business function
- ▶ Leaders who don’t understand or value small business contributions
- ▶ The power of incumbency
- ▶ A significant rise in use of broad GSA and Agency Multiple Award Task and Delivery Order contracts and mandatory use contract vehicles that bypass small business rules
- ▶ Weak market research that relies exclusively on small business responses to notices in FEDBIZOPs

Creative interpretations of policies such as Fair Opportunity and Recertification rules have the unintended consequence of reducing small business participation despite their intent to do the opposite.

Finally, the current environment demands speed

such that contracting officers and customers seek the contract vehicle of least resistance, not realizing it adds risk to longer term value.

Certainly there are policies and processes we can improve to get the small business program on track. However, like goals, these changes will only force an unwelcome compliance and require constant oversight at a time when resources are constrained. Policy changes and oversight are important but they are not enough. We need a shift in the way we look at the role of small businesses.

The Air Force must recognize and embrace the small business value proposition, and our “Beyond Goals” strategic plan starts the Air Force down this journey.

A strategy to reach beyond goals

Our Small Business Strategic Plan is based on a vision that value will drive small business solutions as the Air Force solutions of choice. To that end, Air Force small business specialists are not small business advocates. We are advocates for the Air Force mission ... met with small business solutions.

We exist to create and deliver small business options and solutions that are welcomed and accepted by those with acquisition and contract authority. To do this we need to create a knowledge-based small business “force” that is inclusive of the broader Air Force community. This is not a small business workforce of individuals comprising a new “stovepipe.” We are part of the bigger Air

Force team focused on delivering and measuring mission results as the basis for growing and strengthening small business participation.

We must enhance the internal and external awareness of small business capabilities and contributions to the mission. Our stories must be known to not only the secretary, chief of staff and leaders throughout the Air Force, but to operators on the flightlines, behind the controls of satellites and unmanned aerial vehicles, behind the desks of integrated standard desktops and in the cockpits of sophisticated aircraft.

Finally, we need to create transparent strategies that credibly commit to grow and strengthen small business participation in the Air Force mission – to do more to help DoD exceed its goal of 23 percent. We need acquisition strategies at the prime and subcontract levels that demonstrate the Air Force values the role of small business in air, space and cyberspace. We need small businesses to help us win the war on terrorism, care for our Airmen and families and recapitalize across the force.

A necessary step is to put small business solutions first in the Air Force initiative to regionalize installation contracting. A regionalized contracting structure is not good for small business, local business and Air Force installations *unless* we make it good for small business, local business and the installations.

Air Force Small Business is standing up the Air Force Small Business Solutions Center at Brooks City-Base, Texas, to

replace the Air Force Outreach Program Office. The SBSC will bring a uniquely small business perspective to the market research, data analysis and outreach needed to bring small business solutions to strategic sourcing initiatives -- regardless of where the contract is let.

The SBSC is a force multiplier for the customers, contracting officers and small business specialists and is part of the strategic sourcing team. The SBSC will focus on markets in the Southwest to create the business cases supporting small business-first solutions for all installation requirements generated in the region.

By demonstrating value to the mission, we seek to prove out a concept for use of a SBSC approach to meet installation, sustainment, research and development (R&D), and service and platform requirements bought throughout the Air Force.

This is only one of many initiatives we are undertaking to deliver solutions, create a force, increase awareness and help DoD meet and exceed 23 percent.

Subcontracting incentives on major systems and R&D acquisitions require significant

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new thinking and leadership. Assistance programs such as SBIR and Mentor-Protégé need broader emphasis outside of traditional platforms. These unique programs offer opportunities to develop the industrial base and ensure innovation, agility and efficiency is driven into key technical challenges of our major acquisition platforms, services and programs.

Doing more for our heroes

Probably the most pressing opportunity facing us is the one to bring service-disabled veterans to the fight in a different way. Who better than the DoD to create opportunities for service-disabled veterans through small business programs and holding prime contractors accountable to bring service-disabled veterans on the team? We can and must do more for these warriors. Nearly 35 Air Force contracting

offices have exceeded 3 percent of contract dollars to service-disabled veterans. We need every installation to increase opportunities for firms owned by disabled veterans.

Major prime contractors also share this responsibility

and should not wait for a RFP to require increased service-disabled veteran participation. These heroes have sacrificed much for our country. No one is more committed to the mission. Increasing opportunities for service-disabled veterans is good business and it is the right thing to do!

Above all

Above all, the Air Force needs to be on the small business team. The threats facing our nation in air, space and cyberspace demand the innovation, agility and efficiency that only small businesses can bring to the fight. Strategies that seek the path of least resistance to contract award will surely put such value further from the reach of the warfighter.

We need to reach beyond goals for the mission and our national security. Welcome to the small business team.