



# **The Federal Government as a Venture Capitalist for Small Business**





U.S. Small Business  
Administration



**South Dakota District Office**

[www.sba.gov/sd](http://www.sba.gov/sd)

# **8(a) Business Development Program**

# General Information

The 8(a) BD Program is a business development program for small disadvantaged businesses that are owned and controlled at least 51% by socially and economically disadvantaged individuals, or tribally owned businesses, by gaining access to the economic mainstream in the federal contracting arena.



# Eligibility Criteria

- Social Disadvantage
- Economic Disadvantage
- Ownership Criteria
- Control and Management Criteria
- Size Criteria
- Potential for Success
- Good Character

# Federal Prime Contracting Small Business Goals

- Small Business 23% (26.50%).
- 8(a)BD / Small Disadvantaged Business 5% (10.29%).
- HUBZone Small Business 3% (2.28%).
- Service Disabled Veteran Owned Small Business 3% (4.39%).
- Woman Owned Small Business 5% (5.19%).

Percentages taken from February 20, 2020 Goaling Report

# Accessing Your Business and Basic Requirements

Evaluate your small business to see if it has what it takes to win a government contract.

<https://www.sba.gov/federal-contracting/contracting-guide/assess-your-business>

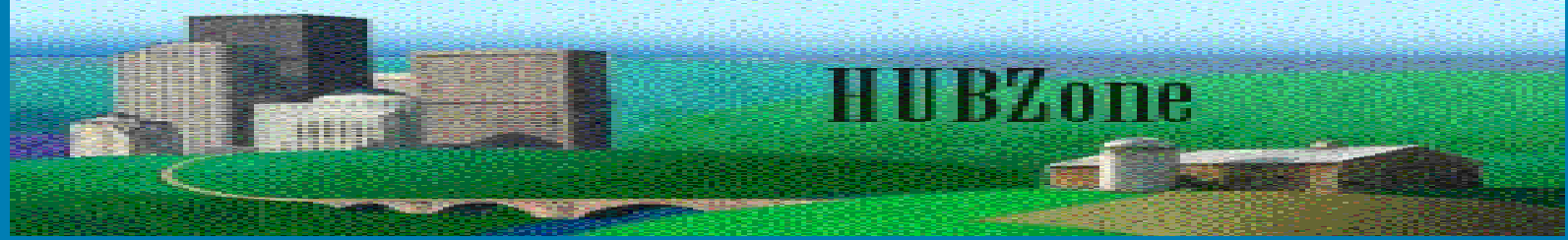
Your small business must meet some basic requirements before you can compete for government contracts.

<https://www.sba.gov/federal-contracting/contracting-guide/basic-requirements>

# 8(a) Application

- [www.certify.sba.gov](http://www.certify.sba.gov) – upload documents
- Should be in business for at least 2 years before applying.
- Must have an active profile in [www.sam.gov](http://www.sam.gov) before applying.
- One-time eligibility for business and qualified disadvantaged individual(s).
- Website - <https://www.sba.gov/federal-contracting/contracting-assistance-programs/8a-business-development-program>

**Please note – SBA’s contracting programs are not the best fit for start up businesses.**



# HUBZone Program

A community-based economic development program to stimulate:

Job creation and

Capital Investment

-- in distressed localities

# Qualifications

## FOUR REQUIREMENTS:

- Must be a small business by SBA standards;
- Business must be at least 51% owned and controlled only by U.S. citizens, Community Development Corporations, Agricultural Cooperatives, Alaska Native Corporations or Indian tribes;
- The principal office of the business must be located in a HUBZone qualified area; and



# QUALIFICATIONS (CON'T)

- At least 35% of the firm's total employees (this includes employees at principal office and any other locations and job sites) must reside in a HUBZone. (Does not have to be the same HUBZone area as business location.)
- Reside means to live in a primary residence for at least 180 days or currently a registered voter.

# The Certification Process

- Application is available on line [www.sba.gov/hubzone/](http://www.sba.gov/hubzone/) (thru GLS)
- Submit documentation electronically
- Applications should be processed within 60 days or so of a complete application
- No term limit for HZ Program as long as the business remains eligible
- Participants must first register at: <http://www.sam.gov> . When HZ certification is approved, SBA, Washington, DC will add HUBZone designation to the [www.sam.gov](http://www.sam.gov) profile.
- Website - <https://www.sba.gov/federal-contracting/contracting-assistance-programs/hubzone-program>



U.S. Small Business  
Administration

**WOMEN-OWNED SMALL BUSINESS  
(WOSB) FEDERAL CONTRACTING  
PROGRAM**

# General Information

- Final Rule effective February 4, 2011

- Purpose of WOSB Program -

Authorizes contracting officers to specifically limit, or set aside certain requirements for competition solely amongst women-owned small businesses (WOSB) or economically disadvantaged women-owned small businesses (EDWOSB).



# Certification

- Firms can begin to submit applications for initial processing on July 15 in <https://beta.certify.sba.gov/>
- Beginning on October 15, SBA will begin issuing decisions on applications.
- Firms may elect to use the services of third party certifiers - SBA has approved four organizations.

# WOSB vs. EDWOSB

## Not all NAICS codes are available for use under the WOSB/EDWOSB Program.

Contracts for industries where women-owned small businesses (WOSB) are underrepresented.

- 92 NAICS industry group codes underrepresented for WOSB (includes approximately 364 six digit NAICS codes)

Some contracts are restricted further to economically disadvantaged women-owned small businesses where women-owned small business (EDWOSB) are substantially underrepresented.

- 21 NAICS industry group codes substantially underrepresented for EDWOSB (includes approximately 80 six digit NAICS codes)

An EDWOSB is also considered a WOSB.

Listing of WOSB & EDWOSB eligible NAICS codes

<https://www.sba.gov/document/support--qualifying-naics-women-owned-small-business-federal-contracting-program>

# Additional Information

- No term limit for program, as long as you remain eligible and have met all the requirements in regulations.
- No minimum time in business before applying for program.
- Website - <https://www.sba.gov/federal-contracting/contracting-assistance-programs/women-owned-small-business-federal-contracting-program>



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Visit us at [www.sba.gov](http://www.sba.gov)

# Service Disabled Veteran Owned Business

- Small Business must be owned and controlled by one or more Service Disabled Veteran(s).
- Qualifying small business may self certify in the System for Award Management (sam.gov) except for contracts with VA.
- VOSB & SDVOSB wanting to do business with the Veterans Administration under Public Law (P.L.) 109-461 (Vets First) must apply and be verified by the VA's Center for Verification and Evaluation.
- Website: <https://www.va.gov/osdbu/verification/>



# Resources

National SBA website - <https://www.sba.gov/>

South Dakota SBA's website - <https://www.sba.gov/offices/district/sd/sioux-falls>

South Dakota SBA's twitter account - [https://twitter.com/SBA\\_SouthDakota](https://twitter.com/SBA_SouthDakota)

Resource partners ---

Procurement Technical Assistance Center (PTAC)

<https://sdbusinesshelp.com/procurement-technical-assistance-center/>

Small Business Development Center (SBDC)

<https://sdbusinesshelp.com/small-business-development-center/>

Women's Business Center

<https://www.bhsu.edu/sdceo>

Veteran Business Outreach Center (VBOC)

<https://und.edu/dakotasvboc/>

SCORE

<https://www.score.org/>



# Defense Alliance

ADVANCING TECHNOLOGY COMMERCIALIZATION





## **Our Mission**

@defense\_cluster  
[www.defensealliance.com](http://www.defensealliance.com)

**Defense Alliance accelerates commercialization for technology products and services, and contributes to regional economic development by supporting small businesses.**





★ **Regional Innovation Cluster**  
★ **Growth Accelerator**



- ★ **SB Commercialization**
- ★ **ND, SD, MN, WI**
- ★ **Rural Communities**
- ★ **HUBZones, Opp. Zones**



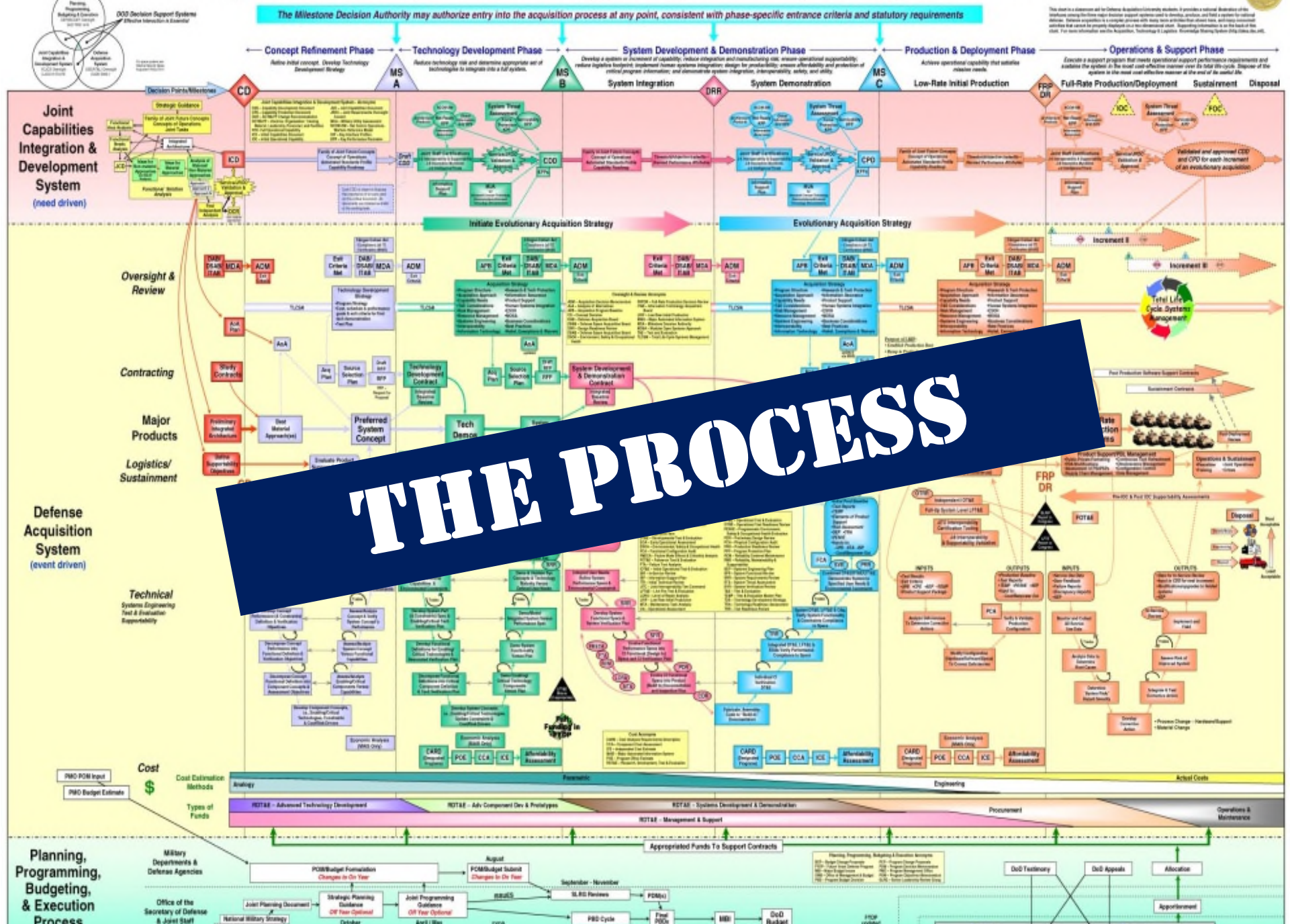
## What We Do

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[www.defensealliance.com](http://www.defensealliance.com)

★ **Business Development**

★ **Economic Development**

# Integrated Defense Acquisition, Technology, & Logistics Life Cycle Management Framework



**THE PROCESS**





# Defense Alliance Team

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# Agenda

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- **Federal Government Overview**
- **Federal Market Opportunities**
- **Types of Funding Available**
- **Getting Started, Best Practices**
- **Resources to Help You Win**





# Federal Govt. as Investor

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- **Single largest VC in the world**
- **Name it... they develop it... and buy it**
- **Competitive process – what that means**
- **Third parties also buy for the Feds**



# Federal Govt. as Investor

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- **Intellectual Property – you keep it!**
  - Precedent with President Reagan and SBIR program
  - Feds want you as a viable, long-term, innovative supplier
  - Need “release” from the PM on an R&D project
  - \$ for developing the Government need *is* the \$ for your commercialization path
  - Funding won’t pay for *marketing* your commercialization effort
- **Commercialization Path(s) *mandatory***



# Selling to the Feds

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- **It's really hard...**
- **...But the opportunities are *VAST*  
*and there's help available!***



# Current Federal Priorities

The “Big Picture” ~ (other than COVID)

- **Support for Entrepreneurship**
- **Energy Independence**
- **Rural Business Support (and OZ)**
- ***Rapid Commercialization***
- **Fair Trade Outcomes / Made in US**
- **Attracting Foreign Direct Investment**
- **National Tech Base Resiliency**





## **Market Opportunities – *What's Hot?***

- **Cybersecurity**
- **Power & Energy Systems**
- **Advanced Manufacturing**
- **Food Security, Bioterrorism**
- **Infrastructure & Smart Technology**
- **Artificial Intelligence & Machine Learning**
- **Technology in Agriculture**



# Searching for Opportunities



<https://beta.sam.gov/>

- Target agencies
- Key words
- NAICS codes
- View past awards

**GovWin**  
from Deltek

**Bloomberg**  
GOVERNMENT



# Opportunities – H2O NAICS Codes

NAICS	NAICS Description	# Open in SAM
236220	Commercial and Institutional Building Construction	339
541330	Engineering Services	237
237990	Other Heavy and Civil Engineering Construction	212
561210	Facilities Support Services	165
237110	Water and Sewer Line and Related Structures Construction	160
238220	Plumbing, Heating	136
541620	Environmental Consulting Services	73
336611	Ship Building and Repair	61
237310	Highway, Street and Bridge Construction	50
221310	Water Supply and Irrigation Systems	49
541310	Architectural Services	43
562910	Remediation Services	39
541990	All Other Professional, Scientific and Technical Services	34
541380	Testing Laboratories	33
811310	Commercial and Industrial Machinery Equipment	27
561720	Janitorial Services	23
238210	Electrical Contractors and Other Wiring Installation	22
334516	Analytical Laboratory Instrument Manufacturing	22
541712	R&D in the Physical, Engineering and Life Sciences	22
XXXXXX	Other / NAICS Not Reported in Solicitation	64



# Types of Funding

**R&D: 3-7 Years**

**SBIR/STTR, CRADA, (BAA)**

**Development: 18-24 Mos.**

**BAA**

**Off the Shelf: Now, < 1 Year**

**Major Programs, GSA**

**Urgent Development: 90 Days**

**REF, OTA, Other**





# Which Federal Agency?

Don't rule out  
DoD

**Are you doing R&D?**

**11 Federal agencies**

- [www.grants.gov](http://www.grants.gov) / [www.sbir.gov](http://www.sbir.gov)
- [www.defenseinnovationmarketplace.dtic.mil](http://www.defenseinnovationmarketplace.dtic.mil)

**Mature technology or “off-the-shelf?”**

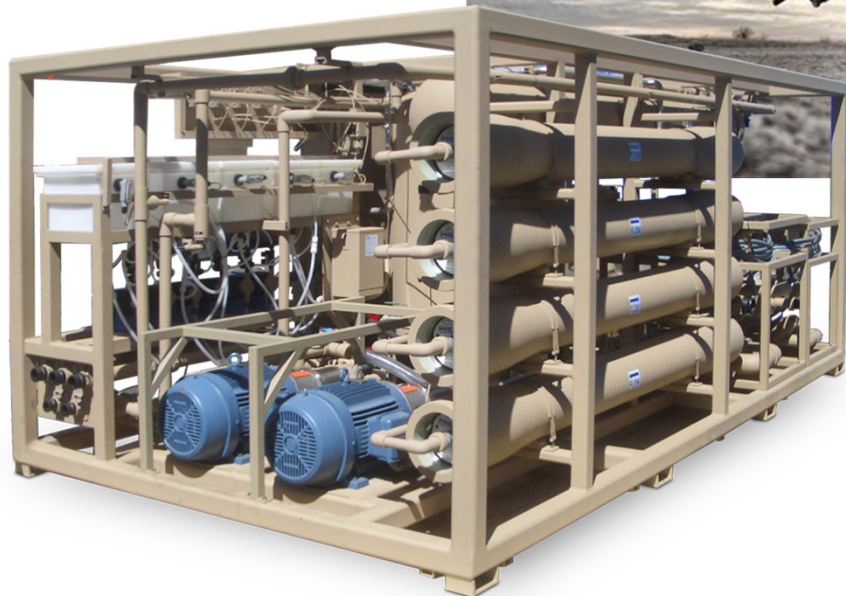
**Look at procurement agencies**

**Some are highly de-centralized (USDA)**



# Finding Federal Opportunities

*Be With the Customer!*

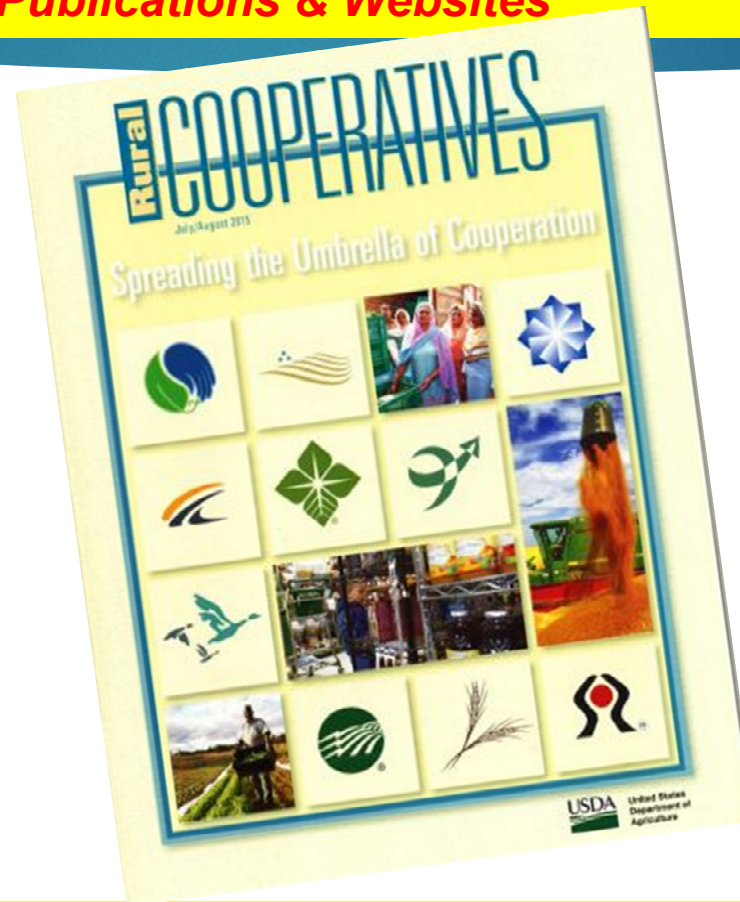
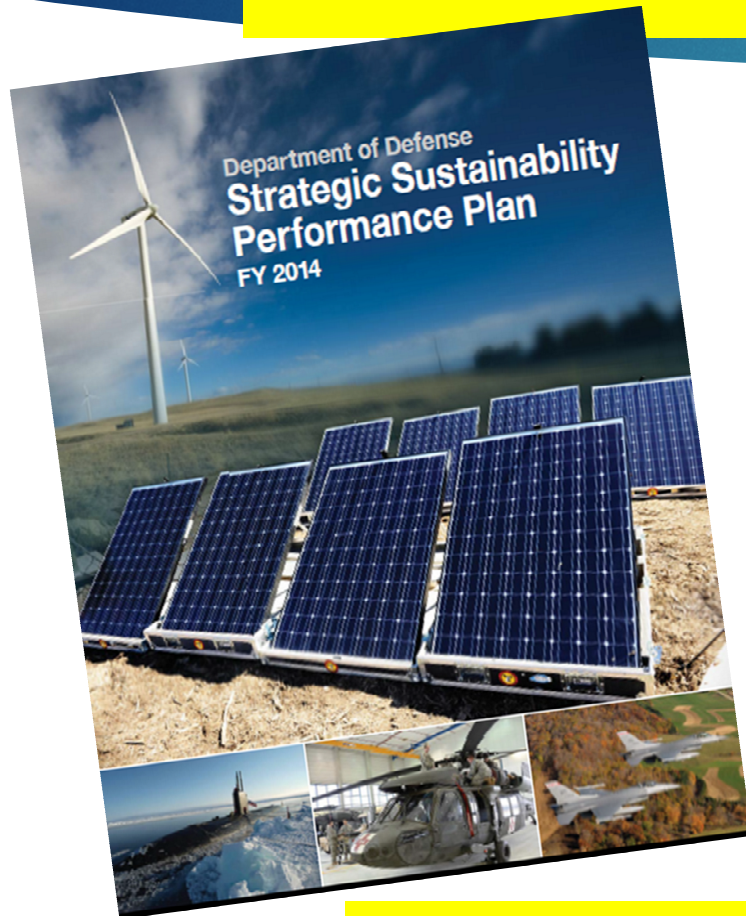






# Finding Requirements

## Publications & Websites



[www.defenseinnovationmarketplace.dtic.mil](http://www.defenseinnovationmarketplace.dtic.mil)





# Finding Requirements

## *Trade Groups & Professional Organizations*



THE WATER COUNCIL



## *Searching Opportunities - EXAMPLE*

- **Searched all open and pre-RFP Federal opportunities for “water” in SAM**
  - **2,868 opportunities**
  - **\$280B total contracts value**
  - **Average opportunity \$98M**



## *Search Opportunities - EXAMPLE*

- **SAMPLE Contracts & R&D Opportunities**
  - **Water Manifolds**
  - **Water Dispensers**
  - **Water Purification**
  - **Hydrological Database Tech Support**
  - **Water Pump Assembly**
  - **Water Treatment Chemicals**
  - **Industrial Water Treatment**
  - **Water and Soil Study**



## *Search Opportunities - SBIR*



**SBIR · STTR**  
America's Seed Fund

[www.sbir.gov](http://www.sbir.gov) ~  
**12 Matches for  
“water”**

- **Animal Research**
- **Alzheimer's Research**
- **Drug Delivery**
- **Cancer Research**



## ***Search Opportunities - BAA***

- Larger contracts than SBIR
- Generally more rapid (18 months)

### **U.S. Pacific Command (USPACOM)**

**Requirement #:** PACOM-16-BAA-RIF-0001

**Title:** Broad-spectrum Halogen-free Individual Water Purification

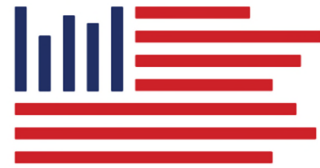
**Military System or Acquisition Program Customer:** USPACOM Pacific Environmental Security Forum (PESF), Army, Marine Corps, USSOCOM

**Description:** Joint, special operations, coalition and relief warfighters often work in environments with limited access to reliable and clean drinking water. Remote operations may not support powered water purifications processes. Additionally, traditional halogenated water purification tablets can pose secondary health risks, especially when used in water with high dissolved organic content. The need is for a halogen-free, broad spectrum water purification agent designed for individual warfighter use that is *thermally stable*, available in dry form,





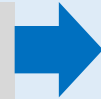
# Who's Winning Contracts?



USASPENDING.gov

**Business Intelligence!**

## Search Criteria



## Search Results

- FY 2018
- Contracts & Grants
- "Water Filtration"
- Wisconsin
- Prime Contracts

- 130 Contracts
- 5 Grants
- Biggest: \$5 B
- Smallest: \$81
- Listed by Company



# Best Practices

## Feds want its Technology to be:

- Better
- Lighter
- More Rugged
- Soldier-Proof
- More Efficient
- Commercializable
- (Cheaper)
- (Greener)



# Best Practices

## Feds want its Businesses to be:

- Small (< 500 people)
- Innovative
- Aware of Requirements
- Aware of the Customer
- Invested
- On Time
- Agile
- There (over and over)
- Ethical
- Teamed Up
- (Certified)
- (Disadvantaged)

## *Know Your* **CAPABILITIES**

- Know strengths – be honest
- Stick to your competencies
- Know competitive separation
- Market capabilities correctly
- Market past performance
- (or) Get a 1<sup>st</sup> win & excel!
- Keep registration up-to-date
- Keep certifications current
- Enhance your capabilities
  - Research failures
  - Obtain certifications
  - Learn the customer
  - Explore teaming
  - Become audit proof
  - Get Govt. to invest in gaps

## *Attack the* **OPPORTUNITIES**

- Know contract methods
- Know how to bid
- Invest in a Govt. expert
- Invest in search capability
  - Be systematic
  - Target key customers
  - Target key markets
- Know customer requirements
  - Don't assume them
- Create new requirements
  - And Market them
- Participate in RFIs
- Think beyond Govt. customer
  - Commercialization
- "Create" Solicitations
  - "The Holy Grail"
- Bid... Bid... and Bid again!

## *Manage the* **RELATIONSHIPS**

- LISTEN to the customer
- Understand the customer
- Speak their language
- Connect to the end-user
- Bring them capability
- Bring them value
- Bring them brevity
- Bring them innovation
- Bring them excellence
- Know your market sector
  - Show up at those events
  - Contribute
- Match Govt's investment
- Keep showing up





# New to Government Contracting?

- **Register as a Contractor (System for Award Mgmt.)**
  - <https://www.sam.gov/SAM/>
- **DoD Office of Small Business Programs**
  - [www.business.defense.gov](http://www.business.defense.gov)







# Resources



**MEP** • MANUFACTURING  
EXTENSION PARTNERSHIP®



*South Dakota*  
INTERNATIONAL  
TRADE CENTER





## Our Three Step Process of Working With You

### 1. Assessment

- Market Data, Research & Diligence
- Strategic & Operational Plan
- Funding & Resources (direct & indirect)
- Technical & business “readiness”

### 2. Commercialization (Technology/Product)

- Create: Idea/explore/concept/feasibility/deploy
- Make: Develop & scale-up
- Commercialize: Launch & Post-Launch

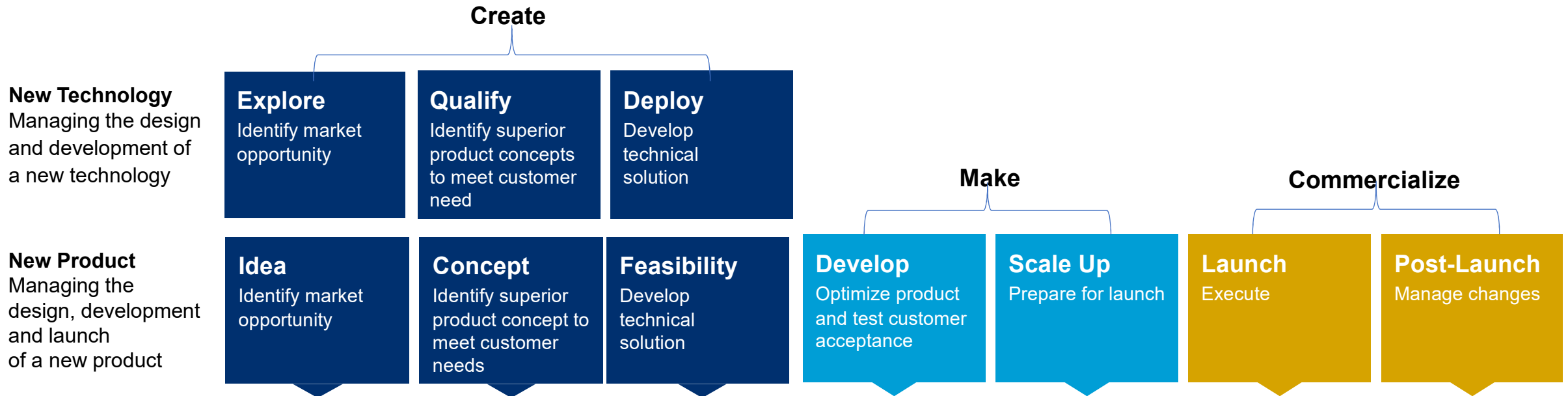
### 3. Metrics

- “Advancement” in commercialization progress
- IP Capture (e.g. patent applied / granted)
- Growth in capital & networks (contracts, grants, loans, and investments)
- Growth in products / services / new jobs



# New Technology & Product Development Processes

Working together to accelerate growth







# Defense Alliance

ADVANCING TECHNOLOGY COMMERCIALIZATION





**USS SOUTH DAKOTA (SSN 790)**





**The Federal Government  
as a Venture Capitalist  
for Small Business**

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