



1999 NWBC BEST PRACTICES GUIDE:

Contracting with Women

A Study Conducted and Issued in Compliance with Public Law 105-135

July 1999

National Women's Business Council, 409 Third St, SW, Washington, DC 20024
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To the President, Members of Congress and the Public:

We are pleased to present **The 1999 NWBC Best Practices Guide: Contracting with Women**. This Guide identifies model programs that have been effective in increasing competitive contracting opportunities for women-owned firms in the public and private sectors and identifies some of the key elements of successful supplier diversity programs. The Guide builds on a decade of inquiry by the Council into the challenges and opportunities for women seeking access to markets for their goods and services.

The number of women-owned businesses in the U.S. has more than doubled during the past 12 years according to a report by the National Foundation for Women Business Owners. Employment in women-owned firms has increased four-fold since 1987 and sales have grown five-fold, demonstrating an escalating impact on the economy.

While the growth and maturity of the women's business sector has been staggering, the opportunity side of the equation is not as impressive. Women are not gaining access to public and private sector contracting opportunities at a rate commensurate with their presence in the marketplace. There are, however, pockets of progress and stories to tell and we present them here for your review.

This Guide is intended to provide elected, appointed and corporate officials with a portfolio of successful programs to help guide them in the development and implementation of similar efforts.

We welcome the opportunity to work closely with you to implement supplier diversity programs aimed at increasing competitive opportunities for women-owned businesses.

Sincerely,

A handwritten signature in black ink that reads "Kay Koplovitz". The signature is written in a cursive, flowing style.

Kay Koplovitz
Chair
National Women's Business Council



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1999 NWBC Best Practices Guide: Contracting With Women Public and Private Sector Solutions

INTRODUCTION

In 1997, Congress directed the National Women's Business Council¹ (Council) to identify and analyze public and private sector procurement practices that have been successful in increasing opportunities for women-owned firms as prime and subcontractors. The product of this inquiry, included in this guide, builds on a decade of Council inquiry into the challenges and opportunities for women seeking access to markets for their goods and services.

Since its inception in 1988, the Council has focused its efforts on increasing competitive contracting opportunities for women-owned businesses. The Council's 1998 Annual Report concluded that the increase in the number of contracts women-owned firms received from 1987--1998 was not commensurate with the tremendous growth in the number, size and scope of the women's business sector. Women-owned businesses were awarded a mere 2.5% of federal government contracts in fiscal year 1997 and lagged behind their male counterparts by 20% in doing business in the private sector². Yet, there are pockets of progress and stories to tell. In the past few years, we have seen a greater awareness of women as suppliers and vendors and a concomitant increase in the number and size of awards going to today's fastest growing business sector: women-owned businesses.

1999 NWBC Best Practices Guide: Contracting with Women profiles model programs from the public (federal, state and local) and private sectors that have been successful in increasing contract awards to women-owned firms. While not an exhaustive list, the Guide shines a spotlight on programs with a proven track record. They are well worth replicating. Other promising programs launched recently are also mentioned in this Guide. The Council will monitor the progress of each of these programs.

¹ The Council is a bi-partisan, Federal advisory panel created by Congress to be an independent source of advice and counsel on economic issues of importance to women business owners (Public Law 105-135).

² 1998 Annual Report, National Women's Business Council, December 1998.

THE PROCESS

The programs profiled in this report were collected during a yearlong, collaborative effort coordinated by the Women's Business Enterprise National Council. The programs were identified with the support and participation of a national advisory board comprised of corporations, government officials, women's business organizations, business owners and the members of the National Women's Business Council. Preliminary findings were presented at *The Women's Economic Summit '98* held October 14-16, 1998 at the University of Maryland, College Park.

To collect and review program information, an extensive outreach effort was undertaken using the Summit's online forum hosted by **womenCONNECT.com**.³ In addition to the three public forums held in 1998, the web site's message boards provided an opportunity for thousands of business owners and advocates to provide input. Moreover, a review of current research was also conducted (see Appendices). The research covered trends in procurement, women's access to markets, and the experience and perceptions of both procurement executives and women-owned firms.

The model programs featured in this Guide offer an array of solutions currently offered by public and private sector entities. Through the process of evaluating a broad range of initiatives, key elements are identified that give rise to programs yielding real opportunities. For example, one key element to any successful supplier diversity program is a **Commitment from the Top**. Only when senior officials promote women as suppliers and vendors, including them as part of the acquisition strategy, are supplier diversity programs successful. This Guide provides examples of how this element and six others are key to increasing competitive opportunities for women-owned businesses.

- **Focused Outreach**
- **Targeted Solicitation**
- **Mentoring**
- **Certification**
- **Accountability**
- **Community Partnership**

RECOMMENDATION: Action Steps

It is the recommendation of the National Women's Business Council that Congress hold hearings featuring the successful programs and businesses featured in this Guide. The Council also encourages members of the Small Business Committees to share this report with colleagues who serve on other congressional committees; i.e., Armed Services and Government Affairs. The widespread distribution of this report can only result in greater awareness of what it will actually take to achieve greater access for women-owned businesses to lucrative contracting opportunities in the public and private sectors.

³ www.womenconnect.com/summit98

The Council would also recommend that the President direct the Interagency Committee on Women's Business Enterprise to employ this Guide as they work with the Cabinet-level and Independent agencies to implement programs similar to the ones profiled here.

For its part, the Council intends to share this Guide with the National Coalition of Women's Business Organizations, our governors, mayors, CEO's of Fortune 500 companies, small business advocates and business development practitioners nationwide.



BACKGROUND: Twenty Years of Inquiry

The information included in the *1999 NWBC Best Practices Guide: Contracting with Women* is the product of over two decades of inquiries conducted by the National Women's Business Council, the U.S. Congress and interagency committees on women's business enterprise to determine progress made in increasing competitive contracting opportunities for women business owners.

As early as 1978, the President's Interagency Task Force on Women Business Owners in its report, *The Bottom Line: Equal Enterprise in America*,⁴ revealed that the growing women's business sector had difficulty gaining access to federal contracting opportunities. The report concluded that the lack of

- a coordinated federal outreach strategy,
- a centralized source of information about government contracting, and
- a source for technical assistance to aid women business owners

were obstacles for women seeking to do business in the \$71 billion federal marketplace. The committee recommended implementing specific policies and programs targeted at women to correct perceived inequities.

A decade later, the U.S. House of Representatives' Committee on Small Business released a similar report, *New Economic Realities: The Role of Women Entrepreneurs*.⁵ This report included the findings of a series of congressional hearings where several women business owners testified. Included in that hearing report was the results of a survey of the awards to women-owned businesses by the various federal departments and agencies. The survey revealed that scant progress had been made since 1978 in opening doors for women-owned businesses. In 1988, women were awarded approximately one percent (1%) of the \$168 billion prime contract dollars spent by the federal government for goods and services.

⁴ The Bottom Line: Equal Enterprise in America, President's Interagency Task Force on Women Business Owners, 1978

⁵ New Economic Realities: The Role of Women Entrepreneurs, House Small Business Committee Report, 1988

Later that year, Congress passed *HR 5050, the Women's Business Ownership Act*⁶ that established the National Women's Business Council and directed the panel to work with various federal departments to improve their track record in doing business with women-owned businesses. Since its inception, the Council has hosted forums, conducted inquiries and issued reports showcasing what progress has occurred and what remains to be done to open more doors of opportunity for women-owned businesses.

In 1994, the women-owned business share of federal prime contract awards remained below two percent (2%). That same year, in testimony delivered to the House Small Business Committee, Council Executive Director Amy Millman said it was the intent of Congress to "direct the government to balance its need for streamlined procurement with an important socio-economic concern--insuring that small business, minority owned business and women-owned business are not shut out of the market."

To achieve this goal, Congress included a provision in the Federal Acquisition Streamlining Act of 1994 (FASA)⁷, effective October 1996, which established a **separate 5% federal procurement goal for women-owned businesses**. Although the numbers of federal Departments and agencies awarding at least 5% of their prime contract dollars has increased significantly, total contract awards to women have come up far short of this goal. In FY1998, women received 2.21% of the \$181 billion in federal prime contracts awarded that year.

The Council was also interested in assessing the interest of large corporations in doing business with women-owned business and conducted a **survey of the supplier diversity policies of Fortune 500 companies was conducted in 1994**. This survey revealed that 70% of the responding corporations had, or were interested in establishing, a supplier diversity program that would include outreach to women-owned businesses. These corporations also supported the development of a national uniform certification for women-owned businesses and a national database of certified women vendors.

In its **1998 Annual Report**, the Council released the results of a statistical review of the federal government's achievement, since 1987, in doing business with women-owned firms. The Council also reported the results of a survey, conducted for the Council by the National Foundation for Women Business Owners (NFWBO), of 1,000 business owners and their experience in doing business in both the public and private sectors markets. The key findings were revealing.

- By FY97, as reported by the federal government, women-owned businesses received 2.1% of the \$157 billion in prime contract dollars awarded, more than double the awards made in FY87 (0.9%).
- The aggregate prime and subcontract dollars awarded to women-owned businesses has grown 78%, from \$3.2 billion in FY91 to \$5.7 billion in FY97.

⁶ Public Law 100-533

⁷ Public Law 103-355

- The increase in awards to WOB is largely attributable to women-owned businesses participating in the Small Disadvantaged Business or 8(a) programs. In FY1997, over 50% of WOB awards went to women who were also deemed to be small disadvantaged businesses (SDB). By contrast, in FY1987 65.2% of awards to women went to firms that were not SDBs.
- The share of prime contract actions going to women from FY1987-FY1997 grew by 60%, from 2.7% to 4.3% of all prime contract actions. Nevertheless, that is lower than the percent growth in the number of women-owned businesses (78%) over roughly the same.
- Four out of every ten women business owners (42%) sell products or services to government agencies or large corporations. Nearly one-third (30%) sell products or services to large corporations; 21% sell to state or local governments and 14% sell to the federal government.
- Women's business enterprise (WBE) certification programs have proven to be beneficial to the women and the corporations that accept, and depend upon the reliability of, the certification. Currently, 31% of women who do business with corporations or with their state transportation and public works agencies say they are certified as a woman-owned business.
- Women business owners are more likely than their male counterparts to take advantage of business development programs such as the mentor-protégé.

In 1996 the first women's economic summit, **Summit '96**, identified women's access to markets as one of three issues topping the women's economic policy agenda. In 1998, **The Women's Economic Summit '98** provided opportunities through online and in-person forums for thousands of business owners, advocates, practitioners and academics to offer information on best practices and model programs. Summit '98 yielded a wealth of information and insight into what has and can work to create real opportunity for the fastest growing business sector of our economy: women-owned businesses.



THE SEVEN ELEMENTS OF SUCCESSFUL PROGRAMS

This body of work, representing 20 years of inquiry, has provided the Council with a roadmap for identifying the model programs profiled. Each program was created to address the particular needs of the contract, the agency or the community. Each has been successful in expanding a company or agency's vendor base with women-owned firms. The Council has identified **seven key elements** that contribute to a successful women's supplier development program.

- **Commitment from the Top**
- **Focused Outreach**
- **Targeted Solicitation**
- **Mentoring**
- **Certification**
- **Accountability**
- **Community Partnership**

Most successful programs incorporate a combination of these elements. A key element in each highlights what set it apart from the others and was the main factor in delivering the results the program achieved.

COMMITMENT FROM THE TOP

“Only when there is a commitment from the top have we seen a wholesale increase in the number and size of contracts awarded to women-owned businesses,” said Amy Millman, NWBC's Executive Director, in testimony before Congress in 1994.

Government agencies and private sector organizations that are successful in increasing competitive contracting opportunities for women have a senior official who has made supplier diversity programs, including women-owned firms, a program or policy priority.

For example, National Aeronautics and Space Administration (NASA) Administrator Daniel Goldin has committed publicly to increasing contract awards to women and holding his management team responsible for implementing his policy directives on this subject. NASA has the added impetus of a 1990 statutory mandate directing the Agency to award at least 5% of its contracts to small, disadvantaged businesses, the definition of which specifically includes women owned businesses. According to Goldin, “[i]n this era of budget cuts, downsizing, contract consolidations and acquisition reform, we must ensure that the progress we have made, thus far, in fully integrating small, disadvantaged businesses (SDBs) into our core mission and programs, does not suffer. Having a smaller-sized, cost-effective, productivity-driven agency is not inconsistent with a robust, competitively-driven, small disadvantaged business utilization program.”

Although NASA has yet to achieve the 5% goal for women, the agency more than tripled its total contract awards (prime and subcontracts combined) to women-owned businesses between 1991 and 1997 -- from \$156.8 million in FY1991 to \$527.2 million in FY1997. Administrator Goldin’s commitment to working with women-owned businesses is the basis for a great deal of the success that NASA has achieved.

FOCUSED OUTREACH

Fairs, forums and trade shows are the traditional venues for providing information on contracting opportunities. Unfortunately, women business owners are often not present. In many cases they are not even invited. Thus, they are unable to take advantage of the opportunities presented at these events. Some may question whether attending these conferences is worth their investment of time and money, especially if they only receive information but ultimately no business. **Focused outreach** has been one element that has been successful in providing women business owners with a return on their business development investment. Several agencies have organized conferences, fairs and meetings focused on actual purchasing requirements, only inviting those businesses in industries that can provide those specific goods and services. When women are recruited to attend these functions, the results are significant.

Recently, the Department of Defense scheduled industry targeted outreach conferences for small businesses in the health care and manufacturing industries. The conferences offered women-owned businesses in these industries the opportunity to meet one-on-one with DoD contracting officers and major prime contractors who have an immediate need for their goods and services, in addition to valuable networking opportunities and information on purchasing trends.

Focused outreach was a successful undertaking by the General Services Administration (GSA) during the planning phase for the Boston Courthouse. Prior to awarding the prime contract, GSA convened a meeting of local business organizations and built a database of small women-owned and minority-owned firms. GSA set subcontracting goals for the project reflecting the diverse mix of companies in the Boston area. The agency then arranged introductory sessions for the prime contractor and subcontractors. A critical

action; GSA recognized that companies that don't know each other rarely work together. As a result of GSA's active outreach, women-owned firms achieved a much higher level of participation in the Boston Courthouse project. Of the total dollars awarded for the project, 17% went to women-owned firms.

TARGETED SOLICITATION

Bucking the current trend of contract consolidation limits on the number of businesses that may bid for contracts, some federal departments and agencies have instituted innovative procedures for expanding the supplier base. In 1992, the Department of the Air Force established its **Rule of One** policy. This requires that all of the Department's buying activities solicit at least one woman-owned business for every bidding opportunity. The **Rule of One** has served as a powerful motivator for contracting officers in seeking out a stable of new suppliers. The National Women's Business Council has made the government-wide expansion of the **Rule of One** a major policy recommendation.

Vice President Gore introduced a modified version of the **Rule of One** in 1998. By agreeing to solicit five small businesses, including one woman-owned firm, contracting officers are able to shave weeks off the time it takes to process a contract. Using the Small Business Administration's (SBA) *Pro-Net* database, contracting officers can search for qualified small business enterprises to fulfill the requirements of contracts under \$100,000. Internet tools like *Pro-Net* have become an electronic gateway for procurement information--for and about small businesses--serving as a search engine for contracting officers, a marketing tool for small firms and a "link" to procurement opportunities and important information.

The Council has recommended that federal agencies use *Pro-Net* to find qualified women-owned businesses for prime and subcontract opportunities. This would encourage the development of a pool of small business suppliers and vendors. Linking agencies' procurement solicitation systems to *Pro-Net* would also provide small businesses with access to opportunities at those agencies. *Pro-Net* also limits the need for individualized agency databases. Using *Pro-Net* instead of establishing individual databases would save money and resources and would assist small businesses by reducing the time and effort it takes to get information and respond to solicitations.

MENTORING

Census data indicates that women-owned firms are smaller and younger than the average business enterprise. As newer entrants into the government and corporate contracting arena, women business owners benefit from programs that foster mentor-protégé relationships. A survey included in **NWBC's 1998 Annual Report** revealed that women-business owners are much more inclined to seek out mentoring services and business development programs than their male counterparts.

As part of a Congressionally mandated pilot program, the Department of Defense (DoD) has a formalized mentoring program that pays dividends for both mentors and protégés. The program provides incentives to major defense contractors to assist small disadvantaged businesses (SDBs) in enhancing their technical and business capabilities and to increase their participation as subcontractors and suppliers for DoD and other government and commercial contracts. One DoD mentor, TRW, is able to nurture strong, long-term relationships with its protégé companies while meeting its DoD subcontractor requirements and realizing an outstanding level of performance and quality from its subcontractors. For its part, Frontier Electronics, Inc., a woman-owned protégé of TRW, has gained new technology, training and additional contract opportunities. Currently, only those businesses designated as socially or economically disadvantaged may participate. The Council has recommended that this program be made permanent and that the categories of businesses eligible to participate be expanded to include women.

CERTIFICATION

Although a 5% procurement goal was enacted in 1994 to increase federal contract awards to women-owned businesses, no provision was adopted that requires these firms to certify they are owned, controlled and managed by women. While self-certification programs are easier to administer, this practice does not afford corporations and the government the certainty they are doing business, in fact, with women. Programs such as the Department of Transportation's Disadvantaged Business Enterprise (DBE) program are models for how to ensure targeted business groups are benefiting from these important procurement incentive programs.

It is important to note that reliance on certification is not appropriate when it becomes burdensome on the small business. One of the largest burdens on small businesses is the requirement to secure multiple certifications in order to participate in targeted procurement programs. Although the information requested is often the same, each government or contracting entity may require the business to submit separate packages. To assist businesses and limit the paperwork burden, many corporations have started honoring certifications of private organizations that conduct in-depth interviews with women-owned businesses, ascertaining ownership and control. Acceptance of a national uniform certification for women-owned businesses is seen as an effective strategy for increasing the number of qualified women-owned firms in the pipeline.

In order to ensure the credibility of its supplier diversity program, JC Penney requires all women-owned suppliers to be certified through the Women's Business Enterprise National Council (WBENC). In addition to the certification, WBENC also provides a database of qualified women-owned firms. This has become an invaluable source as the company seeks new suppliers. The program continues to evolve, yielding greater benefits for the company as well as for women who have been awarded contracts. In 1995, JCPenney awarded approximately \$188 million in contracts to women's business enterprises (WBEs); in 1996, that number rose to \$237 million and in 1997 the company increased its contracts with women by 10% to \$261 million. In 1998, the number

decreased slightly to \$240 million because one of JC Penney's primary women-owned suppliers became a publicly held firm. This is the kind of progress that really makes a difference.

Within the federal government, the U.S. Department of Transportation (DOT) has taken the lead in creating a uniform standard. A large percentage of DOT's contracting dollars is distributed through DOT's state and local grantees. Recipients of these federal financial assistance dollars establish programs which include the setting of goals for the participation of Disadvantaged Business Enterprises (DBE) in DOT-assisted contracts, a category that includes women-owned firms. In order for women-owned businesses to participate in the DOT-assisted contracts they must apply for and receive certification at the state or local level as a DBE.

On February 2, 1999, the Department of Transportation issued regulations for highway, transit, and airport agencies in each state to work together to establish "one-stop-shopping" certification programs. This will allow small businesses seeking DBE eligibility to go through one application process only in order to work as a DBE for any DOT grant recipient in that state. Moreover, the new regulations allow DOT-assisted state and local agencies to accept certifications granted under the SBA's 8(a) and SDB business development programs.

The Council has recommended that the federal government set a national uniform certification standard and promote reciprocity. New private sector entities established to certify and market women-owned businesses and recent efforts by the Department of Transportation to promote reciprocity are important first steps.

COMMUNITY PARTNERSHIP

The Council wholeheartedly agrees with Harvard Business School professor Rosabeth Moss Kanter, who noted, "[w]e cannot talk about an enterprise culture in the United States or about job creation, or about economic development, without including women." The economy of a community can only be strong when it takes the interests of the entire business population into account. According to the NFWBO, women now own 38% of all businesses in the nation. Community-based business development programs supporting the growth and development of these businesses are beneficial to the community at large.

When the Governor of Michigan announced not one, but two new sports stadiums to be built in Detroit, a consortium of women business owners and leaders -- the Majority Business Initiative (MBI) -- was formed to lobby for increased contracting opportunities for the women's business community. While the City of Detroit requires developers to include women as 5% of the workforce, the use of women-owned firms is voluntary.

MBI, therefore, sought commitments directly from the developers. Starting from zero women-owned firms were ultimately awarded \$5.3 million or 3.1 percent of the \$173.4

million in contracts awarded as of May 1999. “We wanted to improve the numbers of women working on the [stadium] project,” said Michael Woodhouse, the Tigers’ project manager charged with tracking the participation of all firms. “Working with MBI, we were able to get access to a valuable source of new suppliers.”

In 1994, a group of enterprising businesswomen in Dallas created The *Dallas Women’s Covenant*, a five-year project to effect “broad-based, lasting change in the business community to result in the expansion of economic opportunities for women of all ethnic backgrounds.” Governed by the Greater Dallas Chamber of Commerce, over a hundred organizations and corporations signed up as charter Covenant participants. Each firm, by its participation, endorses the goals of the Covenant and commits to create its own goals and results. Participants are asked to report the results and provide information in the following areas:

- (1) the total amount purchased in dollars from women-owned businesses;
- (2) the percentage of women hired annually as related to total new hires; and
- (3) the percentage of women hired or appointed to newly filled management/professional/board positions annually.

Since 1994, purchases from women-owned businesses have increased steadily and collateral investments made by Covenant participants have helped build the capacity of the women’s business community. At Summit ’98, the Dallas Covenant was showcased as a best practice. It is now fast becoming the model for similar alliances in other cities.

ACCOUNTABILITY

Accountability is a critical element of any successful supplier diversity strategy. The Council has repeatedly stressed the importance of tying performance evaluations for contracting officers to his/her success in creating opportunities for women business owners. The individual(s) awarding contracts must be held accountable for meeting the company or agency’s goals for doing business with women-owned firms. Without this “hammer,” programs are much less likely to achieve sustainable results. The other prerequisite is to ensure that contracting officers and supplier diversity managers are provided the right ‘tools’ to be successful, similar to the seven key elements described in this Guide.

In an effort to institutionalize the practice of accountability, the General Services Administration (GSA) issued regulations in 1994⁸ making prime contractors accountable for achieving the women-owned business goals. This move was strongly supported by a women’s business community seeking real progress rather than lip service. Under GSA’s

⁸ 48 CFR Parts 519 and 552

regulations, when prime contractors bid on future contracts, one measure of their performance is if they met their women-owned subcontracting goals in past contracts.

Aida Alvarez, Administrator of the U.S. Small Business Administration (SBA), is committed to making sure the federal government achieves the 5% women owned business goal. This was evidenced by her announcement to the Council and the members of the Interagency Committee on Women's Business Enterprise in 1998 that she would spearhead an effort to execute Memorandums of Understanding (MOU) with each Cabinet-level Department and agency. To date, the SBA has negotiated MOUs with eight departments and agencies, asking them to commit to specific activities that will raise their level of contracting with women-owned businesses.

When signing the agreement with Administrator Alvarez, Secretary of State Madeline Albright noted that "[t]his memorandum of understanding commits us to awarding 5% of our federal procurement dollars to women-owned small businesses. We believe that we met that goal last year, and we intend to take this agreement as a challenge to do even better. That shouldn't be difficult. Women-owned small businesses are the fastest growing sector of the American economy and they already hold some of the most critical contracts this Department awards."

CONCLUSION

Increasing the opportunity for women-owned firms in government and corporate contracting is critical. Just meeting the federal government's 5% goal translates into over \$6 billion in new business to women-owned firms. Corporate contracts represent an even larger opportunity for growth of revenue for women owned businesses. In order for the 38% of U.S. businesses owned by women to reach their full potential, they must be able to access market opportunities that help them grow. When women-owned firms' revenues are commensurate with their numbers, their businesses and our economy will be even stronger.

October 1, 1999 marks the beginning of the federal government's fiscal year -- the first of the new millennium. Despite disappointing growth in contracting awards over the years, the programs highlighted in this report reveal a growing recognition of the vast and untapped potential of the women's business sector. There is much to be optimistic about as we've seen evidence of a new confidence in the capabilities of women-owned firms. In a recent announcement, Air Force Small Business Office Director Anthony DeLuca announced that the Department of the Air Force has committed to spending One Billion Dollars with women-owned businesses by the year 2000. This is a goal he believes the Department can achieve because of what he sees as the immense vitality and maturity of the women's business sector. This is just one example of the efforts undertaken every day which reflect a new and growing optimism in doing business with women-owned firms.

Moreover, this optimism is well founded. According to the most recent figures from the National Foundation for Women Business Owners, there are now 9.1 million women-

owned businesses in the United States, doubling over the decade.⁹ Even more promising are the numbers that speak to the economic impact of these businesses. Since 1987, employment in women-owned firms increased four-fold and sales grew five-fold. These numbers should destroy any misconceptions about the availability and capacity of women-owned firms to meet the supplier needs of the government and large corporations.

This Guide is intended to reinforce the economic optimism about women-owned businesses and also to provide a roadmap to create new market opportunities. We thank the individuals and organizations that shared their model programs and success stories with us. We encourage those officials in the private and public sectors who have not yet established programs or policies targeting women-owned businesses to use this Guide as a “how to” manual. We have shown you methods that work; we ask that you replicate them.

⁹ 1999 Facts on Women-Owned Businesses: Trends in the U.S. and the 50 States, National Foundation for Women Business Owners, 1999.

Department of the Air Force

Small Business Creed

“We believe in the dignity and capability of America’s small businesses as a vital resource to support the national interests of the Air Force and to enhance America’s industrial base. In consideration thereof, we will strive to assist them in their pursuit of Air Force business. In doing so, we will always remember that we are in place to serve not to obstruct, to advocate not patronize, to guide not direct and, above all, to ensure our efforts are founded in the highest ethical standards.”

-- *Department of the Air Force’s Small Business Creed*

“It is fundamental to our process of buying goods and services that those who would sell to us be given the knowledge of what we are buying. Our failure to provide that information undermines our collective economic security. By requiring our contracting activities to solicit at least one women-owned business on all our competitive acquisitions, we have taken a bold step to force a behavioral change that has led to a

corresponding attitudinal adjustment. This ‘attitude adjustment’ opens the door to women-owned businesses. The next step is to get those same businesses to respond.”

-- *Anthony J. DeLuca, Director, Office of Small and Disadvantaged Business Utilization, Department of the Air Force*

History

Date Supplier Diversity Program Began

The small business program began in 1953 with the passage of the Small Business Act, (SBA) in 1975, there were small business representatives at some Air Force bases.

Date Women Included

Prior to 1992, women were included in the small business portfolio; 1993 was a watershed year because separate goals for women were established and deployed.

Historical Overview

At the Department of the Air Force (DAF), the Director of the Office of Small and Disadvantaged Business Utilization (OSDBU) strives for “Hoshin,” is a Japanese concept meaning “shining point.” It is an integrated approach to achieve an end; in this case, it is the vision that we can live in a society where there is equal treatment for women and minorities without using preference programs.

Much has been accomplished at DAF since a 1992 study revealed that goals for WBEs needed to be established. At about this same time, DAF implemented the “Rule of One” requiring all DAF bids include at least one WBE bid. At the time, the DAF was

awarding approximately .8% of their contracts to WBEs with a goal of 1.2%. In FY '98, their goal was 5%. The FY 2000 goal is \$1 Billion.

The DAF OSDBU team has faced many challenges while implementing their woman-owned business (WOB) strategic plan; however, they have continued to persist by dedicating time, resources and commitment to the issue of WOB procurement.

The Future of WOB Procurement at DAF

VISION: 1BI2K (translation: \$1 billion in the year 2000 to WOBs)

The DAF is dedicated to providing the most effective methods of business assistance to achieve its goal of contracting one billion dollars with women's businesses in the year 2000.

Envisioning the right strategies for business assistance programs in the new century will require more creativity than ever before. Information technology and flexibility of business assistance delivery systems will be important keys to implementing appropriate strategies to enhance small businesses in the millennium.

Change is certain in federal procurement regulations and methods and in the marketplace. To find new ways of meeting the needs of small women-owned businesses, the Air Force is dedicated to utilizing ever more flexible methods of program design and implementation.

Current WOB Practices

1. Strategic Planning

Top Management Support	DAF has enjoyed top management support for women-owned business (WOB) procurement from its Secretaries of the DAF since 1993 when this initiative began in earnest.
Formal Policy	DAF's "Small Business Creed" is the driving force behind DAF's WOB initiative.
Goal Development and Accountability	DAF's 1998 baseline participation level is 3%; 5% is the target; small business personnel are held directly accountable for these goals; purchasing personnel are accountable to their Commanders.
Strategic Planning	The OSDBU at DAF has an annual strategic planning process involves feedback on objectives attained in previous year, areas for improvement and goal setting for the upcoming year.

2. Identification and Development of WBE Suppliers

Rule of One	To ensure WOBs get information on pending requirements, the Air Force introduced the " Rule of One " concept, that each of its buying activities solicit at least one WOB for every competitive solicitation above the Simplified Acquisition Threshold (\$100,000).
Outreach to WBEs	DAF offers WOB focused outreach events for easier identification of specific requirements at nearby Air Force installations; DAF small business specialists and buyers also are available to speak with the WOBs.
Mentor Protégé Program	DAF offers a mentor-protégé program matching minority women-owned businesses (WOBs) with larger companies able to provide them with assistance and guidance; a "Mentor-Protégé" handbook is available to prospective participants.

Database	<p>On its business web page dedicated to WOBs, WOBs may register free of charge as a basic member in the WOB-Link sources database at: www.supplierlink.com/woblink;</p> <p>DAF provides WOB-Link, a fully searchable online database of women-owned businesses using detailed capabilities and performance listings; Air Force buyers and prime contractors may use WOB-Link to locate qualified suppliers; there are approximately 50,000 WOBs listed on the database.</p>
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3. Buyer/Customer Education

Education of Buyers	Buyer Education and Training is accomplished at the base level by the Small Business Advocates.
Education for Customers	DAF conducted a series of external customer surveys aimed at identifying true customer needs and concerns; the surveys highlighted the greatest need for outreach and training which led to the commission of the Air Force Business Education Team (AFBET) to assist the business community in understanding the "rules and the tools" in the contracting process. Because of this initiative, many who have never done business with the government are getting answers to tough questions and entre to opportunities previously inaccessible.

4. Program Structure, Resources and Measurement

Percentage Goals	DAF's 1998 baseline participation level was 3%; 5% was the target .
Supplier Diversity Staff	Currently, DAF has 76 full time and 73 part time Small Business Specialists dedicated to Small and Disadvantaged Business Utilization, includes WOBs.

Advocates	DAF has one full-time woman business advocate dedicated to WOB procurement who is supported by 14 designated WOB advocates at Air Force Materiel Command (AFMC) headquarters, product, logistics and test centers and laboratories/research activities.
Buyer Incentives	Recognition for outstanding support for DAF's WOB initiative is provided through the Air Force Small Business Awards Program.

5. Internal and External Communications

Web Site Space Dedicated to Supplier Diversity/WBE Purchasing	DAF has a business web page dedicated to WBEs, www.safsb.hq.af.mil/wob.html , offering online assistance to make it easier for women business owners to pursue Air Force contracts. The site is available 24 hours a day.
Internal Newsletter	The DAF posts its <i>Small Business News Review</i> on the Internet; the newsletter is updated quarterly with new articles and information concerning all businesses; the newsletter contains a Calendar of Events to publicize upcoming Air Force outreach events and can be found under "What's News and Conferences" on the Air Force Office of Small and Disadvantaged Business Utilization (SAF/SB) web site at: www.safsb.hq.af.mil/wob.html .
Debriefings	Debriefings for unsuccessful bidders are provided as a matter of general policy.
Recognition Programs	Recognition of Achievement is provided through the Air Force Small Business Awards Program.

Department of the Air Force
WBE Success Story
bd systems, Inc.

President & CEO: Clarisa Howard

Number of years in business: 17

Revenues: FY 1998: \$30 million

Description of business:

bd systems, Inc. does work in two primary areas: aerospace transportation systems services and information systems (the software side). Specifically, the Company provides systems engineering and simulation services and integration logistics support. On the information technology side it develops customized software for commercial and government clients.

Length of time doing business with DAF: approximately 12 years

Clarisa Howard, with a background in finance and accounting, left Aerospace Corporation to form her own company. She began by marketing to larger corporations that had landed prime contracts with Federal government agencies. The Department of the Air Force awarded one such prime contract. While this was a tremendous help in getting the business off the ground, Ms. Howard quickly realized she needed to market the Company as a prime contractor directly to the federal government.

By bidding on and winning several **Small Business Innovative Research (SBIR)** contracts, Ms. Howard and **bd systems, Inc.** were on their way to a long and rewarding relationship with the Department of Defense. Being aware of the Department of the Air Force's "**Rule of One**" policy, requiring that all DAF bids include at least one proposal from a woman-owned business, encouraged her to persevere in her efforts to win a contract from DAF. Ultimately, **bd systems, Inc.** was awarded a contract by DAF's Peterson Air Force Base.

Department of Defense

“There are really three prongs to our strategy [for maintaining a diverse supplier base]: leveraging, outreach and training ... First, we are working to leverage all existing programs to ensure [small business] access to acquisition opportunities ...”

-- *William S. Cohen, Secretary of Defense*

History

Date Supplier Diversity Program Began

1969

Date Women Included

Executive Order 12138, signed by President Carter in 1979, created a National Women’s Business Enterprise Policy and prescribed arrangements for developing, coordinating and implementing a national program for women-owned businesses.

In 1994, the Federal Acquisition and Streamlining Act (FASA) established a 5% women-owned business contracting goal for all Federal agencies.

Historical Overview

In 1994, the DoD appointed its first Women’s Business Advocate and hosted a women’s business development conference at the Pentagon. Several hundred women business owners were present. The Department also selected Women’s Business Advocates for each of its Services.

In FY1996, in an effort to bring together the efforts of the Women’s Business Advocates from each of the Military Departments and Agencies, a “Women Owned Small Business Working Group” was formed. This Group meets on a regular basis and has developed and implemented several initiatives.

DoD’s awards to women-owned businesses have increased, while total DoD budget and contract awards to U.S. business firms have steadily declined. DoD accounted for 67% of all Federal prime contracts; **61%** was awarded to women (National Women’s Business Council 1998 Annual Report, p. 18). Total dollars (prime and subcontracts) awarded to women-owned firms increased from \$2.3 billion in FY ‘91 to \$4.4 billion in FY ‘98. This is an increase of over 88% in a seven-year period. Similarly, the percentage of prime and subcontract awards to WOSB increased from 2.1% to 4.0% in that same period. The Department has implemented innovative and effective initiatives that target women suppliers in industries where the Department has projected major purchases. These targeted industry areas are: construction, manufacturing, health care and research and development.

The Future Of WOB Procurement at the Department of Defense

The Department of Defense's vision for WOB procurement is to award 5% of its total prime and subcontract dollars (estimated to be \$5 Billion) to WOB concerns within the next few years. By the year 2000, DoD would like to be well on its way to attaining this goal, hoping to profit from its outreach efforts to WOBs. DoD plans on having new and creative tools in place, including the ability to include women-owned small businesses in the DoD Mentor-Protégé Program. By the year 2010, the Department hopes to have exceeded the 5% goal and have *fully incorporated* women-owned businesses as a valuable contributing partner at the prime *and* subcontracting levels.

This is a very dynamic period for the Department. There have been organizational changes, downsizing and outsourcing. Acquisition reform efforts have created new ways of doing business and new approaches to the Defense marketplace. The Department's efforts have been focused on getting informational tools to women-owned firms that will enable them to participate effectively in this changing environment. Some of these changes have precipitated new opportunities; others have created new challenges. During this period, with fewer dollars awarded by the DoD, women-owned business concerns have proved their ability to successfully compete and win awards in ever-increasing numbers.

In addition to providing these firms with knowledge of the processes and best practices for approaching the Defense marketplace, the Department is ensuring that WOBs are aware of the variety of resources available to them. Currently, the Department is targeting its outreach efforts toward specific industry areas. DoD also intends to increase Small Business Innovation Research (SBIR) awards to women-owned businesses with research capabilities, increase manufacturing opportunities to women-owned small business manufacturing firms, increase the participation of women-owned construction firms in the DoD marketplace and open the door to the vast opportunities within the Defense health care arena to the women-owned firms in the health care industry. In addition, the Department intends to pursue legislative changes to include all women-owned small businesses as eligible protégés under the DoD Mentor-Protégé Program.

Through the collaborative efforts of the WOSB Working Group, DoD is pursuing creative approaches to achieving the 5% goal. As the Defense environment changes, acquisition requirements may change significantly, from weapon systems to computer systems, with greater opportunities for small businesses. Prime contracting opportunities may also change to subcontracting opportunities.

Current WOB Practices

1. Strategic Planning

Goal Development and Accountability	DoD determines goals by requesting input from each of the Military Departments (i.e. Army, Navy and Air Force) plus the many Defense Agencies. Goals are proposed based on input regarding future awards and an
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	<p>analysis of historical trends; factors such as acquisition reform are also considered; the Director, OSDBU, has responsibility for the establishment of the proposed annual goals and for the distribution of the overall DoD goal to each of the military departments and defense agencies.</p> <p>Formal assignment of goals to each DoD component is usually achieved via a memorandum signed by the Deputy Secretary of Defense to the Secretaries of each military department and the directors of the defense agencies.</p> <p>The Defense Federal Acquisition Regulation Supplement (DFARS) requires that, within 60 days after the end of the fiscal year, each military department and defense agency reports to the Secretary of Defense on their actual achievements toward the assigned small business goals and justification for failure to meet any small business goal, including the women-owned goals; this is accountability at the highest levels within the Department.</p> <p>Moreover, individual military departments and defense agencies hold heads of component organizations responsible for achieving their goals. In some cases, it impacts the performance appraisals of individual contracting officers; the women-owned small business goals and accountability for achieving them flows down within the Department of Defense, from Military Department to Major Contracting Activity to subordinate commands. At each level, performance is tracked and recognized.</p>
Strategic Planning	<p>The Office of the Secretary of Defense OSDBU has developed a strategic plan which outlines DoD's objectives for the coming years; this written plan targets increasing vendor diversity within the DoD, and specifically states the Department's objective to achieve the 5% women-owned small business goal.</p>

2. WOB Outreach and Development

<p>Outreach to WOBs</p>	<p>The WOSB Working Group created a comprehensive web site geared specifically toward women business owners; the site describes how to do business with DoD in detail and includes many hyperlinks; the address is: www.acq.osd.mil/sadbu/wosb.</p>
<p>Process Action Teams</p>	<p>DoD has established Regional Councils composed of small business specialists and small business liaison officers from major prime contractors, as well as representatives from outreach organizations such as Procurement Technical Assistance Centers and Electronic Commerce Resource Centers (PTAC); DoD asked each Council to establish a WOB Process Action Team (PAC) to identify Best Practices and Initiatives within their region; many of these findings are posted on the DoD WOSB website. Each Council is identifying a specific outreach initiative directed toward increasing the prime and subcontracting participation of WOSB concerns on a regional level.</p>
<p>Outreach Tools</p>	<p>DoD created a presentation which has been distributed to small business specialists and Procurement Technical Assistance Centers for use at outreach events; complete with speakers notes, it provides an easy tool for outreach to WOBs, as well as internal training.</p>
<p>Focused Outreach</p>	<p>As a result of feedback from women business owners and large prime contractors, DoD has begun offering focused outreach conferences for WOBs; a conference targeting the health care industry was held in March 1999 in Denver, CO; a large manufacturing conference and trade fair for WOBs was held in Tampa in June 1999. These conferences provide current information on topics of concern to businesses in the targeted industries and provide women-owned businesses in these industries with the opportunity to meet one-on-one with major DoD contracting activities and major prime contractors. Women business owners also receive training about other appropriate opportunities at DoD. The overall goal of these conferences is to expand awards to WOBs in the targeted industries involved with major DoD purchases.</p> <p>Additional industries DoD has targeted include R and D and construction.</p>

3. Buyer Education

<p>Educating Procurement Personnel</p>	<p>Small Business Specialists at various buying activities are trained at annual national conferences sponsored by the Office of the Secretary of Defense and the Military Departments; these individuals, in turn, conduct training at their buying activities; the DoD WOSB Working Group has developed a training presentation available for use by contracting activities or other outreach organizations such as the DoD Procurement Technical Assistance Centers.</p>
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4. Program Structure, Resources and Measurement

<p>Advocates</p>	<p>Every Small Business Specialist is also an advocate for WOBs; also, there are individuals designated as WOSB Advocates within the Office of the Secretary of Defense, the Departments of Army, Navy, Air Force, the Defense Logistics Agency and one representing all other Defense Agencies.</p>
<p>Percentage Goals</p>	<p>The percentage goal for WOB procurement is 5%, as established by FASA; the DoD does not establish dollar goals; the total dollars awarded annually are dependent upon the annual authorization and appropriation bills passed by Congress.</p>
<p>Small Business Staff</p>	<p>The DoD employs approximately 500 small business representatives throughout the country whose job it is to identify opportunities for small businesses, including WOBs, within the DoD.</p>
<p>Second-Tier Requirements</p>	<p>As the dynamics of government procurement change, more emphasis is being placed on outsourcing and privatization; this creates new and increasing subcontracting opportunities for WOBs; DoD has been tracking subcontract awards to WOSB by prime contractors since FY '91; over the subsequent six-year period these awards to WOSB concerns have increased from 1.4% of total subcontracts to 4.5% of total subcontracts; in FY '98 subcontracts awarded to WOSB concerns were \$1.5 billion greater than those awarded in FY '91.</p>

5. Internal and External Communication

Recognition Programs	The Command and the Woman's Business Advocate of one activity from each of the Military Departments and the Defense Agencies is recognized annually for outstanding performance in awards to WOSB concerns. These awards are presented at a special Pentagon ceremony highlighting their achievements. This annual award was first presented in March 1998 by Dr. Jacques Gansler, Under Secretary of Defense, Acquisition and Technology.
Web Page	The DoD WOSB Working Group created a web page: www.acq.osd.mil/sadbu/wosb that provides a step-by-step guide for marketing to the DoD; in July, 1998 an on-line article by Time, Inc. noted that "this Web site aimed at women-owned businesses can help <u>any</u> entrepreneur improve their chances of selling to the DoD." The website also highlights current initiatives underway at the national and local level within the DoD to promote opportunities for WOB concerns and provides descriptions of WOB Best Practices within the DoD.
Newsletter	The DoD has replaced its "paper" newsletter with an electronic version, the SADBUs website: www.acq.osd.mil/sadbu/ ; updated often, it provides information on current issues of interest to small businesses and guidance on marketing to DoD contracting activities and prime contractors; there are links to all the major SADBUs programs.

Department of Defense

WBE Success Story

Lau Technologies

President & CEO: Joanna Lau

Number of years in business: 9

Revenues: FY 1998: \$60 million

Description of business:

Lau Technologies is a full-service technology company offering engineering, manufacturing, software development and systems integration services to military and commercial customers.

Length of time doing business with DoD: 9 years

A successful engineer in corporate America, Joanna Lau began exploring entrepreneurial opportunities. While investigating financing options and start-up strategies, she was introduced to a company that wanted to sell off one of its divisions. Soon after, together with some employees, she acquired the company, through a leveraged buy-out.

Initially, **Lau Technologies** operated as a subcontractor supplying electronics to FMC, a large Department of Defense prime contractor. When the United States engaged in "Operation Desert Storm" in August 1990, the Army asked **Lau Technologies** to manufacture a redesigned component of the Bradley Fighting Vehicle-- with a very short turnaround time. Ms. Lau's Company was so successful in completing this project, they were one of only 11 companies (and the only small business) in the United States to receive the "Contractor of Excellence" award from the Department of the Army. Last year, the Company was asked by the Army to help design the Vehicle Control Unit for the HMMWV and received additional accolades from the Department of Defense. The Company continues to supply electronics to the ARMY on the Bradley Fighting Vehicle, the Abrams Tank and the High Mobility Multi Wheel Vehicle (HMMWV).

Several years ago, Ms. Lau attended a conference sponsored by the Association of the United States Army and started a campaign of aggressive networking with customers and prospective customers: "real" people using the equipment **Lau Technologies** was manufacturing. Ms. Lau wanted to learn, first-hand, what was and was not working for them so that her Company would continue manufacturing high-quality equipment that worked. At the same time, DoD was interested in identifying qualified small and woman-owned manufacturing businesses. Ms. Lau was eager to get the Company's name in front of current and potential customers. She wanted to be sure that **Lau Technologies** was on the "radar screen."

Department of the Treasury

“President Clinton and I believe that small business enterprises, including those owned by women and minorities, are vital to the economic health of our nation. Small businesses have proven to be competitive, responsive, flexible, and innovative. Treasury has various programs to support and assist small businesses because they make valuable contributions to our economy....I am personally committed to increasing procurement opportunities for small businesses ...”

-- Robert E. Rubin, Secretary of the Treasury

The Vision

To be recognized by our customers as a model of excellence. To continuously strive to improve and make innovation in contracting a way of life. To know, communicate and use every appropriate tool to assist small, minority and women-owned businesses throughout the acquisition process. To be a highly motivated, professional, high-performance team networking with our customers and each other to make decisions based on our mission and to bring government to the people, stimulating the economy by creating jobs.

The Mission

To assist small businesses and businesses owned by minorities and women to develop, grow and to ensure their long-term success. To continually foster an environment where these highly-skilled suppliers can compete successfully for a fair share of Treasury's procurements on their own merits and assist large businesses to increase subcontracting opportunities for small businesses.

-- Excerpted from the Department of Treasury's Operational Plan for FY 1999

History

The small business program began in 1953 with the passage of the Small Business Act and the formation of the Small Business Administration. In 1994, in accordance with the Federal Acquisition Streamlining Act (PL 103-355) passed that year, Treasury set the goal to award 5% of its contracting dollars to women-owned businesses.

Over the past several years, the Department of the Treasury has shown a steady increase in its awards to small, women-owned businesses (WOBs). Since 1994, it has exceeded the 5% goal (prime and subcontracts combined). This is due, in large part, to the strong support from the Secretary and the diligent work of the Office of Small and Disadvantaged Business Utilization (OSDBU), including the Small Business Specialists assigned to Treasury's 12 Bureaus.

Secretary Rubin strongly supports increased utilization of WOBs. A Small Business Assistance home page within the Department's website is especially designed to assist small, small disadvantaged and, *women-owned* small businesses. The goal is to “help historically underutilized businesses to develop and grow, and to foster an environment where these highly skilled suppliers can, on their own merits, compete successfully for a fair share of Treasury contracts and subcontracts.”

In December 1999, Vice President Gore announced **BusinessLINC**, a new partnership between the federal government and the business community encouraging large businesses to work with small business owners, especially in cities and economically distressed areas. In support of this initiative, Treasury created the Success Partnerships initiative to assist small businesses through a new procurement mentor-protégé program.

Treasury's OSDBU has leveraged this top-level support in a number of ways. It has increased its staff, developed an annual strategic plan that includes input from all 12 Bureaus, and developed innovative programs and training opportunities in response to the feedback and needs of small business owners and Treasury's own procurement personnel. These efforts have combined to create a comprehensive and ever-evolving program and an environment that is WOB friendly. This is evidenced by the fact that Treasury is one of the few federal departments that has achieved the 5% goal set forth in FASA.

The Future Of WOB Procurement at the Department of the Treasury

The future of WOB procurement at the Department of the Treasury appears well-grounded. The Agency has committed to continue providing WOBs the opportunity to participate in its procurements and opening the door to successful competition in the federal and private sectors. Treasury has been successful in meeting and exceeding the 5% goal for WOBs in the past; however, the Agency recognizes that in order to maintain its success, it must be more diligent in identifying potential WOB sources.

The Department entered into a *Memorandum of Understanding* with the Small Business Administration in Spring, 1999. Each party agreed to take the necessary actions to increase the participation of women-owned small businesses in federal procurement. In addition to providing specific training to prime contractors and program and procurement personnel to increase their awareness of WOBs, Treasury anticipates that recognition of the efforts to increase opportunities to WOBs should make a positive difference in their accomplishments.

Current WOB Practices

1. Strategic Planning

<p><i>Top Management Support</i></p>	<p>Secretary Rubin strongly supports Treasury's small business program, evidenced by several programs including the <i>Success Partnerships</i> Mentor-Protégé Program in partnership with the SBA; leading the BusinessLINC Initiative with SBA Administrator Alvarez; and aiding in developing protégé firms by improving their ability to compete successfully for all government and commercial contracts.</p>
<p><i>Mission and Vision Statements</i></p>	<p>The OSDBU's mission and vision statements form the foundation for the OSDBU's annual Operational Plan.</p>
<p>Strategic Planning</p>	<p>The OSDBU facilitates an annual 3-day, off-site training and planning seminar for the agency's 12 Small Business Specialists and other OSDBU staff; guest speakers are invited, including SBA representatives, representatives from other agencies, prime contractors, etc.; in addition, the group discusses a variety of relevant issues, including legislative changes and rules, the FAR, accomplishments, challenges, ideas for the future, etc.</p> <p>The group provides input for the OSDBU's annual Operational Plan; for example, the five strategic issues identified for FY 1999 are: (1) Expanding Scope; (2) Outreach; (3) Training; (4) Reporting Results; (5) Improving Communication. Each of these strategic issues has specific action steps, target date, performance measure and outcome associated with it.</p>
<p><i>Goal Development and Accountability</i></p>	<p>Treasury's OSDBU negotiates WOB procurement goals annually with the SBA; the OSDBU then negotiates WOB procurement goals with each of the Agency's 12 Bureaus; goals are influenced by: Bureau size; procurement history within each specific Bureau; previous year's accomplishments; procurement projections and trends; and Bureau budget. Each Bureau receives a quarterly report card comparing their goals with actual results.</p>

2. Identification and Development of WOBs

<p><i>Outreach to WOBs</i></p>	<p>Treasury’s outreach to WOBs is extensive. Typically, Treasury participates in approximately 30 to 35 conferences a year sponsored by outside organizations, including women’s business organizations; about half of these take place outside of the immediate Washington, D.C. area; the Agency may purchase booth space at these conferences, but OSDBU staff has found direct interaction with participants usually results in more procurement opportunities with Treasury; it is also an effective way of gathering information about WOB concerns, issues, etc.</p> <p>Treasury’s OSDBU also sponsors several outreach seminars and conferences of its own:</p> <p>(1) Vendor Outreach Sessions: conducted monthly, these seminars provide WOBs with direct access to program personnel as well as small business personnel from each of the Agency’s 12 Bureaus; participants are encouraged to first review the Agency’s “What Treasury Buys” manual to determine which Bureau(s) buy their products and/or services; vendors must then schedule an appointment, in advance, with the individual Small Business Specialist for that Bureau; appointments are limited to 15 minutes to allow all vendors an equal opportunity to introduce their company; a follow-up meeting with a Bureau program person may be scheduled for a later date if appropriate.</p> <p>The OSDBU invites a special guest to participate in each session; guests include large business prime contractors and other federal agency representatives; participants may also contact the special guest directly to schedule a 15 minute appointment; participants receive general information about how to do business with Treasury; prospective participants can log on to www.treas.gov/sba to get the dates of upcoming VOSs as well as the names, phone numbers and e-mail addresses of all the Agency’s small business specialists. In 1999, at least one VOS will be geared specifically to WOBs (<i>see attached “Success Story”</i>).</p> <p>(2) Partnerships Conference: since 1994, Treasury has sponsored an annual Partnerships Conference to provide a variety of opportunities to WOBs and SDBs; participants can attend various seminars, including one on “How to do Business With Treasury” and can also meet large, prime contractors and other small businesses; also, participants have access to almost immediate procurement opportunities since they can pick-up bid opportunities at the conference to submit later; awards are announced shortly thereafter; other federal agency representatives are also available to participants; the Agency publicizes this event via the <i>Commerce Business Daily</i>, on their web site, through minority periodicals and other publications in order to attract participants from all over the country.</p>
<p><i>Business LINC Protégé Network</i></p>	<p>In June of 1998, Vice President Gore announced the BusinessLINC initiative to encourage more private sector business-to-business linkages that enhance the economic vitality and competitive capacity of small businesses, particularly those located in economically distressed urban and rural areas. LINC stands for "Learning, Information, Networking, Collaboration" and conveys the full range of business-to-business assistance programs. The Vice President asked Treasury Secretary Rubin and SBA Administrator Aida Alvarez to lead the BusinessLINC initiative. In December 1998, Secretary Rubin introduced the initiative, a comprehensive on-line data base that provides immediate registration for both protégé opportunities and small business procurement/contracting opportunities through the SBA’s ProNet system; protégé registration is hyper-linked to ProNet so the protégé information can be included in small business profiles scanned by large businesses for both mentor-protégé relationships and</p>

small business contracting opportunities; the initiative, which partners Treasury with the SBA, will be rolled-out in three phases: in Phase I, SBA's protégés receive an "entrée" to Treasury's contracting opportunities with an emphasis on contracts between \$25,000 and \$100,000 in value; the initiative seeks to increase the federal contracting opportunities to small businesses nationwide.

Potential benefits to protégé companies include:

- Technical advice
- Market access
- Endorsement/credibility
- Financial access
- Potential partnering on procurements
- Personal advice to chief executives
- Economic growth

<p>Treasury Contractor Profile Database (TCPD)</p>	<p>Treasury's OSDBU has replaced the traditional SF-129 form that most other Federal agencies use to register WOBs and other businesses; rather, OSDBU staff personally contacts those who submit an SF-129 and ask them to register with the "Treasury Contractor Profile Database," accessible through the OSDBU's web site www.treas.gov/sba. Currently, there are over 500 WOBs registered on this database.</p>
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3. Education of Purchasing Personnel

<p><i>Educating Procurement Personnel</i></p>	<p>Treasury offers customized training on various procurement topics and new initiatives to bureau procurement personnel, Contracting Officers, Contracting Officers' Technical Representatives (COTRs), and its Small Business Specialists.</p>
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4. Program Structure and Measurement Tools

<p><i>Percentage Goals</i></p>	<p>Treasury strives to meet the 5% WOB goal set forth in FASA (prime and subcontracts combined); results since 1994 were as follows:</p> <p>1994: prime contracts: 4.9%; subcontracts: 3.3% 1995: prime contracts: 5.2%; subcontracts: 4.6% 1996: prime contracts: 5.2%; subcontracts: 5.6% 1997: prime contracts: 6.7%; subcontracts: 7.8% 1998: prime contracts: 4.3%; subcontracts: 6.5%</p>
<p><i>Small Business Advocates</i></p>	<p>Currently, OSDBU has 5 full-time staff; each of the 12 Bureaus has its own small business specialist, most of whom have collateral responsibilities. Additionally, IRS and Customs have a part-time small business specialist in their regional offices.</p>
<p><i>Second-Tier Requirements</i></p>	<p>Treasury monitors the success of its prime contractors at the end of the reporting cycle by pulling the data they submit on their SF-295. The Agency also hosts an annual "Prime Contractors' Workshop" to discuss ways the Agency and the primes can assist each other; this also gives those primes doing good jobs in this area an opportunity to share their ideas with other primes.</p>

5. Internal and External Communication

<p><i>Recognition Programs</i></p>	<p>Treasury has several awards programs to recognize staff, prime and subcontractors that have significantly contributed to WOB and SDB procurement efforts; they are presented at an annual awards ceremony by the Secretary of the Treasury:</p> <ul style="list-style-type: none"> • Small Business Management Award: awarded in recognition of leadership and direction that increased outreach efforts and communicated the importance of the small business program; the U.S. Customs Service management team received this award in 1999; • Small Business Advocate of the Year: awarded to an individual for demonstrating exceptional capabilities in customer service, vendor outreach, training, conference participation and other initiatives in support of Treasury's small business program. The Internal Revenue Service Small Business Specialist received this in 1999. <p>Additional awards are presented annually:</p> <ul style="list-style-type: none"> • Large Business Partner of the Year: awarded in recognition of outstanding efforts in establishing partnerships with small, minority and women-owned businesses; the 1999 winner was EG&G Services. • Small Business Partner of the Year: awarded in recognition of outstanding level of contract performance; the 1999 winner was Integrated Technologies Group, Inc. • Bureau Advocate of the Year: awarded to Bureau employees in recognition of outstanding efforts in establishing partnerships with small, minority and women-owned businesses. Each Bureau is invited to nominate an employee who has done an outstanding job in supporting the efforts of small, minority and women-owned businesses. In 1999, the following individuals were recognized: <ul style="list-style-type: none"> ◆ Grace Jones, Bureau of Alcohol, Tobacco and Firearms ◆ Carlene McKinney, Office of Thrift Supervision ◆ Kelly Curtin, U.S. Secret Service ◆ Allen Marcus, U.S. Customs Service ◆ Carolyn Golden, U.S. Customs Service ◆ Pat Alvarado, Internal Revenue Service
<p><i>Web Page</i></p>	<p>The OSDBU home page address is: www.treas.gov/sba (can link to Treasury's Contractor Profile Database from this site) The address for BusinessLINC is: http://businesslinc.sba.gov/</p>
<p><i>Other Publications</i></p>	<p>Treasury offers a variety of publications (both paper and on-line) to WOBs and other small businesses which include: "What Treasury Buys;" "Forecast of Contract Opportunities for FY 1999;" "How to do Business With the Department of the Treasury;" "Small Business Subcontracting Opportunities Directory;" and "Handouts-To-Go," that include information on the agency's VOSs, small business specialist listings and other useful information.</p>

<i>Newsletter</i>	The OSDBU does not publish its own newsletter, however, it is a regular contributor to the Office of Procurement's newsletter, <i>Procurement News: Near and Far</i> . The newsletter is published quarterly and is available on the web site at www.treas.gov/procurement/newsltr.html
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Department of the Treasury
WBE Success Story
SRB Productions Inc.

President and CEO: Sheila Brooks

Number of years in business: 9

Revenues: 1998 - \$1+ million

1999 projected - \$2.1 million

Description of business:

SRB Productions Inc. is a full-service production company providing script-to-screen television programs and videos. The Company specializes in training, promotional, educational and informational productions. They also produce video news releases, public service announcements, video teleconferences and news segments for a variety of programming, as well as 60 to 90 minute documentaries for PBS and other networks. Services include project management, research, scriptwriting, producing, directing, videotaping and editing. All work is done in-house.

Length of time doing business with Treasury: 7 years

Sheila Brooks was a successful television news reporter, producer and anchor who launched Washington D.C.'s successful *Fox Morning News* show. Emboldened by her success, she decided to launch her own enterprise and sought business from the Federal government.

Through a networking contact, Ms. Brooks learned of several contracting opportunities available from the Department of the Treasury. **SRB Productions, Inc.** was awarded a \$2,500 scriptwriting contract with Treasury's Bureau of Engraving and Printing. From her attendance at one of Treasury's monthly **Vendor Outreach Sessions** she convinced a contracting officer to award **SRB Productions Inc.** an interim contract. With a competitive bid, she ultimately won a 5-year, \$1 million contract. Currently, **SRB Productions Inc.** holds contracts with about half of Treasury's 12 Bureaus.

Ms. Brooks understood Treasury's true commitment to WOB and SDB business development, noting that they "walk the talk" and are "willing to take the risk" of contracting with WOBs and SDBs.

General Services Administration

“We are fast approaching the next millennium, and for the future, we want everyone, including women-owned businesses, to have total access to GSA’s contracting opportunities. We’d like to see an influx of women-owned businesses bidding, so we’re working hard to make that happen.”

--David J. Barram, Administrator, U.S. General Services Administration

“GSA is serious about doing business with women-owned small businesses. The agency is making a concerted effort to increase its procurement dollars going to women-owned small businesses. GSA’s Federal Supply Schedule Program is an excellent way for women business owners to get their feet in the door. I say this because, if you have a proven track record, offer a quality product or service, are financially sound, and can negotiate a fair and reasonable price, your chances of becoming a Federal Supply Schedule contract holder are excellent.”

--Dietra Ford, Associate Administrator, Office of Enterprise Development, U.S. General Services Administration

History

The General Services Administration’s (GSA) Small Business Program was created in 1953 when Congress passed the Small Business Act. The Agency’s Office of Small and Disadvantaged Business Utilization was established in 1979 pursuant to Public Law 95-507. Since the early 1980’s, GSA has had a women’s advocacy program. It was in 1994, however, in accordance with the Federal Acquisition Streamlining Act (PL 103-355) passed that year, that GSA set the goal to award 5% of its contracting dollars to women-owned businesses. In 1994 the name of GSA’s OSDBU office changed, expanding its responsibilities to create the Office of Enterprise Development (OED).

OED has nationwide responsibility for GSA’s Small Business Program. Its mission is to provide ways to enhance access to contracting opportunities for small, minority and women-owned businesses in GSA’s procurement programs. To fulfill this mission, OED’s strategic plan focuses on policy, programs and outreach activities to the small business community. The Office carefully shapes and monitors GSA procurement policy to ensure it reflects the needs of small businesses. It creates and ensures viable and competitive procurement opportunities for small business owners, and aggressively reaches out to the small business community nationwide through numerous initiatives to announce and educate small businesses concerning GSA’s contracting programs and opportunities.

GSA's OED staff implements a variety of innovative strategies to ensure the inclusion of small, minority and women-owned businesses in GSA's contracting activities. It works closely with the procurement officials in the Agency's three business lines—the Federal Supply Service (FSS), Federal Technology Service (FTS), and Public Buildings Service (PBS)—to ensure that small businesses can compete effectively for prime contracts. The OED staff also works on an interagency basis to develop policies that maximize the participation of small businesses in the overall Federal procurement process.

In 1998 OED rolled out an aggressive expansion of its Women's Business Program. *A Strategy for Change* is a series of specific initiatives designed to increase GSA's prime and subcontract awards to women-owned businesses. The strategy includes seven major steps.

A Strategy for Change

1. Continue networking sessions on six major GSA procurements.
2. Establish a procurement and news bulletin alert for women-owned business associations and organizations for dissemination to their members.
3. Monitor GSA prime contractors' subcontracting programs in depth; periodically contact a sampling of women-owned businesses with subcontracting agreements with GSA prime contractors to discuss their experiences.
4. Conduct regional seminar sessions for women-owned businesses and include strategies and techniques workshops, how to get on the GSA schedule, how to market to GSA primes, etc.
5. Institute a GSA mentor-protégé program for women and minority small businesses.
6. Establish a women-owned business working group to meet, providing a forum for issues.
7. Convene senior procurement executives within GSA for ongoing discussions on how to achieve women-owned business goals.

One of OED's major women's programs is its popular annual *Access to Success* event, held during Women's History Month (March). This Forum recognizes successful women business owners and also gives women-owned businesses the opportunity to discuss specific ways OED can assist them in gaining access to the GSA and the overall federal marketplaces.

In FY '99, OED is sponsoring the Ten City Tour to brief the small business community on GSA's Federal Supply Schedule Program. The Tour is of special consequence to women-owned businesses since GSA is making a special effort to increase the numbers of women-owned businesses on Schedule. Women business owners' share of Schedule contracts has increased steadily since FY '92 from \$12 million to \$148 million in 1997. In addition, WOBs received 2.5% of total FSS contracts in FY '97, a 60% increase from the 1.5% they received in FY '96. Part of this substantial increase can be attributed to the fact that, in 1997 federal agencies received

women owned business "credit" for Schedule purchases. Aggressive outreach efforts by GSA to provide women business owners access to these contracting opportunities has also made a significant difference (National Women's Business Council, 1998 Annual Report, p. 42; chart IV[e]).

GSA continues its aggressive outreach efforts and will continue to place a strong emphasis on partnering, building alliances, and networking. Some of the agency's specific programs and policies are discussed below.

The Future of WOB Procurement at the General Services Administration

GSA is committed to reach and exceed the 5% goal for women-owned businesses. OED is careful to keep procurement personnel alert to identifying women-owned businesses for their procurements and to ensure that women business owners can participate in GSA's major acquisitions. The Agency has an aggressive outreach program to ensure that women business owners are aware of the various contracting opportunities at GSA. The results of these aggressive initiatives have been encouraging. The Agency's present contracting records with women business owners are expected to increase as the Agency enters the new millennium.

Current WOB Practices

1. Strategic Planning

<p>Goal Development and Accountability</p>	<p>GSA's OED is responsible for establishing agency-wide goals for women-owned businesses (WOBS); goals are coordinated with GSA buying activities (i.e., FSS, FTS and PBS) and 11 regional offices. Each month, the OED uses the GSA Procurement Data System to monitor the Agency's achievements against the Small Business Program goals; quarterly reports are sent to the heads of services and staff offices and the regional administrators.</p> <p>The associate administrator for Enterprise Development meets with GSA's Leadership Council regularly to discuss the Agency's achievements against the various Small Business Program goals.</p>
<p>Strategic Planning</p>	<p>The OED conducts a formal session annually to establish "goaling" procedures and accountabilities; it then works through conference calls, correspondence and in-person conferences with contracting activities and small business advocates.</p> <p>As part of GSA's "Procurement Team," OED gets involved in the procurement process at the <i>front end</i>; when the procurement "team" (consisting of an OED staff person, technical and programming people) meets, the OED representative can contribute ideas and feedback about the prospective solicitation. This ensures the solicitation is small and women-owned business "friendly"; i.e., the solicitation criteria are consistent with what a typical small and/or woman-owned business could meet. This process occurs in all three of GSA's Services.</p>
<p>Advisory Council</p>	<p>OED acts as an advisory council to GSA's buying activities to help them reach policy, program and outreach solutions.</p>
<p><i>Formal Policy on Supplier Diversity</i></p>	<p>As stated in P.L. 95-507 and P.L. 103-355.</p>

2. Supplier Identification and Development

<p><i>Outreach to WOBs</i></p>	<p>GSA has numerous outreach programs, including:</p> <p>Procurement Networking Sessions were developed in 1997 to address the small business community's need for networking opportunities with prime contractors and contracting officers. The sessions are offered both pre- and post-award of major acquisitions to bring together prime contractors and prospective small business subcontractors to explore possible teaming and subcontracting opportunities. Since numerous small businesses have won contracts as primes, subcontractors, and team members on winning teams as a result of the Networking Sessions. Due to this success, GSA plans to continue offering these sessions, expanding the program to its regional offices.</p> <p>Access to Success forums are held annually during Women's History Month and highlight major women-owned business success stories; women business owners also meet with GSA contracting officials to learn about contracting opportunities.</p> <p>Procurement Opportunity Breakfasts are conducted on a regular basis by the Agency's Regional Small Business Centers frequently focusing on women-owned businesses. These sessions include announcements of GSA contracting opportunities, marketing tips and networking opportunities with potential prime or subcontractors, introductions to contracting officers, briefings on new contracting programs, and more. Information on the sessions is available at GSA's web site listed below.</p> <p>Federal Supply Schedule Orientation Sessions are convened monthly on the 3rd Tuesday to advise small businesses on how to submit a winning bid through the Agency's Federal Supply Schedule Program. The sessions are held in room 6009 at 1800 F Street, NW., Washington, D.C. Pre-registration is required. See OED's website at www.gsa.gov/oed.</p> <p>The Marketing Strategies and Techniques Series is designed with a special focus on women business owners. These workshops are held in major metropolitan areas, as well as in areas traditionally underutilized by federal government procurement programs.</p> <p>Conducted at least once a month, the workshops provide small business owners with critical information they need to succeed in marketing their products and services to GSA's federal customers.</p> <p>Open Houses and Procurement Fairs highlight particular industries. In FY '98, for example, the Public Buildings Service held open houses in each regional headquarters for architect/engineer firms. OED accepts approximately 85% of the daily invitations it receives to participate in procurement fairs. Interested vendors should routinely monitor OED's website at www.gsa.gov/oed for scheduled events.</p> <p>Trade Association Summits help to identify cooperative methods for increasing access to contracting opportunities for small businesses; e.g., Society for Travel Agents in Government (STAG) annual convention March 1999.</p>
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<p>Small Business Counseling Program</p>	<p>WOBs may also receive individual “counseling” by taking advantage of GSA’s small business counseling program. Small business counselors provide a walk-in service in the Agency’s national headquarters and in its Small Business Center in each GSA regional headquarters location. The program has counseling and literature booths in major small business conferences throughout the country and counseling by telephone and correspondence are also available.</p>
<p>National FSS Tour</p>	<p>GSA completed a 10-city tour offering briefings on “How To Win A Federal Supply Schedule Contract” in June 1999. This initiative is geared especially to women and minority entrepreneurs.</p>
<p>Cooperative Sponsorship</p>	<p>On occasion, GSA will team with other government agencies and the private sector to sponsor procurement outreach conferences to the small business community; e.g., the Pacific Rim Regional Conference sponsored by GSA, the Small Business Administration, and CalMAE, a small business in California, in January 1999.</p>
<p><i>“Inreach”</i></p>	<p>OED works closely with all three Services of GSA to ensure that the procurement policies within each Service maximize the participation of small businesses. OED also offers an Associates Program that allows GSA managers from other offices to work in OED on details lasting from 120 days to a year and then can incorporate in their own programs the knowledge they have gained about GSA’s Small Business Program. OED also has an active program for management interns.</p>

<i>Outreach “Tools”</i>	OED’s national office introduces its successful programs to its regional offices, and vice versa. Regional Small Business Center Directors are invited to attend national programs; national managers assist SBC Directors in launching regional programs.
<i>“Intranet”</i>	GSA’s OED maintains a National Vendor Database where small business profiles may be sent. OED sends procurement information to registered firms. GSA contracting officers use the database when searching for small businesses for particular buys.

3. Education of Purchasing Personnel

Educating Procurement Personnel	GSA requires training in procurement regulations for small, minority and women-owned businesses for contracting officers who are renewing their warrants. Training is ongoing especially when there is a major change in procurement regulations. OED’s Associates Program is a practical, hands-on training course, similar to the Agency’s Management Intern Program. GSA provides annual day-long training sessions in subcontracting to their procurement personnel nationwide. GSA has annual training sessions for their Small Business Counselors, Small Business Technical Advisors and Directors of Regional Small Business Centers; these may last 1 to 3 days, as appropriate.
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4. Program Structure and Measurement Tools

<i>Percentage Goals</i>	The percentage goal for WOB procurement is 5%, as established by FASA. GSA’s procurement program is customer driven: the total dollars spent is determined by the amount of business coming from GSA’s customer agencies.
Small Business Staff	There are a total of 45 OED staff members located in Washington, D.C., and throughout 11 Regional Small Business Centers. They administer the Small Business Program within the agency and provide business counseling and liaison service to the nation’s small business community.
<i>Advocates</i>	GSA’s advocacy program: Dietra L. Ford Associate Administrator Mirinda D. Jackson Deputy Associate Administrator There is a staff of over 40 small business counselors who advocate opportunities for WOBs. OED’s national office is located at: U.S. General Services Administration Office of Enterprise Development

	<p>1800 F Street, NW., Room 6029 Washington, DC 20405 Fax: (202) 208-5938</p> <p>For Regional Small Business Centers, check the OED web site at: www.gsa.gov/oed.</p>
<p>Subcontracting Requirements</p>	<p>GSA places great emphasis on WOB subcontracting, partnering and alliance opportunities as it sees “teaming as the way of the future.” OED has developed a “model subcontracting plan” establishing target subcontracting goals for each specific acquisition. Prime contractors meet with OED staff to ensure clear understanding of what their subcontracting requirements are. They are closely monitored to ensure compliance. The pre-award subcontracting plan is one criterion for selection of a prime contractor. Between FY ‘96 and FY ‘97, subcontracting awards to WOBs nearly doubled: \$39.5 million in 1996; \$72.7 million in 1997.</p>

5. Internal and External Communication

<p>Recognition Programs</p>	<p>GSA sponsors an annual Access Awards Ceremony. There were 100 individuals nominated for an award in 1997; in 1998, the number of nominees increased to 220. GSA’s Administrator and OED’s Associate Administrator present the awards to individuals and teams who are proven “pioneers” in small business/WOB utilization.</p>
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<i>Web Page</i>	The latest news bulletins on GSA’s procurement opportunities are available on OED’s home page: www.gsa.gov/oed . Procurement opportunities for a number of agencies can be found at: www.eps.gov .
<i>Newsletter</i>	GSA issues a daily news bulletin, “GSA Update,” which includes WOB info as it occurs.
<i>Videos</i>	OED recently produced a 3-minute video “ <i>Cascading Video</i> ,” a vehicle for GSA’s Administrator and OED’s Associate Administrator to quickly reach contracting personnel with a motivational message about the 5% goal for WOBs. The video “cascaded” from the senior leadership team to top managers, who distributed it to their direct reports, who distributed it on and on to the entire Agency. The video asked for a response from front line contracting personnel to be sent up to the Administrator in the same communication wave.

General Services Administration
WBE Success Story
DMC Communications, Inc.

President and CEO: Carol Mason

Number of Years in Business: 6 years

Revenues: 1998: \$1 million
1999 Projected: \$2 - \$3 million

First Government Contract: Military Sealift Command Pacific

Description of Business: **DMC Communications, Inc.** is a telecommunications firm with expertise in communications systems and telecommunications technologies. As voice/data system integrators, **DMC** provides network solutions ranging from switch and data engineering to design wiring and cabling, installation and maintenance of computer hardware.

Length of time doing business with GSA: 1998, 1999

After 16 years in corporate telecommunications, Carol Mason took the entrepreneurial leap six years ago and formed **DMC Communications, Inc.** Ms. Mason originally targeted the commercial sector, but she was also very receptive to explore all business opportunities, including the opportunity to work with the **General Services Administration (GSA)** in Washington, DC.

Dietra Ford and Mirinda Jackson of GSA's Office of Enterprise Development encouraged **DMC** to pursue subcontracting opportunities with prime contractors competing for federal acquisition under GSA. After courting targeted prime contractors, **DMC** won a subcontract in 1998 to provide wire and cable services to federal government agencies throughout the western United States. This relationship has led to additional telecommunication business for **DMC**. It also was the catalyst for **DMC** to grow from a home-based business to an office in the financial district of San Francisco.

Several factors have contributed to **DMC**'s success, including an investment of significant time and money pursuing GSA acquisitions in telecommunications and information technology fields. Ms. Mason attended several of GSA's well-known "**networking sessions**" in Washington, D.C., taking advantage of the opportunity to get familiar with GSA's numerous and complex subcontracting rules and processes and GSA's commitment and accessibility to small businesses.

Ms. Mason encourages WBEs to be prepared to do the necessary research to be ready to qualify the business and its products and services.

National Aeronautics and Space Administration (NASA)

“In this era of budget cuts, downsizing, contract consolidations and acquisition reform, we must ensure that the progress we have made, thus far, in fully integrating SDB’s into our core missions and programs does not suffer. Having a smaller-sized, cost-effective, productivity-driven Agency is not inconsistent with a robust, competitively-driven, small disadvantaged business utilization program.”

-- excerpted from a letter written by Daniel Goldin, Administrator, NASA to NASA senior managers.

“NASA's commitment to fully integrate women-owned businesses into the competitive base of contractors from which we regularly purchase goods and services is clearly evident. Since FY 1991, we have tripled our total contract and subcontract dollars to WOBs from \$150 million to \$450 million. Women-owned businesses are also performing extremely high-tech work in many of our critical space missions. And we've only just begun.”

-- Ralph Thomas, III, Associate Administrator, Office of Small and Disadvantaged Business Utilization, NASA

History

Date Supplier Diversity Program Began

1978 – through the Small Business Act, amended by PL 95-507
1990 – through PL 101-144, requiring NASA to award 8 percent of the total value of its prime and subcontract dollars to Small Disadvantaged Businesses (SOBs)

Date Women Included

In 1990, PL 101-507 (an amendment to PL 101-144) gave NASA statutory authority to include women-owned businesses (WOBs) as small disadvantaged businesses (SDBs). As a result of PL 101-507, WOBs are considered for all of the agency’s SDB programs and initiatives.

Historical Overview

At NASA, the mission of the Office of Small Disadvantaged Business Utilization (OSDBU) states that “in order to obtain quality products and services, we must fully integrate small, minority and women-owned businesses into the competitive base of contractors from which we purchase goods and services.” This mission, which “cuts through” the overall mission of the Agency, is accomplished in three ways, otherwise known as the “QQI” – (1) **quantity:** increase the dollars awarded to these entities; (2) **quality:** improve the quality of the contracts that are awarded to these entities; (3) **institutionalization:** institutionalize the policies and procedures that ensure numbers (1) and (2) above will happen.

NASA, which has **tripled** its total contract awards (prime and subcontracts) to WOBs since 1991 (from \$150 million in FY 1991 to \$450 million in FY 1998), credits more than its powerful mission statement for its success. The Administrator, Daniel Goldin, and the leadership of NASA has paved the way for dramatic contract award increases, not just to WOBs, but to other SDB groups as well. In 1992, shortly after he was appointed, Mr. Goldin elevated the position of the head of the OSDBU from Director to Associate Administrator, instantly elevating the importance of SDB utilization within the agency. The Administrator also ensured that SDB utilization was included in the performance appraisals of *all* of the Associate Administrators and Field Center Directors and required that each submit an SDB utilization plan with specific action steps. Those who achieve program SDB utilization goals are rewarded and recognized.

Ralph Thomas III, Associate Administrator for Small and Disadvantaged Business Utilization, says he and his staff have been “empowered” by the Administrator to attain this mission, not just in word but in deed. The OSDBU staff is “capable, committed and dedicated,” using “boldness and innovation” to capitalize on whatever resources they have.

Additionally, the OSDBU has invested in training NASA’s procurement, technical and other personnel to ensure their “buy-in,” thus increasing the chances that its supplier diversity programs are effectively implemented.

This commitment from the top and the elevation of the importance of supplier diversity have resulted in a SDB/WOB program that has shown impressive results each year since 1991.

The Future Of WOB Procurement at NASA

NASA offers a variety of programs intended to fully integrate WOBs into the Agency's competitive base of contractors. The Agency's ultimate objective is to equip WOBs with the skills to enable them to obtain contracts and subcontracts from NASA as well as other government agencies, the private sector and the global market.

Perhaps the words of a woman business owner who recently wrote to NASA say it best:

“Through my association with NASA...I have been able to expand my small, woman-owned business considerably...specifically, due to my NASA references, I am now the sole source provider for a substantial military contractor...I was awarded a nice contract last year after they checked the veracity of my services to NASA and I have another one promised to me – once the State Department approves the software transfer. I am working closely with the Eastern European Development arm of a [major contractor], gaining their trust and confidence in part due to my association with NASA...I wanted to express my thanks.”

This statement truly captures the spirit of NASA's vision for WOBs.

Current WOB Practices

2. Strategic Planning

<p>OSDBU Mission Statement</p>	<p>NASA's OSDBU Mission Statement states: "In order to obtain quality products and services, we must fully integrate small, minority and women-owned business into the competitive base of contractors from which we purchase goods and services."</p>
<p><i>Top Management Support</i></p>	<p>NASA's OSDBU and its programs enjoy enormous support from the Agency's Administrator who has empowered the OSDBU in many ways, including holding all associate administrators accountable for results in the area of SDB utilization.</p>
<p><i>Strategic Planning</i></p>	<p>NASA continues to increase its SDB/WOB utilization in part due to its strategic QQI approach (quantity, quality, institutionalization).</p>
<p><i>Goal Development and Accountability</i></p>	<p>NASA is one of less than a handful of agencies in the federal government that includes women (including non-minority women) in its definition of "small disadvantaged;" the OSDBU negotiates annually with all ten NASA Centers to establish SDB/WOB goals; a monthly "report card" is sent to each Center to provide feedback on accomplishments, areas of concern, etc. and the OSDBU meets with the ten Center small business representatives twice a year for a more comprehensive review session.</p>
<p><i>Minority Business Resource Advisory Committee (MBRAC)</i></p>	<p>The MBRAC consists of 24 women and minority business owners whose job is to let NASA and the OSDBU know if they are "on target" with SDB contracting and to provide suggestions for improvement; the current chair is Belinda Guadarrama, president of GC Micro Corporation, a small, woman-owned business. The MBRAC consists of five subpanels: "Procurement Initiatives," "Transitioning 8(a) Firms," "Technology Transfer," "Historically Black Colleges & University/Other Minority Institutions Contracting" and "Legislative Issues."</p>

Identification and Development of WBEs

<p><i>Outreach to and Training for WOBs</i></p>	<p>Since 1993, NASA's OSDBU has offered a 3-day intensive course for small businesses to introduce them to the Agency and its culture and to teach them how to market to, bid and perform for the Agency; 700 WOB and other small business representatives have attended this program, offered four times a year in different locations.</p> <p>The basic course has been so successful that NASA has recently added a more advanced program to provide a more comprehensive and in-depth understanding of business principles and the NASA environment; major focuses are the enhancement of marketing strategies, financial management and technical proposal development.</p> <p>NASA employs a variety of outreach initiatives to reach WOBs. In 1993, the OSDBU recognized that they needed to make the WOBs accessible to procurement personnel, NASA initiated several programs. Quarterly Aeronautics SDB Forums are held in different field center locations around the country where WOBs and other SDBs have the opportunity to present their capabilities to NASA's technical staff. As a result of this initiative, WOBs and other SDB's have been awarded \$70 million in technical contracts.</p> <p>Because this Forum was so successful, replicated the program for its Science Division and, in 1997, began offering semi-annual Science Forums that have also proven to be beneficial to WOBs. In 1999 a woman-owned business was provided a \$35 million, 10-year contract as a result of this Forum.</p>
<p>Mid-Range Procurement Program</p>	<p>NASA offers a mid-range procurement program to WOBs and other small businesses. Using the legislative authority of FASA, NASA reserves contracts with values ranging from \$25,000 to \$2 million for small businesses; if a small business submits a bid within the acceptable price range, and meets the technical qualifications, it can be awarded the contract; approximately 83% of NASA's procurement actions are awarded in the mid-range.</p>
<p><i>Mentor-Protégé Program (MPP)</i></p>	<p>NASA offers a mentor-protégé program to enhance the capabilities of socially and economically disadvantaged businesses (including WOBs) to perform NASA prime and subcontracts; prime contractors also receive a variety of benefits as a result of</p> <p>mentoring; details of the program, including eligibility criteria, are outlined in NASA's publication, "The Mentor Protégé Program," In addition, NASA holds an annual Mentor Protégé Conference to inform potential mentors and proteges about its program. It also bestows a "NASA Mentor Protégé of the Year Award" for the relationship that best exhibits the goals of the program. In 1998, the winner was a small non-minority woman-owned firm whose mentor was a small business.</p>

Prime Contractor's Roundtable	NASA's OSDBU began a Prime Contractors' Roundtable in 1993 to discuss with NASA's largest prime contractors innovative ways to include more SDB's, including WOBs, as subcontractors.
Custom Database	The OSDBU maintains a comprehensive and current database of women's business organizations and frequently utilizes this list to communicate bid and training opportunities, and other pertinent information, to WOBs.

3. Education of Purchasing Personnel

<i>Educating Procurement Personnel</i>	NASA and the OSDBU understand the importance of educating its technical and procurement staff about the value of including WOBs and other SDBs in its supplier mix; the OSDBU contracts with a supplier diversity expert to provide a one-day intensive course entitled, "Socio-Economic Procurement as a Business Imperative." Its purpose is to discuss the value added benefits of utilizing SOB/WOB's absent laws and regulations. To date, more than 500 NASA personnel have attended this course.
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4. Program Structure and Measurement Tools

<i>Percentage Goals</i>	NASA's short-term goal is to attain the 5% WOB goal mandated by FASA (while NASA has a <i>total</i> SDB goal of 8%, it counts WOBs separately in order to more closely track WOB participation); while the Agency has not yet achieved this goal, it more than tripled its total dollar awards (prime and subcontracts combined) to WOBs between 1991 to 1997 and expects to meet it soon.
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<i>Small Business Staff</i>	NASA's OSDBU staff consists of an associate administrator, four program managers, and a special assistant for procurement and two support staff. Each of NASA's ten field centers has a small business specialist who also reports to the associate administrator for small business issues.
<i>Advocates</i>	All headquarters staff and small business specialists at the field centers are considered advocates; certain field centers have named additional small business advocates who are usually at deputy director level.
<i>Second-Tier Requirements</i>	As with its prime contract awards, NASA has dramatically increased its subcontract awards to WOBs since 1991, when the agency awarded \$89.4 million to WOBs; in 1997, the dollar value of subcontracts awarded to WOBs was \$369.5 million, more than triple the 1991 number.
<i>Certification</i>	NASA currently follows the "law of the land" regarding certification requirements; the agency is encouraging all of its SDB subcontractors to become certified with the Small Business Administration, in accordance with new federal regulations; regarding WOBs, NASA will accept self-certification but has challenged and withdrawn contracts when it appears the business is not owned and controlled by a woman or women.
<i>Performance Appraisals</i>	As noted above, all of NASA's associate administrators and field center directors are held accountable for WOB and SDB utilization in their annual performance appraisals.

5. Internal and External Communication

<i>Recognition Programs</i>	NASA has an awards program in which the Administrator actively participates; during Minority Enterprise Development Week, NASA holds its Annual Minority Business & Advocates Awards Program which recognizes SDBs, including WOBs, and internal advocates who have performed in an extraordinary fashion. In 1998 a Woman-Owned Business Category was added while minority women were selected for NASA's Minority Contractor of the Year in 1994 and for NASA's Minority Subcontractor of the Year in 1995 ; non-minority women were selected for SDB Subcontractor of the Year in 1997 and Woman-Owned Business of the Year in 1998 (see attached "Success Story" on MicroCraft, Inc.). NASA also awards a Mentor-Protégé Award. SDBs and WOBs have weighed in the general award categories as well; i.e., the George M. Lowe Award for the Quality, Management, Performance, and Cost Consciousness . In 1997, a small, non-minority, woman-owned business was one of the winners of this coveted award, as was the case in 1999.
<i>Websites</i>	NASA provides a variety of procurement-related web sites, including: <ul style="list-style-type: none"> • OSDBU home page: www.hq.nasa.gov/office/codek; • NASA Acquisition Forecast: www.procure.msfc.nasa.gov/forecast/index.html; • Mid-range Procurement Opportunities: www.hq.nasa.gov/office/procurement • To sign-up for notification of NASA Procurement by e-mail: http://procurement.nasa.gov/maillist.html

	<ul style="list-style-type: none"> • NASA Mentor-Protégé Program: http://www.hq.nasa.gov/office/procurementmentor@hq.nasa.gov • NASA SBIR Home Page: http://sbir.nasa.gov
<i>Newsletter</i>	<p>NASA's OSDBU publishes and distributes a comprehensive quarterly newsletter, "<i>Opportunity Quarterly</i>," featuring legislative updates, messages from the Administrator and the Associate Administrator, feature articles on WOBs and other SDBs, new initiatives from the OSDBU and NASA business news.</p>

National Aeronautics and Space Administration
WBE Success Story
MicroCraft, Inc.

President and CEO: Fran Marcum

Number of years in business: 40

Revenues: 1998 - \$60 million from continuing operations

Description of business:

MicroCraft, Inc. builds hardware for aerospace research and development and has provided more than 7,000 parts for the International Space Station. In addition, the company has built wind tunnel models used at Langley Research Center and built much of the tunnel through which astronauts move between American Space Shuttles and the Russian space station *Mir*. Under a recently-awarded NASA contract, MicroCraft will build a series of unpiloted experimental vehicles capable of flying up to 10 times the speed of sound.

Length of time doing business with NASA: 40 years

Leaving a teaching career in Tennessee, Fran Marcum took over the reins of the family business in 1972. Started in a garage in 1958 by her father, Charles Folk, **MicroCraft** built research models for NASA—models that prepared the U.S. to be the first nation to land a man on the moon. After Mr. Folk's death in 1968, his wife, Evelyn Folk took over the Company. When Ms. Marcum took over **MicroCraft** had 25 employees in one location and astronaut tools and equipment for NASA Houston had been added to its product line. Today, **MicroCraft** employs over 550, and has doubled in size every five years; it has 12 locations, most of them located strategically near NASA facilities. The Company has been involved in every major aerospace research program for the past 40 years.

MicroCraft holds both prime and subcontracts with NASA and works closely with all the major aerospace contractors, including Boeing and Lockheed Martin. For the Folk/Marcum family, history has repeated itself in a number of ways. In 1976, Evelyn Folk was awarded the **Small Business Administration's Small Business of the Year Award**; more than 20 years later, Fran Marcum accepted NASA's coveted **SDB Subcontractor of the Year Award** in recognition of the Company's many achievements. *Working Woman* magazine, in 1998, listed **MicroCraft** the nation's 145th most successful business out of the country's top 500 women-owned businesses in its category.

JCPenney Company, Inc.

The Partnership Program

“The partnerships that build JCPenney’s business include not only our associates and our customers, but also our suppliers. JCPenney must obviously choose our suppliers with great care. Over the years, we’ve found that minority and women-owned businesses deliver the quality, fashion and value our customers demand. JCPenney remains committed to the business development of minority and women-owned businesses, based on the principle of partnership, wherein two or more groups share in the risks and rewards of working toward common goals . . .”

*-- James E. Oesterreicher, Chairman and Chief Executive Officer
Excerpted from “The Partnership Program: Opportunities for Minority and Women-Owned Businesses,” JCPenney Company, Inc.*

History

Date Supplier Diversity Program Began

1972

Date Women Included

1993

Historical Overview

The JCPenney **Supplier Diversity Development Program** was introduced in an effort to establish business relationships with minority and women-owned businesses. The Company had the vision in realizing that one way to ensure it was responding to its ever-changing and diverse customer base was to diversify its supplier base.

In 1993, JCPenney began to identify and track its use of women-owned suppliers. The company did not require certification for women business owners until 1996 when the company affiliated with the *Women’s Business Enterprise National Council* (WBENC). Currently, all women-owned suppliers must be certified in order to ensure the integrity of the Company’s supplier diversity program and that the companies are truly women owned.

The program continues to evolve and to experience increased success. In 1995, JCPenney awarded approximately \$188 million in supplier contracts to women’s business enterprises (WBEs); in 1996, \$237 million; in 1997, \$261 million.

The Future of M/WBE Purchasing at JCPenney

Supplier diversity at JCPenney will continue its efforts to build and develop supplier partnerships reflecting diversity of its customer base. Minority and women-owned businesses are an integral part of accomplishing this effort. Certification will continue to be a critical component of supplier diversity development as it adds credibility to the program, sets a standard for women-owned businesses and brings legitimate and qualified women's business enterprises to the table.

Current WBE Practices

1. Strategic Planning

CEO/Top Management Involvement	JCPenney's Supplier Diversity Development Program (SDD) enjoys support from the Chairman/CEO and from senior management; the Chairman appoints 7 senior-level executives to a steering committee on supplier diversity; the Manager of Supplier Diversity Development reports to this committee twice a year; an emphasis on accountability is a major component of this program.
Goal Development	The Manager of Supplier Diversity Development works closely with each department to establish annual M/WBE goals based on the department's purchase plan, last year's results and the supplier base; JCPenney has appointed supplier diversity "advocates" (see below) in each department and to assist in the annual goal-setting process.

2. Identification and Development of WBEs

Mentor-Protégé Program	Approximately two years ago, JCPenney began a one-year mentoring program to provide their M/WBE vendors with the opportunity to learn more about doing business with JCPenney; the president of the protégé company and the divisional merchandising manager (or equivalent position) from the appropriate department develop specific action steps; the manager of SDD receives a quarterly progress report on progress and results. While protégé companies are not guaranteed additional business, results to date indicate that, in fact, they have received additional business from JCPenney .
Outreach to WBEs	JCPenney participates in a variety of trade fairs geared specifically toward women-owned business; the manager of SDD also participates in panel discussions and speaking opportunities, and chairs an educational seminar for the North Texas Women's Business Center (NTWBC) and the organization's certification committee; JCPenney is a corporate member of the WBENC and the NTWBC and is one of five corporate sponsors of the "On-Line Women's Business Center;" JCPenney is also a corporate partner with the Dallas/Fort Worth chapter of NAWBO; JCPenney was also one of the initial "signers" of the Dallas Women's Covenant.
Database	JCPenney has an internal M/WBE database available for use by all of its buyers; potential suppliers must provide the following information in order to be included: proof of certification, a completed business profile and information on their business; potential suppliers are entered by category.
Identification of WBEs	The manager of SDD personally reviews the file of every potential JCPenney supplier, reviews and distributes the file to the appropriate "advocates" for review and follow-up with appropriate buyers or purchasing managers; all potential suppliers who apply are retained in the Company's supplier diversity database.

WBE Education	JCPenney offers developmental workshops to M/WBEs.

3. Buyer Education

<u>Training of Personnel</u>	In 1998, merchandise buyers and brand development managers were required to participate in a one-hour session that included a detailed overview of the SDD program and on how the program was integrated into the Company's strategic plan; this session was assigned a course number and attendance is indicated in the associate's training record; educational overviews are given at departmental meetings on an annual basis.
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4. Program Structure, Resources and Measurement

Dollar Goals	JCPenney establishes dollar goals based on previous years' results, the annual purchase plan and its supplier base.
Supplier Diversity Staff	Currently, JCPenney has 3 full-time staff dedicated to supplier diversity.
<u>Certification</u>	JCPenney requires 3 rd -party certification for M/WBEs to ensure the integrity of its program; currently, JCPenney accepts certification from WBENC and its affiliates, NMSDC and regional affiliates and any other agency whose standards meet or exceed NMSDC's or WBENC's standards.
<u>Advocates</u>	JCPenney has a supplier diversity advocate in each department (15 in all); their role is to ensure that the supplier diversity message is reaching their department and to ensure that WBEs and MBEs receive equal access to JCPenney's opportunities; the manager of SDD has direct and ongoing communication with the advocates.

5. Internal and External Communications

Recognition Programs	JCPenney has an annual awards program recognizing and honoring minority and women-owned businesses and JCPenney associates who have been instrumental in developing mutually-beneficial relationships between the company and the minority and women-owned business community.
Internal Newsletter	JCPenney provides a brochure geared specifically toward M/WBE purchasing: "The Partnership Program: Opportunities for Minority & Women-Owned Businesses."

Reporting and Tracking	The manager of SDD reports twice a year to the steering committee which is appointed by the Chairman; committee members use these results to provide leadership and guidance; results are also published in JCPenney's annual report.
Web Site	To access more information about JCPenney's Supplier Diversity Development Program, go to www.jcpenny.com ; click through to specific information on supplier-partnerships on the home page.

JCPenny Company, Inc.

WBE Success Story

CFJ Manufacturing

President and CEO: Sharon Evans

Number of years in business: 15

Revenues: 1997: \$7 million

Description of business: CFJ is a certified women business enterprise (WBE) specializing in the manufacture of jewelry. The Company provides a full line of products, from safety and service award programs to executive gifts, advertising specialty items and corporate awards. The Company has formed strategic partnerships with several companies for the production of non-jewelry products.

Length of time doing business with JCPenney: approximately 5 years

Sharon Evans targeted JCPenney as a company to do business with about two years prior to receiving her first contract. As she researched their financial position, their products and their customer base she was particularly impressed with JCPenney's strong supplier diversity program. She was also struck with the fact that JCPenney required women-owned businesses to be certified.

Although her first bid was unsuccessful, her Company ultimately came to the attention of one of JCPenney's buyers and she was contacted when another opportunity became available. It took two more years to get a contract but, Ms. Evans' diligence paid off handsomely. In 1997 and 1998, Ms. Evans and the Company received JCPenney's prestigious Supplier Diversity Development award as a Regional Winner.

Being a certified women business enterprise has provided Ms. Evans and CFJ Manufacturing opportunities to bid on contracts in the corporate and government sectors. She's a firm believer in "certification opening doors, especially with companies that have strong supplier diversity programs like JCPenney."

The Dallas Covenant

WBE Success Story

The New York Women's Business Alliance

“This is not philanthropy, this is not doing good for the community. Women are the fastest growing segment of the economy; this is where the return on corporate America's investment will be. There is no question that it's good business to do business with women-owned business.”

-- Linda Price, Chair of the **New York Women's Business Alliance** and president of Ronin Enterprises, a New York-City based training and consulting outsource company.

Overview

When Linda Price and Judy Robinson left New York for Washington, DC last October to attend the *Women's Economic Summit '98*, they had no idea they would return two days later inspired and determined to change the way New York-area corporations were doing business.

As business owners in the City, both women were acutely aware of the limited access that women-owned businesses have to corporate and government markets. At the Summit, they registered for the *Market Opportunities Initiative* to explore and discuss how women-owned businesses could gain greater access to these major markets.

As participants on the *Market Opportunities* “CEO Roundtable” team, the women were introduced to the *Dallas Women's Covenant (DWC)*. The concept of having corporate CEOs commit to specific women-owned business supplier goals--and then report on those goals annually--intrigued them. They returned from the Summit determined to create a similar “covenant,” customized for New York.

Building an Alliance

With a preliminary plan in-hand, Price and Robinson began recruiting others who were interested in impacting women's business development. The first meeting was held and the participants clarified the mission of their new organization: “to bring about a broad-based, lasting change in the economic community that will result in the expansion of economic opportunities for *all* businesses . . . fuller inclusion of women business owners into the corporate purchasing process will result in a stronger and more competitive business environment that creates more jobs and revenues.”

The group proposed the new “organization” be named the “New York Women's Business Alliance (NYWBA)” and that “CEOs of participating Alliance members will both internally and externally support the goals of the Alliance. Each year participating organizations will establish and report their own goals and programs for the coming year and will report their results, including the total dollar amount and total percentage of purchases from women-owned businesses.”

The Alliance Finds a Home

One of the women attending the initial meeting was Marsha Firestone, President of the Women's Presidents Organization and a member of the *New York Women's Agenda (NYWA)*, an influential consortium of 84 New York-area women's organizations. The convening group proposed that the NYWBA reside within NYWA, specifically within its Economic Development Subcommittee. This subcommittee is comprised of entrepreneurial organizations and has taken responsibility for issues related to economic development for women in New York City.

NYWBA's CEO, Muriel "Mickie" Siebert, CEO of Siebert Financial Corporation, and the Economic Development Subcommittee have embraced the New York Women's Business Alliance. In addition, the head of New York State's Division of Women, as well as the Controller for New York City, have agreed to assist the Alliance in identifying eligible corporations and CEOs. Several prominent corporations have agreed to "sign on" with the Alliance.

The Future

There's no doubt about it: the NYWBA is in place and moving forward. The Alliance is well-positioned and will publish its first compendium of corporate goals by year-end 1999 and plans on publishing actual results by year-end 2000. Within five years, the Alliance hopes that other U.S. cities will use the New York Alliance as a "model" for their own efforts.

WBE Best Practices

State and Local Government Working With Nonprofits to Increase WBE Access to Their Markets

The Ohio Partnership Models

“Women-owned businesses and women business managers are playing an increasingly more important role in shaping the economic climate of the State of Ohio and the United States.”

-- Donald Jakeway, Past Director, Ohio Department of Development

“Female-owned businesses have made major contributions to fostering Ohio’s Business climate. The state must make every effort to provide the necessary resources to ensure continued growth.”

-- George Voinovich, Governor of Ohio 1990-1998

“The impact that women make on the economy is valuable. More value is added when resources join together.”

-- Karen McVey, CEO, Women in New Growth Stages (WINGS)

History

The state of Ohio, the cities of Columbus and Springfield, and Franklin County have developed partnership programs with non-profit women’s business development organizations creating new and exciting procurement opportunities for the women business owners. Some of these partnerships, and their impact on the women’s business community, are highlighted.

Background and Research

In December 1991, the Department of Development in the **State of Ohio** commissioned a study on certification programs to determine if they were meeting the needs of women’s business enterprises (WBEs). A year later, the **City of Columbus** commissioned a “Predicate Study” to investigate the purchasing practices of the City to determine whether minority and women-owned businesses were included in the city’s purchasing practices.

The results of both studies concluded that WBEs were *not* included in the mainstream of either the state or city purchasing practices. The studies also concluded there were many WBEs capable of performing on contracts and providing goods and services; however, no outreach or certification programs were offered to encourage their participation.

Executive Action and Legislation

In November 1993, Governor George Voinovich issued **Executive Order (93-48V)** expanding business opportunities for women-owned business enterprises in Ohio. The Executive Order outlined methods requiring state agencies to take necessary measures to support and foster business opportunities for women-owned businesses. It

also included WBE access to management, technical, financial and procurement assistance. This Order enables the state to work closely with the Ohio Women's Business Resource Network (OWBRN) and the Greater Columbus Women's Business Development Center, (recently reorganized as the Ohio Women's Business Development Center) which facilitates the process.

The City of Columbus' "Predicate Study," resulted in the passing of an ordinance known as **The Columbus City Code, Title 39, Affirmative Action Code (Title 39)**. Title 39 formally established a certification program for WBEs and MBEs and set forth purchasing goals for each. This Title also established an *Equal Business Opportunity Commission* comprised of community leaders who provide oversight for the program.

Creating Partnerships

A powerful outcome of this legislation, spurred on through the efforts of numerous women's business development organizations, has been the creation of official--and less formalized--outreach programs to establish partnerships between the state and the city and many of Ohio's nonprofit women's business development organizations.

The Ohio Women's Business Resource Network (OWBRN) "Partnership"

In 1992, 13 women's business development organizations united to create the *Ohio Women's Business Resource Network (OWBRN)*. *OWBRN* provides a myriad of services to WBEs including training, procurement services, advocacy and technical assistance. *OWBRN* is used primarily as a service center for dissemination of information. The member organizations help WBEs to complete certification applications and, in some cases, will assist the certified WBEs in developing contract leads. This "partnership" of women's business development organizations has become powerful and influential, creating broad exposure for many of Ohio's WBEs.

City of Columbus Partnerships

The *Ohio Women's Business Development Council (OWBDC)* is an extremely active member of *OWBRN*. In 1992, the organization invited WBEs, and others interested in the growth and development of women-owned businesses, to participate in a strategic planning session. This resulting in *OWBDC's* development of a **Procurement and Certification Program**, modeled after the Chicago Women's Business Development Center's Women's Business Initiative. The program has grown and matured to become one of the premier providers of procurement and certification services to WBEs in the state and is the only state program that certifies WBEs without regard to race. *OWBDC* is a partner in the *Women's Business Enterprise National Council (WBENC)* network of certifying organizations. With its headquarters in Washington, D.C. and affiliate organizations across the country, *WBENC* was the first organization to provide certification for women-owned businesses on a national level beginning in early 1997.

The *OWBDC* has also partnered with the city of Columbus to provide certification services to ensure certified WBEs are participating in the mainstream of the government contracting economy. Moreover, *OWBDC* staff aggressively assists WBEs with state procurement opportunities by identifying bid opportunities and assisting with proposal development in some cases.

The city of Columbus has also developed partnerships with the *National Association of Women Business Owners* and the *Central Ohio Government Marketing Assistance Program*. The latter organization actively identifies women businesses for government contracting opportunities.

State of Ohio Partnerships

Similar partnerships have taken shape at the state level. For example, the *Ohio Department of Development (ODOD)* has a partnership program with *OWBRN* called *Market Your Assets*. The program was developed as a direct result of the Governor's Executive Order. This program encourages WBEs to actively

compete for goods and services contracts within the *Department of Development* and makes referrals to other state agencies. Conversely, it encourages the heads of Divisions within the ODOD to do business with Certified WBEs. The *OWBDC* is considered a clearinghouse for procurement opportunities and is very active in this partnership.

Other Partnerships

In 1997, because of the high volume of development taking place in Columbus, the Franklin County Purchasing Department approached the *Greater Columbus Chamber of Commerce (GCCC)* to assist with outreach efforts to WBEs and MBEs.

The Chamber then formed partnerships with the *Columbus Regional Minority Supplier Council* and the *OWBDC* to facilitate program delivery. The Chamber sends information on upcoming private sector bids to its WBE members.

How the Partnerships Came Together

Each partnership discussed above was developed to serve the WBE community effectively and efficiently. Including the following three-step process, which was used to develop, implement and fine-tune each partnership, has resulted in some creative and effective partnerships in Ohio at the state, county and city levels.

- (1) **Program Development:** The partners first consideration was the program needs of WBEs; for example, the partners considered how the programs would be delivered; inter-organizational working relationships, overall program impact, and the identification of opportunities for improvements. The partners also agreed that certified WBEs would be targeted for assistance specifically Program results are evaluated by the number of contracts awarded.*
- (2) **Identification of Certified WBEs:** Since the partners decided to target certified WBEs, they needed to create a way of identifying them by creating directories of women-owned businesses available from the State and city of Columbus. WBE association membership rosters were also used, including lists provided by Women's Network for Entrepreneurial Training (WNET) and the Huntington Roundtables.*
- (3) **Organizational Coordination:** In order to maximize the efficiency of program development and minimize duplication, the partners needed to develop an inter-organizational system of program development and delivery.*

Partnership Benefits

One of the most significant benefits of the Columbus/OWBDC model is the certification process. This process ensures that the WBE is truly 51% owned, operated and controlled by a woman or women. In the absence of "written rules," program goals have been established in order to include certified WBEs in government purchasing practices at all levels. Another significant benefit of these partnerships is the increased exposure participating WBEs have with the government contracting arena. While the number of contracts awarded to WBEs has not shown significant growth as yet, procurement officials are much more aware now of the existence and capabilities of Ohio WBEs. This is a first step toward increased awards.

These partnerships are also able to function as “clearinghouses” for WBEs. WBEs receive access to government contracts and to critical management and technical assistance through training, seminars, mentoring, business lead development, direct procurement assistance, etc. Franklin County and the city of Columbus also encourage and assist prime contractors to develop projects that increase the utilization of WBEs as subcontractors. This program, “Construction in Progress,” promotes the use of MBEs and WBEs as subcontractors on major real estate development jobs in Columbus. It has been effective in increasing WBE and MBE contract opportunities. The program also works closely with the OWBDC to identify certified WBEs with the capacity and capability to bid on construction and supply projects.

OWBDC Research on Program Effectiveness

In starting to assess the effectiveness of some of these partnership programs, the OWBDC conducted preliminary research to present at Summit '98.

The OWBDC used four data collection approaches to gather information on the results of the State of Ohio's ODOD Program, the Franklin County and City of Columbus Programs.

- 1. **In-depth personal interviews** were conducted with 20 certified women business owners from Franklin County and Columbus. The WBEs surveyed were certified with the City of Columbus and with the OWBDC. The women were asked about the benefits of certification and its effect on their ability to do business with each governmental agency.*

Findings:

- 80% of all WBEs interviewed operated service firms; 85% of the firms were founded by the owners and were between three and ten years old with average gross sales of \$100,000 per year. All were certified WBEs by the WBDC and the city of Columbus.*
- The majority of women polled viewed certification as marketing and networking tools. Although 10% had actually received government contracts, they did not feel this was a result of their certification. Most expressed “business contact” as their primary reason for becoming certified.*
- The firms tended to be certified through government agencies in addition to WBENC/WBDC Certification. They were also registered through state purchasing agencies or certified with the State of Ohio Equal Opportunity Commission.*
- Most felt the certification process should be viewed only in the context of verifying the legitimacy of a firm's existence. Some felt the amount of documentation requested to prove legitimacy was excessive and a violation of privacy.*
- Most felt certification should serve as a pre-requisite for a WBEs participation in state and local contracts--no matter the size of the award.*
- Most felt certification gave them the opportunity to bid competitively. Most had been certified for two to three years.*

- *Most were notified about contract opportunities through bid notifications sent from the governmental agencies and the WBDC.*
 - *Less than \$1,750,000 in contracts were awarded to certified WBEs in 1996 by the State of Ohio; less than \$2,500,000 in contracts were awarded to certified WBEs in 1996 by the City of Columbus.*
 - *The firms felt the nonprofit partnership between WBDC and government agencies was an important factor in keeping certified WBEs aware of bidding opportunities.*
2. ***Mail survey was sent to 115 WBEs: five surveys returned undeliverable; 110 surveys successfully mailed; 46 surveys completed and returned by vendors; return rate approximately 39%.***

Findings:

- *80% attempted to sell their products and services to the City, County or State governments.*
 - *30% were subcontractors for another company doing business with the City, County or State.*
 - *95% felt the services of the OWBDC to facilitate government contract opportunities were very helpful.*
 - *71% received notices through the mail of bid opportunities.*
 - *81% felt the assistance given by the WBDC in developing relationships with government purchasing agents and Certified WBEs was very helpful.*
 - *74% felt there should be more “business opportunity” seminars to bring major government buyers together with certified WBEs in a one-on-one capacity.*
 - *57% felt vendor training to improve success rate with City, County and State-purchasing entities would be helpful.*
3. ***A focus group was conducted with the City of Columbus, Franklin County, the Greater Columbus Chamber of Commerce, the Ohio Women’s Business Resource Network, Cap City Business and Professional Women’s Organization, WINGS, Columbus NAWBO and the OWBDC to assess their collective views and ideas on advantages and disadvantages of using certified WBEs in government purchasing practices and how to increase the number of certified WBEs using government purchasing programs.***

Findings:

- *The majority of attendees expressed belief that certification programs for WBEs are necessary to eliminate sexism in the business marketplace.*
- *Many acknowledged that WBE programs in Ohio have provided a window of opportunity for WBEs to penetrate the “good old boy” network.*
- *Those present expressed belief that WBEs face barriers against historical discrimination, particularly in the government-contracting arena.*

- *The majority of those in the group believe the likelihood of “front” companies is more prevalent with WBEs than MBEs.*
 - *The group wants purchasing goals for MBEs and WBEs to remain separate.*
 - *Government agencies, with the exception of the city of Columbus, would like a means to properly certify non-minority WBEs. They also believe WBENC/OWBDC’s Certification and Standards should be adopted as “the certification” of choice.*
 - *Many believe government agencies should use the nonprofit sector more to ensure women are included in purchases and suggest each purchasing agent be assigned to work with the nonprofit sector to develop contract leads for certified WBEs.*
4. **A Telephone Survey** was conducted with administrators of the City of Cleveland and the City of Springfield Ohio Programs to determine their success in working with non-profits to develop and implement programs for WBEs.

Findings:

- *Both programs were established because of Executive Order*
- *WBEs defined in terms of 51% ownership, control and day-to-day management; the definition differed according to legal forms of operation.*
- *Both programs work with non-profits for management and technical services. Interagency or cooperative agreements are used to facilitate communication and referrals.*
- *Communication and sharing of data appeared to be prevalent.*
- *Non-profits are used to assist with maintenance of a data computer database of certified WBEs and is available to government agencies and other partners.*
- *Non-profits also used for outreach, advocacy and marketing of WBE certification program and bid notifications.*
- *The impact of separate WBE certification allowed them to contract with more WBEs in their area.*

Recommendations for Program Enhancement

Public/private partnerships have greatly enhanced the visibility of many WBEs and increased the opportunity for their participation in state- and citywide procurements. If WBEs are to truly experience equal access to the Ohio markets, however, much remains to be done.

One recommendation put forth to enhance WBE inclusion in state, city and local contracting is the creation of a centralized clearinghouse, using the OWBDC and the OWBRN as focal points. The goal of the clearinghouse would be to share information on certified WBEs and to adopt a uniform application for WBE certification (the WBENC Certification Application). The certified WBEs would be entered into a centralized database with a record of their contract awards. Establishing a joint certification committee and advisory board has also been suggested. This board would consist of women business advocates from organizations

throughout the state. The joint certification committee would consist of the government certification managers and corporate representatives.

The Columbus Partners believe opportunities for successful certified WBE programs can be enhanced. Local and state WBE programs must work together to develop more targeted responsive business support and economic development programs for certified WBEs. These programs would help move WBEs into the mainstream of state and local purchasing economies. The Columbus model is an example of one creative approach. The ultimate success of this model has relied heavily upon “doing the homework” to effectively tailor programs to meet the needs of certified WBEs in a way that maximizes results.

Ultimately, better communication and exchange of information must be developed regarding certified WBEs. Electronic and other forms of communication are being investigated to highlight contract awards, advocacy efforts and information on bid opportunities. Requiring a utilization report showing the participation level of certified WBEs in one way to ensure a fair share of product and service contracts are being awarded to WBEs and is another essential element for increased WBE participation.

No doubt, the partnership programs have resulted in increased exposure for WBEs in the state of Ohio. Ultimately, however, all the partners must step up to the plate. Agencies and purchasing officials must be held accountable for purchases from WBEs. This is not happening now. These partnership programs should be viewed only as a starting point.

Conclusion

Women-owned businesses constitute a major force in the business population. Census data shows that women entrepreneurs are diversifying beyond the service and retail trade sectors into “non-traditional” areas such as construction and manufacturing. In order to continue this rate of growth, an increase in market share in government and private sector purchasing is essential. By working effectively with nonprofit organizations whose mission it is to assist WBEs, the share of certified WBE purchases in the public sector can and ultimately will be increased.

For more information on this report, feel free to contact Linda Steward, President, Ohio Women’s Business Development Council, Inc., 462 West Broad Street, Columbus, Ohio 43215; 1-877-238-9232 (Office/toll free); (614) 621-2633(fax); E-mail address: lsteward@netwalk.com.

The City of Columbus In Partnership With the Ohio Women's Business Development Center

WBE Success Story The Foster Corporation

President and CEO: Pamela Foster-Grear

Number of years in business: 12

Revenues: 1998 - \$5.7 million
1999 projected – \$6.3 million

Description of business:

The Foster Corporation is a uniform and safety supply distribution company providing wholesale and retail products to local government agencies and major corporations. The Foster Corporation has been certified as a women's business enterprise (WBE) since 1989.

Length of time doing business with the City of Columbus: 10 years

Pam Foster-Grear was a computer literacy instructor with the City of Columbus' *Department of Youth Services*. Her curiosity about whom was providing the officers' and inmates' clothing, coupled with her realization that there were very few certified women and minority-owned businesses supplying uniforms to the state, led to the formation of **Foster & Associates**. At first, a small company providing uniforms, footwear, outerwear and fabric to local and federal government agencies and private sector companies, customers began asking for other products. Foster-Grear heard them and soon goggles, hardhats and other safety supplies were added to the product mix. **Foster & Associates** evolved into **Foster Safety**, a precursor to **The Foster Corporation**.

The decision to become certified as a women's business enterprise (WBE) was a strategic one, since research revealed there were targeted procurement programs available to women-owned businesses. A business needed to be certified in order to take advantage of them. **Foster & Associates** became certified first through the city of Columbus and then through the *Ohio Women's Business Development Council (OWBDC)*, a regional affiliate of the *Women's Business Enterprise National Council (WBENC)*.

For Foster-Grear and the Company, WBE certification has provided a variety of benefits. First, having certification as a WBE gave the Company visibility that enhanced its access to procurement opportunities--particularly those targeted for women's business enterprises (WBEs). Second, as a result of certification, "a host of information" on workshops, resources, trade shows and procurement opportunities is received. Certification has also inspired Foster-Grear to explore, as part of her "business' dynamic," opportunities she may have not considered otherwise.

TRW and the Department of Defense

Mentor – Protégé Programs: The Federal Government and Prime Contractors Working With Small Businesses

“TRW is an advocate of Women-Owned Small Businesses because they help the Company achieve our goals, improve the quality of our products, help keep our costs competitive and offer innovative solutions to technical problems.”

-- Al Boldon, Director, Small Business Office, TRW

History

Date Mentor-Protégé Program Implemented at TRW

The Department of Defense Mentor Protégé Program was authorized by Section 831 of Public Law 101-510; TRW implemented its Mentor Protégé Program in 1992

Date First WBE Protégé Added

1992

Historical Overview

When Al Boldon, Director of TRW's Small Business Office, first joined TRW's small business department in 1993, the Corporation had been participating in the Department of Defense's **Mentor-Protégé Program** for about a year and had four protégé companies on board. Part of Mr. Boldon's responsibility was to ensure they remained in the "TRW fold" and received adequate training and technical assistance along with TRW subcontracting opportunities. He was also charged with ensuring the protégés achieved the ultimate goal of the program: competitive independence in the commercial and government contracting worlds.

The Program

The Department of Defense (DoD) Pilot Mentor-Protégé Program (MPP) is a unique effort--encouraging major DoD prime contractors (mentors) to develop technical and business capabilities of small disadvantaged businesses (SDBs) and other eligible protégés. Through credit toward subcontracting goals or some direct reimbursement of costs, the MPP provides incentives for mentors to establish and implement a developmental assistance plan to enable the protégé company to compete more successfully for DoD prime and subcontract awards.

Mentor Benefits

TRW, a worldwide leader in automotive, space, defense and information technology markets, became involved with DoD's Mentor-Protégé program because they realized it could be an excellent vehicle for their own business. DoD contracts require they subcontract a specific percentage of their contracts to small disadvantaged businesses (SDBs) and women-owned businesses (WOBs).¹ TRW recognized that by providing technical assistance, training and subcontracting opportunities to select SDBs and WOBs, they would satisfy DoD's subcontracting requirements and also have a direct hand in developing technically qualified, loyal subcontractors. This, together with DoD's financial incentives to mentors, is enough to convince the Corporation of the programs merit.

The Payoff

TRW has invested a good deal in their Mentor-Protégé Program and they have reaped significant rewards. Currently, there are eight protégé companies on board, two are woman-owned. One of the most successful is **Frontier**, a woman-owned firm. TRW loaned three of their technical staff to Frontier for one year and are still reaping rewards. Frontier is one of TRW's key suppliers of flight hardware for spacecraft.

The ultimate payoff for protégé companies is that they get to build their capacity to provide additional products and services while receiving technical expertise and support from the mentors.

¹There is no statute requiring DoD prime contractors to award a specified percentage or dollar amount to WOBS, each of DOD's military departments has a 5% WOB goal for prime contract awards to WOBS and a separate 5% goal for subcontract awards to WOBS. In some cases, prime contractors also have the opportunity to negotiate specific WOB subcontracting goals with DoD.

The Future of TRW's Mentor-Protégé Program

TRW views its Mentor-Protégé Program as an excellent business vehicle. The Company directly influences the business development of its subcontractors and establishes and nurtures strong, long-term relationships with them. Subsequently, TRW meets DoD subcontractor requirements and receives outstanding performance and quality from its subcontractors while minimizing technical risk. For TRW and small women-owned and disadvantaged businesses, the mentor-protégé partnership is a win-win relationship and one the Company views as a long-range endeavor.

Nuts and Bolts

Some specific components of the Mentor-Protégé Program are briefly discussed below.

Strategic Planning

<i>Formal Policy on Mentor-Protégé Program</i>	TRW's two executive vice presidents and general managers (one in the Space and Electronics group, the other in the System and Information Technology group) issue a "letter of commitment" emphasizing their own, and TRW's, commitment to the Mentor-Protégé program; these letters also emphasize senior management's commitment to the program.
<i>Top Management Support</i>	In addition to the "letter of commitment," the Small Business Liaison Officer and VP for Finance approves any new protégé. The protégé "proposal" is reviewed to ensure that TRW can deliver on its proposed training and technical assistance promises and that the match will be a synergistic one.
<i>Strategic Planning</i>	TRW's overall strategic plan includes a Mentor-Protégé Program strategy; specific percentage of subcontracts are targeted to protégé companies based on current and projected needs and their current capabilities.
<i>Goal Development</i>	Generally, protégé companies are identified apart from companies with whom TRW is already doing business. Once identified, a preliminary mentor-protégé business development "plan" is developed with input from the small business office, technical personnel and others; this plan includes: training goals, subcontracting goals, technical assistance required and very specific outcomes and timeframes; both parties "sign off" on the plan and it is approved by top management.
<i>Accountability</i>	While the Director of the Small Business Office has overall responsibility for ensuring protégé business development plans are being implemented, individuals at several levels are also held accountable for the successful implementation of these plans. For example, each of TRW's multiple divisions has a subcontracting advocate <i>and</i> a technical advocate who has some accountability for the plans. The protégé company is accountable to TRW for its performance, quality and training outcomes; if the quarterly mentor-protégé feedback meetings reveal the protégé's performance is deficient in any area, an action plan is immediately developed with staff accountabilities, timeframes, specific objectives, etc.

Identification and Development of WBEs

<p><i>Outreach to WBEs</i></p>	<p>Generally, protégé companies are identified from companies with whom TRW is already doing business. In order to ensure that WOBs are always a part of their supplier base, the Small Business Office Director belongs to several local and national women's business organizations and the Office participates in 30 to 35 trade shows per year. TRW also co-sponsors trade shows and invites WOBs.¹</p>
<p><i>WBE Training and Technical Assistance</i></p>	<p>TRW and the protégé company mutually develop and agree upon a training/technical assistance plan. TRW's technical personnel work closely with the protégé company to provide insight into the protégé's business development needs. TRW's technical staff frequently works directly with the protégé company and will even spend time on-site with the protégé; TRW provides other staff assistance to its protégés, for example human resource staff for training purposes. TRW staff gives quarterly feedback and assessment to protégés on their business development plans; specific action plans are developed if there are performance deficiencies.</p>
<p>Internal Data Base (Intranet)</p>	<p>Performance on goals for subcontract awards to small, small disadvantaged and WOB are tracked on a monthly basis and published internally.</p>

Education of Purchasing Personnel

<p>Educating Procurement Personnel</p>	<p>In order to maintain the strength and success of its mentor-protégé program, TRW provides ongoing training on the program to its employees. TRW's in-house Small Business Office (SBO) staff works with employees monthly to discuss everything from legislation impacting their subcontractor base, to how to identify and develop protégé companies. The SBO staff emphasizes the program's business and personal benefits to staff.</p>
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¹ Generally, the term WBE (women's business enterprise) is reserved for a women-owned business that has been certified by a third-party entity. It is important to note that third-party certification for women-owned businesses on a *national* level has only been available for two years; while many corporations require this type of third-party certification for its women-owned suppliers, there are still many that do not.

4 Program Structure and Measurement Tools

<p><i>Key Program Elements</i></p>	<p>The SBO Director advises others considering a Mentor-Protégé program to include the following: (1) participation must be voluntary by both companies; (2) a written proposal that includes training, development, goals and objectives; the tentative length of the relationship and other timeframes; accountabilities; and senior management (including the Small Business Liaison Officer) approval; (3) the proposal must be flexible enough to allow adjustments for changes that will undoubtedly occur; (4) communication: TRW requires quarterly reviews at the protégé's facility and keeps protégés current on TRW's business and business plans.</p>
<p><i>MPP Goals</i></p>	<p>Two of TRW's eight protégé companies are woman-owned; TRW hopes to add at least one more woman-owned protégé company in 1999.</p>
<p><i>Advocates</i></p>	<p>The current Director requested each of TRW's multiple divisions assign both a subcontract advocate and a technical advocate to provide support to the MPP and other programs; each advocate is a high-level staff person; the subcontract advocates assist in determining which subcontracts are appropriate for each protégé and closely monitor their performance; the technical advocates identify technical aspects of specific projects that may be appropriate for each protégé and also monitor the protégés' technical performance.</p>
<p>Supplier Diversity Staff</p>	<p>There are six full-time supplier diversity staff members on the West Coast and three full-time staff on the East Coast; and several part-time staff complements subcontract and technical advocates.</p>
<p><i>Buyer Incentives</i></p>	<p>TRW offers a generous incentive program for purchasing staff who attain their established purchasing goals for SDBs and WOBs; purchasing staff can earn an additional 1% to 3% of their annual salary.</p>
<p><i>Certification</i></p>	<p>TRW requires self-certification only at this time.</p>

5 Internal and External Communication

<i>Recognition Programs</i>	<p>TRW sponsors an annual awards luncheon to recognize outstanding contributions to supplier diversity, including the MPP; this event is very successful.</p> <p>TRW and Frontier Electronic Systems Corp. earned the 1997 Department of Defense (DoD) Nunn-Perry Award for outstanding performance as participants in the DoD's Mentor-Protégé Program. The award honors mentor-protégé teams demonstrating excellence in technical assistance, return on investment and protégé development. It encourages the best efforts and practices of cooperation and increased productivity within the defense industry. Since 1992, TRW's technical representatives have provided mentorship in manufacturing, quality assurance and test engineering to Frontier, a Native-American, woman-owned small business specializing in space flight engineering and manufacturing.</p>
<i>Web Page</i>	TRW's Small Business Office web site is: www.trw.com/sbo/
<i>Newsletter</i>	Twice a year, the Small Business Office distributes a newsletter highlighting success stories, innovations and issues in the area of supplier diversity.
<i>Fact Sheets</i>	The Small Business Office issues supplier diversity "fact sheets" that include statistical information, accomplishments and other useful information.

TRW Mentor-Protégé Program
WBE Success Story
Frontier Electronics, Inc.

President and CEO: **Peggy Shreve**

Number of years in business: **18**

Revenues: **1998 - \$15.2M**

1999 projected – \$15.5M

Description of business:

Frontier Electronics Systems Corp. is a high-technology engineering and manufacturing business that does electronics design, manufacturing, testing and product support. The Company provides signal distribution hardware, avionics, satellite electronics and custom test systems for DOD and NASA customers.

Length of Time as TRW Protégé: 7 years

One reason native Oklahoman, Peggy Shreve and her husband started their engineering company was to provide employment opportunities in the state. Since 1981, beginning as Frontier Engineering Inc., to 1995, the Company's workforce has expanded to over 500 employees. In 1997, three of their four business units were spun off into three separate companies. Mrs. Shreve is the sole owner of the new, streamlined company, Frontier Electronics Systems corp.

While developing an automated satellite electronics test set, *Universal Test Bed*, Mrs. Shreve began looking at ways to become a TRW protégé. Frontier was eager to learn from TRW and benefit from associated contracting opportunities. Frontier's experienced workforce, their strong commitment and flexibility were all important protégé qualities for TRW. A deal was struck and the two companies signed their first mentor-protégé agreement in 1992. The first contract under the agreement was for Frontier to produce satellite electronics, even though it required they invest \$1.4M in new facilities and equipment.

The mentor-protégé relationship has allowed TRW and Frontier to develop a strong, long-term partnership. TRW meets its DoD and NASA subcontractor requirements *while* receiving quality products and support from Frontier. Frontier has gained new technology, training and additional contract opportunities.

A co-winner with TRW of the Nunn-Perry Award, the highest award DoD bestows upon a mentor-protégé team, Frontier has found the formula for a successful mentor-protégé relationship. To succeed as a protégé, Mrs. Shreve urges WBEs to "**communicate** on the same wavelength as their mentor," to "spell out specific program objectives" and, obviously, do "an outstanding job."

WBE/WOB BEST PRACTICES							
MASTER MATRIX							
Best Practice	JCPenney	Defense	Air Force	GSA	Treasury	NASA	TRW
Percentage goals are in writing and disseminated		Y	Y	Y	Y	Y	Y
Dollar goals are in writing and disseminated				Y		Y	Y
Prime contractors are required to have second-tier goals; accountability mechanism is in place	Y	Y	Y	Y	Y		Y
Prime contractors are encouraged to have second-tier goals				Y			Y
WBE and/or Supplier Diversity Program Manager in place	Y	Y	Y	Y	Y	Y	Y
Supplier Diversity staff in place	Y	Y	Y	Y	Y	Y	Y

Supplier Diversity "advocates" (or equivalent) in place	Y	Y	Y	Y	Y	Y	Y	
Best Practice	JCPenney	Defense	Air Force	GSA	Treasury	NASA	TRW	
WBE third-party certification process in place	Y							
WBE purchasing/ procurement performance considered as part of purchasing/procurement personnel's performance evaluation				Y			Y	
More frequent pay requests allowed for undercapitalized WBEs	Y					Y	Y	
WBEs used as value-added resellers							Y	
Split awards to allow a WBE to provide a portion of a requirement							Y	
Buyer incentives in place				Y		Y	Y	

WBE participation is tracked using an automated system	Y	Y	Y	Y	Y	Y	Y	
KEY								
Y: Yes, the best practice is in place.								
IP: In Process; the best practice will be fully in place by year-end 1999								

Acknowledgment

Many hours and hands went into the preparation of this Guide. The Council thanks the leadership and members of the House and Senate Small Business Committees who recognize the challenges women business owners face in gaining access to federal contracting opportunities and have provided resources to address these challenges head on. We look forward to working with them in the review and implementation of the Guide's findings and recommendations.

We also extend special thanks to those who gave generously of their time and expertise as program implementers and beneficiaries.

Dallas Women's Covenant

Billie Bryant, President – CESCO, Inc.; President – Technology Interchange Resources
Jennifer King, Director, Women's Business Issues Division, Greater Dallas Chamber of Commerce
Doris Thomas, Vice President/Secretary – Technology Interchange Resources
Sharon Venable, Greater Dallas Chamber of Commerce

Department of Defense

Janet Koch, Assistant Deputy Director, Office of the Secretary of Defense;

Department of the Air Force

Anthony J. DeLuca, Director, Office of Small and Disadvantaged Business Utilization
Judy Schlott, Women-Owned Business Program Manager

Department of the Treasury

Mary Ellen Dorsey, Women-Owned Business Advocate
Daniel Sturdivant, II, Small Business Program Analyst

Department of Transportation

Luz Hopewell, Director, Office of Small and Disadvantaged Business Utilization
Gerardo Franco, Program Analyst
Gloria Howard, Staff Assistant to the Director
Will Terry Moore, Associate Director
Debbie Ridgely, Small Business Specialist - Federal Highway Administration

General Services Administration

Dietra L. Ford, Associate Administrator, Office of Enterprise Development
Mirinda D. Jackson, Deputy Associate Administrator

Greater Columbus Women's Business Development Center

Linda Steward, Executive Director

JCPenney Company, Inc.

Susan Maxwell, Manager of Supplier Diversity Development

National Aeronautics and Space Administration

Ralph Thomas III, Associate Administrator, Small and Disadvantaged Business Utilization

New York Women's Business Alliance

Marsha Firestone, Co-President, Women, Incorporated

Linda Price, Chair, New York Women's Business Alliance

Small Business Administration

Richard Hayes, Associate Deputy Administrator for Government Contracting
and Minority Enterprise Development

Ken Simonson, Economist, Office of Economic Research

Sheryl Swed, Assistant Administrator for Industry Assistance, Office of Government Contracting

TRW

Al Boldon, Director, Small Business Office



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Summit'98 Market Opportunities Advisory Board

Lynn Boccio, DBE/MBE/WBE Compliance Manager, Avis Rent-A-Car System, Inc.

Billie Bryant, Director, Dallas Electronic Commerce Resource Center; Chair, WBENC's Women's Input Committee; and small business owner

Tony DeLuca, Director, Office of Small and Disadvantaged Business Utilization, Department of the Air Force

Carol Dougal, Co-director, Women's Business Development Center, Chicago

Tim Foreman, Program Analyst, Office of Small and Disadvantaged Business Utilization, Department of Defense

Luz Hopewell, Director, Office of Small and Disadvantaged Business Utilization, Department of Transportation

Sarah Hudanich, Market Executive, Women Owned Businesses, IBM

Janet Harris-Lange, President, National Women Business Owner Corporation

Janet Koch, Assistant Deputy Director, Office of the Secretary of Defense; and WOB Advocate, Department of Defense

Donna Lee, Vice President, Managed Network Solutions, BellSouth Corporation

Sherri Manning, President, ECCI

Susan Maxwell, Manager, Supplier Diversity Development, JC Penney, Inc.

Ellyn McKay, President, McKay & Associates

Susan McLaughlin, President, Consumer Services, BellSouth Telecommunications, Inc.

Patti McNeely, Executive Director, Women's Business Council of Louisiana

Ramon Moya, Director, Diversified Supplier Relations, Bell Atlantic Corporation

Linda Steward, Executive Director, Greater Columbus Women's Business Development Center

Krista Tillman, President, Small Business Services, BellSouth Telecommunications, Inc.