



# **Promises & Pitfalls Subcontracting with Primes**

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# NETS Group

**2004**

SAIC/NETS  
7000 Employees

PRIME

SUBCONTRACTOR

**208 subcontracts  
\$84 million/year**

**NETS is subcontractor  
on 153 contracts  
\$92 million/year**

**53 to small biz  
\$5.5 million/year**

**1981**

- AMSEC formation 7 employees
- Heavy reliance on subcontracts for initial growth
- Rules of engagement basically unchanged



# Lesson Learned

**Set-asides create the market**  
**They will not give you work**  
**It's just a ticket to the dance**

# Lesson Learned

## Find your niche

Unique capability

Special people

Price

Inside champion

Do your own marketing

Invest in good planning

Take your plan seriously

# Lesson Learned

Understand who your key customer really is ...

**the prime?  
the technical client?**

Who has the money?

Market for “funded tasks”

# Lesson Learned

## One Key Customer

### Many Customers

Prime's Program Manager

Technical Client

Contracting Officer

COTR/COR

DCAA

DCMA

Prime's Corporate Staff

Billing/Paying Agency

# Lesson Learned

**Relationships Matter**  
**Solve problems before they  
get to the key customer**



# Lesson Learned

**Top Management  
stay close to the  
key customer**





# Lesson Learned

**Character Matters**  
**Integrity Matters**

**Be predictable, reliable and loyal**  
**Do what you say you'll do**



# Lesson Learned

**Managers Manage  
Leaders Create Change  
If you aren't a leader,  
hire one  
Study leadership,  
seek a mentor**