



10th Annual Small Business Conference

Army & Small Business: Partners For Success

**The Honorable Claude M. Bolton, Jr., DSc
Assistant Secretary of the Army
(Acquisition, Logistics and Technology)
And Army Acquisition Executive
November 1, 2006**



Trivia Question

What Current Multi-Billion Dollar Company Started Off As A Small Business Financed By The Sale Of A VW Bus And An HP Scientific Calculator?



Trivia Question

Apple



Focus

- **Right Product**
 - **Right Time**
 - **Right Place**
 - **Right Price**

Rapid Fielding Initiative

Weapon Light



M4/M16 Improved
Cleaning Kit



M145 Machine Gun
Optic



Rapid Fielding Initiative



M249 Soft
Ammo Pack



Spare Barrel
Bag



3-Point Sling

Equipment Items Fielded to *All* Soldiers

Rapid Equipping Force

TACMAV



Translators



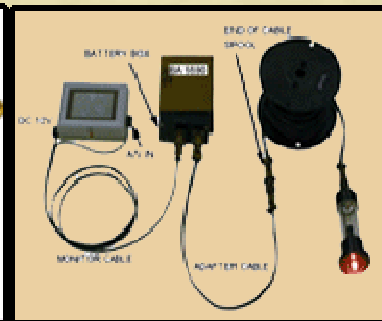
PILAR



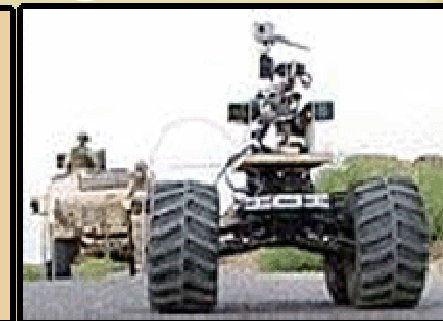
Rapid Equipping Force



Magnetometer



Well-Cam



MARCBOT

RE

ASAFALT

Stryker Family of Vehicles



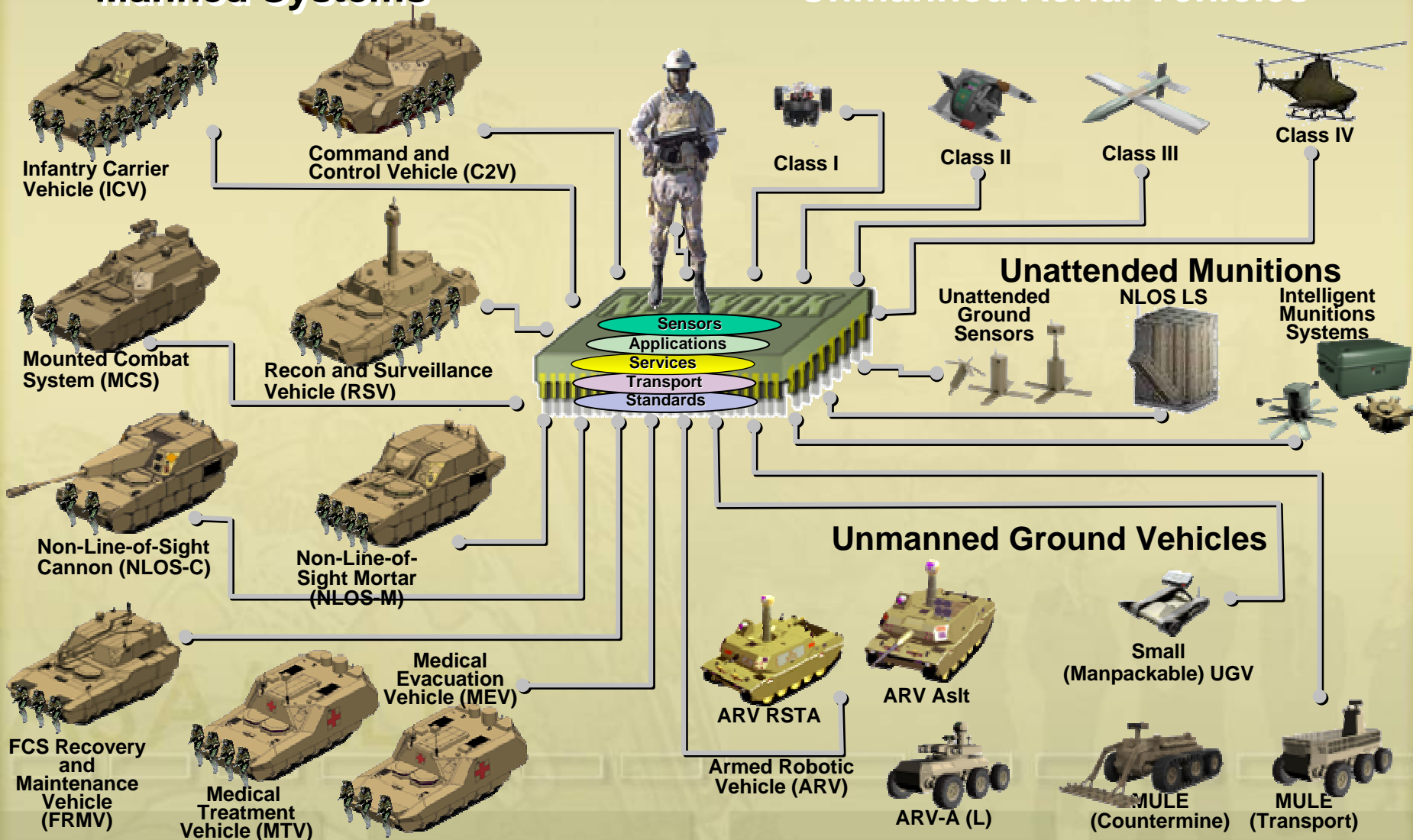
SUCCESS



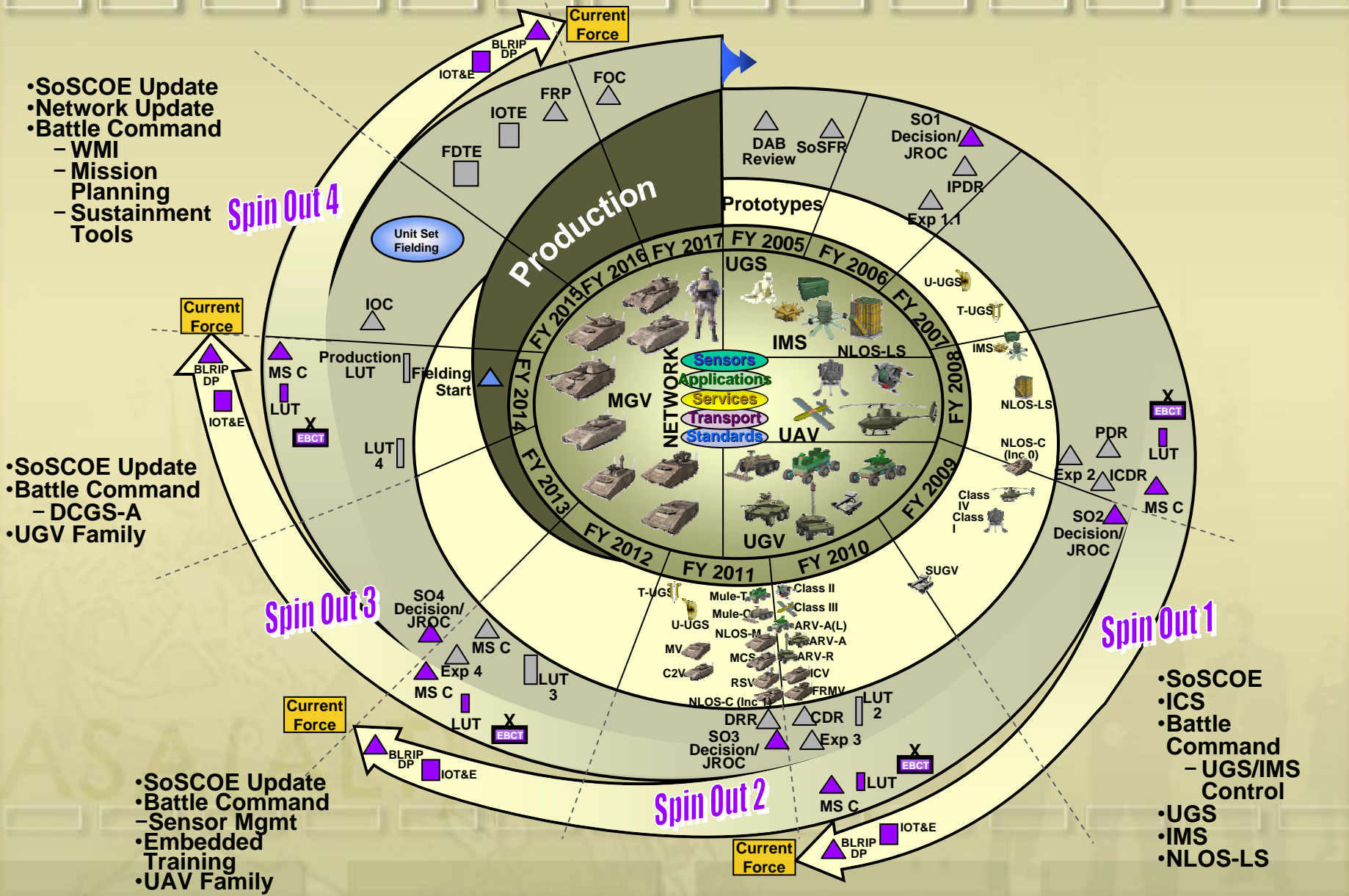
Future Combat System

Manned Systems

Unmanned Aerial Vehicles

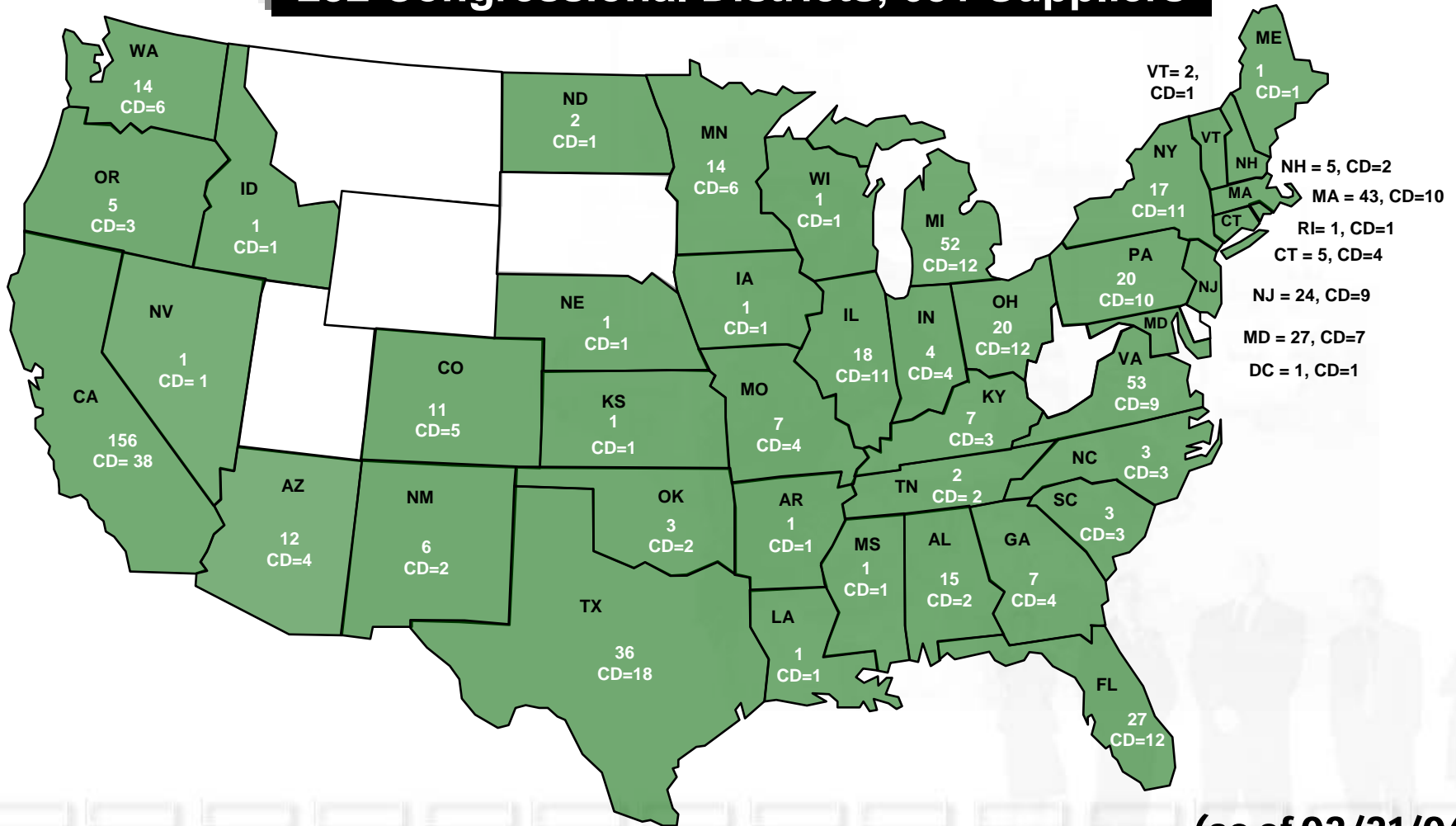


PM UA System of Systems Schedule



Future Combat Systems Supply Base

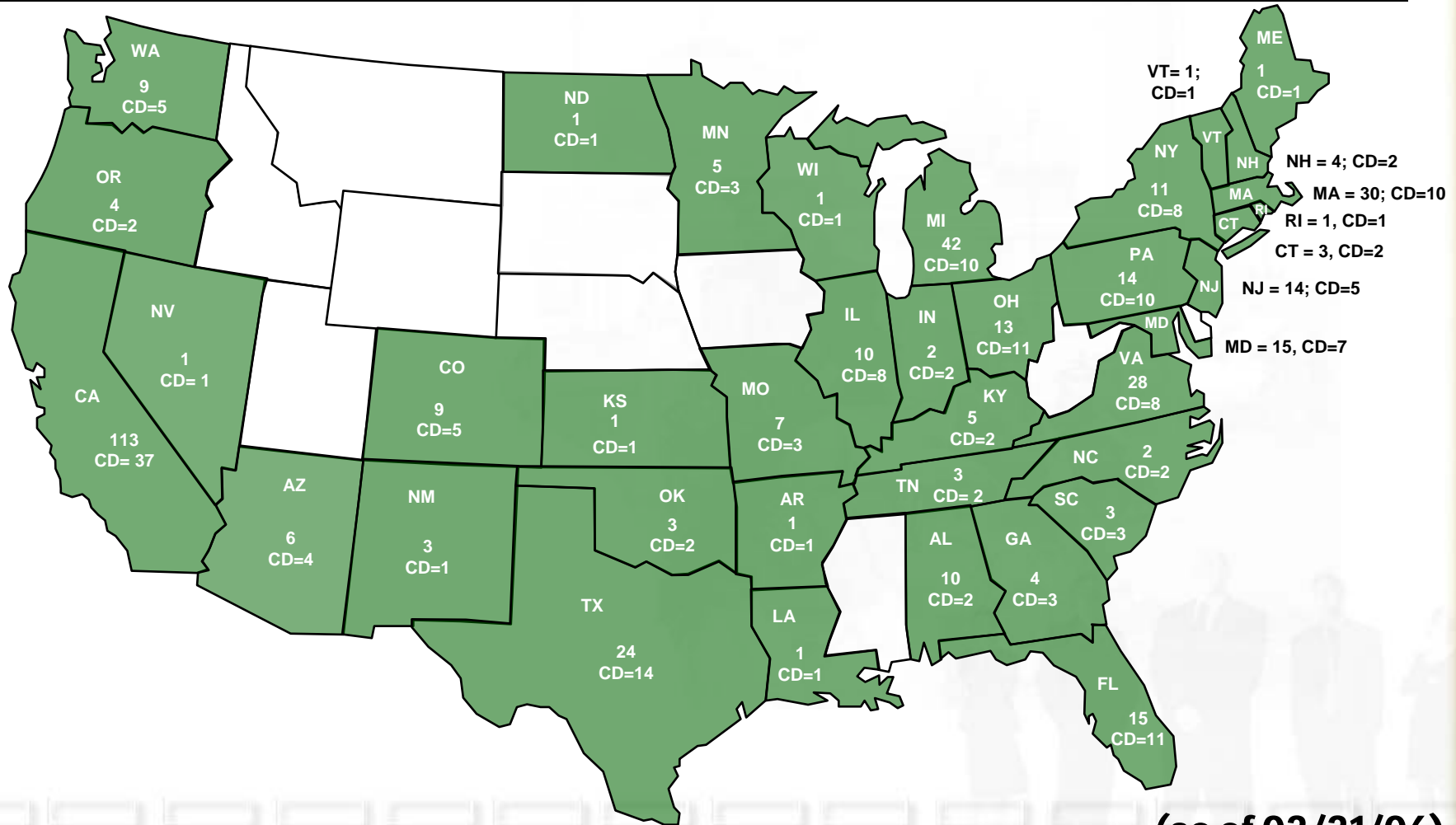
42 States plus the District of Columbia
232 Congressional Districts, 631 Suppliers



(as of 03/31/06)

Future Combat Systems Small Business Supply Base

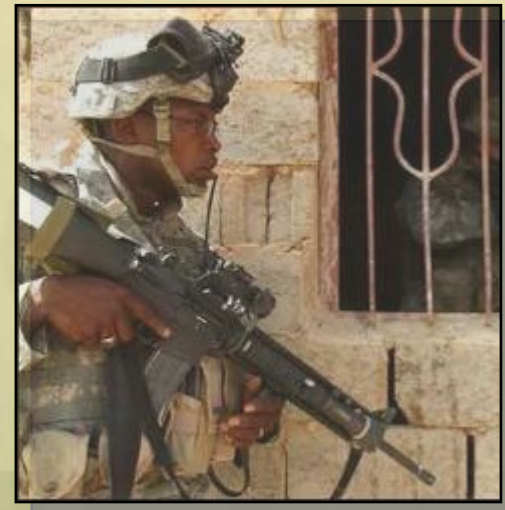
38 States, 193 Congressional Districts, 420 Suppliers



(as of 03/31/06)

Army SBIR Facts and Figures FY00-06

- 1,656 research topics...
- 21,067 proposals from industry...
- 3,408 contract awards...
- Over \$1.2 billion in research...
- 26 participating organizations...



Army SBIR = Improved Operational Capability

Cockpit Air Bag System

Simula, Inc.

Phoenix, AZ

- Over \$42M in DoD sales

UH-60A/L production contract; OH-58D completed qualification; AH-64D & CH-47D study programs



Innovative Communications and Electronic Warfare Antenna

FIRST RF Corporation

Boulder, CO

- \$247K in DoD R&D

- Over \$70M in DoD Sales

Over 12,500 units delivered through March 06.



FIDO Lightweight Integrated Explosives Detection System

Nomadics –
Stillwater, OK

-Over \$10M in non-SBIR investment

Fielded on 8 Nov 2005 in Baghdad, Iraq



Small Business in OIF & OEF



**HemCon Bandage:
HemCon, Inc.**

PACK BOT: iRobot



ATACS: Cybernet

Army Prime Contract Awards

| | DOLLARS (M\$) | | NAT'L GOAL | | % ACHIEVED | |
|--|-----------------|-----------------|---------------|---------------|---------------|---------------|
| | FY04 | FY05 | FY04 | FY05 | FY04 | FY05 |
| US Business | \$55,493 | \$70,802 | | | | |
| Small Business | \$15,471 | \$20,381 | 23.00% | 23.00% | 27.90% | 28.80% |
| Small Disadvantaged Business | \$5,005 | \$6,658 | 5.00% | 5.00% | 9.00% | 9.40% |
| Women-Owned SB | \$2,029 | \$2,625 | 5.00% | 5.00% | 3.70% | 3.70% |
| HUBZone Small Business | \$1,573 | \$2,226 | 3.00% | 3.00% | 2.80% | 3.10% |
| Service Disabled Veteran-Owned SB | \$233 | \$501 | 3.00% | 3.00% | 0.40% | 0.70% |

Things On My Mind

Are We Better Off Today Because of Small Business?

- More Than 25 Million Small Businesses In America
- Creates Two Out Of Every Three New Jobs And Accounts For Nearly Half Of America's Overall Employment
- Produced 13 To 14 Times More Patents Per Employee Than Large Patenting Firms
- Employs 41 Percent Of High Tech Workers
- Pays 45 Percent Of Total U.S. Private Payroll



Back-Ups

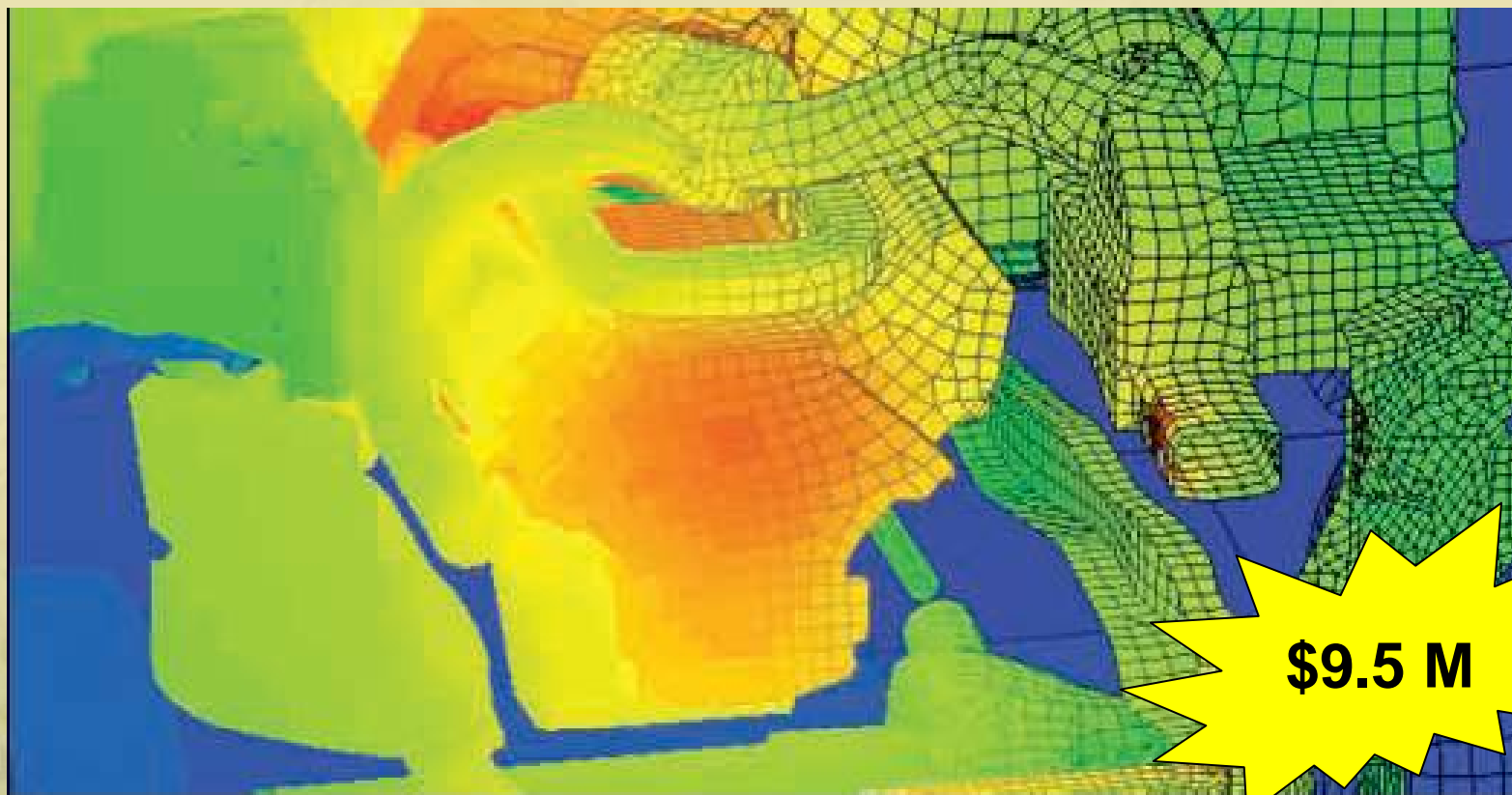
ASA (ALT)

Atair Aerospace, Inc.
Brooklyn, NY
Autonomous Aerial Delivery System



\$11.7 M

Thermoanalytics, Inc.
Calumet, MI
Vehicle Thermal Design Tool



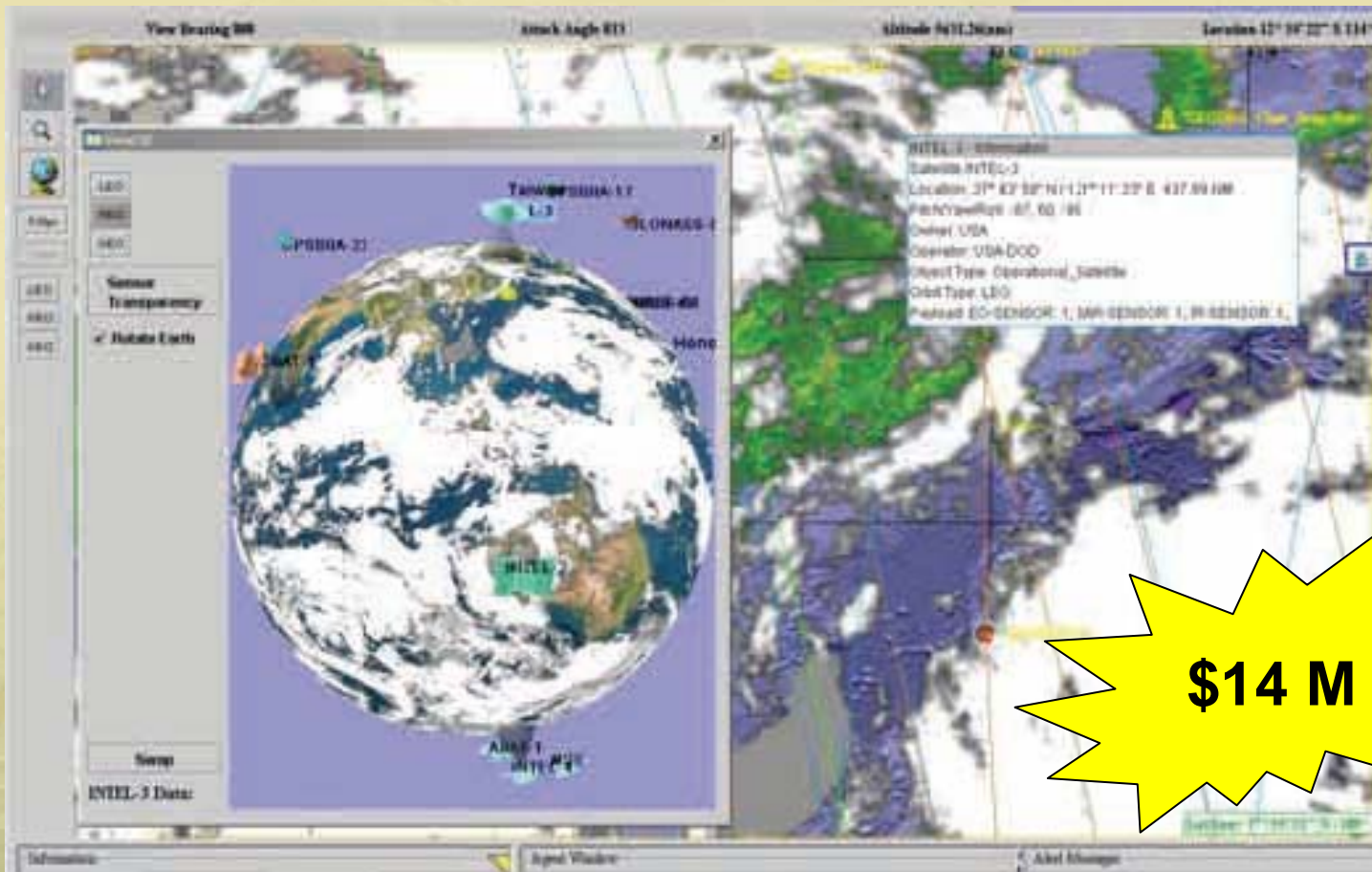
\$9.5 M

Universal Display Corporation
Ewing, NJ
Flexible Color Displays



\$5.2 M

21st Century Systems Inc. Herndon, VA Single Integrated Space Picture



FCS Small Business Performance to Goals

FCS Cumulative Small Business Commitment Dollars

| Report Period: | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|----------------------|----------------|----------------|------------------|------------------|------------------|-----------|-----------|-----------|-----------|
| Data Through: | 3/31/2004 | 9/30/2004 | 3/31/2005 | 9/30/2005 | 3/31/2006 | 9/30/2006 | 3/31/2007 | 9/30/2007 | 3/31/2008 |
| Small Business (SB) | \$ 48,170,426 | \$ 125,980,861 | \$ 228,671,813 | \$345,827,443 | \$ 502,399,884 | | | | |
| Large Business | \$ 237,164,342 | \$ 636,535,766 | \$ 1,548,116,305 | \$ 2,012,094,199 | \$ 2,932,164,049 | | | | |
| Total Commitments | \$ 285,334,768 | \$ 762,516,627 | \$ 1,776,788,118 | \$ 2,357,921,642 | \$ 3,434,563,933 | | | | |
| Disadvantaged SB | \$ 8,412,789 | \$ 15,982,605 | \$ 35,221,523 | \$ 46,480,946 | \$ 57,151,799 | | | | |
| Woman-Owned SB | \$ 4,622,229 | \$ 12,016,365 | \$ 25,243,369 | \$ 41,551,065 | \$ 55,595,164 | | | | |
| HUB Zone SB | \$ 605,973 | \$ 2,309,963 | \$ 4,332,551 | \$ 8,196,691 | \$ 14,817,637 | | | | |
| Veteran-Owned (VO) S | \$ 16,598,747 | \$ 35,440,225 | \$ 56,533,528 | \$ 75,214,625 | \$ 106,133,223 | | | | |
| Service-Disabled VOS | \$ 5,226,250 | \$ 11,979,935 | \$ 23,524,760 | \$ 28,733,870 | \$ 35,126,740 | | | | |

FCS Cumulative Small Business Commitment Percentages

| Report Period: | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Data Through: | 3/31/2004 | 9/30/2004 | 3/31/2005 | 9/30/2005 | 3/31/2006 | 9/30/2006 | 3/31/2007 | 9/30/2007 | 3/31/2008 |
| Small Business (SB) | 16.9% | 16.5% | 12.9% | 14.7% | 14.6% | | | | |
| Disadvantaged SB | 2.9% | 2.1% | 2.0% | 2.0% | 1.7% | | | | |
| Woman-Owned SB | 1.6% | 1.6% | 1.4% | 1.8% | 1.6% | | | | |
| HUB Zone SB | 0.2% | 0.3% | 0.2% | 0.3% | 0.4% | | | | |
| Veteran-Owned (VO) S | 5.8% | 4.6% | 3.2% | 3.2% | 3.1% | | | | |
| Service-Disabled VOS | 1.8% | 1.6% | 1.3% | 1.2% | 1.0% | | | | |

FCS Small Business Goals

| | |
|----------------------|-------|
| Small Business (SB) | 17.5% |
| Disadvantaged SB | 3.5% |
| Woman-Owned SB | 2.5% |
| HUB Zone SB | 0.3% |
| Veteran-Owned (VO) S | 1.5% |
| Service-Disabled VOS | 0.2% |

Committed Dollars are defined as dollars used to procure goods or services that can be tracked back to a prime contract via a valid contractual document.

The contractual document can be fully or incrementally funded.

Funding for subcontracts generally fall into two categories (Per FAR Subpart 32.7):

1. Fully Funded – funds obligated to cover the full or estimated price at subcontract completion.
2. Incrementally Funded (aka. "Fund(s) Limited") – Funds obligated to cover the amount allotted and any corresponding increment of fee for identified contract effort.

Formula used for percentages: Numerator includes committed dollars placed with diverse suppliers (e.g. SB, SDB, WOSB, HUBZ, VOSB, SDVOSB) during a reporting period. Denominator includes ALL committed dollars (including both large and small business suppliers) for the same reporting period.

Please note: In some cases, a pro-rata portion of indirect dollars may be included in both the numerator and denominator. Some Partners have a dollars threshold of \$500K for reporting small business dollars.