

What You Need to Know Before You Team/Partner

Presented to

11th Annual

Army Small Business Conference

Presented By

Technology Research Consultants, Inc.

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DOD Prime Contractor

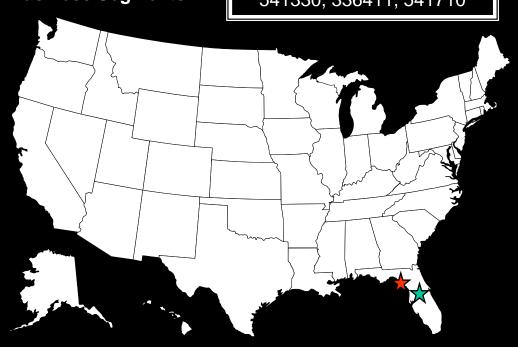
A Veteran Woman Owned Small Disadvantaged Manufacturing & Integration Business

- Veteran, Disadvantaged, Woman Owned Small Business
- Established in June 2002
- 8(a) Certification Granted: October 2002
- 2006 Sales: \$13.6M Orders: \$46.2M
- 2007 Launching Commercial Business Segments

NAICS Codes: 334511, 541511, 514210, 514191, 541513, 541330, 541210, 541330, 336411, 541710

Locations

- **★**Corporate Headquarters 2801 US Hwy 17/92 West Haines City, Florida 33844
- **★** Bushnell, Florida
- **★** Opening 3 Sites 2007



TO PRIME DOD CONTRACTS SMALL BUSINESSES MUST: **USE TIME TO** MANAGE THE FORM ALLIANCES/ **COMPETE** SUPPLY CHAIN **PARTNERSHIPS** Quick Logistics Marketing Activity Eliminate Response Non-Value Based VMI Adding Costing **Activities ECR** Separate **Synchronous** Product Manufacturing Info. From Manufacturing Development **Product** JIT R & D Flow **Single Source Solutions TQM Business Reengineering**

TIE ALLIANCE STRATEGIES TO THE CORPORATE BUSINESS PLAN **ENTRY SUSTAINING EXIT** • Alternative for Customer Diversification • New Discriminator • Current Cost Reduction • Buyer/Seller Transition Leveraging • Pushes Innovation Novations - Customer Base - Infrastructure • Turn Key Solutions • Reduces Exit Cost • Lower Risk Exposure Acquisition Trial • Stepping Stone • DOD PRIME vs. SUB • Reduces Transition Cost

Customer Service

- Responsiveness
- On-Time
 Performance
- Time Based
 Competition
- Outside Expertise
 - Infrastructure
 - Transportation
 - Combine Technologies

Teaming/Alliance Considerations

Economics/ Costs

- Productivity Gains
- Improved Cost Controls
- Economies of Scale
 - Labor, Insurance
 - Overhead
 - Purchasing Power
 - Asset Utilization

Business Reengineering

- Refocus on Core
- Rationalization
- Integrated Supply
 Chain
- Rightsizing
- Downsizing
- Cost Reductions

Quality

- Variability
- Damage
- Information
- Customer Interfaces

IDENTIFY GOALS

Customer Service

Channel Network

Labor Issues

Investment Alternatives

Operating Costs

Capacity Constraint

Product/Process

Technologies

Marketing Access

Functional Expertise

Internal Organization

Vendor Base

PARTNERSHIP SELECTION PROCESS

IDENTIFY REQUIRED SERVICES

Inbound Transportation

JIT Pickup / Delivery

Information Systems

Ordering Admin

Import/Export
Activities

Production / Assembly

IDENTIFY SPECIFIC OBJECTIVES

Improve Financial Performance

Reduce Investment

Improve Productivity

Improve Customer Service

Improve System Flexibility

Gain Distinctive Competencies

Improve Work Environment

Improve Control Over Operations

DETERMINE SELECTION CRITERIA

Size of Firm

Financial Performance and Stability

Efficiency of Operations

Capacity

Experience / Past Performance Record

IT & Quality Organizations

Compatibility of Corporate Cultures

Managing Long Term Partnerships

Key Factors

- Sense of Trust
- Mutually Beneficial Written Agreement
- Mitigate Affiliation Issues <u>First</u>
- Pricing Strategies
- Management Commitment
- Shared Risk
- Clearly Defined Goals
- Teamwork/Task Force P&L Center
- On-Going Performance Measurement
- Two-Way Feedback/Communication
- Incentives That Reinforce Goal Structure

Identify Partner's Major Expectations

Identify Barriers to a Successful Long Term Partnership

Mutually Identify and Set Performance Standards

Monitor and Measure Performance

Evaluate Variances/Gaps

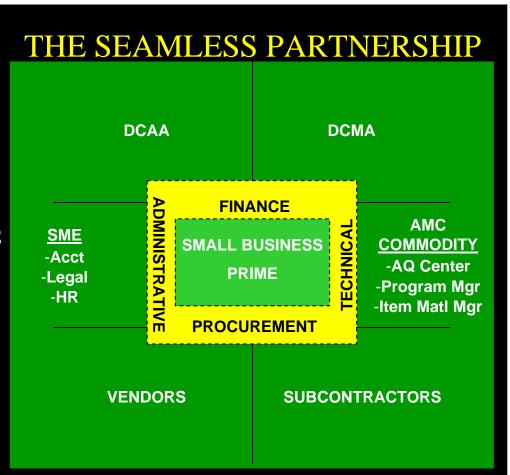
Communicate Problems and Performance Levels

Create Environment Based on Mutual Trust

SB PRIMES FACE:

- •LARGER CONTRACTS
- •PREAWARD SURVEYS
 - PAST PERFORMANCE
 - FINANCING AGTS
 - QUALITY INFRASTRUCTURE
- •DFAR/FAR ALLOWS:
 - LG/SB TEAMING
 - SMALL BUSINESS JV
 - MENTOR INVESTMENT

AMC – AN ACQUISITON ENVIRONMENT ENCOURAGING SMALL BUSINESS TEAMING



Small Business Benefits

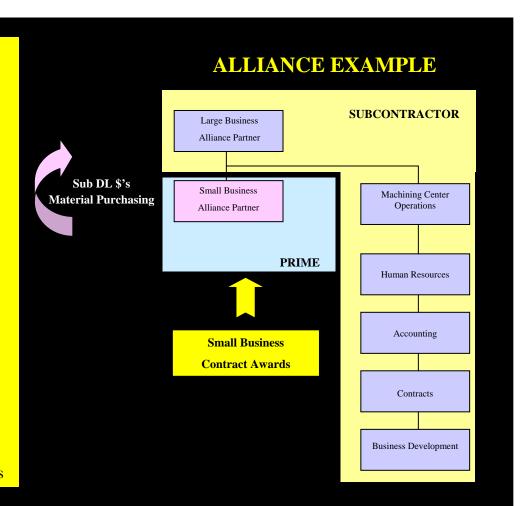
- Infrastructure Support
- Larger Contract Award \$'s
- Lower Cost of Capital
- Increase Facility Capacities
- Subsidized Marketing Costs

Large Business Benefits

- Increased Market Share
- Participate in Small Business Segment
- Lowers Material Handling Factor

Alliance Benefits

- Innovative Cost Pool
- Leverages Core Competency Synergies



Question and Answer Session

Sample SBA Approved Alliance Business Teaming Agreement at

www.trc-hq.com

Special Recognition and Thanks Given To:



University of Alabama

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