

## **How to Do Business with Uncle Sam**

*George A. Cloutier\**

*For many entrepreneurs, an impenetrable bureaucracy and time-consuming paperwork rule out any thought of bidding for government contracts. That need not be the case*

As chairman of Partner America, an affiliation between my small business consultancy and the U.S. Conference of Mayors, I have participated in more than 75 small business conferences across the country. At every one, owners are anxious to work more closely with the government. Yet when I ask for a show of hands for who has secured funding, loans, or intangible resources, such as advice, only one or two go up. Advertisement

That is rather astonishing. Thirty-five billion -- that's the amount of dollars available to small businesses in government procurement opportunities. Almost every agency, starting with the Small Business Administration (SBA), but also including the Defense Dept., NASA, and the Army Corps of Engineers, has resources available. Indeed, federal contracts rose 7 percent from 2001 to 2002, an increase that has been steady for several years. At the same time, however, the number of federal contracts secured by small businesses decreased by 14%.

**BIG, TOUGH BUNDLES.** The dichotomy is the result of processes and procedures within the government that work to make securing contracts and other resources difficult and time-consuming for small businesses, for whom time is a precious commodity.

At the root of the issue is contract bundling -- the tying together of smaller contracts into a larger one that is above the level at which most small businesses can bid. Contract bundling has intensified in recent years. Indeed, internal watchdog offices called Procurement Center Representatives (PCR) responsible for monitoring the oversight of contracts have been dwindling due to cutbacks. In the 1980s, more than 200 existed in the contracting divisions of government agencies. Today, that number is down to 38.

In addition to bundling woes, the process of registering and applying for contracts is stultifying. Identification numbers, such as product codes, are required from multiple sources just to secure a General Contractor Application, which is required prior to applying to the SBA. The agencies each operate independently, with allocation awards granted by midlevel bureaucrats, who are difficult to locate and almost impossible to meet with.

With such obstacles, it's understandable that entrepreneurs would be discouraged from applying. However, given the available resources, they would do better to attempt to seek out those attractive opportunities.

Consider, for example, that the Department of Agriculture has a multi-billion-dollar loan program, not only for farmers, but also for small businesses. The Import/Export Bank guarantees loans to small companies in export trade. The Department of Housing and Urban Development (HUD) has a large loan program administered through mayors. And the Department of Commerce has a division, the U.S. Foreign Commercial Service (USFCS) with 80 offices around the country that, for a token fee, provides expert information and helps procure funding.

**LONGSHOT PROPOSITION.** The goal for small companies, in short, is to beat considerable odds to leverage those resources. Happily, efforts are underway to make procurement less laborious and more accessible.

In the early years of the Bush Administration, the President came out in favor of streamlining the process, which has led to an effort called the Integrated Acquisition Environment (IAE). Administered by the General Services Administration (GSA), the program is charged with seeking ways to overcome bundling and process issues that stifle the small business owner, especially via the Internet.

In addition, the SBA, in partnership with Hewlett-Packard (HPQ ), recently launched the Business Matchmaking program, which attempts to pair the owners of small companies with representatives from appropriate government agencies, as well as large corporations, with specific contracts to award.

As part of this program, owners register and attend a regional half-day workshop, followed by a two-day program that focuses on how to prepare to work with the government. A major feature is that owners are able to meet in person with agency and corporate representatives.

MAKING LEMONADE. Obviously, the new efforts are making it easier for entrepreneurs to tap into this valuable resource. Although the difficulties won't be fully surmounted until information and processes are streamlined and consolidated -- an idea that is currently generating interest, albeit little in the way of action -- entrepreneurs can and should take specific steps to beat the odds.

As a small business owner seeking opportunities with the government today, the following sources are worth exploring:

- GSA seminars, which are held weekly in Washington, D.C. and monthly in regional centers across the country.
- Local Small Business Development Center events, which are presented in conjunction with a local university to provide classes and technical assistance on such topics as writing business plans, funding, and process improvements.
- Best Small Business Practices Handbook, published by Partner America, describing actual initiatives underway in specific cities.

So, too, there are a host of Web sites providing unlimited amounts of information on government opportunities, both previously issued and currently available. Here are just a few:

Federal Business Opportunities portal  
Small Business Administration  
Procurement Technical Assistance Centers  
Small Business Development Centers  
Central Contractor Registration  
AdqNet

In addition, there are departments called the Office of Small & Disadvantaged Business Utilization within various agencies. Check the specific agency for the relevant Web address.

Entrepreneurs need to marshal their entrepreneurial spirit and can-do attitude to leverage the valuable government resources that are, in fact, available to them. The obstacles notwithstanding and in advance of the much-needed reforms, these small-business owners understand that they need and should secure procurements now.

*\* George A. Cloutier, 58, founded American Management Services, a consultancy to small and mid-sized businesses, in 1986, and currently serves as chairman and chief executive officer. He is also chairman of Partner America, a program formed in 1999 by his company and the U.S. Conference of Mayors to foster small business growth. Through American Management Services, Cloutier has enabled more than 6,000 privately held small and mid-sized companies to maximize profit by more than \$1 billion. Bringing more than 30 years experience working with small businesses, he is recognized as the nation's small business profitability expert. His consultancy now employs 150 and maintains offices in Waltham, Mass., Rochester, N.Y., and Washington D.C., as well as its headquarters in Orlando, Fla.*

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