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MENTORING

Learning the Ropes

Small companies have a shot at landing lucrative defense contracts after two years of tutelage by big government contractor

By PAUL BEEBE
THE GAZETTE

At first glance, selling a product or service to the Department of Defense may seem like something no small business could figure out.

Chasing DOD contracts last year were thousands of companies, including big defense contractors such as Lockheed Martin, Northrop Grumman and Boeing.

Their goal: to carve as much as possible from the DOD pie. The department handed out \$203 billion in prime contracts last year, including \$3.1 billion in Colorado.

Collectively, the 10 top defense companies last year reeled in contracts worth \$88 billion, or about 43 percent of the dollars DOD awarded in 2004.

The rest went to companies of every stripe and size, many with fewer than 100 workers.

"You can do business with DOD. They try very hard, and the Mentor-Protégé Program is an example of it," said Kathy Boe, chief executive officer of Boecore Inc., a 75-em-



DAVID BITTON, THE GAZETTE

Kathy Boe is CEO of Boecore Inc., a technical engineering and information services company being mentored by DOD contractor Northrop Grumman.

BOE: It's more than a 'handshake and a nod'

ployee technical engineering and information services company started five years ago in Colorado Springs.

In April, Boe signed an agreement whereby Northrop Grumman, with \$30 billion in sales last year, will teach \$6 million Boecore how to do business with the DOD.

Terms of the accord conform to the rules of DOD's Mentor-Protégé Program. Established by Congress in 1990, the program dishes out incentives for big contractors to help small and disadvantaged businesses learn to compete for DOD contracts and subcontract awards.

"It helps (contractors) build up their small-business supplier base and, similarly, helps them attain their small-business subcontracting goals that we require them to reach," said Victor Ciardello, who manages the program.

The program also broadens the range of small companies that do business with the government. Businesses taking part in the program are owned by disabled veterans, women and minorities. Many are located in economically depressed parts of the country.

"We traditionally have about 160 active agreements (between mentors and protégés)," Ciardello said. "There probably are 700 small businesses that are now suppliers to DOD, either directly or through the primes (contractors)."

Boecore isn't the first Springs company to go through the program. Tac Services, a computer maintenance and repair subsidiary of The Aleut Corp., an Alaska native regional corporation, went through the program in 1998 and 1999.

Nor is the program a guarantee of success. Sam Terrill Industries, another Springs company, was mentored by environmental management services firm Foster Wheeler USA from 1993 to 1995, but apparently has gone out of business.

But the program has jump-started the fortunes of many small businesses, giving them visibility and credibility in the defense marketplace that's difficult to put a price on. Companies singled out for special achievement awards by the DOD typically see their sales and employee numbers more than double while they are in the program, Ciardello said.

"We decided it would be good for us and good for Boecore and good for Colorado Springs to do such a thing," said Brian Esterby, deputy program manager for

Northrop Grumman's Joint National Integration Center contract at Schriever Air Force Base.

Esterby also manages the two-year mentoring contract with Boecore.

"We are very interested in forming an alliance with Boecore in future programs, and so we're advertising their skills throughout Northrop Grumman and to other companies that might want to work with them. Those companies will be exposed to the quality of work that Boecore will do," Esterby said.

In the first year, Northrop Grumman will help Boecore upgrade its financial accounting system, advise the company on writing proposals for government contracts, prepare it to go after DOD contracts set aside for small businesses and show it how to manage programs.

Boecore will learn the best ways to set up relationships with subcontractors. Northrop Grumman also will acquaint the company with human resources packages, marketing plans, press releases and advertising.

"I'm sitting here in my office, drinking from a fire hose with all the help we have," Boe said.

"It's so much more than a handshake and a nod," added Tracy Sharples, Boecore's liaison with Northrop Grumman.

Boe and Sharples each put in about 30 hours a week on the mentoring program, in addition to their usual duties. Esterby said a dozen Northrop Grumman employees will work with Boecore; he expects to devote four hours a week.

Boe suggested the mentoring program to Northrop Grumman after hearing about it during a technology-transformation conference at the University of Colorado at Colorado Springs last fall.

Northrop Grumman, which is Boecore's biggest customer and has mentoring contracts with 17 other companies, agreed.

"It's a very formal relationship," Esterby said. "We in Northrop Grumman put together an agreement with Kathy and her company, and we hammered out things we are going to provide at our expense," he said.

The plan was submitted to DOD, which approved it April 18.

The best way for small companies to set up similar mentoring relationships is by forging business relationships with defense contractors, Ciardello said.

TO LEARN MORE

For information about the Department of Defense mentor-protégé program:

• **Visit:** www.acq.osd.mil/sadbu/mentor_protege
• **Write:** 1777 North Kent St. Rosslyn Plaza North

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