

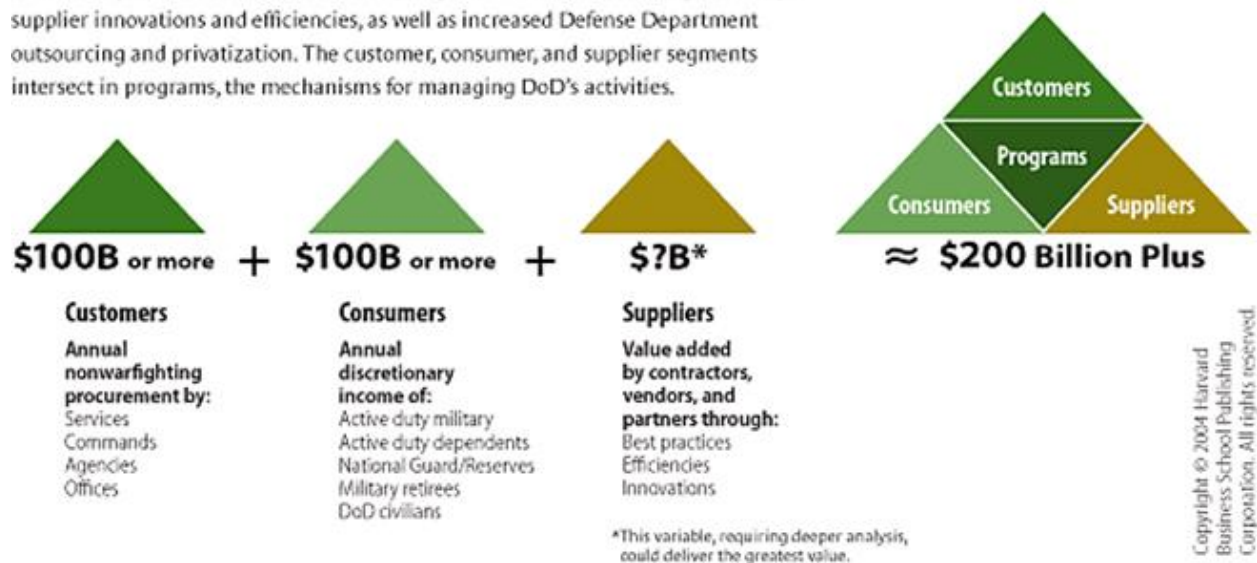
# DoD acquisitions manual

## How to think of the Department of Defense

The Department of Defense, one of America's biggest markets at \$200+ billion, prioritizes working with small businesses whenever possible as part of its sourcing policy. Between the military and the other support networks, the DoD needs large quantities of both the best cutting-edge innovations and various ordinary goods and services. This means that almost any innovation could have a market with the DoD. The DoD is responsible for meeting the needs of one of the most diverse markets, including soldiers, veterans, families, doctors, lawyers, and more so there is a huge need for every variety of products and services, from coffee and household goods to life saving medical devices and security systems.

## The Players and the Prize

The military market for business—already huge—could be further enlarged through supplier innovations and efficiencies, as well as increased Defense Department outsourcing and privatization. The customer, consumer, and supplier segments intersect in programs, the mechanisms for managing DoD's activities.



<https://hbr.org/2004/09/new-business-with-the-new-military>

The military is generally highly structured and highly educated. While the DoD departments are continually looking to innovate in order to succeed and keep their edge, it is still important to honor and cooperate with the system in order to be successful as a supplier or vendor. There is a clear path set for acquisitions, and skipping steps is often detrimental.

Because of their tight operational restrictions and accountability to the public, there are often some strict requirements that must be met when doing business with the DoD. Proposals can also involve massive competition, must be specific and unique, and can be hit or miss if

something works in the environment. Working with the DoD may also involve dealing with additional paperwork and government supervision or processing logistics. However, it is well worth the effort since companies who work well in the military are almost guaranteed to be successful in the consumer market as well, with examples including Under Armor, night vision, Aloe Vera socks and GPS.

Working with the DoD can be an exciting opportunity to grow a business for those who also overcome its challenges. Companies can look at the requests and adjust or offer their existing product to meet the need. If a company wants to build a new product to meet the demand and can their ability to build or deliver in a reasonable amount of time, the government may also fund the research and costs.

### **Who should think about selling to the DoD**

The DoD is a great market for anyone to consider; between all their branches, they need almost every type of product or service, especially those that contribute to human performance. A former soldier with a master's degree in Government Acquisitions and 8 years experience in the department suggests that any small business register themselves for the opportunity to work with the government. She says that at worst you may not get a contract, or it may take a long time to get picked up, but there is almost no downside to registering if you hope to grow your company and test your offering in a large scale environment with high potential benefit.

If your product or service is acquired and is successful in the DoD, it is almost guaranteed that you will be successful in the general consumer market as well, and there are few better environments to test the limits of your potential and get practical feedback to improve your portfolio.

### **Initial steps**

#### ***1. Get registered on the Schedule***

*The first and most important step is to go to [SBA.gov](http://SBA.gov) or [Sam.gov](http://Sam.gov) and register your company.* This allows you to get on what is called the "Schedule," a database of all available registered products, vendors, and services. Every acquisition throughout the DoD must go through this registered database in order to maintain fair competition. To register, you will typically need to submit your LLC and a detailed writeup on your offerings or portfolio. This should be as specific as possible and optimized with keyword searching in mind.

#### ***2. Search database for relevant requests and respond***

Once you are on the “Schedule” you can search the existing searches to find requests for proposals that your company is qualified to fulfill or can pivot to meet and respond to these requests. This will connect you directly with those in charge of awarding the contract and if no other companies respond, no competition is needed to get the contract. If other companies also respond to a request, there will be a selection process during which the offerings are evaluated on criteria such as cost, quality, security, ability to fulfill need, etc. in the end, one or even a couple of companies may be selected for contracts depending on the need.

### ***3. Register for Industry Days***

Industry days and events are an opportunity to showcase your offering and allow acquisitions officers to “window shop” and discover both products and services they need already, or those they did not know they needed but want to invest. Companies of interest are selected for further evaluation and may be awarded contracts after these events.

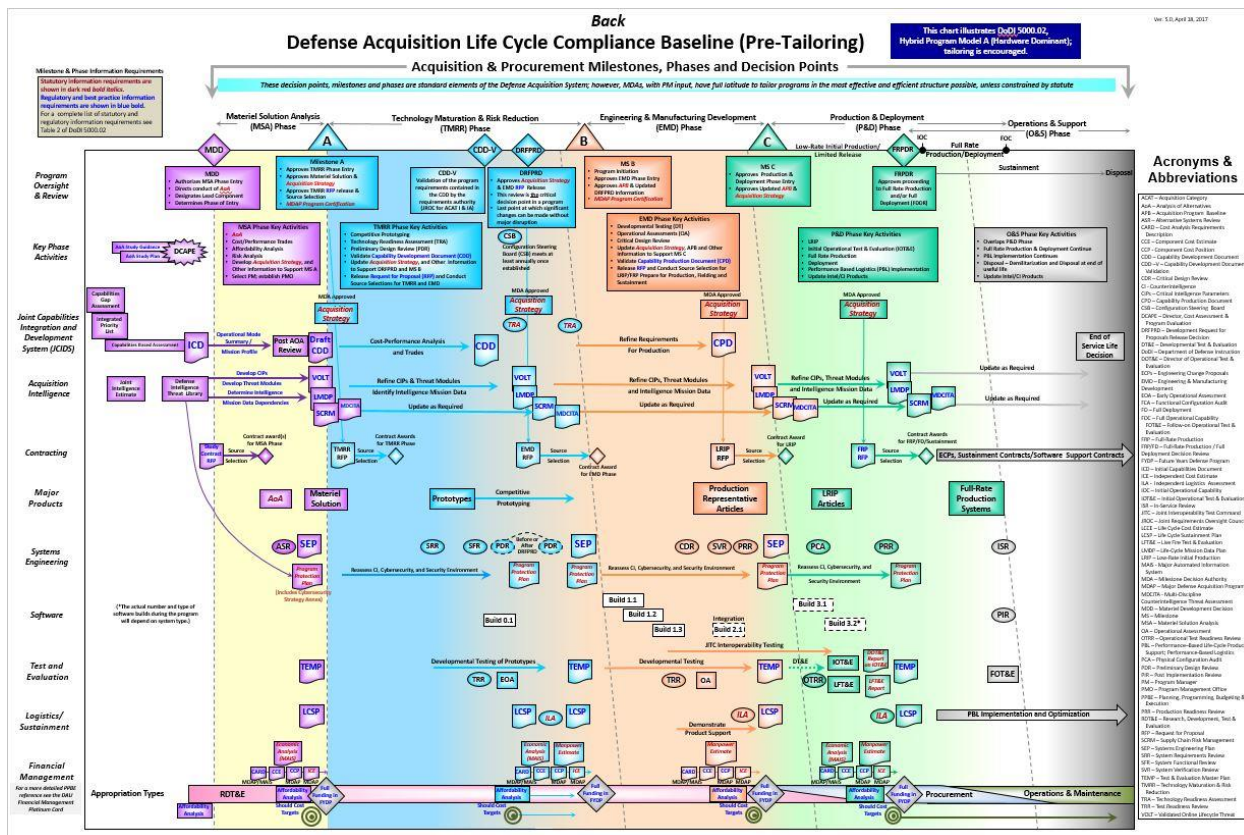
### ***4. Look into other innovation events***

There are also several organizations which strive to build a bridge between ventures and the DoD. These are often worthwhile resources particularly for earlier stage ventures which are seeking a challenge and may need more time and support to develop their portfolio. These events often focus on a specific theme or challenge, and ask teams of innovators to prototype and present solutions which will then be selected to proceed to the next stages. These events typically end in a contract or acquisition for further testing and development awarded to one or a select handful of companies. The key providers of these events include DARPA, NIST, SOWERX, AFWERX, NSIN, and SBIR/STTR. While these events are typically focused around a specific theme, they are a good indication of the current interest projects of the DoD and can be a great challenge to innovate and be part of cutting-edge solutions.

These different networks tend to have different emphases. DARPA tends to focus on technological innovations and is a highly recommended recourse, AFWERX focusses on needed Air Force innovations, and SOWERX usually partners with the Army. SBIR/STTR offers a more comprehensive list of challenges from across the different branches and has its own awards program. NSIN offers a Defense Innovation Accelerator, and provides good opportunities for dual use startups and those focused on defense technologies, including Artificial Intelligence and virtual reality.

### ***5. Look into local military base outreach programs***

Individual bases often have business outreach programs and informational seminars. Peterson Air Force base hosts monthly industry briefs on doing business with the military on the third Tuesday of each month.



### DoD acquisitions point of view

As a government industry, the DoD is required to act in accordance with fair competition, which means all acquisitions must occur as part of a public announcement or call and must be shown to be the best product or service for the best price. In addition, they prefer to use small businesses first whenever possible and are generally required to consider small business offerings before large corporations when sourcing.

The priorities against which all acquisitions are judged include being “critical to mission success,” and having the absolute best product offering for the best price. While cost is certainly an important factor, it is most important to have the best quality product available. The acquisitions officers focus on the product, not the company, and reevaluate regularly, so it is important to keep offerings updated and current in order to renew contracts.

There are also regular meetings between acquisitions officers in all departments, bases, branches, etc. in which they highlight recent purchases and investments and the success rates of those investments. This can easily lead to cross-department or cross-region spread and open greater markets after being acquired in one area.

**Do:**

*Be very, very specific*

The acquisitions database uses keyword searches and more specific descriptions offer more potential matches and better chances to evaluate the offering. It is especially important to clearly define who, what, where, when, why, and how.

Consider any potential collateral benefits

Dual-use innovations are in high demand and your product or service could be most needed in a way you did not anticipate

Know your product intimately

Understand every detail of your product and business, including any potential weaknesses, since you may be required to verify and justify any aspect while working with the DoD

Be open about developmental processes

Be upfront about flaws observed in testing and solutions implemented

Consideration of potentially negative externalities builds credibility, justifies price, and differentiates your product from other, less developed offerings

Demonstrate long term reliability and sustainment

This makes you a better candidate by offering assurance that you will not go out of business before delivering the full contract. Sustainment can be an important consideration when assessing a company's competence level.

Be patient with logistics and processing time

Be clear about practicalities and needs

May need to specify manufacturing and sourcing structure for product

Time frames are important in government acquisitions

Be as flexible as possible within restrictions

**Don't:**

Define your offering too narrowly

Withhold information about relevant factors that could result in externalities