



# How Small Businesses Fit into the Department of Defense and National Defense Strategies

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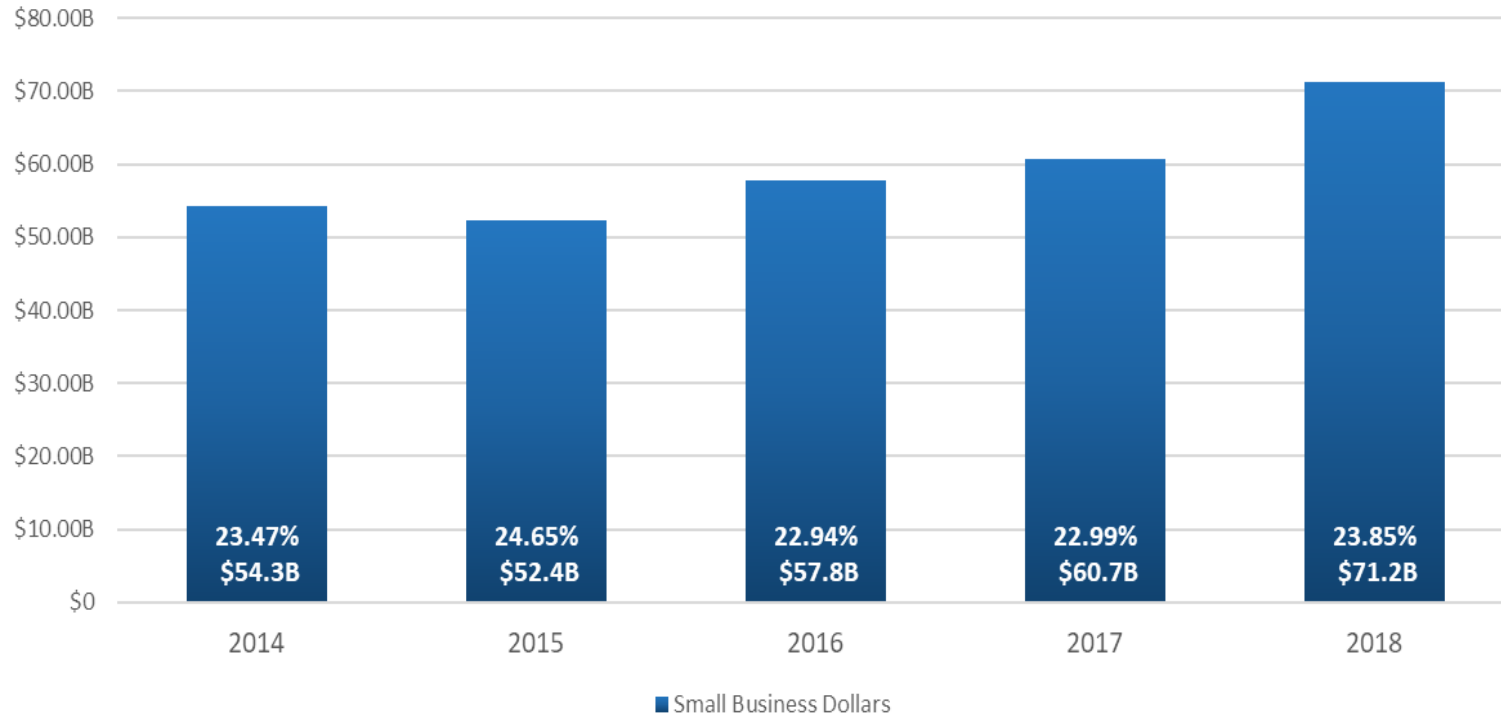
# AGENDA

- **Introduction**
- **DoD Small Business Performance**
- **National Defense Strategy**
- **NDAA 2019 Congressional Reports**
- **FY 2019 NDAA Section 851: Small Business Strategy**
- **Cyber Maturity Model**
- **FY 2019 NDAA SEC 1644: Cyber Security Effort**
- **Mentor Protégé Program Update**

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# SMALL BUSINESS PERFORMANCE



- In FY 2018, the DOD obligated \$298.3 billion in total prime contract obligations, \$71.2 billion (almost 24% percent) of which went to small businesses.
- In the past 5 years, the DOD has averaged \$252.0 billion in total obligations, \$59.1 billion towards small businesses.
- For the last four years, the DOD has maintained a Procurement Scorecard grade of “A” from the Small Business Administration, while continuously improving prime contract awards across all small business socio-economic categories.

DoD Small Business Performance	2014	2015	2016	2017	2018
Small Business Eligible Dollars	\$231.4B	\$212.5B	\$252.0B	\$264.1B	\$298.4B
Small Business Dollars	\$54.3B	\$52.4B	\$57.8B	\$60.7B	\$71.2B
Small Business Performance	23.47%	24.65%	22.94%	22.99%	23.85%
Small Business Goals	21.35%	21.60%	21.26%	22.00%	22.00%

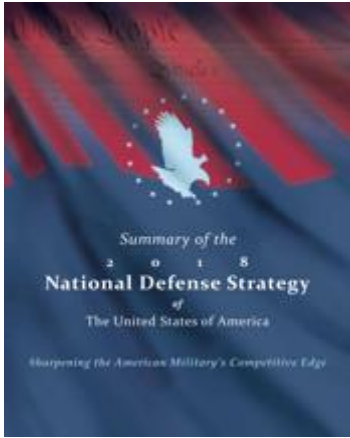
Data Source: Federal Procurement Data System – Next Generation Official DoD Small Business Performance 2014 - 2018

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# STRATEGIC GUIDANCE

## National Defense Strategy



Key Strategic Objectives:

- Build a More Lethal Force
- Strengthen Alliances and Attract New Partners
- Reform the DOD for Greater Performance and Affordability

## National Defense Business Operations Plan



- Replaces the DoD's Agency Strategic Plan
- Details action plans for each performance goal
- Targets gauge DoD's progress in achieving success as defined by the
- National Defense Strategy

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# STRATEGIC GUIDANCE

## Executive Order 13806



Key recommendations impacting small businesses:

- Expand direct investment in lower-tier industrial base
- Lower dependency on foreign industrial base by diversifying supply sources
- Work with allies and partners on joint industrial base challenges
- Reduce personnel security clearance backlog

## FY 2019 National Defense Authorization Act



- Section 1644 --- Cybersecurity Compliance
- Section 851 --- Small Business Strategy

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# NDAA SEC. 851: SMALL BUSINESS STRATEGY

## Requirement #1

Ensure small business programs within the Department further national defense programs and priorities, and the statements of purpose

## Requirement #2

Improve points of entry by small businesses into the defense market for Department acquisition

## Requirement #3

Enable and promote activities to provide coordinated outreach to small businesses through the Procurement Technical Assistance Program (PTAP)

## Requirement #4

Create a unified management structure between certain programs and activities within the Department

### SMALL BUSINESS GOAL

Nurture a dynamic, resilient, and capable small business supply chain that supports the warfighter and military readiness

### SMALL BUSINESS OBJECTIVES

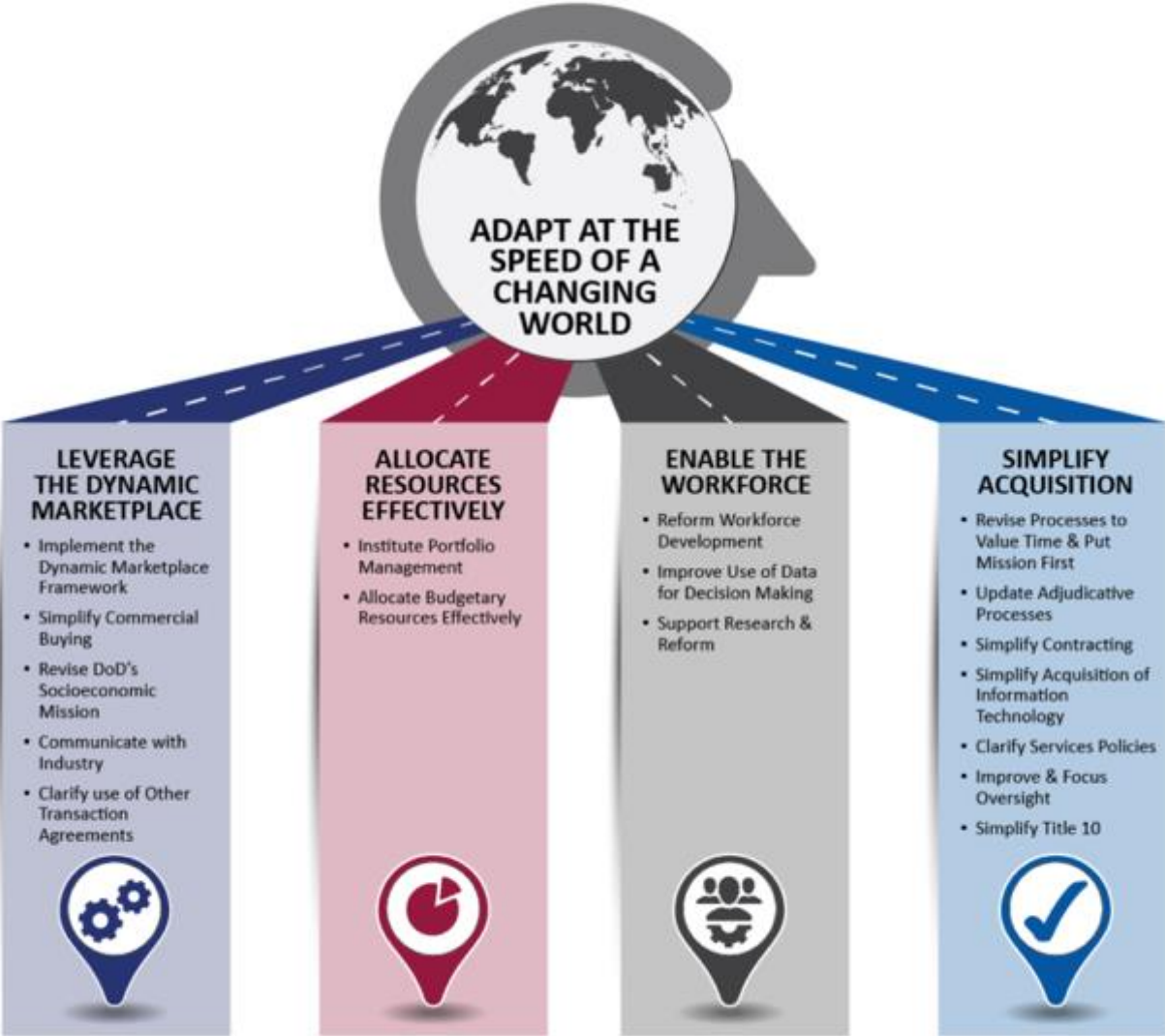
1. Enable innovation and commercialization of technologies to support the National Defense Strategy(NDS)
2. Attract and enable small businesses to address manufacturing and defense industrial base challenges





# SECTION 809 PANEL

**THE SECTION 809 PANEL'S ROADMAP TO SUCCESS**  
Recommendations to Revolutionize How DoD Conducts Business



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# CURRENT INITIATIVES & PRIORITIES



## Key FY 2020 National Defense Authorization Act Priorities:

- Procurement Technical Assistance Program realignment
- Mentor-Protégé Program Reauthorization

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# DOD OSBP MODERNIZATION PLAN



**Establish a New Model for Innovation and Entrepreneurship in Support of the Warfighter**



**Strengthen DoD's Small Business Networks Throughout the U.S. to Expand and Diversify the Defense Industrial Base**

**MODERNIZATION**



**Develop New Areas of Small Business Dominance**



**Rebrand and Modernize the DOD Office of Small Business Programs**

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# KEY MESSAGES

- **Proactive approach to strengthen industrial base and defense supply chain**
- **Focus key innovation programs for small business participation**
- **Develop the right tools for acquisition professional**
- **Streamline policy and regulations where appropriate**

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# Department of Defense Office of Small Business Programs

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