

Department of Defense

Small Business Professionals in the Acquisition Workforce



Office of Small Business Programs

**Office of the Under Secretary of Defense for
Acquisitions, Technology and Logistics**

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Introduction:

Small business professionals are responsible for leading the acquisition workforce to maximize small business opportunities and achieving success in the Department's small business programs. These professionals perform a wide range of functions, including but not limited to:

- Market research
- Formulation of acquisition strategies
- Managing innovation research and technology programs
- Acting as subject matter experts on socioeconomic programs
- Performing advocacy and outreach
- Influencing small business legislation
- Providing business advice to small businesses owners and entrepreneurs
- Other activities related to growing the DoD small business industrial base.

Despite the fact that these professionals are responsible for influencing over 20 percent of the Department's discretionary spend each year, there is no established career field, or associated criteria for hiring individuals with the requisite knowledge, skills, or abilities to perform necessary job functions.

To compound matters, there are no professional development requirements (training, education, experience) for achieving excellence in this function and the limited small business training embedded in existing DoD acquisition curriculum is inadequate to influence workforce performance. In response to this need, the Director of the Department of Defense (DoD) Office of Small Business Programs (OSBP) was appointed the Functional Leader (FL) for small business professionals. The role of the FL is to serve as the senior DoD subject-matter expert for small business matters relating to the oversight and management of the small business professional workforce. The FL has a responsibility to work with DoD acquisition training organizations and Component Directors for acquisition career management to build the proper training and qualification platforms necessary to meet present and future workforce needs.

The Small Business FL with the support of the Undersecretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)), has embarked on a workforce initiative aimed at bringing structure and discipline to the development of the small business workforce.

The key points of the small business workforce initiative are:

1. Improve proficiency and performance. Training and quality experiences for small business professionals and other career fields across the DoD workforce are the critical tools for improving performance against Department goals. Comprehensive training must be developed for small business professionals to increase their competency in managing small business programs at all levels of the Department where acquisitions are made. Training is also necessary across the DoD workforce, including DoD leadership. To accomplish this, the Small Business Functional Leader has established a supporting organizational structure, including a Functional Integrated Product Team (FIPT), to fully engage in DoD acquisition workforce planning that includes consideration small business professionals. Ensuring the expertise and size of the acquisition workforce, which includes small business professionals, are commensurate with their fundamental responsibilities is critical to the sustained health of the Defense industrial base and ultimately serves to encourage marketplace competition.
2. Shape the small business workforce. Workforce shaping requires not only an interdisciplinary approach to developing competencies and skill sets, but a strategic look at the

size of the workforce and the structure of program offices. Existing analysis, as described in the Demographic Summary, indicates that a variety of skills and experience are critical in supporting the overall DoD mission. The Small Business FL is working with the FIPT to establish the essential career planning models that demonstrate clear opportunity, as well as flexibility for individuals from other acquisition workforce functional areas to enter and exit the Small Business career field. The number and size of DoD acquisitions each fiscal year far exceed the capacity of the existing small business workforce, forcing a reprioritization of workload to an already thin workforce and increasing the risk of incomplete and inadequate execution of key acquisition functions. Such challenges will be addressed during the course of this Report.

3. Bolster DoD readiness through small business. Ensuring that the small business workforce has both the capacity and qualifications to successfully perform functions critical to the acquisition mission is necessary for overall Department readiness. DoD OSBP has a responsibility to train the small business workforce and adhere to public laws in the process. DoD Directive 4205.01 (Encl 2, Para 3) delegates this authority to the Director, DoD OSBP. The directive states “the Director, DoD OSBP, under the authority, direction, and control of the USD(AT&L), shall...establish and support a small business training program for Small Business Specialists and other acquisition personnel.” In addition to this, there are several other factors driving DoD training efforts. These include: Public Law directing DoD to train (either small business subjects or acquisition workforce); new small business laws such as the 2010 Jobs Act that need to be disseminated to the workforce through training; training recommendations from Executive Orders and Administration initiatives; and training related to DoD-unique small business initiatives, including those located in the Defense Planning Guidance (DPG) and Better Buying Power 2.0.

Demographic Summary:

Demographic data for this career field currently consists of information collected as part of data calls developed by the United States Office of Personnel Management’s (OPM) Human Resources Solutions Division (HRS) for the purpose of the workforce and competency assessments, and DoD Office of Small Business Programs (OSBP) in efforts to establish formal workforce accounting capability. The collaborative effort with OPM provided preliminary demographic data about the small business professional workforce and provided the baseline for the formalization of competencies for the career field. In addition, OSBP has worked with the Enterprise HR Information Systems Directorate (EHRIS) of the DoD Office of Civilian Personnel Policy (CPP) to ensure that small business professionals are coded within the Defense Civilian Personnel Data System (DCPDS). This capability sets the stage for formal workforce tracking, planning, and shaping, as is done with other more established career fields with in the acquisition-specific workforce database. The discussion below is informed by the aforementioned data calls.

Current Shape. The current small business workforce is made up of approximately 686 employees (Table 1)¹, responsible for an estimated three million actions per year. As of June 2013, most small business professionals were performing small business duties 50 percent or more of the time (Table 2), coded in the 1102 series (Table 3), and were GS-11 through GS-15 (or equivalent pay bands) (Table 4). According to data (as of April 2009) reported in the OPM study, over 70 percent had at least a Bachelor’s degree (Table 5); however, greater than 55

¹ Based upon self-identified civilian workforce data. This data does not include a full representation of the Small Business S&T community.

percent of this workforce were reported as eligible to retire by 2014, and greater than 80 percent were reported as eligible to retire by 2019 (Table 6). While the results confirm many of the anecdotal notions about the small business community, such as most are currently in the Contracting occupational series. Other results highlighted ongoing concerns about staffing and training. It is important throughout the workforce development initiative to ensure that the workforce composition is optimized for current and future requirements.

Table 1. Small Business Manpower Profile (as of June 2013)¹

Component	Total
Army	206
Navy	150
Air Force	176
4 th Estate ²	154
Total SB Professionals	686

Table 2. Percentage Small Business Duties

Percentage of Respondents	Percentage Small Business Duties
65%	Perform 100% small business duties
21%	Perform > 50% of small business duties
14%	Perform < 50% small business duties

Table 3. Career Series³

Percentage of Respondents	Series
87%	1102 – Contracting
4%	0343 – Management & Program Analysis
3%	1101 – General Business & Industry
2%	0801 – General Engineering

Table 4. Grade Level

Percentage of Respondents	Grade Level Group
3%	Performing at entry level (GS-9 or below)
58%	Performing at full performance level (GS-11/GS-12/GS-13)
16%	Performing at leadership level (GS-14/GS-15)
1%	Performing at senior executive service level (SES)
22%	Other – Military, other pay bands (incl. AcqDemo), not reported

Table 5. Level of Education Completed⁴

Percentage of Respondents	Education Level Completed
4%	High School Graduate or GED
9%	Attended College, no degree
6%	Associate degree or equivalent (2 years of college)

² Other Defense Agencies, including OSD.

³ Additional occupational series, including 0301 (Misc. Administration & Programs), 0340 (Program Management), 0501 (Financial Administration and Program), and 1515 (Operations Research) accounted for an additional four percent of reported occupational series among small business professionals.

⁴ Data as of April 2009 from study completed by OPM Human Resources Solutions team for OSBP.

25%	College graduate (bachelor degree)
8%	Some graduate school, no degree
46%	Master's degree (MBA, MPA, MA, MS etc.)
2%	Doctoral degree (PhD, MD, JD, EdD, etc)

Table 6. Retirement Eligibility⁴

Percentage of Respondents	Reported Retirement Eligibility
31%	Eligible to retire next year
26%	Eligible to retire in 1-5 years
26%	Eligible to retire in 6-10 years
17%	Eligible to retire in more than 10 years

Future Shape. The OPM report additionally included results from a competency assessment, identifying at least 23 technical competencies associated with the small business workforce. These competencies, along with the associated gap assessment (Table 7), provided the baseline used by the FIPT to finalize a competency set for small business professionals. In Spring of 2013, the FIPT completed a competency validation effort, leading to a small business competency set comprised of 37 technical and 13 professional competencies in categories that include small business utilization, contracting, science and technology, and entrepreneurship. This significant accomplishment provides the basis for determining the courses to develop for the small business certification curriculum. The competency set is an enterprise-wide look at the skills necessary to be a small business professional. Therefore, some of the competencies are position-specific and are meant to address unique proficiency requirements for certain members of the workforce (e.g., SBIR program managers).

Table 7. Critical Competency Gaps⁴

Competency	% Below Required Level
Agency Needs and Requirements Analysis	45.6
Market Analysis	38.1
Small Business Law and Regulations	35.7
Small Business Advocacy	32.3
Counseling	29.1

Following the framework established in DoDI 5000.66 (Figure 1), the FIPT is working DAU to crosswalk the competencies into the topics and learning objectives that are the backbone of course development. The FIPT has additionally worked, with DAU leading, to complete an initial gap analysis to determine what courses may already exist across DAU curricula that offer content that may be used in the small business curriculum. This measure is meant to minimize redundancies and drive down costs associated with said redundancies.

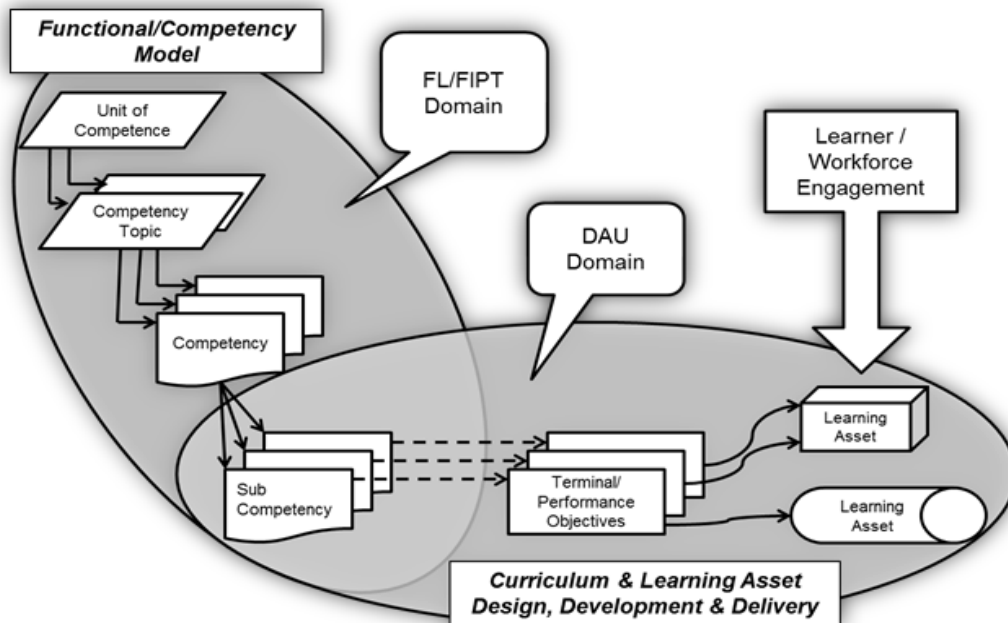


Figure 1. Learning Asset Development Framework

A draft certification guide will be complete by the end of second quarter, FY 2014 and course developments will commence prior to the end of FY 2014.

Moving forward, these continuing competency and course development efforts will integrate with the competency-based workforce qualification efforts. The FIPT has partnered with the Acquisition Workforce Qualification Initiative (AWQI) team to establish a continuous qualification assessment that addresses capability trends, changes in mission requirements, and needs of the Small Business workforce so that workforce planning initiatives can be adjusted to address the given environment.

The future workforce will be structured to meet the needs of small business offices ranging from installation level, major command level, program offices, DoD Component headquarters and the DoD OSBP. The career field will be designed to provide opportunities for advancement, and the necessary training and experiences required to reach the highest levels of performance in all types of acquisition environments. The future small business professional force should have a composition reflective of all the functional areas represented in Table 8. This composition expands upon the common view of small business professionals solely as socioeconomic experts, and emphasizes their influence on and responsibility to the Defense industrial base.

Table 8. Small Business Professional Functional Areas

Functional Area	Description
Small Business (SB) Legislation, Regulation, & Policy	Develops, manages, and/or tracks procurement laws and regulations, particularly those affecting small business utilization. Evaluates small business elements in proposals and solicitation criteria to ensure FAR and DFARS compliance.
Subcontracting	Develops and manages subcontracting program to ensure overall compliance with subcontracting requirements, from the inception of the solicitation through contract award and closeout.
SB Program Evaluation & Goals	Determines and recommends the appropriate level of small business participation during the acquisition planning process to maximize utilization opportunities for small businesses.
SB Industrial Base Analysis, Characterization, & Monitoring	Assesses and analyzes the effectiveness of established command or agency small business program initiatives and objectives to develop a strategy for achievement of objectives and accomplishment of the command or agency mission.
SB Market Research & Acquisition Strategy Formulation	Collects and analyzes information regarding commercial capabilities processes, pricing, initiatives, warranties, delivery, and other standard terms and conditions.
SBIR/STTR	Manages or oversees the implementation of laws and regulations for Small Business Innovation Research (SBIR and Small Business Technology Transfer (STTR).
Mentor/Protégé	Manages or oversees the implementation of laws and regulations for the Mentor/Protégé Program.
SB Advocacy & Outreach	Develops, participates, and represents the Department in small business advocacy and outreach events aimed at expanding competition across the industrial base.
Socioeconomic Programs	Ensures regulation compliance that promotes utilization of small businesses that fall into socioeconomic categories as specified by the Small Business Administration (SBA).
Headquarters-level Functions	Manages or oversees programs and initiatives at the headquarters or OSD level. Examples include workforce development, Science, Technology, Engineering, and Mathematics (STEM), entrepreneurship, oversight, and Director support functions.

Changes to the Workforce:

Targeting the small business portion of the acquisition workforce for hiring and shaping will enhance weakened areas, help fill critical skills gaps and address the increasing demands placed on small business professionals in the acquisition process. This expansion of requirements and the rapid changes to legislation and policy is evidence of the need to increase the size and improve the qualifications and training of the small business workforce. Requirements include:

- Division E of the FY2012 National Defense Authorization Act (NDAA) (Public Law 112-81), signed December 31, 2011. Reauthorization of the SBIR and STTR programs increased the administrative and reporting burden under the programs.

- FY2012 NDAA, Section 4201, Public Law 112-81 and FY2011 NDAA, Section 1073, Public Law 111-383 for the implementation of the Rapid Innovation Fund program contains additional requirements managed by DoD OSBP.
- Additional requirements established by the Federal Small Business Procurement Group chaired by the Office of Management and Budget related to simplified acquisitions, multiple award contracts, and outreach to the small business community.
- Small business participation in DoD Peer Reviews as required by USD(AT&L) memorandum dated September 14, 2010 regarding better buying power initiatives.
- Responsibility to address training requirements for Senior Executives involved in acquisitions that will be held accountable for the mandatory small business performance requirement in Deputy Secretary of Defense Memorandum “Advancing Small Business Goals in FY 2012” issued February 10, 2012.
- Additional requirements are included in Title 16 of the FY2013 National Defense Authorization Act (NDAA).
- Undersecretary of Defense for Acquisition, Technology, & Logistics (USD(AT&L)) April 24, 2013 memo: Implementation Directive for Better Buying Power 2.0 – Achieving Greater Efficiency and Productivity in Defense Spending. Directs development of certification curriculum for small business professionals.

Additionally, small business initiatives were included in the 2012 Defense Planning Guidance (DPG) targeting the readiness, innovation, cost savings, and contribution to current and future capability of the Department. Specifically, the DPG requires building and sustaining the small business industrial base by conducting proper planning, using forward-looking estimates as the basis for small business prime contracting goals, and developing plans to integrate SBIR and STTR planning into programs of record.

The inclusion of the small business workforce hiring and shaping plans is fully aligned with the priorities of the Department and the dynamic role the small business workforce plays within the Department. It is imperative that we build the proper qualification standards to meet present and future needs. This will ensure that we professionalize the workforce and that our performance aligns with the expectations of Congress, Industry, and the Department.

Addressing Challenges ahead:

As DoD continues to strive to meet statutorily mandated small business goals, it has become evident that building small business workforce capacity and capability is paramount to improving performance and ensuring proper execution of small business programs. Efficient DoD acquisition requires the small business workforce to maintain measurable proficiency in competency areas identified within the competency model. Based on workforce planning efforts to date, the following key factors must be considered as future development efforts are executed:

- A large number of employees are eligible to retire in 2014.
- The attractiveness of Small Business as a career is an issue due to lack of structure.
- The majority of small business professionals are currently in the contracting career field.

The top priority for the Small Business Professionals functional area is to develop standardized knowledge, skills, and experience requirements for entry-level, journeyman, expert, and executive personnel. Furthermore, the existing force must be protected while working to augment the future force. At present, neither certification standards nor a position category description exists; however the Small Business Functional Integrated Product Team (FIPT) is on

track to complete these guides by the end of fiscal year 2014. It is critical to define a career progression standard that would aid in recruitment, development, and retention of quality candidates in this important career field.

Once the career field with the associated certification curriculum is in place, workforce planning efforts will evolve. The continuing efforts will integrate competency-based management efforts for the small business community into the Defense Acquisition Workforce Improvement Strategy and utilize the Small Business FIPT to maintain and update the Small Business Competency Model to reflect lessons learned and future requirements. The Small Business FIPT will also:

- Tailor/augment the Small Business Competency Model as required to reflect job-specific and organization-specific competencies in order to target specialty areas.
- Establish a continuous competency/capability assessment strategy. This strategy will address capability trends, changes in mission requirements, and needs of the Small Business workforce so that workforce planning initiatives can be adjusted to address the current environment.
- Develop and enhance methods to measure and evaluate the effectiveness of workforce initiatives and strategies to address competency gaps.
- Investigate strategies and develop initiatives that support recruitment, hiring, and career development.

The workforce plans outlined throughout this report will for the first time establish a baseline of current and future requirements for the DoD small business workforce. This is the beginning of a workforce strategy for the small business community. Senior leaders must be committed to establishing ownership and accountability in the improvement of the small business workforce and to sharing lessons learned.