Topics

- Starting your own business
- Market
- Funding
- Employees
- Producing the product/delivering the service
- Partnering
- Getting the first contract
- Conclusion
Starting Your Own Business

- Today opportunities for businesses in aerospace have been growing
- Defense contracts require offset to small businesses
- Privatization of space
- Partnering opportunities with large firms e.g. The Insitu Group (UAV called Scan Eagle) partners w/Boeing
- More options for funding – venture capital, angel investors, SBIRs, corporate funding
Questions to Think About

- Do you have a product or service that you believe there is a market for?
- Have you identified your financing options?
  - SBIRs, Venture Capital, angel investors, funding from corporate partners, credit cards/home mortgage(s)?
- Do you have partners, employees, or corporate partners?
- Can you handle risk?
The Market

Questions to ask yourself:

- Do you have a clearly defined product or service?
- Have you investigated the market for your product or service?
- Is it a feature, a product or a company?
Marketing

- Let the World know you’re here
  - Articles in local business papers
  - Articles in technical journals
  - Papers at Conferences
  - Tutorials/short courses (for consultants/service providers)
  - Attend local chamber of commerce meetings/industry associations
Funding

- **Bootstrap**
  - *Credit Cards*
  - *Mortgage the House*
  - *401(k)s, IRA’s*
  - *Family, Friends*

- **Venture Capital**
  - *Hard to get*
  - *Control*

- **Angel Investor**
  - *One solution if you can find a believer*
Producing the Product

- Manufacturing
  - Where? Does it make sense to outsource?
  - Who? Finding a company you can trust

- Test
  - Internal
  - Outsourced

- QA
  - Internal
  - Outsourced
Employees

- Management Team
- Technical team
- Support team
- Contract for some services
- Consultants
Selling/Getting the First Contract

- Marketing plan for your product/service
- Contacts in industry/government/academe
  - Many companies have small business group
  - You need to know these people and they need to understand what you can do.
  - Universities have incubator/technology centers
- Team that can deliver
- Follow the market and make sure you know what projects are being bid out and who the contact is at the prime or the agency/company letting the bid
- What do you bring to the team?
Working With a Large Company – Raytheon

- Mentor-Protégé
  - 6 current, 13 Former
    - Minimum goal of one new per year

- Company goals in SB, SDB, WOSB, SBHZ, HBCU and MI

- Supplier Diversity Program
  - Throughout Raytheon: Advocates at every business unit
  - Specific percentage goals
  - Listing of principle products to be subcontracted
  - Designation of selected industry categories for special 2001 goal accomplishment

- Partnerships
  - 15 HBCU (current)
  - Supplier recognition for Minority Industries
Why?

- It’s the right thing to do!
  - Good for ALL
- Growing number of high tech small businesses
  - State-of-the-art new technologies and services
- Set-aside requirements
  - Higher percentages/Specific areas
- Become cost competitive
- Fulfill “Niche” requirements
- Local customer knowledge
How to Work with a Large Business

- Get our attention!
  - Look for local opportunities being bid by large companies
    - Be a local favorite of customers
  - Call on potential large company bidders
- Prepare to provide corporate capabilities (email)
  - Capabilities first, current contracts second, POC’s
  - Concentrate on capabilities for the specific opportunity
- If you have a “niche” capability in local area market that is needed for a specific contract, market it (We will listen)
- Ask to be added to our small business data base
  - Maximum use of “buzz words” in presentations for placement in our database
How To Continued

- Ask a large company to team with or subcontract to you on your bids
  - We don’t want to turn down even small work (set-asides/goals)
  - Especially true, if it introduces us to a new customer with whom you have an established relationship
  - Best way to enter Mentor Protégé program

- Make sure large business BD/Marketing knows you exist
  - Attend Industry conferences
  - Attend APBI’s-look at attendee lists
  - Join Industry Associations
  - Be listed and known by your local SADBU
  - If you have a small contract with a customer find out who has the large ones and provide your capabilities- not just to the incumbent, but to all the others who lost the last competition
Conclusion

- Not everyone can be an entrepreneur
- You need to understand the risk(s) and the effort it will take to start a company
- Persistence is critical to succeeding
- You have to love what you’re doing, because you’ll be doing it 24/7
Resources

  - Listing of contract awards, bidding opportunities
- Small Business Administration – www.sba.gov
  - Advice, contacts, funding
- Aerospace Industries Association
  www.aia-aerospace.org
  - Supplier Management Council Working Groups
- The National Venture Capital Association
  (http://www.nvca.org/)
- Venture Capital Resource Directory
The World’s Forum for Aerospace Leadership