



## Sign Up Uncle Sam As Your First Client

By Julie Bennett  
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Our nation's seaports are getting safer, thanks to Caroline Hamilton's SHARK. This SHARK, by the way, isn't a fish, but Seaport Shipping Antiterrorism Risk -- a software package that assesses the risk of a terrorist attack or other unseemly event on a particular seaport. It then measures the cost effectiveness of each possible countermeasure -- extra patrol boats, for instance -- to reduce those dangers.

Trolling for enemy submarines is easy compared to the difficulties Ms. Hamilton and other small-business owners encounter when trying to sell their products or services to government bodies, from the Department of Defense (DOD) to regional port authorities. Each year, government agencies purchase billions of dollars in goods and services from U.S. businesses. The DOD budget for research and development and procurement this year alone is \$100 billion and the new Department of Homeland Security (DHS) will soon spend billions more. But access to those contracts is blocked by a tsunami of paperwork and regulations. Enterprising entrepreneurs are getting around those barriers, with help from unique public/private partnerships, networking associations, government agencies designed to help them, or plain, old-fashioned persistence.

### *Taking the Long Route*

In the 1980s, Ms. Hamilton, now 54, had gathered statistics for political candidates to forecast election results. Today she's president of RiskWatch, Inc., of Annapolis, Md., a 20-person company that also "puts together a bunch of different variables, based on past history and present threat, to help organizations eliminate weaknesses," she says. Clients of her risk-management software are corporations around the world, including a chain of stores in Asia that suffered a fatal, but nonterrorist, bomb attack. "They wondered if they should install \$100,000 electronic scanners on all their doors," she says, "but at the end of the day our software found out all they needed was entry controls, to keep people from bringing in big shopping carts."

Such assessment tools seem especially apt for government agencies today, but putting together a formal bid for a government-security contract can take months and cost more than the \$10,000 to \$25,000 Ms. Hamilton charges for her products. Instead, she turned to the U.S. General Services Administration and its programs geared to small business. The GSA's Office of Small Business Utilization, for example, helps minority, women and small-business owners gain access to GSA's nationwide procurement opportunities. Ms. Hamilton's company, with revenues of under \$10 million a year, is now listed on a GSA online database of more than 8,600 commercial suppliers that federal-government employees can access to make purchases. Her new customers include the Federal Bureau of Prisons and the National Guard.

But don't be too encouraged. Although the GSA's Web site is user-friendly and lists dozens of events and seminars aimed at small-business owners, becoming a GSA-certified contractor isn't easy. Ms. Hamilton says the process took her three years and cost \$5,000 for a consultant to fill out three inches' worth of paper forms.

### ***Getting a Tow***

Computer-forensics specialist Barry Schlossberg, 54, of Tampa, Fla., says he's "too old and too tired to go through that paper mill." Instead, he does his government work as a subcontractor to giant companies like Computer Sciences Corp., of El Segundo, Calif., that have longstanding government contracts. Such companies -- Mr. Schlossberg calls them his "grandfathers" -- provide the background checks and clearances he needs and pay him about \$5,000 a day to track down hackers who have penetrated government computers.

Getting subcontractor gigs, he says, "is 90% reputation." Mr. Schlossberg, who takes in between \$100,000 and \$5 million a year, has no problem with self-promotion. When he cracked an Internet credit-card fraud case in 2000, he appeared on network television, telling reporters how he tracked down the young Russian who had stolen information on 300,000 credit-card accounts from CD Universe's computer system.

### ***Using a Pilot Ship***

But Ph.D.s working in young high-tech companies, universities, or even government laboratories tend to be more reticent about promoting their talents and discoveries. To bridge the gap between their innovations and the agencies and corporations that need their real-life solutions, the DOD funded a \$10.8 million program called the Center for Commercialization of Advanced Technology (CCAT) in 2001. Its purpose, says the center's chairman Lou Kelly, 61, is to provide expertise, knowledge and contacts to such researchers, including start-up companies with only two or three employees.

The Center is a public/private collaboration whose partners include the College of Business Administration at San Diego State College, the Jacobs School of Engineering at the University of California at San Diego, the Space and Naval Warfare Systems Center, and Orincon Corp. International, a San Diego-based defense contractor where Mr. Kelly is vice president of government products. In less than two years, the Center has issued 65 awards of \$75,000 each to 44 technology companies, university researchers and government laboratories. At first, grant winners were from Southern California, but as word of the program spread, applications for the next round of awards, to be announced in mid-May, have come from all areas of the country, Mr. Kelly says.

An eight-employee language-management company, Universal Dialog Inc., of San Diego, received its first grant from the center earlier this year to help it find additional markets for its Cross Language Information Retrieval Extraction and Summarization software, says Dina Moskowitz, 36, the company's vice president for business development. In simple terms, the company's technology enables someone doing Internet research in one language, say English, to receive summaries of foreign-language documents, automatically translated.

Universal Dialog had received a grant from the Small Business Innovative Research (SBIR) arm of the National Science Foundation but, says Ms. Moskowitz, "doing business with the government is very different than private industry. The CCAT people were our Sherpas, guiding us through what we had to do to satisfy the SBIR allocation requirements, including setting up time sheets for everyone, even the scientists, and helping us apply for more funding." The center also deployed a crew of M.B.A. students at San Diego State to identify commercial markets for the company's translation technology.

Amos Yahil, 59, of Setauket, N.Y., is one of five academics -- three physicists, a psychologist and an attorney -- who formed Pixon LLC, an image-processing company, in 1997. The five, who still hold their prior day jobs, spent years looking for ways to commercialize their patented technologies before asking the center for help. "Last year CCAT experts told us the greatest military demand for our technology is in unmanned aerial vehicles, so we've shifted in that direction," says Mr. Yahil. "And just last week CCAT students provided us with a list of 50 companies that expressed interest in our [unmanned aerial vehicle] technology. We may finally make some real money."

Bassam Damaj, 35, president of Bio-Quant Inc. in San Diego, says he tried to get government business on his own for his 12-person human-diagnostics company, "but with the government, you never know whom you're talking to. With CCAT, there's a person who says, 'This is what the government needs.' The doors are starting to open." Through CCAT contacts, Bio-Quant received two government subcontracts to help fund their development of the first blood tests for anthrax and West Nile virus. That the West Nile test also detects St. Louis encephalitis is especially nice, Mr. Damaj says, because by the time present tests are completed for that disease, "the patient has already died."

Here are some tips to help navigate your way to securing a government contract for your company:

1. Network with government-procurement folks and people who have government contracts now, says Ms. Moskowitz. You can get started by joining organizations like the National Defense Industrial Association in Arlington, Va., which has chapters in major U.S. cities. Seventy percent of the association's 1,100 corporate members are small to midsize companies, says John Williams, a spokesman. Ms. Moskowitz also recommends the Armed Forces Communication and Electronics Association.
2. Women and minorities should consider joining the National Minority Supplier Development Council.
3. Several government agencies are required to set aside a portion of their budgets for small business. Information on Small Business Innovation Research and Small Business Technology Transfer grants and workshops is at [www.sba.gov/sbir](http://www.sba.gov/sbir).
4. Finally, don't give up. "Working with the federal government is wonderful," says Ms. Hamilton. "They pay on time and being involved with them has increased our stature with private companies. It was definitely worth all the effort."