

Open Supplier Innovation Ecosystem

May 2018 Vol 2, Issue 4



[www.edge-innovation.com](http://www.edge-innovation.com)

## **Small Business**

Understanding the importance to our Supply Chain and customers

## **RapidRatings**

Sharing Opportunities for risk mitigation

## **Supplier Diversity**

Compliance, Early Engagement, Small Business Innovation & Community Outreach

**Small Business Tech Conference - Save the Date - September 18th**



**Scotty Miller**  
VP, Supply Chain Management

## Small Business

### Understanding the importance to Supply Chain and customers

**S**mall businesses are a major force in the United States economy. The more than 20 million small businesses in this country generate about 50 percent of our gross domestic product (GDP). The millions of individuals who have started businesses in the United States have shaped the business world of today. Some small business founders, such as Henry Ford and Thomas Edison, have earned their place in history. Others, including Bill Gates (Microsoft), Sam Walton (Wal-Mart), Steve Jobs (Apple Computer), Michael Dell (Dell, Inc.) and Larry Page and Sergey Brin (Google), have changed the face of business as we know it today. In addition, millions of other successful small business owners have collectively contributed to our standard of living across time.

Aside from contributions to our general economic well-being, founders of small businesses also contribute to the growth and vitality in specific areas of economic and socioeconomic development. In particular, small businesses do the following:

- Create jobs.
- Spark innovation.
- Provide opportunities for all people to achieve financial success and independence.
- Complement the economic activity of large organizations by providing them with components, services, and distribution channels for their products.

At General Dynamics Mission Systems, we are committed to supplier diversity and are committed to meeting our goals as outlined by our DoD customers. I am proud that we have received excellent ratings over the past few years from our customer audits and know we will continue to achieve greatness.

The Innovation Sourcing Network, combined with our Tech Scout capability, ensures that we survey the sourcing landscape and deliver on our promise to maintain a strong, diverse supply chain.



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*About this publication:* This is General Dynamics Mission Systems' Innovation Sourcing Network, open supplier innovation ecosystem monthly newsletter.

Suppliers may submit articles to be considered for publication to: [edgeinnovation@gd-ms.com](mailto:edgeinnovation@gd-ms.com)  
Contact: Toll Free (U.S.) 1-888-406-EDGE (3343) or  
Toll Free (Non-U.S.) 1-877-466-9467  
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**Yaseen Ali**  
Supply Chain Compliance and  
Oversight Specialist

## Compliance Notes

**T**he **Defense Priorities and Allocations Systems (DPAS)** is a Department of Commerce regulation established to support authorized national defense programs by providing “*priority ratings*.” It is important that any priority ratings, commonly referred to as a “*rated order*,” be documented on the purchase order.

The purchasing agent shall obtain acceptance or rejection from the vendor on all DPAS rated orders, that have a value of one half of the Federal Acquisition Regulation (FAR) Simplified Acquisition Threshold. It will be presented in writing or electronic format **within fifteen working days after vendor receipt of a DO rated order, and ten working days for a DX rated order.**

There are two levels of priority for rated orders

established by DPAS, identified by the rating symbols, “DO” and “DX.” All DO ratings have equal priority with each other, and take preference over unrated orders. All DX rated orders have equal priority with each other, and take preference over DO and unrated orders. In addition to displaying the priority rating, rated orders should state: *“This is a rated order certified for national defense use, and you are required to follow all the provisions of the Defense Priorities and Allocations System regulation (15 CFR Part 700).”*

To be valid, a rated order must contain all delivery dates. In summary, any award with a DPAS rating requires the supplier to acknowledge they have processed the order and are aware of the DPAS rating.



## Important Reminder

As a reminder, all awards from General Dynamics Mission Systems are governed by our Terms & Conditions. The correct version of the Terms & Conditions that the supplier should reference is based on the type of award that was made. The list of different Terms & Conditions can be found at the General Dynamics Mission Systems Supplier page. If a supplier does not know which one they should be reviewing, they should check with the buyer who issued the purchase order.

**View the General Dynamics Mission Systems Supplier Terms & Conditions.**

make sure we are

IN

the know about  
your capabilities &  
technologies

## VIRTUAL TECH TEN TALKS

### VTTTs

**VTTTs are the conversation multiplier of your capabilities  
across General Dynamics Mission Systems.**

**Your talking brochure.**

**Schedule your recording time now - [techscout@gd-ms.com](mailto:techscout@gd-ms.com)**





**Joseph Frias**  
Sr. Mechanical Buyer

## Get to know the team

Joseph Frias

**Joseph Frias is a Senior Mechanical Buyer on the Enterprise Procurement Solutions Team. He is located at our office in Taunton, MA.**

**What motivates you?**

Portuguese homemade red wine gets my motor running!

**How do you balance your career and personal life?**

Being organized at work and at home helps me to stay on track. I'm a believer that if you don't know where you're going, any road will get you there.

**Something people would never guess that you do in your role?**

In a buyer's role, we are often expected to perform miracles and achieve the impossible. It's all part of the fun of being in a dynamic environment.

**A perfect day would be?**

Relaxing at home on the backyard patio, soaking up the sunshine.

**In your opinion, why are relationships with suppliers so important to the Supply Chain Management mission?**

Suppliers are a vital part of the success of an organization. Forging sound supplier/customer relationships builds trust that is required for long term support of quality products and services.

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## Want to be featured in our monthly ISN Newsletter?

Types of supplier content we will consider featuring:

- One page story (350-500 words) on a topic for which you are a subject matter expert
- Small business best of breed practices, tips and tricks

### Publication Date

June 14  
July 17  
August 16  
September 18  
October 17  
November 13  
December 13

### Submission Deadline

June 6  
July 9  
August 9  
September 5  
October 8  
November 1  
December 3

ISN Suppliers that are interested in sharing content for our monthly newsletter should call or email Sheila Lucas (sheila.lucas@gd-ms.com)

# Understanding Financial Health

## The Commercial Value of Transparency

In the previous newsletter, RapidRatings discussed the work we do around financial health assessment and how we're working with companies to help them manage risks in their supply chain. In this issue, we explore how, as a privately-held company and supplier, companies can benefit from understanding your own financial health rating and the commercial value of transparency.

RapidRatings provides a quantitative approach to measuring a company's financial health. The FHR® or Financial Health Rating, is a 0-100 score reflecting a company's short, medium, and long-term financial strength and viability. What is unique about the FHR is that we use the same approach and input to calculate financial health for public companies as we do for private companies.

You may be wondering where we get the data for the privately held companies. Directly from the source! Whether at the request of their corporate customers or by their own accord, companies voluntarily submit their financial statements to RapidRatings to be rated.

Why is that? It begins with suppliers understanding that there is commercial value in transparency. Market demands for constant improvements have put pressure on our clients, and subsequently their suppliers, to continue innovating and perfecting their organizations. Our clients are using the FHR to find new opportunity for research and development with suppliers who may have been previously overlooked because of their size or ownership status. Suppliers with strong FHR scores are also likely candidates for future expansion opportunities with their clients and are often classified as 'preferred suppliers' thanks to their financial strength. Many of our clients' most engaged suppliers use their ratings as badges to advertise themselves as valuable and trusted business partners to some of the largest and well-respected organizations across the globe.

It is not only strong organizations who benefit from transparency. Companies who are high risk may meet their rating with hesitation at the outset, but we are confident in explaining exactly how we arrive at every rating to users and suppliers. The result of our confidence is a rating that users can leverage to step in and assist suppliers who may be faltering and find an alternate path forward. Our users initiate programs with us knowing that exiting a supplier relationship is the last step that they want to take, but they need the right information to use if they are going to help suppliers through potentially turbulent times.

Financial health is used to achieve better business outcomes for the organizations who choose to leverage it. This gets done regardless of the size and rating of the companies we're working with, which benefits everyone involved.



Photo courtesy of RapidRatings



# TECH SCOUTS

**Co-creating the art of the possible**

Our process to communicate our needs and technical opportunities with your organization. TechScout is critical to our supply chain process to source potential outside solutions. We need your innovative approaches to build partnerships that solve our customers' greatest challenges.

*Sign up to receive our alerts so that you  
can respond and share your innovative solutions with us.*

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Mission Systems

Open Supplier Innovation Ecosystem  
[www.edge-innovation.com/techscouts.html](http://www.edge-innovation.com/techscouts.html)





# Small Business Tech Conference



CONNECT • LEARN • PARTNER

## SAVE THE DATE



**September 18, 2018 - Washington, D.C.**

### **ONE DAY SMALL BUSINESS EVENT**

Small Business Government Panels

Networking with Government Representatives and General Dynamics Staff

One-on-One meetings with General Dynamics Procurement Staff

Small Business Showcase Opportunities: Demonstrations and Speaking Opportunities

**REGISTRATION WILL OPEN JUNE 1, 2018**

Prior to registration opening inquiries maybe sent to: [sbtechconf@gd-ms.com](mailto:sbtechconf@gd-ms.com)

**GENERAL DYNAMICS**  
Mission Systems



**Alexis Petro**  
Small Business/Supplier Diversity

[smallbusiness@gd-ms.com](mailto:smallbusiness@gd-ms.com)

## Supplier Diversity

Compliance, Early Engagement, Small Business Innovation and Community Outreach



**A**t General Dynamics Mission Systems, our Supplier Diversity Program operates under a framework based upon four pillars: **Compliance**, **Early Engagement**, **Small Business Innovation**, and **Community Outreach**.

**Compliance** - The Supplier Diversity Team ensures that General Dynamics Mission Systems adheres to all FAR regulations regarding small business, completes all reporting requirements, and administers our Department of Defense Comprehensive Subcontracting Program. However, to have a successful Small Business program, we recognize that a sole focus on compliance is not enough, and would cause us to miss opportunities for all of the value and innovation Small Businesses can bring, leading to our three additional pillars.

**Early Engagement** - Often during the proposal stage, vital supplier relationships are formed, and there may not be room for deviation and adjustment during the operational stage of a contract post award. By engaging our Bidding and Estimating team with our Small Businesses, we are allowing for more opportunities for Small Businesses to compete.

**Small Business Innovation** - Our Small Business Innovation Research (SBIR) / Small Business Technology Transfer (STTR) program coupled with our DoD Mentor Protégé Program, is building customer intimacy and gaining a strong understanding of our customers' needs and wants. Additionally, through the utilization of our own Innovation Sourcing Network (ISN), we are sourcing new technology and capabilities utilizing TechScouts, allowing us to continue the dialogue between ourselves and our suppliers like never before.

**Community Outreach** - General Dynamics Mission Systems is committed to a program that supports the strategic business goals and invests in the quality of life in the communities where our employees work and live. Developing relationships with small local businesses is an enabler to ensure partnerships with our supply base, contributing to the local economy.

Through our four pillars, we are dedicated to seeking out new and innovative ways to grow our Small Business content across General Dynamics Mission Systems. Please reach out to me with areas for collaboration and partnership, as I am your small business advocate.



**Sheila Lucas**  
Manager, ISN

[sheila.lucas@gd-ms.com](mailto:sheila.lucas@gd-ms.com)

## TechScout Showcase Your Technologies at #SBTC18

**T**here are two TechScout opportunities that you will see on our website in the coming weeks.

These opportunities relate to our Small Business Tech Conference on September 18, 2018.

The Small Business Tech Conference is a one-day event that connects small business technology vendors with federal opportunities.

The first TechScout will be a general call for demonstrations at the event. We are looking for small business suppliers to demonstrate new technologies or products to our team that we currently do not procure. The demonstrations will be table top displays. There is no cost to be a part of the table top demonstrations at this conference. Be sure to check out the TechScout webpage to better understand how to respond and to be considered as an exhibitor at the conference.



The second TechScout is a general call for suppliers to present a ten minute technology talk 'TechTen Talk' at the Small Business Tech Conference. This is an opportunity for your team to share your emerging technologies with our business development, technical and procurement teams as well as our government customers in attendance. Please ensure that you follow all required instructions for there are limited demonstration and speaking slots. Please keep an eye out for our email alert when the TechScouts publish; we are putting the finishing touches on them as we go to 'press'.

I am looking forward to learning about your new technologies and how they apply to help advance our customers' missions.

Mark your calendars for September 18. Follow our hashtag #SBTC18 to keep up with event happenings, speakers and opportunities.





**SBIR · STTR**  
America's Seed Fund™  
POWERED BY SBA

**WWW.SBIR.GOV**

## Did you know?

- » \$2.5 billion of funding each year in competitive grant and contract awards
- » 5,000 awards on average per year
- » Government does not take an equity stake
- » IP ownership is retained by the small business
- » \$47B to American small businesses since 1982
- » SBIR played a catalytic role in many American innovation giants including: Qualcomm, iRobot, Illumina, Symantec
- » Example Funding Areas
  - › First Responders
  - › Artificial Intelligence
  - › National Security
  - › Biomedical
  - › Sensors
  - › Cybersecurity
  - › Advanced Robotics
  - › Space Exploration
  - › Energy
  - › AgTech

## SBIR/STTR is a Three Phase Process

### PHASE I

#### Proof-of-Concept

6-12 months | ~ \$150,000

### PHASE II

#### Full R&D

24 months | ~ \$1,000,000

### PHASE III

#### Commercialization

Non-SBIR/STTR funds (public or private)

America's Seed Fund - the Small Business Innovation Research (SBIR) and the Small Business Technology Transfer (STTR) programs - provides competitive awards-based resources that enable small businesses to develop new technologies and facilitate the commercialization of innovation.

## CONNECT WITH SBIR/STTR Federal Agencies



#### Dept of Defense

[sbir.defensebusiness.org](http://sbir.defensebusiness.org)  
[sbirhelp@bytecubed.com](mailto:sbirhelp@bytecubed.com)



#### Dept of Homeland Security

[sbir2.st.dhs.gov](http://sbir2.st.dhs.gov)  
[sbir.program@hq.dhs.gov](mailto:sbir.program@hq.dhs.gov)



#### Dept of Health & Human Services

[sbir.nih.gov](http://sbir.nih.gov)  
[sbir@od.nih.gov](mailto:sbir@od.nih.gov)



#### Dept of Education

[ies.ed.gov/sbir/](http://ies.ed.gov/sbir/)  
[edward.metz@ed.gov](mailto:edward.metz@ed.gov)



#### Dept of Energy

[science.energy.gov/sbir](http://science.energy.gov/sbir)  
[sbir-sttr@science.doe.gov](mailto:sbir-sttr@science.doe.gov)



#### Dept of Transportation

[volpe.dot.gov/sbir](http://volpe.dot.gov/sbir)  
[dotsbir@dot.gov](mailto:dotsbir@dot.gov)



#### NASA

[sbir.nasa.gov](http://sbir.nasa.gov)  
[sbir@reisystems.com](mailto:sbir@reisystems.com)



#### National Science Foundation

[seedfund.nsf.gov](http://seedfund.nsf.gov)  
[sbir@nsf.gov](mailto:sbir@nsf.gov)



#### Dept of Commerce

#### NOAA

[techpartnerships.noaa.gov/SBIR](http://techpartnerships.noaa.gov/SBIR)  
[vincent.garcia@noaa.gov](mailto:vincent.garcia@noaa.gov)



#### USDA

[nifa.usda.gov/sbir](http://nifa.usda.gov/sbir)  
[sdockum@nifa.usda.gov](mailto:sdockum@nifa.usda.gov)



#### EPA

[epa.gov/sbir](http://epa.gov/sbir)  
[richards.april@epa.gov](mailto:richards.april@epa.gov)



#### NIST

[nist.gov/tpo/sbir/](http://nist.gov/tpo/sbir/)  
[mary.clague@nist.gov](mailto:mary.clague@nist.gov)



## Differences Between SBIR/STTR

	SBIR	STTR
Partnering Requirement	Permits partnering	Requires a non-profit research institution partner
Principal Investigator	Primary employment (>50%) must be with the small business	PI may be employed by either the research institution partner or small business (check solicitation)
Work Requirement	May subcontract up to 33% (Phase I), 50% (Phase II)	40% Small Business, 30% Research Institution Partner
Program Size	FY15-\$2.25B	FY15-\$296M
Majority VC Ownership	Allowed by some agencies	Not Allowed
Participating Agencies	11 agencies (extramural R&D budget >\$100M)	5 agencies (extramural R&D budget >\$1B)

## Grants vs. Contracts

### Grants

NSF  
DOE  
USDA  
DOC/NIST

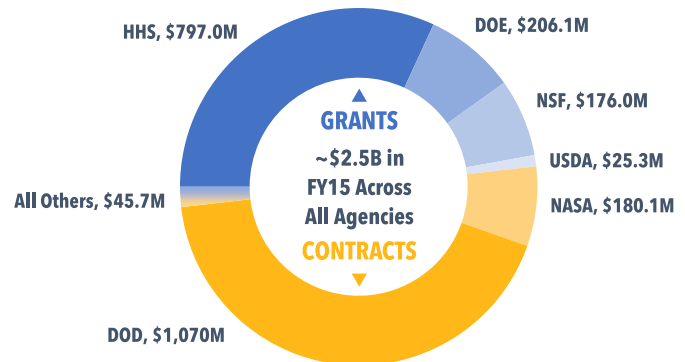
### Both

HHS (mostly grants)

### Contracts

DoD  
NASA  
DOC/NOAA  
DHS  
DOT  
EPA  
DoED

## FY15 Combined SBIR/STTR Budget

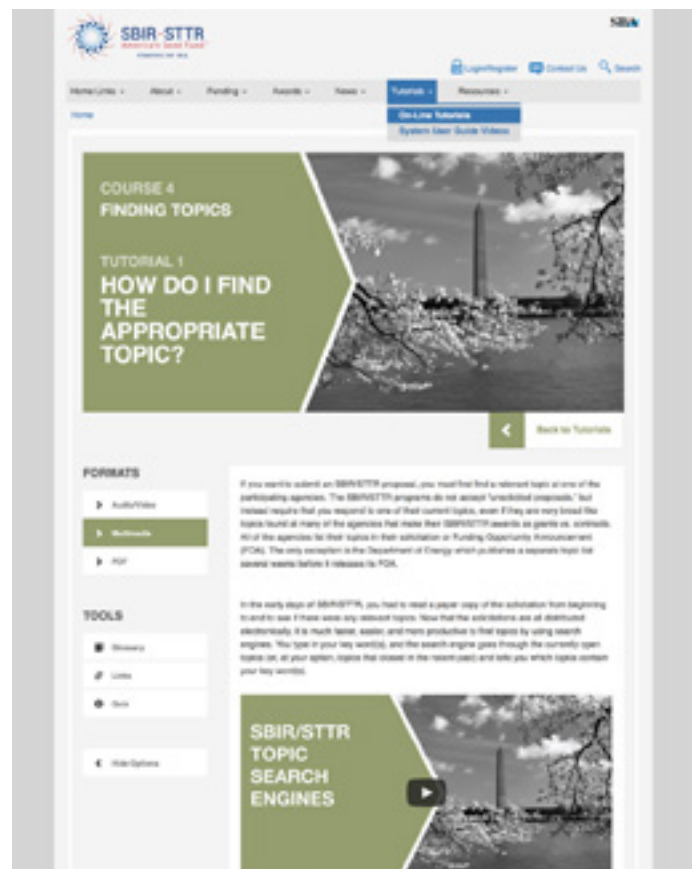


## Learn More

[www.sbir.gov](http://www.sbir.gov)



[www.sbir.gov/tutorials](http://www.sbir.gov/tutorials)





**MAKE A DONATION TO THE SENTINELS OF FREEDOM FOUNDATION  
AND GENERAL DYNAMICS MISSION SYSTEMS WILL MATCH IT UP TO \$50,000**

Sentinels of Freedom (SOF) is a national nonprofit organization that helps wounded post-9/11 veterans like Cpl. Kyle Carpenter, Sgt. 1st Class John Wayne Walding, and Sgt. Lucas Oppelt successfully transition to civilian life by providing financial assistance and comprehensive personal support, including but not limited to, housing subsidies, financial coaching, mentoring and career transition assistance.

General Dynamics Missions Systems President Chris Marzilli committed to match all contributions made to the Sentinels from our industry partners up to \$50,000. To support the Sentinels of Freedom foundation, visit their donation page <https://www.sentinelsoffreedom.org/donate/> and type “GDMS” under “How Did You Hear About Us?” and we will match donations made through June 30, 2018.

**DONATE TODAY**

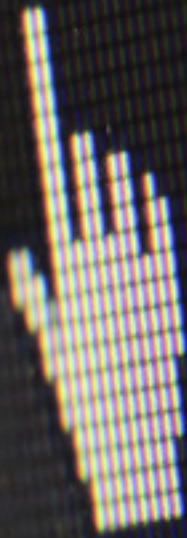
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Mission Systems



# NOTES

Submit your representation & certification of compliance with

# Safeguarding Covered Defense Information and Cyber Incident Reporting



This requirement states that DoD contractors who process, store or transmit Covered Defense Information (CDI) on the contractor's information system must meet the security requirements. The only exception is for those contracts solely for the acquisition of commercially available off-the-shelf (COTS) items. **This clause is a required flow-down for our suppliers.**

Additional information for suppliers is available at <https://gdmission-systems.com/about-us/suppliers/terms-and-conditions/cybersecurity-for-suppliers>