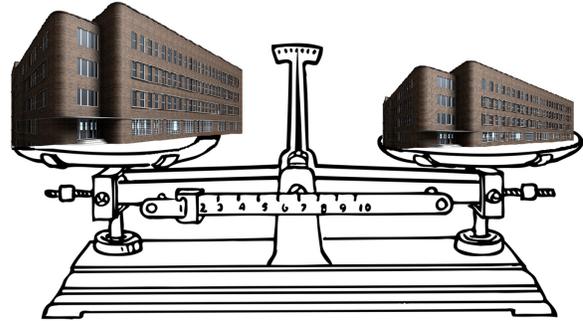




New Program Helps Small Businesses Prepare to Become Federal Suppliers

By Sandy Nelson for Finance New Mexico

Government organizations save money on procurement the same way private companies do — by finding volume discounts on products and services. Such economies of scale benefit the companies that can afford them, and they stretch taxpayer dollars, but they also squeeze out small businesses that don't have the capacity to complete large, national jobs or work on tight profit margins.



To help New Mexico companies increase capacity and compete with big businesses for contracts at Los Alamos National Laboratory, the LANL Major Subcontractors Consortium (MSC) created xEnergize, a workshop series led by MSC administrator Jeff Lunsford.

Before joining MSC, Lunsford worked 14 years for a major LANL subcontractor and witnessed the federal government's shift toward economizing on procurement by entering "enterprise" agreements to purchase commonly used products and services for multiple federal agencies at prenegotiated prices. That policy solidified after a 2006 U.S. Department of Energy audit report concluded significant savings could be achieved through adoption of common standards and the use of enterprise-wide contracts through which all organizations could obtain software and other products.

Lunsford envisioned xEnergize as a way to help Northern New Mexico businesses compete against giant corporations. xEnergize, he said, aims to fill the gap between other economic development programs like the Procurement Technical Assistance Program and the Venture Acceleration Fund.

By providing general counseling in financial and scale-up challenges through xEnergize, MSC board members hoped to prepare a cadre of regional businesses to get ready for the rigors of federal contracting. That led to xEnergize's first six-month training program, which was recently completed by six companies that offer a range of safety, human resources, construction and other services and products.

Marcie Davis of Davis Innovations, a Santa Fe-based organizational development company, participated in xEnergize to establish a connection with the Lab, even though her company isn't new to government contracts. "I felt like all of a sudden I was inside the bubble," she said about how Lunsford helped her prepare for July 12 presentations to LANL management and procurement staff. "This is an opportunity I would have never had," she said.

MSC is funded by LANL's major subcontractors, who are required to invest in Northern New Mexico. The funds for the xEnergize initiative came from MSC's Grant Pool Program, which typically awards \$60,000 to \$100,000 each year to community development projects.

"Very few Northern New Mexico businesses can deliver on a national scale," Lunsford explained. "National agreements typically have a better price advantage; [they] typically prohibit small businesses from participating. We want to be sure small companies have the opportunity to bid. We want to help them provide a competitive bid that they can deliver on."

MSC used a group setting to disseminate general information that applied to all businesses, followed by individual counseling designed to help each company devise its own expansion strategy, regardless of its current capacity. MSC aims to create a pipeline of businesses of ever-increasing capacity to fulfill the requirements of national lab contracts.

The second series cohort is expected to start in late fall. To apply, visit <https://lanlmsc.org/xenergizenm/>.

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