

# MAComb-OU **INC**ubator

Incubate. Innovate. Accelerate.

## CLIENT COMPANY SPOTLIGHT

**MACOMB-OU INCUBATOR AWARDED \$21,050 FOR CLIENT RAYOMAR**

The Macomb-OU INCubator (Mac-OU INC) was recently awarded \$21,050 in Business Accelerator Funds (BAF) to provide accelerator services to client company RAYOMAR Enterprises of Sterling Heights.

Mac-OU INC is the top business accelerator in garnering State of Michigan BAF dollars to assist client companies.

RAYOMAR has created an innovative fastener technology, the (EO)2® SnapTop™ Carrier & Mounting System, for attaching cases containing gear and equipment for mission-specific work or play purposes on vehicles and/or other fixed objects. The (EO)2® System is the only rigid fastening/mounting system that snaps on and off only when needed and otherwise stays safe and secure, with no discernable movement between parts, while in the mated position.

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RAYOMAR Enterprises Inc

## MAC-OU INC HAPPENINGS

# MACOMB PITCH APPLICATIONS accepted through August 3

### APPLICATIONS DUE: MAC-OU INC'S SECOND ANNUAL MACOMB PITCH

The deadline is approaching! Applications for Mac-OU INC's second annual Macomb Pitch are due on August 3 by 5 p.m. With generous support from the Michigan Economic Development Corporation, as well as local businesses and partners, Mac-OU INC will be awarding over \$20,000 in cash and in-kind prizes to Michigan small businesses. A total of eight high-tech startup companies will compete at the finalist's live competition on Thursday, October 8.

Michigan-based, high-growth, technology companies, with less than or equal to three years in business and \$2.5 million in revenue, are welcome to apply. To apply, and for more information, visit [the official Macomb Pitch application form](#) or contact Joan Carleton at (586) 884-9324 or [macinc@oakland.edu](mailto:macinc@oakland.edu).

### MAC-OU INC SELECTED AS A FINALIST IN THE SBA GROWTH ACCELERATOR FUND COMPETITION

Mac-OU INC is pleased to announce their selection as a finalist for the Small Business Administration's Growth Accelerator Fund Competition for the second year in a row. Winners of the competition will be announced by early August.

The main premise of the competition is to ensure that a diverse set of entrepreneurs from all walks of life have the opportunity to participate in our innovation economy. The more startup ecosystems that emerge in every corner of America and that enhance opportunities for those underrepresented in



JULY 2015

## UPCOMING EVENTS

### Macomb Pitch: A Competition for Small Businesses

Call for Applications  
Due: August 3 at 5 p.m.

**Capital Raise Meetup**  
Mike Brennan, Mac-OU INC's Capital Strategist  
September 1, 9:30 - 11 a.m.

**SBIR/STTR Proposal Prep for Department of Defense**  
BBC Entrepreneurial Training & Consulting  
September 9, 9 - 3 p.m.

## LOCAL EVENTS OF INTEREST

**Innovation Fund Information Session**  
Macomb Community College Center for Innovation and Entrepreneurship (at Bizdom)  
July 29, 5:30 p.m.

**Government Contracting 201: How to Identify Government Contracting Opportunities**  
Macomb Regional PTAC  
August 13, 9 - 12 p.m.

**2015 Annual Hackathon**  
Coupon Wallet (Mac-OU INC client company)  
August 14, 4 p.m. (24 hours)

**Government Contracting 101**  
Macomb Regional PTAC  
August 20, 9 - 12 p.m.

**Government Contracting 301: How to Market Your**

entrepreneurship, the more competitive our nation will become.

### MAC-OU INC IT INTERN IMPLEMENTS A TEXTBOOK-BEAUTIFUL NETWORK SYSTEM AT VELOCITY CENTER

Mac-OU INC IT intern, Brian Anstett, recently updated the Velocity Center's network system through the creation and implementation of the following three-step process:

- Increase: Work with the City of Sterling Heights to finalize a contract with Comcast for larger bandwidth.
- Strengthen: Install additional wireless access points to ensure optimum quality and consistency for mobile users with this larger bandwidth.
- Organize: Reconstruct the network infrastructure by locating duplicate ports, rebuilding the network racks, and creating virtual local-area networks to reduce collisions, boost performance and increase security.



"Although the project is not fully completed, we are nearing the end at a great pace. This experience has allowed me to directly apply material learned in the classroom to a real life scenario, all within a safe environment with a lot of resources to fall back on if I needed help or a second opinion," Brian said.

The Mac-OU INC staff is so appreciative of Brian's knowledge, abilities, and "can do" attitude!

## CLIENT NEWS



### COMMENTARY: THE POWER OF INNOVATION

via Defense News  
by Scott Badenoch  
Founder & CEO, Badenoch LLC  
Award Recipient, Macomb-OU INCubator's Michigan Defense Advanced Research Projects Agency (DARPA) Matching Funds Program (MD.MFP)

Recently, US Defense Secretary Ash Carter visited Silicon Valley hoping to help the nation's capital tap the innovative spirit of the world's digital capital. He met with Facebook's Mark Zuckerberg, power-brunched with the financial seers at Andreessen Horowitz and lectured at Stanford.

His access to Big Digital is natural since he represents Big Government. But Carter, who is a remarkable role model himself, may have missed something important.

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### COUPON WALLET HOSTS HACKATHON

Mac-OU INC client company Coupon Wallet invites you to participate in their 24-hour hackathon on August 14! Coupon Wallet has an extensive RESTful API for creating, managing, tracking, clearing, and using coupons digitally. The hackathon challenge is to create an application on any platform (i.e. website, Android, iOS, etc.) using this API.

Each member of the winning team will receive new laptops, while second place winners will each receive tablets and third place winners will get \$50 Amazon gift cards.

Teams of up to four members are welcome. Visit [couponwallet.com/2015-Annual-Hackathon](http://couponwallet.com/2015-Annual-Hackathon) for more details and registration.



### KTISIS WINS \$25K THROUGH THE MACOMB COMMUNITY COLLEGE INNOVATION FUND

Mac-OU INC client company KTISIS recently was awarded \$25,000 through the Innovation Fund, powered by Macomb Community College's Center for Innovation and

## Business to Government Agencies

Macomb Regional PTAC  
August 27, 9 - 12 p.m.



Entrepreneurship (CIE) in collaboration with JPMorgan Chase. In total, five metro-Detroit startups were awarded \$275,000 in this initial award cycle. The Mac-OU INC team sends a hearty congratulations to KTISIS for this impressive win and looks forward to witnessing the progress KTISIS will make as a result!

Applications are now being accepted for the second funding cycle, due July 31, 2015. This effort is part of JPMorgan Chase's \$100 million commitment to Detroit's economic recovery.

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## EXECUTIVE-IN-RESIDENCE NEWS

### BUTZEL LONG: "THE IMPORTANCE OF REGULATORY DEFINITIONS - ITAR PROPOSED DEFINITIONS EDITION"

On June 3, 2015, as a part of the administration's ongoing export control reforms, the Department of State's Directorate of Defense Trade Controls (DDTC) announced that it is undertaking to amend the International Traffic in Arms Regulations (ITAR) (22 CFR parts 120 through 130) definitions of 'defense article,' 'defense services,' 'technical data,' 'public domain,' 'export,' and 'reexport or retransfer' ... to clarify the scope of activities and information that are covered within these definitions and harmonize the definitions with the Export Administration Regulations (EAR), to the extent appropriate." (See [80 F R 31525](#))

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### JIM RUMA: DEFENSE ARTICLE OF INTEREST

#### Defense Officials: Times are Good for Small Business Contractors

By Sandra Erwin

via National Defense: National Defense Industrial Association's Business & Technology Magazine

In this recent National Defense magazine article, Sandra Erwin stated that "the federal government overall awarded 24.9 percent of all 'prime contracts' to small businesses in 2014 or about \$91.7 billion. And 'defense contracts' (that are a subset of the prime contracts) accounted for more than half, at \$54.3 billion. . ."

"This is the highest percentage of contracting dollars ever awarded to small businesses since the 23 percent goal was established in 1997," said Small Business Administrator Maria Contreras-Sweet. "Small businesses now are filing more patents than ever, so they're also driving innovation."

The Pentagon has made a deliberate effort over the past five years to boost small business contracting.

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Macomb-OU INCubator at Velocity Collaboration Center  
6633 18 Mile Road, Sterling Heights, MI 48314  
Phone: (586) 884-9320 | [macINC@oakland.edu](mailto:macINC@oakland.edu)





For immediate release  
Friday, July 17, 2015

### **Macomb-OU INCubator awarded \$21,050 for client RAYOMAR**

Sterling Heights, Mich. -The Macomb-OU INCubator (Mac-OU INC) was recently awarded \$21,050 in Business Accelerator Funds (BAF) to provide accelerator services to client company RAYOMAR Enterprises of Sterling Heights.



Mac-OU INC is the top business accelerator in garnering State of Michigan BAF dollars to assist client companies.

RAYOMAR has created an innovative fastener technology, the (EO)2® SnapTop™ Carrier & Mounting System, for attaching cases containing gear and equipment for mission-specific work or play purposes on vehicles and/or other fixed objects. The (EO)2® System is the only rigid fastening/mounting system that snaps on and off only when needed and otherwise stays safe and secure, with no discernable movement between parts, while in the mated position.

"We are excited about this award and feel these services will open new opportunities and further expand Rayomar's market," Julie Gustafson, Mac-OU INC Executive Director, said.

Additional advantages of the (EO)2® System include:

- Easy-on and easy-off "snapping" of parts or equipment to various mounting locations, providing flexible, quick, and easy access for maintenance.
- Ease of scalability from inches to several feet, with the ability to hold forces of well over tens of thousands of pounds.
- The accommodation of different materials to match customer needs, including aluminum, plastics, magnesium, steels and alloys.
- The ability to be manufactured using different forming technologies such as extruding, injection molding, casting, or machining.

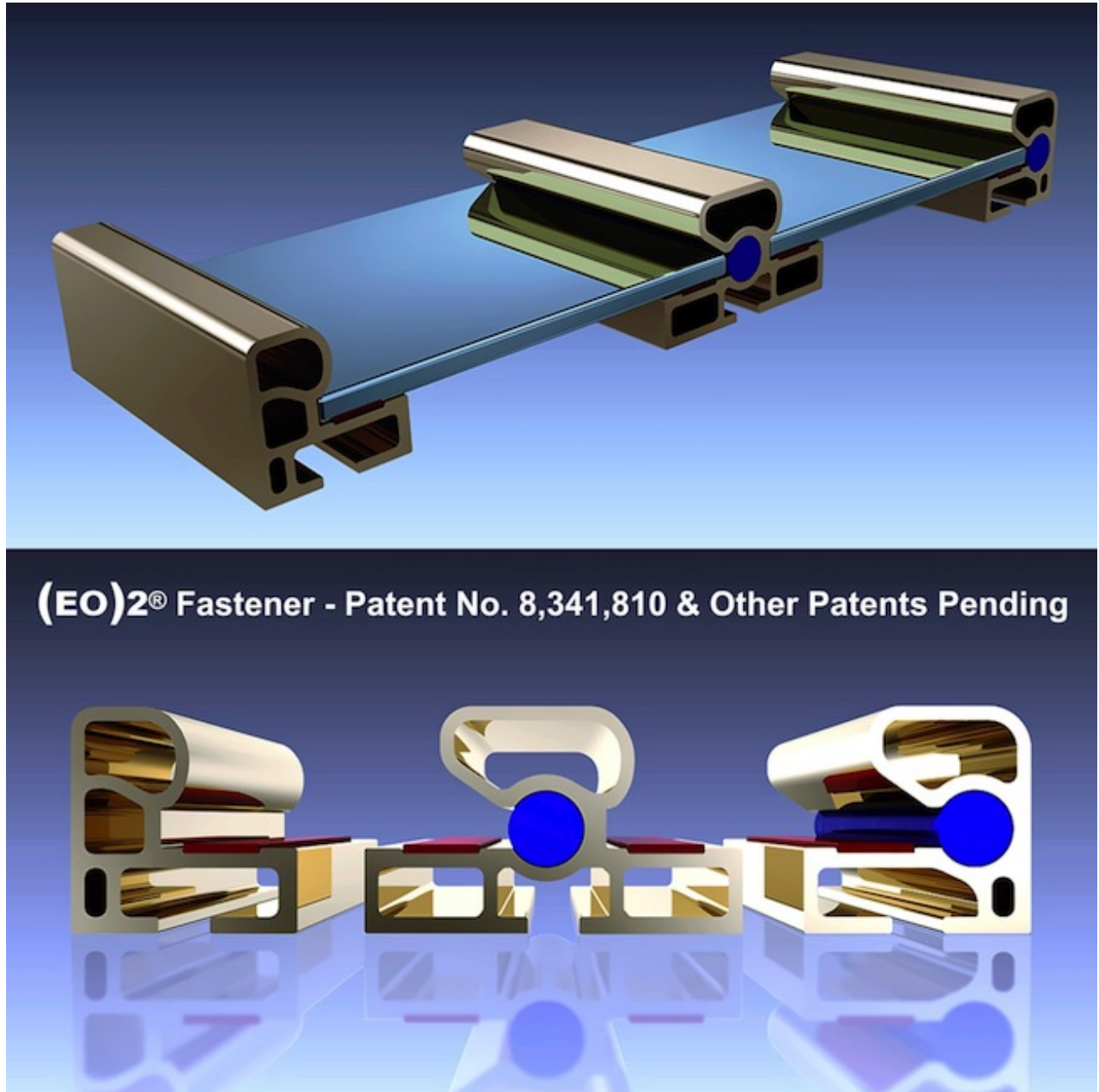
RAYOMAR current holds letters of support from top companies in the market such as Canyon Coolers, Diablo, The Holcombe Group, National Molding, and So iLL, as well as a letter of intent from Ford. General Dynamics Land Systems has offered support through a letter of interest to develop project scope and technology development investment strategies to strengthen the domestic-based combat vehicle market.

This BAF award will allow RAYOMAR to complete a market analysis and discovery report, further develop the eo2fastener.com website, and file additional patents and claims. RAYOMAR intends to leverage the two issued patents for the (EO)2® Fastener/Mounting Apparatus, plus the Internationally Registered Trademark, to support pending agreements.

These BAF awards are distributed by the Michigan Small Business Development Center (MI-SBDC) through the Macomb-OU INCubator to the various accelerator service providers. As these awards demonstrate, the Macomb-OU INCubator is successfully delivering specialized business acceleration services to companies commercializing advanced technology. The BAF is a 21st Century Jobs Fund Program managed by the MI-SBDC in partnership with the Michigan Economic Development Corporation and Michigan's network of business accelerators.



RAYOMAR PHOTOS AVAILABLE: **Car carriers, motorcycle use, utility vehicles, backpacks, TV mounts.** These are some of the sample uses of the fasteners at work.



*RAYOMAR has created an innovative fastener technology, the (EO)2® SnapTop™ Carrier & Mounting System, for attaching cases containing gear and equipment for mission-specific work or play purposes on vehicles and/or other fixed objects.*

# # #

**Media notes:**

For Macomb-OU INCubator interviews, please contact Joan Carleton at the Macomb-OU INCubator at (586) 884-9324 or via email at [jfcarlet@oakland.edu](mailto:jfcarlet@oakland.edu).

The **Macomb-Oakland University INCubator** supports economic development in Southeast Michigan by accelerating high-tech businesses, cultivating academic innovation and encouraging research & development. To help small businesses grow, the incubator creates customized success strategies for startup and emerging companies in the niche industries of defense, homeland security, advanced manufacturing and technology. For more information, visit the incubator website at [oakland.edu/macombouinc](http://oakland.edu/macombouinc).

**Media Relations**

University Communications and Marketing

Oakland University, 100 Anibal House, 2200 North Squirrel Road, Rochester, MI 48309-4401

Oakland University is a doctoral, research-intensive university located in Oakland County, Michigan. The university has 139 bachelor's degree programs and 127 graduate degree and certificate programs. dedicated to delivering a distinctive undergraduate experience that is complemented by the strength of its graduate offerings and research accomplishments, Oakland University is organized into the College of Arts and Sciences, the Oakland University William Beaumont School of Medicine and the Schools of Business Administration, Education and Human Services, Engineering and Computer Science, Health Sciences, Nursing, and The Honors College. Visit Oakland University on the web at [oakland.edu](http://oakland.edu).

# Commentary: The Power of Innovation

By: [Scott Badenoch](#), June 29, 2015 (*Photo Credit: Staff Illustration*)

Recently, US Defense Secretary Ash Carter visited Silicon Valley hoping to help the nation's capital tap the innovative spirit of the world's digital capital. He met with Facebook's Mark Zuckerberg, power-brunched with the financial seers at Andreessen Horowitz and lectured at Stanford.

His access to Big Digital is natural since he represents Big Government. But Carter, who is a remarkable role model himself, may have missed something important.

Government doctrine that "bigger is better" is a cultural trope, repeated so often that government big shots only think of corporate big shots when trying to solve a problem. Sometimes, the biggest challenges should be placed in the hands of the smallest innovators, the very sort who laid the groundwork for Silicon's Big Digital.

As the CEO of a small business in the defense sector, I was hoping Carter would visit the tiny wooden shed behind 367 Addison Avenue in Palo Alto, which is considered the birthplace of Silicon Valley. There, a pair of 20-somethings, with just \$528 and their own big ideas, formed the Hewlett-Packard Corp.

Bill Hewlett slept on a cot in a nearby garden shed while working on technology that would go on to be crucial for the allies in World War II.

Had Carter's staff arranged a stop at that shed, he would have been tracing the footsteps of Steve Jobs, Mark Zuckerberg and Elon Musk, who have also paid their respects to this humble abode. Every major player in Silicon Valley remembers when he or she thrived on their own ingenuity, big dreams, fierce determination and little else.

The venture capital crowd on Menlo Park, California's Sand Hill Road scours the earth in search of such raw, can-do visionaries, knowing that innovation thrives in small isolated places far from the big foot of bureaucratic negation.

No one knows better than Carter that big government is inherently risk-averse because in all bureaucracies, the penalty for failure is far greater than the reward for success. The bigger the bureaucracy, the truer this axiom.

What's worse is that even a successful breakthrough causes disruption and can hurt the career of its government sponsor. For the establishment, it is safer to discredit the innovator than to act. Or, as

John Maynard Keynes put it, "It's better to fail conventionally than to succeed unconventionally." This applies for both big government and big industry.

Big Digital understands the power and promise of small. Eric Schmidt, executive chairman of Google, frequently emphasizes the importance of an individual and small teams in creating breakthroughs. Google places 10 percent of its research budget in such rare people and then protects them in a separate organization, Google X. A major part of Google's growth strategy is to find and acquire small teams with big ideas.

How can Carter enlist the full power of Silicon Valley, including the small innovators? First, he needs to promote innovation by creating a safe place where new ideas are welcome and brainstorming — with its share of good and bad ideas — is accepted. The Defense Department may have such a place already.

The Defense Advanced Research Projects Agency (DARPA) was created to nurture new ideas. But recently, budget pressures have forced DARPA to devote much of its energies to support huge, plodding, pet Pentagon programs rather than finding and funding innovators.

It is time to rebuild the wall between DARPA and the civilian and military bureaucracies. Make DARPA the haven it once was: An environment where innovators can flourish for the eventual benefit of our country.

Once DARPA returns to its original role as the champion of innovation and innovators, the Pentagon also needs to streamline the procurement process so that new ideas can realize their full military promise quickly, instead of dying a slow, expensive death at the hands of skittish bureaucrats.

Make it easier to succeed. Why should merely submitting a bid take years and hundreds of thousands of dollars? And why, if a small business wins, can the government claim the free use of its intellectual property? Defending against eminent domain is prohibitive for any start-up or small business. Why must it cost so much and be so risky for investors to show up and serve our nation?

Cash and time are all that stands between success and failure for small visionaries. Fortunately, the Department of Defense can provide these ingredients. Innovation starts with people, often working in a tiny wooden garage against all odds. These are your people, Carter. Mobilize them, too.

*Badenoch is CEO of Badenoch LLC, a company that creates intellectual property in defense and energy and has been a supplier to DARPA, the US Army and Marines, and the Office of Naval Research.*



**Monday, July 27, 2015 - July 2015 Newsletter: Client News: "KTISIS Wins \$25K Through the Macomb Community College Innovation Fund"**

Mac-OU INC client company KTISIS recently was awarded \$25,000 through the Innovation Fund, powered by Macomb Community College's Center for Innovation and Entrepreneurship (CIE) in collaboration with JPMorgan Chase. In total, five metro-Detroit startups were awarded \$275,000 in this initial award cycle. The Mac-OU INC team sends a hearty congratulations to KTISIS for this impressive win and looks forward to witnessing the progress KTISIS will make as a result!

Applications are now being accepted for the second funding cycle, due July 31, 2015. This effort is part of JPMorgan Chase's \$100 million commitment to Detroit's economic recovery. Specifically, the Innovation Fund is stimulating regional entrepreneurial activity, wealth creation, and social prosperity by funding and mentoring entrepreneurs launching innovation-led startups with high-growth potential.

KTISIS is an advanced engineering, innovative technologies R&D, manufacturing, and commercialization company with a unique value proposition for the natural gas industry. It would resolve the debate by fleet vehicles to use either compressed natural gas (CNG) or liquefied natural gas (LNG), if moving away from diesel fuel. In addition, KTISIS is empowering children through the First Drive Program, coupling science and technology discovery sessions with Radio Controlled Car Racing. The First Drive mission is to motivate and develop children to become leaders by discovering their talents, strengthening their confidence, and building a strong foundation in science and technology. For more information on KTISIS and the First Drive Program, visit [ktisisco.com](http://ktisisco.com).

The CIE was founded in September of 2014, with the purpose of spurring economic development and job creation. The CIE's variety of services turn business ideas into realities, with the vision to develop a culture of entrepreneurship in which students and residents are inspired and motivated to explore and act upon innovative ideas. For more information on the CIE, visit [macomb.edu/business-community/CIE](http://macomb.edu/business-community/CIE).

## Monday, July 13, 2015 - July 2015 Newsletter: Executive-in-Residence News: Butzel Long: "The Importance of Regulatory Definitions - ITAR Proposed Definitions Edition"

On June 3, 2015, as a part of the administration's ongoing export control reforms, the Department of State's Directorate of Defense Trade Controls (DDTC) announced that it is undertaking to amend the International Traffic in Arms Regulations (ITAR) (22 CFR parts 120 through 130) definitions of "defense article," "defense services," "technical data," "public domain," "export," and "reexport or retransfer" ... to clarify the scope of activities and information that are covered within these definitions and harmonize the definitions with the Export Administration Regulations (EAR), to the extent appropriate." (See **80 F R 31525**)

DDTC also announced that it "proposes to create definitions of 'required, technical data that arises during, or results from, fundamental research,' 'release,' 'retransfer,' and 'activities that are not exports, reexports, or retransfers' in order to clarify and support the interpretation of the revised definitions that are proposed in this rulemaking."

DDTC further proposes to create new ITAR sections detailing (1) the scope of licenses, (2) unauthorized releases of information, and (3) the "release" of secured information, and (4) revision of the sections on "exports" of "technical data" to U.S. persons abroad. Finally, the Department proposes to address the electronic transmission and storage of unclassified "technical data" via foreign communications infrastructure (such as "cloud" storage). (80 FR 31526)

For example, as matters currently stand, ITAR 125.4(b) provides an export-licensing exception for, "(6) Technical data, including classified information, related to firearms not in excess of caliber .50 and ammunition for such weapons, except detailed design, development, production or manufacturing information." (emphasis supplied)

Although matters in "the public domain" are not considered to be subject to ITAR regulation, the relevant provision (ITAR 120.11) was promulgated before the pervasiveness of the Internet. Thus, there is no specific ITAR provision sanctioning Internet publication as being "in the public domain."

Although the new DDTC proposals purport to be "clarifying" matters concerning "technical data" posted online or otherwise "released" into the "public domain," the proposal seems to institute a requirement that such releases would require prior "authorization" by DDTC. That authorization process would make online communication about certain technical aspects of firearms and ammunition functionally if not practically impossible to manage.

Penalties for violations could include up to 20 years imprisonment and fines of as much as \$1 million. Moreover, additional civil penalties may be assessed. Further, each unauthorized "export," (including those to subsequent foreign nationals or countries) is treated as a separate violation.

Consider this language from the DDTC notice:

The requirements of paragraph (b) are not new. Rather, they are a more explicit statement of the ITAR's requirement that one must seek and receive a license or other authorization from the Department or other cognizant U.S. government authority to release ITAR controlled "technical data," as defined in § 120.10. A release of "technical data" may occur by disseminating "technical data" at a public conference or trade show, publishing "technical data" in a book or journal article, **or posting "technical data" to the Internet.** 80 FR 31528 (emphasis supplied)

Manufacturers, as well as gunsmiths, reloaders, do-it-yourselfers, and ordinary firearms enthusiasts all could easily find themselves effectively "muzzled" under these rule and unable to distribute or obtain the information they rely on to conduct these activities – or even participate in various interest groups and related forums.

Prior restraint of the sort involved in this regulatory proposal is among the most disfavored in First Amendment case law. Nevertheless, no one will want to be the test case I suspect..

For more information please contact:

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**Monday, July 13, 2015 - July 2015 Newsletter: Executive-in-Residence News: Jim Ruma: "Defense Officials: Time are Good for Small Business Contractors"**

**Defense Officials: Times are Good for Small Business Contractors**

By Sandra Erwin

via National Defense: National Defense Industrial Association's Business & Technology Magazine

Just less than two years ago, the Pentagon warned in a report to Congress that "continued uncertainty will hit smaller, innovative, and niche product companies particularly hard due to a lack of capital resources."

But Pentagon officials offered a much cheerier outlook last week as they unveiled the results of the fiscal year 2014 small business federal scorecard.

The federal government overall awarded 24.9 percent of all prime contracts to small businesses in 2014 or about \$91.7 billion. And defense contracts accounted for more than half, at \$54.3 billion, a figure that earned the Pentagon high praise from the Obama administration.

"This is the highest percentage of contracting dollars ever awarded to small businesses since the 23 percent goal was established in 1997," said Small Business Administrator Maria Contreras-Sweet, who appeared at a Pentagon news conference June 26 with Undersecretary of Defense Frank Kendall.

"Small businesses now are filing more patents than ever," she said. "So they're also driving innovation."

The Pentagon has made a deliberate effort over the past five years to boost small business contracting, said Kendall. The Defense Department's "better buying power" procurement guidelines specifically promote the use of small businesses, "both for innovation and for efficiency and to control costs," he said. "Small businesses, particularly in the services industry, tend to be leaner and more anxious to get work, and thus tend to be more economic in many cases for the department."

Defense officials' upbeat talk about small business contracting is a far cry from pessimistic forecasts that followed the military spending downturn between 2009 and 2013. CEOs of large prime contractors repeatedly warned that they feared losing small business suppliers, especially those that make specialized defense-unique products.

Under Kendall, the Pentagon's industrial policy office launched a sweeping "tier by tier" study of the defense supply chain out of concern for the financial health of small suppliers.

Today, there are no reasons to worry, said Andre J. Gudger, acting deputy assistant secretary of defense for manufacturing and industrial base policy.

"We don't have a weak supply chain. We have a very healthy one," he said. "There's areas of concern that we have that we focus on, but yes, we have overall a healthy industrial base set up from our first tier to our sub tier suppliers."

Kenyata L. Wesley, acting director of the office of small business programs, credits Kendall's better buying power for the improved climate. "Better buying power strategically focuses on small business as well as technology and innovation," he said. "If you look at better buying power 3.0, which is now the third iteration, there's a lot more initiatives based on small businesses, because we're not stopping, we're not taking the foot off the gas. ... It's not a political statement that they're the economic engines. They're technology engines."

Gudger said he continues to monitor the state of the industry. "I'm responsible for the industrial base and ensuring that it's a modern, healthy, robust industrial base. And we look at the fragility and criticality of all businesses, not just small. That includes the medium and the large, to see where we have critical capability where we might have an industrial base that's thin or weak."

Today, he said, "there is no systemic crisis" concerning defense suppliers. "Our industrial base looks very healthy. We have improved it."

The SBA has programs to help cash-strapped federal contractors, said Contreras-Sweet. One is called "emerging leaders," she said. "We take experienced companies, as we help them grow to scale, put them through what we call a mini-MBA." Another is called "quick pay," aimed at suppliers with cash flow problems.

Defense Department service contracts appear to be the sweet spot for small businesses. About half of all defense

contracts are for services. "The Department of Defense made a decision to focus on areas that were very healthy for small businesses," said Gudger. "We focused on areas such as knowledge base services, electronic and communications, and facilities management."

In the federal scorecard, the SBA gave the Defense Department an "A" grade. Eighty percent of the grade is based on the actual prime contracting dollars, said John Shoraka, associate administrator for government contracting and business development at SBA. Ten percent of the grade comes from the amount of subcontracting dollars, and the remaining 10 percent is based on subjective factors such as specific leadership efforts.

Shoraka noted that the federal government also broke a new record for contracts awarded to businesses owned by our military disabled veterans. The goal is 3 percent, but in 2014 that percentage rose to 3.7.

Contact writer Sandra Erwin at 703-247-2543 or [serwin@ndia.org](mailto:serwin@ndia.org).