



Acquisition Research Program: Creating Synergy for Informed Change

Strategic Sourcing – Is There a Role for Midsize Companies in the Industrial Base Supporting the Federal Government Market Space

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Overview-

- Strategic sourcing
- Market Shares of Small, Midsize and Large companies
- The importance of Midsize companies to the market
- Challenges facing companies as they transition from Small to Midsize
- Conclusions
- Recommendations



Strategic Sourcing-

- Comprehensive review of spend
- Evaluation of the market
- Shape market to meet requirements
- Tailor acquisition solutions to requirements and market capabilities



Market Shares-

- Definitions
 - Differs by segment
- Trends in the market - the squeeze is on
- Trends in government policy



Size Really Does Matter-

- Paid for experience
- Taxpayer investment
- Risk tolerance
- Cost structure
- Flexibility and responsiveness



Challenges of Growth-

- Boom and/or bust cycle
- Cold hard cash
- Better not bigger



Conclusions

- Lack of empirical data
 - What is Midsize
 - The importance of Midsize
- Need for more study



Recommendations-

- Commission a study of Midsize companies in the Federal market space
- Do not increase the small business goals until we understand the impact this has on growing small and midsize businesses

