



CURRENT ISSUE

DIVERSITY/CAREERS

Sept 30, 2007



[October/November 06](#)



- [Q&A: Dorman/Chmielinski](#)
[Assistive technology](#)
[Energy & utilities](#)
[Financial IT](#)
[Transportation](#)
[Computer security](#)
[Veteran entrepreneurs](#)
[BDPA tech conference](#)
[DeSassure of Tarrant CC](#)



- [Click Here ▶](#)
[Supplier diversity](#)
[Managing](#)
[Diversity in action](#)

Supplier Diversity

Veteran-owned businesses stand to attention

VOBs and SDVOBs help their larger partners meet customer requests, supply new or niche skills and comply with government requirements

*By Jon Boroshok Angela M. Hutchinson
Contributing Editor*

In 2004, service-disabled veteran-owned businesses (SDVOBs) joined MBEs and WBEs when President George W. Bush signed an executive order requiring government agencies to provide opportunities for them to "significantly increase" their federal contracts and subcontracts. The idea is to more effectively implement section 15(g) of the Small Business Act, which requires a goal of 3 percent or more participation by SDVOBs in federal contracting, and section 36 of the act which lets federal agencies reserve work for them.

So far these goals have not been completely effective. But last year the U.S. Department of Veterans Affairs (VA) spent 2 percent of its total procurement budget, more than \$207 million, with SDVOBs. It hopes to reach 3 percent this year.

CVE for business coaching

To help achieve its goals, the VA runs a center for veterans enterprise (CVE, www.vetbiz.gov). The CVE promotes business ownership and expansion for all vets, including SDVOBs, especially in the federal marketplace.

According to deputy director Gail Wegner, the center works with more than 2,000 large companies that are friendly to vets. "Some are friendlier than others," Wegner notes dryly.

The center offers perks like business coaching by toll-free phone and e-



Vet Matthew Augustine is CEO of Xerox VOB supplier Eltrex.



SDV Tony Jimenez owns network/engineering firm MicroTech LLC.

Diversity Sponsors



News & Views



CAREER OPPORTUNITIES



mail, and maintains a locator for local and national business assistance services. It partnered with the General Services Admin (GSA) to create an online toolkit to help vets do business with the feds. The two agencies also co-host conferences around the country to bring veteran-owned businesses (VOBs) together with the federal agencies that might hire them.

Including VOBs



Kurt Albertson.

Of course the government is not the only user of VOB products and services. Kurt Albertson is senior business advisor of the Hackett Group (Atlanta, GA), a strategic advisory firm. He says that 63 percent of civilian companies include VOBs in their supplier diversity categories. "A number of companies are tracking revenue increases due to these supplier diversity programs," he notes.

These are some of the large companies promoting supplier diversity programs that include VOBs and SDVOBs, along with some of the vets and their companies benefiting from the policies.

Xerox: good place for VOBs



Dan Robinson.

Xerox (Stamford, CT) implemented formal supplier diversity policies in 1985. Since then the company has purchased more than \$5 billion in goods and services from MBEs, WBEs and VOBs. This year Xerox was named one of the best corporations for veteran-owned businesses by Veterans Business Journal magazine.

Dan Robinson, manager of global purchasing for market access, notes that Xerox tracks "how we spent our money as a responsive corporate entity" not just in the U.S., but in Canada, South America and the U.K., to be sure the company is including all groups.

Since the 1990s the tracking has included vets, and "We've overachieved on the veteran goal in just about every year," Robinson says. The company has fallen short on its SDVOB goals, he admits. That's because, he says, until recently there weren't many service-disabled vets around.

Robinson says that making the effort to do business with vets makes good business sense. "If Xerox or any company expects to survive, it needs to look at all groups. At some point they may become Xerox customers."

Furthermore, many of the company's major customers, such as the Department of Defense (DOD), want their prime vendors to do business with vets. "It's a professional differentiator, a value the customer will embrace," says Robinson.

Xerox works with Eltrex

Eltrex Industries, Inc (Rochester, NY), a provider of contract manufacturing and packaging fulfillment, is a key diverse supplier to Xerox. Eltrex is a VOB, and it's also an MBE and HUB-Zone certified.





Article Archive

Eltrex was founded as FightOn, Inc shortly after the 1964 race riots in Rochester, Detroit and other cities. The firm had help from Xerox founder and chair Joseph C. Wilson, a champion of corporate citizenship, as part of his effort to revitalize Rochester's blighted downtown area.

In 1976 Matthew Augustine, an MBA and a vet, was recruited as CEO. Augustine served in the Marine Corps from 1966 to 1968, including combat in Vietnam. He went on to a degree in business from the University of Louisiana-Lafayette and an MBA from Harvard University (Cambridge, MA). Over the years Augustine acquired a significant interest in the company and is now its majority shareholder.

Eltrex continues to supply Xerox with contract packaging services and electromechanical assemblies, and has delivered these goods with zero defects for the last eight years. "These guys do a fantastic job for us. They really deliver value to Xerox," Robinson says.

Augustine credits the Xerox head start for much of his company's success. Eltrex has received support under its 8(a) certification as a minority and HUB-Zone business, but not as a VOB. "Interest in VOBs is a recent phenomenon," says Augustine, who is not disabled. "Companies have learned that diversity of all kinds is better from a performance perspective."

Accenture broadens its base



Accenture (Chicago, IL) is a global management company involved in consulting, technology services and outsourcing. Kedrick Adkins, chief diversity officer, notes that Accenture uses VOB suppliers for a range of services offered to Accenture clients, from staff augmentation to backup generators.

Kedrick Adkins. Over the past three years Accenture has been broadening its supplier base. It put in a plan to aggressively identify suppliers and reach out to diverse supplier organizations. A diverse supply chain strengthens the company in its very competitive business environment, Adkins notes. "If you develop good relations and connections, diverse suppliers can become an extension of the organization.

"Small companies don't carry the infrastructure that a large one does. They're sensitive to market demand," he explains.

In the summer of 2006 Accenture began a pilot program for supplier diversity mentoring. "We continue to look to the future and how we can positively impact diverse businesses," says Adkins.

Accenture works with Spohn



Spohn & Associates (Austin, TX) is an Accenture VOB supplier. The professional services firm specializes in design, implementation, training and lifecycle support of IT solutions in convergence, compliance, continuity, security and productivity.

Darren Spohn. President and CEO Darren Spohn served in the Air National Guard for twelve years, through the Gulf War. For much of that time he was attached to an Air Force squadron stationed in Germany. He has a masters in engineering management from Southern Methodist University (Dallas, TX) and has published five books on networking.

Spohn started his company as a contract consulting and training firm. Accenture got in touch with him, wondering if there was a training course based on his books. Spohn replied that there certainly could be, and that helped launch Spohn & Associates, with Accenture and A&T becoming the new company's first clients.

"Accenture is a global business with very high requirements and standards," Spohn says. "Serving that organization effectively proves that the value and quality we provide is among the best in the industry."

To succeed, he says, you have to have a lot of people who work within a chain of command, but are empowered to innovate when necessary. To build and lead such an organization, "You need firsthand experience with a structured work environment. The military gave me that experience, and I used it to build an organization that's driven by results."

Starting out with two major clients, Spohn was able to self-fund his business. He has never applied for government programs for VOBs himself but he thinks they're a fine idea. "Veterans gave to their country," he declares. "Why wouldn't you put them at the top of the list?"

Kevin Mabie's SDVOB Valador



Kevin Mabie is president and CEO of Valador, a Herndon, VA information architecture company. The company has a mission, says Mabie. Its aim is to protect and develop technological, strategic and military assets. For example, Valador's modeling and simulation platform supports military decision-makers' analysis of alternatives.

Kevin Mabie. Mabie himself is an SDV. Repetitive stress injuries to his back after twelve years of flying with the U.S. Navy led to a four-level spinal and cervical fusion.

In 1978 Mabie earned a degree in geology and geography at Peru State College (Peru, NE). Then he joined the Navy, following the lead of his father, a World War II fighter pilot.

From 1978 through 1990 Mabie was on active duty with the U.S. Navy as a radar intercept officer in the F-14 fighter jet program. He earned a 1985 MS in space ops at the Naval Postgraduate School (Monterey, CA), and was a top gun grad and an aeronautical engineering duty officer. Then he served in the reserves from 1990 until his retirement in 2004.

Mabie has remained involved with the DOD, helping develop advanced weapons software and onboard and ground-based info systems. He has managed and delivered information security solutions, integrated

communications systems, network security facilities, models and tactical embedded software for more than fifteen DOD aircraft and weapon programs.

He started Valador in 2001 while still in the reserves. His Navy training, he says, carried over to help him build and manage the company. His SDV status can also be an advantage: "It gets us in the door to talk where we might not otherwise," he says.

It helped secure Valador's first major contract in 2003, when NASA picked the fledgling company to help with the investigation of the Columbia space shuttle accident. Valador later received a NASA group achievement award for its outstanding performance.

New contracts and more NASA business and awards followed. Valador also won the CVE's 2003 enterprising veteran award.

Tony Jimenez and MicroTech LLC



Tony Jimenez is owner, president and CEO of MicroTech LLC (Vienna, VA), a firm specializing in network and engineering services, knowledge management solutions, Web development and IT infrastructure. MicroTech is a SDVBO and an SBA 8(a) small disadvantaged business.

Tony Jimenez.

Jimenez runs the day-to-day ops of the company. He and many of his managers are SDVs. Jimenez enlisted in the Army as a private in 1975 and rose through the ranks to lieutenant colonel. He served for some twenty-five years between 1975 and 2003 with tours of duty in Central America, Africa, Haiti, Southwest Asia, Southeast Asia and Bosnia.

He earned a BA in business at St. Mary's University (San Antonio, TX) in 1984 while in the ROTC program, receiving his officer's commission and starting active duty the day after graduation. He went on to a 1993 masters degree in acquisition management from Florida Tech (Melbourne, FL) and a 1999 MSIT from Webster University (St. Louis, MO).

He retired from the Army in 2003 and went to work for Unisys. The next year he started MicroTech LLC, and credits the VA with helping with advice and contacts. MicroTech's first contract was with his old boss at Unisys, supporting a DOD IT program.

MicroTech has since grown to a sixty-person company and has won fifteen prime contracts and fourteen subcontracts, including an enterprise-wide contract with the VA's Austin, TX automation center.

Bob Collins of Collins Consulting



SDV Bob Collins is owner, president and CEO of Collins Consulting, Inc (CCI, Schaumburg, IL), a systems integrator which provides IT services from test through project management. Collins is an SDV with multiple disabilities as a result of service as a helicopter machine gunner in Vietnam in 1970.

Bob Collins. In the Marine Corps he worked in aircraft aviation electronics. He later used the GI bill to pursue a 1982 BS in computer technology at Purdue U (West Lafayette, IN), taking ten years to earn the degree while raising a family.

He started CCI in 1992. But by the time he realized he was eligible for government loans he was deep into federal work and the private sector and the company was too large to qualify. CCI was, however, one of the first companies to receive a SDVOB-targeted set-aside contract. And last year the Navy awarded a contract to the company.

In 1995 CCI began a mentoring relationship with IBM, which also helped the company successfully bid a large contract. It now has a formal mentor-protŽgŽ contract with IBM under the U.S. Defense Information Systems Agency's program.

Not every VOB can just jump in and start winning government contracts, Collins warns. Despite its business success, it still took CCI several years to get traction in government work.

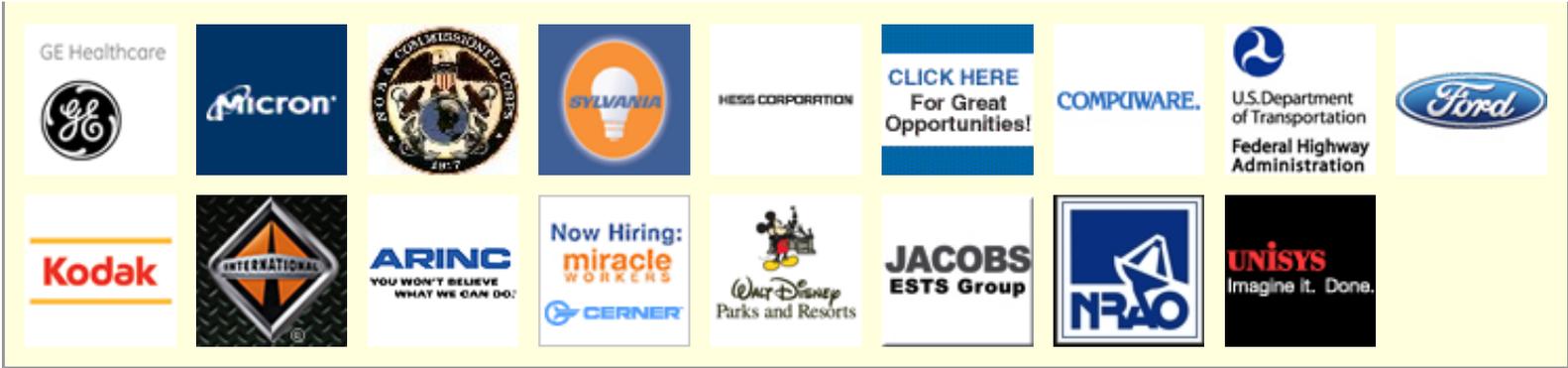
Today CCI serves as both prime and subcontractor for government work. The company was named 2006 SBA prime contractor of the year for the agency's Region 5, and also received a 2006 SBA administrator's award for excellence.

D/C

Jon Boroshok is a freelance writer in Groton, MA.

[Back to Top](#)





© 2006 Diversity/Careers. All Rights Reserved. [Privacy Statement](#).