



## Business

# Defense money up for grabs

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By Benjamin N. Gedan

Journal Staff Writer



Diana Choffy, left, small business liaison administrator for ITT Advanced Engineering and Sciences, in Colorado, talks with Jeanne Leblanc, of Electropac, a small business in New Hampshire, at the Crowne Plaza hotel in Warwick yesterday.

The Providence Journal / Steve Szydowski Steve Szydowski

WARWICK — Fueled by coffee and bottled sodas, representatives from hundreds of small, New England companies circulated around a hotel ballroom yesterday, darting between booths manned by U.S. military agencies and major defense contractors.

Huge business opportunities hung in the balance at every stop, but the salespeople had just 10 minutes to make a pitch.

“It’s like speed dating with Uncle Sam,” said Dorothy A. Reynolds, program manager for the Procurement Technical Assistance Center, the state agency that organized yesterday’s event at the Crowne Plaza hotel in Warwick.

Instead of a companion for dinner and a movie, however, the business executives were courting a piece of the billions of dollars the federal government spends annually on the military.

Although their time was short, many of the executives from Rhode Island had come armed with a rehearsed “elevator speech” and documents promoting their products and services — preparation overseen by the procurement assistance center at seminars held in May and last Sunday.

(The center is an arm of the state Economic Development Corporation. It is funded by the state and the U.S. Department of Defense.)

In all, the four-day “matchmaker” convention brought together representatives from 577 companies and 63 major contractors and government agencies, Reynolds said. It was the first time in four years the semiannual event was held in Rhode Island.

The Coast Guard, Air Force and other military branches dispatched staff to counsel business owners about how to win lucrative contracts.

Most appeared focused on the major defense contractors that dominate the industry and are required by law to share their bounty with small subcontractors.

Representatives from Electric Boat, a division of General Dynamics, held meetings near the Lockheed Martin table. Nearby, Providence-based Textron set up shop near Raytheon.

“This is bigtime,” said Ronald Auger, sales and marketing manager for SeaCast — a Seattle-based company with a plant in East Greenwich — as he raced between Textron and the Space Systems Division of ITT.

The potential defense contracts have the power to transform a small business, promoting rapid growth in employment for engineers, scientists and assembly-line personnel. Military products must be manufactured in the United States.

Marc Corriveau, national sales manager for A2B Tracking Solutions, in Portsmouth, worked the hotel ballroom yesterday seeking buyers for a software program that helps military contractors meet Pentagon rules for the labeling and tracking of equipment.

“It’s intense,” he said of the 10-minute sessions. “There’s a lot of dollars out there.”

Tracey Hawes, a sales account manager for New Hampshire-based Electropac, said her company, with 140 employees, did not expect to compete with multinational corporations for primary defense contracts.

But the type of circuit boards Electropac builds, she said, are a component in a range of equipment manufactured by several companies that gathered yesterday.

“I’m not going to make them a tank,” Hawes said, “but we try to get on board.”

Although the sessions are designed to help small businesses, the corporate giants say they, too, benefit from the high-paced networking.

Federal rules for most military contracts compel companies to hire small businesses as subcontractors, including firms run by veterans, women and members of minority groups.

“We all have problems meeting those requirements,” said Jim Hester III, a special-project manager for Textron.

Yesterday, Hester was searching for companies to provide packaging materials for air-to-surface missiles. In the next chair, his colleague Joseph Cauvin sought electronics companies and manufacturers to help build the M1117 Armored Security Vehicle, made by Textron in New Orleans.

Hester said he hoped to leave the hotel with at least five companies to recommend to Textron engineers.

By noon, at the Lockheed Martin table, Cardellia Anderson had already filled an envelope with business cards and promotional material from potential subcontractors, including Electro Standards Laboratories, a Cranston firm Anderson plans to promote to buyers for the company's electronics division in New Jersey.

Rhode Island companies have long profited from supplying the military, particularly during the Cold War in the late 1980s. Today, the defense industry accounts for 16,000 jobs and generates a \$2-billion economic impact, according to a report commissioned last year by the EDC.

That includes \$400 million alone in direct Pentagon spending, according to Meghan O'Connor, an EDC spokeswoman.

Military contracts help employ about one in every five scientists and engineers in Rhode Island, and account for 22 percent of all patents and \$63 million in tax revenue, according to the study.

"For our state, the defense industry is extremely important," Governor Carcieri said at yesterday's convention, noting his efforts to leverage local expertise in oceanography to attract defense contracts in port security and related areas.

"It's a major employer," Carcieri said in an interview after his speech. "Those things need to be made here, so they're not outsourced."

[bgedan@projo.com](mailto:bgedan@projo.com)