

Registering as a Small Business with the SBA

By Debi Einmo (www.dontbid.com)

Small business owners (SBOs) are frequently looking for new portals through which sales may be increased and profits elevated. In the past most SBOs were only vaguely familiar with the amount of spending that occurred in the areas of government contracting. However, with the 2009 economic stimulus package and much of the publicity surrounding its price tag, SBO's are taking a renewed interest in governmental contracting. As a result, much attention has been focused on the Small Business Administration (SBA).

As a way to promote small business, the U.S. government has promised that 23 percent of its contracts shall be awarded to small businesses. It is the SBA that provides programs and incentives to assist in this process. When you register with the Central Contractor Registry (CCR), you begin the process of obtaining certification by the SBA. (Please see "Registering on the CCR") for more information, also available on our website: www.einmomarketing.com). Therefore the first step in registering with the SBA is to first register with the CCR.

Upon registering on the CCR, your business's Trading Partner Profile (TPP) is sent automatically to the SBA. Upon receipt, the SBA uses the guidelines it has established in regard to size and revenue (as chronicled by the North American Industry Classification System or NAICS), to certify your small business size status. However, this size limitation varies greatly by industry. For more information please visit the SBA website (www.sba.gov). Your company's total revenue and number of employees, including all divisions, branches, and affiliates as indicated on your TPP, determine your eligibility to be a certified small business.

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When establishing size requirements, the SBA utilizes the following factors:

- Average firm size within that industry
- Entry barriers into the particular industry
- Industry structure analysis and degree of competition
- Startup costs unique to the industry
- Distribution of sales by firm size
- Distribution of sales by employee (headcount) size
- Comments from the public on proposed

The SBA is not only the government certifying arm for small businesses, but it provides a series of programs to give unique businesses better opportunities. In theory the SBA provides the ability for small businesses to compete with larger companies in the bidding process. In particular, the federal government has established regulations that mean small businesses are guaranteed a certain percentage of government contracts conditional on their size, type of business, and SBA program for which they qualify.

SBA programs that you might want to research regarding your eligibility include:

- **Small Disadvantaged Business (SDB)** — Becoming certified as a SDB means you may be entitled to a price evaluation preference on a federal contract. SDB is defined as a business owned 51 percent by persons who are socially and economically disadvantaged.

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- **HUB Zone** — Designed as a method to promote economic development, certain areas are eligible for added preference in seeking government contracts. To qualify, 35 percent of your employees must reside in a HUB Zone (Historically Underutilized Business Zone).
- **8(a) Business Development** —The title (8a) is the actual paragraph number of a section of the Small Business Act, and is intended to help disadvantaged small business owners compete for federal contracts. To qualify, you must be from a disadvantaged background and you must demonstrate potential for success. To be eligible, you must be certified by the SBA as an 8(a) company.
- **Emerging Small Business** — Part of the Small Business Competitiveness Demonstration Program that helps companies who are new or emerging. The size standard for Emerging Small Business is 50 percent of the SBA NAICS size standard.
- **Woman-owned Business** — Defined as a small business owned and controlled from an ownership standpoint with at least 51 percent belonging to women, either singularly or as a group. At present, this status is self-certified.
- **Veteran-owned Business** — Defined as a small business owned and controlled 51 percent by veterans. This status is also self-certified.