

The Trusted Supplier Challenge

OEA Grantee Panel Webinar

May 13, 2020



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The Trusted Supplier Challenge

What is the Trusted Supplier Challenge:

- **Both among our member businesses and in outside contexts, we have had upper-tier defense-related suppliers say that they would like to outsource more work while at the same time we hear from lower tier suppliers that they are unable to ‘qualify’ for business from these upper-tier companies.**
- **How can we deepen the New England regional defense supply chain by helping to facilitate more connections between large and small contractors?**



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Failure to launch

- Engaged a contractor to help with the process
- We were not on the same page for the engagement



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First Steps:

- **We started by thinking that we needed to catalogue the capabilities of suppliers so that they were more readily searchable by upper-tier suppliers.**
- **After looking into past efforts, we found that many had already tried this route... unsuccessfully**



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After More Thought:

- Spent a lot of time thinking about the problem in drafting our original RFP
- Realized that upper-tier suppliers feel that the lower-tier contractors are not qualified because there are capabilities that may not be directly tied to production, however, the upper tier business still considers them a requirement.
- We realized the importance of taking a regional collaborative approach, and a multidisciplinary approach



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Based on this Realization We Pivoted:

- **We have concluded that a major factor is the ability of small and medium sized businesses ability to keep-up with rapidly evolving requirements**
- **A few years ago it was the ability of SMEs to achieve ISO certification**
- **More recently, it has been their ability to meet cybersecurity requirements**
- **In the future, we think the ability to absorb and adapt to new waves of technology, will be a key success for regional supply chains and businesses**



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We Believe That We Can Best Support SMEs by creating a Network that Can help them to:

- **Explore New Technologies (Generally known as Industry 4.0 methods)**
- **Develop capabilities and capacity to implement at scale**
- **Deliver on these new technological requirements**

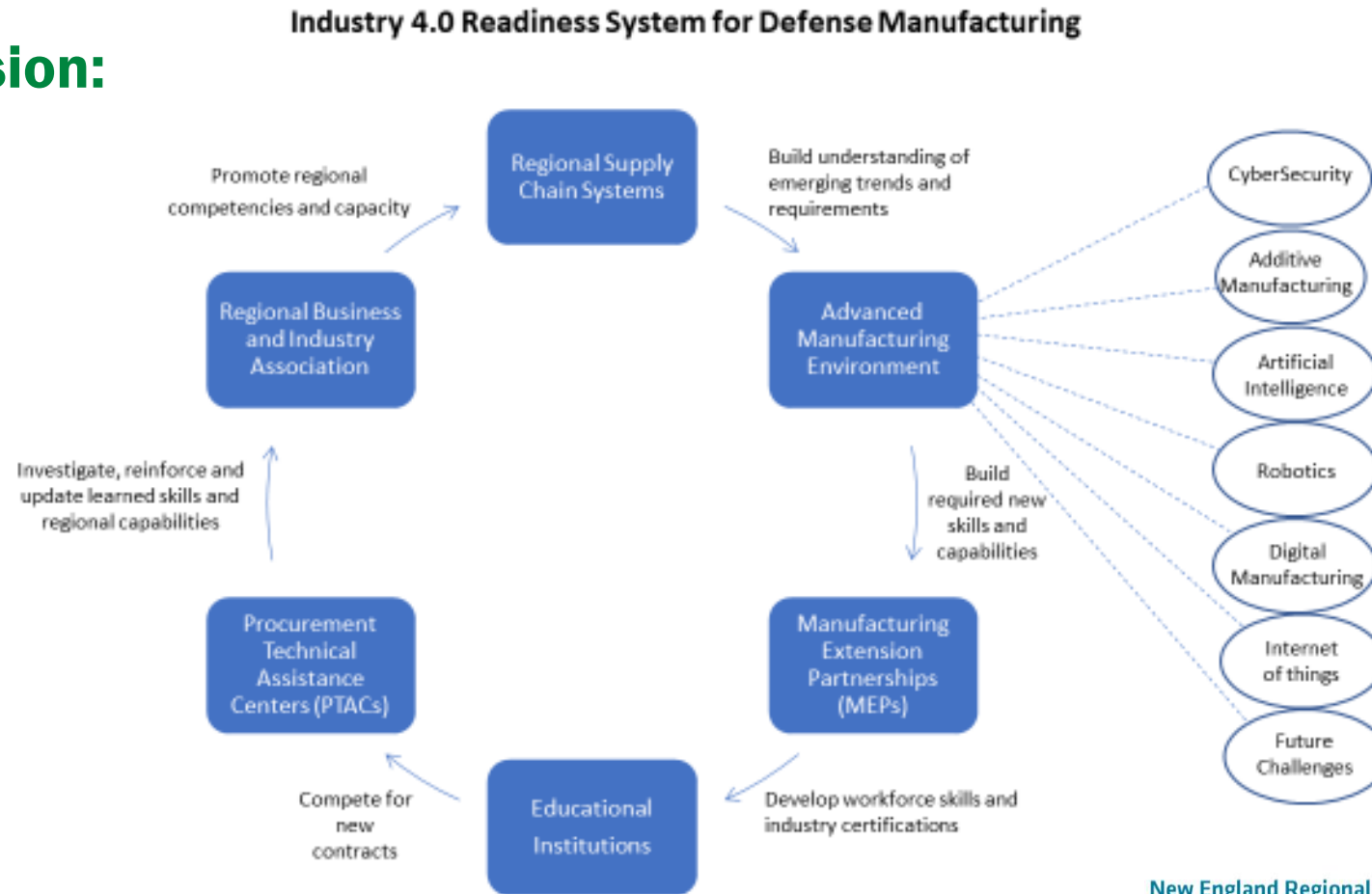
As they become required by higher-tier contractors



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Our System Vision:



New England Regional Defense Industry Collaboration



The New England Defense Industry Collaboration is made up of state economic development agencies and private entities across the six New England states with the intention to significantly improve cross border cooperation, support and assistance for the defense industry.

think!VT

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Where Are We In the Process:

- **Drafted an RFI**
- **Review the Final Draft with our stakeholders**
- **Expecting to Issue it in the next few weeks**



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Questions?



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Contact Information

David Beurle

Chief Executive Officer
Future iQ
david@future-iq.com
612-757-9190

Brett Long

Deputy Commissioner
Vermont Department of
Economic Development
brett.long@vermont.gov
802.461.9353

Paul Williams

Grants Management Specialist
Vermont Department of
Economic Development
paul.williams@vermont.gov
802.249.1180





CONNECTORY

Jo Marie Diamond

President/CEO

**East County Economic
Development Council**

619-258-3670

jo-marie.diamond@eastcountyedc.org





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- Data warehouse of detailed capabilities profiles:
 - Industrial and Technology companies across all industries
 - Defense identification by Target Markets
- B2B and Economic Development Tool
- Prime Directive: Know Your Industries, Mix, Overlaps
- Data Important. Using Data More Important
- New model inserts automation, analytics, CRM



CONNECTORY

Connectory - Past, Present, Future

- Response to economic challenge
 - Recovery from post-Cold War recession (1990s)
Identify new markets for core capabilities, capacities
- Value-added sector cross-pollination during growth periods
- Resiliency during economic upheaval
- Insight into cluster growth, emergence, convergence
- Original Goal: User-Driven Content Development via Regional Partners
- New Vision: Increased Content Automation fuels Big Data Analytics
- Re-Engineered 4X since 1998



CONNECTORY

**What sets
Connectory apart?**

Level of detail – **data granularity** on company:

- ✓ Products/Technologies/Services
- ✓ Capabilities/Core Competencies & Capacities
- ✓ Products/Technologies/Services
- ✓ Demographic Info:

Company names, locations, key personnel, NAICS, web site, email links, size and revenue ranges

Industry sector agnostic:

- ✓ Cuts across **all** industry **sectors**
at **every level** of supply chain





CONNECTORY

**Defining
Connectory.com®
Coverage - NAICS**

1. Manufacturing	Sector 31, 32, 33	Product (proprietary), OEM, & Contract (Build to Spec) Mfg.
2. Technology / R&D	Products- Sector 31-33; 51, Information, Sector 54 - Scientific & Professional Services	Firms develop/license technologies but do not manufacture
3. Industrial Suppliers	Sector 421 - durable goods, 422 - non-durable	Supplier focus; <u>NOT</u> retail.
4. Technical Services	Sectors 51 - Info, 54, Scientific & Professional, 48 - Transportation & Warehousing	<u>NOT</u> <u>Personal services</u>
5. Construction & Trades	Sector 23 - Construction	Contractors License required
6. Raw Materials: Agribusiness & Mining	Sector 11 - Agribusiness Sector 21 - Mining	Relatively recent addition to coverage



CONNECTORY

Connectory.com®
Profile Fields

- Company Info
 - Location/Phone, Personnel, Website/Email, Annual Sales, Employees, Year Founded, Branches, Company Description
- Industry Codes
 - SIC, NAICS, NIGP
- Facility/Equipment
 - Make, Model, Quantity, Performance, Capacity
- Products/Technologies
 - Proprietary
 - Lines Carried
 - Protected Proprietary Area
- Capabilities
 - Unique Capabilities/Solutions
 - Applied Technologies
 - Special Materials
- Staff Expertise
 - Expertise
 - Education
 - Experience
- Certifications
 - Quality
 - License
 - Ownership
- Customer Base
 - Industry Sectors
 - Geographic Range
 - Descriptions (named customers, contract vehicles)
- Awards & Affiliations



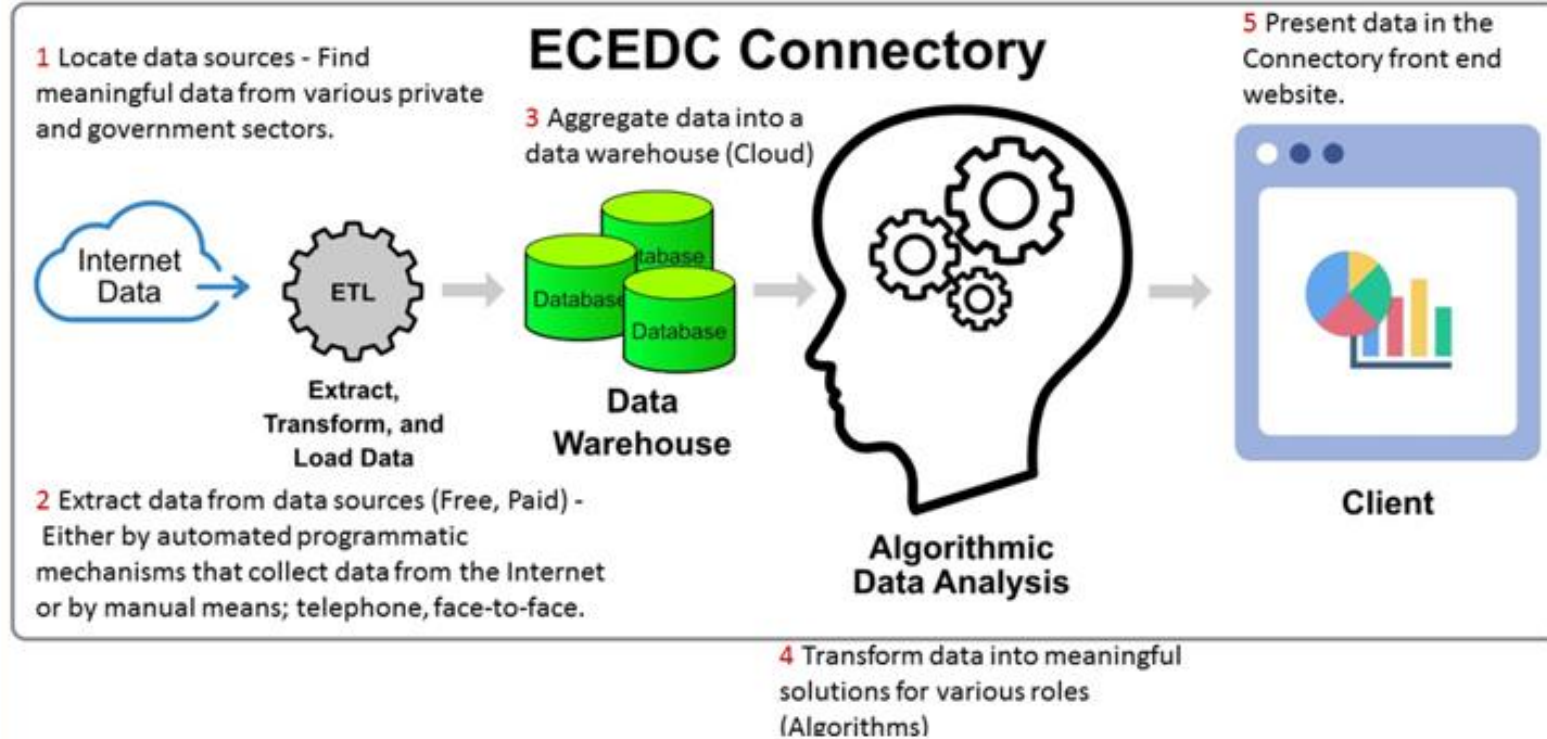
**Connectory
harvests/builds
Profiles based on
website content;**

**Curated Data
Sources**



CONNECTORY

Architecture





CONNECTORY

Connectory Advantages for Defense Companies

- Increased exposure to opportunities
 - Government Contracting/Subcontracting
 - Strategic Alliances/Team Building/Collaboration
 - Private Sector Cross-Over/Dual Use
 - Market Diversification
 - International Trade
 - Technology Transfer/Commercialization
- Communication/Networking Resource
 - Targeted messaging to Defense subsectors
 - Support Defense Asset Outreach
- Capabilities Statement
- Sourcing for Trusted Network Projects



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Benefits for Suppliers

- Assess and Define Core Competencies
- Research Potential Customer's Business/Needs
- Identify Potential Strategic Alliance Partners
 - ✓ Complement Strengths
 - ✓ Address Weaknesses
- Place Small Business in Path
 - ✓ Alliance/Teaming Opportunities
 - ✓ Untapped Markets/Customers/Investors
- Support Marketing, Presentations, Packaging



Free Version and Small Business Subscription Available



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Benefits for Buyers

- Increases source pool of potential suppliers
- Information is deep and wide
- Coverage goal is comprehensive across
 - California defense industrial base
- Leverages long term investment
 - Both public and private
 - Infrastructure in-place
- Non-Profit “ownership” places high value on inclusiveness
 - Small, disadvantaged firms not precluded by cost
- Expansion ongoing, updates continuous





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Connectory Tech Refresh

Lessons Learned

- Pros and Cons to Automated Data Harvesting

Pros

- Greatly increases data throughput via compiled datasets
- Scraping of websites doable, but requires curation
- Removes dependence on user updates (sort of)

Cons

- Engaged users want immediate gratification
 - Hybrid of Automated harvesting, data curation army
 - Demonstration of value remains dependent on use cases
- Ongoing Investment Required - No Magic Solution
 - Need to Add Engaged User Experience to Auto Builds
 - Increased Management of Security Risk