



Project Profile: Georgia

Impact Statement

Georgia's activities as an Industry Resilience grantee increased the resiliency of the DoD by helping the defense industrial base diversify into new DoD and government opportunities and by developing economic development support services for defense suppliers that will last beyond the grant. This increase in state capacity includes the Georgia Defense Exchange (GDx), an on-line data tool to track local industry and to help Georgia business to identify new business opportunities, programming to help small firms connect with prime contractors, and a series of regional initiatives to help defense-dependent regions craft new strategies that strengthen the defense industrial base.

Key Project Takeaways

Georgia anchors a regional aerospace cluster that covers multiple states, and by supporting that cluster it generates ripple effects across the Southeast. The Industry Resilience grant enabled the GUARD program to support the resiliency of the DoD, by focusing state and local government support for the defense industrial base, and by providing programming that helps link businesses with new government contracting opportunities and develop relationships with OEMs. These programs ensure the Georgia defense industrial base can remain in-operation despite any changes in defense expenditures through support by Georgia economic developers and business diversification into new DoD and government contracts. Additionally, IR funds enhanced the state's capacity to support the defense industrial base beyond the term of grant support, which strengthens key aerospace and defense clusters in regions near Robins AFB and Fort Gordon.

Project Description

Rationale

The military has a large presence in Georgia, with the state supporting eight military installations, and more than \$7.1 billion and \$6.2 billion in contract and payroll spending, respectively, the eighth most of any state. Furthermore, OEA-funded research highlighted Georgia's critical location at the center of the Southeastern U.S. Aerospace Cluster. With the criticality of defense spending to Georgia's economy and the criticality of Georgia's defense industrial base to the DoD, any changes to defense spending pose a threat to both the economy of Georgia and the state's ability to support the DoD mission.

Understanding the defense supply chain in Georgia allows the state to assist businesses and communities vulnerable to changes in defense spending. Identifying the Georgia defense industrial base additionally provides the state with the opportunity to market Georgia's capacity to create and attract new aerospace and defense suppliers while the state retains and expands its existing aerospace cluster.

Program Activities

Georgia's Center of Innovation for Aerospace (The Center), a division of the Georgia Department of Economic Development (GDEcD) received a grant from the DoD Office of Economic Adjustment's (OEA) Industry Resilience (IR) program to support the Georgia defense industrial base. Under the GUARD



program, IR funding supported several statewide activities in Georgia. GUARD first identified the defense supply chain from around the state to inform the Georgia Defense Exchange (GDX). The GDX tool provides states leaders with an analysis of defense suppliers and defense contracting in Georgia¹, enabling policy makers to understand the full scale and scope of the defense sector in Georgia. The GDX database maintains data on both prime and sub-tier defense contractors, including information such as the suppliers' current awards, their Hubzone status, and other information OEMs can use to identify new suppliers. The tool additionally lists contract opportunities from FBO and FEDConnect from the DoD and various other federal agencies.

The Supplier Opportunities and Aerospace Resources Forum (SOAR) program serves as a complementary program to GDX to help match suppliers with OEMs. SOAR serves as one of Georgia's most important business-to-business networking and development event for the aerospace and defense sector. GUARD already hosted three SOAR events, with the fourth planned for April 2020.² SOAR connects top executives from major OEMs with current and potential suppliers and subcontractors, including "Fast-Pitch" business networking sessions. "Fast-Pitch" provides potential suppliers with an opportunity to make an elevator pitch to OEMs, Tier 1 buyers, Small Business offices, and the Defense Logistics Agency. The GUARD team curates the event and vets participants, provides supplier profiles from interested companies, and manages the meeting logistics for all parties.

The final component of GDX's efforts assisted defense-dependent communities with planning to achieve two core objectives: helping defense suppliers diversify into commercial markets and designing new community programs to enhance support for the defense industrial base. The Middle Georgia IR grantee recently piloted this program with a June 2018 Charrette and Regional Planning Think Tank session.³ Similar sessions in other regions are now under consideration.

Resiliency Impacts

Increasing Awareness of the Defense Industrial Base

The GUARD team's analysis of the defense supply chain not only mapped the Georgia defense industrial base, but also increased awareness of the defense industry and defense-dependent communities in Georgia. The GUARD team and local partners utilize GDX to identify companies and regions at risk to reductions in defense spending or the loss of a contract, help local economic developers understand the local contractor base, help contractors identify new business opportunities, and to deliver new programs that support a more resilient and competitive aerospace and defense cluster. The Georgia Tech Procurement Assistance Center (GTPAC), which provides consulting support and services to over 3000 government contractors in Georgia, adopted the GDX tool to support defense suppliers. Increased awareness of the defense industrial base in Georgia benefits the resiliency of DoD operations by aligning a large network of partners in support of the Georgia defense industrial base.

¹ See <https://gdx.georgia.org/>

² Planned prior to Covid-19 pandemic.

³ <https://lab.future-iq.com/middle-georgia-economic-alliance/mgea-charrette-and-regional-planning-future-think-tank/>



Enhancing Force Multipliers to Support the Defense Industrial Base

The GDX tool and its active usage by GDEcD, GTPAC and other state-wide and regional economic development organizations greatly enhances the ability of state and local economic developers to support and promote the Georgia aerospace and defense cluster. Economic developers use GDX data and market intelligence in their business cluster development work, especially in growing the cybersecurity industry emerging near the recently awarded US Army Cyber Center of Excellence at Fort Gordon in Augusta. By providing economic developers with data on the defense industry in Georgia, these organizations improve the resiliency of the DoD by leveraging this data to support defense-communities and identify and support at-risk defense suppliers.

Cost Savings to DoD through Business Diversification or New Products/Customers

GDX serves as a tool to help businesses identify government contracting opportunities in the defense and commercial industry, in support of the DoD and other federal agencies. With over 900 active users, the GDX platform is a one-stop data research and collaboration platform for all Georgia companies interested in defense and government contracting. GDX users received over \$650 million in defense contracts since the launch of the GDX platform. In 2019, forty companies won defense contracts that had not received contracting awards the previous year, and twenty-three of the businesses that registered on GDX won a government contract for the first time in five years. The GDX platform increases the resiliency of the DoD by opening up defense contracting opportunities to firms unaware and unfamiliar with the government contracting process, growing the network of DoD suppliers.

GDX and the SOAR Forums open new markets and opportunities for Georgia small and medium-sized defense suppliers. In addition to networking and business development opportunities, participating firms also attend development sessions and hear from other companies and support organizations (e.g., SBDC, MEP, SBA, PTAC). SOAR events are well-attended and result in good business leads for suppliers. A follow-up survey of SOAR business attendees found that 78% made a solid connection to a potential customer. The GUARD program increases DoD resiliency by helping firms diversify into new contracting opportunities, increasing firms' ability to continue supporting the DoD in the case of the loss of a contract award. Additionally, by entering higher-volume markets, firms can increase their revenue, allowing them to support the DoD mission at a lower cost due to economies of scale.

SOAR connections helped several companies obtain great contracting opportunities. Spenergy LLC, a Cumming manufacturer of oils and lubricants used SOAR and the GDX platform to win more than ten new contracts valued at over \$400,000 each. In addition to providing marketing leads, the program also helped Spenergy develop and improve processes to identifying and win new contracting opportunities. Precision Parts International, a women-owned machine shop located near Dalton, enjoyed similar results thanks to SOAR participation. PPI now supplies parts and services to major aerospace OEMs that include Boeing, and Lockheed-Martin.

Other Community Benefits

Alignment with State Programs



The GDY tool is an important data source for state and local economic developers in Georgia. Economic developers can now examine their local supplier base and assess the impact of a reduction in the DoD budget or the cancellation of a contract. The tool also helps Georgia to market itself as a state that appreciates and supports the defense industry, attracting defense suppliers from outside the state.

The June 2018 planning sessions held in Georgia also provide a template for future regional planning efforts in other parts of Georgia in support of the defense industrial base. Middle Georgia serves as an excellent test bed for developing new regional defense industry support strategies because of the region's dependency on Robins AFB. Georgia is home to many other large bases and manufacturing centers that could similarly benefit from a regional think tank session similar to that in Middle Georgia.

Lessons Learned

- **Build Business Connections:** From a business standpoint, SOAR is the most “popular” offering of the GUARD initiative. It provides real added value to defense suppliers, and most importantly, connects them to real business development opportunities.
- **The Power of Data:** The GDY data tool offers numerous benefits. It not only provides market intelligence to contractors but is also used by economic developers to assist local companies and to promote Georgia as an in-demand location for defense-focused companies.
- **Link to Existing Capabilities:** The GUARD project succeeded in part because it is closely tied to core GDEcD programming and to the Center of Innovation for Aerospace, which provided the necessary industry expertise and connections and to stimulate the project's effort.