

I was honored to be invited to speak again to the NCMA's Orange County (California) Chapter. I will be speaking at the Annual Educational Symposium, an all-day event whose theme this year is "Contracting in the Age of Startups, Technology & Innovation." The event takes place on April 26, 2018, and you can find out more about the Symposium [here](#).

As might be guessed from the Symposium's title, the focus this year is on "non-traditional" contractors, including start-ups and small businesses. I was asked to speak to the theme, so I picked the topic of "Barriers to Entry: What Keeps Companies from Selling to the DoD, and How to Overcome Them." (My wife pointed out that my title is ambiguous: it's not clear whether I'm telling folks how to overcome the barriers or how to overcome the other companies. *Whatever*. I think it works either way. And now you understand why we've been married for nearly 20 years.)

The traditional aerospace/defense market isn't what it used to be in Southern California. There was a time when most A&D companies were headquartered here, and the industry headcount was measured in the hundreds of thousands. Over the past 50 years, corporate headquarters have moved closer to Washington, D.C. and the work has moved to places where the cost of living (and therefore wages) are generally lower. I think the last major programs where the majority of work was performed in SoCal were the B-2 "Spirit" bomber and the C-17 "Globemaster III" transport aircraft. The final B-2 was produced in Pico Rivera in 1997 and the final C-17 was produced in Long Beach in 2015. That's not to say that there isn't an aerospace/defense market left; companies like General Atomics, and SpaceX are located there, and other companies, including Boeing, Raytheon, Northrop Grumman, and Lockheed Martin still have sites there. But based on headcount if nothing else, the A&D market that's left in SoCal is a hollow shell of the vibrant market that used to thrive there.

We can debate about why the work migrated out of state. Certainly, the State of California never appreciated its industrial base the way it appreciated the film and television industry, which was also led from SoCal. (Sorry New Yorkers, but it's true.) While the state extended tax break after tax break to production companies, A&D companies largely were taken for granted. Of course, there are many other causes of the migration, but the state's rather cavalier treatment of its A&D companies springs to mind first. In any case, the 21st Century SoCal A&D market is rich in heritage but poor in business opportunity.

Thus, the Orange County Chapter's focus on start-ups, high-tech, and innovative small businesses makes a lot of sense. It is those types of companies that are the next generation of government contractors. Moreover, it is *exactly* those types of companies that the Federal

Sanders Speaking at NCMA Orange County Chapter Annual Educational Symposium

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government says it wants to attract. This blog has chronicled the government's attempts to woo such companies, with results that have been, to date, mixed at best.

So come on down to Orange County, California, on April 26th and hear a full-day's worth of presentations, and earn 7 CPE/MCLE credits. I think it will be worth the price of admission.