

# **Women-Owned Firms in Federal Procurement: A National Survey**

**NFWBO**

---

**Prepared for  
The National Women's Business Council**

**Prepared by  
The National Foundation  
for Women Business Owners**

**September 2000  
© NFWBO**

# **Women-Owned Firms in Federal Procurement: A National Survey**

**Prepared for  
The National Women's Business Council**

**Prepared by  
The National Foundation  
for Women Business Owners**

**© NFWBO, July 2000**

**1411 K Street, NW, Suite 1350  
Washington, DC 20005-3407  
(202) 638-3060  
Fax (202) 638-3064  
E-mail: [info@NFWBO.org](mailto:info@NFWBO.org)  
Home page: <http://www.nfwbo.org>**

## Table of Contents

Introduction . . . . .	1
Executive Summary . . . . .	2
History of Involvement in Federal Procurement . . . . .	5
Current Issues and Challenges . . . . .	7
Agency Procurement Programs . . . . .	11
Women Federal Contractors and Their Firms . . . . .	13
Policy Recommendations . . . . .	16
Study Methodology . . . . .	18

## **Introduction**

In its 1998 annual report to Congress, the National Women's Business Council (NWBC) reported on a statistical study it had undertaken concerning woman-owned firms in Federal contracting. This analysis showed that the participation of women-owned firms in Federal contracting had grown from \$3.2 billion in fiscal year 1987 to \$5.2 billion in FY1997. In FY1997, some 5,722 women-owned businesses were involved in 446,332 prime contract actions amounting to \$3.3 billion. Another \$2.3 billion was awarded to women-owned enterprises in subcontract actions.

During the course of that study, the NWBC obtained some detailed information on many of the individual contract actions performed by women-owned firms in FY1997, including the amount of awards, the industry category of the awards, and the location of the businesses. This information was summarized in a database provided to the NWBC by Eagle Eye Publishers.

The National Foundation for Women Business Owners (NFWBO) was asked to conduct a three-phase study for NWBC on the information contained in this database. Phase I was a detailed analysis of the information contained in the database. Phase II was a qualitative focus group study among a select number of women business owners contained in the database. Phase III — this report — is a quantitative nationwide survey among a random sample of all of the women business owners in the database.

This executive report sheds additional light on some of the issues affecting women-owned firms in Federal procurement. It draws upon newly available information from a national survey taken among women business owners from a variety of industries who had a prime Federal contract in FY1997. The results of this study add to public knowledge of the characteristics, contributions, and challenges of women-owned businesses in the Federal procurement arena, and form a framework for public policy recommendations and further programmatic efforts.

## Executive Summary

**I**t appears that the women business owners interviewed for this study became involved in the Federal procurement process proactively and early on in their business development. Almost three-quarters (72%) of the women who started their businesses themselves had their first Federal contract within three years (46% within the first year). For the businesses that were not founded by the women business owners we interviewed, almost half (45%) were already involved in Federal procurement when they became the owner, and an additional 38% received their first Federal contract within three years of acquiring the business.

ž

**T**he most significant obstacles these women encountered when first becoming involved in Federal contracting were dealing with the paperwork (20%), understanding the process (20%), and complying with requirements (17%). Just 12% of the women say that they encountered no problems or obstacles when they first became involved in Federal contracting.

ž

**B**y and large, the women business owners interviewed are satisfied with the Federal procurement process. Fully 90% of all the women we interviewed plan to continue doing business with the Federal government, and of these, more than half (54%) expect to expand their business.

ž

**C**ompetition is cited as the most important challenge facing women Federal contractors at the present time, and a majority of the contracts the women interviewed receive (56%) comes through full and open competition. This may be the reason why a large majority (70%) of the women favor having women designated as a "presumed group" in the procurement process: presumed group status would effectively give them more of a competitive edge.

ž

**A**mong recent trends in Federal procurement, there are trends that these women contractors view favorably, such as the electronic posting of bids (which 50% view positively) and more prompt Federal payments (50% view positively). There are also trends that are viewed negatively, such as the reduction in the number of procurement officers (which 45% view negatively) and the bundling of procurements (30% view negatively).

ž

Perhaps in response to the trend toward bundling, some women business owners have participated in joint ventures, that is, teaming up with other businesses to jointly bid on a Federal procurement opportunity. About a third (36%) of the women interviewed have tried this, and report satisfying results. Ninety percent (90%) of them say they would do it again.

ž

Not surprisingly, most of the contracts the women interviewed have are with the Department of Defense (prime 52%, subcontracts 32%), followed by the Department of Agriculture (prime 14%, subcontracts 3%), the Department of Transportation (prime 13%, subcontracts 15%), the Department of Veterans Affairs (prime 13%, subcontracts 1%), the General Services Administration (prime 12%, subcontracts 9%), and the Department of the Interior (prime 11%, subcontracts 8%). Firms that are prime contractors have contracts with an average of 1.8 Federal agencies; firms that have subcontracts have them with an average of 1.2 Federal agencies.

ž

Perhaps because the majority of their contracts are with the Department of Defense, the women business owners interviewed are most familiar with the DOD's Central Contractor Registration System (CCRS). Fifty-eight percent (58%) of the women interviewed report using it, and of these, 68% say it is helpful to them in the Federal procurement process. The next most familiar program is the online bid posting or matching system, such as eps@gsa, which is used by 40% of the women interviewed and rated as helpful by 70% of its users.

ž

The two programs that were judged by their users to be the most helpful were also the two least-utilized programs. They are the GSA SmartPay or other credit card for receiving agency payment (used by 18% of the women yet rated as helpful by 90% of its users), and the mentor-protégée program (used by only 5% of the women yet rated as helpful by 88% of its users). These two programs deserve more widespread marketing.

ž

There is a difference between women business owners who reside inside and outside of the Washington, DC area in both the use and evaluation of these procurement-related Federal government programs. Women with businesses geographically close to Washington, DC are more likely to use a greater number of the programs than women outside the area, suggesting that there would be a benefit in educating potential contractors and promoting these programs outside of the Washington, DC area.

ž

The women business owners interviewed receive an average of just under 50% of their revenues from the Federal government. This is up from an average of approximately 40% ten years ago, but has remained the same for the past five years.

Three-fourths (74%) of the women interviewed are certified as women business owners in some capacity. Sixty-six percent (66%) are certified as a woman-owned small business (WOSB or SBE), 50% are certified as a women's business enterprise (WBE), 30% are certified as a small disadvantaged business (SDB or DBE), and 15% are certified as an 8(a) firm. Women of color are more likely to be certified in each category than are white women.

ž

Forty-four percent (44%) of the businesses in this study are in goods-producing industries, and 56% are in services. The companies are small — almost 70% have fewer than 10 full-time employees, and 58% have gross annual sales of under \$1 million. The women business owners themselves are largely between the ages of 35 and 54 (66%), married (73%), white (74%), and well-educated (51% hold a bachelor's degree or better). Women of color are better represented in this population of Federal contractors (26%) than they are in the general population of U.S. women business owners (13%).<sup>1</sup>

ž

When asked what should be done to help women-owned businesses conduct business with the Federal government, the women interviewed suggested: teaching business owners how to get Federal contracts (17%); continuing and improving the existing programs of 8(a), HUB, and other set-aside programs (14%); improving communications about what contracts are available (12%); offering financial assistance, including access to capital and low interest loans (5%); monitoring and enforcing set-aside quotas and the 5% goals (4%); and increasing set-aside program opportunities (4%).

---

<sup>1</sup>National Foundation for Women Business Owners, 1996 Facts on Women-Owned Businesses: Trends Among Minority Women-Owned Firms, 1997.

## History of Involvement in Federal Procurement

It appears that the women business owners interviewed for this study became involved in the Federal procurement process proactively and early on in their business development. Almost three-quarters (72%) of the women who started their businesses themselves had their first Federal contract within three years (46% within the first year). For the businesses that were not founded by the women business owners we interviewed, almost half (45%) were already involved in Federal procurement when they became the owner, and an additional 38% received their first Federal contract within three years of acquiring the business.

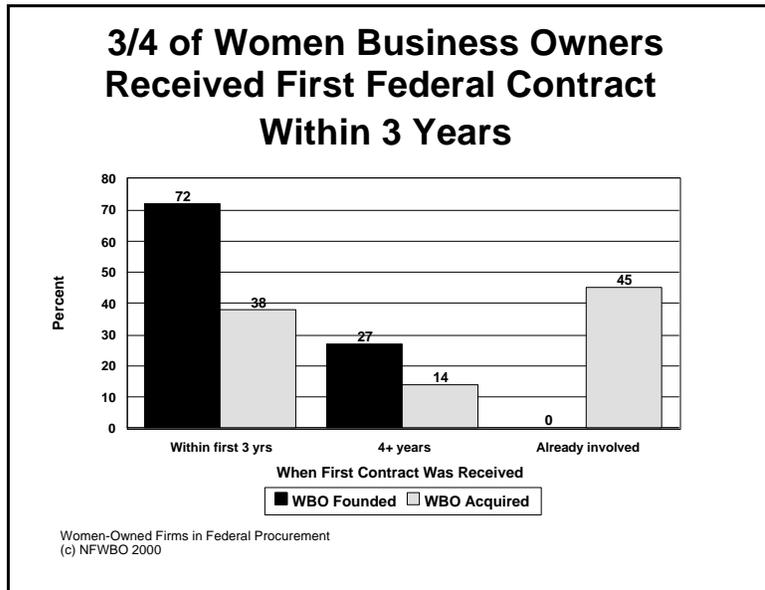
Eighty percent (80%) of the women interviewed for this study founded their own business, and the remaining 20% of the businesses were purchased, inherited, or acquired through some other means.

Seventy-nine percent (79%) of the firms located in Virginia, Maryland, or the District of Columbia had their first Federal contract within three years, compared with 63% of the firms located outside of this geographic area.

Seventy percent (70%) of the firms which have only defense-related contracts had their first Federal contract within three years, as did 78% of the firms with a mixture of defense and non-defense related work. Of firms which have no defense-related work, only 59% received their first contract in three years.

Firms owned by women of color and firms owned by white women were equally likely to have their first Federal contract in three years (66% in both instances).

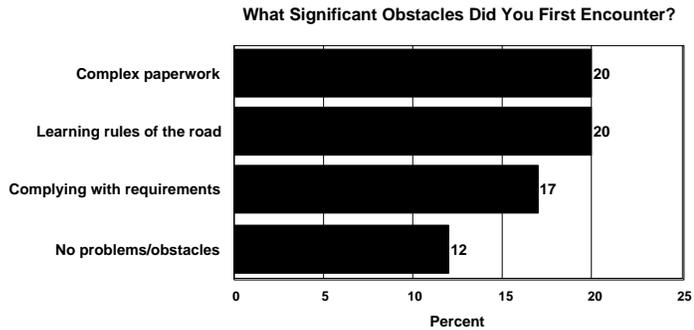
The most significant obstacles these women encountered when first becoming involved in Federal contracting were dealing with the paperwork (20%), understanding the process (20%), and complying with requirements (17%). Just 12% of the women say that they encountered no problems or obstacles when they first became involved in Federal contracting.



Firms with fewer than five years experience in the procurement process are more likely to cite learning the process (40%) and complying with requirements (40%) as having been significant obstacles, compared to an overall average of 20% and 17%, respectively.

Firms with an 8(a) certification are also more likely to say that understanding the process was their most significant obstacle (44%, compared to an average of 20%). All (100%) of the 8(a) firms interviewed say that they encountered some obstacle when becoming involved in Federal contracting, compared with the overall figure of 12% who say they encountered no problems.

### Paperwork, Learning the Process Most Significant Obstacles When Entering Gov't Procurement



Women-Owned Firms in Federal Procurement  
Note: Open-ended question; multiple responses allowed.  
(c) NFWBO 2000

*[I was] “clueless. Everything was new. Most procedures were opposite from my commercial experiences. Learning the Federal codes; just becoming familiar with the FAR [Federal Acquisition Regulations]; knowing who was the customer.”*

*[The most significant obstacle for me was] “getting to talk to the right people, getting questions answered that you don’t understand. Also the red tape, all the things you have to do to get government approval.”*

— Verbatim comments from women business owners interviewed

## Current Issues and Challenges

By and large, the women business owners interviewed are satisfied with the Federal procurement process. Fully 90% of all the women we interviewed plan to continue doing business with the Federal government, and of these, more than half (54%) expect to expand their business.

The women business owners interviewed for this study fell into two basic groups: those who describe themselves as currently doing business with the Federal government (80%), and those who had a prime Federal contract in FY1997 but say they are not currently doing business with the Federal government (20%).

Ninety percent (90%) of all women interviewed plan to continue in Federal procurement, and 54% of them expect that their business with the Federal government will increase.

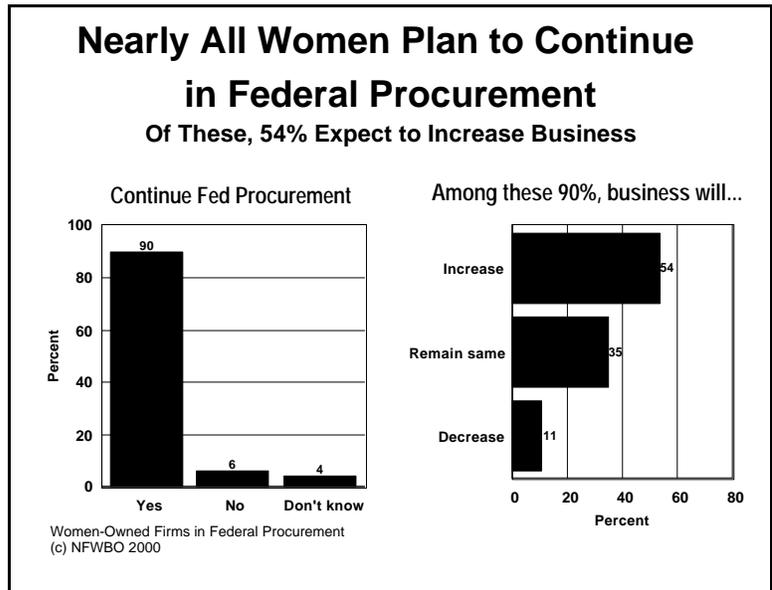
Among those who describe themselves as currently doing

business with the Federal government, 95% plan to continue such business over the next three to five years, and 56% believe that their Federal business will increase.

This is one measure of satisfaction with the Federal procurement process among those who are “in the loop.” As such, it is interesting to note that 71% of those who describe themselves as not currently doing business with the Federal government plan to continue in the Federal contracting arena over the next three to five years, and 50% of them expect to expand their business.

To the extent that dissatisfaction does exist, it is expressed by the women business owners whose Federal business has declined in the past several years. These women number 36% of the women interviewed. They cite the following reasons for this decline: increased competition (20%); cutbacks in government spending (20%); less demand for their services (19%); bundling of contracts (13%); or lack of information (11%).

Dissatisfaction is also expressed by the women business owners who describe themselves as not currently involved in the procurement process. They give the following reasons for not being



currently involved: there is nothing is available in their local area or in their line of work (21%); they have not been the lowest bidder (19%); or they are not getting the business (14%).

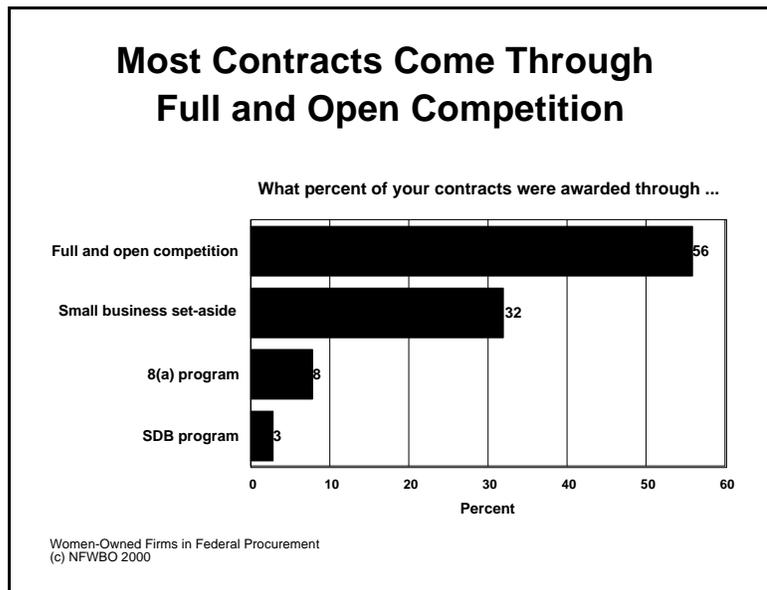
**Competition is cited as the most important challenge facing women Federal contractors at the present time, and a majority of the contracts the women interviewed receive (56%) comes through full and open competition. This may be the reason why a large majority (70%) of the women favor having women designated as a "presumed group" in the procurement process: presumed group status would effectively give them more of a competitive edge.**

The women business owners who are currently doing business with the Federal government cite competition as the most important challenge they are currently facing (19%), followed by managing the relationship with procurement officials (15%), keeping up with regulatory law changes (12%), getting contracts (10%), and getting paid on time (10%).

Although they receive the majority (56%) of their contracts through full and open competition, women business owners also receive small business set-asides (32%), 8(a) set-asides (8%), and participate in SDB programs (3%).

Seventy percent (70%) of all the women interviewed say that they would favor giving women "presumed group" status in the Federal procurement process (46% strongly favor, 24% somewhat favor).

This figure of 70% is remarkably consistent across all subgroups studied. That is, it does not substantially vary by number of



years in Federal procurement, annual sales revenues, the percentage of revenues from procurement, type of industry, whether the contracts are defense or non-defense related, whether the business is currently involved in Federal procurement or not, whether there is a certification and the type of certification for the woman-owned business, whether the contracts are prime or subcontracts, whether the contract resulted from a set-aside or not, the ethnicity of the owner, and whether the business is located near Washington, DC or not.

*[My most important challenge is] “just being able to compete with the large companies. If you’re a small company, it’s sometimes harder to get the job.”*

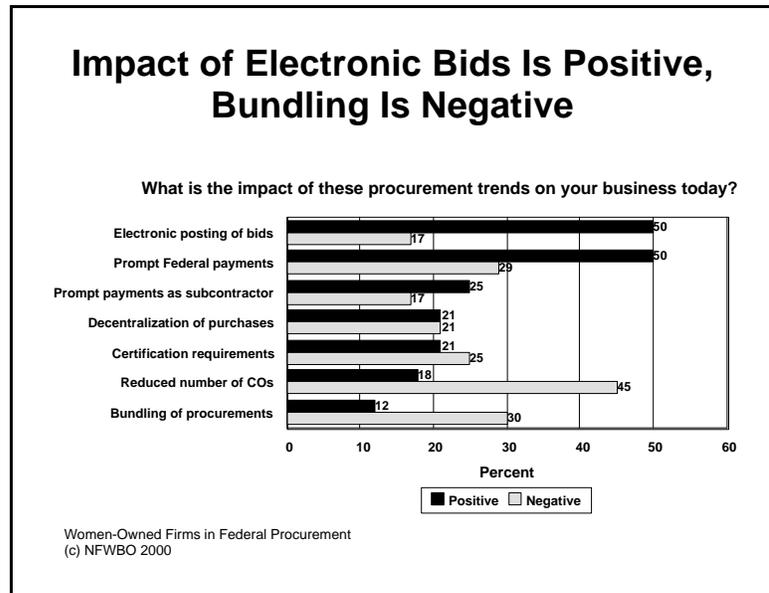
*“Quoting competitively, successfully bidding. Having the lower prices to offer.”*

*“It’s just so competitive. We used to bid against four companies and now it’s forty.”*

— Verbatim comments from women business owners interviewed

Among recent trends in Federal procurement, there are trends that these women contractors view favorably, such as the electronic posting of bids (which 50% view positively) and more prompt Federal payments (50% view positively). There are also trends that are viewed negatively, such as the reduction in the number of procurement officers (which 45% view negatively) and the bundling of procurements (30% view negatively).

The electronic posting of bids is viewed more favorably by women in the Washington, DC area than by women elsewhere. Eighty-eight percent (88%) of women whose businesses are located near Washington, DC say that the electronic posting of bids has a positive impact on their business, compared with only 43% of women outside of this geographic area.



Women with businesses near Washington, DC are also more likely to say that the bundling of procurements hurts their business than women outside of this area. Forty-eight percent (48%) of women with businesses near Washington, DC say that the bundling of procurements has a negative impact on their business, compared with only 26% of women business owners outside of this area.

The promptness of payment from prime contractors when one is a subcontractor and the decentralization of government purchases were mainly viewed as having no impact on business by these women. Similar percentages of the women interviewed viewed them positively and negatively in this study. Twenty-five percent (25%) of the women interviewed say that prompt payment has had a positive impact on their business, while 17% say it has had a negative impact. Twenty-one percent (21%) of the women interviewed say that decentralization of government purchases has had a positive impact on their business, while another 21% say it has had a negative impact.

Although efforts have been made to certify women business owners as socially and economically disadvantaged, only 22% of those interviewed say that such certification requirements have had a positive impact on their business today, and a similar number, 25%, say that they have had a negative impact.

**Perhaps in response to the trend toward bundling, some women business owners have participated in joint ventures, that is, teaming up with other businesses to jointly bid on a Federal procurement opportunity. About a third (36%) of the women interviewed have tried this, and report satisfying results. Ninety percent (90%) of them say they would do it again.**

Overall, 75% of the women business owners who have tried participating in a joint venture report being satisfied with the experience.

Businesses in the services industries are more likely to have tried a joint venture than businesses in the goods-producing industries (48% vs. 20%). Of those who have tried a joint venture, businesses in the services industries are also more likely to have actually won the contract than those in the goods-producing industries (70% vs. 57%).

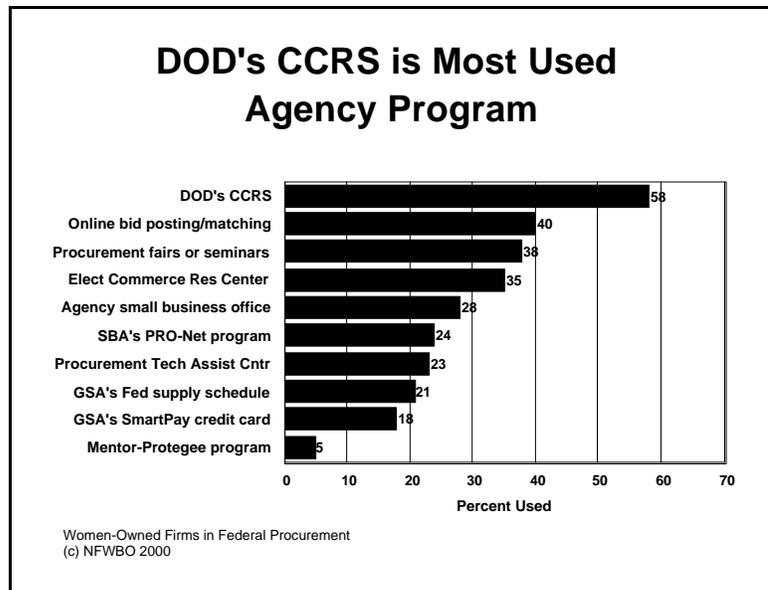
Businesses which are both prime contractors and subcontractors, and businesses that have an 8(a) certification are more likely than average to have participated in a joint venture. Forty-seven percent (47%) of businesses that are both prime contractors and subcontractors, and 52% of businesses with an 8(a) certification, have tried joint ventures, compared to an average of 36% of all businesses studied.

Women with businesses located near Washington, DC are more likely to have tried a joint venture than women located outside of this area. Sixty-eight percent (68%) of women with businesses near Washington, DC say they have formed a joint venture to bid on a Federal contract, and of these, 82% report winning the contract. For women with businesses located outside of the Washington, DC area, 31% say they have formed a joint venture to bid on a Federal contract, and of these, 61% report winning the contract.

## Agency Procurement Programs

Not surprisingly, most of the contracts the women interviewed have are with the Department of Defense (prime 52%, subcontracts 32%), followed by the Department of Agriculture (prime 14%, subcontracts 3%), the Department of Transportation (prime 13%, subcontracts 15%), the Department of Veterans Affairs (prime 13%, subcontracts 1%), the General Services Administration (prime 12%, subcontracts 9%), and the Department of the Interior (prime 11%, subcontracts 8%). Firms that are prime contractors have contracts with an average of 1.8 Federal agencies; firms that have subcontracts have them with an average of 1.2 Federal agencies.

Women business owners with companies located outside of the Washington, DC area have more defense-related contracts than companies located “in the Beltway.” Fifty-four percent (54%) of businesses located outside of the Washington, DC area have a prime contract with the Department of Defense, compared with 44% of businesses located in or near Washington, DC. Thirty-six percent (36%) of businesses located outside of the Washington, DC area have a subcontract with the Department of Defense, compared with only 14% of businesses located in or near Washington, DC.



Perhaps because the majority of their contracts are with the Department of Defense, the women business owners interviewed are most familiar with the DOD's Central Contractor Registration System (CCRS). Fifty-eight percent (58%) of the women report using it, and of these, 68% say it is helpful to them in the Federal procurement process. The next most familiar program is the online bid posting or matching system, such as eps@gsa, which is used by 40% of the women interviewed and rated as helpful by 70% of its users.

The two programs that were judged by their users to be the most helpful were also the two least-utilized programs. They are the GSA SmartPay or other credit card for receiving agency payment (used by 18% of the women yet rated as helpful by 90% of its users), and the mentor-protégée program (used by only 5% of the women yet rated as helpful by 88% of its users). These two programs deserve more widespread marketing.

There is a difference between women business owners who reside inside and outside of the Washington, DC area in both the use and evaluation of these procurement-related Federal government programs. Women with businesses geographically close to Washington, DC are more likely to use a greater number of the programs than women outside the area, suggesting that there would be a benefit in educating potential contractors and promoting these programs outside of the Washington, DC area.

The women business owners who are currently involved in the Federal procurement process were asked if they had used various procurement-related Federal programs, and if so, to rate the program's helpfulness. The following table shows the programs ranked by usage.

<b>Ranking of Federal Agency Procurement Programs by Geography</b>						
<b>Agency Program</b>	<b>Percent Used</b>			<b>Percent Helpful (Among Users)</b>		
	<b>Total</b>	<b>DC Area</b>	<b>Other</b>	<b>Total</b>	<b>DC Area</b>	<b>Other</b>
Department of Defense's Central Contractor Registration System	58	36	61	68	67	68
Online bid posting or matching system, such as eps@gsa	40	52	38	70	92	64
Procurement fairs or seminars	38	56	35	67	57	69
Electronic Commerce Resource Centers	35	56	31	70	69	76
Agency small or disadvantaged business utilization offices	28	44	26	60	64	58
The Small Business Administration's PRO-Net program	24	28	24	53	67	53
Procurement Technical Assistance Centers	23	24	23	68	83	66
The General Services Administration's Federal supply schedule	21	36	19	63	78	60
The GSA SmartPay or other credit card for receiving agency payment	18	32	16	90	100	86
A mentor-protégée program	5	16	3	88	100	75

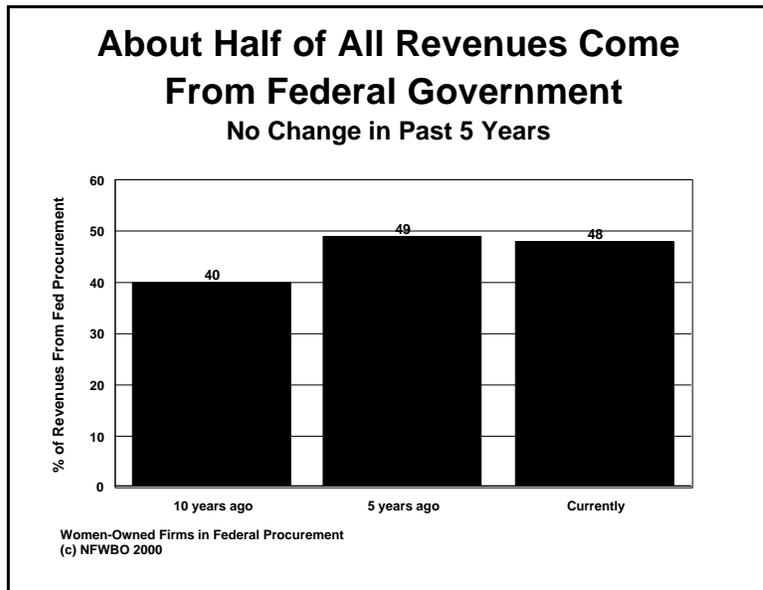
## Women Federal Contractors and Their Firms

The women business owners interviewed receive an average of just under 50% of their revenues from the Federal government. This is up from an average of approximately 40% ten years ago, but has remained the same for the past five years.

Among the companies that were in business ten years ago, an average of 40% of their revenues came from Federal government contracts at that time. For the companies that were in business five years ago, an average of 49% of revenues came from Federal contracts. Today, the women business owners interviewed report that an average of 48% of their current revenues come from Federal government contracts.

Women business owners who reside near the Washington, DC area report a higher percentage of revenues from the Federal government than women located elsewhere. An average of 59% of annual revenues are derived from Federal government contracts for businesses in or near Washington, DC, compared with an average of 46% of revenues for companies outside of this area.

Companies with defense-related contracts report that a higher percentage of revenues come from the Federal government than companies that have no defense-related work. An average of 63% of revenues come from the Federal government for companies that have only defense-related contracts, as does an average of 67% of revenues for companies that have a mixture of defense and non-defense related work. For companies that have only non-defense related Federal government contracts, an average of only 50% of their revenues come from the Federal government.



**Three-fourths (74%) of the women interviewed are certified as women business owners in some capacity. Sixty-six percent (66%) are certified as a woman-owned small business (WOSB or SBE), 50% are certified as a women's business enterprise (WBE), 30% are certified as a small disadvantaged business (SDB or DBE), and 15% are certified as an 8(a) firm. Women of color are more likely to be certified in each category than are white women.**

For women of color, 83% are certified as an SDB or DBE, 80% are certified as a WOSB, 76% are certified as a WBE, and 49% are certified as an 8(a) firm. For white women, 61% are certified as a WOSB, 40% are certified as a WBE, 12% are certified as an SDB or DBE, and 4% are certified as an 8(a) firm.

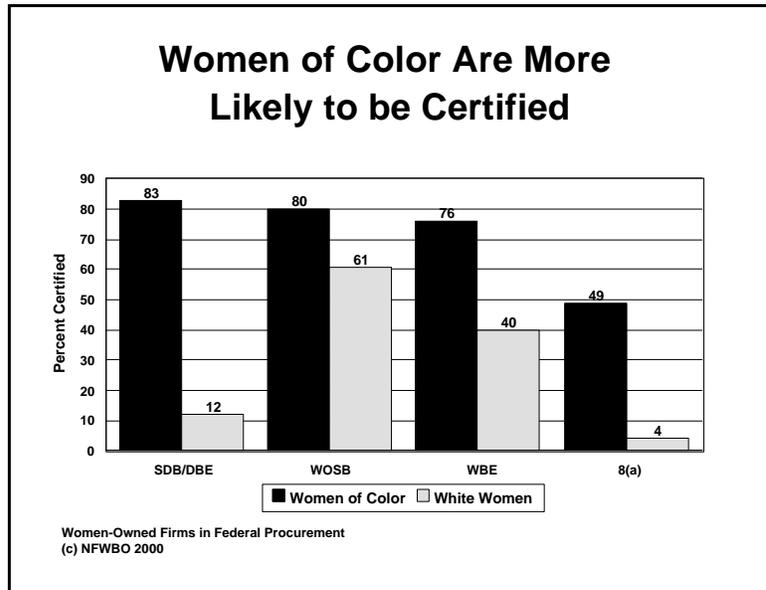
Certified firms are more likely to be found near the Washington, DC area than elsewhere. This is true for 8(a) firms (24% vs. 14%), SDB or DBE-certified firms (52% vs. 26%), WBE-certified firms (60% vs. 48%), and WOSB or SBE-certified firms (76% vs. 64%).

Firms with only defense-related contracts are less likely to be 8(a) certified than the average firm studied (5% vs. 15%).

Since many of these certification programs were designed to help firms enter into the Federal procurement arena, it is not surprising to find that younger firms are more likely to be certified as 8(a) or SDB/DBE than their older counterparts. Twenty-five percent (25%) of firms that have been in Federal procurement for less than five years are more likely to be 8(a) certified, as compared to an overall average of 15%. Forty percent (40%) of these younger firms are certified as SDB or DBE, compared with an overall average of 28%.

Older firms are more likely to be certified as WOSB or SBE than other firms. Sixty-eight percent (68%) of firms that have been in Federal procurement for five or more years are certified as WOSB or SBE, compared with an overall average of 55%.

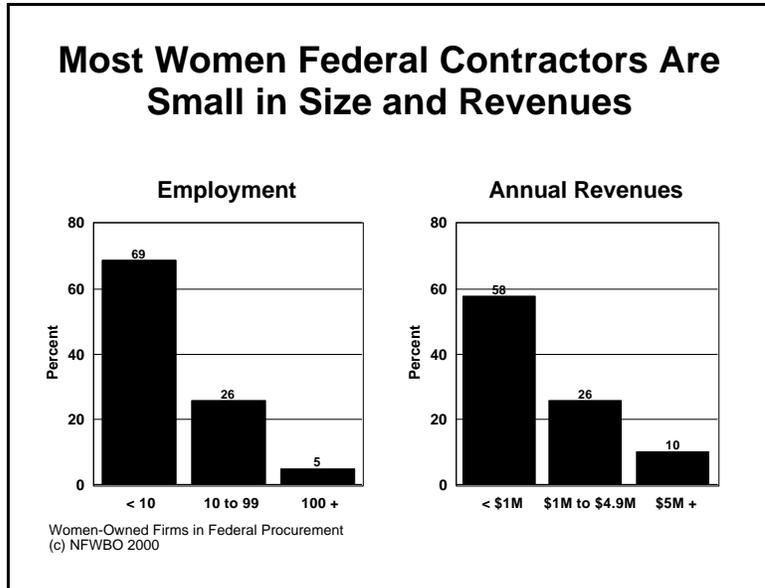
**Forty-four percent (44%) of the businesses in this study are in goods-producing industries, and 56% are in services. The companies are small — almost 70% have fewer than 10 full-time employees, and 58% have gross annual sales of under \$1 million. The women business owners themselves are largely between the ages of 35 and 54 (66%),**



married (73%), white (74%), and well-educated (51% hold a bachelor's degree or better). Women of color are better represented in this population of Federal contractors (26%) than they are in the general population of U.S. women business owners (13%).<sup>2</sup>

Twenty-eight percent (28%) of all the companies studied are in the construction industry, followed by 14% in professional, scientific, or technical services, and 13% in manufacturing.

Sixty-nine percent (69%) of the companies studied have fewer than 10 full-time employees. However, the average number of full-time employees overall is 18.1.



Firms that are located near Washington, DC are more likely to have sales in the \$1 million to \$4.9 million range than firms outside of this area. Fifty-four percent (54%) of firms located in or near Washington, DC have annual sales in this range, compared with only 21% of firms outside of this area.

Women business owners who describe themselves as not currently doing business with the Federal government are younger in general than the owners of businesses that currently have Federal contracts. Forty-one percent (41%) of women whose businesses are not currently involved in Federal procurement are between 35 and 44 years of age, compared with only 24% of women whose businesses are currently involved.

Women Federal contractors outside of the Washington, DC area are more likely to be Caucasian than women with businesses located in or near Washington, DC. Seventy-eight percent (78%) of the women interviewed outside of the Washington, DC area are white, compared with only 54% of the women whose businesses are located in the DC area.

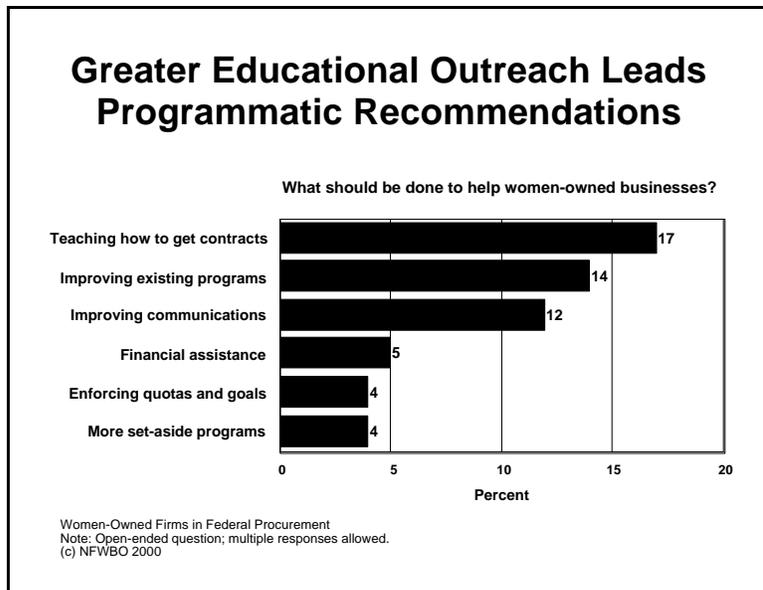
Similarly, women with only defense-related contracts are also more likely to be Caucasian. Eighty-six percent (86%) of women with businesses that only have defense-related work describe themselves as white, compared with 63% of those with a mixture of defense and non-defense related work, and 76% of those with only non-defense related work.

<sup>2</sup>National Foundation for Women Business Owners, 1996 Facts on Women-Owned Businesses: Trends Among Minority Women-Owned Firms, 1997.

## Policy Recommendations

Throughout the survey, the women business owners — through their answers to questions about challenges, use of Federal programs, and their history of getting involved with Federal procurement — offer guideposts for the National Women’s Business Council and Federal procurement policy makers on steps that can be taken to improve the success of women currently involved in federal procurement as well as those who are seeking to enter this market. In addition, the women interviewed were asked directly what recommendations they would make to procurement policy makers.

When asked directly what should be done to help women-owned businesses conduct business with the Federal government, the women interviewed suggested: teaching business owners how to get Federal contracts (17%); continuing and improving the existing programs of 8(a), HUB, and other set-aside programs (14%); improving communications about what contracts are available (12%); offering financial assistance, including access to capital and low interest loans (5%); monitoring and enforcing set-aside quotas and the 5% goals (4%); and increasing set-aside program opportunities (4%).



Other recommendations mentioned by the women interviewed include: mentoring programs (3%); better communication with Federal employees (3%); being treated fairly without prejudice or discrimination (3%); more information about existing programs (2%), and help getting bonded (2)%.

Other ways to improve the system as mentioned by the women Federal contractors interviewed in this study include the following:

- ! Provide additional assistance in the three areas cited as the most significant obstacles the women business owners encountered when first becoming involved in the Federal procurement process: dealing with the paperwork, understanding the process, and complying with requirements.

- ! Consider ways to give women business owners more equitable access to the procurement process, including the designation of women as a “presumed group.”
- ! Encourage women business owners to consider the concept of joint ventures as a response to the difficulties presented by the trend toward bundling of procurements.
- ! Promote better utilization of the GSA SmartPay or other credit card for receiving agency payment, which was rated as helpful by 90% of its users yet is only used by 18% of the women interviewed.
- ! Promote better utilization of the mentor-protégée program, which was rated as helpful by 88% of its users yet is only used by 5% of the women interviewed.
- ! Educate contractors and potential contractors outside of the Washington, DC area on the use of other Federal agency procurement programs, including the online bid posting or matching system, procurement fairs or seminars, Electronic Commerce Resource Centers, agency small or disadvantaged business utilization offices, and the GSA’s Federal supply schedule.

*In the words of the women interviewed:*

*“[The government] is pulling away. They should enforce the small business set-aside for women-owned businesses from the Federal government.”*

*“The programs you mentioned, I knew nothing about. They should get out a list of all the services and programs that are available. The mentoring programs sounds good. The online program sounds good, sounds like it would work.”*

*“I think everyone should be assigned a mentor for more training in two areas: contract management and proposal development.”*

*“The mentor/protégée programs and other programs listed, if the Federal government would give us more information on these [programs] when we as small business owners get started, we would have better access and/or knowledge of what’s out here and available to us as women business owners.”*

*“A true set-aside for WBE, like the 8(a) program. Just don’t give us percentages unless you put some teeth in them. Give us contracts, not percentages. Penalties if the percentages are not obtained. Give a priority to WBE manufacturers.”*

*“The programs are there. Make the goals mandatory for women, meet the goals that are set forth by the Federal government.”*

## Study Methodology

A telephone survey was conducted among the woman-owned businesses in the NWBC's Eagle Eye database from mid-March to mid-April, 2000. Over 4,700 businesses were contacted at least once. Interviews were conducted by CJ Olson Market Research of Minneapolis, MN, a woman-owned business.

Two hundred and seven (207) completed interviews were obtained as follows: 165 interviews with women business owners who describe themselves as currently doing business with the Federal government, and 42 interviews with women who had a prime Federal contract in FY1997 but who describe themselves as not currently doing business with the Federal government.

The sampling error for a sample size of 207 is  $\pm 7.1\%$  at the 95% level of confidence. This means that, 95 times out of 100, the survey results will be within 7.1% of true population values.