

Key Stages of the SBA 8(a) Business Development Program



The federal government's goal is to award at least 10% of all federal contracting dollars to small disadvantaged businesses each year. We help companies advance through the nine-year 8(a) program so they can expand their footprint in the federal marketplace.



DEVELOPMENTAL STAGE

An 8(a) needs to know what to focus on during the developmental stage to stay in compliance and thrive.

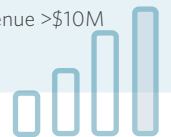
- ▶ Application planning: preliminary personal financial statements, net worth calculations, prior tax returns
- ▶ Acceptable accounting & timekeeping systems, policies and procedures
- ▶ Competitive indirect rate structure
- ▶ System to track/monitor 8(a) economic requirements/size standards
- ▶ Contract types, contract management, FAR cost principles
- ▶ Costing, proposal writing & federal sales skills
- ▶ Mentor-Protégé (M-P)/JV program planning/agreement structure
- ▶ Competitive procurement participation
- ▶ Bank line of credit
- ▶ Financial Statement review: revenue >\$2M
- ▶ SBA Annual report & documentation
- ▶ Develop baseline accounting practices or work with an outsourced provider to have sound financial statements



TRANSITIONAL STAGE

Every 8(a) must meet business activity targets (BATs) designed to shift their business mix away from reliance on 8(a) contracts.

- ▶ Track & monitor 8(a) economic requirements & size standards
- ▶ Strengthen financial controls to support growth & compliance requirements
- ▶ Upgrade financial & business systems
- ▶ Prepare for cost type contracts & Incurred Cost Submissions
- ▶ Establish competitive bidding rates
- ▶ Team & subcontract using M-P & JVs
- ▶ Tax compliance considerations for multi-state/overseas work
- ▶ Invest in internal R&D, B&P & certifications to gain competitive advantages
- ▶ Financial Statement audit: revenue >\$10M



PREPARING TO GRADUATE

Each 8(a) must acclimate to a more competitive environment and deal with new regulatory requirements.

- ▶ Business Systems compliance
- ▶ BATs of 15-25% to stay eligible for sole source awards, then 35-45%
- ▶ Reduce 8(a) contract dependence
- ▶ Competitive cost structure & proposal pricing for larger contract opportunities
- ▶ Mentor younger 8(a) to support post-graduation subcontracting or prepare to be acquired by larger firm
- ▶ Capital to fund growth
- ▶ Prepare for full CAS requirements
- ▶ Infrastructure to deal with management, financial, marketing, corporate governance and legal challenges
- ▶ M-P/JV relationships to form business alliances with large primes
- ▶ Program exit planning for distributions



Visit cbh.com/8a for more information.

We Meet You Where You Are To Guide You Forward

Our Government Contractor Services group has an in-depth understanding of the SBA 8(a) program and advises 8(a) government contractors through each step of the process to add value and anticipate ongoing opportunities. We meet you where you are in the program and guide you to help your 8(a) qualified business thrive and successfully graduate.



Developmental Stage

Companies that understand the 8(a) program qualifications and certification requirements, as well as what is needed to manage certification to stay in compliance, avoid early graduation and are better positioned to thrive in the 8(a) program. Our solutions include:

- ▶ Application Planning
- ▶ Tracking & Monitoring Economic Requirements
- ▶ Business Process & Compliance
- ▶ FAR & Other Government Regulations
- ▶ Contract Life Cycle Support
- ▶ Compensation & Benefits Solutions
- ▶ Mentor-Protégé/Joint Ventures
- ▶ Reviewed/Audited Financial Statements
- ▶ Outsourced Accounting Services
- ▶ Outsourced Contract Management Services



Transition Stage

Preparing for a competitive business environment, developing and maintaining a balance of commercial and government work, and effectively managing new hurdles to maintain compliance are critical to continue a solid growth trajectory. Our solutions include:

- ▶ Tracking & Monitoring Economic Requirements
- ▶ Business Process & Compliance
- ▶ FAR & Other Government Regulations
- ▶ Contract Life Cycle Support
- ▶ Contract Profitability
- ▶ Government (DCAA, GSA) audit support
- ▶ Compensation & Benefits Solutions
- ▶ Mentor-Protégé/Joint Ventures
- ▶ Reviewed/Audited financial statements
- ▶ Tax Planning & Compliance
- ▶ Credits & Incentives
- ▶ Outsourced Company/JV Accounting Services
- ▶ ERP/Accounting System Optimization
- ▶ ERP Implementations



Graduation Stage

To thrive after graduation, companies must acclimate to a more competitive environment and deal with new regulatory requirements. Our solutions include:

- ▶ Tracking & Monitoring Economic Requirements
- ▶ Business Process & Compliance
- ▶ FAR & Other Government Regulations
- ▶ Contract Life Cycle Support
- ▶ Contract Profitability
- ▶ Government (DCAA, GSA) audit support
- ▶ Compensation & Benefits Solutions
- ▶ Mentor-Protégé/Joint Ventures
- ▶ Reviewed/Audited financial statements
- ▶ Tax Planning & Compliance
- ▶ Credits & Incentives
- ▶ Outsourced Company/JV Accounting Services
- ▶ Outsourced Contract Management Services
- ▶ CFO Advisory
- ▶ ERP/Accounting System Optimization
- ▶ ERP Implementations

For guidance or questions on the 8(a) Business Development Program, contact:



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Your Guide Forward