

Thinking locally, defending nationally

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Land-mine detectors stand by as a U.S soldier maneuvers a robot into a cave to detect mines, traps, and unexploded ordnance as well as weapons or equipment possibly hidden by the Taliban or al-Qaida in Afghanistan.

SEVERAL factors have led to a tough year for local businesses, especially local federal contractors. The Obama administration's decision to minimize contractor support has had a tremendous impact on how companies in our area do business.

Some defense contractors, in particular, were rolling up their sleeves and sharpening their pencils as early as last spring, when then-candidate Barack Obama's advocated cuts in military spending to boost social programs.

The initial reaction to Obama's election in the defense-contractor community was one of collective panic: Circle the wagons! Hire a consultant!

But amidst this change, good companies in our area can still do well. It is not all about the defense budget-- it is still about how you do business, and businesses in the Fredericksburg region have an excellent reputation.

Make no mistake, the release of the Obama budget and subsequent cuts to defense spending--including halting many longstanding, major programs such as the F-22 fighter jet and key missile-defense programs--have quickly doused companies in and around the Beltway with a bucket of cold, wet reality.

Combined with the administration's commitment to reducing the number of contractors in favor of a larger federal work force, these cuts point to a challenging future for the government-contracting industry and a notable shift away from policies of the Bush years, when spending on contractors rose from \$208 billion to \$423 billion by 2006. So, where do local defense businesses go from here?

The answer, I believe, is simple: Carry on with business as usual.

This approach may seem counterintuitive given the current situation. We are, after all, facing a financial crisis, major cuts to key defense programs, two wars, and significant drawbacks on the contractor work force.

For companies in our region that rely on government contracts to pay their bills, the temptation to completely overhaul their corporate strategies and bury their collective heads in the sand can be overwhelming.

However, I would argue that staying on track has its merits. Those companies that continue to do great work for their clients have the best chance of coming out on top when the economy improves.

The vast majority of contractors--those working both in the defense industry and elsewhere--are talented, skilled workers whose dedication to their client and commitment to the interests of our nation provide a critical service that will always remain.

The Fredericksburg/Stafford business community--the "little brother" of the Beltway Bandits--is a key contributor, with companies large and small making a difference.

As the owner of a small, disabled-veteran- and family-owned business based in Stafford County, I am proud to say that we are one of many companies in the region making a positive contribution to both the local economy and national security. Over the past several years, we have played a critical role in building the Defense Department's ability to rapidly provide new life-saving technologies to soldiers and Marines serving in Iraq and Afghanistan.

These technologies--ranging from remote-controlled robots, to improved body armor, to jamming devices that prevent roadside bombs from exploding--have decreased the number of casualties per attack and saved countless American lives.

We have helped the government field these technologies in much less time than the legacy acquisition process normally would allow by applying our signature "Rapid Support" concept to acquisition. The result is a much more streamlined process, eliminating the red tape, schedule delays, and cost overruns that have plagued the Pentagon of years past.

This is only one example of how small, local businesses can continue to be relevant in tough times.

To weather this storm, local companies need to stay true to their mission of helping government meet its needs. Local businesses must bind together, partner when possible, and maintain relationships that foster the critical exchange of ideas that affect our region and industry. In doing so, we can share insights and best practices, helping each other continue to be competitive forces in the greater Washington business circles and in the federal contracting industry.

I know from my vantage point we will continue to do what we can to help the government meet its mission. Our men and women in uniform serving overseas need us. That's what we're here for.

Tom Reger is president and CEO of The Reger Group, a defense contracting company in Stafford County.

