

## City, State Contracts Boost Downtown Small Biz

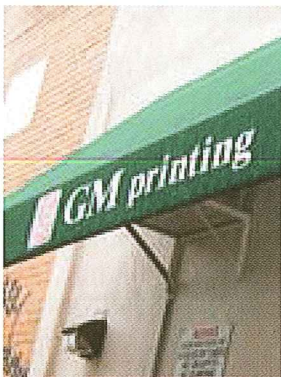
August 31, 2004



When K.Y. Chow thinks about city government, he sees dollar signs. For Chow, who runs a designer printing shop in Chinatown, the city officials are more than the enforcers of parking regulations and collectors of income and property taxes. They also represent valuable business opportunities -- im-

portant contracts that can help keep his business in the black.

When you consider that New York City spends \$9 billion each year in procurement -- paying for the services of countless businesses to fill the needs of its many agencies -- it seems like Chow has the right idea. The New York City Department of Small Business Services (SBS) runs several programs to help him and other downtown business owners get a nice-sized slice of that multi-billion-dollar pie.



GM Printing, Chow's 10,000-square-foot high-end designer printing shop and translation service, secured a significant job last year with SBS's help. Through his contact with SBS representative Marsha Wolf, he learned that the Lower Manhattan Development Corporation (LMDC) was looking for a printer.

"Marsha had been working with me for five years on networking and purchasing opportunities," Chow says. "She would summarize jobs in the city and send me an email about anything related to printing." Wolf's summaries came as part of an SBS initiative called the Procurement Outreach Program, which, among other things, aims to help small businesses navigate the government bidding process, identify appropriate business opportunities, and prepare competitive bids.

Included on a list Wolf sent in December 2002 was the LMDC, the joint city-state agency formed in the

aftermath of 9/11 to help plan and coordinate the rebuilding and revitalization of Lower Manhattan.

"The LMDC is a big outfit that every printer would like to get into," says Chow, who learned from Wolf that, in order to bid on the contract, his firm needed to submit six copies of a proposal showing its capabilities and how it outpaced its competitors.

While SBS can't tell a business what amount to bid on a project, the department does help demystify the procurement process. "Putting a bid together is like putting together a mortgage package or a grad school application," says SBS Assistant Commissioner Reggie Grayson, who runs the Division of Economic and Financial Opportunity. "There are very specific things you have to do and specific ways you have to do them. It can be quite daunting."

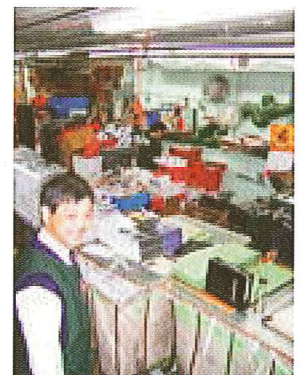
Wolf is one of several SBS representatives who provides free procurement technical assistance to New York City small businesses. With her guidance, Chow set out to prepare a compelling proposal.

"I didn't want to say we are better than others, so I tried to convince them in our own objective way," Chow says. Scanning recent GM Printing projects, he looked for a case study that would showcase his firm's high quality work while also underscoring its ability to provide quick turnaround and competitive pricing. These were all qualities the LMDC would be looking for in a printer, Chow reasoned.

"Less than two months later they got back to me saying that we are an official printer of the LMDC," Chow says with a big grin.

### A Helping Hand

Chow is not new to business -- he spent 15 years working as a merchant banker in Hong Kong before coming to New York in 1990. Since moving here, he's spent nearly another 15 years learning the nuances of the printing business. But despite his vast experience, it can still sometimes be difficult for a minority-owned firm to find the right opportunities, he says.



"It is so important for SBS to open up the channels for us, because so often minority firms don't know where to go," agrees GM Printing's vice president of marketing, Ken Hom. For that reason, in addition to taking advantage of procurement technical assistance, GM Printing participates in a second SBS program designed to help small businesses get certified as New York City Minority/Woman-Owned Enterprises (M/WBEs) or Locally Based Enterprises (LBEs).

These designations are accorded to businesses that are 51 percent owned, operated, and run by a minority or woman (M/WBEs) or to construction and construction-related firms that report less than \$2 million in annual revenues (LBEs). The program is designed to increase opportunities for those who don't have a long record of doing business with the city.

Certification as a M/WBE or LBE brings a variety of advantages to businesses, including listings in an online directory for city buyers. These listings, which include a company profile, a link to the company website, and two recent examples of work the company has done, are regularly accessed by city buyers who make micropurchases, or purchases less than \$5,000, according to SBS's Grayson.

Certified M/WBEs and LBEs are also aided where small purchases -- purchases under \$100,000 -- are concerned. In the past, city buyers looking to make small purchases would log on, describe the services they needed, and get a random list of five qualifying bidders from the main vendor database of 30,000 businesses. Thanks to recent changes designed to benefit small businesses, buyers now get the original random list of five, as well as another five drawn directly from the small vendor pool, which includes certified M/WBEs and LBEs. "The small vendor pool has only about 3,000 vendors," Grayson says, "so the chances of getting a solicitation are vastly improved."

M/WBE certification, which GM Printing received last month, means being able to penetrate more agencies in the city for larger purchases. Of particular interest to the small printing firm is the New York City Department of Health (DOH), Chow says. "We could do translation and then print for them as well," he suggests, pointing to the fact that the health department's printed materials are often distributed in Chinese. With official M/WBE certification in hand, Chow and Hom are both confident that they will quickly learn exactly what's required for bidding on DOH contracts.

And they don't intend to stop there. "These services have inspired us to go further," Hom says. "Now we're going to the state level. We would not have penetrated the state level if we didn't have SBS behind us."

GM Printing also has applied for and received M/WBE certification for New York State, which allows them to aggressively pursue any printing jobs in state organizations. "Anything state-owned and -run we now have the opportunity to bid on," Chow says.

They currently have bids in to print the college bulletins for several state universities. "We could not win a single bid, but at least we know who the contacts are," Chow says. Some schools, like Stony Brook, are looking to print bulletins for as many as 30,000 students. "If we get one of these it's very significant," Hom says. "And these are all opportunities we wouldn't have had before," he adds.

And the opportunities just keep coming. Mayor Michael Bloomberg and SBS Commissioner Robert Walsh in early August announced a new public-private partnership, called the New York City M/WBE Procurement Alliance, which makes GM Printing's M/WBE certification even more valuable. Through the newly formed alliance, city-certified M/WBEs can now bid on contracts with participating Fortune 500 firms, including Altria, Colgate, IBM, Macy's, NBC Universal, and Pfizer.

But for as many doors as SBS may help open for GM Printing, winning business still comes down to hard work and business acumen. "SBS has really taught us how to do procurement, but that's not to say that we were clueless," Hom says. "We've been introduced to opportunities through their encouragement and referral, but once they open the door for us, it's up to us to pursue. Then it becomes all about our salesmanship, our relationship management."

Indeed, that salesmanship and relationship management have helped the firm increase its contract with the LMDC from an initial \$10,000 to \$50,000 and then to \$200,000. "The volume is getting higher and higher," Chow says.

