

Small Firm Successfully Navigates Homeland Security Maze

By Maureen Sirhal for Technology Daily

Small companies seeking to sell high-tech gadgets to Uncle Sam may want to look to Infoglide Software as a model.

The Austin, Texas-based maker of fraud-detection software has obtained something that has eluded many small businesses over the last two years – a piece of the federal government’s \$29 billion Homeland Security budget.

But how did a company that employs fewer than 39 workers successfully navigate the government procurement maze? “With a little bit of luck and a lot of hard work,” explained Infoglide CEO and President Mike Schultz.

Back by insurance industry investments, Infoglide originally launched in 1996 to develop software that could search for similarities or patterns in data.

In the weeks following the Sept. 11, 2001, terrorist attacks, Infoglide connected with the Transportation Department and the agency that became the Transportation Security Administration (TSA) and eventually garnered a lucrative contract.

“With a background in fraud detection and alias identification, you could guess that after the events of 9/11 our software had high applicability in the government,” Schultz said.

Infoglide’s business development officials placed calls to Transportation Secretary Norman Mineta, pitching their ready-made software as a potential security aid. Those calls helped paved Infoglide’s foray into the government market. Mineta referred the firm’s officials to TSA technology procurement officers.

Having formed in the wake of terrorist attacks, the agency was “eager to listen to companies who made sense,” Schultz said. The firm competed against more than 1,000 companies for a spot as a subcontractor on a TSA initiative before the agency chose the leading contractor, Lockheed Martin.

“That whole process enabled small companies . . . to send its best and brightest,” Schultz said. Firms employing as few as 10 workers and as many as 10,000 competed in the process, he said.

Although prohibited from disclosing the nature of its TSA contract, Schultz said he believes the firm was selected “because we could demonstrate in a live circumstance a system that could solve the problem.”

Infoglide’s success story may assuage some of the criticism by small-business owners, who have said security-related federal spending is chiefly awarded to large companies. The House Small Business Subcommittee convened hearings in October to consider whether the bulk of homeland security contracts favored large firms.

Infoglide’s exposure in TSA has boosted the company’s profile among other federal departments. Many project leaders within Homeland Security are “analyzing the applicability of our software,” Schultz noted. The company anticipates opening a branch office in Virginia.

Kevin Boshears, who heads the small-business utilization office at the Homeland Security Department, told the House committee that the department is awarding about 23 percent of its contracts to small firms.

Last week, Homeland Security announced the formation of a small business grant program to spur development of technologies that could be used in a host of security applications.

High-tech industry groups, such as AeA, also are striving to connect technology entrepreneurs with the technologies produced federal agencies in need of innovative ideas.

Schultz acknowledged that complex regulations and the sheer size of the federal government made the idea of bidding on a contract more of a headache than it was potentially worth. But he credited reforms undertaken by former White House e-government chief Mark Forman to better enable smaller entrepreneurs to compete for business opportunities.