

## Making the Most of Small Business in Cybersecurity

The Federal Government contracts >\$2.8B annually for cybersecurity - the deploying of people, policies, processes and technologies to protect organizations, their critical systems and sensitive information from digital attacks. As threats to networks increase, spending on cybersecurity has, and is expected to, see double digit growth in coming years. When we breakdown the cybersecurity category and compare federal spending to commercial sector, opportunities to better utilize small business are seen.

Federal Contracting	SAM Registrations	Worldwide Industry
FY23 Total \$: ----- <b>\$2.8B</b>	# businesses:	Total \$:----- ~\$219B
# businesses: ----- <b>871</b>	<b>4,251 (2,965 active)</b>	# businesses:----- ~37.5k
Small Business:----- <b>\$1.3B</b>	# SBs:	Small Business:----- <b>\$99.6B</b>
# SBs:----- <b>629</b>	<b>4,047 (2,903 active)</b>	# SBs:----- ~36k
SB utilization %:----- <b>47.2%</b>		SB utilization %:----- <b>45.5%</b>

- Awards have been made to ~26% of active businesses in SAM asserting to provide cyber
- Federal Government utilizes small businesses at a rate consistent with commercial, and has made many strides in increasing small business utilization in recent years.
- Agencies heavily use Government-wide contracts, especially Multiple Award Schedule (MAS)/IT Schedule 70 (\$821M), SEWP (\$225M), and NITAAC (\$209M), to acquire cybersecurity. These contracts also have some of the highest small business performance.
- Large businesses are the primary manufacturers of cyber products, but small businesses are frequently used for services such as integration and managed security, e.g., auditing, monitoring, end point, consultancy, etc.

## Insights for Federal Buyers

1. Government-wide contracts (BIC and Tier 2) have the highest small business performance. MAS in particular has several [pre-screened small business vendors](#) who have not won tasks (380). Consider a multi-agency contract or MAS award if other tiered contracts cannot meet the need via small businesses.
2. Small businesses excel in providing cyber services, but services have the lowest SBU of subcategories (38%). Consider managed services or integration services for set aside contracts where appropriate.
3. For purchase of products through resellers, consider small businesses 1<sup>st</sup>. While large businesses are often utilized, small businesses have a proven record and are some of the top cyber resellers in the federal government.

Sources: FPDS-NG, System for Award Management (SAM), [GSA Supplier Base Dashboard and Procurement Equity Tool](#), [US Economic Census/Annual Business Survey](#), [Gartner](#), [International Data Corporation](#), [The computer security resource center at NIST](#)

# Select Views of Federal Cybersecurity (Contracting)

## FY23 Top Contracts and SUM Breakout

Contract Name	SUM Tier	% SBU	% Spend	Obs (\$M)
NAVWAR Major Defense Acq	TIER 1	1%	20%	487.7
SCHEDULE 70-INFO TECH	TIER 2	55%	18%	514.9
Blank	TIER 0	17%	9%	247.1
NASA SEWP	BIC	91%	8%	225.1
Socioeconomic Disadvan	TIER 2-SB	100%	7%	197.4
MAS	TIER 2	91%	6%	176.9
Sched 70 HW SW	BIC	44%	4%	129.4
NITAAC CIO SP3 Unrestricted	BIC	0%	4%	107.8
ALLIANT 2	BIC	0%	3%	92.4
NITAAC-SP3 Small Business	BIC	90%	3%	91.5
SEAPORT	TIER 1	93%	3%	82.8
Cyber and Privacy CyPRESS)	TIER 1	0%	2%	60.9
Other			13%	372.8
		<b>Total</b>	<b>100%</b>	<b>2,886.8</b>

## FY23 Top Funding Agencies

Top Funding Department Name	OSB (\$M)	SB (\$M)	SBU %
DEPT OF DEFENSE	850.5	498.3	36.4%
HOMELAND SECURITY	133.5	243.1	64.5%
STATE	197.8	35.5	15.2%
JUSTICE	34.8	84.1	70.8%
HEALTH AND HUMAN SERVICES	21.3	77.5	78.4%
VETERANS AFFAIRS	13.3	74.9	84.9%
TREASURY	29.6	36.0	54.9%
NASA	61.1	.7	1.0%
SOCIAL SECURITY	38.7	18.3	32.1%
EDUCATION	.01	56.5	99.9%

## FY23 Top Contracts and SUM Breakout (cont.)

Row Labels	%SBU	% Spend	Total Obs(\$M)
<b>BIC</b>	55%	27%	<b>779.9</b>
<b>TIER 2</b>	70%	34%	<b>989.3</b>
<b>TIER 1</b>	22%	30%	<b>857.4</b>
<b>TIER 0</b>	21%	9%	<b>244.0</b>

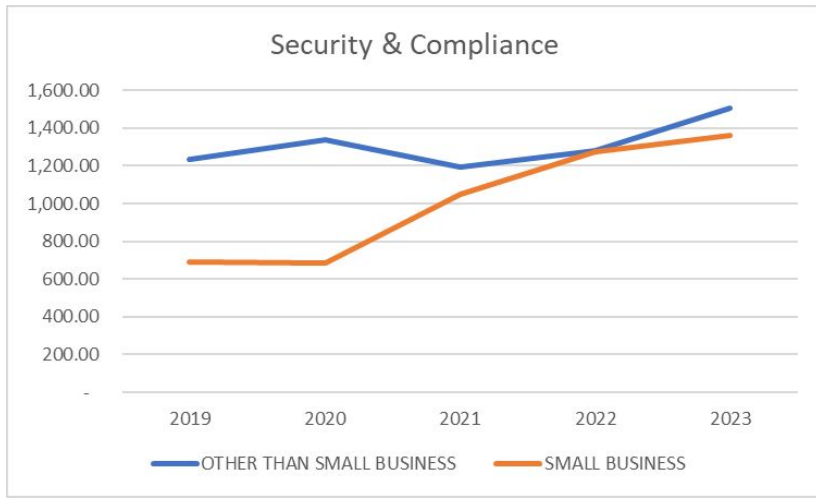
## FY23 Top Vendors

Indicates SB

Vendor	Reseller (primary)	Obs (\$M)
SCIENCE APPLICATIONS INTERNATIONAL		583.6
ACCENTURE FEDERAL SERVICES LLC		124.9
BOOZ ALLEN HAMILTON INC.		114.4
HARRIS IT SERVICES CORPORATION		99.1
LEIDOS INNOVATIONS CORPORATION		92.5
DELOITTE CONSULTING LLP		86.0
ELECTRONIC CONSULTING SERVICES		65.8
MINDPOINT GROUP, LLC		54.3
STRATEGIC ENTERPRISE SOLUTIONS.		34.7
CARAHSOFT TECHNOLOGY CORP	X	33.8
SENTAR INC.		33.6
THUNDERCAT TECHNOLOGY, LLC	X	29.7
IRON VINE SECURITY LLC		26.6
ASRC COMMUNICATIONS, LTD.		26.5
DYNAMO TECHNOLOGIES		25.2
STRATEGIC COMMUNICATIONS, LLC.		23.4
MAVERIS LLC		22.4
MINBURN TECH GROUP	X	22.4
SYNAPTECH CORP		21.5
FCN	X	21.4
Other		1,345.1
<b>Total</b>		<b>2,886.8</b>

# Select Views of Federal Cybersecurity (Contracting cont.)

## SB vs OSB Contracting Trends



## FY23 Socio-economic and subcategory detail

	SB (\$M)	Other (\$M)	% SB
Capability As a Service	\$256	\$71	78%
IT Professional Services	\$827	\$1,354	38%
Products	\$276	\$80	74%

Type	# Businesses	% Utilization
SB	629	47.2%
WOSB	140	12.4%
SDVOSB	123	9.8%
SDB	19	0.9%
8(a)	170	14.7%
Hubzone	69	4.0%

NAICS	NAICS Description	% Total
541512	Computer Systems Design Services	43%
541519	Other Computer Related Services	33%
541511	Custom Computer Programming Services	9%
541330	Engineering Services	5%
Other		10%

# Select Views of Cybersecurity (Industry)

## Cyber Subcategories Total = \$219B

Subcategory	% Total
Managed Security Services	19.2%
Endpoint Security Software	13.5%
Network Security Appliances	12.6%
Identity and Digital Trust Software	9.3%
Integration Services	8.6%
Other	36.8%

## Top Vendors by Select Cyber Subcategories

Advanced Persistent Threat Protection	Identity and Access Management	Next Generation Firewall Security
<ul style="list-style-type: none"> <li>Broadcom</li> <li>Fortinet</li> <li>FireEye</li> <li>Raytheon Technologies</li> <li>McAfee</li> </ul>	<ul style="list-style-type: none"> <li>CyberArk</li> <li>Cisco</li> <li>Twingate</li> <li>Oracle</li> <li>Okta</li> </ul>	<ul style="list-style-type: none"> <li>Sophos</li> <li>Cisco</li> <li>Juniper Networks</li> <li>Forcepoint</li> <li>Palo Alto Networks</li> </ul>
IoT Security	SIEM	Antivirus/Antimalware
<ul style="list-style-type: none"> <li>Microsoft</li> <li>AWS</li> <li>Google</li> <li>IBM</li> <li>Intel</li> </ul>	<ul style="list-style-type: none"> <li>SolarWinds</li> <li>Datalog</li> <li>Splunk</li> <li>McAfee</li> <li>Micro Focus</li> </ul>	<ul style="list-style-type: none"> <li>Avira</li> <li>McAfee</li> <li>Avast</li> <li>Bitdefender</li> <li>Emsisoft</li> </ul>

Kaspersky is a cybersecurity market top vendor, but is not permitted under FAR 52.204-23 as per FY18 NDA