

DMG BRIEFING NOTE: Company Establishment

Executive Summary

When you first enter Federal Government contracting or defense manufacturing, the number of unknowns increases exponentially. Entering the world of government contracting is more than proposal writing and negotiating a contract. Acquiring a DUNS number and registering with FedBizOps is just the start. Contractors must be prepared to deal with the NISP, TINA, FAR and DFARS when drafting a proposal and progressing through the negotiation phase. *(Please see forthcoming DMG Briefing Notes on FedBizOpps, NISPOM, TINA, FAR and DFARS).*

Once a contract is won compliance requirements become a major concern. Contractors must know and comply with FCPA, ITAR, EEOC, and Veteran employment reporting in addition to a myriad of other Federal laws that apply to all companies. Depending on the terms of the contract and the size of the company, the contractor may have to draft a Business Code of Ethics, an Affirmative Action Plan, and policies to implement compliance programs for applicable Federal law. *(Please see forthcoming DMG Briefing Notes on FCPA, ITAR and EEOC).*

Performing the contract on time and within budget is a requirement, but it is not all that is required. You must be prepared for a government audit from one of the Federal audit agencies such as the DCAA. Ensuring that your accounting is in proper order and that all materials are tracked correctly will go a long way to minimizing any disruption caused by an audit. It is essential that you prepare for this possibility on day one when you begin to develop your first proposal.

How DMG Can Help You

The founders at DMG have established defense contractors and have first hand experience setting up a successful company. From drafting proposals to building a compliance department, DMG can deliver advice and guidance that will allow you to focus on the core of your business. We have been through government audits and we know the disruption they can cause. More importantly, we know how to prepare for one starting with a proper proposal draft.

Establishing any new company is fraught with many unknowns. From choosing a legal entity and drafting by-laws, or an operating agreement to hiring employees and entering into a lease, an entrepreneur is faced daily with decisions. To be successful, you will need to know your state and local requirements to do business, ensure you comply with all tax laws and business license requirements, and be aware at all times of your risks.

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Regulations and commercial considerations relevant to establishing a company in the U.S. can change between States and over time, and The DMG is delivering a series of seminars on Government Contracting. For the latest information please contact info@defensemg.com for current information on venues and schedule. Alternatively, please register at www.defensemg.com so that we can email to you new and updated briefing notes as they become available.