



Length of Time in Business - Five Conditions

There are Five Conditions that you must address to be granted a Length of Time in Business Waiver. Listed below are the conditions and some suggested details that you should include if they fit your situation.

Condition 1: The individual's upon whom eligibility is based must have substantial business management experience.

The SBA is curious to know whether the disadvantaged owner has sufficient previous experience in managing the applicant business, on a day-to-day basis, to exhibit the potential for success that is required within the 8(a)BD Program.

1. For how many years have you owned and run the applicant concern?
2. What are the major products or services that you provide in the current applicant concern?
3. Have you ever owned and run any other company in the same marketplace (i.e. SIC Code) as the applicant concern? What was the name of this company? For how many years did you own and run this company? What were the major products or services that you provided in this company?
4. Have you ever owned and run a company in a different marketplace (i.e. SIC Code) as the applicant concern? What was the name of this company? For how many years did you own and run this company?
5. What was the degree of similarity among the products or services provided in your former business or businesses to those provided in the applicant concern?
6. Please provide additional evidence, if any, of other top leadership, management or supervisory positions that you have held in the past
7. Describe your management experience in the above or similar positions by identifying your day-to-day functions, while participating in the Leadership, Culture and Climate Development, Acquiring and Development People, Planning, Organizing, Controlling, Technical Contributions, and Business Development and Client Relations

Condition No. 2: The applicant firm must demonstrate the technical experience to carry out its business plan with a substantial likelihood of success.

1. Do you currently have a business plan for the applicant concern?
2. When was this plan developed?
3. How often is it updated?
4. Does your business plan address the questions and issues suggested in the SBA's 8(a) Business Plan, SBA Form 1010C?
5. What are the major goals specified within your plan and your demonstrated progress toward achieving these goals in each of the following areas:
 - Marketing and Sales
 - Products and/or Services
 - Management, Organization, and Personnel
 - Finance
6. What is your personal and/or your management team's level of experience and degree of competence in the areas shown below that are required to successfully carry out your business plan?
 - Marketing and Sales
 - Products and/or Services
 - Management, Organization and Personnel
 - Finance
7. What do you and your management team see as the major environmental (technological, economic, political, legal/regulatory, social/cultural) factors in your selected marketplace that would suggest that the goals within your business plan are reasonably achievable?
8. What unique or special technical expertise do you and other members of your company team have that you believe will sustain your business during its early formative years?
9. What evidence (i.e., Reference letters, awards, etc.) can you provide that your technical experience or that of other members of your company team is or has been recognized by current or former clients of the applicant concern?



Condition No. 3: The applicant firm must have adequate capital to sustain its operation and carry out its business plan.

1. What are your projected sales revenues within your business plan for your company's current fiscal year?
2. What are your most recent three-month average sales?
3. What is the average aging of your receivables, expressed in days?
4. How many days of working capital do you foresee being required to adequately fund your business?
5. Do you currently have a line-of-credit to finance your capital requirements? What is the nature of this line-of-credit? Who is the provider of this line-of-credit? What is the maximum amount of funds available under this line-of-credit or loan? What is the interest rate for this line-of-credit or loan agreement? What is the commitment period for this line-of-credit or loan agreement? How is this line-of-credit secured or collateralized?
6. In addition to the line-of-credit or loan, if applicable, what other sources of capital are currently needed to finance the operation of the company?
7. Does the applicant concern have a current pro-forma, or forecasted statement of cash flow?
8. What are the maximum cash needs reflected within this cash flow
9. Are there adequate funds, from all available sources, to support the cash requirements of the applicant concern?
10. What will be the source of funds available to support the cash flow needs of the firm?
11. Does your company require up-front deposits for work to be performed? If yes, to the upfront deposits, what is the typical percentage of total contract price that you request and generally receive?
12. What are the general payment terms that are included in your contracts?
13. What actions, if any, are routinely taken by your company to expedite the timely collection of receivables?

Condition No. 4: The applicant firm must have a record of successful performance on contracts from governmental or non-governmental sources in its primary industry category.

1. Has the company acquired, completed, or is it currently working on any contracts, whether government, non-government, or as a subcontractor? If yes, you should provide a listing of all contracts you are or have completed to include: contact information, nature of contract, amount of contract, duration and results of completed contracts (e.g., on-time, within budget, acceptable quality).
2. Have you had promising discussions with government, commercial, or government prime contractors concerning business opportunities that would be available to you if your concern were to receive the 8(a)BD certificate? If Yes, you should request your prospect to complete a Commitment Letter and attach it to your waiver request.
3. Has the applicant concern or its principles received any of the following? If yes, include copies of them with your waiver request.
 - Company Letter of Commendation
 - Personal Letter of Commendation
 - Follow-On Contract
 - Other Awards or Recognition

Condition No. 5: The applicant firm must have the ability to timely obtain the personnel, facilities, equipment, and any other requirements needed to perform such contracts.

1. Personnel – Which of the following statements currently applies to your business's situation?
 - Have on-board all that may be required.
 - Have the nucleus of the people required and have contingent offers to qualified candidates.
 - Have adequate database of qualified candidates.
 - Have existing relations with Recruiters, Personnel Agencies, and Temporary Agencies to provide the necessary staff on a reasonable turn-around basis.
 - Also, provide an explanation of your current and future personnel requirements plan. (Required)
2. Facilities – Which of the following statements currently applies to your business's situation?
 - Have adequate office space.
 - Have some space and can be expanded to meet growing demand
 - Have located adequate facilities that can be made available when needed



- Have existing relationship with local commercial real estate brokers that have knowledge of available commercial space that will meet our needs.
 - Also, provide an explanation of your current and future facilities requirements plan. (Required)
3. Equipment – Which of the following statements currently applies to your business's situation?
- Have all that will be required to perform such contracts
 - Have the majority of what is required and we will be able to secure more equipment either on a capital lease or rental basis
 - Will be able to purchase or lease when required
 - Knowledge of where to secure this equipment and have also determined that bank or leasing company will finance the acquisition.
 - Also, provide an explanation of your current and future equipment requirements plan. (Required)