THE DEFENSE-READY SERIES · PART 3 OF 4

The Cost of Readiness, Demystified

The fear that getting defense-ready means a six-figure compliance bill keeps most suppliers from ever starting. The real numbers — and where the money actually needs to go — are less frightening than the rumor.

By Jerold Hawkins · 9 min read

Somewhere between the second and third conversation about defense work, almost every supplier I talk to hits the same wall. They heard a number. Usually at a conference, or from a peer who started down the road and backed off: "CMMC will cost you six figures." And quietly, without ever deciding to, they close the door. The number does the deciding for them.

The Michigan shop owner from Part 1 was no different. He could absorb a hard questionnaire and a long path. What stopped him cold was a figure he'd heard secondhand and never seen broken down — a single intimidating number, detached from any context about what it actually covered or whether it even applied to him. So let's break it down. The rumor and the reality are not the same thing, and the gap between them is where most good suppliers lose their nerve for no good reason.

Where the Six-Figure Number Comes From

The scary number is real, but it's attached to one very specific thing: full Cybersecurity Maturity Model Certification at Level 2, verified by a third-party assessor, measured across a three-year cycle. The Department of Defense's own published estimates put a small business's Level 2 third-party certification in the low six figures over those three years — and most of that is the assessment, the reporting, and the annual affirmations, not the security work itself.

Here's the part nobody repeats when they pass the number around: that DoD estimate assumes you have already implemented the underlying NIST SP 800-171 security controls. In the government's framing, the six-figure figure is what you pay to prove you're compliant — not what you pay to become compliant. The implementation is treated as something a defense supplier should already have been doing for years. Whether or not that assumption is fair to a shop just entering the market, it tells you something important: the number you heard and the work in front of you are two different things, and conflating them is exactly what scares people off. When a peer tells you "it cost six figures," the honest follow-up question is "six figures to do what, starting from where?"

Not Everyone Needs the Expensive Door

The next thing the rumor flattens is that there is more than one level, and the one you need is set by the data you handle — not by your ambition. Level 1 is for suppliers handling basic Federal Contract Information: a short list of foundational practices, confirmed by an annual self-assessment, and it lands in the low five figures, not six. Level 2 is the one tied to Controlled Unclassified Information and the full set of NIST 800-171 controls, and for most contracts it's the level requiring an outside assessor. Level 3 exists for the most sensitive programs and is a different conversation entirely — one most suppliers will never need to have.

Many suppliers' first defense parts never touch CUI at all. A bracket, a machined housing, a non-sensitive component — plenty of legitimate, profitable defense work sits at Level 1, well inside reach of a shop that's never done a federal contract. Assuming you must clear the highest, most expensive bar before you can win anything is one of the most common and most expensive mistakes I see. It's expensive precisely because it talks good companies out of the market before they've checked which door actually applies to them. The first real question isn't "can we afford CMMC?" It's "what will we actually be handling, and what level does that require?"

Readiness Is Sequenced, Not a Lump Sum

Even when Level 2 is genuinely the target, you don't write one check. Readiness is a path — typically twelve to eighteen months — made of decisions you stage over time. Most of those decisions are operational, not exotic: writing down a process you already follow, tightening how you handle email and file access, documenting a system security plan, closing specific control gaps one at a time, on a schedule you control. You fund it the way you'd fund any capital improvement — deliberately, in priority order — not as a single terrifying invoice that lands all at once.

It helps to separate three things the rumor blurs into one. The first is discipline: process, documentation, evidence. That's mostly time and management attention, not cash — and it's where a surprising amount of the score actually lives. A shop that already runs a tight quality system has done more of this than it realizes; the work is often translating practices you already follow into the documented form an assessor expects to see. The second is cash: technology, monitoring, the assessment fee itself. Real money, but bounded and plannable — you can get quotes, build a budget, and phase the spend. The third is expertise: knowing which controls actually apply to a shop your size and not gold-plating the ones that don't. That's where outside help earns its keep, by keeping you from spending on the wrong things — the single most common way small shops blow their budgets is buying enterprise solutions to problems they don't have.

And the single biggest variable in the whole equation is your starting posture. Industry assessments are consistent on this point: the third-party assessment fee is usually only a fraction of total cost — the real driver is gap remediation, the work of closing the distance between where your systems are and where the standard says they need to be. A shop that already runs a mature IT and quality system can spend dramatically less getting ready than one starting from a single shared password and an antivirus subscription. Picture two shops side by side: one already has an organized network, documented procedures, and a quality manager who lives in evidence; the other has none of that. They're bidding the same contract, but their readiness bills won't be remotely the same, and the difference has almost nothing to do with the assessment and almost everything to do with where each one started. Your existing discipline isn't just a head start. It's a direct discount on the number that scared you.

The Cost Nobody Quotes You

There’s a cost the rumor never mentions, because it doesn’t arrive as an invoice: the cost of staying unready. It’s the contracts you can’t bid because you can’t check the box. It’s the primes who quietly route around you to a supplier who can answer the questionnaire, and who keep routing around you long after you’d have been ready, because you’re no longer the company they think to call. And for a lot of Michigan shops, it’s the concentration risk that made you look at defense in the first place — a customer base tied to one industry going through its own historic transition. Standing still has a price. It just doesn’t send you a quote, so it never shows up in the comparison, and the rumor wins by default.

There’s Money on the Table

If cost is the thing holding you back, you should know that Michigan is actively trying to help small manufacturers cross exactly this gap. The Michigan Auto Supplier Transition Program — MAST-P, administered by the Michigan Economic Development Corporation and delivered through a statewide partner network — was built to help very small auto-supply-chain manufacturers diversify into adjacent industries, with defense and aerospace named explicitly among them. Companies accepted into the program get no-cost access to advisory services, business assessments, technical consulting, and educational programming through the program’s partners.

It isn’t for everyone. Eligibility is aimed at very small businesses connected to the automotive supply chain, with targeting around specific Michigan counties and underserved owners, so you’ll want to confirm the current criteria before you count on it. But the larger point stands: the assumption that you’re funding this entirely alone is often simply wrong. There are state and federal programs designed to absorb part of the early cost of getting ready, and the suppliers who benefit are the ones who bothered to look for them instead of assuming the whole bill was theirs to carry.

The Number That Should Actually Worry You

Add it up and the picture inverts. The six-figure rumor describes a worst-case version of the most expensive path, measured over three years, on the assumption that you’ve done none of the underlying work — and even then, much of it is provable discipline and staged remediation, with real help available to offset it. Sized to your actual data, your actual level, and your actual starting posture, the number is almost always smaller, slower, and more manageable than the version that gets passed around a conference hall. That’s a budget line, not a brick wall.

The number that should genuinely worry you isn’t the cost of getting ready. It’s the cost of staying put while your existing market contracts around you. Readiness is a managed investment with a known shape and a finish line. Standing still is the open-ended one, and it compounds quietly every year you wait. In Part 4, I’ll turn the camera around and show you what primes actually reward once you’re through the door — the handful of signals that move a supplier from merely qualified to genuinely preferred.

Take the complimentary DXP™ readiness screener and get an instant eight-domain snapshot at summitlinefederal.com.

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This is Part 3 of a four-part series, The Defense-Ready Series, for Michigan manufacturers weighing a move into defense and aerospace. Read the full series at summitlinefederal.com.