

Appendix V

Case Background Report

Case 1: Advanced Technology Systems Inc. (ATSI)

Started: 1997

Headquarters: Ellicott, Maryland

Annual Revenue: \$14,000,000

Employees: 60

Process Improvement Initiative: Capability Maturity Model Integration (CMMI)

Maturity Level 3 (Period for implementation: 27 months)

Over the years since its inception, ATSI has received numerous industry and community awards as a high performance small company. Some of these awards are mentioned below:

- Developing Economic Value (DEV) Award, Maryland Howard County, 2011
- Innovative Creative Entrepreneur (ICE) Award, Morehouse College, 2011
- Supplier Excellence Award, Federal STARS Team Excellence Award, 2009
- Outstanding Supplier, Federal STARS Team Excellence Award, 2009
- Maryland Certificate of Achievement Award, Department of Business and Economic Development, 2007
- 50 Fastest Growing Companies, Department of Business and Economic Development, State of Maryland, 2005
- 50 Fastest Growing Minority Companies, Black Enterprise Magazine, 2005

Business Offering:

ATSI is a software and systems engineering company that provides a wide range of solutions to the Intelligence sector of the federal contracting industry. Services are offered in the areas of service-oriented architecture development, informatics, enterprise information integration, federated search, advanced analytics, early-event detection and complex event processing, very large database design, and high-volume ingest and information visualization. These services are offered through a variety of

contractual arrangements, including service engagement contract, staff augmentation, technical consultation, and prototype research.

Background:

Having worked for a number of years for the federal government and other federal contracting companies as a software engineer, Mark Sharpton, ATSI president, decided in 1997 to start a single-owner, one-employee company to give him the flexibility and freedom of being his own boss. Mr. Sharpton thought that that since he had relationships and access to decision makers in the federal government and since 'lack of access is the number one barrier for most firms in the federal contracting industry', he would start a company focused on the federal contracting industry. However, as he talked with other entrepreneurs in the federal contracting industry, he found that while many companies were succeeding, many were also failing because, as he states, 'In the defense contracting business, a large part of the revenues are tied to contracts, and these contracts are tied to the problems that the administration of the day find to be important problems. So if you are on the outskirts of that and there is a budget shift, the risk is that your contract or client will go away. So my decision was to choose some area that was a big problem that would be funded for a long time. Rather than chase every business opportunity that existed in the defense industry, I elected to pursue opportunities that were focused on counter-narcotics'. After the terrorist attack on the United States on 9/11/01, Mr. Sharpton pointed out that much of the software ATSI was developing to support counter-narcotics also supported counter-terrorism, which helped create new opportunities for ATSI and allowed ATSI to sustain growth over the past 13 years. According to Mr. Sharpton, because ATSI was purely a services company, 'I found pretty quickly that our success was tied to keeping people employed by our ability to sustain the people that we had employed and attract new ones to achieve growth, and that led to the development of internal programs to retain and attract. We grew steadily each year. I don't think there was a year that we actually went backwards, so every year we grew – and growth measured in the context of both people and revenue because we were purely a services company at the time, meaning all of our revenue is derived from service contracts which is tied to people on contract, so every time we hire a person, our revenue increases'.

Data Source:

| Title | Interview | Questionnaire | Other Data Source |
|--|------------------|----------------------|---|
| CEO | ✓ | ✓ | Website Strategic Plans Company Records Meeting Minutes Emails Status Reports Project Plans Marketing Collateral |
| Program Manager – Lead (PL) Engineering Process Group Lead | ✓ | ✓ | |
| Project Coordinator - Quality Management Representative (QMR) | ✓ | ✓ | |
| Program Manager | | ✓ | |
| Human Resources Manager | | ✓ | |
| Business Solutions Architect | | ✓ | |

Case 2: Engineering Network Technology Inc. (ENT)

Started: 1999

Headquarters: Washington, DC

Annual Revenue: \$10,000,000

Employees: 120

Process Improvement Initiative: Capability Maturity Model Integration (CMMI)
Maturity Level 2 (Period of implementation: 18 months)

ENT has received numerous industry and community awards in recognition as a high performance small company. Some of these awards are mentioned below:

- Innovative Creative Entrepreneur (ICE) Award, Morehouse College, 2010
- Top 100 Regional Minority Business, Center for Business Inclusion and Diversity, Inc., 2009
- Fastest Growing 100 Companies, Initiative for Competitive Inner City (ICIC) and *Inc. Magazine*, 2007
- Small Business of the Year, DC Chamber of Commerce, 2005
- Inc. 500 List, *Inc. Magazine*, 2004
- Best and Brightest Firms, *Entrepreneur Magazine*, 2003

Business Offering:

ENT is an information and management consulting firm that serves federal and local government agencies and commercial customers focusing on the criminal justice and financial systems domain. ENT provides expertise in the following areas: management consulting, systems integration, information assurance, and business process outsourcing.

Background:

The driving need for freedom of choice for one's career and economic independence drove three college friends with shared entrepreneurial parental background to start ENT after working 10 years in the corporate world. Joe Frazer, ENT's CEO/president, worked his way up the corporate ladder from programmer to systems analyst to project manager to director and then changed streams from technical jobs to become the marketing associate of an international telecommunication conglomerate. He walked away from secure corporate work to join his two partners to build the vision of ENT. Of the three original partners, two remain with the company today: the CEO/President and the CFO/VP. Surviving on what the CEO says are ENT's three major factors for success – 'faith, persistency, and process' – ENT has grown over its 12 years of existence from three employees to 120. Mr. Frazier further adds, 'One of the things that we would pride ourselves on...and let me speak to the process side...is we're probably the greatest planning folks in the world. We will plan everything. We will document everything. We will sit down and go through a process, even our decision-making processes we use a structure... Persistency comes where if we look at the history of the company over the time that we've been in and we said somehow this has been the hardest time to be in business. We get the dot-com burst. And just when we were recovering from that, then you have 9/11 occurred. So two years after we got in business, just started doing defense contracting, and we weren't on the size of the world where we are...they call it beans and bullets, you know supporting the troops. We were on other federal contracts. So our contracts started to die out earlier than we planned. So right after 9/11 happened, then we went to war. We got into the defense contracting and other federal areas, mainly Fannie Mae and the housing industry, because we had some really good relationships there. Well, then what happened – that particular industry goes away. So just when you start to recover from 9/11, then we've got this whole collapse of the housing industry, which totally affected everything else. What we really learned there was diversification because we

said each time...when we were in defense that changed, it was like, oh, my God, we only have just one big customer. So what do we do now? ...Then Fannie Mae became our huge customer, Fannie Mae and HUD. And so those were like, okay, great, we love the housing industry. Oh, my God, what happened here? And so we really learned diversification. But through all of this, we had the persistence that says, you know, our plan was right; there were external factors that affected the plan that we could not have predicted, which is hard sometimes because you realize, well, we planned right, we knew we have the experience, we have the relationship with these people, and we just didn't know that this industry would collapse, but each time we go back to the drawing board and look at where our new opportunities are and go after them...And faith obviously, the faith that our God is going to allow us to persist through all these projects because when nothing else is working and you've got to have something that says, okay, I believe that there's a reason for why I'm going through things, and you persist through it'. Whether by faith, persistency, process or a combination of all three ENT continues to grow and sustain high performance over the volatile economic times.

Data Source:

| Title | Interview | Questionnaire | Other Data Source |
|-------------------------------|------------------|----------------------|---|
| CEO/President | ✓ | ✓ | Website Strategic Plans Company Records Meeting Minutes Emails Status Reports Project Plans Marketing Collateral |
| Project Manager – CMMI | ✓ | ✓ | |
| Lead Developer | ✓ | ✓ | |
| CFO/Vice President | | ✓ | |
| Security Analyst | | ✓ | |
| Executive Assistant | | ✓ | |

Case 3: Dynamic Global Technology Inc. (DGT)

Started: 2001

Headquarters: Columbia, Maryland

Annual Revenue: \$6,400,000

Employees: 12

Process Improvement Initiative: ISO 9001:2008 (ISO) (Period of implementation: 23 months)

DGT and its CEO have been recognized by various industry groups for outstanding high performance as a small company. Some of these awards are mentioned below:

- Outstanding NAVY Supplier, NAVSEA Contracting Office, 2009
- Top Female Entrepreneur , City of Baltimore, 2008

Business Offering:

DGT provides technology integration solution support to the Department of Defense and federal civilian agencies, as well as state/local governments. DGT offers support services in the following specialized focus areas: network engineering, logistics and facilities support, help desk support for equipment maintenance and repair, application conversion and software engineering, and information assurance and information systems security.

Background

In 2001, with 20 years' experience as a systems//business process engineer and an MBA from Wharton School of Business under her belt, Sandra Hopeful started her minority-owned small business in a field dominated by men. According to Ms. Hopeful, CEO/president of DGT, 'I just loved putting together IT solutions for my customers when I was at IBM Consulting Group and Bell Corporation...I really got the skills and methodologies and hands-on experience to leverage IT using out-of-the-box thinking with fresh business models...Primarily through my relationships that I had from my years at IBM, I formed my first team and won the first contract for my company. There were some good things about it, but then, you know, I think all entrepreneurs learn that, you have common goals with people on your team, but it doesn't mean your approach to achieving those goals are the same. So, you go through years of kind of fleshing that out. But that's really how I got started by just leveraging my existing network and relationships'.

Since 2001, DGT has held on like the little engine that could, and when asked about the secret of its success, the CEO is quick to point out, 'People/employees are a company's greatest resource...you have to find out what people's motivations are, spoken and unspoken, and really evaluate if they're a good fit for your organization. And for me, I had to find the right mix of resources because everybody is not sort of, I would say, a good fit for a very small business. I think you have to look for integrity, honesty, competence, whatever the competence is, make sure that it really is – and that takes time to evaluate. You know, good communications, willingness to grow and be flexible, just a good overall team player. What I do is get to know people and understand what they care about. You know, I think that's difficult for leaders, especially those who have these high goals of growing 20% every year and all this. It's tough to do that because you're out trying to develop relationships and all, and sometimes you can forget about the people that are on your team and that they have needs. And, sure, you can have an HR director and turn that over to them, but you still – they still – there's something about employees and their relationship with the leader of an organization and people needing some kind of allegation that they're important and that you recognize them. Whatever their hot buttons are, you just need to understand what they are and decide if it's a good marriage'. The CEO went on to point out that checking in with employees and making sure they know the leader of the organization cares has been one of her secret to success despite the majority of DGT's employees working on the customers' site or in virtual offices. Ms. Hopeful stated, 'You know, there are times of course where we all can't seem to come up for air, but we have to as leaders check in, make sure people are doing okay. And it could be just something as simple as, you know, how are things going and is there anything that you want to talk about, anything on your mind, things that you see we can do better, you know, what your contributions and your thoughts are, I value them and I'd like to hear what they are. My door's always open'.

Data Source:

| Title | Interview | Questionnaire | Other Data Source |
|--|------------------|----------------------|---|
| CEO/President | ✓ | ✓ | Website Strategic Plans Financial Reports Company Records Meeting Minutes Emails Status Reports Project Plans Marketing Collateral |
| Operations Manager/Quality Manager – ISO Lead | ✓ | ✓ | |
| Contracts Specialist | ✓ | ✓ | |
| Project Manager | | ✓ | |
| Systems Analyst | | ✓ | |
| Proposals and Contracts Manager | | ✓ | |

Case 4: Security Technology Inc. (STI)

Started: 2000

Headquarters: Silver Springs, Maryland

Annual Revenue: \$6,800,000

Employees: 50

Process Improvement Initiative: ISO 20000:2008 (Period of implementation: 23 months)

Over the 11 years of operation, STI has been recognized by various industry groups for its outstanding high performance as a small company. Some of these awards are mentioned below:

- Small Business Spotlight Award, Mountain Top Marketing Group, 2001
- Top Small Business of the Year, Business.Com, 2006
- Achievement Award of Excellence, Washington Monthly, 2007

Business Offering:

Security Technology, Inc., provides information technology and professional services to federal and civilian agencies and local and state governments in the area of helpdesk and call center support, software testing, information assurance, legacy system support, and network management.

Background

STI's CEO/President David Sampson explained that he was first introduced to computers and information technology in the U.S. Air Force where he spent four years learning dBase programming, WordStar and DOS, 'all the good stuff', he

pointed out, 'before Microsoft came along'. Mr. Sampson was able to later leverage 14 years of industry experience and technical certifications to propel and accelerate his career. As he pointed out, 'My last job was with EDS (large federal contractor) and while working there, I kind of saw the writing on the wall as far as hitting the glass ceiling, and I decided to venture out on my own; hence, STI. So here we are today; I started the company actually almost 11 years ago as the sole owner...It's been quite a ride. I started out with a focus on state and local government, doing a lot of work with D.C. [District of Columbia], and learned a lot; a lot of lessons learned, and it was a good place, because state and local government are a little bit more forgiving, especially when you're in a learn as you grow and go situation. That was there about the first three, four years of the company, and then we started picking up steam with the federal government and getting federal and DoD [Department of Defense] contract awards and just really growing relationships that we had; being able to subcontract to EDS, HP, SAIC, SRA Genesis (all large contractors) and all the major integrators that are out there and so here we are today'. When asked what factors contributed to STI's success, Mr. Sampson was quick to mention 'Drive, vision, and relationships... Fear of failure drives me, and that has been something that's always – before starting V-Tech or anything that I've ever done...My vision in the next five years for V-Tech is that we'll be north of \$50 million in revenue and will be bringing value-added services to the DoD and federal government that will assist them in meeting their program objectives and creating value in their organizations...Making sure that all my employees gets the mission, the vision, and they have bought in to the overall goals and objectives of the company...Relationship is important in everything that you do. I guess an example would be the relationships that I have from EDS. As an employee of EDS – that was my last job – having good relationships there, having done a good job while I was an employer, I was able to continue to grow and maintain those relationships, where we're now doing a lot of work with EDS as a subcontractor, and more importantly, the relationships that we had there helped us and getting into the mentor/protégée program that Morehouse and yourself, you guys facilitate that on DoD's behalf. So those relationships have proven to be invaluable, especially with the mentoring experience that we have received and been able to benefit from by being a part of that program'.

Data Source:

| Title | Interview | Questionnaire | Other Data Source |
|--|------------------|----------------------|---|
| CEO/President | ✓ | ✓ | Website Strategic Plans Company Records Meeting Minutes Emails Status Reports Project Plans Marketing Collateral |
| Capture Manager/Assistant Quality Manager | ✓ | ✓ | |
| Human Resources Director | ✓ | ✓ | |
| VP/CFO | ✓ | ✓ | |
| Technical Lead/Quality Manager | | ✓ | |
| Project Manager | | ✓ | |

Case 5: Virtual Technology Inc. (VTI)

Started: 1995

Headquarters: Augusta, Georgia

Government Services Division: Alexandria, Virginia

Annual Revenue: \$10,000,000

Employees: 120

Process Improvement Initiative: Capability Maturity Model Integration (CMMI)
Maturity Level 2 (Period of implementation: 18 months)

VTI has received numerous recognitions as a high performance small company. Some of these recognitions are mentioned below:

- Outstanding Supplier Award, Disaster Recovery Group, Department of Homeland Security, 2009
- Federal Transportation Award, Federal Transportation Agency, 2007
- Innovative Group Award, Department of Housing and Urban Development, 2005

Business Offering:

VTI offers a wide range of information technology services to its federal and commercial customers in the following areas: database solutions, helpdesk/call center services, network solutions, software development and maintenance, systems integration and support, and web development services.

Background:

The vision for VTI literally started on the back of a napkin over buffalo chicken wings and beer. Two men who met on the job as manager and subordinate, and later forged a strong bond of professional and personal friendship, saw an opportunity to use their information technology skill set earned from many years of consulting for large firms to turning things around and starting their own business. Or in the words of Mr. Denzel Washington, one of the founding partners and Chief Development Officer (CDO) and Senior Vice President of VTI, 'There comes a point when you know that you've accumulated a certain skill set because you can see how you perform with others out in the field. And I had this feeling for a while that I can cultivate my skill set that I'm using to empower other businesses to empower myself as I get ready to move forward and create an opportunity for my family...My partner or friend at that time felt the same, and he said to me, "Hey, look, we're making all these people a lot of money, but in reality we could make ourselves money." And from some of the things that he had done and that I was doing we got interest from other large firms asking if we could provide some independent consulting...That kind of took hold, and then my partner suggested, "Look here, you go ahead and start the groundwork; one of us will stay on inside the organization (as a fulltime employee working for another organization) and the other one will get it (the new business) started, and then we'll go from there'...We launched out, got our first contract with a company called Amoco, which is one of the larger oil companies, doing some specific technology in the area of EDI, integrating EDI systems into a lot of ERP systems, which was very big'. While VTI had its early beginnings in the commercial industry providing EDI solutions to Fortune 500 companies the next five years would bring some challenging times as the archaic dinosaur technologies of EDI gave way to the digital economy, which brought in the web and the accelerated growth of technology companies then the dot-com bust. According to VTI's CDO, 'So we had to change because of the market. Well, to sustain yourself coming as a small business and moving into a market that will still drive growth, you have to look for longer-term, more stable contracts that would enable you to build infrastructure. After I did a lot of personal investigation, from my father telling me I need to take a look at the federal market and I understand what kind of programs are available to minorities, then I was able to uncover the fact that if you were able to take some performance and then take it to the federal market and get in front of the right people and let them see what it is

you can do and you'. Denzel Washington attributes much of VTI's success to company being what he called 'nimble' – ready and capable to make changes when necessary. As the CDO pointed out, 'We don't have a lot of bureaucracy. We don't have a whole lot of middle management. You know, we are very closely related our top tier management. So it doesn't take very long for us to make a decision...the fact that we're kind of a flat organization (CDO, CEO and 2 Executive VPs), it doesn't take long for us to respond to any kind of situation, which is a huge benefit for smaller companies'.

Research Participants:

| Title | Interview | Questionnaire | Other Data Source |
|--|------------------|----------------------|---|
| Chief Development Officer/ Sr. Vice President | ✓ | ✓ | Website Strategic Plans Company Records Meeting Minutes Emails Status Reports Project Plans Marketing Collateral |
| Executive Vice President | ✓ | ✓ | |
| Director Information Technology/CMMI Lead | ✓ | ✓ | |
| VP Operations | ✓ | ✓ | |
| Chief Executive Officer | | ✓ | |
| Deputy Information Technology | | ✓ | |