



LEROY A ALEXANDER, FABIANO LAUX, ABRAHAM A POLANCO, ELLEN PRESNELL,
DARREN ROCK

CONSULTING SOLUTIONS INC: THRIVING IN THE FEDERAL GOVERNMENT INDUSTRY¹

“At Consulting Solutions Inc, we are simply NOT willing to entertain a growth strategy or bid for work that depreciates the value of people.” - Mr. Joseph McCanaugh, Chief Executive Officer

As his train departed the station, for the usual weekend commute from Virginia to the Big Apple, Joseph “Joe” McCanaugh, the newest CEO of Consulting Solutions Inc., pondered over the quarterly Board of Directors meeting and his first year’s objective – grow the company. Joe had become the CEO nearly two months earlier during the company’s acquisition. He looked out the window and contemplated seemingly endless strategies to increase the workforce and transform Consulting Solutions from its small business footprint to a larger business in the federal government industry.

This decision was influenced by several issues: various federal government agency nuances, rigid employee vetting processes, stringent guidelines for large and small businesses, unpredictable timelines for submitting contract proposals, and the constant threat of defense budget cuts. This usually presented employees with the tough decision of accepting the same labor requirements at reduced wages and Joe deemed this strategy unacceptable. The company’s workforce had already declined from 100 to 35 employees, following a July 2018 acquisition and contract consolidation. There was also the question of whether Joe really wanted to implement another major tactical shift within such a short time. Although he had experienced acquisitions twice in his career, Joe was already engaged with right-sizing the company headquarters and adapting the company’s culture. Was Consulting Solutions ready to undergo another metamorphosis?

The federal government industry also tended to be different. The ability to capture new business opportunities was largely determined by the pre-approval process to solicit the federal government. For this reason—unlike their private sector counterparts—businesses could easily become disqualified from acquiring future federal government contracts. Although Consulting Solutions had over twenty years of history selling services to the federal government, one bad strategy could derail their growth for years.

Even if Joe decided that he wanted to grow the business immediately, there was also the question of whether to explore opportunities in the private sector marketplace. Given that his company was experienced in administrative services and program management, market segmentation was not a problem. But Consulting Solutions Inc. was a government contracting company. Would the board even be receptive to the idea of implementing a growth strategy right now?

¹ Copyright © 2019, Leroy A Alexander, Fabiano Laux, Abraham A Polanco, Ellen Presnell, Darren Rock. This case was prepared for the purpose of class discussion, and not to illustrate the effective or ineffective handling of an administrative situation. Names and some information have been disguised. This case is published under a Creative Commons BY-NC license. Permission is granted to copy and distribute this case for non-commercial purposes, in both printed and electronic formats.

The Federal Budget Cycle

The Congressional Budget Act of 1974 provided the regulatory guidance for funding the government. The process began when the President submitted a detailed budget request for each approaching fiscal year, which started on October 1. The budget request provided formal congressional notice on how much money the federal government should spend on public purposes, called outlays; how much it should take in as taxes, called revenues; and how much of a deficit the federal government should carry throughout the year (Hourihan, 2014). An illustration of the 2017 federal budget request was provided in Exhibit 1.

Next, Congress generally held hearings to question administration officials, set limits on committee spending, and develop its own budget plan, called a budget resolution. An example of the 2017 federal budget resolution is provided in Exhibit 2. Once the budget resolution was adopted, Congress would consider the annual appropriations bills needed to fund discretionary programs, as well as legislation that enacted changes to mandatory spending or revenue levels as specified in the budget resolution (Hourihan, 2014).

Joe's particular marketplace was deeply impacted by the annual budget resolution because it also determined the Defense Department's annual budget and correlated to the armed services recruitment and retention levels, products and services procurements, and future government business development opportunities – all key aspects of Consulting Solutions' business valuation. The Defense Department's budget was often targeted for reductions. Whenever budget cuts occurred, the government's contracting officers would freeze procurement projects and companies like Consulting Solutions risked significant losses. These were potential issues Consulting Solutions had to keep in mind as they reviewed their business plan and growth strategy.

Soliciting the Federal Government

The North American Industry Classification System (NAICS) determines the business categories eligible for government purchases or grants. To become a government contractor, and compete in the federal marketplace, companies must be registered for their corresponding lines of business identified by NAICS codes. Many federal, state, and local governments required NAICS codes from businesses for administrative compliance, taxes, or census reporting purposes (U.S. Census Bureau, n.d.). To meet compliance measures, Consulting Solutions successfully attained 9 primary NAICS codes. As a result, the company was eligible for special loan considerations, small business set asides, and other awards from the federal government industry.

The government's goal was to award 23% of contracts to small businesses, so the NAICS codes were key to successfully utilizing the government bid process (U.S. Census Bureau, n.d.). In addition to understanding the NAICS codes, a company needed to complete other steps. A business had to fully understand what the federal government required of the contractor to meet the bid's specifications:

- Did the company have the time and resources to fulfill the contract?
- Did the company understand the laws and regulations for federal contractors?
- Did the company have a solid business plan?

Finally, to complete the process, a company had to register for a Data Universal Numbering System (DUNS) code and System for Award Management (SAM) account to compete for federal contracts. The Dun and Bradstreet company used the DUNS code to track a company's credit record and a SAM account stored the company's information, including certifications.

Federal Government Solicitation Platforms

Procuring federal government contracting opportunities was not an easy process. Each government agency had the liberty to alter their requirements, adding complexities that could inhibit wide competition. If this wasn't troubling enough, government listings were not publicly advertised, and it took training to navigate the appropriate internet sites just to search for these opportunities. Ultimately, companies that were unfamiliar with the government's bid process were at a distinct disadvantage.

FedBizOpps.gov

The Federal Business Opportunities (FedBizOpps) website was the most prevalent location for conducting government contracting market research, as defense agencies posted all opportunities valued over \$25,000 there (FBO.gov, n.d.). Since government instructions changed frequently, this site allowed businesses to keep track of pre-solicitations, any changes made to existing solicitations, and research past awarded contracts.

USA.gov

Another powerful business tool to assist companies was the USA.gov interagency search engine. This website helped with getting businesses ready to become government contractors, researching information on small business loans, and training opportunities for existing federal government contractors (USA.gov, n.d.). Designed for one-stop convenience, this search engine also functioned as an automated referral service to keep small businesses connected with tools and other points of contact to maintain their status as an active contractor. Companies who failed to compete on a yearly basis were deemed inactive and disqualified from key government solicitations with the defense department.

Company Vetting Process

Businesses that applied to search and compete for government-wide contract opportunities were vetted through the GSA Schedules Program. To get on a schedule, businesses were required to complete the following steps:

- **Order a past performance evaluation (PPE).** Required a current PPE from Open Ratings, a private company. This report surveyed 6 – 20 past customers to determine a performance rating (USA.gov, n.d.).
- **Adequate Accounting System / FAR Compliant.** Required proof of federally accepted auditing system for company finances.
- **Apply for appropriate GSA Schedule.** Ensured businesses could meet responsibilities as a contractor and implement appropriate strategies to maximize contracts. Restrictions on international companies.

Once a business was on a GSA Schedule, government agencies could stipulate activity requirements to ensure companies effectively managed a GSA Schedules contract. This meant companies could become disqualified for competition on special contracts.

A Company Built on Patriotic Service

“The company has had a really great run over the past 20 years. The previous owners were ready to retire and do something different.” - Mr. Joseph McCanaugh, Chief Executive Officer

Consulting Solutions Overview

Founded in 1996, Consulting Solutions Inc got its start as an 8(a) company in the Defense Intelligence Agency’s (DIA) Mentor-Protégé program as a Protégé business. As an 8(a) company, Consulting Solutions was recognized by the Minority Business Development Agency (MBDA) as a small business owned and controlled at least 51% by socially and economically disadvantaged individuals (MBDA, 2018). The Mentor-Protégé program was established in 1990 and incentivized companies that partnered with small disadvantaged businesses to increase participation in government and commercial contracts (DIA, n.d.). These partnering agreements enhanced industry capabilities aligned against DIA strategic mission areas and offered a combination of reimbursements and cost credits on allowable expenses on DIA contracts.

Consulting Solutions began with delivering top-notch Information Technology and Mission Services to defense agencies. After three consecutive periods of high performance and years of sustained growth, Consulting Solutions graduated from both the 8(a) program and the DIA Mentor-Protégé program by demonstrating an ability to bid and execute on large-scale programs. As both a prime contractor and subcontractor, the company built a legacy providing network support services and temporary administrative and professional staffing solutions to the Army, Navy, Air Force, Marine Corps, Coast Guard, DIA, and other Defense Agencies.

The Business Model

Consulting Solutions created value by inserting skilled people and technology into key government services, while filling critical shortages in geographically dispersed locations (see the sample business model canvas in Exhibit 3). This included meeting government requirements in hazardous duty areas and developing software to ensure Combatant Commands, units responsible for conflict areas, could achieve their mission objectives. Consulting Solutions could scale and tailor its inventory to complement each operational need, becoming adaptive like their government clients. As a result, the firm was awarded long-term government contracts to provide services and products that varied by task order.

Core Competencies

Consulting Solutions Inc performed complex intelligence analysis, security operations, network administration, and program management services across a multitude of disciplines that enabled their customers to process rapidly, assess, and disseminate information leading to actionable insights. Company employees worked side by side with government organizations to provide mission support that enabled key staff to stay engaged on the pressing and critical issues. With a proven track record of delivering projects on time and within budget, Consulting Solutions consistently received high confidence ratings from government contracting officials. For a consolidated list of products and services, see Exhibit 4.

Competitive Advantages

Consulting Solutions’ type of services were not easily replaced, due to the requirement to access government facilities and information systems. Additionally, while the skillsets necessary to provide mission support to the government were widely distributed, the availability of professionals with the right credentials was not. Recruiting the right people with the requisite clearance would take time and cost a considerable amount of money. The process just to gain access to a facility could take up to 6 months or

more for a new hire. This meant considerable effort in replacing an entire labor force, should contract renewal efforts fail. As a result, Consulting Solutions garnered significant leverage for recompetes due to their facility clearance and ability to perform government work worldwide.

In addition to facility access, Consulting Solutions provided mid-level specialists and subject matter experts to fill critical shortages for their government counterparts. These levels of expertise were comparable to 10 – 17 years of work experience directly related to federal government support. As a result, the company significantly reduced operating costs with a reduced training budget. These savings could be transferred to employee compensation packages, research and development efforts, and other business segments. Newer companies would have to consider this expense prior to making any proposals.

Finally, Consulting Solutions operated on three General Services Administration (GSA) schedules that enabled government procurement officials to access the company's wide variety of solutions, labor categories, and products. GSA schedules, also known as GSA Schedule Contract Vehicles or Federal Supply Schedules, were long-term governmentwide contracts with commercial firms providing federal, state, and local government buyers access to more than 11 million commercial products and services under the GSA's Multiple Award Schedule (MAS) Program (GSA, 2018). For a listing of Consulting Solutions' contract vehicles, see Exhibit 5.

The Acquisition

“It was amazing how quickly the culture changed after the acquisition.” - Mr. Joseph McCanaugh, Chief Executive Officer

In 2018, following 20 years in the government industry, Consulting Solutions underwent an acquisition and sold to a new investment group. Continuing the legacy of support to the Defense Department, the new executive leadership team combined highly skilled personnel with state-of-the-art commercial technology, focused on providing innovative solutions to the federal government for another 20 years. This would require the right leader and growth strategy for the highest probability of success.

Hand-picked by the investment group, Joe onboarded with Consulting Solutions in late-July 2018 as the new CEO and led the overall strategy and execution of the company. As an established government services executive, Joe had a 10-year track record of building and growing businesses by implementing new methods for customer success. Serving as an executive at General Technology Enterprises (GTE) in 2015, Joe delivered double-digit growth in his business areas focused on solutions in the continuous evaluation and insider threat arenas until its acquisition. This resulted in the company growing from a \$5 billion to a \$40 billion firm, nearly overnight. Prior to GTE, Joe was the Vice President of Government Solutions at Civil Acumen Corp, where he played a critical role in supporting initial programs that focused on social media analytic capabilities and legally viable ways to utilize emerging public data.

As the new CEO, Joe immediately began assessing the company's value, restructuring the corporate headquarters, updating corporate accounts, and consolidating existing contracts to align with Consulting Solutions' current labor requirements. Joe even optimized the organization's fixed costs by relocating the corporate headquarters into more adequate and economical accommodations, which shifted the organization culture into an agile position. During this timeframe, Joe also led Consulting Solutions through another critical environment of uncertainty – a contract recompete. The DIA analytic support schedule, one of the company's biggest government contracts, had neared the end of its performance cycle. This meant the company had to submit a new business proposal, competing against any other

small or large company that was also approved to solicit the federal government. There was no guarantee that Consulting Solutions Inc would win the new contract.

The Contract Recompete vs. The New Contract

“Company A offers the most-qualified service at one price; Company D offers a barely-capable service for \$50 cheaper – the government is obligated to take worse service.” - Mr. Joseph McCanaugh, Chief Executive Officer

Companies currently executing government work typically found themselves in good position to win a consecutive contract award. In most cases, it was easier for the federal government to keep existing relationships in place. However, recompeting for government contracts still presented its own unique set of challenges: previous capability gaps could be resolved through government recruiting; defense budget changes could result in “critical-but-not-funded” requirements; or new critical gaps could arise outside the company’s scope and expertise. These circumstances could place even stellar-performing companies in a position where the government could simply change direction after a contract expired.

Further complexity came in the form of general ambiguity on government agency necessities. Federal government agencies reserved the right to amend proposal requirements and there was no guarantee of contract stipulations until the government’s final request was submitted. A company could spend months preparing a proposal strategy and lose their eligibility to compete if requirements eventually changed. In addition to the requirements challenges, many recompeted contracts were subject to the government shifting the basis of competition to solely focus on price. The Lowest Price Technically Acceptable (LPTA) stipulation was a commonly used cost reduction strategy with government solicitations. This strategy was usually detrimental to services-based work, because newer companies could severely underbid proposals to win contracts and offer current employees lower wages to keep their contracted positions or find new jobs.

Competing for new contracts presented a different set of complexities: recruiting a team to meet the new requirements, stringent financial stipulations set by each agency, deadlines for proposals, and past performance gaps. In order to guarantee ability to execute contracts, a federal agency could require companies to have a percentage of staff in place during the initial proposal. This resulted in contingent or promissory offers for employment, as well as the inherent risk of losing potential hires if the award process was stalled. The decision to solicit a new federal agency also required developing strategic partnerships to cover any gaps between core competencies and the government’s requirements. This required additional company vetting and negotiations for potential partners.

Industry Insights

“Elections matter. Political influence can favor defense contractors or, otherwise, lean towards other initiatives.” - Mr. Joseph McCanaugh, Chief Executive Officer

The balance of power on Capitol Hill provided the most unpredictable and highly volatile environments for the federal marketplace. Given that federal budgets were congressionally mandated, political opinion towards government contractors always directly impacted the volume and funding for new solicitations. The fiscal budget projections didn’t favor Joe’s industry, as the Defense Department had been constrained by a Continuing Resolution (CR) and partial government shutdown during the same budget cycle.

Continuing Resolutions

By the beginning of the 2019 fiscal year, Congress had successfully passed only 5 out 12 appropriations bills. This meant discretionary spending levels for the federal government could not be enacted in time to

fully fund requisite programs. To compromise, Congress passed a CR to temporarily fund the government for 90 days. Traditionally, CRs have been used to give lawmakers a short period of time to complete their work on remaining appropriations bills while keeping the government operating (CRFB.org, 2019).

However, at the end of the 90-day period, Congress was still unable to enact a successful budget resolution. As a result, planning and implementation for new government contracts were halted. Even the government procurement process for recompeting existing contracts had stalled. Before offering business development ventures to the private sector, the Defense Department had to develop a mitigation plan for the hundreds of thousands of civil service workers that could not be paid if this government suffered a complete closure.

Government Shutdowns

Since Congress introduced the modern budget process in 1976, there have been 20 instances leading to temporary government closings, or federal employee furloughs, when funds were not appropriated for at least one day (CRFB.org, 2019). In the past, the government was still able to continue normal operations while closed. In recent history, there had been five actual shutdowns where government operations were affected. This included the December 2018 – January 2019 government shutdown which lasted for 35 days, leaving many government employees without income. For Joe’s company, this meant Consulting Solutions would have to be ready for a compressed solicitation timeline in order to win the next performance cycle. Otherwise, Joe would risk losing the company’s largest government contract and over 80% of Consulting Solutions’ workforce.

“How do we tactically address near-term items while building a strategy that focuses on solutions and outcomes for the future?” - Mr. Joseph McCanaugh, Chief Executive Officer

Tactical Planning Objectives

After examining the effects of the budget resolution process, Joe decided to prepare contingencies for the eventuality of procurements shifting to a pay as you go basis. From a practical standpoint, this meant focusing on contracts that were based on services. Since funding had become a paramount issue, it was obvious that all new systems purchases would likely get rejected. Additionally, the immense stress placed on government employees proved a need for his contractor workforce to maintain continuity of operations.

Strategic Planning Objectives

For the long run, Joe realized the budgetary impacts would eventually subside and Consulting Solutions would need to be positioned to leverage the unique and emerging technologies from commercial players and apply them to federal government outcomes. Regarding future projects, Joe wanted to create an atmosphere conducive to linking the private and federal markets through strategic partnerships.

The Decision

Upon completing a preliminary review of Consulting Solutions’ position in the federal contracting space, as well as the board-led direction of steady growth, Joe knew the time had come to make a decision: work within the federal system to remain a minority owned/veteran owned small business and operate within those limits; grow large and take on all types of contracts/compete with very large organizations; or exit federal government contracting and compete in the private sector. He had met with several internal

stakeholders and knew that failing to jumpstart the process of strategic growth soon would stagnate the company.

Remain a Small Business

Continuing to operate as a small business was a viable option. Consulting Solutions had two decades worth of experience in this arena and could easily focus on deepening the relationships already established with other strategic partners in the federal marketplace. However, remaining a small business would hinder the ability to expand Consulting Solutions' core competencies and it kept the company dependent upon prime contract companies. This option lacked true sustainability, nor did it fully align with the company's objective to integrate emerging technologies into its product portfolio.

Grow Large and Compete with Big Businesses

Taking on larger government contracts would return the company to pre-acquisition employee volume and increase annual revenues. This option also integrated Consulting Solutions' partnering strategy with its vision of expanding product solutions for federal government clients. Becoming a large company was extremely risky and had the consequence of turning current partners into direct competition, while losing the shelter of government contract set-asides that favored small businesses.

Exit the Federal Marketplace

Leaving the government industry to compete in the private sector would be a complete departure from the company's vision and unlikely to gain support from the board of directors.

Joe pondered over numerous different paths that could be pursued to grow the company. The questions now left to answer included:

1. What controls needed to be in place to ensure that any new growth could be sustained?
2. How much change could the company continue to endure?
3. Would the board be willing to depart from the traditional and proven services-based offering to the federal government?

As the new CEO for Consulting Solutions, the last of these questions particularly intrigued Joe. With so many different paths to pursue, Joe knew he had to weigh out all the options and focus on one that aligned well with the company's mission and yielded sustained and controlled growth. Options to pursue included:

- ***Option 1 – deepen existing relationships by focusing on agencies that he already conducted business with.*** Although not at a preferred volume, Consulting Solutions was already doing business with federal government agencies. Focusing on existing agencies would entail using tried and tested processes that Consulting Solutions was already familiar with and would require minimal realignment of resources to shift focus to exploring unmet needs with their existing customers. This could integrate the company deeper into the federal agency's labor force and strengthen any recompute opportunities. Joe wondered, however, if this path of least resistance would produce the desired types of returns that could yield sustained growth in the company.
- ***Option 2 – forge strategic partnerships with commercial/private companies that had goods/services to offer but didn't understand the nuances of working with the federal government.*** One of the challenges of soliciting the federal government was that doing so required considerable expertise with the process and with the vetting employees.

Since Consulting Solutions had gotten its start through the DIA Mentor-Protégé program, they could replicate that process with newer companies. By acting as a liaison between the federal government and private companies, Consulting Solutions could bid on a far broader set of solicitations than their existing focus permitted. This option was aligned with Consulting Solution's vision of providing innovative technology solutions and comprehensive outcomes to their government clients. However, this path was a novel one that created challenges in projecting resource utilization and returns on investments. This path could yield a tremendous amount of new revenues but, if not properly planned, could quickly become a drain on the business.

- ***Option 3 – acquire/invest in newer companies and become a large company.*** Joe had personally experienced the joys and challenges of acquisitions. This first-hand experience placed him in an advantageous position that could allow him to effectively identify opportunities. Opportunities were abundant. Consulting Solutions was, after all, a prime example of an established government contracting entity with owners that expressed a desire to retire and do something different. Finding similar entities could rapidly expand strategic footholds with new agencies and position Consulting Solutions in a strong long-term standing with contract renegotiations. This option did, however, carry with it the potential of further overwhelming staff that had already been through so much change.

Each option had radically different potentials for increasing revenues and just as varied amounts of risk. The problem was choosing the option that had the optimal balance between profit yield and risks.

References

- Committee for a Responsible Federal Budget (2019, February 27). *Q&A: Everything you should know about government shutdowns*. Retrieved March 13, 2019, from <http://www.crfb.org/papers/qa-everything-you-should-know-about-government-shutdowns>
- DIA, Office of Small Business Development (n.d.). *Mentor Protégé Program*. Retrieved March 25, 2019, from <http://www.dia.mil/Business/Office-of-Small-Business-Programs/Small-Business-Guide/DIA-Mentor-Protégé-Program/>
- FBO.gov (n.d.). *FedBizOpps - The Contractor's Guide*. Retrieved March 13, 2019, from <https://uscontractorregistration.com/fedbizopps/>
- General Services Administration (2018, September 07). *About GSA Schedules*. Retrieved March 30, 2019, from <https://www.gsa.gov/buying-selling/purchasing-programs/gsa-schedules/about-gsa-schedules>
- Hourihan, M. (2014, July 15). *The Federal Budget Process 101*. Retrieved March 13, 2019, from <https://www.aaas.org/news/federal-budget-process-101>
- Minority Business Development Agency (2018, January 17). *What is the 8(a) Business Development Program?* Retrieved March 25, 2019, from <https://www.mbda.gov/news/blog/2012/03/what-8a-business-development-program>
- USA.gov (n.d.). *Get help with government contracting*. Retrieved March 29, 2019, from <https://www.usa.gov/expand-business#item-37092>
- U.S. Census Bureau (n.d.). *About NAICS*. Retrieved March 13, 2019, from <https://www.census.gov/smallbusiness/html/naics.html>

Biography



Leroy Alexander is a Senior All-Source Intelligence Analyst and Government Contractor for a private firm supporting the Department of Defense. He recently retired from the United States Army with over 20 years of federal service experience, 17 of which has been in managerial positions. He holds a Bachelor of Applied Sciences focused in Management from Wayland Baptist University, as well as the Intelligence Fundamentals Professional Certification. He is currently pursuing his Executive MBA at the University of South Florida.



Fabiano Laux built his marketing and sales expertise by working for global organizations for 15 years. All that gave him the skills to go out on his own. As an entrepreneur, Laux offers support to growing organizations to develop and implement marketing strategies and tactics that address various needs during different stages of a company's growth. He also is the business development manager for Brickell Travel Management and supports the global expansion of the company. He is currently pursuing his Executive MBA at University of South Florida.



Abraham Polanco has over 12 years of experience working with technology in a healthcare setting. Abraham holds a Bachelor of Science (B.S.) focused in Public Health from the University of South Florida and is currently pursuing his Executive MBA from the University of South Florida. Abraham is looking to couple his experience with his education to help further the mission of the healthcare system that he works with.



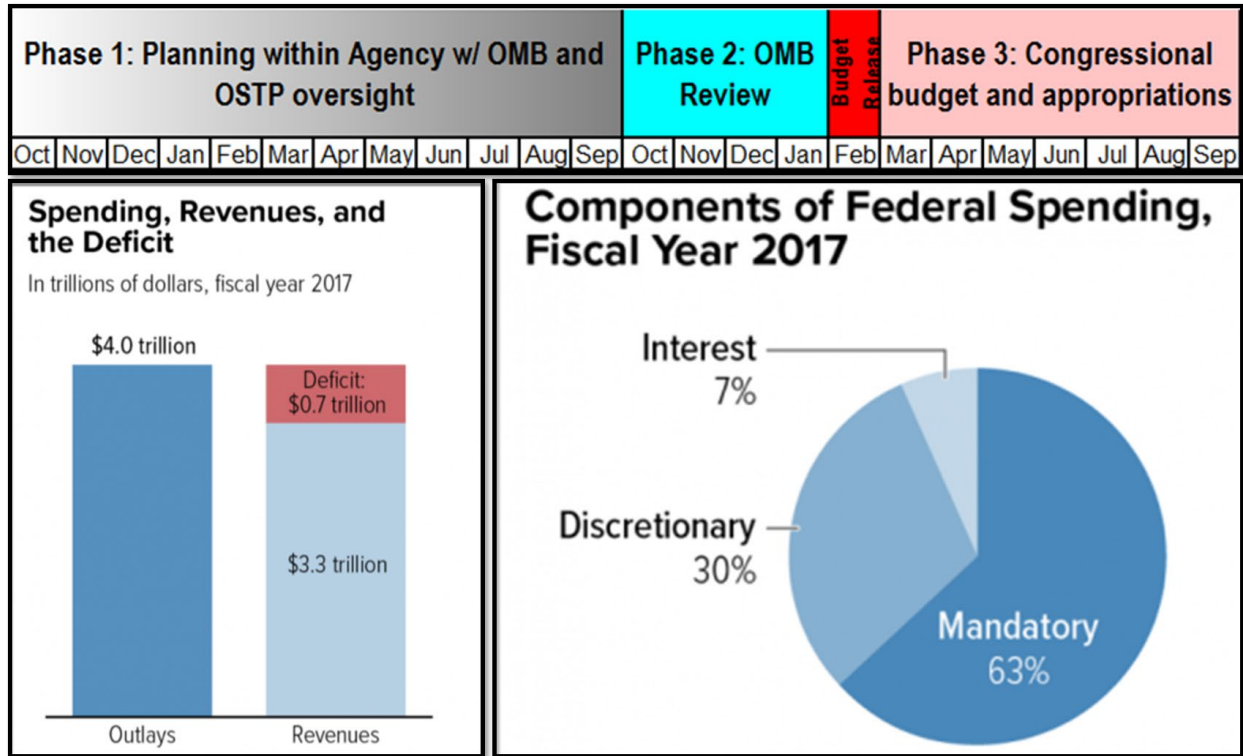
Ellen Presnell has been working in healthcare supply chain management for over 10 years. She is currently the Director of Clinical Integration and Value Analysis for Cooperative Services of Florida. As she completes her Executive MBA at the University of South Florida, she looks forward to a long career in the supply chain management industry.



Darren Rock is a Civil Service Technician for the Defense Department. He recently retired from a 20-plus year career in the United States Marine Corps. Darren is currently pursuing an Executive MBA at the University of South Florida's Muma College of Business.

Exhibit 1: The Federal Budget Process

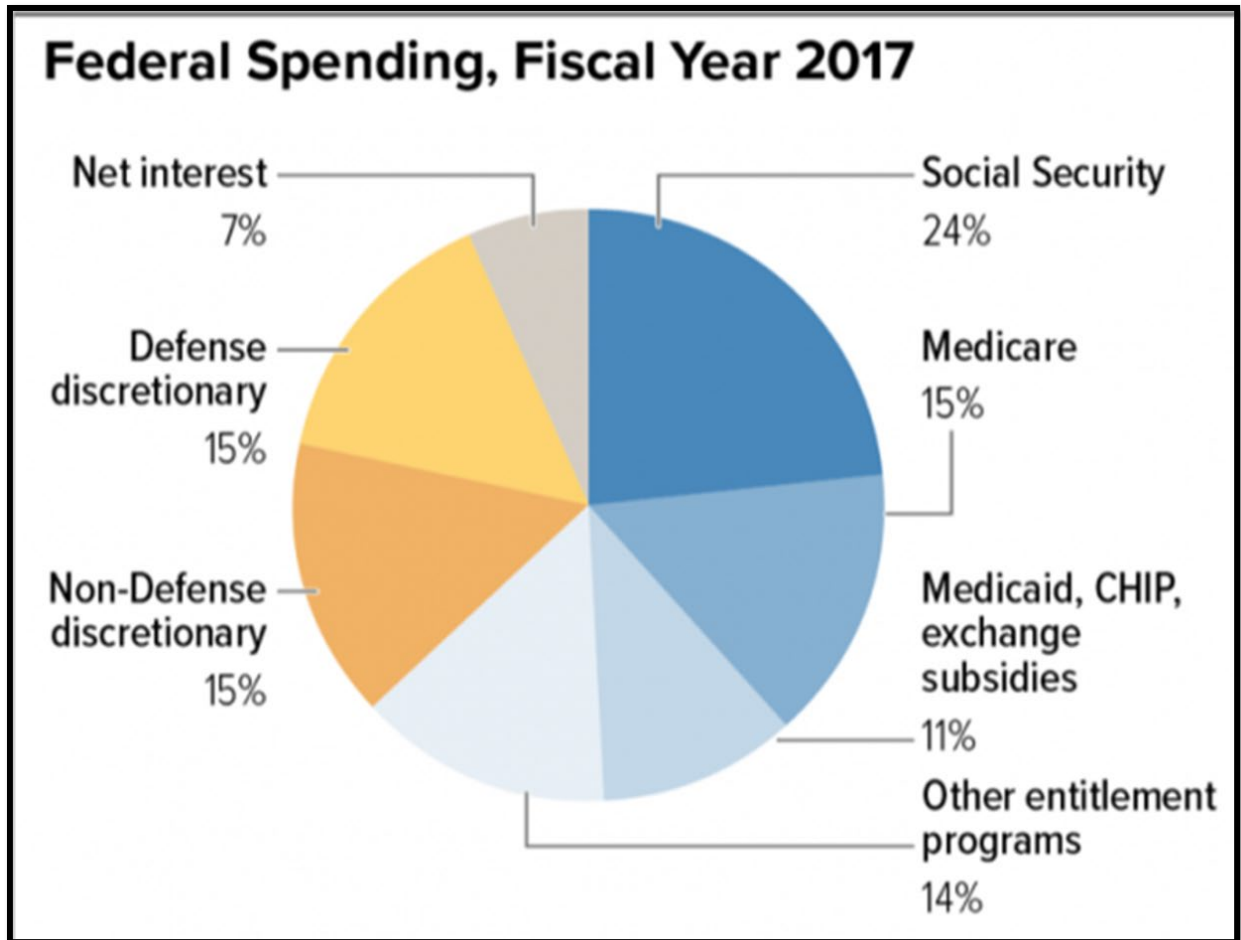
Example: The 2017 Federal Budget Request



Source: The Office of Management and Budget.

Exhibit 2: The Federal Budget Process

Example: The 2017 Federal Budget Resolution



Source: The Office of Management and Budget.

Exhibit 3: The Business Model


Example: Consulting Solutions Inc Business Model Canvas

The Business Model Canvas		Designed for: Consulting Solutions Inc.		Designed by: USF EMBA Team 4		
<p>Key Partners</p> <p>Who are our key partners? Who are our key suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform?</p> <p>Suppliers Distribution Channels Investors Hiring Agencies Chamber of Commerce IT & Tech Tradeshows Military Transition Programs Small Business Developers</p>	<p>Key Activities</p> <p>What Key Activities do our Value Propositions require? Do Distribution Channels? Customer Relationships? Revenue streams?</p> <p>Perform mkt research. Optimize the industry day. Sign partnering agreements. Contract bidding/executing. Professional staffing.</p>	<p>Value Propositions</p> <p>What value do we deliver to the customer? Which one of our customer's problems are we helping to solve? What benefits, features, and services are we offering to each Customer Segment? Which customer needs are we satisfying?</p> <p>Consulting Solutions Inc. provides skilled professionals, state of the art technology, and innovative solutions to critical federal government services through fulfillment of critical capability shortages in geographically dispersed locations.</p>	<p>Customer Relationships</p> <p>What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which ones have we established? How are they integrated with the rest of the business model?</p> <p>Loyalty through consistent performance and dependable service delivery.</p>	<p>Customer Segments</p> <p>For whom are we creating value? Who are our most important customers?</p> <p>Target Defense Department Agencies, Directors of National Intelligence, Combatant Commands, Combat Support Agencies, and Logistical Support Agencies.</p>	<p>Key Resources</p> <p>What Key Resources do our Value Propositions require? Do Distribution Channels? Customer Relationships? Revenue streams?</p> <p>GSA Schedules IT software & services Employees</p>	<p>Channels</p> <p>Through which Channels do our Customer Segments want to be reached?</p> <p>Preference through past performance; developing a comprehensive teaming strategy; and delivering proposals that are timely, innovative, and highest quality.</p>
<p>Cost Structure</p> <p>What are the most important costs incurred in our business? Which Key Resources are most expensive? Which Key Activities are most expensive?</p> <p>Advertisement in areas revealed to be effective for qualified professional recruitment. Hire combination of employees and contractors. Outsource software development. Market research and R&D</p>	<p>Revenue Streams</p> <p>For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute?</p> <p>Minimum of 5 (prime or sub) contracts per performance cycle. Generating funds through equity. Gain 2 new contracts per fiscal year.</p>					

Source: Developed by case writer.

Exhibit 4: The Business Model

Consulting Solutions Inc Products and Services



Intelligence Analysis	Security Operations	IT Services	Program Management and Support
All Source Analysis	Personnel Security	System & Administration	Program Management
Counterintelligence Support	Industrial Security	Help Desk Support	Strategic Planning
Open Source Intelligence Analysis (OSINT)	Insider Threat Detection	Desktop Administration	Financial Management
HUMINT Support	Security Operations Center Support	Network Operations	Contract & Budget Administration
Law Enforcement Support	Cybersecurity Support	Data Analytics	Security Support
Collection Management	Information Assurance Risk Analysis	Software Development	Executive Administrative Support
Signals Intelligence (SIGINT)	Supply Chain Risk Management		Clerical Support
Imagery Intelligence (IMINT)			Training

Source: Developed by case writer.

Exhibit 5: The Business Model

Consulting Solutions Inc GSA Schedule

The graphic features the Consulting Solutions logo (a blue 'C' above the text 'CONSULTING SOLUTIONS') on the left. The main title 'GSA Contract Vehicles' is in large white font on a dark blue background with faint code snippets. Below the title are three contract descriptions in separate boxes:

- GSA Schedule – INT(9CB6-A)**
MM12T-INT2-IMGS-0035
Enables the purchase of IT equipment, software and services, including Software Development, IV&V and Network Support.
- GSA Schedule – HRS(4A22-D)**
Temporary Administrative & Professional Staffing
CQ-78TS4-SVCS-0042
For the procurement of administrative and professional services, including Admin Support, Strategic Planning and Security Support.
- GSA Schedule – CMM(3WS2-V)**
IT1-PRD66-TECH-0078
For worldwide coverage of IT services supporting the Army, Navy, Air Force, Marine Corps, Coast Guard, DIA, COCOMs and other Defense Agencies.

Source: Developed by case writer.