



WHEN MARVIN CARROLL'S Tec-Masters Inc. landed its first military contract—a \$25,000 deal to support a rocket launcher—it seemed he was well on his way to becoming a successful entrepreneur. After all, he had spent 30 years designing weapon systems for and working with the Department of Defense as a civilian contractor. His experience in systems engineering, logistics, and programming was coupled with the knowledge, pedigree, and contacts to establish a business in the government contracting space. But he realized early on that sometimes those things do not guarantee success.

FIRE WHEN READY

Former weapon systems designer Marvin Carroll has government contracts in his sights

By Alan Hughes

There are always costs involved with fulfilling a contract, something Carroll learned the hard way after the company failed to net a profit from its inaugural deal. “I found out how quickly a \$25,000 task could disappear because you spend that money fairly rapidly,” says Carroll, the president and CEO of Huntsville, Alabama-based Tec-Masters Inc. (No. 53 on the **BE INDUSTRIAL/SERVICE COMPANIES** list with \$71.9 million in revenues). “You spend every penny on it.”

It was roughly a year before a second deal was in place, with Carroll spending much of his time identifying new customers and learning their conditions. “It’s not so much how good you are or what you know, it’s all about a customer’s requirements,” says Carroll, who has a doctorate and Master of Public Administration from Nova University; a Bachelor of Science in electrical engineering from Howard University; and graduated from the Defense System Management College in Fort Belvoir, Virginia. “It’s your job to try to understand them and try to convince that customer that you’re the one who can satisfy.”

Carroll also learned firsthand that the biggest challenge for any entrepreneur is cash flow. “My survival kit was the very fact that I had retired and I had a guaranteed income, so I could take things and stretch them out and go without for an extended period,” he says. He also notes another strategy potential contractors can employ to secure funds during the lulls. “You can also call ‘rich uncle’ and ask to borrow enough money to cover expenses for a two-month period. And by ‘rich uncle,’ I mean First National Bank and First Commercial, and they charge you interest on that money you use [to cover expenses] while you’re waiting to be paid by the government.”

An early lesson was learned and Carroll went on to build a company that now boasts nearly 180 employees and such top-tier clients as NASA and the DOD, as well as industry giants Lockheed Martin Corp. and Raytheon Co. Despite that growth, Carroll looks to diversify his company as government spending patterns continue to change.

A TEAM EFFORT

Founded in 1988 to provide technical support to the DOD as well as commercial customers, Tec-Masters is primarily involved in three areas of business:

- **Scientific, Engineering, and Technical Services:** This includes training and organizational development, experimentation, modeling, and simulations. The company also provides support services such as technical manual development, integrated logistics planning, and support for government agencies such as the Department of Defense.
- **Information Technology:** Tec-Masters Inc. provides worldwide information technology services that include designing new systems, maintenance, testing, training, network communications, and cyber security.
- **Creative Multimedia:** This includes video production from concept to creation, virtual and 3-D simulations, animation, digital media design, and website development.

Before launching the company, Carroll designed simulations for anti-tank missiles that often ended up as actual missile systems. His work on the TOW (Tube-launched, Optically tracked, Wire-guided) missile system helped him progress to the management of missile systems, which involved development, testing, manufacturing, and building. He served as the deputy project manager and chief engineer for the HELLFIRE/Ground Vehicle Laser Locator Designator project office of the U.S. Army Space and Missile Command.

Carroll’s background working with the military helped instill the value of a solid team and the understanding that no one man could do it all, a mindset he carried over to Tec-Masters. “At the end of the day, the business exists because we have people that possess these skill sets required by customers,” he asserts. “I try to support and encourage, of course, but with all of this high-tech stuff that we keep talking about, you’ll find it with other people. You have to take the steps to try to get the best people to do the job that’s required by your customer.”

Members of that team also keep abreast of the fast-changing world of high-tech. “As part of the benefits package there are educational benefits for employees to further their education [if it] is relevant to the business,” says John Broyles, vice president of operations. “That keeps your employees competitive in terms of what’s going on in academia and those kinds of things.”

That strategy has helped Tec-Masters land projects such as:

- A \$24.8 million five-year contract to provide systems engineering and technical assistance support to the Fires Center of Excellence at Fort Sill, Oklahoma.
- A portion of a \$100 million five-year military contract to provide support services to the U.S. Army at the Maneuver Support Center of Excellence in Fort Leonard Wood, Missouri.
- A \$12.2 million contract for the integration of payloads into the Microgravity Science Glovebox (MSG) aboard the International Space Station to ensure that interface and safety requirements are satisfied. The MSG is a controlled environment inside the station that allows astronauts to perform experiments.

VICTIM OF INSOURCING

Carroll acknowledges the challenges that lay ahead and looks to keep the company agile enough to react to changes in government spending. With increased pressure to cut spending, many former contracting opportunities were taken in-house by Uncle Sam. “In this environment we are looking for other areas where there are growth opportunities—areas, typically, we have not looked before,” he says. “We’re looking more at places such as the Department of Commerce, Department of Energy, or the Department of Education.”

While those aren’t areas Tec-Masters has sought business from in the past, Carroll contends that the company’s workforce has skills sets that are applicable to those areas. “I think that as a result of fully looking at opportunities in other areas, the company will still grow.” ▶



LEFT:
TEC-MASTERS
WORKED WITH
NASA ON THE
MICROGRAVITY
SCIENCE
GLOVEBOX.
RIGHT:
CARROLL
SPEAKS WITH
EMPLOYEES.



TIPS FOR DOING BUSINESS WITH THE GOVERNMENT

The U.S. government is the single largest purchaser of goods and services in the United States with more than \$700 billion in discretionary spending. But before hawking wares to Uncle Sam, entrepreneurs must first be aware of the requirements, challenges, and protocols inherent in doing business with the U.S. There are certifications needed and scores of red tape to navigate. According to Mark Amtower, author of *Selling to the Government: What It Takes to Compete and Win in the World's Largest Market* (Wiley; \$29.95), success or failure comes down to preparedness.

1 Understand that the process takes time. “If you’re not a patient person, this is not a market for you. In part that’s because of all the rules and regulations. It’s also because government buyers, like everybody else, like to purchase from companies they know and products that have worked before,” asserts Amtower. “So, if you’re new to the market, a fair amount of your time has to be devoted to becoming known. It’s a matter of research, resources, and relationships.”

2 Determine which agencies buy what you sell. After that, determine, through research, what kind of contracts exist and where the offices administering them are located. There are 28 regions in the country outside of Washington, D.C., known as federal executive board cities, in which some major metros have a high cluster of federal activity. Amtower recommends the federal executive boards’ website (www.feb.gov), which lists the locations for all the federal agencies outside of the D.C. area.

3 Learn how the government buys products and services. To help with this, check out a government-sponsored procurement technical assistance center (PTAC). Amtower recommends contacting your local PTAC (www.aptac-us.org/new) to get a baseline understanding about doing business with the federal government. There are about 90 procurement technical assistance centers around the country. They offer low-cost and no-cost basic level classes. Amtower also recommends the General Services Administration (GSA) eLibrary (www.gsaelibrary.gsa.gov/ElibMain/home.do). He says this is the best site to research the GSA schedules to see what the government buys, what schedule your business needs to be on, and to find out who the competitors are.

4 Make sure your accounts are properly invoiced. According to Amtower, it’s not uncommon for entrepreneurs to not receive payment for services rendered to the government due to improper billing. “You have to read the terms and conditions of your contract and invoice the government the way they want to be invoiced,” he advises.

5 Identify the small business officer. Just about every agency in the government has an Office of Small and Disadvantaged Business Utilization (OSDBU). The OSDBU (www.osdbu.gov) is an organization of federal small business program officials who meet monthly to discuss small business program initiatives, processes, and outreach events that permit their respective agencies to increase their utilization of small businesses.

6 Find a professional association to plug into. Networking is as important when doing government work as in private sector jobs. Amtower recommends using professional networking platforms such as LinkedIn (www.linkedin.com). He also recommends checking with your local PTAC to get dates for the next Industry Day, a fair where small businesses can get information and meet other vendors with whom they can work.

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