MBA 797 Strategic & Business Issues in Government Contracting

Winter/Spring 2017, MBA Module 3 Syllabus
Dr. John Hillen

Class meets: Wednesdays 6:30 – 10:05 pm, Arlington, Founders Hall 121

Instructor: Dr. John Hillen, Executive in Residence & Professor of Practice

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Office hours: by arrangement

COURSE PURPOSE

The course focuses on strategic and business issues in the government contracting (GovCon) industry – an almost $500 billion per year industry at the federal level. The GovCon industry is very large, very diverse, and centered right here in Northern Virginia and the National Capital Region. With hundreds of thousands of companies of all types meeting the product and services needs represented in over 1.5 million separate federal contracting actions per year, the tempo and pace of action between buyers and sellers makes for an intense and interesting market. The level of focus in this course is on the strategic for the most part, but touching on major issues of business operations as well. In both instances, the unique characteristics of the GovCon industry will be explored in order to give students an in depth knowledge of the particular business challenges in the GovCon marketplace.
COURSE OVERVIEW, LEARNING GOALS AND OBJECTIVES:

This course uses the basic concepts of business strategy and strategic management but applies them to the GovCon industry. As such, the course will cover basic strategic analysis in GovCon, competitive and environmental forces in the industry space, competitive lifecycles, stakeholder and customer analysis, capabilities analysis, strategic coherence, portfolio planning, business level strategy, corporate strategy, mergers & acquisitions, internationalization, and many other topics listed below. Every industry has unique and particular characteristics (and reasons for those characteristics) when it comes to these areas, as does the GovCon Industry. Whether it is customer behavior and what shapes it (politics, policy, events, regulations, technology, etc), shareholder expectations (public, private, private equity, family, international, employee-owned or other), other competitive forces, or the unique accountability that comes along with a taxpayer funded marketplace, GovCon is different.

The course is structured around some basic conceptual building blocks: (1) the current state and challenges of the GovCon business environment; (2) strategic considerations a GovCon company would have to ponder as a result of the evolving nature of the marketplace, (3) specific business and corporate strategies for competing well and succeeding in the GovCon industry, and (4) management considerations for running a GovCon business.

Topics include (but not limited to):

- The nature of the GovCon marketplace and how “real” an industry it is
- The unique characteristics of the GovCon industry and what shapes those
- Customer behavior and requirements in GovCon
- Competition in GovCon
- Sources of competitive advantage in GovCon
- GovCon market entry strategies
- Corporate structure and business models of GovCon Companies
- Business development and capture planning in GovCon
- Business strategy and differentiation
- Unique regulatory, legal, and procurement issues to Federal GovCon
- Financing and Capital Structures
- Corporate strategy & strategic positioning
- Mergers & Acquisitions, divestments, portfolio management
- Governance and management issues, including unique HR and operational challenges
COURSE MATERIALS:

**Book:** We will be using a very accessible book as a foundational text. It is *Zero To A Billion: 61 Rules Entrepreneurs Need to Know to Grow a Government Contracting Business* by David Kriegman. Mr. Kriegman, the longtime COO of SRA (now CSRA after a merger with the Computer Sciences Corporation Govcon business) will speak to the class later in the course as well. The book will be ordered for you and available for purchase in the usual way. You can also get it on Kindle.

For those of you that are new to the industry space, it may sound basic and even silly, but a primer by GovCon information firm Deltek (bought for $2.8B by a media firm in Dec 2016 btw!!) is really good to understand some of the nuts and bolts of the GovCon business that lie underneath the larger business ops and strategic issues. It is available free as a PdF at:

https://www.deltek.com/~/media/dummies%20books/government-contracting-for-dummies.ashx?la=en

**Cases:**

We will do a few case studies together in class that are accessed through Harvard Business publishing. These must be ordered directly from the publisher as with some of your other classes. A direct link to our course case package has been created:

http://cb.hbsp.harvard.edu/cbmp/access/56691328

We will also use three cases unique to the School of Business at Mason and originally developed for a high level executive education course called Building GovCon Acumen. They are on three relatively well known mid-sized GovCon firms whose identity is disguised in each case. I will try to bring in an executive, if not the CEO, from each firm the night we debrief the cases. I will post those cases on Blackboard.

**Guest Speakers, Articles, & Reports:**

We will be using some foundational business articles that underpin business strategy in general our general – it is important for you to see the fundamentals as they apply to a specific industry.

We will also use articles, analyst reports, conference reports, government publications, and general industry reports to flesh out the contemporary issues in the industry. I will have a number of industry luminaries – including CEO’s, analysis, former high ranking Government officials, bankers, and other
corporate executives be our guest speaker for an hour every night. Since we are a seminar, you make them feel welcome and get the most out of it if you really engage the guest speaker while they are with us.

Readings that are required are indicated by a double asterisk: ** before them. The readings and our discussion will be important to your assignments. They are the fundamental building blocks of this course and if you don’t read them….well, you’ll likely struggle with the work and cheat yourself besides. I will suggest other readings that will be supplemental but might come in handy in your analysis, your day job, or in the future. I will say that referencing key points from assigned articles in your written work is necessary. References from the supplemental articles (relevant references!) are often a bonus-winning tactic. If I do not post them on Blackboard, the articles assigned in this syllabus are easily found through Mason resources or open sources on the web. You can also download many of the articles directly from the Mason libraries’ electronic journal collection.

Other course materials:

Most other course materials will be made available on our course web site, including case study questions, guides to assignments, announcements, relevant things I see in the press, etc. Check the Blackboard site 2x a week or more.

I. CLASS FORMAT

The course will be built around a combination of individual work and small team work. The course itself will be interactive, taught as a seminar and will incorporate guest speakers, some short lectures, exercises, presentations by students, role-plays, simulations, and faculty and student-led discussions involving the readings and case material.

The syllabus as you see it here is complete….but is subject to change of course. All changes/modifications will be announced on the course BB site in as timely a way as possible.

I will have guest speaker at most of our sessions – often a CEO or senior executive with unique experience in international business. They will almost always be there for the first hour of our class, so please do try to arrive on time and put away laptops and phones while they are with us.

II. COURSE LEARNING OBJECTIVES

- To gain familiarity with the $500B per year Federal Government Contracting marketplace and apply the concepts and methods of business strategy to enterprises within it.
To understand the complexities and challenges confronting both the buyer (agencies or the US government) and the seller (GovCon firms) in the GovCon industry.

To understand the strategic environment in which GovCon business decisions are made, both domestically and internationally.

To analyze and evaluate competition, competitive advantage, differentiation, capital structures, capabilities, the functional strategies of firms competing in the GovCon industry.

To understand the unique legal, regulatory, contractual, acquisition policy, and procurement issues that frame the GovCon industry.

To understand unique structural, governance, management, operational, and HR-related issues within the GovCon industry.

To understand corporate strategy, market positioning, and value creation in this industry.

To practice the skill of analyzing strategic issues confronting GovCon firms and analyze and recommend courses of action and strategic choices for them.

To further refine research, analytical, critical-thinking, team building, and communication skills.

This course also contributes to the MBA learning goals of:

Having an Interdisciplinary Perspective
Analytic Decision Making
Effective Communication
Understanding Ethics & Responsibility
Exercising Critical Thinking

III. COURSE DELIVERABLES AND EVALUATION

There are several evaluated deliverables in this course. Some are individual deliverables, some will be done by teams.

Deliverable 1: Written Case Analyses (1 Required; 25% of Course Grade)

- 3 learning teams of four people each will be formed – the composition of the team being as they wish. Teams will pick one of the three Mason GovCon case studies out of a hat for their assignment.
- Each team will do a five-page case analysis which provides answers to case questions posed or posits and defends a thesis from the case on the strategy issues at hand. These analyses will be due on the evening that the cases will be discussed – on either March 15, 29, or April 5. On the dates assigned, the team will submit a copy of their report to me via email and also bring one hard copy to class that evening.
- In each case study the ultimate objective of the team is to propose a
course of action for the “fictional” GovCon company being described. **What should the company do next and why?** That is the ultimate question the team’s analysis should answer. More detail below and in class on what makes for a good case study analysis of these cases.

**Deliverable 2: Presentations (1 Required, 20% of Course Grade)**
- Each of those teams will do a short presentation (15 minutes) on the case they wrote up and submitted. The ability to quickly and cogently “win the day” or make one’s case in a presentation to a small or large group is a core business skill and tool. I will talk more about differentiating this from the case write up in class.

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**On Deliverable’s 1 & 2: Some keys to a really good written case study analysis and/or presentation:**

- Have a clear and compelling thesis, point of view, or opinion on the strategic and/or business issues involved in the case study. This should be stated up front and explained……and then supported and defended throughout the rest of your paper and/or presentation. Some cases “tee up” a major question for you to offer an answer to, or a problem for you to offer some solutions to. Some do not. Either way, you will succeed if you say something interesting and important that reflects your own analysis of the strategic and business operations aspects in the case and is intelligently and coherently supported by your writing or presentation. Make a point! Keep our attention.

- Do NOT simply repeat the facts of the case study. You can assume that I and the class have read and know the facts. You of course need to bring some of those facts into play to bear on whatever argument you are making, but it is a real waste of analytical space in a five page paper or 15 minute presentation to take 3 pages or 5 minutes simply re-stating the case. We’ve already read it! Your assignment is to analyze it and say something interesting about it.

- The readings in the course provide rubrics or frameworks to analyze the cases. They are like Rosetta Stones in helping you to think through the leadership issues and analyze them in each case. Case write-ups should reference the concepts and ideas in the readings.

- Like every business case study, there are issues of strategy, finance, marketing, engineering, organizational behavior, leadership, sales, and all sorts of other business things going on within the case. You need to analyze it from a GovCon strategy perspective – the focus of our course…..of course.

**Deliverable 3: Participation (25% of Course Grade)**
- This is an advanced MBA elective which will be taught in large part through seminar discussion of cases and readings…and some exercises. Course goals can be attained only if there is a high level of student engagement. Thus your evaluation in the course is based in part on how well you integrate the readings and case materials into class discussions.
and impromptu presentations/exercises AND contribute to the class discussion. High levels of engagement during our course sessions will count toward obtaining the maximum number of participation points possible. Regular class attendance is expected.

**Deliverable 4: GovCon Strategy Development Consulting Task – A Feasibility Study for a Real Company (30% of Course Grade)**

- Each individual student will do a five-sevent page feasibility study of an alternative business strategy for a real GovCon firm operating in today's business environment, or contemplating doing so. The student will place themselves “in the shoes” of a strategy consultant who has been hired by a real business to analyze the feasibility of a new strategic move. It could be entry into a new market, the development of a new product and/or service that will access a different part of the market than the firm enjoys, a strategic alliance, a merger/acquisition, a divestment, or any of a dozen other typical business or corporate strategies GovCon firms might consider.

- Specific details of the general framework and grading rubric of the feasibility study will be provided in a separate document that will be posted on the course site on Blackboard by the third week of classes. The plan is due the final Saturday of the Module, April 8th. It is appreciated if they are turned in earlier though.

**IV. GRADING STANDARDS:**

A solid job on the case studies and the strategy consulting report will be evaluated at the A-/B+ border. To earn a strong A, performance must go beyond “meets expectations.”

I think about it this way:

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<thead>
<tr>
<th>Grade</th>
<th>Criteria</th>
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<tr>
<td>A+</td>
<td>Brilliant and original work; nearly publishable.</td>
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<td>A</td>
<td>Commendably clear and thoroughly analytical; comprehensively supported by, and systematically substantiated with empirical evidence. Used concepts to transform data to reach original conclusions.</td>
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<tr>
<td>A-</td>
<td>Excellent work; powerful analysis with distinctive, well-structured arguments; critical and full awareness of the literature alongside good use of empirical evidence to support and substantiate the arguments presented.</td>
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The case write ups and other deliverables are due at the beginning of class on the due dates specified. Late projects may incur a penalty. Missing deliverables will receive a grade of zero. Most deliverables will be posted to our course website. But I also request that you bring hard copies to class as well.

Semester grades will depend on the total points you earn on the assignments described above; no extra credit will be available. The percentage cutoffs are shown below. I reserve the right

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<tr>
<th>Grade</th>
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<td>A+</td>
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<td>B+</td>
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V. HONOR CODE

The honor code applies to all work required for this class. You are free to confer with other people when working on your projects, but the final decisions about your projects and the writing should be your own for individual projects, and yours or your group members for group projects. More information about the GMU honor code is given on the GMU web site at various locations, including:
http://www.gmu.edu/depts/unilife/honorcode.html and
http://www.gmu.edu/catalog/apolicies/#TOC_H12

VI. SCHOOL OF BUSINESS- STANDARDS OF BEHAVIOR:

The mission of the school of business at George Mason University is to create and deliver high quality educational programs and research. Students, faculty, staff, and alumni who participate in these educational programs contribute to the well-being of society. High quality educational programs require an environment of trust and mutual respect, free expression and inquiry, and a commitment to truth, excellence, and lifelong learning. Students, program participants, faculty, staff, and alumni accept these principles when they join the School of Business community. In doing so, they agree to abide by the following standards of behavior:

- respect for the rights, differences, and dignity of others
- honesty and integrity in dealing with all members of the community
- accountability for personal behavior

Integrity is an essential ingredient of a successful learning community. Ethical standards of behavior help promote a safe and productive community environment, and ensure every member the opportunity to pursue excellence. Some can and should be a living model of these behavioral standards. To this end, community members have a personal responsibility to integrate these standards into every aspect of their experience at the School of Business. Through our personal commitment to these community standards of behavior, we can create an environment in which all can achieve their full potential.

VII. OTHER

Blackboard Site: This will be a primary way to work with me in order to coordinate such things as class assignments, grades and communications.

E-Mail: I will occasionally send electronic messages to the entire class. I will use your GMU email address as represented in the Blackboard system. Thus, please be sure you check your GMU email account or have it forwarded to whatever e-mail account you normally use. You are fully responsible for taking the steps listed above, for checking your e-mail regularly, and for any information communicated to the class via e-mail. You should always feel free to communicate with me via e-mail – I will almost always return it w/in 24 hours. PLEASE STATE IN THE SUBJECT LINE OF THE EMAIL “MBA 797: ……“
Disability: Students with disabilities who require special accommodation should contact the Student Disability Resource Center (http://www.gmu.edu/student/drc/ or 703-993-2474) and should inform me of their needs so I can take them into consideration. Please take care of this during the first two weeks of the semester.

Religion: Students who will miss class for religious reasons should inform me of their anticipated absences during the first two weeks of the semester.

Inclement weather: Follow the university position for weather-related cancellation. 703-993-1000 or check www.gmu.edu.

Late arrivals, Cell phones & beepers: Please be respectful to others and be on time to class. Also, cell phone and beepers are distracting. Please turn off all audible signals before class.

When we have a guest speaker, please close all laptops and put away tablets and phones to give them our full attention.

- Writing Guidelines: Unless otherwise specified, all writing assignments should be formatted as follows: double-spaced, Times New Roman, 12-point font, and 1-inch margins. To cite and reference professional or academic sources, please use APA style. Specific instructions for in-text citations and referencing are found in the Publication Manual of the American Psychological Association 6th Edition or at http://owl.english.purdue.edu/owl/resource/560/01/.
## Class Schedule

(See Weekly Reading List on the next pages)

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<tr>
<th>Date</th>
<th>Class Topic</th>
<th>Case and Deliverables</th>
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<td><strong>Week 1:</strong></td>
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<td>Feb 1</td>
<td>- Course Introduction</td>
<td>- Introductions</td>
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<td>· Basic Concepts of Business &amp; Corporate Strategy</td>
<td>- Guest Speaker Dave Wennergren</td>
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<td>· The GovCon Industry</td>
<td>- Course overview</td>
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<td>- Lecture: GovCon a &quot;Real&quot; Market?</td>
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<td>- Discussion of Readings</td>
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<td><strong>Week 2:</strong></td>
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<td>Feb 8</td>
<td>- The Customer Viewpoint</td>
<td>- Guest Speaker Dean Popps</td>
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<td>- Case Study &amp; Discussion</td>
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<td>- Readings Discussion</td>
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<td>- Exercise</td>
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<td><strong>Week 3:</strong></td>
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<td>Feb 15</td>
<td>- GovCon Company Structures &amp; Business Models</td>
<td>- Guest Speaker Bill Loomis</td>
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<td>- Readings Discussion</td>
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<td>- Exercise</td>
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<td><strong>Week 4:</strong></td>
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<td>Feb 22</td>
<td>- Business Strategy &amp; Differentiation</td>
<td>- Guest Speaker David Kriegman</td>
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<td>· Marketing</td>
<td>- Case Study &amp; Discussion</td>
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<td>· The Customer Viewpoint Revisited</td>
<td>- Readings Discussion</td>
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<td>- Final Assignment Discussion</td>
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<td><strong>Week 5:</strong></td>
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<td>March 1</td>
<td>- Business Development &amp; Capture Planning</td>
<td>- Guest Speaker Kirk Herdman</td>
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<td>· Sources of Competitive Advantage</td>
<td>- Readings Discussion</td>
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<td>- Capture Planning Exercise</td>
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| Week 6: March 8 | - Legal, Regulatory, Contracts, Acquisition & Procurement Issues | - Guest Speaker Jim Fontana  
- Case Study & Discussion  
- Readings Discussion  
- Exercise |
|-----------------|---------------------------------------------------------------|---------------------------------------------------------------|
| Week 7: March 15 | - Financing and Capital Structures | - Guest Speaker Diane Zanetti  
- Team Case Study Presentation & Discussion  
- Readings Discussion |
| Week 8: March 22 | - Corporate Strategy Part I, Strategic Positioning  
- Forces of Competition | - Guest Speaker Ron Jones  
- Case Study & Discussion  
- Readings Discussion  
- Exercise |
| Week 9: March 29 | - Corporate Strategy, Part II M&A | - Guest Speaker John Hagan  
- Readings Discussion  
- Exercise  
- Team Case Study Presentation & Discussion |
| Week 10: April 5 | - Governance & Management, HR & Ops | - Guest Speaker  
- Case Study & Discussion  
- Readings Discussion  
- Exercise  
- Team Case Study Presentation & Discussion |
| April 8 | | Final Assignment due |
A Note on Team Grades and Free Ridership. All team members will get the same grade on each of the team assignments unless at least two people in the team decide to change to a peer performance appraisal system. Under such a system, members will rate one another's contribution (from 0-100% of the team effort) for each of the team assignments that your team chooses to invoke the peer appraisals on. Once evaluations have been completed, individual grades will be adjusted (both upward and downward) based on these ratings. If you decide to invoke the peer performance appraisal system, prepare a document or e-mail to that effect signed by at least two members of your team to be submitted with each team assignment(s) for which you wish to do this, and I will contact you for your evaluation of team members’ contributions. You cannot decide to do peer performance appraisal after you receive your grade. You must tell me and hand in the document (or send the e-mail) when the assignment is due.
Week 1, Feb 1: Course Introduction, Revisiting Strategy, Landscape of the GovCon Industry

- ** Three part series in Washington Technology Magazine
  
  Washington Technology (June 4, 2014) - *Is the GovCon market a 'real' market?*
  
  Washington Technology (May 27, 2014) - *What stands in the way of a more mature GovCon market?*
  
  Washington Technology (May 20, 2014) - *How mature is the GovCon market?*

- ** Industry Reports and Conf Reports linked or put on BB
- ** *Building Your Company’s Vision* by Collins, James C. and Porras, Jerry I. in HBR’s 10 Must Reads on Strategy

Week 2, Feb 8: The Customer Viewpoint

- ** Case: Defense Industrial Supply Center case in your HBP course pack

  - ** Market reports from 2016 Vision Conference posted on BB for in class exercise
  - ** Managers guide to Federal procurement
    - https://www.fai.gov/media_library/items/show/115
    - https://www.whitehouse.gov/sites/default/files/omb/assets/procurement_guides/fac_manager_guide.pdf
  - The Office of Management and Budget; Office of Federal Procurement Policy
    - Letter 11-01: Performance of Inherently Governmental and Critical Functions -
Week 3, Feb 15:  GovCon Company Structures and Business Models

** Case: Lightworks Optics case in your HBP course pack

- ** Various Industry Reports posted on BB site

Week 4, Feb 22:  Business Strategy and Differentiation

** Case: Cisco, The Smart Grid case in your HBP course pack

- ** Zero to A Billion, Part I
- ** Can You Say What Your Strategy Is? by David J. Collis; Michael G. Rukstad in HBR’s 10 Must Reads on Strategy
- ** Competitive Advantage and Internal Organizational Assessment by Duncan, Ginter, and Swayne in Academy of Management Executive, 1998 (posted on BB)

Week 5, March 1:  Business Development & Capture Planning

** Case: Capture Plan for Joint Expeditionary Forensics Facilities posted on BB

- ** Zero to A Billion, Part 2
- ** How to build a winning capture plan https://www.youtube.com/watch?v=qZHnDbo4ewU

Week 6, March 8:  Legal, Regulatory, Contracts, Acquisition, and Procurement Issues

** Case: Baker Hughes: Foreign Corrupt Practices Act case in your HBP course pack

- ** Others readings and reports posted on BB site


Week 7, March 15: Financing & Capital Structures

** Case: Veridian case in your HBP course pack

- ** Others readings and reports posted on BB site

Week 8, March 22: Corporate Strategy Part I

- ** Reinventing Your Business Model by Johnson, Christensen, & Kagermann in HBR’s 10 Must Reads on Strategy
- ** Corporate Strategy: The Quest For Parenting Advantage by Andrew Campbell; Michael Goold; Marcus Alexander in Harvard Business Review March 1995
- Corporate Strategy Slides posted on BB

Week 9, March 29: Corporate Strategy Part II

- ** Zero to a Billion, Part 5
- ** Avoid Merger Meltdown: Lessons From Mergers And Acquisitions Leaders by David Harding; Sam Rovit; Alistair Corbett HBR Newletter (in HBP coursepack)
- ** How Do Different Types Of Mergers And Acquisitions Facilitate Strategic Agility? by Nir Brueller; Abraham Carmeli; Israel Dror in California Management Review, May 2014 (in HBP coursepack)
- Creating More Value with Corporate Strategy, McKinsey Survey January 2011
(posted on BB)

- *Five Types of Successful Acquisitions*, McKinsey Article July 2010 (posted on BB)

**Week 10, April 5: Governance, Management, HR, and Operations Issues**

**Case:** *GE Valley Forge case* in your HBP course pack

- **Zero to a Billion**, Parts 3 & 4
- **Others readings and reports posted on BB site**