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US Marine Veteran breaks into business of government technology

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Lisa Wolford's name is followed by adjectives not typically found among defense company CEOs.



Lisa Wolford heads the Bellevue-based CSSS.NET, which offers information technology services. The former Marine has succeeded in landing defense contracts, typically a male-dominated field.

Service disabled. Marine veteran. Female.

Yet at the male-dominated crossroads of defense contracting and information technology, Wolford has transformed her Bellevue-based firm, CSSS.NET, into a rapidly growing force.

The perseverance Wolford learned during her time as a Marine field radio operator has been key to landing major contracts with Veterans Affairs, U.S. Strategic Command, the Air Force Weather Agency and other federal agencies.

"There are hurdles that women face in these markets, much more than men," Wolford said. "The defense business is still very much a good ol' boy network in many regards."

CSSS.NET, which recently landed on Inc. Magazine's list of fastest-growing small companies, grew its profits by 600 percent from 2002 to 2006 and expanded to 85 employees. She declined to release revenue and income figures for the company, which is privately owned.

The company offers a range of services – from writing software to maintenance for large computer systems to basic technical support. For the VA, CSSS.NET installed Microsoft Exchange nationwide; for StratCom, its engineers write computer programs that support the command's complex weapons systems.

Wolford, 46, was born and raised in Omaha. She attended Lewis and Clark Junior High and graduated from Central High School in 1979 before enlisting in the Marines at age 20.

"I went into the Marines to get my education paid for. And honestly, it was a great experience for me," Wolford said.

She spent about two years as a radio field operator, stationed at Camp Pendleton, Calif., before transferring to a clerk assignment. In the Marines — a service that was 95 percent male when Wolford served — she learned to succeed in a male-dominated environment.

"(Marines) are aggressive and whatnot, but they tend to be very polite people with good ethics and values."

In 1985, after four years of service, she left, in part because she needed to care for her son, Forrest, who was left blind, quadriplegic and mentally handicapped by a breathing problem when he was 3 months old.

She enrolled at the University of Nebraska at Omaha, graduating in 1992 with degrees in information management, accounting and Japanese strategic information systems.

After several years in the local IT industry, writing software for companies that included First Data Corp. and Blue Cross Blue Shield, Wolford decided in 1997 to use her accounting background and technology acumen to start her own company.

CSSS.NET began with IT contracts from several Omaha-based companies, including Ameritrade and Blue

Cross. But for a variety of reasons, Wolford always wanted to make the move into defense contracting.

"It's another way of serving the country. A lot of what we do at StratCom, for example, is take care of maintaining our Marines and soldiers and airmen and sailors out there with the systems we build," she said.

She also saw an opportunity. When StratCom began picking up new missions after its 2002 merger with U.S. Space Command, a range of new opportunities appeared for firms like CSSS.NET.

"It's been a good market for defense firms, though not really that quickly growing. A lot of the new missions haven't been funded right off the bat, which hurts us," she said.

Making the switch from civilian IT work contracts to defense contracts was not a quick process. CSSS.NET had to earn high-level security clearances to bid on most of StratCom's software and system projects.

"You can't get clearance unless you need it, and you can't need it until you get a contract. It's very much a closed market," Wolford said. "It's nice once you're on the inside, but not so great on the outside."

Wolford said a roadblock remains to realizing CSSS.NET's full potential, and it is a roadblock hampering hundreds of small contractors.

To keep its administrative costs at a minimum, the Defense Department has begun "bundling" more of its contract work into huge, omnibus packages. Often, those contracts will combine completely unrelated services into one bid. For example, a bundled contract could include a range of IT services, weapons development and even construction projects.

Only large firms have the resources to bid on these kind of bundled contracts, parts of which they often subcontract out to smaller firms like CSSS.NET, which then perform much of the work.

Subcontracting can be a lucrative revenue source, as CSSS.NET's growth has shown. But Wolford said it also places a ceiling on how much companies like hers can earn and it hinders their ability to grow.

Rep. Stephanie Herseth Sandlin, D-S.D., invited Wolford to appear before the House Veterans Affairs Committee this year to talk about the practice.

Small businesses are key to the American economy, Wolford said. Lacking the lobbyists and sway of major defense firms like Boeing, Raytheon and Northrop Grumman, the growth of many small firms is curtailed because of their inability to make prime bids on Defense Department contracts.

"Federal agencies continue to deny that contract bundling is an issue. However, the decreased opportunity for prime contracts for small businesses inhibits their growth," she told the House committee.

In a 10-year analysis of contract bundling, the Small Business Administration reported in October 2002 that the number and size of bundled federal contracts had reached record levels.

While about 25 percent of civilian contracting dollars were bundled, the Defense Department bundled nearly 55 percent, accounting for more than \$679 million in contracts, the study said.

Though the SBA hasn't updated that survey, experts said bundling has further increased since then.

Contract bundling is definitely on the rise within the Defense Department, said Murray Schooner, director of government relations for the National Veteran-Owned Business Association.

But they don't have much choice, he said, because there aren't enough contracting employees in the federal government to keep up with ever-growing federal procurement programs.

"Bundling has increased a lot, that's just a fact," said Schooner.

"But in the past 15 years, the number of contracting officers in the federal government has also decreased a lot, because of retirements and such and the positions aren't funded to be filled again," he said.

The government could do a better job balancing the extra cost needed to award and oversee more contracts directly to smaller firms with the benefits of boosting small defense firms, experts said.

"(Bundling) has increased, primarily because it's easier for the Department of Defense to roll it up into an omnibus contract, which takes a lot less management," said Paul Taibl, vice president for policy at Business Executives for National Security, a nonprofit group that advocates for more efficient defense spending.

"But a small company that specializes in one thing is bound to be better at providing the government with a particular service. That's a valid point by these small firms," he said.

Even so, Wolford said she is confident CSSS.NET will continue to grow.

"We have a history of doing the right thing for our customers and our employees both. When you get that reputation, people want to work with you again."

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