

In memory of the victims of the September 11th attack on the United States and in honor of the civil servants and members of the military who serve our citizens in their hour of need.



Reginald Daniel, CEO  
Scientific Engineering Solutions, Inc.

# MARYLAND

## BUSINESS REVIEW

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Parris N. Glendening  
*Governor*

Kathleen Kennedy Townsend  
*Lieutenant Governor*

David S. Iannucci  
*Secretary*

Sandra F. Long  
*Deputy Secretary*

# Powerhitters

***Reginald Daniel is a Maryland success story. Now he wants to use his experience to help other small business owners grow thriving businesses in the state.***

by Wesley Wood

**W**ho can argue that Reginald Daniel's time has come when it seems that every week he is being named to yet another "top executive" or "rising star" list? Daniel is a true Maryland success story, emerging from a modest Midwest upbringing to become an accomplished businessman and entrepreneur.

Daniel founded Scientific and Engineering Solutions, Inc., an Annapolis Junction-based technology consulting firm, in 1996. That first year, SES operated with just three employees. Now, five years later, the company employs 120 and brings in revenue of nearly \$20 million per year from contracts with government agencies and commercial firms, both here and abroad.

Such a remarkable performance has earned Daniel several prestigious honors, including Ernst & Young's 2001 Information Technology Consulting Entrepreneur of the Year and the National Black Chamber of Commerce's Entrepreneur of the Year award. Earlier this year, SES was named to the Deloitte & Touche "Fast 50" list for Maryland and is poised to take its place on

the *Inc.* 500 list of the top private firms based on percentage increase in revenue over the past five years.

Daniel says none of this would have been possible without early help from the State of Maryland, in the form of a \$175,000 Maryland Small Business Development Financing Authority (MSBDFA) loan.

"Finding start-up capital is the most important challenge facing a new business," says Daniel. "If you cannot raise the initial funding to get your business off the ground, banks will not take a chance on you."

He adds that SES is now in a position to obtain \$4 million in financing because of that initial loan, which helped launch the business. "Now that we've proven ourselves to be competitive, banks come to us," he says.

Like other young companies that make up Maryland's rapidly growing technology sector, SES has benefited from various tax credits and state programs that provide grants for training employees. The assistance has proven invaluable to the company, which has been adding between 6 and 10 employees a month to keep up with increasing demand for the firm's services.

As fortunate as SES has been, Daniel admits that he would like to see the state do more for small companies.

"The business world is so fast-paced," he says, "that chief executives cannot dedicate ample time or resources to search for all the

innovative programs for which their firms might be eligible. The state could provide tremendous assistance to businesses by routinely surveying companies about their needs and paying close attention to the rapidly changing business environment.”

Paying closer attention is exactly what Governor Parris N. Glendening had in mind when he created the Governor’s Office of Business Advocacy and Small Business Assistance three years ago. Now there is a one-stop shop where complex business problems can be solved quickly so that precious opportunities will not be lost. The office communicates with appropriate state agencies to streamline the regulatory process, allowing otherwise stalled projects to become a reality. GOBA has become a national model of efficiency and frequently fields calls from officials in other states inquiring about how the department operates.

GOBA Director James H. McLean says his job is much easier with strong support coming from the Governor’s office.

“This office is in a unique position because we report directly to Secretary of Business and Economic Development David S. Iannucci and because Lt. Governor Kathleen Kennedy Townsend has made small business one of her key areas of focus. As a result, we have the ability to get things done for businesses of all sizes across the state.”

Business leaders are taking notice, according to a recent University of Baltimore survey showing that negative perceptions of Maryland’s business climate are at an all time low. The state’s economy is one of the strongest in the nation, sheltering firms from the worst of the nation’s downturn. Recent U.S. Census Bureau data indicates that Maryland has the third-highest proportion of women-owned businesses in the nation. Another U.S. Commerce Department study ranked Maryland eighth

among states with the highest percentage of minority-owned businesses.

“We are happy that small and minority businesses make up a larger percentage of all Maryland businesses than in almost any other state in the nation,” says Lt. Governor Townsend. “These enterprises are critical to the economic success of the State of Maryland. Reggie Daniel is a glowing example of how small and minority establishments thrive in Maryland — and how they



James R. Moody

*Lt. Governor Kathleen Kennedy Townsend and Reggie Daniel share a moment in her Annapolis office.*

enrich the state's business climate. That is why this administration intends to remain committed to giving support to emerging small and minority business concerns."

Daniel notes that in the past five years, the state has offered more support for companies.

"DBED and Secretary Iannucci should be applauded for providing real leadership and fostering a closer relationship with the people that can benefit most from their programs."

For SES, a favorable business climate will make it possible to reach some pretty lofty goals. Within the next two to three years, Daniel hopes to take his firm public and would like to see revenues reach \$100 million. He also hopes to expand to 700 employees — a staggering figure but one that is attainable given future prospects.

The bulk of SES's current workforce is from suburbs in the Baltimore and Washington metropolitan areas, counties such as Howard, Prince George's and Annapolis Junction's own Anne Arundel County. Daniel credits Maryland's high standard of living for providing a foundation that allows young people to finish high school and enroll in college or a training program. Without the ability to meet basic needs, Daniel says, students cannot focus on the career mobility that post secondary education provides.

Daniel knows firsthand. He joined the Air Force to escape the poor neighborhood of his youth, where most kids had little choice other than a life of crime and drugs. In the military he was introduced to high technology: a \$20 million Department of Defense supercomputer that whet his appetite for programming.

"It was overwhelming," he says. "You're talking about an inner-city boy from Milwaukee. I always had an affinity for technology, but here I was in front of this huge, state-of-the-art machine. It was sink or swim."

Swim he did. From there he went on to become a systems analyst at Cray Research, earn a bachelor's degree in computer science from the University of Maryland and an MBA from Loyola College.

Daniel has formed a non-profit organization, Assimilate Into Mainstream Society. Economically, to

develop technology training centers for children from low-income families. The first two centers were housed in Prince George's County churches, one where Daniel used to coach basketball and the other where he is currently a member. SES staff trains church employees in basic computer skills so they can bridge the digital divide between underprivileged children and the rest of the world.

As a member of the President's Advisory Council at the University of Maryland-Baltimore County, he lends time and resources toward the goal of producing technically proficient graduates to sustain the state's growth in the technology arena. In fact, three UMBC graduates are on his payroll and another is an intern for the company.

To allow his employees to make the most of their experience with SES, the company helps each employee create a five-year plan

***"We are happy that small and minority businesses make up a larger percentage of all Maryland businesses than in almost any other state in the nation. These enterprises are critical to the economic success of the state."***

*In the news...*

## Coster named Suburban Regional Director

**T**he Maryland Department of Business and Economic Development recently announced the appointment of Bryan S. Coster to the post of Suburban Maryland Regional Director. DBED's regional offices assist Maryland businesses with retention, relocation, expansion and training needs by providing project management, technical assistance, information and referral services.

The Suburban Maryland Regional Office is located in Rockville (Montgomery County). The region consists of Frederick, Howard, Montgomery and Prince George's counties. Coster replaces Marie Keegin who was appointed Director of Economic Development for Frederick County earlier this year.



*DBED's Bryan S. Coster*

"Bryan will provide a vital liaison between the business community and state and local government," said David S. Iannucci, Secretary of Business and Economic Development. "His ability to understand the needs of business and link them with an array of resources will serve to strengthen the business community and the economic viability of this area of the state."

Coster has served as Acting Suburban Regional Manager since April of this year. Before that he was a Business Development Specialist for In-State Business Services in the Suburban Maryland Region since October 2000. From October 1998 to September 2000, Coster served in various capacities in state government including positions with the Governor's Office of Business Advocacy and

the Department of Budget and Management. He also spent eight years as the Business and Legislative Representative for the Baltimore Building and Construction Trades Council of the AFL-CIO.

"My new job will allow me to maximize the skills developed in my experience with both business and labor and my current work at DBED," Coster says.

Coster's appointment was effective August 7, 2001. *MBR*

### *Reginald Daniel*

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to achieve personal objectives. Whether these goals include obtaining additional training or developing a diversified investment portfolio, Daniel believes that this level of assistance helps SES as much as it does the employee.

"The workplace has changed drastically, from being stable and consistent to being fluid and unpredictable," said Daniel. "If you want employees who are dedicated to their work and to the company, then the company must show that it is dedicated to the employees. Any successful 21<sup>st</sup> century management style recognizes that a company grows as its employees grow."

Although tech firms around the world have taken a beating in the last year or so, Daniel doesn't see SES missing a beat. "We make complex IT infrastructure work," he says. "We provide a service that will always be in demand." *MBR*