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Building a Business and a Culture Based on Serving Those Who Serve Us



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“We work on mission critical things; we are intense about having our customers succeed. It is not only that we love what we do, we believe in what we do.” Thomas J. Colatosti

CEOCFO: *Mr. Colatosti, you led an investment group that acquired Oasis Systems back in 2011. What led you personally to get involved and what was the reasoning from a business perspective?*

Mr. Colatosti: The company was founded in 1997 by a friend of mine and he grew the company from one contract to a \$50 - \$60 million company. He was quite successful and then unfortunately he took ill and was not able to continue working. It simply started out as trying to help a friend extricate himself from his business due to his illness. However, an attempt at a good deed became a wonderful business opportunity because the business had great customers doing important work for the cause of freedom in the world. Oasis Systems had great people – smart, dedicated and skilled. As a result, we saw a huge potential for growth.

“We have a profound sense that what our customers are doing is important. It impacts the world. The US military are the Peacekeepers of the World. When there is disaster, injustice or evil in the world our servicemembers are out there. Oasis Systems has the privilege and opportunity to support these dedicated and sacrificial professionals.” Thomas J. Colatosti

CEOCFO: *What led to that growth?*

Mr. Colatosti: The company basically had one customer and it was the US Air Force, with two contracts concentrated in Florida and in Massachusetts. Almost immediately we developed a vision to pursue other Commands within the USAF and other military branches like the Army and Navy. We developed a deliberate strategy to increase our presence within the US Air Force, which was our core customer base and then leverage that to other defense agencies.

We did a couple small acquisitions to help us get into new markets. We acquired a company that had a strong niche presence in the Navy and the maritime industry and another one that had a significant presence in the FAA, which fit nicely with our Air Force market.

Secondly, at the same time we were pursuing new customers and we sought to gain new services offerings beyond our core technologies and competencies. We began pursuing projects in cybersecurity and cyber

resiliency, agile software development, command and control, networks and communications and unmanned vehicles. We just began strategically expanding our target markets and growing our technology competencies. The iterative strategy of winning new customers and increasing our services proved to be incredibly synergistic. Today we have dozens of customers across 36 states and ten countries, and we have about ten core competencies in some high-technology high-growth areas, so we are building our business one brick at a time.

CEOCFO: *How were you able to win new customers?*

Mr. Colatosti: Originally, we had two contracts, both with the US Air Force. From there we went to sister Commands in the USAF using the stellar performance references we had with our existing customer. From there, performance to our customers' mission success helped us establish a brand of excellence that caused us to be noticed by new prospects. We just tried to reach more and more customers where we could leverage our experience, skills and relationships. We started by providing acquisition and program management services to the Air Force, to now running Ships for the Navy and the Army.

We operate two Navy ships that have been outsourced to us. The Navy owns the ships, but everyone from the captain to the cook are Oasis employees. The ships are located out in the Pacific. They collect and analyze data from activities in the Far East.

We also operate a ship for the Army that is berthed in the Marshall Islands. They were recently involved in a successful test that for the first time shot down a land-based ICBM from a ship at sea.

We run the gamut of physicality programs like operating ships to cybersecurity technology to communicating with satellites.

We manage several major air platform programs like the F-15, AWACS and JSTARS. Thus, we have come a long way in terms of breadth and scope and our customers, programs technologies, from our start as primarily just professional services business. We have become much more technologically capable.

CEOCFO: *Who puts all this together with acquiring the ships?*

Mr. Colatosti: The Navy and Army acquire the ships, so they own the ships, but then we completely operate and staff them. We collect certain types of data traffic out in the Pacific.

CEOCFO: *Would you fill us in on some of the actions that resulted from the data acquired for the Navy?*

Mr. Colatosti: I will tell you a wonderful story that just happened about two or three months ago; it's in the public domain. For the first time ever, the United States was able to shoot down a test ICBM (Intercontinental Ballistic Missile) that was fired from the Marshall Islands. The missile was shot down from a ship. Up until now we have only been able to shoot down ICBMs from our missile silos on land. The limitations of that is that an incoming ICBM is going to come pretty close to our coast before we can shoot it down and secondly the site is not mobile. Therefore, being able to shoot down an ICBM from a mobile moving platform in the ocean gives us early warning and mobility.

One of our ships was part of that test and we were able to monitor the shooting down of that ICBM, tracking all of the intelligence and communication that went along with it. That is a real practical application of one of the things that we do on one of our ships.

We are also on a program right now that we just won with the F-15 modernization. The F-15 is one of the backbones of our Fighter fleet. It is also used by several of our allies around the world. We have Oasis employees serving in several Middle East nations to support the program. In some respects, the F-15 program is a joint effort between the United States military and our allied partners. The USAF is modernizing the entire F-15 platform to support the next generation of air dominance.

CEO CFO: *Do you get involved with all the systems - engineering, enterprise and applications?*

Mr. Colatosti: Totally. One of the most important things we do is the systems engineering. If you have a plane it has to be integrated with communications, software, satellites and armaments. It has to communicate with our allied partners, satellites and ground troops. If you think about all those components, we work on the individual component developing software but also ensuring that the software is systems engineered to a total and complete integrated platform solution.

CEO CFO: *We read that you were just awarded a \$552 million contract with the USAF in Florida. Can you tell us a little about that?*

Mr. Colatosti: We won this half-a-billion plus contract with the US Air Force for their cyber security effort which is located in Florida. Basically, before any software, product or weapon system can be fielded it must be cyber secure and cyber resilient. Whether it is a plane or a bomber or communications system or software, it has to be tested for resiliency and cybersecurity. It goes through the test center down at the Eglin Air Force Base, and we are there in supporting this effort in a major way which is at the forefront of the new battlefield.

CEO CFO: *Oasis Systems has grown over the past ten years; what is on the horizon now?*

Mr. Colatosti: We believe that the world has not gotten any safer over the last ten years. It actually has gotten more dangerous and is leading to more opportunities for us to assist. Every time you develop a technology, the other side is also developing a technology, so you must be agile, rapid, thinking of the next step. There is huge growth in unmanned vehicles, unmanned underwater submarines, unmanned planes, drones, and the entire cyberspace. These are huge areas of growth. I believe, we will see changes in the military from the traditional views of a lot of hardware people, to more technology. We think we will experience unlimited growth in these areas due to the complexity and dangerous nature of the world.

CEO CFO: *Where do you pick up staff with this much knowledge?*

Mr. Colatosti: Maybe every CEO says it, but we have the best people in the industry. We have a very robust process of identifying, recruiting, motivating, and vetting people. We differentiate ourselves in our ability to attract, motivate and retain top talent. We work hard to find quality

people in a rapid manner so we can train, develop and allow them opportunities to achieve their career aspirations. They become part of a team performing mission critical work. We offer people an opportunity to make a difference. Our employees believe in the work we are doing.

We are not just being frivolous in providing some need that is esoteric or not impactful to society. Rather, our employees have a greater sense that we are doing more than just cybersecurity. We are not just helping make planes, we are helping the world be a better, safer, and more just and peaceful place, that is highly energizing and motivating. People want to be part of our team that contributes and makes a difference. We are very mission driven.

CEOCFO: *Do you have offices globally?*

Mr. Colatosti: We do not have any global offices, but we do have a presence in those nations. Our assignments tend to be project driven, so our employees remain for the most part on the US payroll and are on temporary duty if you will. We do not have any international subsidiaries.

CEOCFO: *Are there any specific departments in the government that you are not reaching now that you would like to reach?*

Mr. Colatosti: I think that the next horizon for us to target, is work with some of the civilian agencies like the intelligence community, and those three-letter agencies. We want to do more work with the intel community and also think that cybersecurity is a growing market for us where we can leverage our military experience in areas such as Homeland Security. Additionally, the Veterans Administration, which is the third largest agency in the United States government, is another good synergy for us. These are just some of the civilian federal agencies that we want to target as our next stage of growth.

CEOCFO: *Are you looking to raise funds to continue your growth and efforts? Are you looking for partnerships?*

Mr. Colatosti: We are very fortunate that we were able to finance the company with private funding; equity from a family office that we have had very long-term 20 plus year relationships with. They are long-term investors. We have adequate financial resources to grow almost infinitely. We are very fortunate that we are not bound up by venture capitalists and private equity funds that usually have a very short investment horizon. We are funded with a private family fund that takes a long-term view and has very deep resources.

CEOCFO: *What type of partnerships do you have?*

Mr. Colatosti: Given the complexity, depth, and scope of the projects that we work on, no one company can do it all, neither Boeing or Northrop Grumman; they all have subcontractors and partners. When we see an opportunity that we want to go after, we assess whether or not we can win it and whether we have the capability and resources to do so. Then, we assess who we can bring on to our team to fill gaps and add value in terms of a unique technology or a relationship with a customer.

When we put in these bids, we put teams together of companies who share our same values and can add to our success probability of winning contracts. We are always looking for good people and partners who can

bring unique skills and capabilities to help us provide more comprehensive solutions to our customers. All of these things are good for us and our customers.

CEOCFO: *Why Oasis?*

Mr. Colatosti: You can summarize it in two things. On the people side we have an incredible HR organization. We have people that not only do recruiting - they are skilled and know our business. As a result, they are very effective in seeking the right people for our team. They know how to attract and identify top talent, how to vet them and how to onboard them. Being able to find good people fast is a differentiator in this marketplace.

The second thing is we are totally mission and customer driven. We say, "whatever it takes;" even if we lose money to fulfill a commitment. We have a profound sense that what our customers are doing is most important and impacts the world. The US military are the peacekeepers of the world. Without getting into the politics of it, it just is what it is. When there is a problem in the world, when there is a hurricane, a tornado, earthquake, the boxes of aid marked with US flags are dropped and our boots are on the ground. When there is disaster, injustice or evil in the world our servicemembers are there. Oasis Systems has the privilege and opportunity to support these dedicated and sacrificial professionals.

So, we maintain a culture of whatever it takes, to make our customer successful. We work on mission critical things; we are intense about having our customers succeed. It is not only that we love what we do, we believe in what we do.

CEOCFO: *You are doing a bang-up job!*

Mr. Colatosti: I learned early in my career that the goal of a company is not to be profitable. It is not to grow. The goal of a company is to do a good job. If you do a good job, you will grow and you will be profitable. Growth and profit are results, not goals.

