Q&A with Dennis McLaughlin, CEO and President of Rite-Solutions, Inc. on IT Systems That Give Government and Commercial Customers an Information Advantage and a Competitive Edge

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CEOCFO: *Mr. McLaughlin, would you tell us about Rite-Solutions?*
Mr. McLaughlin: Rite-Solutions is a technology company that develops IT solutions for government and commercial clients. Since the beginning, 18 years ago, we have focused on software development and systems engineering. Today we have more than 200 employees, most of who are based in our Middletown, RI office.

CEOCFO: *What sets Rite-Solutions apart?*
Mr. McLaughlin: We understand software quite well. We also understand how to put systems together. Integration is one of our strengths. Our customers usually don't want to throw away "old" systems. They want maximum utility from their technology investment. They want to reuse as much as they can and connect systems with other sources of data. That is what we are good at. We integrate different systems into a single, holistic system. We build a system of systems (SoS). In turn, this provides customers with a competitive edge, something we call an Information Advantage.

CEOCFO: Could you talk a bit more about Information Advantage?
Mr. McLaughlin: Data is all around us. It could be a sensor in a Navy unmanned underwater vehicle (UUV). It could be customer data stored on a legacy system. It could be data coming from an Internet of Things (IoT) device. We turn that data into something valuable for customers. An Information Advantage is about getting the right data to the right people at the right time so they can make more informed decisions and outperform their competitors.

CEOCFO: *Is integration more difficult because there are so many systems or is it somewhat easier as there is so much new technology?*
Mr. McLaughlin: Usually it is more difficult. There are so many different technologies and so many different generations of technology, and it's always changing. Believe it or not, we have customers who are still using

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COBOL source code in their systems. This is technology that was invented by Admiral Grace Hopper back in the forties. At the same time, we have customers who are using modern technology like distributed architectures, design-specific languages, cloud-based services. In addition, customers are using a lot of different protocols. We help bridge the gap between these disparate systems.

CEOCFO: *Would you walk us through an engagement?*
Mr. McLaughlin: We recently helped General Electric Healthcare with a project. They had a significant problem after acquiring several companies that produced various kinds of medical equipment such as x-ray and MRI machines. The different companies used different systems to maintain product information. You can imagine the challenge GE faced in getting these different systems to "talk" with one another. We structured their data in a highly hierarchical manner. We built an engine around it, and we helped GE produce different materials (training, maintenance, engineering, etc.) in different formats (presentations, web page, mobile device, etc.) from a single source. Integrating disparate systems in this manner solves complex and costly problems, even for big, engineering-savvy companies like GE.

CEOCFO: *How are you reaching out and how do people find Rite-Solutions and recognize the difference?*
Mr. McLaughlin: Honestly, we don't do much outreach. Our business has grown through customer retention and referrals. People can learn more about us on our website, www.rite-solutions.com, which presents our areas of expertise and innovative culture. Our blog covers technology trends, best practices, and organizational culture.

CEOCFO: *Would you tell us about government projects and how you decide what you might want to bid on for the government?*
Mr. McLaughlin: We primarily look for projects that are software and systems engineering based. We also focus on the Department of the Navy. Many of us at Rite-Solutions have a Navy background, which helps us understand our customers' challenges. We focus on the areas where we have expertise and experience. Since software can almost be developed anywhere, we don't have to be as close to our clients as other government contractors might need to be—often in Washington D.C, the beltway, Boston or other areas. So, we also look for work that can be completed more affordably in our Middletown, RI facility and pass the savings on to our customers.

CEOCFO: *Can you tell when you are working on a potential contract for the government if they are ready to come into 2018 with technology or if they have constraints due to what they have in place?*
Mr. McLaughlin: Overall, the Navy has a mandate to "pick up the pace" of innovation. However, the degree to which different departments embrace this mandate varies. Some customers want to invest in leapfrog technologies and have the resources to do it. Other customers are somewhat stuck because of funding shortfalls, sunk costs, or other reasons. They will only be interested in incremental solutions; not an evolutionary solution. It is hard to tell until we dig in and understand where a customer is coming from.

CEOCFO: *Would you tell us about the recent 7-year $21-million submarine contract?*

Mr. McLaughlin: That is a program that we were working on previously. Naval Sea (NAVSEA) Systems Command liked the work we did and expanded our engagement to work on two subsystems of the AN/BYG-1 combat system on board all US Navy submarines.

CEOCFO: *How do you stay on top of all the different areas of technology?*
Mr. McLaughlin: There are so many exciting technologies to follow. Overall, we keep current because we are using new technologies. We have implemented new technologies such as machine learning, cloud computing, and IoT developments into projects. Working with open source systems gives us the opportunity to collaborate with other very knowledgeable people. The cybersecurity threat is unrelenting, and as a software and systems engineering company, we are almost forced to stay on the cutting edge of cyber technology. Sometimes customer requirements drive us to innovate. For example, one customer needed to change a large, peer-to-peer SoS from one communications protocol to a newer protocol. We developed a translator that automatically generates the necessary software to perform the translation based on the input message. This saved the customer tremendous amounts of time and money. To stay abreast of emerging technologies it also helps that we have smart young professionals right out of universities joining us on a regular basis. They are up-to-date on the latest technologies, and we offer a generous continuing education benefit. This helps us stay aware of newer technologies, too.

CEOCFO: *Having the right culture is something that you have talked about on your website and how Rite-Solutions was established as an employee-centric business. What does that mean and what has changed in your approach as the company has grown and evolved?*
Mr. McLaughlin: Culture is critical to us. We believe that culture is directly connected to the organization's performance. We call ourselves "One of the F.E.W" (Friends Enjoying Work). If employees feel involved, trusted, supported, and valued, then they will become engaged. They will believe in what we are doing and take initiative. They will be great representatives of the company when they are talking to customers. They will be better equipped to find and pursue different opportunities. Engaging every one of our employees on a regular basis is something that we work hard at. As we grow, it does become more challenging. But, we are committed to our culture. Part of the new employee onboarding process is a culture presentation by one of our founders. We are constantly engaging employees through a monthly newsletter and our intranet site. We also hold monthly, open forum meetings where we share updates on the business and invite employee input. We also have committees in different areas; our most popular one is the culture committee.

CEOCFO: *Are you surprised that so few organizations recognize that if your employees are in a good place they will be better?*
Mr. McLaughlin: It is surprising. The leadership of this company understands that engagement with employees is critical and it is surprising that other companies do not see it the same way. Often companies are driven by quarterly profits and quarterly reports. We believe that is a short-term view. At Rite-Solutions, we take a very long-term view. We are asked frequently about our culture. One of our founders, Jim Lavoie, has been writing a blog series that begins with a

post titled *Simple Steps to Creating an Innovative Climate in Your Organization* to help other companies improve their culture and organization's performance.

CEOCFO: *Is it getting harder to find personnel?*
Mr. McLaughlin: Yes, absolutely. Finding qualified personnel is hard. We look for folks with accredited degrees in computer science and engineering. For our government customers, which is 80% of our business, we must have US citizens that can qualify for a clearance. On top of that, there are many certifications that they are required to have as well. That narrows the base of people that can work here. Like many companies in this market space, we are having a hard time finding the employees that we need.

CEOCFO: *What do you do to remedy the situation?*
Mr. McLaughlin: We are spending more time recruiting. We have increased the number of internships—many of whom return to us after graduating from college. We have a lot of interns for a company of our size. Certainly, our culture helps attract candidates. During interviews, people frequently ask about One of the F.E.W. Finally, our employees are our best recruiters. They tell their friends that Rite-Solutions is a great place to work. Many times that is how we get the people that we need.

CEOCFO: *Do you like having 80% of your business in government projects, or would you like to see that change a bit?*
Mr. McLaughlin: We are excited about both segments. They present different challenges and different opportunities. Interestingly, the segments complement one another. Our experience with mission-critical government projects benefits our commercial clients. And our government clients are very interested in the fast-paced, agile, and innovative commercial projects that we do. We are very happy with the revenue mix.

CEOCFO: *What are you surprised we can do today with technology and what are you surprised we cannot do yet?*
Mr. McLaughlin: Technology advancements surprise me every day. We hear all the press reports about Artificial Intelligence (AI), but I don't think most people understand how complex it is to replicate human thought and reasoning. There have been several attempts at AI in the past. But this time around, I think we have the processing power and right algorithmic approaches to see some real breakthroughs. At the same time, there are some higher-level reasoning skills that computers may never be able to duplicate.

CEOCFO: *How is business?*
Mr. McLaughlin: Business is great! We have been growing at a steady rate and are quite happy with that. This year and next year look like they will also be strong. We have several irons in the fire that could be quite good for Rite-Solutions. We are seeing a lot of interest in cybersecurity, software-based functionality, structured content, and system of systems integration.

CEOCFO: *Why choose Rite-Solutions?*
Mr. McLaughlin: Our clients like the innovative culture and out-of-box thinking that we bring to their projects. We don't have a set solution or product. Every solution is customized to the customer's needs, timeline,

and budget. To achieve this, we rely on a mix of existing systems, open systems, commercial-off-the-shelf (COTS) systems and even systems developed from scratch. We are unique in that we provide the benefits of a small, nimble, and agile company. At the same time, we offer the rigor and CMMI Level-3 discipline normally associated with larger companies. It's a balance that provides a great value for customers.