

One commercial company's journey into the federal arena

We look inside how two small businesses created a partnership to crack the government market

By Mark Hoover Jul 23, 2014

When you want to break into a new market, it is wise to get advice from other companies who understand that market. But it's not just advice that FalconStor is getting from Acolyst, it is an active partnership that company officials believe is sure to pay off as Acolyst helps FalconStor move further into the federal marketplace.

Founded in 2000, FalconStor's core competencies are data protection and recovery. With around 300 employees and offices around the globe, the Long Island, N.Y.-based Company focuses on the data center, virtualization and cloud storage capabilities, said Herb Siegel, vice president and general manager of Sales for the Americas, FalconStor. While the company mainly does commercial work, with customers in sectors including health care and higher education, federal work makes up between 1 percent and 2 percent depending on the fiscal quarter, Siegel said.

"So, we do have some government business, but we anticipate with this partnership that it's going to be a heck of a lot more than 'some.' It's going to be significant," he said.

Part of that anticipation stems from how well the two companies fit. "We were looking for a unique alliance partner to really drive our federal business, and that's why we've selected Acolyst. We wanted a federal program that was customized to our needs, and we made the right decision," Siegel said.

Acolyst is a women-owned small business that has been in the federal marketplace for over 25 years. "What we've been focusing on is around performance management for the executive, and also a lot around governance, risk management and compliance," said vice president Valeh Nazemoff and daughter of founder Ellie Nazemoff. The company also specializes in business solutions and data management.

"In order to make a transformational program successful, especially bringing two companies together, one company – in this case, Acolyst – really has to understand the processes and procedures of FalconStor so that things are not disrupted but enhanced," Nazemoff said. In this case, what will help make the partnership work is a focus on the sales cycle.

"When you talk about the mindset, so much is involved with the sales cycle, especially with the federal procurement side," Nazemoff said. Once such example is the proposal stage, she added, which is very different with commercial work than it is with federal work.

In order to help FalconStor grow into the federal market, Acolyst will be targeting both defense and civilian work. "We're really going after a lot of programs and initiatives that are out there, such as federal data center initiative and cloud," Nazemoff said.

FalconStor will be moving further into the federal marketplace during an era that has been characterized by tight budgets, constraints and uncertainty, but Siegel is still hopeful. "It's interesting about budgets in general. Budgets start, and budgets end, but IT never stops," he said. IT must continue for business continuity, he added, so he feels that FalconStor, with the kind of work it does, is in a good place going forward.

To help FalconStor be successful, Acolyst put a team in place in Alexandria, Va., and that team is dedicated to working with FalconStor, Nazemoff said. In addition, the two companies just hired Chuck Corjay to be executive vice president of strategic growth for the companies' newly created joint federal team.

Corjay will be focused on expanding FalconStor's business in defense, civilian and intelligence markets.

So, the two companies are bringing everything to bear because they believe in one another. "We are flexible and we are very partner-focused. We want to see partners exceed and excel because their success is our success," Nazemoff said.