

Naval Academy graduate Heatherington ramps up growth at defense contractor KMS Solutions, company's customers include Naval Undersea Warfare Center

By Ken Datzman

KMS Solutions LLC has been growing impressively while winning government business.

Founded in Virginia in 2005 as a small business supporting contracts at the Naval Undersea Warfare Center in Newport, Rhode Island, the engineering services company has grown from two people to a highly technical team of 260 professionals today.

Bob and Gail Urso founded KMS Solutions and led the company, as president and chief executive officer, respectively, until 2017. Bob Urso is a former U.S. Navy captain.

"They were both former executives in the defense contracting sector and worked for various companies. While working in that segment, they saw an opportunity to create their own company. The first work they did under their new company was for the Naval Undersea Warfare Center," said John "J.P." Heatherington, chief executive officer of KMS Solutions in Melbourne.

The Naval Undersea Warfare Center provides research, development, engineering, analysis and assessment, and fleet-support capabilities for submarines and autonomous underwater systems.

The length of time it takes to build a submarine can vary depending on the size and complexity of the project. It takes about five years, for example, to build a nuclear-powered submarine.

The first two years are spent on design and procurement, the next two on construction, and the last year on testing and delivery.

The U.S. government is investing billions of dollars in building submarines to bolster its fleet, and KMS Solutions is one defense contractor benefitting.

Evolving geopolitical scenarios and maritime disputes, among other things, are anticipated to drive investments in submarines years into the future.

The Navy's proposed fiscal year budget requests \$32.8 billion in shipbuilding funding for the procurement of nine new ships, including one Columbia class ballistic missile submarine and two Virginia class attack submarines.

"The government cannot build submarines fast enough. We are well-positioned in a growth industry," said Heatherington.

This year, the United States, Australia, and the United Kingdom announced one of the most ambitious defense industrial partnerships in years. A key component of the partnership is increasing each of the countries' submarine capabilities.

A rise in geopolitical issues among different nations "will provide prolific growth opportunities in the nuclear-powered submarine market," according to a report by Allied Market Research.

Heatherington is a retired Navy submarine captain. After graduating with his degree in systems engineering from the U.S. Naval Academy in Bethesda, Maryland, Heatherington spent a 33-year career in the submarine force.

He held command both at sea and ashore. He spent some of his career at The Pentagon, the headquarters building for the U.S. Department of Defense, in the Washington, D.C., area.

Life on board a submarine provided Heatherington with a unique workplace, performing missions vital to



BBN photo — Adrienne B. Roth

John 'J.P.' Heatherington is CEO of KMS Solutions LLC, a defense contractor that is nearly 20 years old. It is one of the largest small businesses supporting the Naval Sea Systems Command. KMS Solutions, an engineering services company, has eight prime support contracts and another dozen subcontracts. Heatherington, a systems engineering graduate of the U.S. Naval Academy, spent a career in the submarine force before entering the corporate world. He's at KMS Solutions' office in Melbourne.

defense and national security.

"It was exciting. What we did mattered. I worked with dedicated people. They were smart, hard-working, and motivated," said Heatherington, who also has a master's degree in national security and strategic studies from the U.S. Naval War College.

Heatherington joined KMS Solutions in 2016 and later became its chief operating officer.

For the first 12 years, the company supported various organizations, including the Federal Aviation Administration, U.S. Army, U.S. Navy, and some intelligence agencies.

In 2017, KMS Solutions was acquired by Subsystem Technologies Inc. headquartered Arlington, Virginia.

Subsystem Technologies is a longtime federal

government contractor founded by businessman Sam Malhotra.

Following the acquisition, KMS Solutions returned to its roots, specializing in support of the U.S. and allied submarine fleets.

Its main customers are the Naval Undersea Warfare Center in Newport, Rhode Island, the Surface Warfare Center in Carderock, Maryland, and the Naval Sea Systems Command staff at the Navy Yard in Washington, D.C. KMS Solutions' motto is: "Your Success is Our Mission."

In the last five to six years, KMS Solutions has grown from roughly 30 employees to more than 250

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people, and is now larger than its parent company.

The KMS Solutions staff is comprised largely of veterans, spouses of veterans, and former civil servants. Most of the positions are technical or engineering-related.

"It's inspiring to see how they all come together to help provide solutions that support our national defense," said Heatherington.

He said his company will be adding employees in 2024. "We will probably be recruiting 20 to 30 people, but if we win the right contracts, it could be over 100 hires."

Heatherington was promoted to CEO of KMS Solutions in 2022 and now has the company scaling new heights.

"We are really focused on doing engineering work for the submarine force, pursuing those types of contract opportunities," he said. "We are currently executing eight prime contracts, which is a lot for a company of our size. And we are executing about 12 subcontracts."

Heatherington said KMS Solutions will be pursuing opportunities in Brevard and in South Florida, too.

He said his company typically competes for five-year contracts. "The goal is to win several five-year contracts each year and have them overlap. We added contracts late this year. Even if we are not successful winning new contracts next year, we are going to grow."

Heatherington added, "We expect to grow 10 to 30 percent or even more in calendar year 2024. The goal is to have a steady upward trajectory. We are known for our strong customer support and proven performance. We deliver on our commitments every day. Right now, business looks good for 2024."

KMS Solutions recently won a \$26 million task-order contract to maintain and operate test sites for the Naval Undersea Warfare Center division in Newport, Rhode Island.

"We will be supporting the waterfront testing and evaluation operations they do," said Heatherington. "We already do that for the Naval Surface Warfare Center at Carderock, Maryland."

Early last year, KMS Solutions was awarded a \$16.4 million contract to provide engineering, technical, program management, maintenance, and logistical support services at the Naval Surface Warfare Center at Carderock.

There are currently eight Naval Surface Warfare Centers. They are part of the Naval Sea Systems Command operated by the Navy. The Naval Surface Warfare Centers supply the technical operations, people, technology, engineering services, and products needed to equip and support the fleet. They are the Navy's principal research, development, test and evaluation assessment arm for surface ship and submarine systems and subsystems.

KMS Solutions specializes in four key segments of systems engineering: in-service engineering; cybersecurity engineering; test and evaluation; and reliability, maintainability, and availability engineering. "It's work that is super-important to the weapon systems."

He said the in-service piece, for instance, is the "engineering we do to support weapon systems and it is mostly submarine-related."

KMS Solutions has its "corporate" headquarters in Alexandria, Virginia. "It's just a 'legal' headquarters," said Heatherington. "Most of the company's senior leadership team is in Brevard, including the vice president of operations, business development director and HR director. We call Brevard home."

KMS Solutions also has offices in Crystal City, Virginia, and Newport, Rhode Island. A West Coast office is a possibility, he said.

"We do a lot of work in the Pacific Northwest. There is a submarine base in Bangor, Washington. We don't have an office there yet, but with the right success that could change."

In the government contracting arena, it's difficult to predict contract outcomes. "Trying to win a \$10 million contract and trying to win a \$50 million contract involves about the same amount of effort. So, if we feel we are likely to win a \$50 million contract, that is the one we will bid."

KMS Solutions is looking for opportunities locally to support the Navy's strategic systems program at Cape Canaveral. "We have a great deal of experience in that area among the KMS staff. This includes many former ballistic missile submarine captains and crew members, and people like myself, who have supported the Naval Ordnance Test Unit," he said.

Heatherington added that KMS Solutions already supports the Naval Ordnance Test Unit and the Navy

Director of Strategic Systems through its work in Washington, D.C.

"But we would love to do more. And we'd love an opportunity to leverage our corporate expertise on submarines and ballistic missiles to support NASA and the space industry."

The federal government awarded a record \$162.9 billion in contracts to small businesses in fiscal year 2022, according to the U.S. Small Business Administration. The figure represents a 5.6 percent year-over-year increase, up from \$154.2 billion in 2021.

More than a quarter of federal government contract dollars — 26.5 percent — were awarded to small businesses last year.

And defense agencies in 2024 are slated to receive the highest government funding in years, which should translate into a strong contractor market.

"We will be navigating opportunities in 2024," said Heatherington. "We see a lot of growth opportunities ahead for KMS Solutions. Our team has the knowledge and the expertise. We are looking to make strides in 2024."

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