

[Practice Profile: The politics of perseverance](#)

By Danielle Lee | Posted on September 1, 2017

TFC Consulting, a provider of accounting services to government entities, was born out of serendipitous meetings, a few business pivots, and survival instincts.

Now, the Rockville, Md.-based accounting firm has served more than 30 federal agencies, experienced explosive staff growth over the past five years, and received a Contractor of the Year Award from American Express Open in 2016.

But back in 2002, future TFC president and CEO Tashu Trivedi was a recent MBA program graduate and new father living in New York. It was there that he happened to attend a party where someone was discussing the challenge pharmaceutical companies were facing with a recent legislative change to their compliance routines. An idea was sparked in Trivedi, who had experimented with large data sets at the University of Chicago, to solve this problem with his data collection and analysis model. That model, and a small monetary gift from his in-laws, launched TFC Consulting that same year.

The company, established by Trivedi and his wife in their home office, was geared toward pharmaceutical companies that could benefit from Trivedi's technology. They soon moved out of their home and into a technology incubator in Montgomery County, Md., after one large pharma company bought the data model — and the youngest Trivedi's penchant for turning off his father's computer had fostered a difficult working environment.

“The firm originally started serving a large pharmaceutical firm, understanding how to collect, analyze data, and draw patterns out of that data,” Trivedi explained, “and use the information to create early warnings, and risk, out of that portfolio.”

TFC soon experienced its own risk, though, when its one large client was swallowed by the merger activity common in the pharmaceutical industry. Then, “the story changes dramatically,” Trivedi said.

“Here we had a potential product and we didn't know what to do with it,” Trivedi shared. “No more customer was available.”

But around 2003 to 2004, Trivedi got wind of a potential large audit contract for the U.S. Department of Defense. While Trivedi had established TFC based on technology consulting services, he has an accounting background and had previously worked at KPMG for about 10 years. TFC decided to throw its admittedly small hat in the ring.

“All the Big Four firms were trying to strategize how to do this,” Trivedi said. “We pitched this to a large accounting firm — looking at large data sets, it was the auditing equivalent of six General Motors, like trying to do an audit of six General Motors all at the same time in about a year. We said, we should join teams, make use of how to analyze many data sets, virtually collect them, see their validity, and automate some of

these processes. One of the large accounting firms liked that idea, and we joined their team.”

Pitching this giant contract was a lot of work without any of the profit. TFC needed to keep the lights on and, in the second fortuitous exchange in the company’s short history, a friend Trivedi had met through previous business, and who had worked for an inspector general’s office, connected him to a government entity seeking internal controls assessment support. “They had a need and we went over there to speak with them,” he recalled. “It was on the heels of similar Sarbanes-Oxley [legislation] of publicly traded companies going through internal control assessments. The government was thinking along the same lines and asking federal entities to do a similar assessment.”

The entity had six weeks left to submit its paperwork to the agency headquarters’ oversight office when TFC came in to pitch its services. “Lo and behold, we got our first federal contract,” Trivedi said, “as a subcontractor to another entity.”

The government entity liked TFC enough to keep them on, and it remains a client to this day. Meanwhile, the work on the Department of Defense federal contract was halted soon after the Iraq War started. Only recently have DoD audit plans re-emerged.

REINVENT AND SURVIVE

The addition of the government client not only saved TFC, but pivoted its practice.

There was a “shift in the commercial client, and we had to figure out how to reinvent ourselves and survive, going to my original roots as an auditor, an accountant,” Trivedi shared. “We shifted to the one [government entity] client, the paying client, and redirected our efforts to internal controls, and shifted our focus to the federal government.”

In addition to now serving almost exclusively federal government clients — contributing roughly 95 percent of total firm revenue — TFC also transitioned from being a pure consulting firm to a licensed CPA firm. Over the last three years, Trivedi has also brought on two other principals, Stephen Watson and Henry Saliu. The firm serves clients in four major service areas: accounting operations support; internal control assessment and enterprise risk management support; audit and audit coordination



Tashu Trivedi of TFC Consulting

support; and financial reporting and analysis support for large federal government entities.

In another twist to the TFC story, Trivedi is well-aware that the data-solutions mission he founded his firm on 15 years ago is now one of the most in-demand service areas. He now views the area as an emerging one for the firm, along with decision support and data analytics, and IT security and controls assessment.

In 2008, TFC applied for and became eligible to be a participant in the 8(a) business development program, an initiative from the U.S. Small Business Administration to assist small, disadvantaged businesses.

“Through 8(a), we were able to accelerate some of our growth ... and expand service offerings for [that initial government entity client]. We took one \$25,000 client and can do more for them. We had good, fast performance ratings and positive feedback, and we leveraged that to win some additional contracts,” Trivedi explained.

TFC’s 8(a) participation has helped propel its organic growth, along with word-of-mouth recommendations and referrals and the establishment of marketplace credibility, though Trivedi also credits the firm’s agility, particularly around the “two inflection points” that most impacted its lifecycle.

At those junctures, “we take an idea cultivated in a different market segment, and apply it in a different context, and still have a solution people find value in. For the pharmaceutical industry solution, reapplying it again as an idea, the same concepts of multiple data sets, connecting virtually in different contexts again. That idea has grown in merit. Circumstances change, but we adapted because we needed to, needed to survive.”

GROWING PAINS

TFC has gone from surviving to flourishing, based on the 350 percent growth in staff it’s reported since 2011. The firm now has more than 80 full-time employees and about 20 or so more part-time or subcontractor staff.

Recruiting and retaining that staff has been a major challenge for TFC, Trivedi reported. “The way we’re addressing this, is continuing to adjust our hiring practices. As a whole industry, when the criteria for allowing people to take the CPA [Exam] changed some years ago, and they increased requirements, the amount of people doing this was declining, and there was a real shortage. In our experience, we find that [with this] work, especially in internal controls and decision support analytics, that people with humanities degrees that have a high aptitude of quantitative analysis, are by far some of the best type of people to hire.”

Once these candidates come on board, TFC equips them with the skills to support the firm and keep them around — combatting the other major obstacle of retention that Trivedi has experienced.

“People with that aptitude, we train for success. We are hiring younger folks that show this ability, and once we bring them in, we try to steer them toward getting the classes they need to get the CPA Exam done, and pay for the coursework to the extent we can support it,” he said.

Trivedi counts rate pressures and margin erosion as two other marketplace challenges that the firm must navigate. Additionally, TFC’s tenure in the 8(a) program ended in February 2017.

“Transitioning from 8(a) ... is often one of the biggest challenges; for many companies, transitioning out becomes difficult. We’ve been planning for many years; the marketplace underneath us is changing dramatically, and with the changing administration, and the shift in the way compliance activities are viewed, many things this company does will be shifting,” he explained.

Fortunately, if history is any indication, TFC should be able to weather the changing tides. “We started with a gift from my in-laws of \$500, along with an idea from New York for a pharmaceutical firm, and then shifted it,” Trivedi said. “Three to four major events have caused us to rethink, and to be resilient. I’m pretty proud of what we’ve accomplished despite all the shifts we’ve had.”