NACSPACE

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NacSpace was a new technological startup business in Nacogdoches, Texas founded by its parent company Elliott Electric Supply. NacSpace specialized and was active in three key areas (arenas) of business: information technology, data security and storage, and shared workspace offerings. NacSpace launched in November of 2019 and by year two employed over seventy workers, serving both residential and commercial customers. The firm quickly maneuvered themselves into profitability as a business, and their competitive advantage lay largely in their positional advantage as the only information technology, and data storage and security business in Nacogdoches and the surrounding East Texas area.

Although NacSpace was new and was already experiencing some business success in terms of gaining clients (such as the historic Fredonia Hotel), they were also experiencing issues and challenges related to: a lack of local qualified labor, hiring people to Nacogdoches, losing qualified workers to larger cities such as Dallas, their service model, their pricing structure, and weighing whether to expand operations to the north Dallas, Texas area. NacSpace had some unique resources and capabilities that were valuable and rare, but as a business they faced some key questions: Could NacSpace navigate as a small, new business and solve some of these critical issues quickly so they could grow their profitability and service support staff effectively? Could they turn their valuable and rare resources and capabilities into ones that are also costly to imitate and well organized for the long haul? Most importantly and most pressing: should the company expand their operations to the north Dallas, Texas area and grow their service channels into

new arenas (Dallas, Texas)? These questions faced NacSpace and would ultimately affect their trajectory as a business in the short term as they sought to be a sustainable enterprise.

INTRODUCTION

It was late fall 2020 and Phil Hale, President of NacSpace was having a tough time getting to sleep. "Although much of the year was just surviving what the pandemic threw at us, we still need to plan for the future. Do we expand our three-pronged business services (data storage and warehousing, IT services, and shared workspaces) from rural east Texas to the north Dallas, Texas area three hours away, or do we continue to focus on growing our single business presence in northeast Texas? And what about our marketing? Are we even competing the right way?"

Hale continued, "We have evaluated taking this business model and replicating it in other areas, such as north Dallas due to the high fiber optic and tech infrastructure already present there. Elliot Electric Supply, the parent company of NacSpace, had a data center in Dallas. It already backs up everything that NacSpace stores, secures, and processes, so we would have some onsite technological infrastructure already in place if we did expand to this area. But is it the right thing to do?"

In the fall of 2020, NacSpace (located in Nacogdoches, Texas) had an important decision to make: Do they expand their three-pronged business services (data storage and warehousing, IT services, and shared workspaces) from rural east Texas to the Dallas, Texas (specifically north Dallas area) area three hours away in northwest Texas, or do they continue to focus on growing their single business presence in northeast Texas? Mr. Phil Hale, Chief Information Officer at Elliott Electric Supply (parent company of NacSpace) and President of NacSpace had been wrestling with this strategic question related to how their business seeks to compete, and what arenas and vehicles should be considered, what differentiators should be employed, what sequencing (if any) should be practiced, and what would the economic logic be of a decision to expand to the north Dallas area and have two locations for NacSpace (Hambrick and Fredrickson, 2005). Mr. Hale articulated these thoughts when he said: "we have evaluated taking this business model and replicating it in other areas, such as north Dallas due to the high fiber optic and tech infrastructure already present there". In addition, Elliot Electric Supply (the parent company of NacSpace) had a data center in Dallas that already backed up everything that NacSpace stores, secures, and processes, so NacSpace would have some onsite technological infrastructure already in place if they did expand to this area.

PHIL HALE

Hale had been at Elliott Electric for thirty-four years and had led the business efforts at NacSpace since its founding in 2019. After working his way up through Elliott Electric, he was rewarded with the presidency at NacSpace. He is a graduate of Stephen F. Austin University in his hometown of Nacogdoches, Texas. Hale was a proud citizen of Nacogdoches who desired to help build NacSpace in order to serve the business needs of Nacogdoches, Lufkin, and other east Texas communities. He had intentionally sought to hire local business, computer science, and engineering students from Stephen F. Austin State University over the years. Not only was it to employ fellow alumni like himself, but also to provide business and technology jobs to the east Texas area. He also provided internships through NacSpace for current SFA undergraduates. "We currently have seventy employees here at NacSpace, and we actually recently hired an SFA alum who majored in marketing and business who is good in sales and hospitality, and can handle all the hospitality events for us in the shared workspace area of NacSpace," Hale said. Thus, NacSpace and Hale have been heavily invested in both the local Nacogdoches, Texas community and with Stephen F. Austin State University constituents.

Even as Hale had worked hard to grow NacSpace in a short amount of time and grow their resources and capabilities through strategic hiring practices, the skill and ability of his constituents does not make the question of possible expansion to the north Dallas, Texas area any easier to answer. He had taken great comfort in the fact that NacSpace had only been around for almost a year and they are already profitable as a business, but he and his constituents were unsure if this strategic expansion to the north Dallas, Texas area would help NacSpace grow their profitability and share of the data storage, IT services, and shared workspaces markets.

One possible benefit to this strategic expansion was that NacSpace might be able to retain many of its younger workers who often leave the company after a couple years for more lucrative computer and technology jobs in the Dallas, Texas market. "Younger workers are attracted to Dallas and other big cites, and our younger workers are often attracted to gaming conferences and cities such as Dallas that put on these gaming conferences and tournaments" Hale said. Consequently, in addition to ongoing staffing challenges with qualified employees, and retention issues at keeping qualified employees, the larger decision of business expansion to the north Dallas, Texas area loomed large over Mr. Phil Hale and his constituents at NacSpace.

ELLIOTT ELECTRIC SUPPLY

Despite uncertain economic conditions in 2020 related to the Novel Corona Virus outbreak in America and around the world, Elliott Electric Supply had continued to operate as an effective electrical supply company that provides inventory services, web and ecommerce capabilities, and in-app automation to businesses across eight states throughout America (Elliott Electric Supply, 2020).

In addition, Elliott Electric Supply also operated as a parent company for NacSpace, a new business in the northwest Nacogdoches, Texas area that provided IT services, data center services, and workspace solutions for business professionals. NacSpace was founded as a branch of their parent company, Elliott Electric Supply in November of 2019, and had grown quickly in terms of employees (more than 70) and operational capability. NacSpace though as a new business (and indirectly Elliott Electric Supply as the parent company) had some challenges they are facing related to: talent acquisition and retention (which is the most significant issue they are facing), their service model, and their pricing structure. Time would tell if their business could continue to grow within their three-pronged business model (IT services, data storage, and workspace for business professionals), and ultimately succeed in helping east Texas grow and successfully handle their information technology needs.

Elliott Electric Supply was founded in 1972 in Nacogdoches, Texas, which is southwest of Shreveport, Louisiana, and southeast of Dallas, Texas (Elliott Electric Supply, 2020). Bill Elliott founded the electrical and industrial supply store alongside his wife, Micky, and a couple of friends. Bill Elliot's background was in electrical supply and distribution having worked for Powerline Supply Company out of Bossier City, Louisiana for twelve years prior to founding Elliott Electric Supply. In their first year of operation (1972), Elliott Electric Supply generated over $400,000 in sales, resulting in financial cash flow that allowed for reinvestment into the company to help fund their growth strategy (Elliott Electric Supply, 2020).

Elliott Electric Supply had always been about reinvestment into their own company in order to accomplish strategic growth aimed at both improving their internal operations and existing markets, along with steady and focused growth aimed at new locations. To date, Elliott Electric Supply had over 140 store locations in eight states across America (Arizona, Arkansas, Georgia, Kansas, Louisiana, New Mexico, Oklahoma, and Texas), and as a company, their business model was to strive for a growth rate of 15% annually, with the goal of doubling their corporate presence and size every five to six years (Elliott Electric Supply, 2020). In addition, they financed this internal and external growth largely through their own reinvestment into the company, and their financial picture as a company remained

strong and competitive in the marketplace having a very low debt rate (which they promote as being half the industry average) (Elliott Electric Supply, 2020).

Elliott Electric Supply's client and customer base was "well balanced" and focused on an array of target markets within both the residential and commercial spaces (Elliott Electric Supply, 2020). The commercial side was their largest market though in that their customers within this specific segment range from industrial clients, to institutional customers, to government entities relying on their electrical and industrial supply services for effective operation. To date, Elliott Electric Supply employed over 1,500 individuals, had $845 million in annual sales, and benefits from a perfect 5A1 credit rating according to Dun and Bradstreet (Elliott Electric Supply, 2020). Since 1972, Elliott Electric Supply had really excelled in providing quality customer service, large inventories of a wide variety of electrical and industrial supply items, and efficient supply chain operations throughout the southwest and southeast parts of the United States (Elliott Electric Supply, 2020). Thus, Elliott Electric Supply had positioned itself well in the marketplace and earned the business and experiential credibility to operate as a parent company for NacSpace.

THE BIRTH OF NACSPACE

NacSpace was founded as an arm of Elliott Electric Supply (the parent company), and is located on the northwest Loop of Nacogdoches, Texas. NacSpace saw a business opportunity in northeast Texas in that they believed there was not many, if any information technology services and data storage companies in this specific region to support local businesses and startup ventures. In addition, NacSpace also was formed to help professionals that may work from home and need more efficient and powerful IT and data storage services or may simply need another space to work from outside of the home.

As NacSpace built out their company, they worked with a marketing professional from Regions Bank to help create a marketing plan for them, and they worked with data centers in Dallas for both business plan modeling and backup data storage. Everything that NacSpace worked with and hosts in terms of information and data was also backed up by one of these data storage centers in Dallas, thus ensuring customers that their services were protected with multiple layers of security and storage. In and around Nacogdoches, Texas, NacSpace had worked with the historical Fredonia Hotel handling all their internet, Wi-Fi, and technological renovation and backup storage needs, as well as local doctor's offices and other local businesses. NacSpace engaged frequently with the local Chamber of Commerce, Stephen F. Austin State University, and NEDCO (Nacogdoches Economic Development Corporation), valuing being connected to the local Nacogdoches and east Texas communities.

NacSpace's core values were to be a company that had excellent customer service and offered innovative solutions for the business and working community, and its core vision breaks down into three specific areas: (1) NacSpace sought to "alleviate burdensome IT issues", meaning they strived to help other companies and local business better manage their IT problems with helpful and effective solutions. (2) NacSpace existed to serve as a safe and well-protected data storage center where data security is paramount. (3) NacSpace desired to offer a "We-Work" concept for the local community of Nacogdoches where workspace was offered for a variety of business, customer relations, and work efficiency needs. In addition, NacSpace desired to help create and retain jobs in east Texas, and help Nacogdoches thrive communally and professionally.

TALENT ACQUISITION AND RETENTION
One challenge for NacSpace was hiring and retaining qualified IT staff. Hale had been with Elliott Electric Supply, and now NacSpace for the past 34 years, and during that time they had to provide their own IT Support. All the IT systems that Elliott Electric Supply used to manage its 165 stores have been developed in house. When Elliott Electric Supply started, the IT department was made up of a couple of people that developed software, maintained hardware, and supported the company's IT needs. As the company grew, more staff were needed to support the ever-expanding need for IT systems that provided inventory control, customer management and accounting for Elliott Electric Supply. Since that time, Elliott Electric Supply had grown its IT staff much larger. When NacSpace was created, the IT staff moved from Elliott Electric Supply to NacSpace, and was now 75 members strong.

One of Elliott Electric Supply and now NacSpace's primary means of obtaining high quality IT staff had been to develop that staff in house. Elliott Electric Supply and NacSpace have often hired SFA students as part-time interns as both programmers and IT support staff. This had allowed SFA students to gain real world experience while Elliott Electric Supply and NacSpace had been able to utilize local talent to help support its IT needs. Many of the current NacSpace staff started off as part-time interns who grew as IT professionals while working at Elliott Electric Supply, and later NacSpace, and were offered full time jobs once they graduated. Elliott Electric Supply and NacSpace had also hired a few graduates from UT Tyler and Sam Houston, but most of its IT staff had come from SFA.

In the past few years, quality part-time interns had been hard to attract to Elliott Electric Supply. One reason was, three to five years ago, the number of students enrolling in the Computer Science program at Stephen F. Austin State University had decreased, which made finding well trained students in Nacogdoches even

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more difficult. In turn, this hurt Elliott Electric Supply's ability to find good interns to develop into full time employees upon graduation. Over the last year, the Computer Science program had seen an upswing in enrollment which had offered Elliott Electric Supply and now NacSpace more candidates to choose from when hiring part-time interns.

A second reason for the lack of qualified interns had been an on-campus competitor for talent, the Fenway Group (University Marketing Communications, 2020). The Fenway Group leased space in the McGee Business building on Stephen F. Austin State University's campus and used student programmers to develop software for its customers. The Fenway Group's existence on campus was based on a collaboration between themselves, and the Nelson Rusche College of Business. The Fenway Group had proven to be a formidable competitor for talented students who excel in software development. This had reduced the number of potential student candidates who apply for part-time internships at NacSpace.

Elliott Electric Supply and now NacSpace had always had to deal with the problem of having staff leave after gaining a few years of experience. There were a couple of reasons for this exodus. The first was pay. As NacSpace's staff obtained work experience and certifications, they became more attractive to IT firms in large metropolitan areas. When people were hired at NacSpace they often had some IT experience that gave them a basis to build upon. Over time, NacSpace would invest in their staff and would send them to training to gain knowledge and certifications. Those certifications helped provide assurance to NacSpace's customers that the IT staff performing work for them were well trained and capable to address their issues. Unfortunately, this investment in their workforce also provided the means for their staff to be able to compete for higher paying jobs in large metropolitan areas. Over time, some of those staff members would leave for higher paying jobs and NacSpace would have to rebuild.

The second reason staff tended to leave was the living environment. Many of the younger staff members were attracted to all the amenities that a larger metropolitan area provides such as shopping, restaurants, entertainment, and night life. One form of entertainment that was gaining prominence with the younger staff was gaming conferences and tournaments due to the connection between computer and IT programming and computer or console-based video games (programmers and computer technicians are often one of the target markets for video gaming). These conferences and tournaments allowed attendees to see newly released games and compete against one another. Gaming was form of entertainment that many of the younger IT staff members were drawn to, and the lack of gaming events and tournaments in Nacogdoches (as opposed to bigger cities such as Dallas) made it

harder to keep good staff since they often could not find the entertainment and recreation activities they desire in this area.

NACSPACE'S SERVICE MODEL
Being a relatively new technological startup business, NacSpace had yet to experience major troubles in its three main business segments that could highlight critical faults in its service model. Documented troubles from similar businesses could highlight major challenges that NacSpace could face in its service model.

Segment 1: IT Services
NacSpace provided and supplied various innovative technology solutions to local and regional clients. Its service portfolio included 24/7 professional IT support, communications solutions, networking, physical security, and managed services. With these large range of services, one of its initial challenges would be its portfolio management and the cost to run these services. A research study done by Macquarie University in Australia, concluded that IT services "account for an estimated 70% to 80% of the expenditure of an IT organization" (Marrone, 2011). These costs not only include the initial IT infrastructure costs, but also the costs for the constant monitoring and maintaining of the physical hardware. As a Managed Service Provider (MSP), providing quality services over time will create another challenge for the company as the range of customer requirements will force the company to "scale up quickly to accommodate rapidly growing customer demands" (Wang, 2012). For example, clients might start to ask the company to include additional tasks that cannot be anticipated, "to adapt to changes to several tasks, or to neglect certain tasks" that might compromise NacSpace (Wang, 2012).

Lastly, the ability to evaluate individual performance from IT personnel to ensure quality service towards clients, while demonstrating principle-based leadership standards, would present another challenge to NacSpace in this segment. Currently, the company had over seventy employees, all of which had been highly trained, and were certified to troubleshoot and install equipment for the company and its customers. However, NacSpace was still at a young stage making it harder to evaluate the overall performance of its staff.

Segment 2: Tier II Plus colocation data center
NacSpace's Tier II Plus colocation data center employed many security measures that ensured "high-performance connectivity and multiple carrier options". Their multiple generators provided constant power feed to the building, and "round the clock surveillance and monitoring and multi-authentication authorization access control" which secured customer data. Yet, even with these measures, the company would have to face the challenge of internal data security risks. NacSpace ensured 24x7x365 security to protect its data center from external unauthorized access,

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however, human error can often be the weakest link in the security chain (Riccio, 2020). Even though NacSpace had employed much of its experienced personnel from Elliot Electric Supply, its weakest link in the data center would be its college interns. These new interns would be more prone to make internal mistakes that could pose a threat to the security of the data center.

Another internal challenge was their power outage losses. Even though the data center's racks are equipped with dual power feeds each containing their own Uninterruptible Power Supplies (UPS) "power loss was the single biggest cause of outages, accounting for one-third of outages" in data centers (Patrizio, 2019). About sixty percent of power outages could be prevented if companies had better management processes and configurations. Outages were found to cause data center operators about a third of all respondent's outage, causing severe IT service degradation over the year.

Third, the issue with staffing the proper personnel to work in data centers was a real concern for NacSpace and similar companies. Since Elliot Electric Supply has always had problems with hiring quality IT staff, NacSpace likely would be facing the same problem in the data center segment. According to Patrizio (2019), this sector had only worsened over time, where "sixty-one percent of respondents said they had difficulty retaining or recruiting staff, up from 55% a year earlier" (Patrizio, 2019).

Segment 3: Shared Workspace
NacSpace's shared workspace was up to par with amenities that other regional colocation data centers offer. However, NacSpace enjoyed positional advantage in this region with its IT services and data center segment. And with the addition of the workspace segment, these amenities would add more value to its infrastructure. According to Hale, President of NacSpace, the office space was created for "workers that need full functional offices with IT support, reception service, shipping and receiving" (McCollum, 2020).

The challenge for NacSpace though, was how practicable will this segment be in the long-run, years into the future? As of fall 2020, many of their virtual and private offices, office cubicles, and conference and training rooms have been booked. Many people of different work backgrounds were currently clients of NacSpace, with some being private company employees and others being freelancers. However, being in a smaller, more rural area of northeast Texas, NacSpace's location would continue to play a big role in its ability to attract new customers. If the current success of NacSpace had been because of the excitement of being a new type of business in town, how long would it take for its current customers to start using them less frequently? How long would it take for NacSpace to change its

pricing structure once the demand starts to decline for this segment? These were pertinent questions facing NacSpace.

PRICING STRUCTURE
NacSpace office room prices ranged from hourly rates to daily passes that offered shared workspace, and to monthly memberships offering catering services with different perks and amenities, depending on the type of room the client chose. Office room sizes ranged from single user cubicles to teleconference and training rooms. One of the initial challenges this pricing structure would face was if NacSpace would be able to sustain its positional advantage in the future in all three segments. While there were no competitors that could compete against NacSpace in all the three segments at once, there were small IT service businesses in the region such as Direct Security Services in Nacogdoches, Texas and Cyber One Solutions in Lufkin, Texas that could disrupt part of the company's IT services segment. This pricing structure detail and potential challenge would only become trickier if NacSpace was not able to attract enough customers due to its unique location, and instead might need to shift to a monthly membership model instead of a time-based leasing model (for the shared workspaces). These details and possible challenges related to pricing structures and other connected factors played into NacSpace's strategic next steps in seeking to attract and retain customers and stand out from the competition.

CURRENT OPPORTUNITES FOR NACSPACE
There were numerous opportunities in Texas for new businesses. NacSpace wanted to take advantage of companies starting up or moving to Texas so it could expand itself by offering its three main services to other businesses. Hale realized there were no other rural technology companies in east Texas with the services NacSpace was offering, thus as of the fall of 2020, this geographic positional advantage could not only help NacSpace gain clients and market share quicker, but also be positioned for long term customer engagement and relational investment.

NacSpace was formed because Hale realized there were a lot of startup businesses in Nacogdoches and the surrounding areas. According to WalletHub, Texas had earned the top spot as the best overall state to start a business (Sweeney, 2019). Some of the factors that attributed to Texas's rank were capital access, available talent in the workforce, and affordable office space (Sweeney, 2019). Texas also had tax benefits for businesses as well as a small business-friendly climate throughout the state (Sweeney, 2019). Texas had great advantages and resources entrepreneurs might utilize for their companies and businesses were coming to East Texas (Sweeney, 2019).

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NacSpace had seen potential for its business to thrive due to an increase in new businesses. It wanted to be there to provide a network infrastructure to connect, communicate, and manage every business's solutions. They intended to strive to help a business from the very start to ensure they were able focus on your business's success rather than time-consuming IT systems.

Another opportunity that NacSpace had taken advantage of was the new normal, flexible working due to COVID restrictions and personal preferences. Working outside of the company's main location and having a choice of work environment was now a key factor for many job seekers when evaluating new careers (Hering, 2020). NacSpace was available to aid workers who work from home, in terms of data storage and IT services. It had been predicted by Upwork's "Future Workforce Report" that 73% of all teams will have remote workers by 2028 (Hering, 2020). NacSpace foresaw this potential business trend and was prepared to help employees get set up for remotely working from home.

NacSpace also understood how working from home had disadvantages as well with limited office space for meeting with clients. NacSpace was able to create a solution that took advantage of the opportunity to serve its clients better. NacSpace offered private offices, cubicles, co-working desks, training, and meeting rooms along with a lobby with receptionist services. They also had breakrooms with food, an espresso bar, and full kitchen. NacSpace wanted all its clients to imagine an environment without the stuffiness of a corporate office space, but still more structured than a home office.

Lastly, NacSpace had realized potential with established self-employed business in east Texas. NacSpace was ready to assist each business in getting current with the latest innovative technologies that would save these businesses time and cut costs. NacSpace also provided advanced telecommunication technology to ensure every business communicated efficiently and effectively, as well as focused on IT services in case of disasters or hacking. NacSpace was able and ready to provide numerous services that were economically beneficial to any established business currently in east Texas.

NacSpace was evaluating taking its business model and replicating it in other areas. They had been researching North Dallas as a potential site for model replication due to the high fiber optic tech infrastructure already present in the area. NacSpace knows there were numerous opportunities in Texas for their business to branch out and succeed, and they sought to be an aggressive company in terms of corporate growth and model replication.

THE FUTURE FOR NACSPACE

Upon entry into the East Texas market, NacSpace quite literally placed itself at a crossroads. Located at 2400 North Stallings Drive, its physical location was next door to the corporate headquarters of Elliott Electric Supply. In addition to being a neighbor to its parent company, this location allowed near immediate access to U.S. Highway 59. NacSpace's proximity to this major highway allowed for access to other markets and infrastructure. With the inclusion of its data center and shared workspace solutions, NacSpace showed ability to be utilized as a disaster recovery and continuity of operations site.

This advantage placed NacSpace's employees in a location to travel as necessary to attain potential clients. NacSpace had currently established work as far away as Lufkin, approximately a thirty-minute drive, to provide IT solutions. Within an hour of travel, NacSpace technicians could reach Crockett, Livingston, Longview, Marshall, Shreveport, and Tyler. These towns, cities, and other urban clusters contained numerous potential clients which NacSpace was situated to tap into. Additionally, with the upcoming transition and construction of U.S. Highway 59 into Interstate 69, NacSpace might be able to gain even more business due to the anticipated increase of traffic (TX Dot, 2019). However, all this local infrastructure and transit buildout was relative to the east Texas markets, and did not help in informing a larger, strategic decision of possible expansion to the north Dallas, Texas markets. It was an advantage that NacSpace's current workers could travel and operate in northeast Texas with relative ease as they perform their IT services and help with data storage needs, but how would NacSpace go about staffing and building out an entire new support system in the north, Dallas Texas area? If they transferred some of the seventy current employees to a new expansion office in north Dallas, would they have a fresh and qualified supply of SFA graduates and other east Texas professionals to replace the resources and capabilities that walked out of the door to Dallas?

Other related factors revolved around businesses expanding the total use of their IT solutions, and these businesses quickly found themselves storing a tremendous amount of data located within independent computers or servers. The threat of losing information stored electronically, whether by accident or disaster, continued to be a threat to businesses. As a primary solution, NacSpace's data center can be utilized as a site to store backup information. Businesses choosing to utilize this function of NacSpace's data center could recover their backup information directly from NacSpace. The local emergency management departments had begun the process of using this service, and local independent school districts were also interested in doing the same following a recent ransomware attack.

Expanding upon the available shared workspace in NacSpace's facility could be used as a secondary site for business affected by disaster. With the use of a contract and memorandum of understanding, a business could use NacSpace as a continuity of operations facility. In a crisis where a business found that its primary building had been damaged to the point to where it may not be utilized, continuity personnel (the individuals assigned to perform essential functions) could travel to the designated secondary site, attain designated workspaces, and begin their essential work (FEMA, 2018). While no contract currently existed, a business that had its secondary location and data recovery at NacSpace would be prepared to transition easily into a continuity of operations status.

CONCLUSION
While being new to the Nacogdoches market, NacSpace had established itself in its ability to deliver IT solutions for new and existing businesses, provide storage via its data center, and create the ability for individuals to work within its shared workspace. Though it brought knowledge from Elliott Electric Supply regarding the complexities of recruiting, hiring, and retaining high quality staff, NacSpace could provide work for those studying and graduating from Stephen F. Austin State University. Additionally, in their ability to provide cross training, NacSpace could develop its own workforce via training and promotion. Along with its current services that were provided, the future potential opportunities in and around Nacogdoches, Texas, and a healthy financial outlook, NacSpace was situated to be a competitive company in east Texas. Upon expansion, it was anticipated that NacSpace can provide any of its three services as needed for other rural and urban clusters.

"We have worked with two data centers in the past in Dallas related to data storage and data processing, and Elliot Electric Supply has an additional data center in Dallas already that we can work with" Hale stated. "But," he continued, "Should all this lead to a final decision in 2021 to expand our entire business presence into the north, Dallas Texas area?" As of the fourth quarter of 2020, Mr. Hale was still unsure of this answer as he led NacSpace through the Coronavirus pandemic and into an uncertain 2021. Mr. Hale knew he needed to find an informed strategic answer to this overarching question related to business expansion, and he knew that if NacSpace decides to expand, they are going to have to ask and answer many questions. It was time for Mr. Hale and his constituents to answer these questions, and the answers related to "how they compete" would shape the direction and financial health of NacSpace in significant ways.

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*Much of the material from the case comes from NacSpace's webpage and a
personal interview done with Mr. Phil Hale in 2020*