

TENNESSEE MARKET EXPANSION CAPTURE REPORT

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IT Budgets Comparison (Operating + Where Available)

Jurisdiction	IT Org	Operating Budget (\$)	Capital / Pass-Through / Notes
Tennessee	Strategic Technology Solutions (STS)	\$511,021,700	All funds; mainly internal service/chargebacks; no separately published capital number in summary.
Georgia	Georgia Technology Authority (GTA)	\$74,032,815	Operating only; pass-through funds bring total GTA revenues to ~\$275,838,680.
Georgia (Total)	GTA (Operating + Pass-Through)	\$275,838,680	Includes grants, pass-throughs; gives fuller picture of GTA financial scale.
District of Columbia	Office of the Chief Technology Officer (OCTO)	\$105,462,823	Operating budget; capital appropriation ~\$23,783,615.
Illinois	Department of Innovation & Technology (DoIT)	~\$927,200,000	Proxy number (GRF + other funds) for FY25; capital line not clearly separated in the summary used.
Maryland	Department of Information Technology (DoIT-Maryland)	~\$381,500,000	FY2025 Operating Allowance / Budget - includes various fund sources (general, reimbursable, etc.). No clear capital line in the source I checked. (Maryland General Assembly)

Executive Summary

This report assesses the viability of Tennessee as a new business market for PS2G. It includes a competitor landscape, a sustainability analysis by geography and industry, an evaluation of risks (with focus on rural realities and racial climate), a sector forecast for PS2G service lines, and concurrent state recommendations. The findings indicate Tennessee offers near-term opportunities in Nashville, Memphis, Knoxville, and Chattanooga, primarily in cloud ERP, public safety data governance, and utility analytics. However, PS2G should proceed with a pilot-first, ROI-driven approach and concurrently target adjacent states with stronger healthcare and digital-equity climates (e.g., North Carolina, Virginia, Georgia).

1. Competitor Landscape in Tennessee

Lane	Primary Competitors	Why They Win	PS2G Opportunity
State Cyber & IT (STS)	Deloitte	Embedded in statewide cyber maturity programs	Quick, KPI-driven cyber pilots; awareness & policy alignment services
Cloud ERP (Nashville, Counties)	Oracle Consulting & partners	OEM credibility, rollout muscle	Data migration QA, testing factories, reporting accelerators, governance & adoption
Public Safety Tech (Memphis)	GovTech ecosystem integrators	Momentum around AI command center	Privacy & retention policies, dashboards, 311/call-center modernization
Utilities & Grid Analytics (TVA, KUB, NES, EPB)	CagGemini, Accenture, CGI, ICF, Black & Veatch, Leidos	Access to TVA & long-term contracts	DER/EV analytics starter kits, vegetation/outage risk pilots
Local MSP/ERP Boutiques	LBMC Technology Solutions (TN-based)	Strong local relationships	Partner or outflank on Oracle & governance/change-management expertise

A. State Cyber & Enterprise IT (STS + Local Government)

Competitor	Where Active / TN Signal	Why They Win	PS2G Wedge
Deloitte	Publicly partnered with TN STS on cyber maturity assessments	Scale, policy expertise, embedded in state CIO initiatives	PS2G can position <i>fast, pilot-driven cyber partner</i> (awareness campaigns, zero-trust roadmaps, SOC advisory) with measurable 90-day outcomes
KPMG	Federal/state cyber & data programs across Southeast	Trusted compliance partner; strong in risk/GRC	Differentiate with change management + adoption (ensuring staff actually follow policies vs. paper-only compliance)
Booz Allen Hamilton	Cybersecurity + zero-trust advisors in SE; TVA + DoD presence	Federal pedigree; security engineering credibility	PS2G offers state & local focus, less federal overhead, faster delivery, and cost-effective mid-sized team
EY (Ernst & Young)	Known for IT audit & cyber compliance work with state/local governments	Compliance credibility	PS2G provides operations + culture change (policy training, awareness campaigns, adoption metrics) vs. audit-only view

B. Cloud ERP (Nashville + Counties on Oracle)

Competitor	Where Active / TN Signal	Why They Win	PS2G Wedge
Oracle Consulting	Metro Nashville moving Finance/HR to Oracle Fusion Cloud	OEM credibility, direct ties to product roadmap	PS2G = <i>Oracle assurance partner</i> → QA, data migration, testing, reporting packs, governance
Infosys	Nashville HQ; Oracle/ERP system integration across SE	Offshore delivery scale; ERP factory	PS2G can be the local, boutique partner → governance, adoption, equity-driven training & KPI dashboards
Capgemini	Oracle SI with TN/local government ERP work	Large ERP rollouts; referenceable experience	PS2G focuses on post-go-live adoption, reporting accelerators, and master-data governance
KPMG	Government ERP & financial modernization; Metro/county foothold	Strong audit + ERP	PS2G differentiates with hands-on change mgmt + Lean Six Sigma adoption instead of audit framing
LBMC Technology Solutions (TN-based)	Local ERP/MSP provider	Strong local presence, relationships	Team with LBMC (local credibility) while PS2G provides Oracle & change mgmt overlays

C. Public Safety Tech & Data Governance (Memphis + Other Cities)

Competitor	Where Active / TN Signal	Why They Win	PS2G Wedge
Motorola Solutions	AI-enabled camera & 911 networks; public-	Deep product portfolio, funding	PS2G = <i>neutral data governance partner</i> → privacy frameworks,

Competitor	Where Active / TN Signal	Why They Win	PS2G Wedge
	safety integrator nationwide	access, entrenched vendor relationships	dashboards, retention policies
ShotSpotter / SoundThinking	Gunshot detection in metro areas	Known in urban safety solutions	PS2G can integrate outputs into data governance dashboards + equity/privacy overlays
Fusus (Axon-acquired)	Real-time crime center (RTCC) tech	RTCC platform vendor; expanding in SE	PS2G focuses on cross-agency data standards, citizen engagement (311/CC), and adoption training
Tyler Technologies	Public safety IT (CAD/RMS) in SE	Large gov client base; integrated products	PS2G differentiates with data quality, retention, and change adoption
GovTech integrator ecosystem	Local IT firms implementing RTCC systems	Low-cost, fast-moving	PS2G provides enterprise governance + dashboards instead of pure integration

D. Utilities & Grid Analytics

Competitor	Where Active / TN Signal	Why They Win	PS2G Wedge
Accenture	TVA advisor; AMI/DER programs across SE	Trusted at exec level; scale	PS2G = agile pilot partner → fast DER/EV dashboards, KPI packs
Capgemini	Smart grid/AMI rollouts in SE	Digital twin modeling, data platforms	Governance + adoption frameworks

Competitor	Where Active / TN Signal	Why They Win	PS2G Wedge
CGI	TVA + regional outage management & GIS	OMS/GIS foothold	Analytics starter kits; equity dashboards
Black & Veatch	Engineering + fiber/grid + data	Infrastructure + design credibility	PS2G = governance & KPI adoption layer
ICF	DOE/DER pilots; EV load studies	Policy/DER adoption expertise	PS2G adds equity scoring + KPI pilots
Leidos	Longtime TVA prime	Deep TVA incumbency	PS2G = subcontractor for analytics + change mgmt

Major Utilities / Energy Companies in Tennessee

1. **Tennessee Valley Authority (TVA)**

A federally-owned utility that generates electricity via nuclear, coal, gas, hydroelectric, and renewables. It serves ~10 million people over parts of Tennessee and nearby states.

2. **Meriwether Lewis Electric Cooperative (MLEC)**

A rural electric cooperative in western Middle Tennessee, distributing electricity (not generating) often via TVA-power.

3. **Piedmont Natural Gas (Tennessee operations)**

Formerly part of Duke Energy, this company distributes natural gas to residential, commercial, and industrial customers in parts of Tennessee. Note: there is ongoing sale / acquisition activity.

4. Other electric cooperatives, municipal utilities, distribution companies, e.g.

BrightRidge, Bristol Tennessee Essential Services, etc., often in partnership with TVA.

Key Contractors / Vendors / Partners

Here are some major contractors, service providers, and other partners that work with the Tennessee utilities, especially TVA, and other utilities or cooperatives.

Contractor / Partner	What They Do / Their Specialty	Known Projects & Relationships

Bechtel	Engineering, Procurement, Construction (EPC) for large power/ nuclear-scale projects.	They completed <i>Watts Bar Unit 2</i> for TVA. Also selected by TVA (with Sargent & Lundy, GE Hitachi) for small modular reactor (SMR) work.
Sargent & Lundy	Engineering & consulting, especially in nuclear generation.	Partner on TVA's SMR project with Bechtel and GE Hitachi.
GE Hitachi	Reactor design / nuclear technology.	Working with TVA/Sargent & Lundy/Bechtel for SMR deployment.
BESCO	Transmission & distribution (T&D), line work, overhead/underground lines.	Works with utilities & cooperatives for system maintenance, line upgrades in Tennessee & region.
Stansell Electric	Electrical contractor / systems integrator.	Likely works with utilities on electrical infrastructure projects. (They are known in Tennessee.)
Service Electric Company	Transmission & distribution lines, substations, emergency storm restoration, etc.	They are part of the contractor ecosystem for utilities in Tennessee.
Contractors in the Procure Network	Many smaller and medium firms doing high/medium-voltage distribution, electrical general contracting, substations, etc.	Examples: Benson Meyer Electric, Qualus, Byard Construction LLC, McKamey Electric, etc. These firms likely bid on or perform work for utilities in their service areas.

Specific Partnerships / Programs

- TVA has a “Preferred Partners Network” (PPN), a vetting system of contractors, trade firms, and vendors that can compete for business via TVA incentive or energy-efficiency programs.
- For large generation work (nuclear or large plants), TVA hires large EPC contractors like Bechtel.
- For transmission & distribution and routine grid maintenance, TVA and other utilities use regional contractors like BESCO, McKamey, Qualus, etc. Also, cooperatives

Matrix A — Major Tennessee Utilities (power + gas)

Utility	Type / Notes	Primary Supplier	Service Footprint (examples)
Tennessee Valley Authority (TVA)	Federal generation & transmission utility; serves 153+ local power companies (LPCs)	—	TN-wide generation & transmission; sells to LPCs
Nashville Electric Service (NES)	Municipal electric	TVA	Nashville / Davidson Co.
Knoxville Utilities Board (KUB)	Municipal electric, gas, water/wastewater, fiber	TVA (electric)	Knoxville & parts of 7 counties
Memphis Light, Gas & Water (MLGW)	Municipal electric, gas, water (largest 3-service muni in U.S.)	TVA (electric)	Memphis / Shelby Co.
EPB (Chattanooga)	Municipal electric + fiber; automated/self-healing grid	TVA	Chattanooga / Hamilton Co.
Middle Tennessee Electric (MTE)	Electric cooperative (incl. former Murfreesboro Electric)	TVA	Middle TN (e.g., Rutherford, Williamson, Wilson, Cannon)
BrightRidge (Johnson City)	Municipal electric + broadband	TVA	Washington, Carter, Sullivan, Greene (parts)

Bristol Tennessee Essential Services (BTES)	Municipal electric + fiber	TVA	Bristol, TN
CDE Lightband (Clarksville)	Municipal electric + fiber	TVA	Clarksville / Montgomery Co.
Jackson Energy Authority (JEA)	Municipal electric, gas, water, broadband	TVA (electric)	Jackson / Madison Co.
Oak Ridge Electric Dept., Sevier County Electric, Cleveland Utilities, CPWS (Columbia), LCUB (Lenoir City), Dickson Electric, AEC (Appalachian EC), Duck River EMC, VEC (Volunteer EC), Plateau EC, etc.	Mix of municipal & co-ops	TVA (electric)	Across East, Middle & West TN
Gas distributors (statewide)			
Atmos Energy (TN division)	Investor-owned gas utility	—	Middle & East TN (e.g., Murfreesboro, Johnson City, Maryville, Spring Hill)
Piedmont Natural Gas (Duke Energy)	Investor-owned gas utility	—	Middle TN incl. Nashville metro

Matrix B — Utility → Known Partners, Contractors & Platforms

Utility	Partner / Contractor / Platform	Relationship (what they do)
TVA	Bechtel; Sargent & Lundy; GE Hitachi	Selected collaborators for initial planning/validation of potential SMR (BWRX-300) at Clinch River

NES (Nashville)	Landis+Gyr (Gridstream AMI/meters)	AMI/smart grid rollout; NES confirms its meters are Landis+Gyr
KUB (Knoxville)	Utility Partners of America (UPA)	Meter reading services contractor
KUB	Smart grid/AMI deployment (ARRA project)	AMI & distribution automation (FLISR/VAR)
EPB (Chattanooga)	S&C Electric (IntelliRupter/IntelliTeam SG)	Self-healing automated grid switching
EPB	Tantalus Systems (TUNet)	AMI communications & smart meters across ~170k endpoints
EPB	Alcatel-Lucent (now Nokia)	Smart Grid Management System (SGMS) framework partner
MLGW (Memphis)	Contract awards via Board (ongoing)	Active contracting; see procurement/current bids & board packets
MTE (Middle TN Electric)	Landis+Gyr (Gridstream RF; FOCUS AX-SD meters)	AMI & load management project
MTE	Smart grid / AMI program details	Utility documentation of advanced meters & smart grid
BrightRidge (Johnson City)	Tantalus (TUNet AMI) + Itron meters (with Tantalus modules); NISC MDM	AMI platform & meter/MDM stack
BTES (Bristol TN)	(Public info focuses on services; vendor details not explicitly listed)	Electric & fiber provider; vendors procured as needed

CDE Lightband (Clarksville)	Vendor portal (active sourcing)	Utility publishes vendor/bid information for suppliers
JEA (Jackson)	AMI & two-way digital meters	Public materials note two-way metering; specific vendor not named publicly on site
Regional T&D contractors	Service Electric Company (Quanta); BESCO; Stansell Electric	Transmission/distribution line work, substations, outage restoration; widely active across TN utilities
Water/Other TN utilities	Itron (AMI/Temetra, water & combo AMI)	Deployed at Eastside Utility District; other TN districts also adopt Itron platforms

Matrix C — Technology Domains & Typical Vendors Seen in TN

Domain	Common Vendors Seen in TN Utilities	Example TN Evidence
AMI / Smart Meters & Networks	Landis+Gyr, Itron, Tantalus	NES uses Landis+Gyr; MTE selected Landis+Gyr; EPB & BrightRidge use Tantalus (with Itron meters); multiple TN water/gas districts use Itron AMI/Temetra.
Self-healing grid / Distribution automation	S&C Electric (IntelliRupter/IntelliTeam SG)	EPB Chattanooga deployment widely documented.
Smart-grid backbones / SGMS	Alcatel-Lucent (now Nokia)	EPB SGMS framework partnership.
Generation / Nuclear (TVA)	Bechtel; Sargent & Lundy; GE Hitachi	Clinch River SMR planning/validation team.

Field services / Line construction	Quanta's Service Electric; BESCO; regional ECs	T&D construction, storm restoration.
Meter reading & field ops	Utility Partners of America (UPA)	KUB uses UPA for meter reading.

Matrix D — PS2G Potential Play vs. Challenges

Utility / Segment	Where PS2G Could Play	Challenges & Risks (Emphasize)
TVA (Generation + Transmission + Nuclear/SMR projects)	<ul style="list-style-type: none"> • Data governance, analytics, and compliance frameworks for nuclear & SMR programs. • Change management, stakeholder engagement, workforce training (e.g., transitioning to SMRs, renewables). • Cybersecurity & digital resilience consulting. 	<ul style="list-style-type: none"> • TVA is federally owned and deeply entrenched with large, entrenched primes (Bechtel, Sargent & Lundy, GE Hitachi). Hard for a mid-sized firm to prime or even sub unless as a highly niche capability. • Nuclear regulatory environment = extremely slow, costly sales cycle. • Risk: TVA prefers firms with deep nuclear pedigree and long-standing relationships.
NES, KUB, MLGW, EPB, MTE (large municipal/co-ops)	<ul style="list-style-type: none"> • Grid analytics, AMI data integration, customer experience modernization. • Process reengineering of call centers (NES, MLGW, KUB). • Workforce training / apprenticeships aligned to new smart grid technologies. 	<ul style="list-style-type: none"> • Entrenched vendor ecosystems: NES with Landis+Gyr; KUB with UPA; EPB with S&C Electric, Tantalus, Nokia. They are reluctant to swap providers. • Many projects tied to federal/state infrastructure funds → strict compliance and reporting requirements. • Cultural/community challenge: some utilities are very conservative, slow-moving, with procurement leaning on

	<ul style="list-style-type: none"> • Support for cloud ERP, financial modernization, and public safety coordination (outage/customer service). 	<p>“safe” long-time vendors.</p> <ul style="list-style-type: none"> • Procurement risk: lengthy RFP processes, high bar for minority/small business certifications.
<p>Mid-size / regional co-ops (Duck River EMC, Volunteer EC, Plateau EC, BrightRidge, BTES, CDE Lightband, etc.)</p>	<ul style="list-style-type: none"> • Digital customer engagement platforms (billing, self-service portals, omnichannel CX). • Change management for fiber buildouts (broadband expansion is a big growth area). • Lean Six Sigma consulting to streamline outage restoration and field workforce management. 	<ul style="list-style-type: none"> • Rural, price-sensitive service territories → low budgets, “good enough” mentality. • Broadband competition: they may prioritize fiber rollout contractors over advanced analytics. • Risk: Co-ops are governed by local boards; relationships are highly political and community based. PS2G lacks brand presence in Tennessee’s rural communities.
<p>Gas distributors (Atmos Energy, Piedmont Natural Gas, MLGW gas)</p>	<ul style="list-style-type: none"> • Safety & compliance programs (pipeline safety, incident response training). • Workforce resilience programs (upskilling, apprenticeships for pipeline/fiber construction overlap). • Process improvement for billing, customer engagement. 	<ul style="list-style-type: none"> • Atmos & Piedmont are heavily centralized IOUs with HQ decision-making outside Tennessee (Dallas, Charlotte). Local influence is limited. • Existing large SI/vendor contracts already in place for pipeline, billing, safety systems. • Regulatory climate is heavily scrutinized (PHMSA, FERC). PS2G would face high compliance overhead.
<p>Cross-cutting (statewide smart grid / resiliency programs)</p>	<ul style="list-style-type: none"> • Resilience & Reinvention models, workforce resilience, operational resilience, cybersecurity for 	<ul style="list-style-type: none"> • Entrenched AMI vendors (Landis+Gyr, Itron, Tantalus) already bundle “analytics-lite” solutions. • Utilities often distrust “consultants without hardware.” Risk of being

	<p>distributed energy resources.</p> <ul style="list-style-type: none"> • Partnering with TVA's Preferred Partners Network (PPN) for energy efficiency programs. • Digital twin, predictive analytics pilots. 	<p>perceived as non-essential.</p> <ul style="list-style-type: none"> • Tennessee's political/racial climate adds risk: diversity/DEI offerings may not be welcomed. • Market fragmentation: 150+ LPCs, each with small budgets and different boards. Very high cost-to-sales ratio.
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Matrix E — Public Sector in Tennessee

Segment / Agency	Where PS2G Could Play	Challenges & Risks
<p>State of Tennessee (Dept. of Finance & Administration; STS - Strategic Technology Solutions)</p>	<ul style="list-style-type: none"> • IT modernization, ERP/cloud transformation. • Change management for statewide digital service delivery. • Lean Six Sigma process improvement for procurement & HR systems. 	<ul style="list-style-type: none"> • Tennessee already uses ServiceNow, Oracle, Salesforce ecosystems with established SI partners. • Procurement is centralized, highly competitive, and politically influenced. • Strong preference for long-standing vendors (Accenture, Deloitte, CGI, Unisys). Hard entry for new firms.
<p>Tennessee Department of Human Services (DHS)</p>	<ul style="list-style-type: none"> • Workflow optimization (SNAP, TANF, Medicaid eligibility). • Data integration for case management. • Change management for federal program compliance (e.g., PARIS data matching, community engagement). 	<ul style="list-style-type: none"> • DHS contracts are long-term, federally funded (10+ years with big integrators). • Cultural/political sensitivity around Medicaid work requirements and social safety net programs. • High reputational risk: seen as "outsider consultants profiting from poverty programs."

Segment / Agency	Where PS2G Could Play	Challenges & Risks
<p>Local Governments (Nashville, Memphis, Knoxville, Chattanooga)</p>	<ul style="list-style-type: none"> • Business process outsourcing (call centers, 311 services). • Digital transformation (citizen services portals, licensing systems). • Workforce development partnerships tied to city economic growth. 	<ul style="list-style-type: none"> • Entrenched municipal IT vendors. • Local politics matter: contracts awarded often based on relationships and local economic impact. • Perception risk: a D.C.-based federal contractor may not be embraced locally without TN-based presence.
<p>Public Safety / Justice</p>	<ul style="list-style-type: none"> • Document management, digitization, workflow modernization. • Training systems for law enforcement / first responder coordination. 	<ul style="list-style-type: none"> • Politically charged environment (policing, criminal justice reform). • DEI or equity-related services may face pushback in Tennessee’s political climate.

Matrix F — Healthcare in Tennessee

Segment / Agency	Where PS2G Could Play	Challenges & Risks
<p>TennCare (Medicaid program under TN Dept. of Finance & Administration)</p>	<ul style="list-style-type: none"> • Program management support for managed care organizations (MCOs). • Data governance & analytics for claims/eligibility. • Change management for CMS compliance and new community engagement rules. 	<ul style="list-style-type: none"> • Highly entrenched vendors: Deloitte (MMIS), Gainwell Technologies, Optum, Conduent. • Medicaid = politically controversial; PS2G risks being caught in partisan battles over eligibility, work requirements, and funding. • Federal oversight makes compliance extremely strict.

Segment / Agency	Where PS2G Could Play	Challenges & Risks
<p>Large Health Systems (e.g., HCA Healthcare HQ in Nashville, Vanderbilt University Medical Center, Ballad Health in NE TN)</p>	<ul style="list-style-type: none"> • AI-driven process optimization (call centers, scheduling, patient engagement). • Workforce resilience programs (burnout mitigation, leadership development). • Change management for EHR upgrades or mergers. 	<ul style="list-style-type: none"> • These systems have internal IT & transformation offices plus partnerships with giants (Epic, Cerner/Oracle, Deloitte, PwC). • Vendor access is relationship-based; hard for small firms without prior footprint. • Risk: competing against large health consulting firms (Accenture, McKinsey, Deloitte).
<p>Community Health Systems (CHS, Franklin, TN HQ)</p>	<ul style="list-style-type: none"> • Data governance & reporting (value-based care). • Training and workforce development for clinical staff. 	<ul style="list-style-type: none"> • CHS is under financial stress, heavily focused on cost-cutting. • Less appetite for new consulting spend.
<p>Public Health (TN Dept. of Health, County Health Depts.)</p>	<ul style="list-style-type: none"> • Program design for maternal health, behavioral health, workforce pipelines. • Process reengineering for grant-funded initiatives. 	<ul style="list-style-type: none"> • Funding is federal grant-based and politically volatile. • Skepticism of “outside consultants” in rural areas. • Cultural barriers in addressing racial health disparities in TN’s political climate.

Key Challenges & Risks for PS2G (Public Sector + Healthcare)

1. Entrenched Large Vendors

Accenture, Deloitte, CGI, Gainwell, Optum, and Deloitte dominate Tennessee’s state and healthcare contracts. Breaking in without a subcontractor role is very difficult.

2. Political & Cultural Climate

- Anti-DEI sentiment makes branding around equity/racial justice risky.
- Medicaid expansion is politically charged in TN. Any PS2G work with TennCare or DHS comes with reputational risk.

3. Procurement Complexity

State-level contracts are long-term and managed through competitive, often opaque RFP processes. Small firms are disadvantaged unless they partner.

4. Local Presence Barrier

Tennessee is relationship heavy. Out-of-state firms without a Tennessee office or local staff may be perceived as outsiders.

5. Healthcare System Conservatism

Large systems (HCA, Vanderbilt) already use major SI firms for tech transformations. Small firms face difficulty getting visibility.

Potential Spaces PS2G Could Play

- **Workforce Development & Apprenticeships:**
Partner with TennCare or DHS on workforce pipeline programs (caseworkers, call center staff, healthcare apprenticeships).
- **Process Reengineering & Change Management:**
Offer Lean Six Sigma–driven improvements to citizen services portals, healthcare call centers, or Medicaid processing systems.
- **Resilience & Organizational Development:**
Apply PS2G’s Resilience & Reinvention models to healthcare workforce burnout, public health emergency preparedness, and TennCare compliance projects.
- **Niche Subcontracting Opportunities:**
Enter via teaming with Deloitte, Optum, or Gainwell on TennCare, or with larger integrators on state IT projects.

For Public Sector, PS2G’s best entry is through process improvement, call center modernization, and workforce programs at local/municipal levels, but the risks are entrenched vendors, local politics, and cultural pushback.

For Healthcare, PS2G could play in workforce resilience, analytics, and call center/process optimization, but faces steep competition from big consulting firms and a politically sensitive Medicaid landscape.

Key Challenges & Risks for PS2G in Tennessee

1. Entrenched Vendor Ecosystems

Major utilities already tied to Landis+Gyr, Itron, S&C Electric, Bechtel, etc. Breaking into those ecosystems is hard without niche differentiation.

2. Procurement Barriers

Tennessee municipal and cooperative utilities are extremely relationship-driven. Without years of local presence or board relationships, PS2G risks being sidelined.

3. Cultural & Political Climate

- a. Rural Tennessee can be resistant to “outside” firms and new consulting approaches.
- b. The racial climate and DEI skepticism means PS2G must be careful in branding/service positioning.
- c. Decision-making is often insular and rooted in local politics.

4. Fragmentation of Market

150+ LPCs (local power companies) means hundreds of different decision-makers. Each has modest budgets compared to large IOUs. Cost of sales may outweigh opportunities.

5. Utility Conservatism

Utilities are risk-averse and often “late adopters.” They prefer proven solutions from long-standing partners over new, innovative consulting offerings.

Potential Spaces PS2G Could Play

- **Workforce Development & Apprenticeships:** Partnering with utilities/co-ops expanding broadband/fiber or smart grid to provide skilled workforce pipelines. (Leverages PS2G/WRIA experience).
- **Resilience & Risk Management:** Cybersecurity, operational resilience, disaster recovery planning, areas TVA and EPB already emphasize.
- **Business Process Optimization:** Call centers, billing, outage management, where utilities face customer satisfaction pressure.
- **Data Governance & Analytics:** Utilities swimming in AMI and SCADA data but struggling with governance, integration, and value realization.
- **Change Management:** Supporting transitions to AMI, SMR, or renewable projects, where workforce and community buy-in are crucial.

2. Tennessee Market Sustainability

Priority Geographies

- **Davidson County / Nashville:** Oracle Fusion rollout → ERP assurance, data quality, governance.
- **Shelby County / Memphis:** AI Command Center → governance/privacy playbooks, citizen engagement modernization.
- **Knox County / Knoxville & KUB:** Fiber buildout + EV adoption → AMI/DER/EV analytics pilots, outage/vegetation risk models.
- **Hamilton County / Chattanooga & EPB:** Mature smart grid + 25-gig fiber → reliability analytics and energy optimization pilots.

Service Lines with Staying Power

- **ERP Enablement:** Data migration, testing, reporting, governance, org change.
- **Public Safety Data Governance:** Privacy, retention, interagency dashboards, 311/call centers.
- **Grid & Broadband Analytics:** DER/EV telemetry, vegetation, outage analytics.
- **Digital Opportunity Programs:** Device, literacy, and adoption pilots tied to BEAD funds.

3. Risks & Constraints

Rural Delivery Risks

- Tennessee has one of the highest rural hospital closure rates; service delivery in rural areas requires device/literacy programs and grant funding.
- Broadband adoption lags despite BEAD inflows; affordability remains an issue.

Racial Climate & DEI Policy Environment

- 2025 laws dismantled DEI offices in state and local agencies.
- Civil rights cases and racial equity disparities present reputational risk.
- Recommendation: Use alternative framing such as “Title VI compliance,” “supplier diversity,” “accessibility,” “community benefit,” and “outcomes monitoring.”

Healthcare Coverage

- Tennessee has not expanded Medicaid; >11% of residents under 65 remain uninsured.
- Limits capital-intensive healthcare IT; focus instead on administrative efficiency pilots.

Procurement & Budget Climate

- Conservative budgets prioritize ROI and public safety; projects will require pilot-first validation before expansion.

4. Sector Forecasts (2025–2028)

- **Public Sector Digital & Cyber:** Growth in cyber maturity, app modernization, local government enablement → *pursue pilot projects*.
- **Energy & Utilities:** TVA IRM strategy + KUB/EPB fiber & EV adoption → *sustained analytics opportunities*.
- **Healthcare Operations:** Non-expansion climate limits funding; pursue *selective administrative pilots* only.

5. Concurrent State Targets

To diversify risk and broaden opportunity, PS2G should also pursue:

- **North Carolina:** Medicaid expansion, GREAT broadband, strong utility modernization.
- **Virginia:** VITA's multi-provider cloud/data strategy, strong agency demand.
- **Georgia:** GTA modernization, Atlanta metro ERP & data projects.
- **Kentucky:** ~\$1B BEAD inflows, rural broadband modernization.
- **Alabama:** Huntsville/Redstone growth in defense & space, strong utilities presence.

6. Recommendations

1. **Adopt a pilot-first entry strategy** in Tennessee: 90-day engagements with measurable KPIs.
2. **Focus initially on metros** (Nashville, Memphis, Knoxville, Chattanooga) rather than rural markets.
3. **Frame equity carefully** (Title VI compliance, accessibility, community benefit) given the political climate.
4. **Leverage PS2G strengths** in change management, Lean Six Sigma, and data governance to differentiate from incumbents.
5. **Parallel pursuit** of NC, VA, GA, KY, and AL to balance Tennessee's risks and expand PS2G's Southeast footprint.

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