



SCHAR SCHOOL OF POLICY
AND GOVERNMENT
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Aligning Strategy, Capacity, and Opportunity

*Presentation to
Leadership Montgomery*

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George Mason University

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Strategic Alignment

Personal, business, and regional growth are a dynamic system subject to feedback that need to adapt to changing circumstances.

Strategic alignment fails when strategy outpaces the resources available to execute it.

Aligning Strategy, Capacity, and Opportunity

Taking Stock of the Economy

- National
- Regional

Aligning Strategy, Capacity, and Opportunity

- Capacity
- Opportunity
- Strategy



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Taking Stock of the Economy

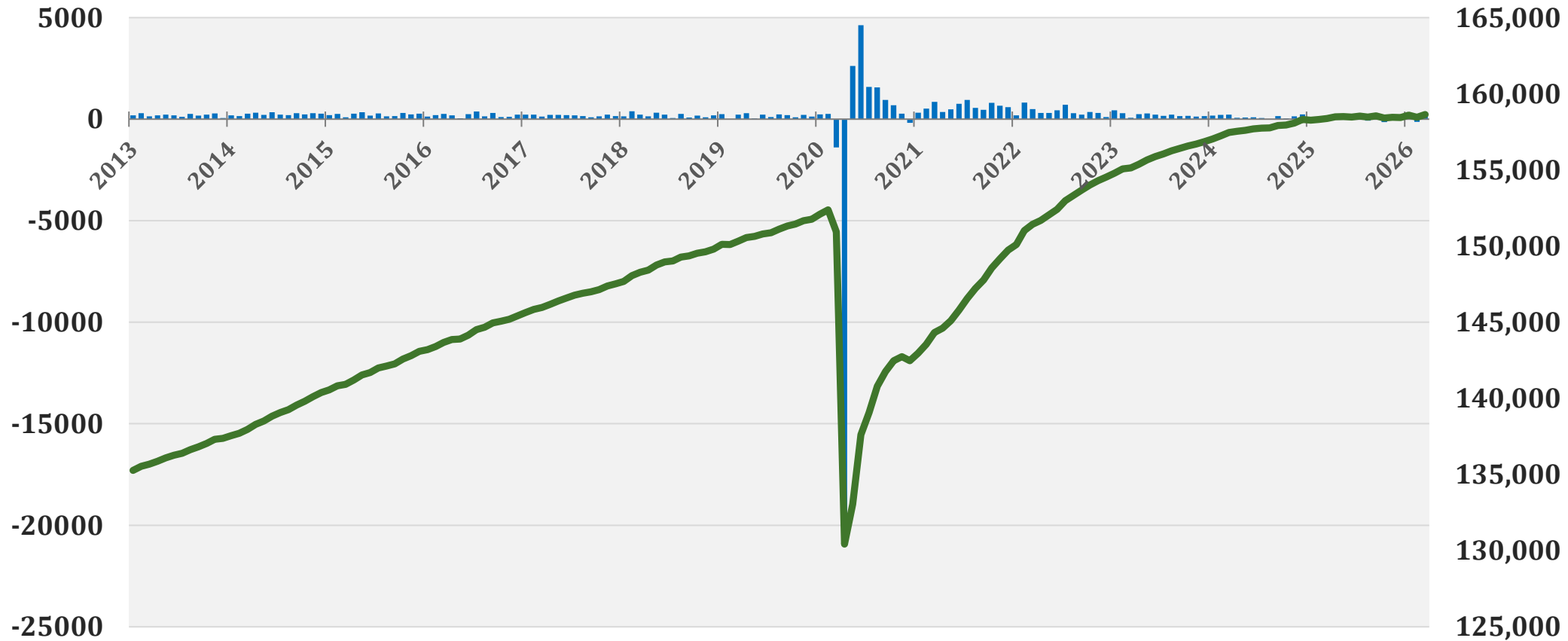
The National Economy



U.S. Payroll Jobs

1-mo. change
(in thousands)

total payroll jobs
(in thousands)



Since 2025
(12 mo. Δ)
+260k

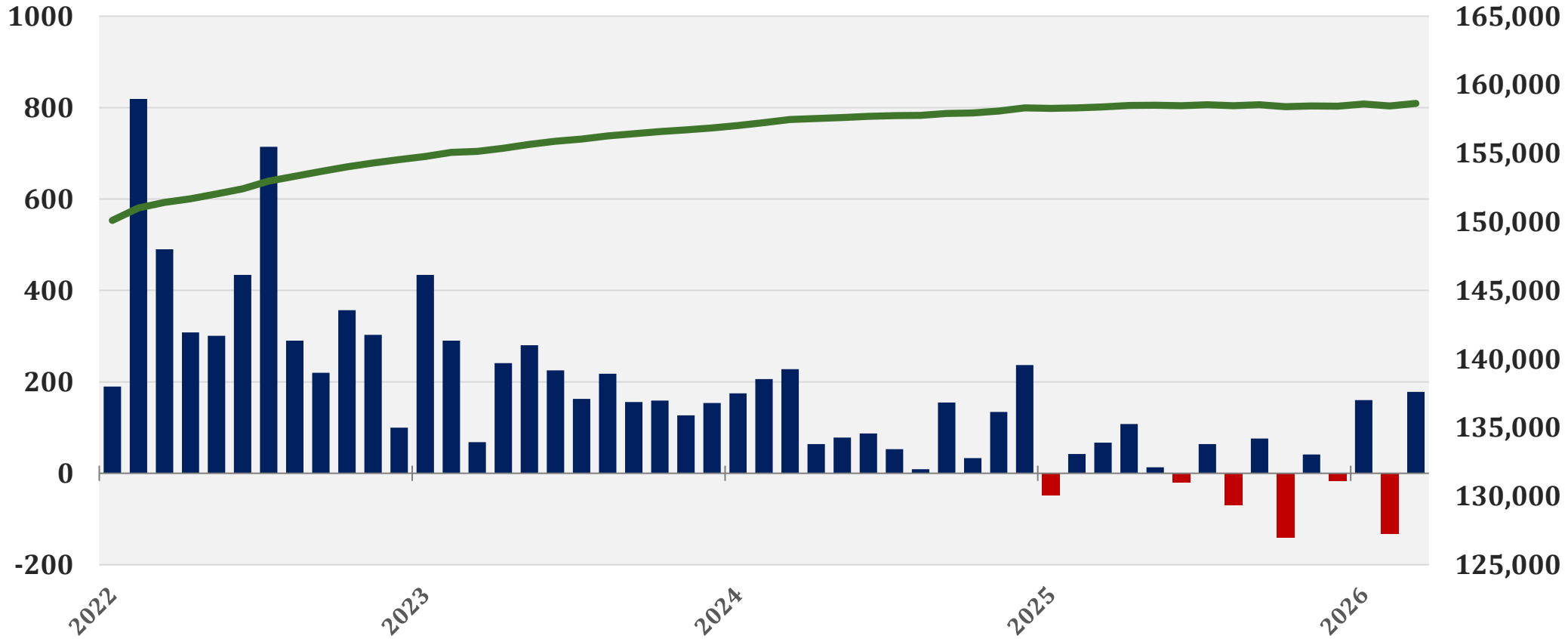
Feb 26 -
Mar 26
(1 mo. Δ)
178k



U.S. Payroll Jobs

1-mo. change
(in thousands)

total payroll jobs
(in thousands)



Since 2025
(12 mo. Δ)
+260k

Feb 26 –
Mar 26
(1 mo. Δ)
178k



U.S. Payroll Job Change by Sector

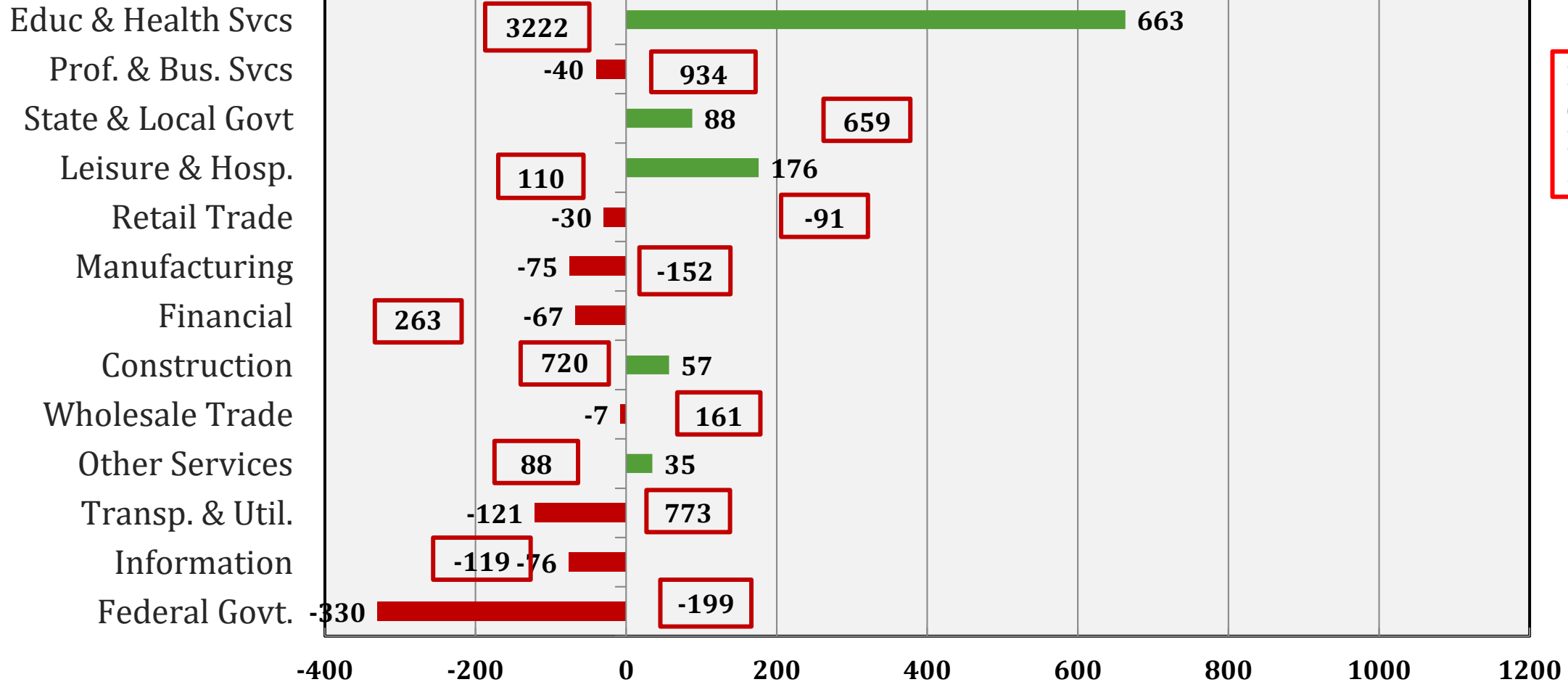
12-Month Net Change (Mar 2026)



(000s)

total = 272.8K

Ranked by Size in 2024



Employment
change since
February
2020

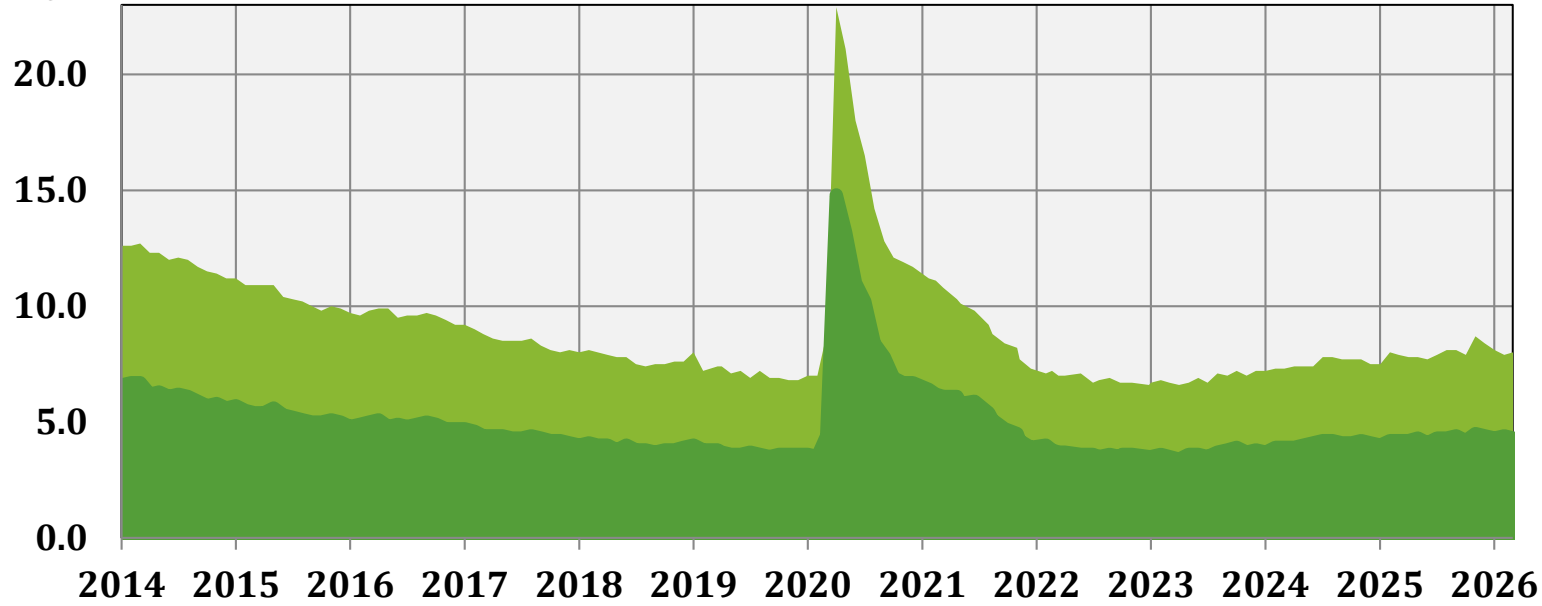


U. S. Unemployment



U-6

UR



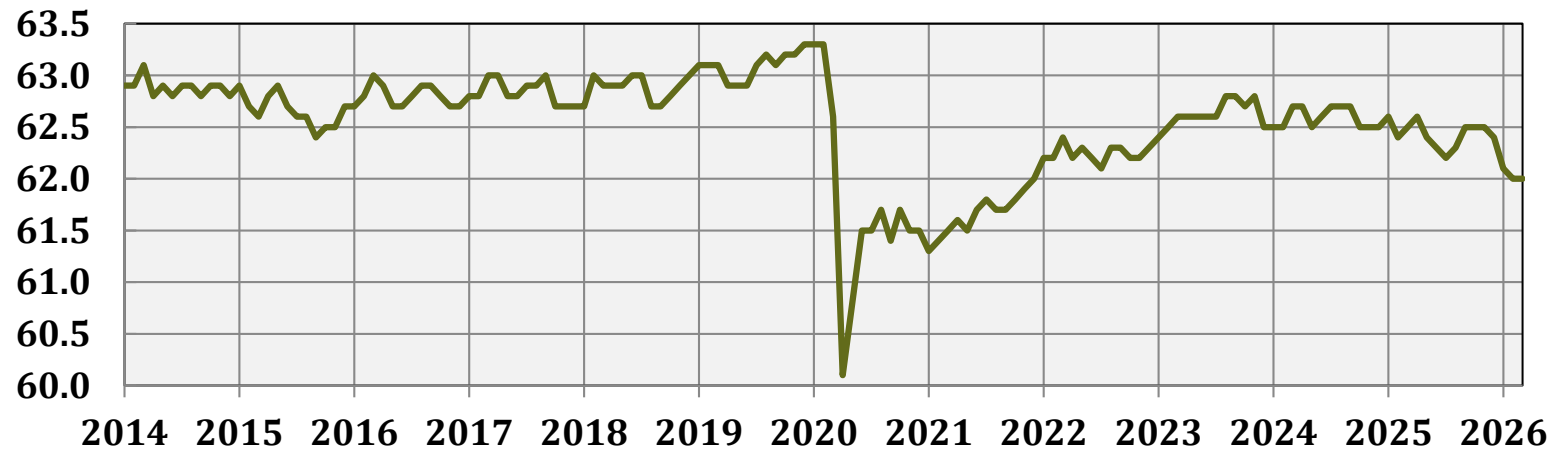
← Mar 8%

← Mar 4.3%

12 mo change:

U-6 0.1%
UR 0.1%
LFPR -0.6%

LFPR



← Mar 61.9%



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Taking Stock of the Economy

The Regional Economy



GDP: U.S. & DC Metro

2001 - 2023 (Billions, \$2017)

Compound
Growth Rate

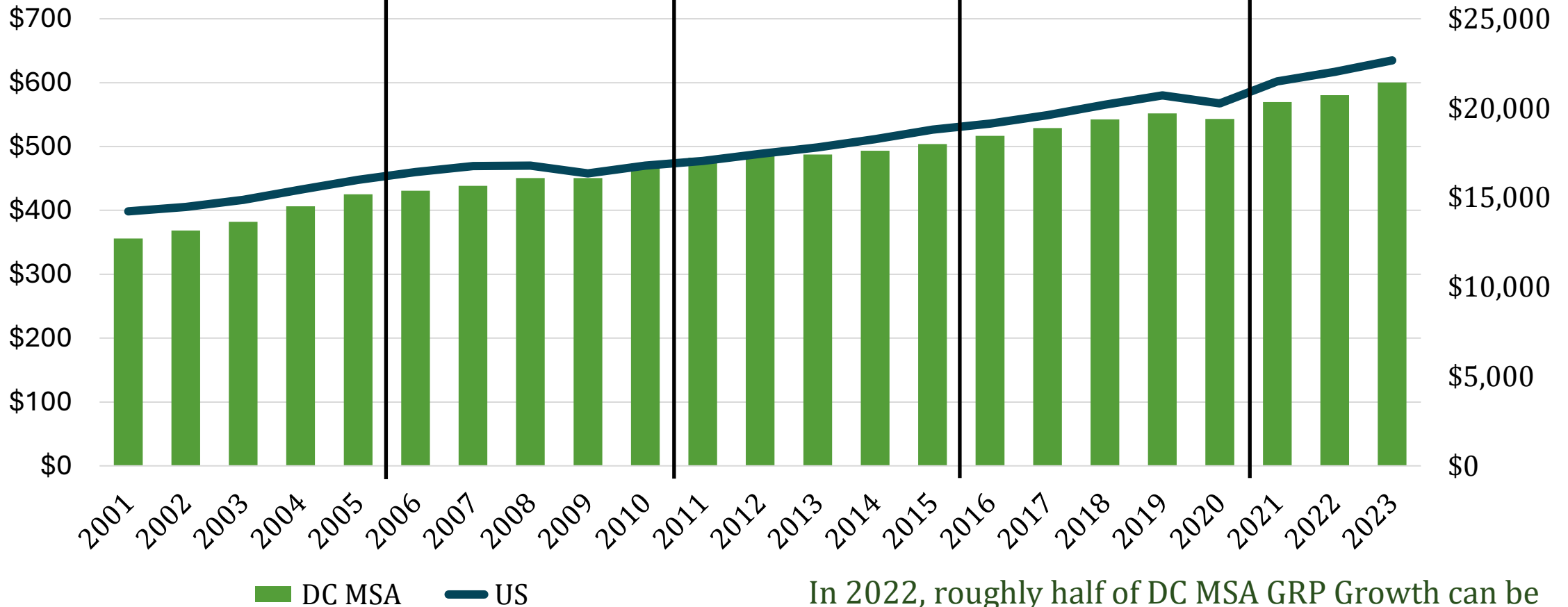
DC 4.5%
US 3.0%

2.4%
0.5%

1.1%
2.5%

1.3%
1.4%

3.3%
3.8%



In 2022, roughly half of DC MSA GRP Growth can be attributed to data centers built that year in Loudoun

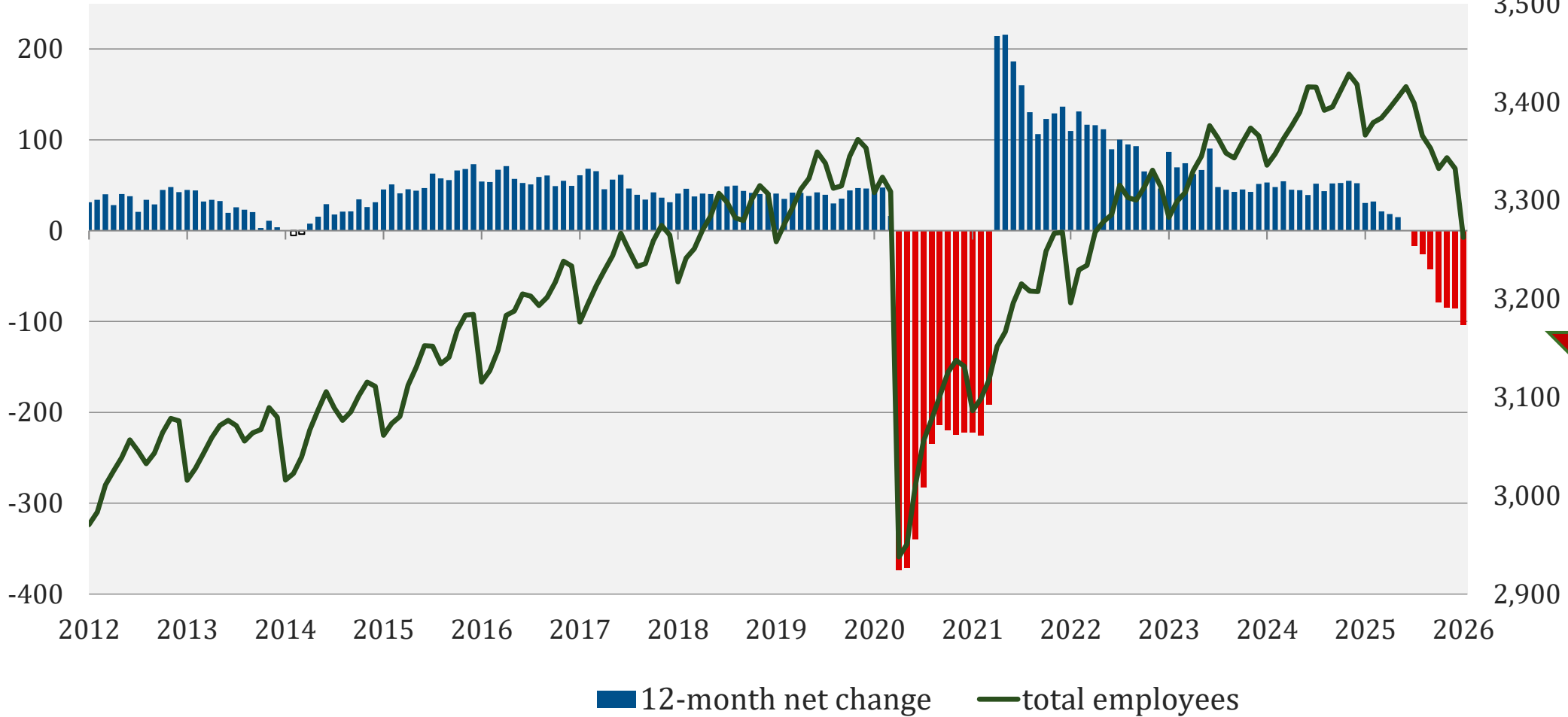


Annual Job Change Washington MSA (2012-2026)



thousands

thousands



Jan 25
-
Jan 26

-103.9k

Jan 2026
Total: 3.3M



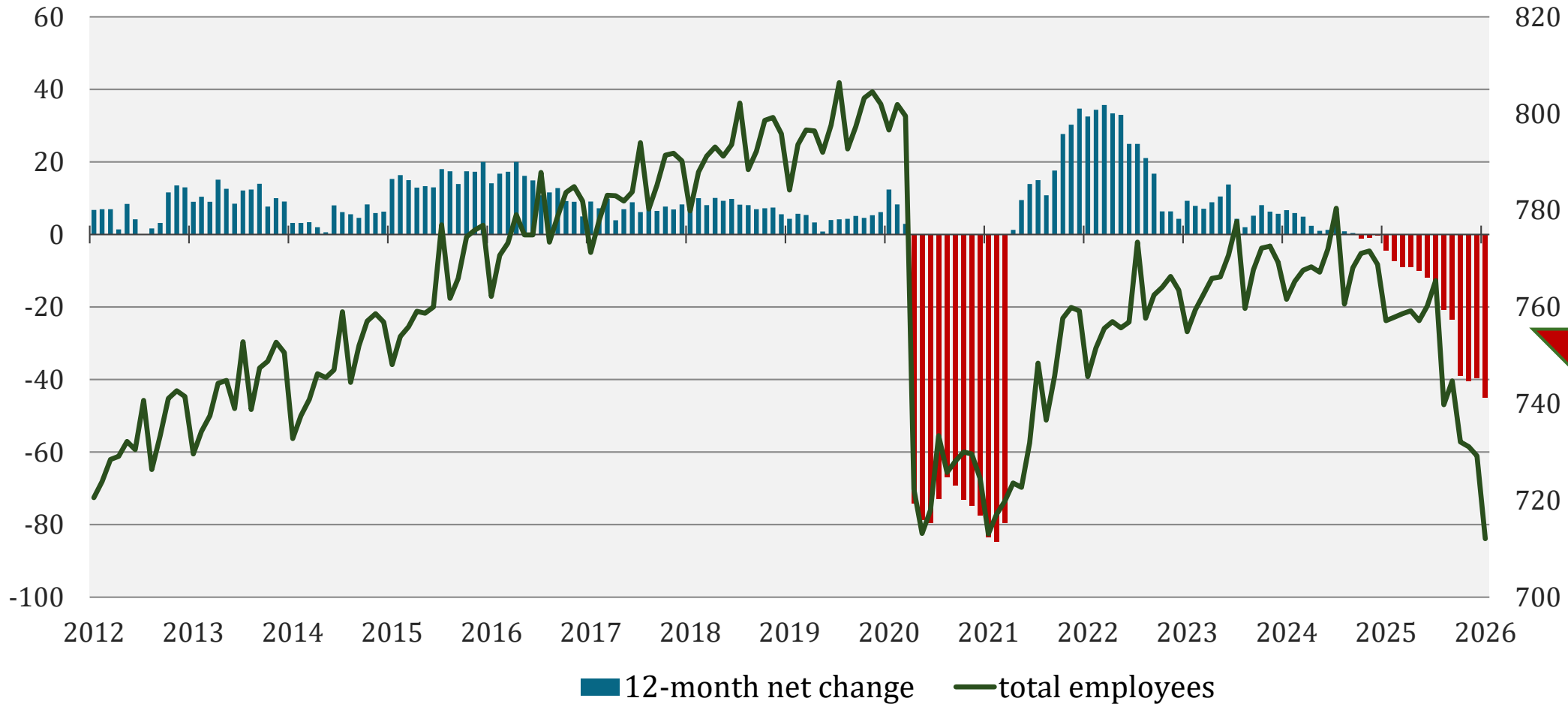
Annual Job Change

District of Columbia (2012-2026)



thousands

thousands



Jan 25
-
Jan 26
-45.1 k

Jan 2026
Total: 712k

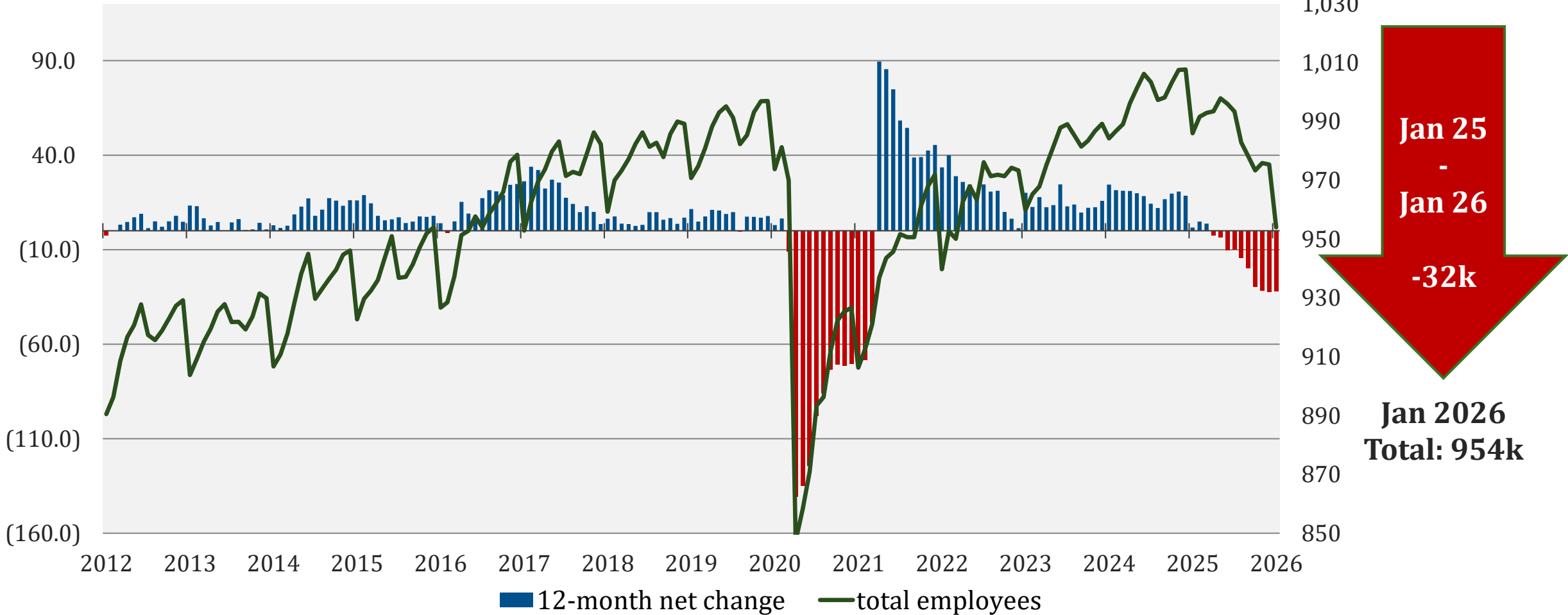


Annual Job Change Suburban Maryland (2012-2026)



thousands

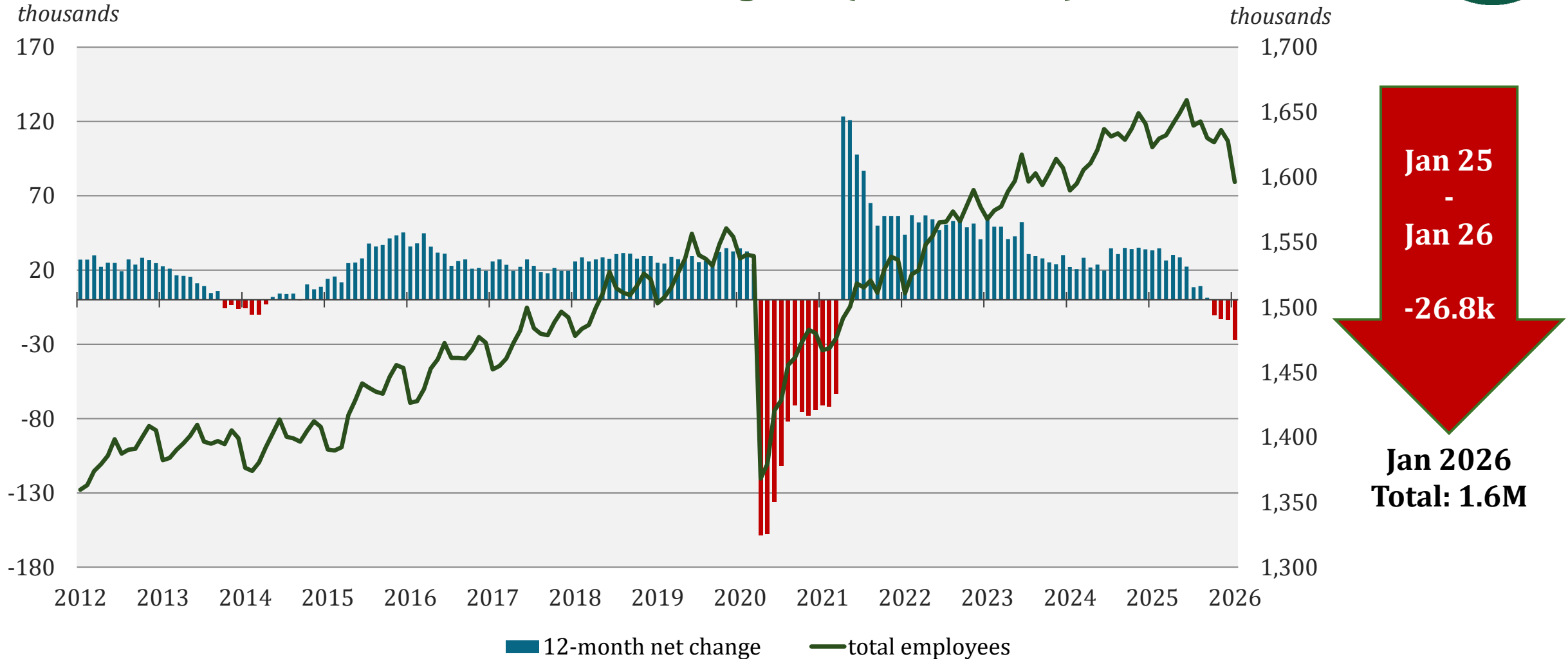
thousands



Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis



Annual Job Change Northern Virginia (2012-2026)





Job Change by Sector Washington MSA

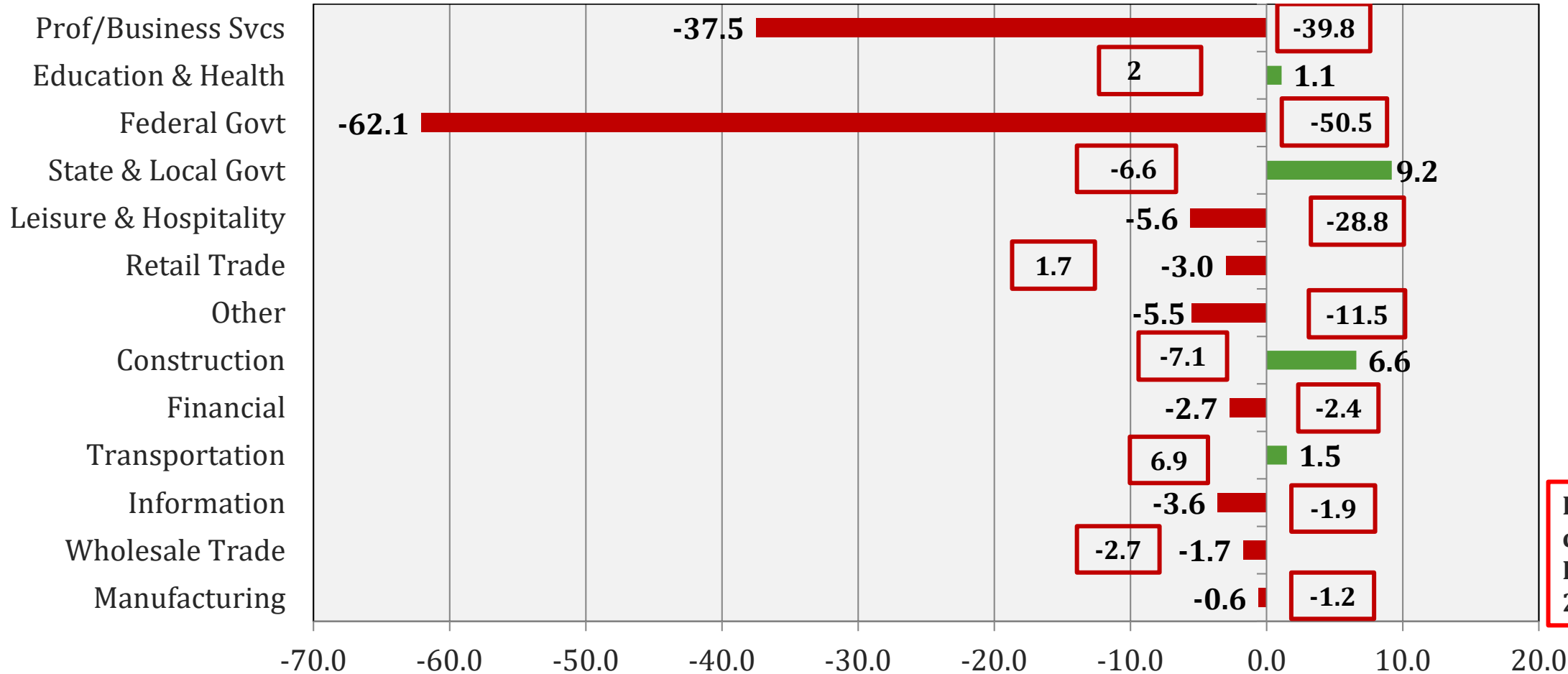
Jan 2025 - Jan 2026



(000s)

(Ranked by Size in 2024)

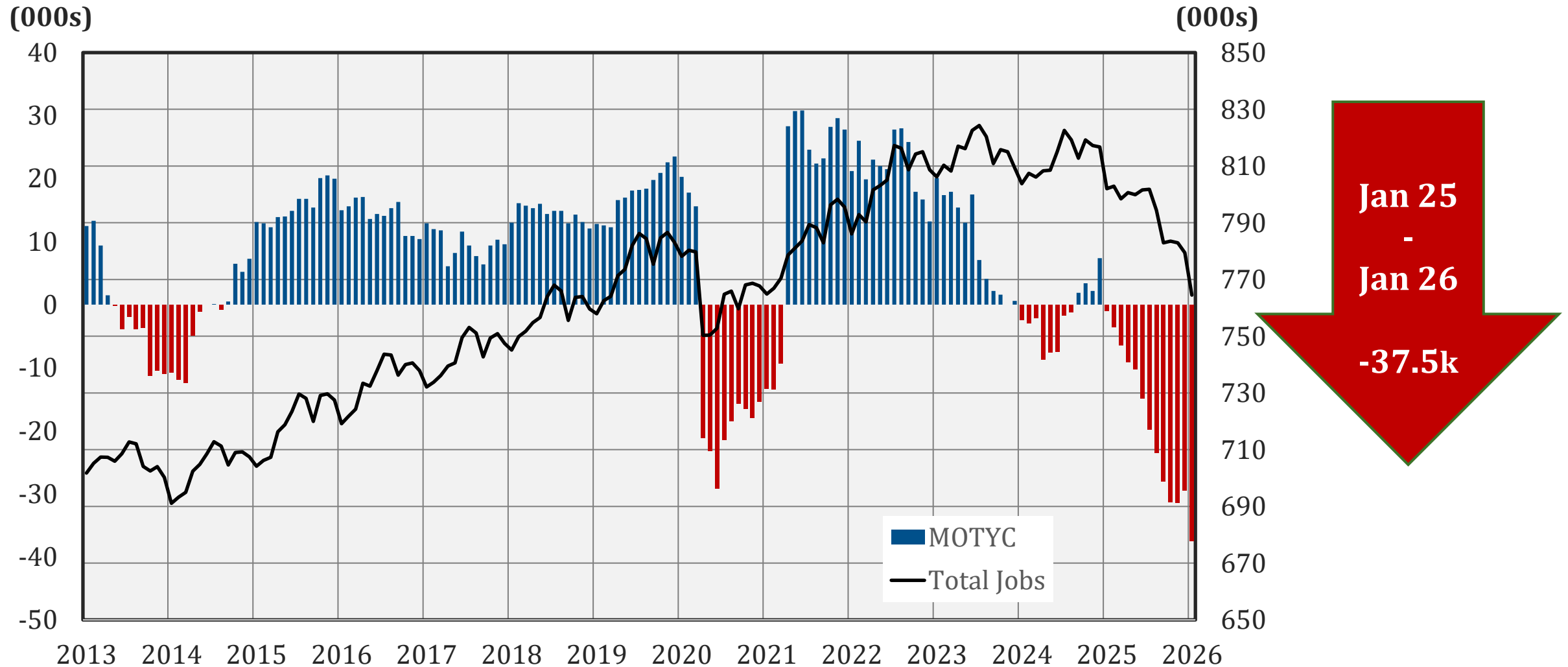
Total = -104k



Employment
change since
February
2020

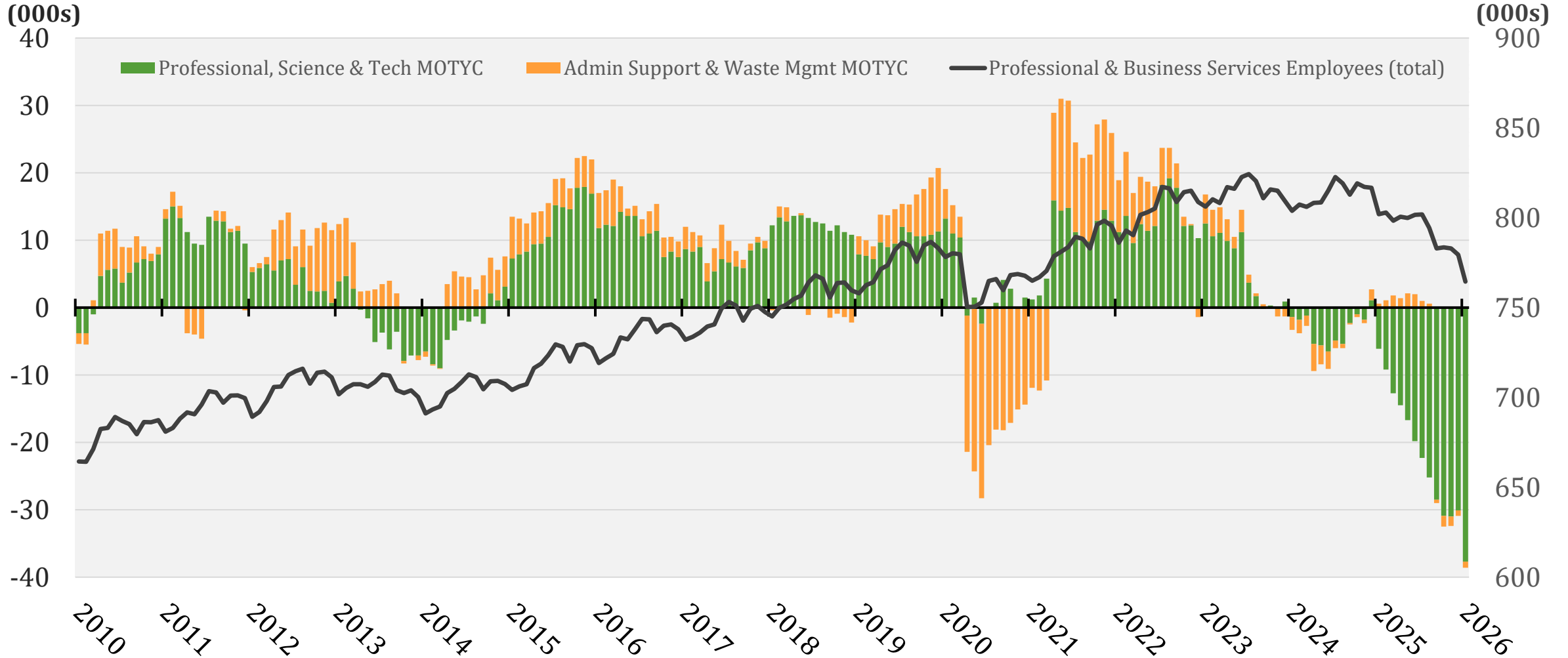


Professional & Business Services Washington MSA



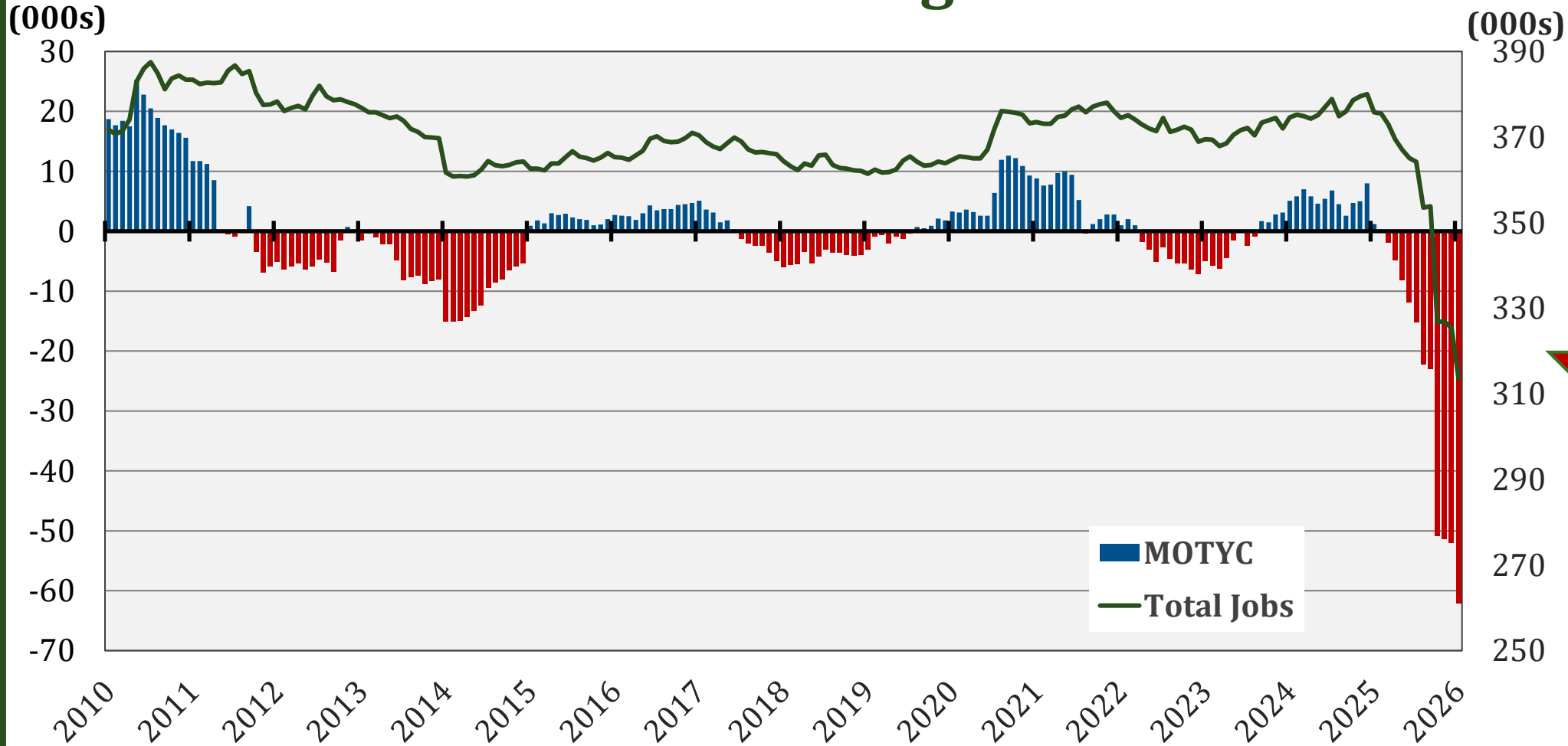


Professional & Business Services Washington MSA





Federal Government Washington MSA



Jan 25
-
Jan 26
-62.1k

Jan 2026
Total: 313.7k

Strategic Alignment

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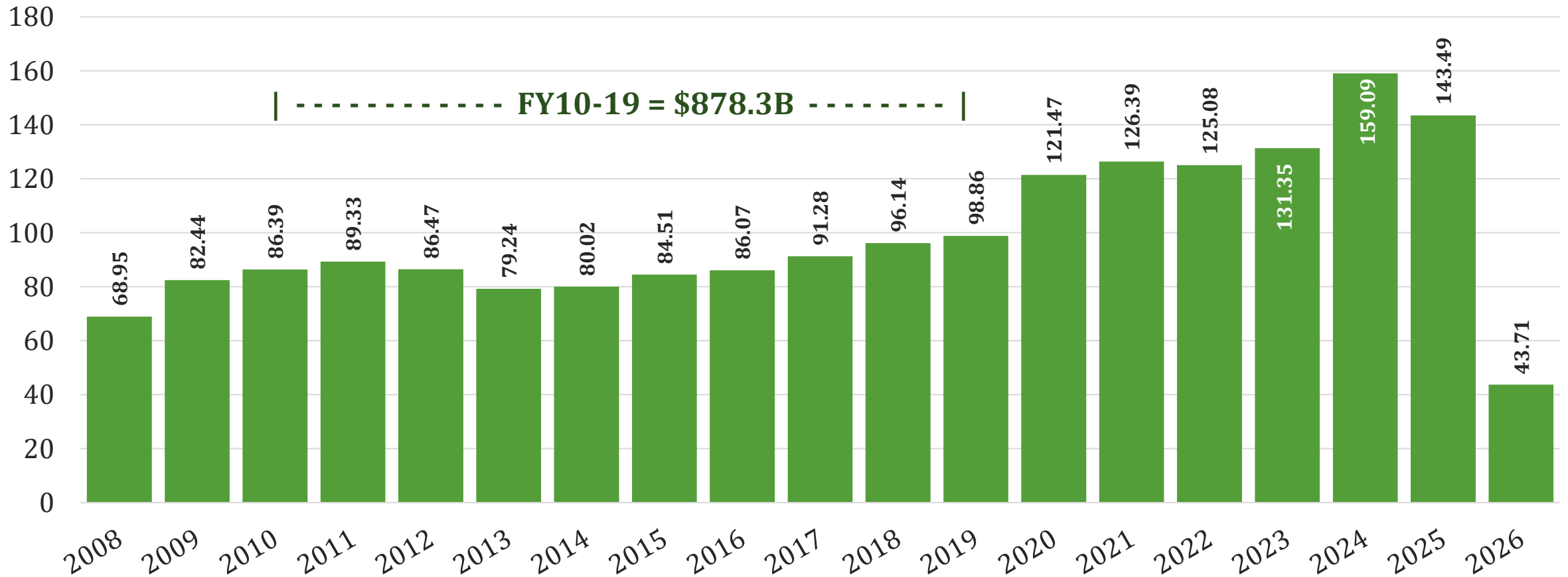


Federal Procurement Spending in the Washington Core Area

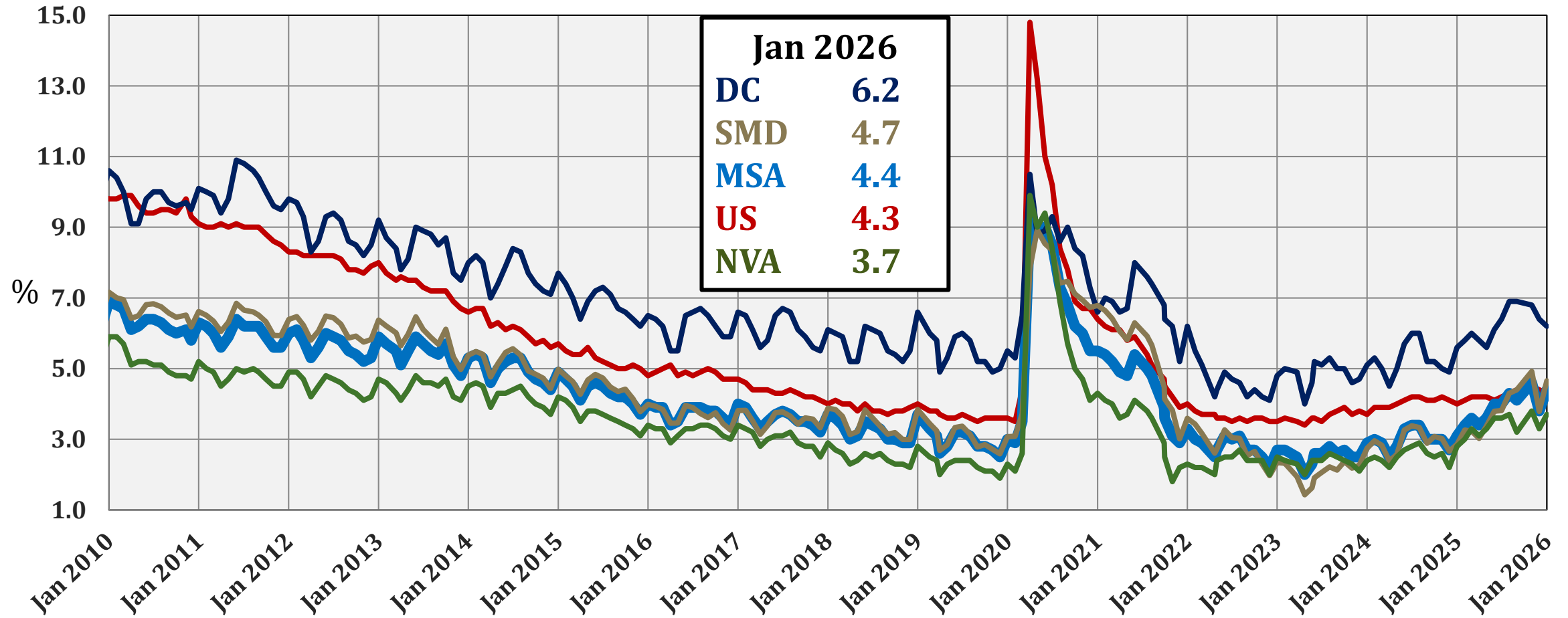
Fiscal Years 2008-2026

\$ Billions

Most Recent Year is Running Total



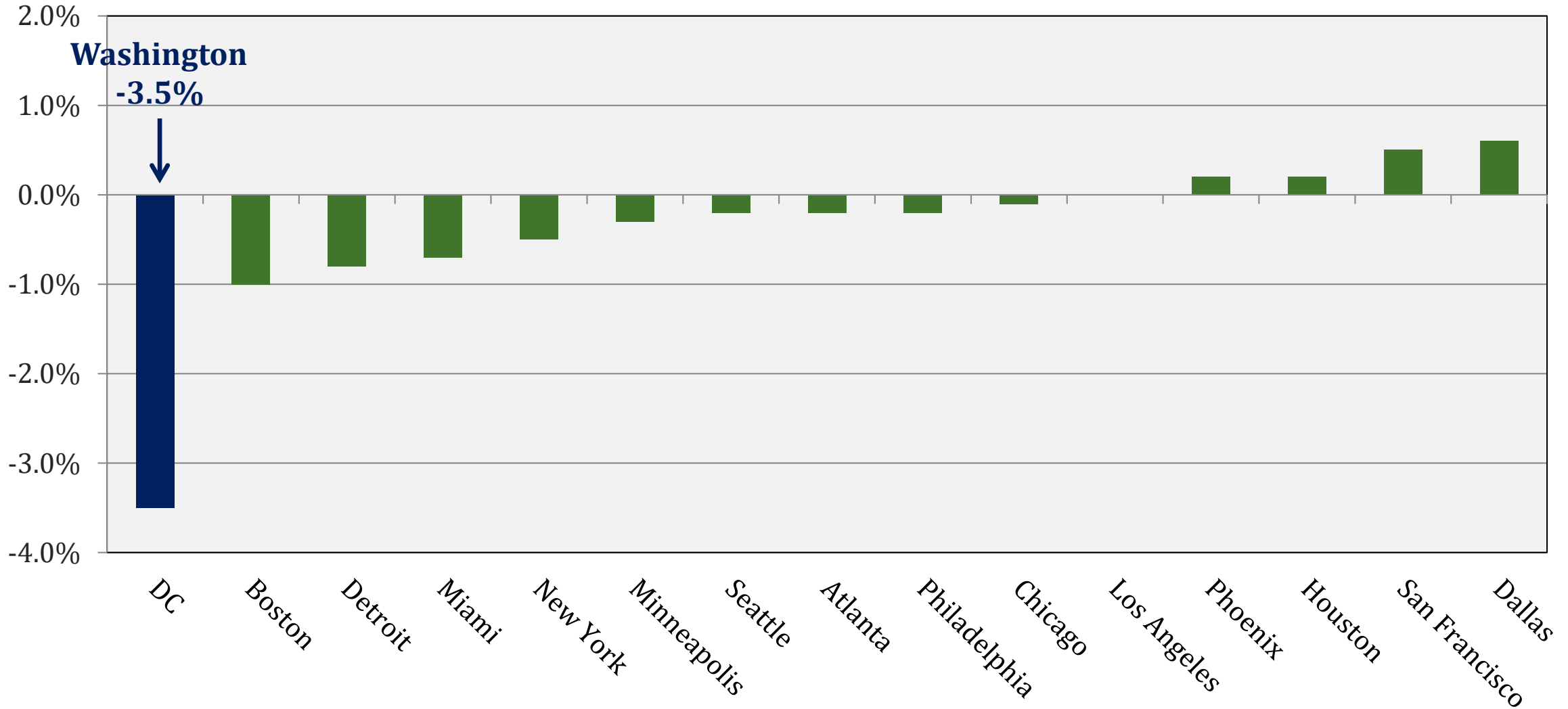
Unemployment Rates in the WMSA By Sub-State Area



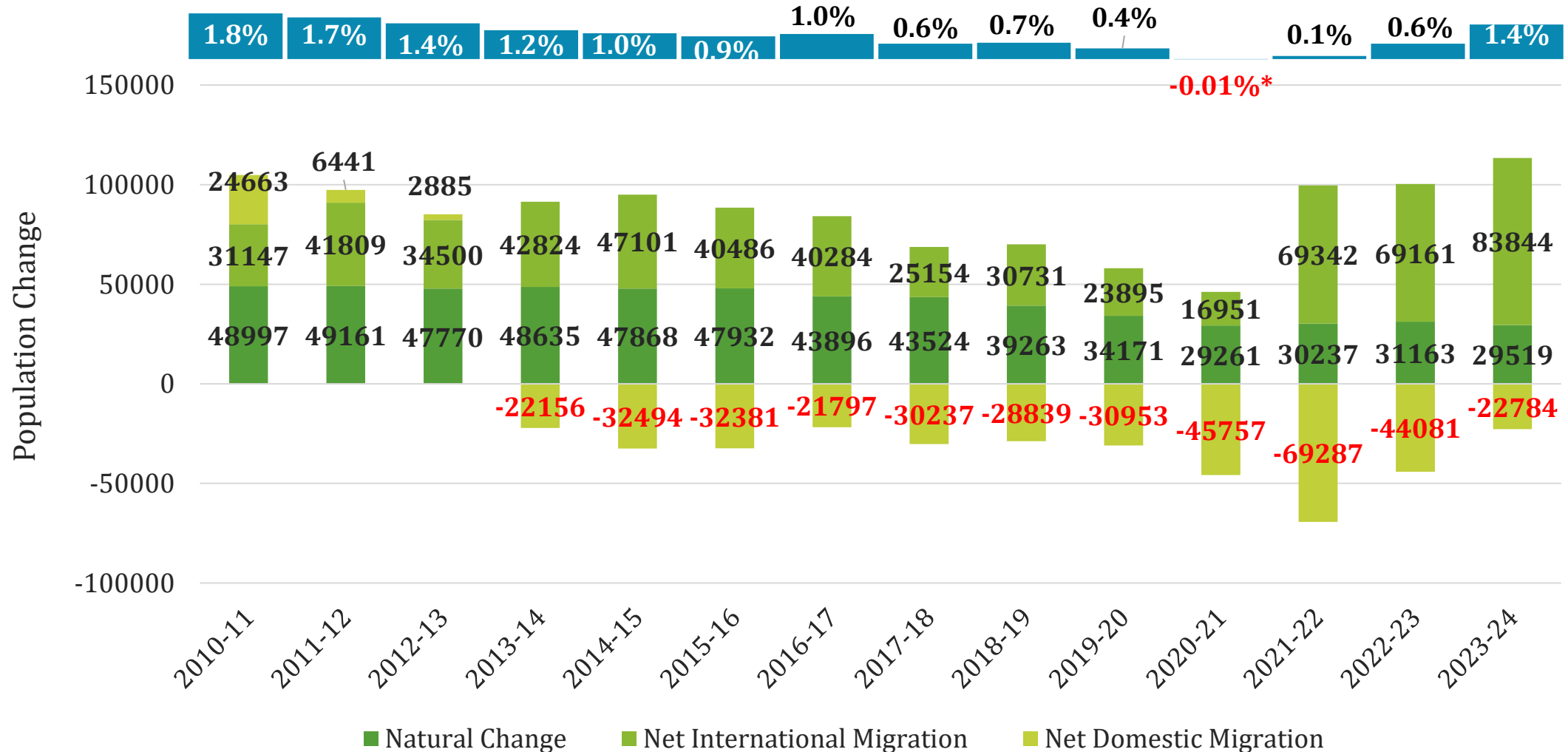


15 Largest Job Markets: Job Change

Feb 2025 – Feb 2026



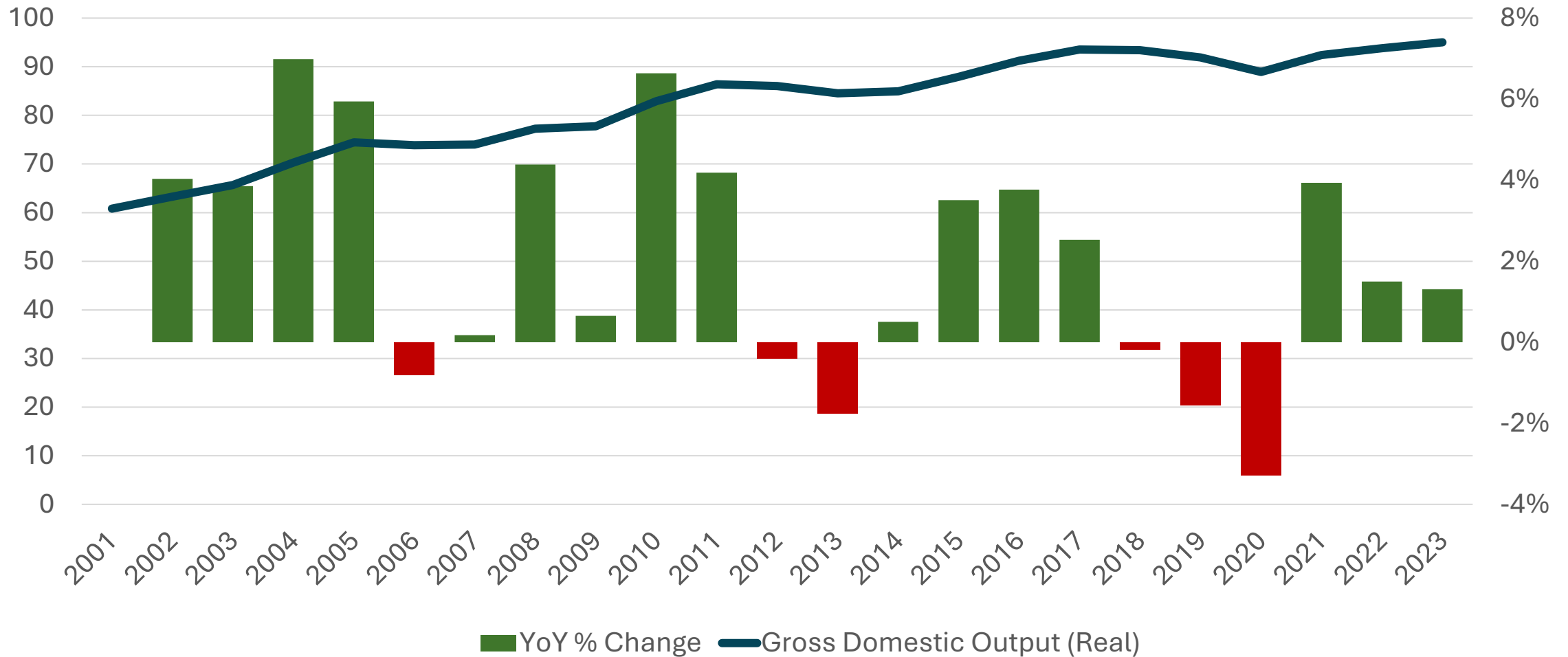
Elements of Population Change Washington MSA



Source: U. S. Census Bureau, Population Estimates Program . *PEP Vintage 2020 used for 2020 population estimate.

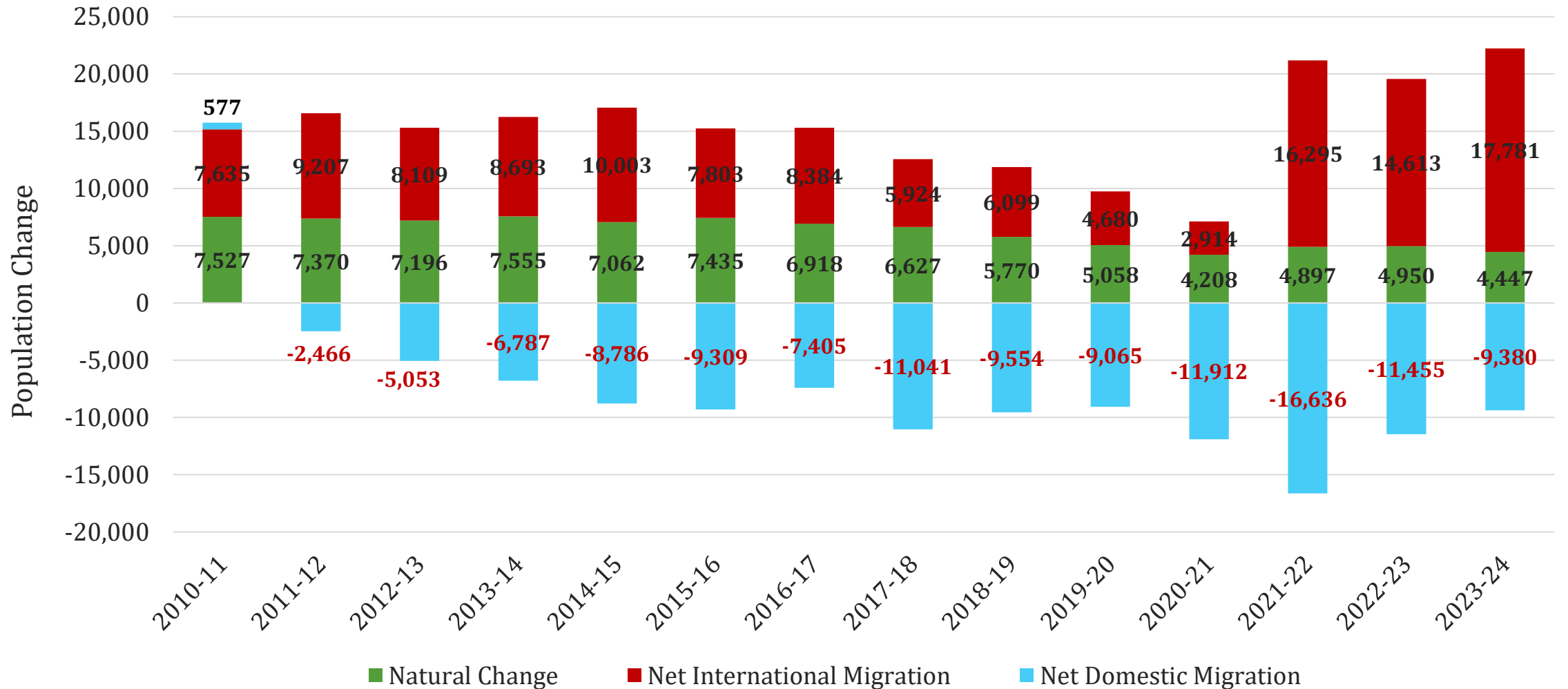
GDP: Montgomery County

2001 - 2023 (Billions, \$2017)



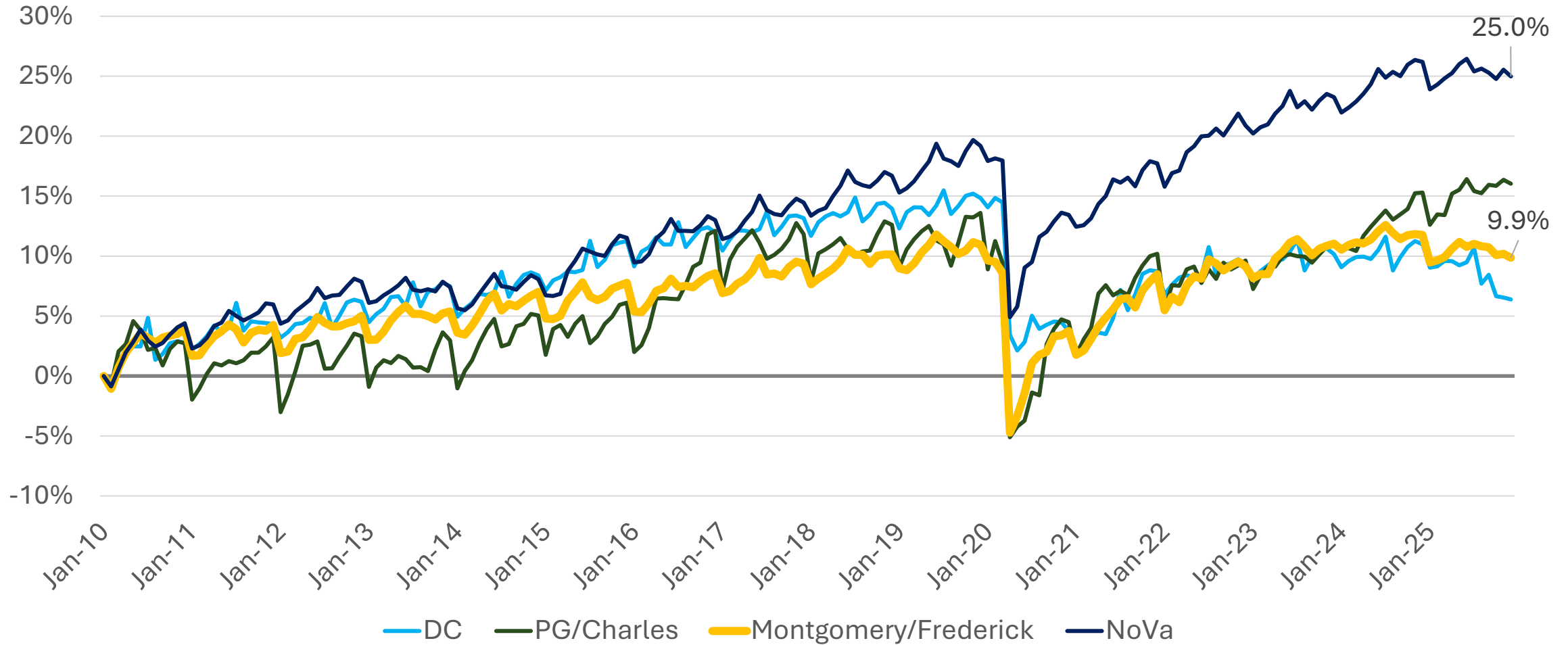
Elements of Population Change

Montgomery County, MD

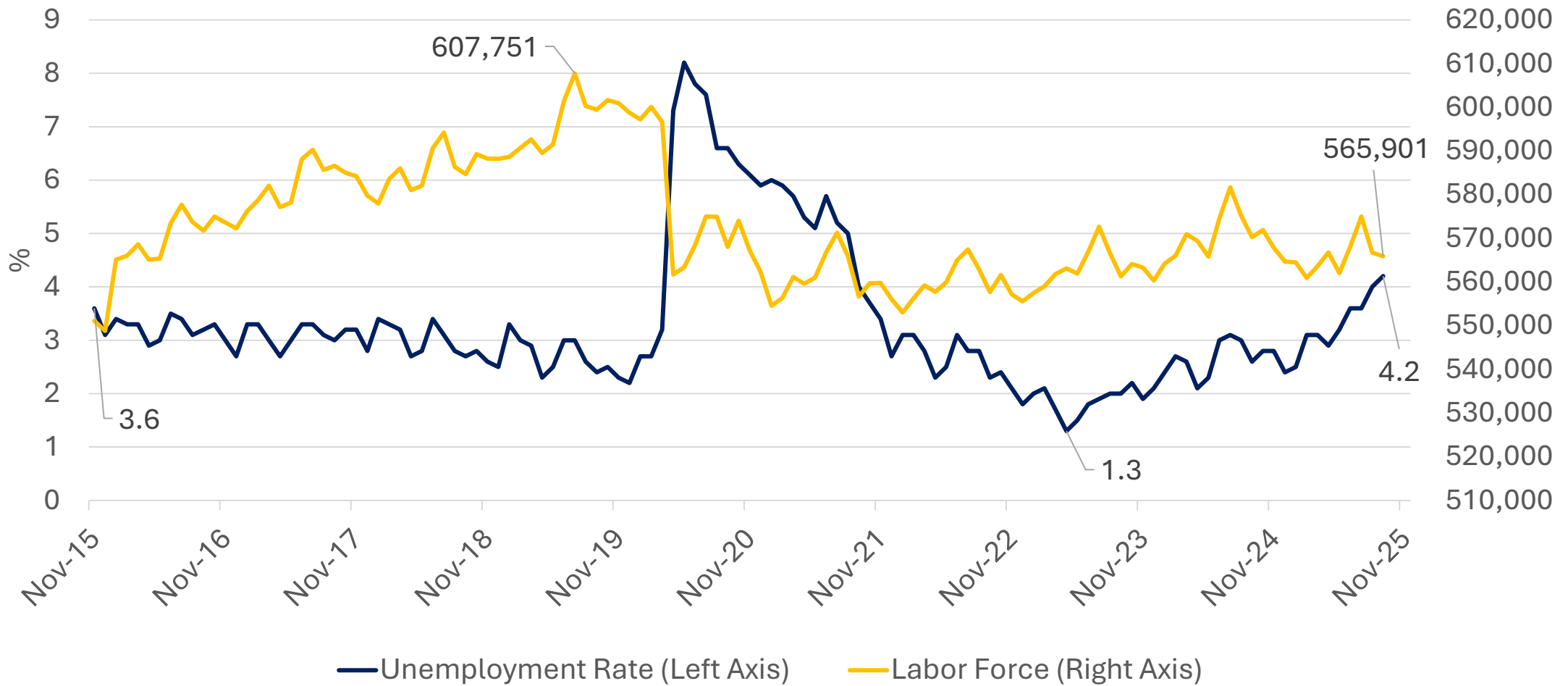


Source: U. S. Census Bureau, Population Estimates Program . *PEP Vintage 2020 used for 2020 population estimate.

Total Employment % Change from January 2010

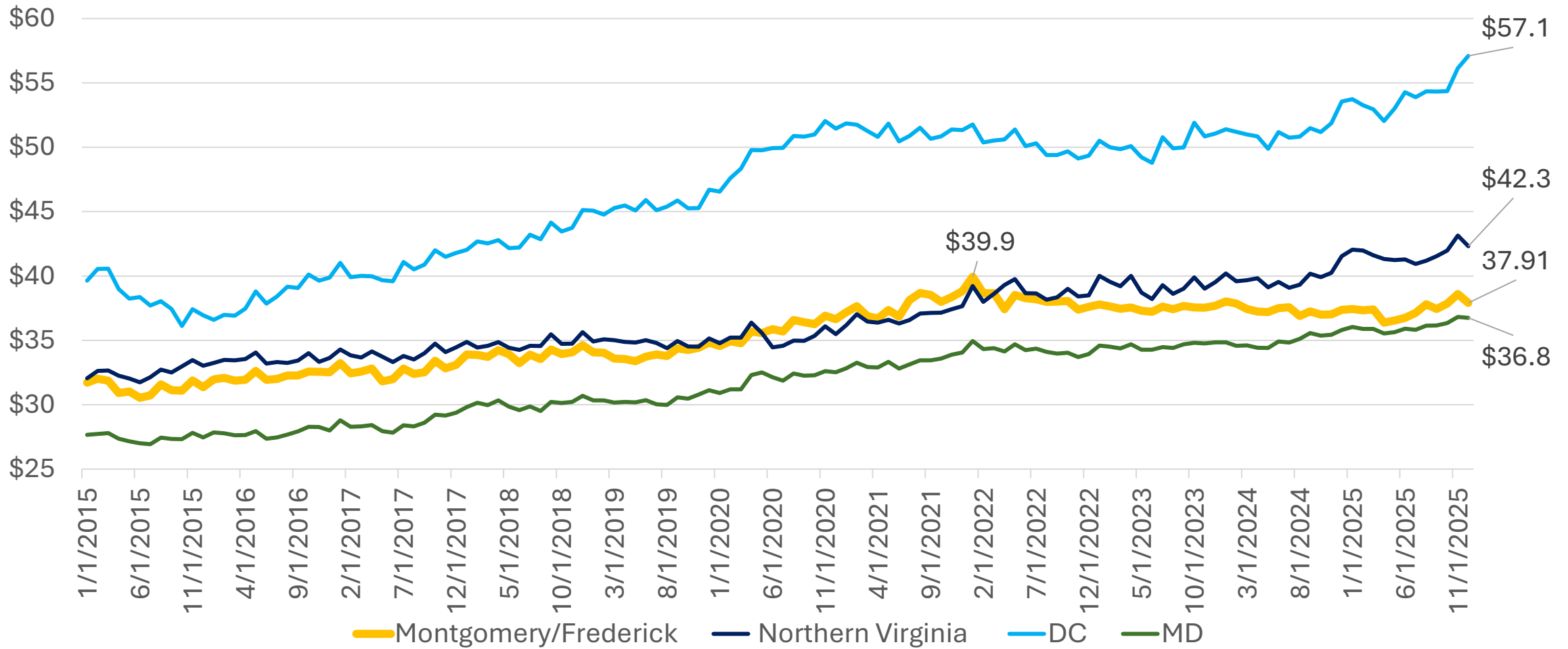


Labor Force and Unemployment Rate Montgomery County



Average Hourly Wage (Private)

2015 - 2025



Source: Bureau of Labor Statistics (Not Seasonally Adjusted, Nominal Dollars), GMU Center for Regional Analysis



Area Development 2025 Metro Rankings



Metro Area/Division	Rank Among Largest	Overall Rank	Prime Workforce Rank	Economic Strength Rank
Las Vegas-Henderson-North Las Vegas, NV MSA	1	54	352	32
Indianapolis-Carmel-Greenwood, IN MSA	2	99	216	120
Miami-Miami Beach-Kendall, FL Metro Div	3	103	599	21
Nashville-Davidson--Murfreesboro--Franklin, TN MSA	4	245	332	258
West Palm Beach-Boca Raton-Delray Beach, FL Metro Div	5	264	769	74
New York-Jersey City-White Plains, NY-NJ Metro Div	6	269	802	63
Fort Lauderdale-Pompano Beach-Sunrise, FL Metro Div	7	294	727	117
San Antonio-New Braunfels, TX MSA	8	307	320	355
Fort Worth-Arlington-Grapevine, TX Metro Div	9	310	698	148
Arlington-Alexandria-Reston, VA-WV Metro Div	33	747	844	530
Washington, DC-MD Metro Div	50	888	833	845



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Aligning Strategy, Capacity, and Opportunity

Capacity

Capacity is your tangible and intangible assets.

- **Human Capital:** Personal or organizational technical skill sets and leadership depth.
- **Operational Infrastructure:** The systems—from data pipelines and automation to physical workspaces—that facilitate output.
- **Fiscal Resilience:** The ability to fund long-term projects while maintaining a buffer for volatility

Capacity

What is your capacity? What are you good at?

1) List what you're actually good at. Be honest with yourself.

Try to ignore your biases, mission statement/org chart/title/etc

2) Categorize your capabilities

- Sales motion (gov, enterprise, SMB?)
- Delivery (custom, productized, hybrid?)
- Technical/IP strengths
- Relationships (contracts, channels)

3) Grade your capabilities

- Core to pivot
- Nice-to-have
- Dead weight

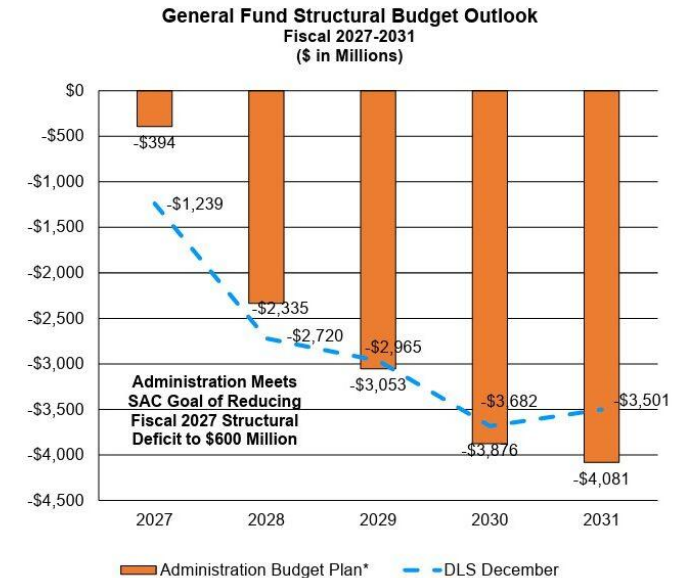
Opportunity

Opportunities: external variables that can be leveraged given the right timing.

- **Market Shifts:** Regulatory, technological, or demographic changes
- **Resource Availability:** Favorable capital markets or new grant/funding cycles.
- **Competitor Gaps:** Vulnerabilities in the landscape created by others' lack of agility/awareness.

Opportunity Contracting

- Federal contracting in the region declined from FY 2024 to FY 2025 – Getting more competitive
- State and Local Opportunity
 - Because of local dependence on federal spending, state and local budgets have negative outlooks
- True private sector activity should be a top priority for most regional actors



*DLS calculation of the structural shortfall.

Table 1: Updated Projected Change in Total Revenues, FY25-FY31 (\$ millions)

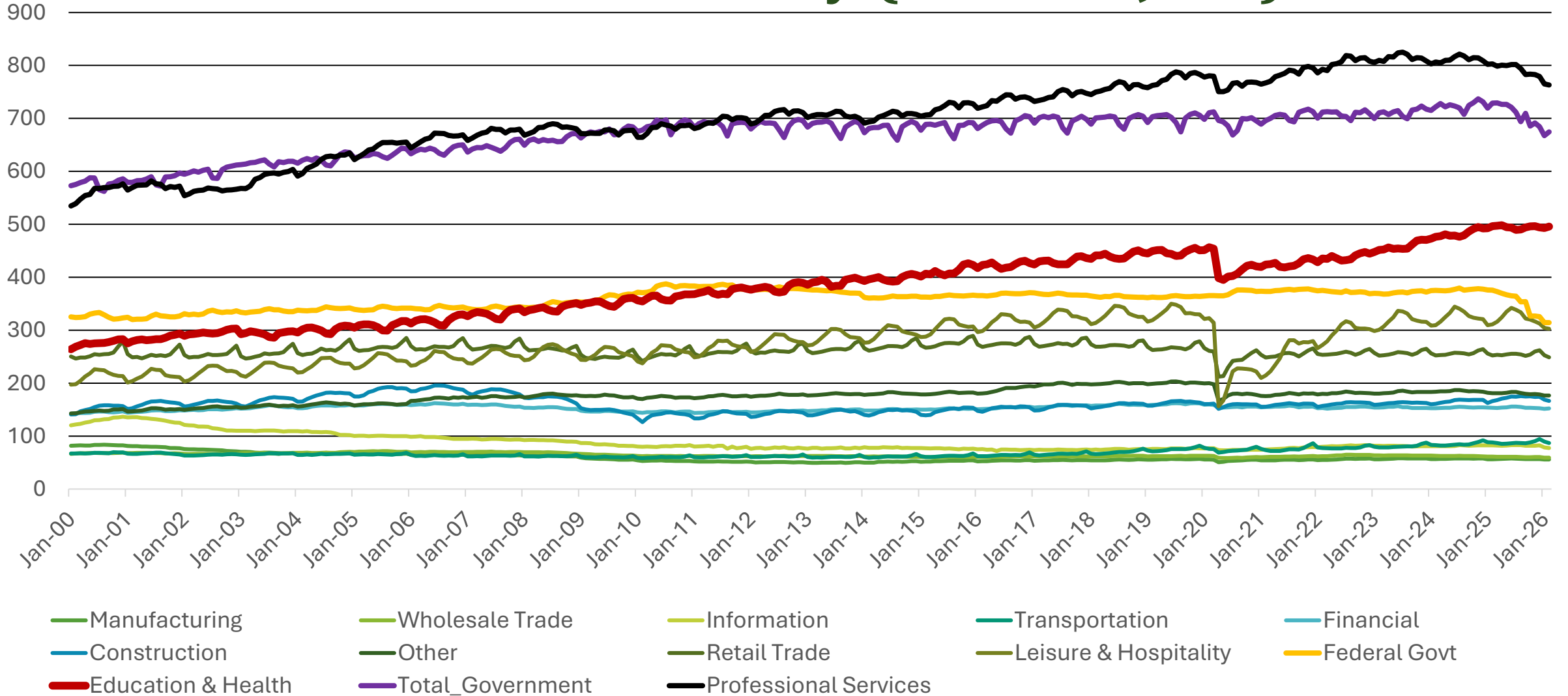
	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Total Revenues – June 2025	6,165.3	6,615.2	6,845.3	7,026.0	7,189.2	7,368.8	7,561.9
Total Revenues – December 2025	6,165.3	6,614.0	6,744.5	6,918.4	7,033.3	7,153.4	7,289.1
Change	0.0	(1.2)	(100.8)	(107.6)	(155.9)	(215.4)	(272.8)
Aggregate Change in Six-Year Revenue Estimates							(853.7)

Source: FY26-31 Approved Fiscal Plan Summary and Updated FY27-32 Fiscal Plan Summary, OMB.



Opportunity

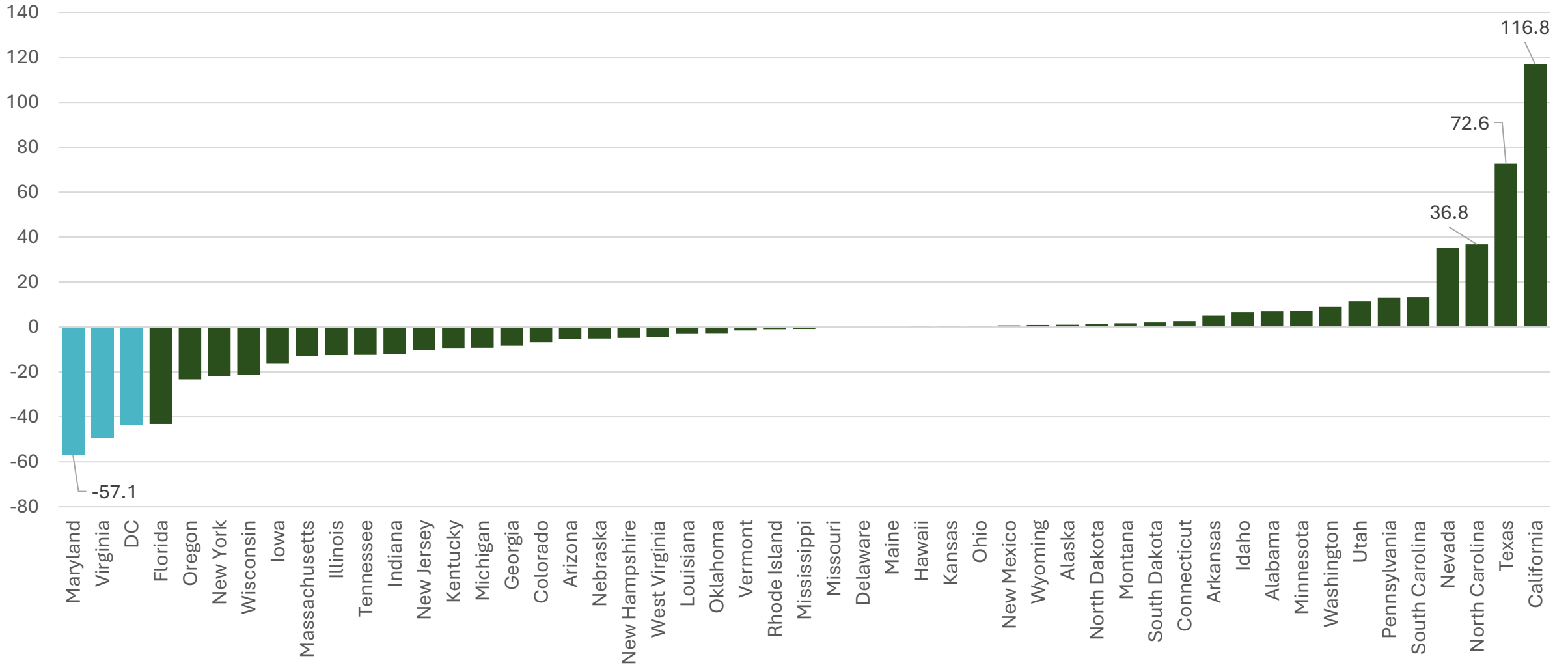
Industrial Diversity (000's of Jobs)



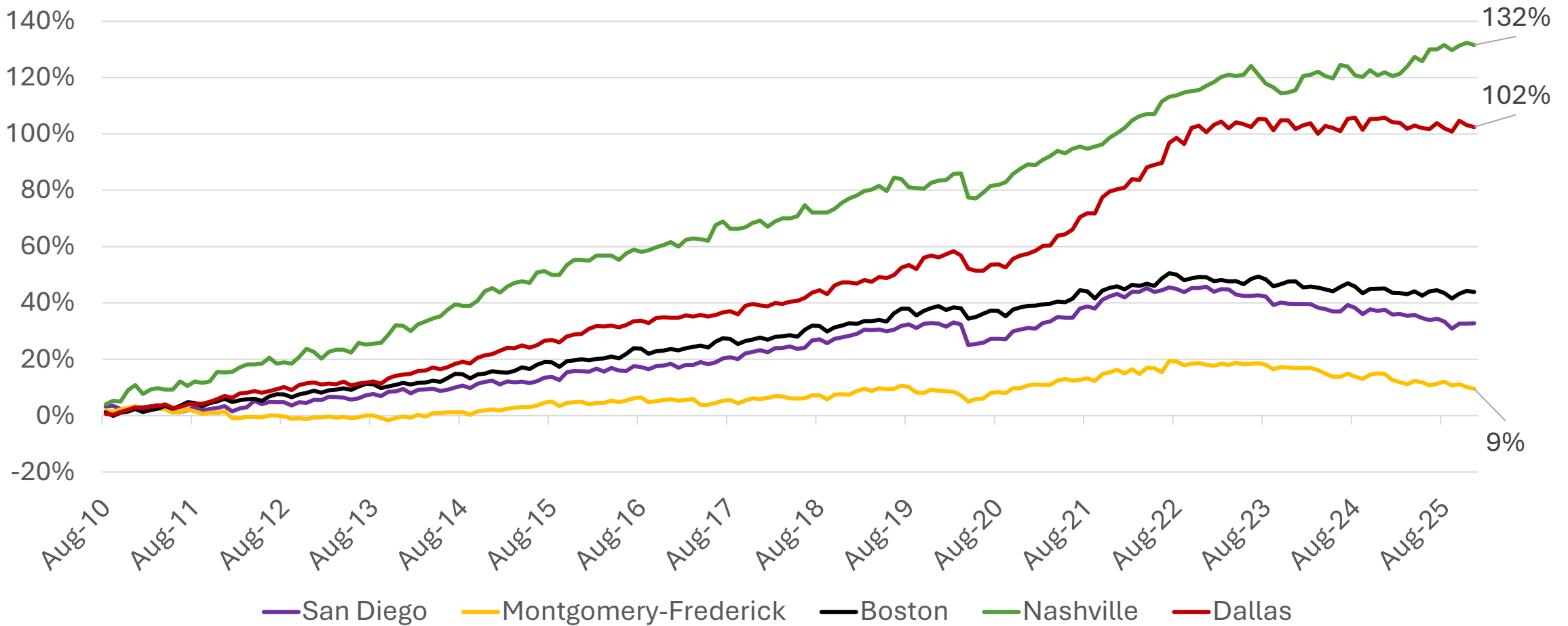


Opportunity

Geographic Diversity (Job Change Feb '25-'26)



Prof. Scientific and Technical Employment % Change from January 2010

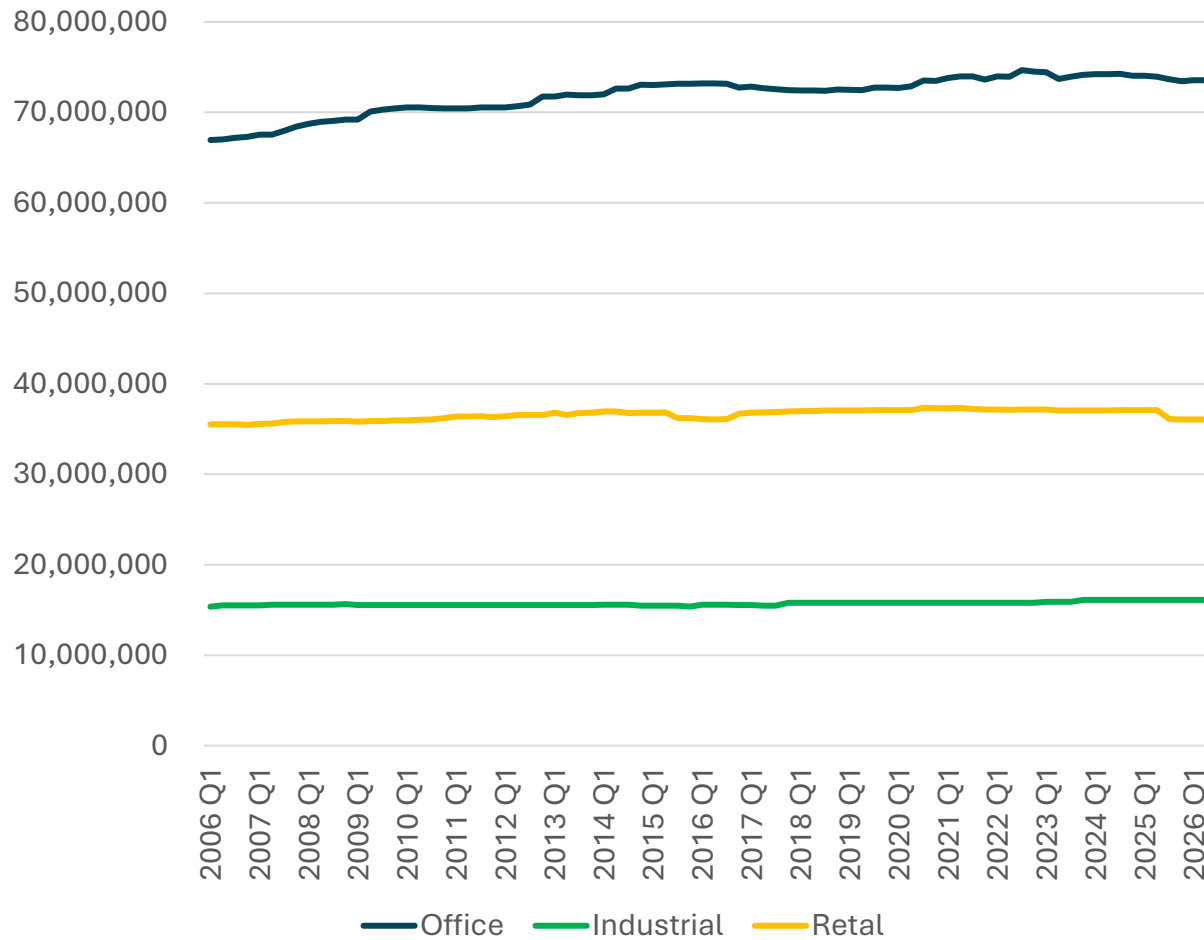




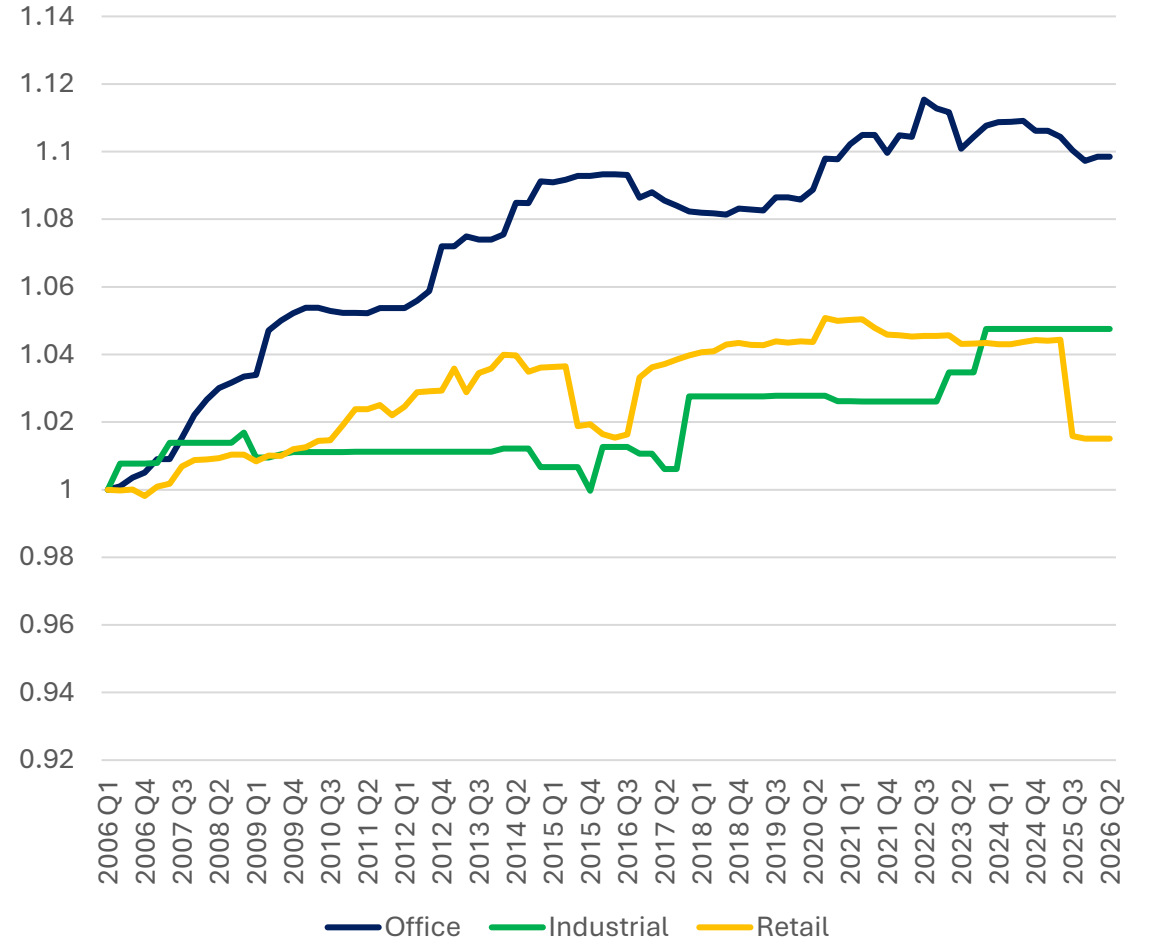
Opportunity Market Diversity



Commercial Inventory



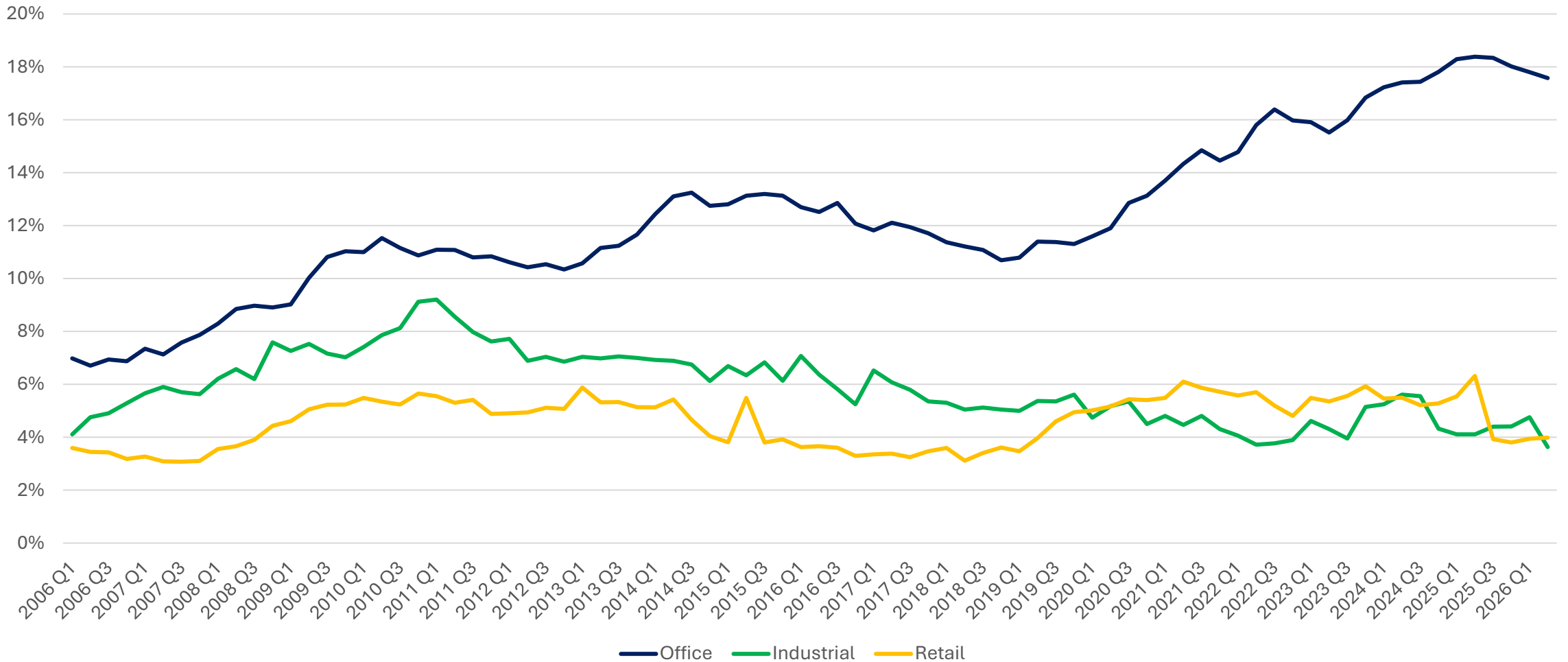
Com. Inventory - Indexed





Opportunity

Market Diversity - CRE Vacancy



Opportunity DC's Advantage

Local Trade Associations

- I personally present numerous trade associations annually.
- “*Coop-etition*”

National Conferences

- Numerous associations either hold an annual or frequent DC conference
 - Examples: American Hospital Association, National Association of Business Economists, AdvaMed, Axios AI+DC Summit, ASEA MMC + Tech Conference
- Leverages Montgomery's proximity to DC, allowing for industrial and geographic exploration without the need to travel.

Strategy

What is Target State?

Strategy defines both what you will do and what you will not do.

Set and Hold Boundaries

Say No

Specialization:

- Identifying niche areas where your unique value proposition is strongest.

Forecast:

- Examine short and long term trends to predict where the "puck is going."

Objectives:

- Establishing clear KPIs that translate high-level vision into measurable milestones.
- Be realistic about how long this will take.

Strategy

Forcing Functions

Give the pivot measurable/reasonable goals:

- Revenue targets tied specifically to *new* business
- Sunset dates for legacy business
- Hiring aligned only to future state

Thank You

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challenges

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