

# Valeo Networks positioning itself to be nationwide MSSP, growing through acquisitions and organically; Clear Vision Impact Fund uplifts the company

By Ken Datzman

ROCKLEDGE — Valeo Networks Inc., a growing managed security services provider, or MSSP, has been acquiring companies in its industry at a fast pace.

As a result, the privately held enterprise now has office locations in Camarillo, California; Eureka California; Eugene, Oregon; Phoenix, Arizona; Ankeny, Iowa; and Fort Lauderdale. The firm's corporate headquarters are in Rockledge.

Valeo Networks is owned by U.S. Navy veteran Travis Mack, who is a board member of CareerSource Brevard and other local organizations. Mack is chief executive officer of the company.

"Travis' vision for Valeo Networks is to make it a nationwide MSSP," said Matthew Hodson, the company's chief information officer. "He's done a lot of merger and acquisition transactions over the past couple of years, and we have also grown organically. We have just gained eight new customers by word of mouth."

Late last year, Valeo Networks acquired On Time Tech, a California-based managed service provider, accelerating its growth strategy. Aligning with Valeo Networks' expertise, On Time Tech specializes in providing information technology solutions for clients within the financial-services sector, health care, architecture, and nonprofit organizations.

"We are looking at another acquisition," he said, "and may be announcing it soon."

Valeo Networks was founded by the husband-and-wife team of Matthew and Jenifer Hodson. They launched the firm in Phoenix seven years ago.

"We started out doing information technology consulting. As the business evolved, we rebranded it as Valeo Networks," said Matthew Hodson, who has more than 20 years' experience in his field. Jenifer Hodson is division director for Valeo Networks.

The Hodsons decided to sell their business to Mack, who owns Saalex Corp., a Department of Defense contracting company. "He also had a separate company called Saalex IT, which was a managed service provider. When Travis acquired Valeo Networks, he merged the two companies to gain efficiencies," said Matthew Hodson.

Mack serves as the CEO of each company and is the majority shareholder for both businesses. Founded by Mack in 1999, Saalex is a service-disabled, veteran-owned, minority-owned business headquartered in Camarillo, California.

Over the last two years, Valeo Networks has been singled out for its growth and service capability by a number of industry organizations. For example, the company ranks among the world's "Top 100 Vertical Market MSPs," according to ChannelE2E, a CyberRisk Alliance resource.

The annual list was just released and recognizes the Top 100 managed service providers in health care, legal, government, financial services, manufacturing, and other markets.

"We gained a lot of national recognitions in 2021 and we're keeping that momentum going in 2022," said Matthew Hodson. "We're proud of the honors we have received and the work we do for our customers."

While MSPs and MSSPs both provide third-party services to businesses and organizations, their focus is different. An MSP delivers network, application, database and other general information technology support and



BBN photo — Adrienne B. Roth

Matthew Hodson is chief information officer for Valeo Networks Inc., which has its corporate office in Rockledge. The industry veteran founded the company with his wife, Jenifer Hodson, in 2015 in Phoenix, Arizona. They sold the venture to businessman Travis Mack, who owns Saalex Corp., a Department of Defense contracting company.

services, while an MSSP is focused on providing cybersecurity services.

Common MSSP services include managed firewall, intrusion detection, virtual private network, vulnerability scanning and anti-viral services. MSSPs use high-availability security operations centers, either from their own facilities or from other data-center providers.

MSSPs have proven to be successful solutions for organizations, as they aid in the protection of corporate internet assets, password files, critical emails, and networks. As a result, MSSPs are gaining traction among businesses of all sizes, as more companies increase their investment on network protection.

"We are a full-fledged MSSP, so we have a 24/7 security operations center," said Matthew Hodson. "It's in Virginia. The professionals at the SOC monitor not only our network for our clients, but also for any type of malicious activity."

He added, "Some of the staffers are former NSA (National Security Agency) experts. We call them 'ethical hackers,' the white-hat hackers. They know all the trade

craft that the 'bad hackers' use."

SOCs act like the hub or central command post, taking in telemetry from across an organization's information technology infrastructure, including its networks, devices, appliances, and information stores, wherever those assets reside. Essentially, the SOC is the collection point for every event logged within the organization that is being monitored.

Cybersecurity Ventures, a research firm, expects global cybercrime to grow by 15 percent per year over the next five years, reaching \$10.5 trillion annually by 2025, up from \$3 trillion in 2015.

Cybercrime includes damage and destruction of data, stolen money, lost productivity, theft of intellectual property and financial data, embezzlement, and fraud.

"Cybersecurity attacks are the biggest threat out there," said Matthew Hodson. "If a business doesn't have multiple cybersecurity tools in place by now, it needs to take action, and put in place endpoint security for workstations and

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servers, vulnerability scanning tools, spam filtering, and the list goes on.”

On May 1, Battle Creek, Michigan-based Kellogg Community College closed all five of its campuses after the school's systems were hit by a ransomware attack over the weekend. College officials said they learned that the “technology issues” they were experiencing were caused by a ransomware attack. Kellogg Community College serves 6,900 students.

Ransomware is a type of malicious software, or malware, that prevents you from accessing your computer files, systems, or networks and then demands you pay a ransom for their return. Ransomware attacks can cause costly disruptions to operations and the loss of critical information and data.

Matthew Hodson said, “You can unknowingly download ransomware onto a computer by opening an email attachment, clicking an ad, following a link, or even visiting a website that is embedded with malware.”

The best way to avoid being exposed to ransomware — or any type of malware — is to be a cautious and conscientious computer user. “Malware distributors have gotten increasingly savvy, and you need to be careful about what you download and click on,” he said.

Other tips:

- Keep operating systems, software, and applications up-to-date.
- Make sure anti-virus and anti-malware solutions are set to automatically update and run regular scans.
- Back up data regularly and double-check that those backups were completed.
- Secure your backups. Make sure they are not connected to the computers and networks they are backing up.
- Create a continuity plan in case your business or organization is the victim of a ransomware attack.

Valeo Networks serves state, county, and municipal markets, small-to-medium-sized businesses, and nonprofit entities.

“A lot of states and counties don't have budgets like the commercial companies do, and many times their infrastructure is outdated,” said Matthew Hodson. “That concerns me.”

Jen Easterly, who heads the Department of Homeland Security's Cybersecurity and Infrastructure Agency, says “ransomware and other digital threats have made local governments around the nation more vulnerable than ever before.”

DHS has tapped mayors to be the leads in protecting the systems that run their cities and towns.

Valeo Networks recently received private debt investment funding to help the company expand its national cybersecurity growth strategy.

“Last year, we received a significant private debt investment from the Clear Vision Impact Fund,” said Matthew Hodson. “That's exciting. Microsoft Corp. and a couple other large enterprises pooled money together to help minority-owned businesses grow. Since Valeo Networks is a minority-owned business, we were able to receive some of the funding, which is helping us grow.”

The Clear Vision Impact Fund is a New York-based investment initiative sponsored by an affiliate of Siebert Williams Shank & Co. LLC. The fund is managed by SWS Capital Management. The funding will expand Valeo Networks' national reach and growth through strategic mergers and acquisitions.

Clear Vision Impact Fund has closed on more than \$100 million in capital commitments to invest in sustainable minority-owned or operated businesses, with a focus on African-American enterprises that operate in or serve underperforming communities.

“We are humbled and truly excited to grow with our new partners at Clear Vision Impact Fund,” said Mack. “We've had many opportunities to partner with other investment firms, but SWS Capital Management and the Clear Vision mission and dedication to being more than just another investment firm rang loudly to me, and perfectly aligns with Valeo Networks' aspirations of being more than just another information technology company. We look forward to incredible advancements and growth in the near future.”

The formation of Clear Vision was announced in August 2020 with an initial capital investment from Microsoft Corp. The other leading global corporations that now have made capital commitments include Apple, Comcast Corp., Constellation Brands, and eBay.

Clear Vision Impact Fund was formed to enhance employment, job training, and the accessibility of educational opportunities in historically underserved communities.

Matthew Hodson said one of the challenges Valeo Networks is facing is recruiting. “The big challenge in our industry, as well as many other industries, is finding

talent. Recruiting technology talent is no easy feat in today's market.”

The unemployment rate for technology occupations fell to a near-record low in March, according to the Computing Technology Industry Association, or CompTIA. Tech companies added workers for the 16th consecutive month and employer job postings surpassed 400,000 in March.

Within the tech sector, new hiring in the information technology services and custom software development occupations category accounted for better than two-thirds of all jobs added by technology companies in March.

Employer job postings show that the search for tech talent is widespread across industries and geographies.

“With the market as tight as it is, we have been seeking out people who have a passion for technology and have an outgoing personality,” said Matthew Hodson. “If we can find people with those attributes, we can train them. And we have had a lot of success doing that. Valeo Networks is a customer-service driven organization. We call it ‘obsessive customer service.’ We are excited about 2022. We think it's going to be another good year for Valeo Networks, in Brevard and in the other markets we serve.”

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