
PREPARING FOR THE FUTURE OF CONTRACTING



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ABOUT NCMA

Founded in 1959, NCMA is the world's leading professional resource for those in the field of contract management. The non-profit association, which has over 18,000 members, is dedicated to the professional growth and educational advancement of procurement and acquisition personnel worldwide. NCMA strives to serve and inform the profession it represents through world-class education, real-time learning, access to leaders in the profession, and opportunities for the open exchange of ideas in neutral forums. We continue to be the center of network for contract management professionals, supporting them throughout all stages of their careers.

ABOUT MANAGEMENT CONCEPTS

Management Concepts is the nation's premier provider of career development, performance improvement, and human capital solutions for the public sector. Since 1973, Management Concepts has collaborated with and supported federal government agencies and state and local governments to empower individuals, teams, and organizations to grow and achieve their personal and organizational missions with high-impact training and transformative consulting solutions.

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EXECUTIVE SUMMARY

The National Contract Management Association (NCMA) and Management Concepts are both interested in understanding how technological and cultural influences will shape the future of the contracting community and identifying proactive steps the contracting community can take to prepare for future success. As an initial step, the organizations interviewed over 20 senior contracting leaders currently working for government agencies to gather their perceptions of how the contract management community might evolve over the next five years—and more importantly, how these leaders are preparing for changes that could fundamentally affect the role of contracting, how the government does business, and how the workforce is hired, trained, and utilized. The main objective of this project is to begin a community-wide conversation about the next steps for the profession.

The interview team reviewed the transcripts of each interview, organized the responses, and summarized common themes to form a picture of the possible future environment, as well as guidance on how to prepare. The team also noted areas where leaders disagreed, which may signify a need for further discussion to better develop a community consensus.

Overall, the responses revealed a collective acknowledgement of new challenges, but also limited plans to address them. Senior leaders identified an urgent need to overcome a culture of risk aversion to make way for innovation, speed, and agility. They further described advances in data analytics and technology as a positive aspect of the environment that will shape the way the business of contracting will be conducted in the future. Finally, they viewed cultural changes as having a significant impact on the ability to recruit and retain the workforce in coming years.

NCMA and Management Concepts will continue this research through more dialogue with the contracting community—offering other stakeholders opportunities to question and expand the thinking presented here.

The summary of how senior leaders viewed the future of contracting is organized as follows in this paper:

1. **The Role of Contracting is Changing:** A changing mission environment will rely on contracting professionals to drive new solutions.
2. **The Business of Contracting is Changing:** The business of contracting will evolve as technology, automation, and data analytics and utilization further evolves to realize new efficiencies and innovations.
3. **The Workforce is Changing:** The contracting workforce will require a new set of competencies and skills as the roles of those within the profession become more strategic and less tactical.

With the goal of supporting and leading the contracting community forward, NCMA and Management Concepts offer this paper to serve the community in the following ways:

- As a summary of expected changes, this paper provides the beginning of a roadmap upon which strategic action plans may be developed and built.
- While leaders of the profession are primed for upcoming changes, the responses revealed a gap between the level of predicted change and the level of preparation. The community's catch-up strategy will rely on collective acknowledgement of this gap.

OVERVIEW

The interviews NCMA and Management Concepts conducted with senior leaders of the contracting profession centered on the accelerated speed of change in technology and culture affecting virtually all career fields today. While those interviewed were asked a common set of questions about upcoming changes and preparation, the foundational question driving this research is: "How can contracting professionals add value in the rapidly changing environment they will face in the coming years?"

Responses varied; however, the senior leaders shared several common perspectives:

- Fundamental changes related to technology and culture are coming,
- These changes will be more drastic than the shake-ups of years past, and
- Success will rely on proactivity.

This paper presents the summarized opinions of those interviewed, as well as specific actions taken and recommendations offered.

The following sections will explore the evolving environment these senior leaders described; examine the specific ways they said the contracting community will need to prepare and respond; and discuss the future value proposition of the role of contracting, how the government does business, and how the workforce is hired, trained, and utilized.

Questions Asked of Contracting Senior Leaders

- How would you describe the current role and required skills of a contracting professional?
- Do you think contracting professionals have the capacity to do what is/will be required of them?
- What benefits and/or negative effects of technology advances do you see on the horizon?
- How do you see changes in our culture as well as generational shifts affecting how we will do our contract management jobs in five years?
- What will be the most important skills for a contract manager five years from now?
- As a leader in the profession, how are you preparing your workforce for the future you have described?
- What will be the single greatest challenge for contract managers five years from now?

THE ROLE OF CONTRACTING IS CHANGING

As cutting-edge technology becomes increasingly integral to almost every product or service necessary for the U.S. government to deliver high-quality services and ensure the defense and economic well-being of the country, the government faces urgent and ongoing needs to not only expand and protect its supply chains to acquire innovative products and solutions, but to procure them more rapidly to ensure they are still “cutting edge” when deployed. These needs are broadly recognized today across the government.

As part of its efforts to address these needs, the U.S. government is attempting to increasingly engage technology companies to provide innovative solutions to allow the United States to compete globally. However, the government is no longer a buyer of choice for many of these companies—particularly those who are anxious to expand their business internationally and, perhaps more importantly, for emerging and innovative technology companies yet to do business with the government. The common reasons cited for why these companies are deterred from doing business with the government include such things as the slow-to-contract, regulation-heavy compliance environment, as well as intellectual property concerns. Unfortunately, these challenges are yet to be solved and the pace of technology and mission needs demand a response from the acquisition community that goes beyond “business as usual.”

These urgent and ongoing needs have placed pressure on the role of contracting to shorten the planning-to-contract cycle—that is, to make it substantially faster, more agile, and responsive to the pace of change. Taking one to two years to award a contract will not be sustainable in an environment where technology can change tenfold during that same timeframe. These factors are driving the need to fundamentally change the role of contracting within the acquisition community.

Those senior leaders interviewed suggested the best way to address this “need for speed” will be to shift the role of the contracting professional from “process-centered rule-enforcer” to “mission-centered solution maker.” Such a professional should be agile rather than rigid, creative rather than methodical.

The contractors we want and need working with us [such as big tech innovators] are not even checking FedBizOpps. Many are finding much more lucrative and favorable markets in places like China and Russia and are agreeing to terms preventing them from sharing their intellectual property with the U.S. market.

—Major General Cameron Holt
U.S. Air Force

However, central to this conversation of increasing agility and creativity in the role of contracting is the existing culture of oversight and compliance within government contracting, which many contracting professionals—both within government and industry—feel limit their ability to innovate or take risks to solve problems. As one senior leader put it: “We have totally succeeded in beating innovation out of people in my workforce [because] we were taught over so many years [to] get the process down.” To address the current risk-averse environment, most of those interviewed agreed that leaders will need to give top cover to allow contracting professionals to innovate—within the boundaries of the current rules and regulations—with a drastically higher risk tolerance than in years past.

Finally, all senior leaders interviewed agreed that mission achievement will require either a rules overhaul or a new level of creativity in contracting to work within and around the current acquisition regulations, which were initially written in 1984 and simply not designed for buying technology. Applying rigid thinking and rules application to current and future programs risks mission failure in an environment that increasingly relies on speed and innovation.

MISSION-CENTERED SOLUTION-MAKER

To respond to mission needs, many of the senior leaders interviewed expressed that highly specialized acquisitions in the future will require contracting professionals to have a more holistic understanding of the mission. While in the past a contracting professional may have been able to operate with more limited technical knowledge, tomorrow’s acquisitions will require a baseline knowledge of the problem (mission), products, and related markets. In fact, leaders are already seeing this need today.

Several senior leaders believe an expanded leadership role for contracting professionals is vital. Their position is supported by a recent survey of 1,664 NCMA members, where 92% agreed or strongly agreed that contracting should take a leading position in acquisition. One senior leader described this expansion as “thought leadership”—guiding and collaborating with the entire acquisition team to be efficient and effective. Another said that contracting professionals provide the most value when program staff express what they want to accomplish and the contracting officer conceives and presents a plan to achieve that goal.

Many of the senior leaders interviewed opined that in today’s globally competitive environment, more focus needs to be placed within the acquisition team on finding or cultivating the most effective solutions currently or potentially available in the market, and these senior leaders consider contracting professionals to be the most ideally placed to step into this role. Tools are rapidly becoming available to support this function—e.g., the availability of big data and the ability to rapidly analyze it for decision-making. Further, rapid process improvement tools—utilizing such things as robotic process automation (RPA), artificial intelligence (AI), and blockchain—will continue to be developed enough to automate recurring, repetitive contracting tasks and processes, which will free up contracting professionals to focus more on tasks such as market analysis.

Several senior leaders interviewed described a future where contracting professionals would absorb other new responsibilities as well—from areas such as supply chain management, requirements generation, and program management. This was also supported by the previously referenced survey of NCMA members, in which 62% indicated they expected contracting to be required to take on responsibilities of other professions and 56% indicated that program management and contracting would become more similar in the future. Although not a strong majority, results seem to indicate a shift from the traditional way of thinking about the role of contracting—i.e., from a more advisory function to a broader role in directing acquisition solutions that accomplish the mission and make good business sense.

Contracting professionals have unique capacity and are in the best position to lead the solution (not sit on the sidelines as a business advisor). Stop calling technical/program people “internal customers,” it’s your mission too!

—Major General Cameron Holt
U.S. Air Force

PATH TO BECOMING A MISSION-CENTERED SOLUTION-MAKER

If future contracting professionals will be expected to drive solutions, how will the community prepare the workforce for this expanded role? Many of the senior leaders interviewed identified opportunities to enhance mission commitment by creating learning opportunities and cross-functional teaming with technical staff. They further suggested that leaders should map the vision, objectives, and individual performance goals of contracting professionals directly to the mission with a connection that is clear to everyone within the acquisition team. Having this thread tying to the mission from entry-level team members on up will position the contracting profession to add value to the mission in new ways.

As previously mentioned, several senior leaders interviewed felt that contracting professionals are more ideally positioned to drive solutions than other acquisition team members. These leaders cited advancements in big data as a key driver of contracting professionals’ ability to analyze markets for the most cost-effective solution, paired with the ability to identify the most effective mechanism to move the acquisition forward.

Despite enthusiasm for an expanded role, the consensus of those interviewed was that most contracting professionals are not currently empowered to drive solutions in this way. Restrictive regulations, a risk-averse environment, and lack of training are often blamed, and while these are real constraints, solutions were proposed to overcome them—such as gaining greater understanding of the mission and markets, leader buy-in to permitting failure, and use of technology and data to clear space for more strategic planning. Most of the senior leaders interviewed agreed the current environment demands that the work required to make this happen should begin now.

THE BUSINESS OF CONTRACTING IS CHANGING

With or without a concerted effort to expand the role of contracting professionals in acquisitions, how the contracting profession does business will inevitably evolve in proportion with the broader evolution of technology and culture. The senior leaders interviewed identified the following as potential, and perhaps inevitable, changes to how contracting professionals will get their work done in the next few years.

TECHNOLOGY WILL BE A MEMBER OF THE TEAM

The contracting function will not be immune to automation. AI and RPA are already replacing rudimentary tasks and processes. One senior leader mentioned that his agency is looking at a tool that can complete contract closeouts from beginning to end, another mentioned his team is currently using AI to work on spending analytics, and the Department of Homeland Security and the Internal Revenue Service will soon be piloting an AI-driven Contractor Performance Assessment Reporting System, which both agencies expect will substantially improve the current system.

Concerning the workforce, automation was not viewed as equating to “replacement.” Rather, the increased efficiency caused by automation is expected to result in the redistribution of time and effort toward more complex tasks with a higher level of importance. Most senior leaders interviewed expect a decisive shift from tactical to strategic work as technology takes on more basic or repetitive tasks. This means that some of the process-oriented tasks, such as preparing routine administrative contract modifications, could be fully automated and therefore devalued as a core competency of the contracting workforce. Several senior leaders even described a future in which an encyclopedic knowledge of the rules and regulations will be devalued as AI further automates their application to acquisitions or incorporates regulatory provisions and requirements into contracting app algorithms.

I see technology as making us more effective, giving us more time to spend thinking about problems and... freeing up space and time to do the more strategic activities, to do more customer outreach and spend less time pushing paper and generating routine mods.

—Kelly Pickering
National Geospatial Intelligence Agency

While most senior leaders viewed technology through a positive lens, in that it would free up contracting professionals to do more valuable work, several senior leaders raised concerns about a tendency toward overreliance on AI and the inability to innovate within the boundaries of the rules without first having a fundamental understanding of them. Others raised concerns that overuse of technology for communication would affect professionals' ability to build necessary face-to-face relationships.

Use AI and Automation to Streamline Acquisitions

Today, there is a lot of talk about how AI and automation will change how work is performed in the future, but how can we move beyond the hypothetical and begin implementing critical efficiencies? Some of the senior leaders interviewed have already started by identifying process-oriented tasks that take time away from innovating. One senior leader cited the Department of Veterans Affairs' use of auto signatures for this purpose, another said that her team was focused on using technology to automate internal workflow, while another envisioned using AI and automation to improve efficiency and user experience in the contract bidding process.

While most senior leaders had a full-speed-ahead attitude toward automating processes and tasks, some mentioned the need to make sure we do not rely solely on technology to improve efficiency. They stressed the importance of avoiding the automation of already inefficient processes, suggesting we first make processes more efficient at face value and then automate repetitive areas of the process that do not require human intervention. An approach being utilized by Melissa Starinsky, the Head of the Contracting Activity for the Centers for Medicare & Medicaid Services, involves a set of criteria to evaluate a process for potential automation. These criteria include:

- Clarity and alignment on the problem to be solved (and its root cause);
- The estimated volume of transactions that will benefit from the automation;
- The level of variance within the current process; and
- The projected return on investment by insertion of the technology.

Further, automation is not a one-way street; it requires input and validation from the contracting workforce to be effective. This holds true for current and potential applications of AI, data analytics, and every other technology-based process improvement discussed thus far. One senior leader gave the example of a pricing tool under development by General Electric, called “Brilliant Pricing,” which uses powerful data analytics to evaluate hundreds of thousands of parts to predict the cost of a fully assembled engine with high fidelity and accuracy. While the tool has great promise, it relies on the government contracting workforce to shift their mindsets when asked to evaluate a price provided by a machine rather than pages of certified cost or pricing data—i.e., if the price is validated and accepted by the contracting workforce, the tool will have built time savings, efficiency, and numerous other benefits into the process; if the price is second-guessed or outright rejected, the resulting return to the status quo would not introduce any of the potential benefits into the current process.

DATA WILL IMPROVE EFFICIENCY AND INSIGHT

The majority of those interviewed believe we are on the cusp of a robust, technology-driven data analytics environment that will drastically improve efficiency and insight. For example, “market awareness”—i.e., awareness of producers, pricing, capabilities, performance, availability, and quality—will change the value proposition of what is now called “market research” to create better contracts that result in better solutions. Additionally, once the promise of big data is realized, many senior leaders believe the use of enterprise solutions will drastically increase, as opposed to reliance on individual contracts across agencies for the same products or services, which result in redundancies and a larger overall workload than necessary.

[Data] can give us incredible insight into operational performance.... It can also give us visibility into our spend so that we can [buy] smarter. We can leverage our buying power [and] we can gain insight to inform our negotiation position.

—Melissa Starinsky
Centers for Medicare & Medicaid Services

Use Data to Examine Performance

How can the contracting community begin realizing the efficiencies of big data? Several senior leaders described their current efforts to track spending to make better buying decisions to increase efficiency and cost savings. They also described how using data to track markets puts them in a better negotiation position. A few senior leaders have started integrating data into their work—such as creating tailored dashboards to provide brief overviews of an entire portfolio—as a first step in moving toward an environment where the ability to produce data quickly, and in different formats, will be expected and essential.

A March 2019 memo from the Office of Management and Budget anticipates collecting and sharing pricing data across agencies. How well contracting professionals can deliver on this initiative—i.e., to collect, share, and effectively leverage data—will position the profession as either leaders or followers in the march toward innovation and speed.

INNOVATION AND CREATIVITY WILL BE ESSENTIAL

Normalize Creative Compliance

Several senior leaders highlighted contracting organizations' tendency to over-engineer processes and overreact to isolated risks as major obstacles to increasing innovation within the contracting profession. They described a tendency to over-emphasize the rules (even in cases where Federal Acquisition Regulation (FAR) Part 8 and/or Part 12 apply, which were intended to simplify) and to let risk aversion hold back the use of existing authorities for fear of repercussions. They identified the need to look at contracting risks and results in a broad context rather than on an individual basis.

This year, the Under Secretary of Defense for Acquisition and Sustainment, Ellen Lord, coined the phrase "creative compliance," meaning acquisitions should be managed using the simplest approach possible and allowable under the rules. Most senior leaders interviewed believe a more flexible environment allows for work to get done in unconventional ways. Several senior leaders described initiatives to streamline and strip their standard operating procedures, getting rid of anything redundant, such as things already mandated by the FAR, and suggested that where the FAR says to add something, to do so with the lightest touch possible. Should this approach catch on across the government, the future workforce should not expect to have a written playbook with step-by-step instructions; instead, the workforce will be expected to apply business acumen and good judgement to make the best decisions on behalf of the government.

While several senior leaders decried the FAR for holding up efficiency, others said they viewed the FAR as a flexible tool and had found creative ways to innovate within it. A few leaders referenced FAR 1.102(d), which has long given contracting professionals the flexibility to innovate and find creative solutions within the boundaries of current law and regulation, but also said that, as previously mentioned, not enough contracting professionals have been empowered to work this way.

Major General Cameron Holt (U.S. Air Force) referred to this as becoming a "contracting ninja"—i.e., a professional with the ability to work in and around the FAR to make new things happen. He said his team's ability to take acquisitions to new levels in this way is essential to their success.

Give Your Teams Top Cover to Innovate

Several senior leaders mentioned the need for teams to have the ability to try out new ideas without fear of repercussions if they fail to produce the desired results. That fear of repercussions extends to some senior leaders as well, with one senior leader commenting, "I'm well aware of the fact that [giving my team top cover] could mean I get fired, and I'm okay with that because, quite frankly, the only way we're going to move ahead is if people are willing to stick their necks out and create that environment for people." Another went even further, saying that the benefit of innovation far outweighed the risks of any protest they might lose. Another said she tells her team "if it's not illegal, try it."

[On expecting employees to innovate and operate without a playbook], senior leaders have to get used to a little bit more anxiety because they're not in control, they're not directing, they're listening and asking questions... it's dealing with ambiguity.

—Kim Herrington,
Department of Defense

[Government] members of the acquisition team may assume if a specific strategy, practice, policy, or procedure is in the best interests of the government and is not addressed in the FAR, nor prohibited by law (statute or case law), Executive Order, or other regulation, that the strategy, practice, policy, or procedure is a permissible exercise of authority.

—FAR 1.102(d)

[Our people] should at least have top cover enough to try something different and not feel like that's going to have an impact on their performance to the point where they're going to get kicked out.

—Brendon Johnson
Small Business
Administration

THE WORKFORCE IS CHANGING

The future environment of the contracting profession will have significant impact on what the profession needs from its workforce in the coming years. Similarly, cultural evolution will impact what workers will expect from the contracting profession, as well as the tools they expect to be provided with to complete their work.

COMPETENCIES AND SKILLS WILL CHANGE

According to senior leaders, changes in the roles and the business of contracting will drive changes to the competencies and skills required of the contracting workforce. Further, there was strong agreement among senior leaders about the changes that will be needed.

Soft Skills and Business Acumen Hold More Value

Nearly all senior leaders interviewed agreed that to be relevant and valuable in the coming years, contracting professionals will increasingly need to shift their skill ratios from purely technical and process-oriented skills toward soft skills—such as critical thinking, decision-making, problem-solving, communication, and collaboration. One senior leader said that the skill ratio used to be 80-90% technical and 10-20% business/soft skills, but going forward, most senior leaders felt that ratio should shift nearer to 50% technical and 50% soft skills.



[Integrated systems take] out the lower end tasks and I think it makes it even more important for those 30,000 contracting people to be doing the higher end tasks, the heavy analysis, the documentation that is required. I think it's going to shift the skill levels in that regard.

—Drew Obermeyer
Defense Contract Management Agency

One senior leader equated contracting officers to CFOs of companies, responsible for managing how the money goes in and out of the organization. Another argued that by the time a contracting professional becomes a mid-level manager, he or she does not need to be a contracts expert, but does need to be a business manager.

Among the soft skills of importance to senior leaders, communication was one skill that was reiterated. Arguably, communication has always been an important skill for contracting professionals; however, today's challenges make it a key competency. Moving into strategic arenas means convincing multiple stakeholders that your way is the right way. Contracting professionals will therefore need to be able to communicate and persuade up, down, and across chains of authority to succeed at providing creative and effective solutions.

An important caveat to this discussion is that no one interviewed said that fundamental knowledge of the FAR or core contracting competencies would ever be devalued in any hypothetical future context. It was clear that most senior leaders still see technical competence in contracting and knowledge of relevant government regulation as foundational to conducting the business of contracting.

Leadership Skills Will Be Required Earlier

In the coming years, the senior leaders interviewed felt the profession will see an influx of new leaders as more baby boomers retire. In years past, professional development began with the process and regulations, and progressed to leadership skills only in the later years of a career. However, senior leaders recognize it will be necessary to start training future leaders earlier in their careers, since they will most likely be called upon to lead at earlier stages in their careers than past generations.

Most of the senior leaders interviewed expressed that the current curriculum for contracting professionals is light on soft skills as well as business acumen. Agencies need to begin now to define, require, and fund the needed curricula that will help the workforce gain these skills. Leaders and workers alike must make training in soft skills a priority if the profession is to innovate and provide agile and effective solutions in tomorrow's environment.

Data Analytics Will Be a Newly Required Skill

Having discussed data as a key driver of efficiency and effectiveness, several of the senior leaders interviewed felt that future contracting professionals will very likely need to build skills in data analytics. Another possibility is that, instead of an entire profession skilling toward expertise in data analytics, those with data analytics backgrounds may begin to join contracting teams. At a minimum, however, all contracting professionals will be engaged in contributing and analyzing data to draw conclusions about markets, industries, and solutions.

[T]he contracting professional is now going to have [to understand and] analyze data.... They're going to have to understand the importance of information that is input into procurement systems and what that means for future projections and data driven decisions. Understanding spend trends [and] market intelligence will be imperative to demand management strategies and the most accurate response to requirement needs. Our contracting professionals will have to lead the way in innovative and strategic procurement planning based on data analytics and comprehensive market intelligence.

—Tina Cox, Deputy Federal-Wide Security and Protection Category Manager, Department of Homeland Security

Some Will Need to Reskill

In a workforce environment undergoing a major shift in competencies and required skills, some workers may need to reskill. Senior leaders described a future where those at the most tactical levels will need to skill-up in soft skills and business acumen or eventually risk being replaced via process automation. Those already in more strategic roles will likely have more demands to innovate and may also need reskilling to do so. This adjustment may be particularly challenging for those in the second half of their careers.

What does this reskilling mean for the overall workforce? While a few senior leaders believed the overall workforce numbers may go down as tactical-only jobs are replaced, most said workforce numbers would likely remain about the same but may look different as workers shift toward more strategic-level competencies.

[Those who have been 1102s for 25 years will have to develop a whole new set of skills later in their career... There's not been a whole lot new coming into the profession in 25 years.]

—Jeff Napier
Centers for Disease Control and Prevention

WORKFORCE NEEDS AND EXPECTATIONS WILL CHANGE

Training Will Become More Specialized, Self-Directed, and Multidirectional

With the move toward market specialization and the need to contend with a rapidly changing environment, many senior leaders agreed that the current one-size-fits-all training approach for contracting professionals will not meet the learning needs of future workers. Combine this with the incoming generations' culture of expecting instant access to information at the time of need, and it becomes apparent that current training strategies will need to evolve in the coming years.

We're not trying to train somebody so that they click off all of those certification requirements [to become] level three certified, [and expect that they] know everything... I don't know anybody who's level three certified who knows everything. So instead, what we can do [is deliver] information in real time when you get to that point, [when] you're involved in that activity.

—Kim Herrington, Department of Defense

Increasingly, training will become self-directed. The future workforce will need and demand more individualized training, as technology enables it, focused on specific competency gaps and specific types of work. Contracting professionals will need to demonstrate individual drive to develop business acumen and soft skills as the need for tactical skills reduces.

With the rapid pace of change and cultural evolution, just-in-time training will become integral to future professional development. This could include such things as accessible micro-learning, interactive on-the-job resources, new platforms for peer-to-peer learning and communities of practice, and mentoring opportunities.

The senior leaders interviewed also described how future training needs will need to be “multidirectional.” As more experienced workers transfer knowledge to less-experienced workers while also leveraging the new technology and data utilization skills that a newer workforce may bring to the table.

Within this hypothetical landscape, what happens to FAR-based classroom training? A few senior leaders voiced concerns about the readiness to jump to new methods without consideration of the value of mastering the basics through traditional learning programs; another raised concerns about the ability of “micro”-type learning to meet the still-complex learning needs of the contracting community.

Senior leaders agreed that advancing through one-size-fits all training levels will not benefit the future workforce. They suggested several alternative or complementary solutions to current training models—including rotational assignments in private-sector companies to gain industry perspective and business acumen, Digital IT Acquisition Professional Training (DITAP) for contracting officers, establishing mentoring program requirements, and leadership support for employee-directed professional development plans.



You want someone who has to make a commercial item determination to watch a seven-minute video clip and then do it and accept the consequences. I worry about people looking at [YouTube-type training] and saying “Oh that’s good, that’s cheap, that’s fast, but it doesn’t translate into [complex learning].”

—Andrew Obermeyer
Defense Contract Management Agency

Recruitment Focus May Change

Unfortunately, many senior leaders interviewed believe the contracting profession still has a “paper-pushing” reputation, which must be overcome if the profession is to attract the new generation of workers—who place a high value on meaningful work. As contracting workforce competencies become redefined, recruitment efforts will need to map to those competencies and target the types of workers needed for the new roles and business environments that emerge. Tracking with the shifting values placed on different skillsets, including an emphasis on the need for strategic thinkers, recruitment efforts may shift toward recruiting those with business acumen, data analytics, and demonstrated soft skills.

A few senior leaders predicted that contracting leaders would be targeting business students and those with computer science or data backgrounds in greater numbers.

Retention May Be a Challenge

Cultural changes will make it harder for all industries, including contracting, to retain talent as workers jump between professions and varied experiences become increasingly valued over tenure. One senior leader said he expects no more than five years from a team member, noting that upon reaching year six, the team member may worry he or she is getting “too stale” and want to try something different. Although the cultural shift is endemic to all industries, it is perhaps more impactful to the government’s contracting workforce, as a “Level I” government contracting professional (i.e., one who has achieved Federal Acquisition Certification—Contracting (FAC-C) Level 1 certification) currently requires well over 100 hours of formal training—an expensive investment for an agency to finance only to lose the person a few years later.

Several senior leaders had a very optimistic outlook for both recruitment and retention. One senior leader described government contracting in relation to working for a Forbes 500 company—workers will have authority over more dollars, much sooner in their careers; much more geographic and market area mobility; and much earlier ability to make decisions and innovate. Combine that with government benefits such as tuition reimbursement, student loan payoff, and telework policies, and there is a good case to be made for recruitment and retention. The challenge, however, will be in finding innovative ways to “sell” the attractive aspects of the contracting profession in ways that capture the interests of newer generations preparing to enter the workforce.

Government contracting is and will continue to be an exciting profession. It involves big-picture thinking and problem-solving, collaboration with a variety of stakeholders, involvement in up-and-coming markets, and a requirement to innovate. Further, the contracting profession helps achieve critical outcomes for the United States' national security and economy, as well as the well-being of its citizens.

To meet future recruitment and retention needs, it is imperative that leaders become "brand ambassadors" for contracting; to learn to sell contracting as the exciting profession it is. Shifting to the mindset of a mission-focused solution-maker will enhance the value proposition of joining this profession.

PREPARING FOR THE FUTURE— RIGHT NOW

The following section summarizes specific actions recommended by senior leaders to help the contracting community prepare for the future, and each area includes a few examples of actions already taken. (Please note, however, that these next steps alone do not represent the full breadth of the work ahead, but perhaps a collective starting point.)

PREPARING FOR A NEW ROLE

Next Steps

- Map team vision and performance goals to the mission (and ensure the connection is clearly visible).
- Provide regular exposure and learning opportunities related to the mission.

Examples from the Community

- **U.S. Air Force:** Contracting professionals are assigned to work at venture capital firms as employees to learn how those industries work and gather innovative ideas.
- **U.S. General Services Administration:** With in-depth knowledge and experience, GSA FEDRAMP is helping agencies across government move to the cloud.

PREPARING FOR A NEW WAY OF DOING BUSINESS

Next Steps

- Identify the tactical and process-oriented tasks that may soon be ready for automation.
- Use dashboards and other tools to generate and share data quickly.
- Resist reacting broadly to isolated mistakes; look at big-picture gains over short-term losses.
- Reduce procedures to only the most essential requirements.
- Reduce reliance on a playbook and use business acumen to solve problems.
- Approach compliance with the lightest touch allowable under the rules.
- Expect contracting professionals to come up with creative solutions.
- Give employees top cover and be willing to take responsibility for mistakes made while innovating.

Examples from the Community

- **U.S. General Services Administration:** Created a bot that automates data entry for micro-purchase thresholds and another bot that prepares receiving reports for contracting officer review and acceptance.
- **States of Georgia and Maryland:** Georgia consolidated buying power through implementation of the "Team Georgia Marketplace," a statewide e-procurement system that automatically tracks and reports acquisitions by supplier, products, and more; while Maryland's e-procurement system, called "eMaryland Marketplace Advantage (eMMA)," provides an integrated eCommerce function, including contract management reporting and analytics.
- **U.S. Air Force:** Implemented "Pitch Day"—an event providing small businesses opportunities to contract with the Air Force on the spot, in real time. The first one occurred in New York and has since expanded across the country. This initiative is a clear demonstration of innovation and creative compliance to achieve contracting speed and agility.
- **U.S. Department of Homeland Security:** Implemented the Procurement Innovation Lab (PIL)—a successful initiative that is also available to, and currently being utilized by, other agencies as well.

PREPARING A NEW WORKFORCE

Next Steps

- Train on business acumen, soft skills, and leadership skills at all levels earlier in a professional's career.
- Look to new training techniques that will meet just-in-time needs.
- Consider what specialized training may be needed beyond the standard for 1102s.
- Identify new skillsets that may be required for team success—e.g., data analysis, programming, and soft skills.
- Relay the excitement of the profession to those outside.

Examples from the Community

- **U.S. Centers for Medicare and Medicaid Services:** Implemented cross-functional training for the entire acquisition team consisting of a four-part training series on how to build acquisition agility. Leaders in this agency also put staff through the Digital Services Training Program (DITAP)—a five-month, intensive training program requiring independent study and classroom time.
- **U.S. Air Force:** Stood-up business programs for Air Force acquisition professionals at the University of Virginia's Darden School of Business and the University of North Carolina's Kenan-Flagler School of Business, and regularly sends contracting professionals through the programs. The Air Force is also sending senior contracting leaders through non-contract-specific CFO training and programs at Harvard and other educational institutions.
- **U.S. Defense Contract Management Agency:** In partnership with the Defense Acquisition University, improved instructional systems to provide baseline training as well as specialized training, which allows greater ability for individuals to direct their own specialized training in a just-in-time way.
- **Federal Acquisition Institute:** Collaborated with the Office of Management and Budget and the General Services Administration to identify training gaps, then added short training sessions to address the current identified gaps and just-in-time training needs.

CLOSING THE GAP

This initial report captures the thoughts shared by a selected group of senior government contracting leaders. The speed of change in technology, cultural shifts, and a new global marketplace in which the United States is competing from behind will shape the near future of the contracting profession in concrete ways that will be felt at every level. Changes to the role of contracting will require contracting professionals to shift from "process-centered rule-enforcers" to "mission-centered solution-makers." Changes to the business of contracting will require the integration of big data and technology, such as AI, in innovative ways. Changes to the workforce will require a shift in training to be more cross-functional and specialized, and to think outside the box when it comes to recruiting and retaining the talent required to move the profession forward.

While the views shared within this paper represent the summarized opinions of most of the senior leaders interviewed, there were senior leaders who dissented in several areas. A few felt the contracting profession should continue to aspire to an advisory role rather than taking a leading position. A few took a narrower view of the changes that technology would bring to the business of contracting. Several raised a concern that future reliance on technology and new training styles could "water down" the technical competence of future contracting leaders. However, despite these varying viewpoints, most senior leaders are looking toward the future with a clear recognition that the changes coming will be greater than the changes they've experienced in their own careers thus far.

Senior leaders were less responsive when asked how they were currently preparing for upcoming changes. While there were a few current actions and recommendations for future actions offered, the described changes and plans to address them revealed gaps. If this is indicative of the profession as a whole, then it suggests the need for a call to action to begin to plan for and address anticipated, necessary changes with specific and actionable solutions. Failure to do so could result in a reduced value proposition for the profession in the future. NCMA and Management Concepts will continue this conversation with these and other senior leaders, as well as other segments of the contracting workforce, with the aim of spreading actionable solutions throughout the community. A number of the changes identified in this paper are already happening. The time is now to begin envisioning and creating the contracting profession of the future.

SENIOR LEADERS

The following is a list of the senior leaders interviewed for this project:

Tim Applegate

Director
Acquisition Management and Integration Center
HQ ACC
U.S. Air Force

Jeff Birch

Director
Federal Acquisition Institute/General Services Administration

Iris Cooper

Assistant Secretary
Office of Procurement, Contracts, and Grants
Department of Health and Human Services

Tina Cox

Deputy Category Manager, Security and Protections
Department of Homeland Security

James Harper, Jr.

Director
Office of Acquisition Management
Federal Transit Administration

Stuart Hazlett

Deputy Assistant Secretary of the Army (Procurement)
U.S. Army

Kim Herrington

Principal Director
Defense Pricing and Contracting
Department of Defense

Major General Cameron G. Holt

Deputy Assistant Secretary of the Air Force for Acquisition
U.S. Air Force

Brendon Johnson

Senior Procurement Executive
Small Business Administration

Monica Manning

Assistant Administrator and Deputy Chief Acquisition Officer
Office of Procurement
National Aeronautics and Space Administration

Tracy Marcinowski

Assistant Commissioner for Acquisitions
General Services Administration

Jeffrey Napier

Director, Office of Acquisition Services
Centers for Disease Control and Prevention

Andrew Obermeyer

Director, Business Operations Center
Defense Contract Management Agency

Phil Parker

Director
Risk Management and Compliance Services
Department of Veterans Affairs

Kelly Pickering

Senior Procurement Executive
National Geospatial Intelligence Agency

Lynn Schneider

Deputy Director
Federal Acquisition Institute/General Services Administration

Melissa Starinsky

Director
Office of Acquisition and Grants Management
Centers for Medicare & Medicaid Services

Julian Thrash

Director of Acquisition Support
Department of Veterans Affairs

Joy White

Executive Director
Space and Missile Systems Center
U.S. Air Force

Kimberly Williams

Director
Office of Procurement Contracts and Grants
Department of Health and Human Services

STAFF AND VOLUNTEER PARTICIPATION

Beth Blazek

Management Concepts

Steve Blizzard

Management Concepts

Ryan Burke

National Contract Management Association

Tara Ebrahimi

Management Concepts

Danielle Grunwald

National Contract Management Association member

Denean Machis

National Contract Management Association

Lauren Peel

National Contract Management Association member

Jen Murray

Management Concepts

Samantha Williams

National Contract Management Association

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