

NRO IAWG Action Team

Attracting & Retaining Talent: Business & Operating Models

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The Talent & Employment Environment

- **BABY BOOMERS:**

- Next 20 years, ~10K People Each Day will Reach age 65

- **MILLENNIALS:**

- Flooding the Market; Anxious to be on the “Bleeding Edge”
- Getting Larger Salaries (Equal to SMEs) without a Clearance

- **INDUSTRY (FFRDC, SETA AND Development):**

- VA Unemployment at ~2.1% Available Talent is Limited – even w/Bonus
- Willing to Pay for the Cutting-Edge Technology – but Clearance Constraints

- **GOVERNMENT:**

- Need: SME (Institutional Knowledge) “+” Millennials (Cutting-Edge Technology)
- Shrinking experience base in Contracting & Program Management
- Increasing Security Back-log & Cross-Over Lag Time

OVERALL:

Commercial (AWS, GOOGLE, SPACE-X) is Hiring Away from GOV & GOVCON
Commercial is the “Latest” Leading Edge causing a Resource Shortage for All

Observations: Primary Drivers Given the Environmentals...

- 1. Nature of the Work: Is it Cutting Edge, Impactful, Meaningful?**
- 2. Contracting & Solicitations: Price vs. Cost**
 - Price/Performance is most effective measure of value delivered
 - Rates are not a viable measure of performance (potential to pay more for less value)
 - Pre-eminence of direct rates and wrap rates over price creates LPTA “conditions”
 - Salary, fringe, incentives (student debt relief), etc directly impacted
 - Rate pressure without considering impact on performance creates talent pressure
 - GED emphasis on Price Realism has potential to normalize this issue
- 3. Contracts Portfolio: IDIQ vs Single Award, FFP/CP vs LOE**
 - Contracts mix impacts overhead (IDIQ “hunting license” = carry talent on overhead)
 - FFP/CP deliverable contracts offer more options to retain talent than LOE contracts
- 4. Security Clearance Sponsorship: Requires an Onboarding Pipeline**
 - Chicken & Egg: must have a contract to sponsor. Can’t get a contract without.
 - Clearance “pipelines”: fundamental to attracting & retaining talent. 2-year lead time.
 - IC has instances of successful expertise-base or industry-base “pipeline contracts”.
 - Ultimately connected to Contracting approaches due to overhead pool impact.

Observations: SETA vs Development Acquisition

- **SETA:**

- Reliant on SME Experience, Years and Knowledge “Networking”
- Costs are Inherently Higher (Level/Years of Experience & Clearances)
- Solicitations_Must Achieve “Best Value” (don’t go LPTA on your “brain trust”)
- Idea: Sponsor “Interim” Cross-overs and Clearance to Get Skill Mix
- Idea: Set-aside “Junior and Uncleared Portions” within Solicitation

- **Development:**

- Solicitations typically “Technical Significantly More Important than Cost”
- Greater Emphasis on Latest Technology (~ 5 to 10 Years)
- Idea: Provide Weighed Factors in Solicitation for XX% for Uncleared Support
- Idea: Reward Offerors who are Innovative with Use of “Waiting for Clearance”
- Idea: Leverage Cutting Edge COTS to Draw in the Leading Edge Talent

Government –

**Must Differentiate between SETA & Development
Talent Attraction and Solicitations**

Business & Operating Model Ideas for Government

GOVERNMENT “Attract” the Talent

- **Consider a portfolio approach to Contract Types (IDIQ vs Single Award)**
 - Balance flexibility and speed of IDIQ TO approach with continuity and base of Single Awards
 - Investigate relationship between size/segmentation and contracting strategy impact on industry base
- **Focus on Price/Performance and Cost Realism over Labor & Wrap Rates**
 - Recognize that Talent drives fully-burdened and direct labor costs
 - Higher quality, faster delivery is less expensive and more predictable over course of program
- **Emphasize Deliverable- or Milestone-Performance Based Contracts vs LOE**
 - Provides Government leverage; provides Contractor flexibility to deliver talent
 - Buy “Capabilities” instead of Candidate Resumes
 - Reward risk taking (Innovation is typically risked up in proposals)
- **Security Waivers, Continuous Evaluation or Interim Security Clearances**
 - Provide Additional Security Billets to each Company and Interim Clearances

Business & Operating Model Ideas for Industry

- **INDUSTRY: “Retain” the Talent**
 - **Meet Needs**
 - Sign-on Bonus, Retention Bonuses, Pay off School Loan
 - Quicker Promotions, More Career Flexibility
 - **Provide Continuing Training**
 - Agile Processes/MBSE, Renewal of Certificates, Latest Seminars/Conferences
 - Provide “*RIDE ALONG*” Mentors
 - **Provide Corporate and Program IRADs**
 - Accept Risk with Performance-Based Deliverable Contracts
 - Be More Creative with Cost/Schedule/Performance Constraints
 - Look at Functional versus Technical experience (to broaden talent pool)
 - Similar Pay Scales for those with “Functional” Experience

BOTTOM LINE

GOVERNMENT’S ROLE:
Attract the Talent

INDUSTRY’S ROLE:
Train & Retain the Talent

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