

INSIDER REPORT 2016

INSIDER GUIDE TO 2016

NAVIGATING THE TRENDS AND
CHANGES IN THE YEAR AHEAD

Table of Contents

Introduction	3
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SECTION 1: HOW THE MARKET IS CHANGING

2015: A year of dramatic change at a glacial pace by Nick Wakeman	5
---	---

Signs point to a promising year by Nick Wakeman	7
---	---

6 trends reshaping the market by Mark Hoover	9
--	---

5 IT predictions for 2016 by Thomas Romeo	10
---	----

SECTION 2: HOW YOU SHOULD CHANGE TO REMAIN COMPETITIVE

Here's how to tune up your business for 2016 by Robert Lohfeld	13
--	----

Leadership or management and why it's important to know the difference by John Hillen	16
---	----

6 cyber best practices for the new year by Diane Griffin	18
--	----

Three marketing musts for 2016 by Mark Amtower	20
--	----

6 ways to be a better partner by Nick Wakeman	22
---	----

INTRODUCTION

As 2016 gets underway, many signs are pointing toward a year that will be better than what we've seen in quite some time.

The signs are led by the approval of a budget framework that sets some of the topline numbers for the next two years. A budget means visibility and visibility translates into certainty and confidence.

The defense budget shows real growth for the first time, and there are increases across the board for all agencies. Of course, a lot of details still need to be worked out, but the big benefit is that agencies know they have money and now they can start to plan and actually invest, which means opportunities for government contractors.

Some of the hot areas are easy to name: cloud, infrastructure, modernization, Agile development, data analytics and, of course, cybersecurity.

Specific sectors include health, command and control, intelligence, business systems and operational efficiency.

We've gathered some of our top commentary and reporting about 2016 and the trends that contractors need to pay attention to.

Think of this WT Insider Report as a quick reference or reader's guide as we move forward.

We've organized the report into two sections.

The first explores how the market is changing. The second section offers insights into the changes you and your company need to consider if you want to succeed in 2016 and beyond.

The information includes specific budget and opportunity insights as well as advice on business development, operations and leadership.

As always, we look forward to your feedback and suggestions about how we can improve these reports and make them more useful. Email us at WTInsider@WashingtonTechnology.com.



Nick Wakeman, Editor-in-Chief

SECTION 1: HOW THE MARKET IS CHANGING

2015: A year of dramatic change at a glacial pace

By Nick Wakeman

When I look at the major events of 2015, I see a continuum--not sudden, dramatic events. I'm reminded that the market is more like a glacier than a flood.

Change is a slow process in this market. Companies are still adjusting to the economic collapse of 2008 and the fallout it wrought on budgets.

In many cases, it takes years for the real impact to be felt. When an agency began cutting their budgets, most couldn't predict what a long-term change that would initiate.

In the beginning, companies reacted tactically, probably in hopes of riding out a down year or two. They did layoffs, they delayed investments.

When the tough budgets stretched from one year to two and then to three, companies became more strategic. Layoffs continued, but companies also were restructurings and divesting.

As the flat and no growth budgets hit years four and five and beyond, there was a general acceptance in the market that a profound change was taking place. Customers had been focused on lower costs and efficiency from early in the budget process, but now there was recognition that this focus wasn't just a short-term survival mechanism to get through a few tight budgets. Instead, the government had evolved the values it uses to acquire goods and services.

I use the words evolution and values here because I want to emphasize that this is a slow process with a long-term impact.

As government contractors settled into the belief that the market had fundamentally changed--and that the change was for the long haul--we've seen more dramatic strategic moves by government contractors, namely in the divestitures and consolidations that have taken place.

Many of these moves by companies have been taking place over the last two years, but several stood out in 2015.

Top of my list is Lockheed Martin's decision to sell its enterprise IT business to Leidos. The Information Systems & Global Solutions business will add \$5 billion in annual revenue and nearly double the size of Leidos.

At one time the IS&GS business was the fastest growing segment of Lockheed's business, but as the market tightened it became increasingly difficult to compete and grow.

The announcement to divest the business coincided with the Lockheed's announcement that it was buying helicopter maker Sikorsky.

Lockheed is divesting and consolidating. It is moving out enterprise IT services and doubling down on the platform, both as a manufacturer and as a services provider.

Another major transaction is Computer Sciences Corp.'s decision to spin-off its government business and combine it with SRA International. The trends driving this transaction were years in the making. Both CSC and SRA had gone through several years of cost cutting and restructuring as well as investing in new capabilities.

Much like an earlier mover, Engility--itself a spinoff from L-3--the CSC-SRA combination, now known CSRA Inc., is focused on delivering cost effective solutions.

When CACI International acquired another L-3 divestiture, it also made the case that the deal was driven by the potential to deliver solutions and services at a lower cost.

The string that pulls Leidos, Engility, CSRA and CACI together is a need for size, which drives economies of scale.

CACI and Engility have made no secret that they see themselves as consolidators in the market. I expect CSRA has some integration work to do, but I think over the long term, they will be making more acquisitions.

In the case of the L-3 divestitures, it also freed those businesses from being part of a company that was focused elsewhere and had cost structures that put those divisions at a competitive disadvantage. Lockheed has made similar comments about why the IS&GS business will perform better on its own and will have a better chance of growing again.

For CSRA, it is freed from the distraction of having a parent focused on the commercial market.

I think we are in the middle of a five-year period, where we'll continue to see the market driven by a hyper cost consciousness.

We'll see this focus on cost driving merger and acquisition activity but also in the competition for contract awards.

The partnering landscape will change, especially as the government opens itself more to truly commercial solutions.

Look at the Leidos team that won the \$4.3 billion Defense Healthcare Management System contract. It has Accenture, obviously a large government player but it also extensive commercial health care experience.

Cerner is another partner and is one of the largest health records providers in the commercial world.

We've seen an increasing number of these kinds of partnerships in recent years, where you have a traditional government contractor as the prime, because they understand the procurement process and the customer, teaming with a commercial technology company that brings the innovative solution.

That can be a powerful combination especially as demand for cloud-based and mobile solutions grow.

And finally, the passage of FITARA as part of the 2015 Defense Authorization Act sparks the beginning of a new era of change. We'll see bits and pieces of change in the next year or two driven by this legislation, which puts more acquisition authority in the hands of CIOs. But it'll be several years before we start to see a widespread impact.

It'll take a few years for agencies to make changes, and then another few years for those changes to truly impact contracts, and then even more time for those changes to impact the contractors.

We'll see early movers, but most companies will be cautious and will only move when they have to.

So, it'll probably be 2020 before we can say, look how much change FITARA brought to the market.

As we move forward it's important to remember that the market constantly changes, but the change is often so slow that it looks like things are always the same. Just remember they aren't. ■

About the author

Nick Wakeman is editor-in-chief of Washington Technology

Signs point to a promising year

By Nick Wakeman

You can look back at the last year and find no shortage of factors pushing and pulling on the market. One of the overarching trends has been what can be described as a lack consistency across the market; what’s going well in one area isn’t in another.

You can have growth in some agencies or parts of agencies while others are shrinking and cutting back.

Kevin Plexico, vice president of research at Deltek, described it as a “hot and cold” market during a recent webinar reviewing the year in federal contracting.

But all that might be coming to an end.

Since 2013, the hot side of the market has primarily been among the civilian agencies, where contract spending has gone from \$155 billion in 2013 to \$166 billion in 2015. This is all contract spending, not just IT.

On the defense side of the market, it’s a different story: Contract spending was \$309 billion in 2013. In 2015, it was down to \$273 billion.

A big reason behind the drop has been the draw down in Iraq and Afghanistan. When you look at categories of spending, fuel saw the biggest drop at 28 percent, Plexico said.

That’s the coldest of the cold as far as segments in the market. According to Deltek’s research, other cold areas include professional services, which saw a 3 percent drop, architecture, engineering and construction, which saw a 9 percent drop, and most surprisingly, health services, which dropped 10 percent.

Plexico said that the health services drop is likely also tied to the drawdown and the Defense Department spending less with managed care providers.

But 2015 might finally be the bottom for defense spending, thanks in large part to the spending targets set in the latest budget agreement.

It is the first time in years that there is growth across all of the appropriation bills as the chart below shows.

“That’s the best news,” Plexico said. “We have budget certainty.”

When you combine the increases DOD’s base budget and OCO, defense appropriations are increasing by over \$30 billion.

“2016 could be the first in a series of years where we have increases in defense contract spending,” he said.

2015 also was an important year for contract awards, most notably a few very large IT GWACs such as NASA SEWP and NIH CIO-SP. The Air Force also completed, finally, the awards for NETCENTS II NetOPs Infrastructure and the TSA III award.

APPROPRIATION	DISCRETIONARY BUDGET (\$B)		CHANGE VS 2015	
	FY 2015	FY2016	%	\$B
Agriculture	\$20.8	21.8	4.4%	\$0.9
Commerce, Justice & Science	\$50.1	\$55.7	11.2%	\$5.6
Defense	\$540.2	\$572.7	4.4%	\$23.9
OCO	\$64	\$73.6	15%	\$9.6
Energy & Water	\$34.2	\$37.2	8.8%	\$3
Financial Services	\$22	\$23.7	7.7%	\$1.7
Homeland Security	\$39.7	\$41	3.3%	\$1.3
Interior and Environment	\$30.5	\$32.2	5.6%	\$1.7
Labor, HHS & Education	\$156.7	\$162.1	3.4%	\$5.4
Legislative branch	\$4.3	\$4.4	1.5%	\$0.1
Military Construction & VA	\$72.1	\$79.9	10.8%	\$7.8
State & Foreign Operations	\$49.6	\$53	6.9%	\$3.8
Transportation, HUD	\$53.8	\$57.6	7.1%	\$3.8

Combined, these contracts have an aggregate ceiling of over \$73 billion and more than 200 primes.

Because the Office of Management and Budget is pushing agencies to consolidate commodity IT buying around a few vehicles, NASA SEWP and NIH CIO-SP should see a significant amount of business, Plexico said.

SEWP V, in fact, has already seen \$1 billion in task order awards, he said.

But the major trends in the market aren't all about budgets and contract awards.

Plexico said the market is seeing real dollars flow to small businesses with only the HUBzone category not reaching its goals.

There also is a significant amount of consolidation going in the market with large and small companies being active in mergers and acquisitions. There are no shortage of examples – Leidos buying Lockheed Martin's IT business, CSC and SRA forming a new company, CSRA; CACI International acquiring L-3 National Security Solutions.

Deltek is tracking the consolidation in the market and sees a significant drop in the total number of contractors serving the federal government. In 2008 there were 180,000 contractors selling to the government. Today, the figure is 140,000.

At the same time, the average size of contracts has gone up slightly, Plexico said.

"What we are seeing are fewer prime contract positions and more money going to the ones that remain," he said.

Companies face a critical decision: which contract vehicles, particularly IDIQs, are they going to pursue?

"Any growth-minded company needs to think about their capabilities, the customers they want to target and also what contracts they need to have so customer can reach them easily," Plexico said. "It's a three-pronged approach: capabilities, customers and contracts." ■

About the author

Nick Wakeman is editor-in-chief of Washington Technology

Six trends reshaping the market

By Mark Hoover

Digital Management Inc. today released its 2016 Top Six Federal Digital Trends Report, highlighting key issues to expect in the government marketplace in 2016.

The **first trend** is proactive security management and monitoring being an immediate need for government agencies.

“There’s a lot of chatter about cybersecurity, but the pusher is to really have an active posture around monitoring your security proactively,” said Sam Ganga, president of DMI’s Government Mobility Solutions Group. “That’s where we’re suggesting with our first trend. Without that, you’re sort of in a reactive posture.”

The **second trend** is a shift from a data management focus to a data science focus.

“[This trend] is not a play on words as much as it is a real need to understand that data-driven decision is the need of the future,” Ganga said. Agency constituents are growing hungrier, he added, for predictive indicators and models that will alert the agency before something becomes problematic.

The **third trend** is that agencies are moving from cloud hosting to cloud management services.

“The discussion is going to move away from who’s the best cloud hosting provider to who is my most effective cloud management services provider,” Ganga said. “Who’s going to be the one who’s going to take a look at the universe of these hosting services available and find the best.”

This requires a level of sophistication beyond what a cloud hosting provider has, he added.

The **fourth trend** is digital processes and how they need a different approach.

“Digital initiatives are really not about trying to solve the same problem in a similar manner using different technologies,” Ganga said. “What we believe is necessary is a new approach to the problem itself, so it’s much more of an exercise around what does it take to meet our mission rather than what does it take to redo this procurement.”

The **fifth trend** is the outsourcing mobile device lifecycle management.

“The general misconception out there in the marketplace is that the most expensive part of the mobile device lifecycle is the actual purchase of the device itself,” Ganga said. In fact, he added, the most expensive part of the lifecycle is the data plan for the device.

“Looking at mobile device lifecycle from not only the entire lifecycle of the physical device itself, but everything else that rides on top of it is imperative,” Ganga said.

The **sixth trend** is agencies’ increasing interest in the Internet of Things.

Agencies are looking at the Internet of Things as a way to improve processes and asset utilization.

“There are so many logistic aspects to government agencies that [Internet of Things] is an area that would yield significant result if applied properly and managed properly,” Ganga said. ■

About the Author

Mark Hoover is a senior staff writer with Washington Technology.

5 IT predictions for 2016

By Thomas Romeo

We may already be well into fiscal 2016, but with a new calendar year before us, we have an excellent opportunity to consider the trends that will shape federal IT over the next 12 months. From federal and state innovation and collaboration to data analytics 2.0, here are five trends we see affecting government agencies in the coming year:

Increased collaboration among federal, state and local agencies

As we saw during the rollout of the Affordable Care Act, there are significant challenges when federal, state and local governments need to coordinate for major initiatives. In 2016, we expect to the IRS, Department of Veterans Affairs, Social Security Administration, Centers for Medicare and Medicaid Services, Labor Department and many others introduce new programs that will require complex interagency collaboration to achieve mission success and deliver positive outcomes to citizens.

Technology systems and business processes that might be highly functional within a single agency will need to be adapted and upgraded to break down silos and open up new channels for information sharing.

The continued momentum of the citizen experience

This past year has seen exciting progress among federal agencies seeking to improve the end-to-end experience an individual has when seeking government assistance, also known as the citizen journey. Whether using a government website, calling a contact center or visiting an agency office, every engagement or interaction that citizens have with their government informs their experience, which directly correlates to their overall trust in the government.

Agencies are creating and empowering senior leaders in positions that sound similar to what you might find at Amazon or Zappos, such as the VA's newly minted Chief Veterans Experience Officer and the General Services Administration's Chief Customer Officer.

Furthermore, 18F, which GSA created to help improve the public's experience with government through

transparent technology solutions, celebrated its first anniversary in 2015 and has already launched nearly two dozen user-centric software products for government agencies.

As citizens' expectations for consistent, efficient and high-quality service continue to rise, agencies will invest more resources in improving the customer experience.

Heightened attention to outcomes and accountability

With this year's budgets looking no rosier -- fiscal 2016 will be the seventh straight year of a shrinking federal market -- agencies need to get the maximum value from every dollar spent. To do that, they will seek more accountability both within their own organizations and from their partners.

Internally, we expect to see a heightened focus on reducing fraud, waste and abuse, such as CMS' push to reduce Medicaid fraud related to improper payments. In addition, the trend toward seeking efficiencies through consolidation and shared services has also created some potential conflicts of interest for vendors, and agencies will need to examine these relationships to ensure the independence of their selected vendors from any biases in the market they serve.

Externally, we anticipate that more agencies will begin to structure programs using an outcomes-based model, which ties vendors' compensation to their ability to meet or exceed defined program outcomes in a meaningful and measurable way. By doing so, they will be able to drive more innovative and cost-effective services, more equitable risk sharing and better citizen experiences.

The use of data analytics to support mission effectiveness and better outcomes

The role of data in government continues to evolve and mature. As that happens, we'll see data analytics start to become a key performance indicator of mission success in categories such as quality of

service, effectiveness and delivery. That trend has already begun in some agencies, where qualitative data from smaller pilot programs is being used to make better decisions about where to invest in large-scale transformation initiatives that will deliver the highest impact.

Analytics can also help identify potential fraud, waste and abuse, allowing agencies to address areas where inefficiencies are draining precious resources and reallocate those budget dollars to delivering measurable outcomes.

The next phase of IT consolidation

In the past five years, many agencies have pushed to consolidate data centers and platforms to meet the objectives of the Federal Data Center Consolidation Initiative. With most of that consolidation now complete, agencies are realizing significant benefits in increased security, improved disaster recovery and more efficient IT services that allow them to refocus their time and resources on delivering on their mission.

In the year ahead, we predict that the government will comfortably adopt more commercial technology services that improve overall functionality and reliability, and allow more specialized technology resources to be developed as needed for unique mission needs.

Of course, these predictions only represent a few of the factors that will affect our federal landscape in 2016. As the government navigates new demands -- and an evolving political climate -- we'll no doubt see other influences emerge in the ongoing quest to provide better and more efficient services. Given the challenges and opportunities ahead, it's never been a more exciting time to work in or serve the public sector. ■

About the Author

Thomas Romeo is president of Maximus Federal Services.

SECTION 2: HOW YOU SHOULD CHANGE TO REMAIN COMPETITIVE

Here's how to tune up your business for 2016

By Bob Lohfeld

We have been talking with lots of companies to understand what they are doing to win more business in 2016, and I thought I would share some of what we learned with you. Surprisingly, the results are pretty consistent.

Many companies found that winning has gotten harder, especially since the government's budget has been in a steady decline for the past seven years. We all fully understand the notion that with fewer dollars to spread across government contractors, companies have to fight harder to win their share.

Many companies realize that what they did to win in the good times just isn't good enough today. To move ahead, companies have to work smarter and harder and reinvent what they are doing to remain competitive. It should come as no surprise that if a company isn't continually improving how it competes for new business, then it is actually falling behind as its competitors find new ways to win.

Here's what we are seeing companies do to advance their game.

Business winning processes

There is a general consensus among mid-tier and large companies that their business acquisition processes—business development (BD), capture, and proposal—may have atrophied over time and are not keeping up with the competitive needs of the market. Processes they relied on in earlier years have grown old and out of date, especially given the changes in government procurement strategies and the importance of multiple award vehicles and task order competitions.

Many tried-and-true processes have grown overly complex based on previous attempts to improve them, and these past improvements have only added additional layers with more processes and complexity. As one company put it, "We don't have a shortage of process here, instead we have an abundance of process and most seems to be in conflict with each other."

Process improvement and optimization exercises will have a high payoff for companies. This can improve win rates and push more new business deals through their systems without increasing their overall business acquisition costs. It will certainly be a win-win for many companies.

Business acquisition training

While process improvement is important for companies, it is the skills of their people that are key to winning. In past years, training budgets have been decimated as companies dealt with financial contractions, but now, training is back in full swing.

Current employees serving in new roles and new hires coming into the organization have created a solid justification to renew training for BD, capture and proposal teams, project managers, and technical personnel. Companies are looking at their staff and asking, "Do we have the right people to support planned bids, and do we have the knowledge and skills needed to win?" If not, they are pushing to get trained ASAP.

In addition to traditional capture, proposal management, and writing training, we are now seeing specialized training on how to win GWACS and MACS, how to win task orders, how to win recompetes as the incumbent and as the challenger, and how to create better proposal solutions that outscore the competition.

New business training is not just for BD, capture, and proposal people. It is moving into the operations side of the company where project managers and technical personnel are being taught how to prospect for new business opportunities, how to add new business to existing contracts, and how to get better prepared to win their own recompetes.

New business pipelines

In austere times, new business pipelines can become bloated as companies try to pump up their pipelines to show how well they are doing. These companies believe that the more deals they have in the pipeline, the more revenue they will generate.

Actually, the opposite may be true. With a fixed number of people in BD, capture, and proposals, the more deals you have in the pipeline, the less effort each is given. Since there is a strong correlation between effort and results, having too many deals dilutes the effort that can be applied to each, and this can reduce the overall chance of winning. Companies are reexamining their new business pipelines and discarding bids they are unlikely to bid or don't have much chance of winning.

The key to having a healthy pipeline is to look at lots of deals and quickly discard them if they are not a fit for you. Strong market research can go a long way toward identifying deals that are a good fit for your company, and competitive assessments can help sort the good ones from the bad.

When your pipeline starts looking like a pipe dream, it is time to get real about the deals and focus on the ones that can go the distance.

Customer contact

We hear all the time that it's difficult to get access to customers, yet companies are still doing it successfully, and we know that access is a strong predictor of future bid success.

Double down on your efforts to establish relationships with customers on both the mission and acquisition sides of the government organization. Initiate your call plans early and define the goals and objectives for each call. Identify the information you need to obtain and the information you want to give to the customer.

As you map out your call campaign, if you have influential senior staff in your organization who know the customer (maybe former government senior staff), make sure they have a chance to visit, and be sure to include your solution lead/architect and your program manager in your call plan. It shouldn't just be BD making customer calls.

Use your customer's organization chart to identify influential individuals and decision makers, and identify where you have gaps in your relationships. Leverage teammates to get in to see key customers. Dry run your customer meetings before you visit the customer. Immediately capture your notes and conclusions from the meeting (What did you learn? Did you meet the meeting objectives?), and craft near-term follow-up actions. Brief the capture team and your leadership after each visit.

Putting more effort into understanding customer requirements and needs can pay off. As we like to say, "Best informed wins."

Setting bid standards

Arguably, the best way for a company to raise its win rate (number of deals won versus deals bid) or capture rate (number of dollars won versus dollars bid) is to quit bidding deals it can't win. Yet when government budgets decline, companies have a tendency to do just the opposite. Managers will argue that to win more, they have to bid more. While this seems logical, the problem is that bidding more often causes companies to lower their bid standards; overstretch their BD, capture, and proposal staff; and bid deals they can't win. What companies should do is hold to high bid standards and work to identify more new deals that meet these standards—not lower their standards and swing at deals they have little chance of winning.

We are seeing much interest among companies of all sizes in how to better define deal qualification criteria, make improved decisions about when to continue and when to terminate deal pursuit, and refine criteria to make better bid decisions. Improved qualifications standards will be a high-payoff area.

Pre-proposal preparation

Now is a good time to update all those materials that you routinely use in proposals. Typically, this includes updating resumes, past performance summaries, and pre-written proposal content.

Have your employees update their resumes annually, and store the updated resumes where they can be searched by your capture and proposal teams. You want your employee resumes to be highly detailed, identifying skills and significant accomplishments in addition to work performed. Resumes need to identify the number of years in various positions held, not just the duration worked for a particular company. They should include all certifications and training.

Update your past performance citations with metrics and accomplishments from the past year. Include all the tidbits relative to jobs done well and kudos your company and employees may have received. Ensure the citations are searchable so you can find just the right piece for a callout box or other substantiation needed in a proposal.

Update pre-written content that you use routinely in proposals. Company history, organizational charts,

task order management processes, quality control plans, etc. should be updated to make them the best you can make them, not just the sections pulled from the last winning proposal.

Smart companies are getting prepared for quick-response proposals and will have all the information they need readily available for their next proposal.

Proposal development

This is the most competitive part of the business acquisition process, and it is where companies can certainly lose a deal and in many cases can win if the proposal is strong enough. Companies are learning how the government evaluates proposals and are tuning their solutioning and review processes to create higher-scoring proposals.

Companies are also using the proposal quality standards we put forward in a research paper two years ago on high-scoring proposals, and this is paying off for them in higher win rates.

If you have not established quality standards for your proposals, now is a good time to do it and start writing to these standards and creating high-scoring proposals.

Post proposal submission

If you were rushed during 2015 and failed to conduct lessons learned, do a year in review assessment and adjust your processes accordingly. Learn from lessons learned. Few companies conduct lessons learned exercises, and even fewer identify and execute action items. Make it a standard process to conduct both internal and external (from debriefs) sessions with all stakeholders, and analyze whether identified improvements are actually implemented and results are improved.

Final thoughts

There are many more actions a company can take to up its game in 2016, and I have tried to list some of the more important ones in this article. Use this article as a checklist to audit how well your company is doing and see if these actions are already underway. If they are, then you can be a top competitor in 2016. If they are not, you might want to go back and reread this article.

We wish you the best for 2016. ■

About the Author

Bob Lohfeld is the chief executive officer of the Lohfeld Consulting Group.

Leadership or management and why it is important to know the difference

By John Hillen

The more I talk with experienced CEOs, especially the executives who have led more than one company or institution, the more I am struck by how firmly they believe that leadership and management are very different disciplines requiring a completely different outlook and set of skills.

They never say that both are not needed – in individual executives or in aggregate in the enterprise – but the more experienced executives are, the more they see leadership and management as being distinct competencies, complementary but unlike.

The vast majority of formal corporate training focuses on management skills - critical skills for any executive that tend to be centered on the “how” questions in organizations: How can we get this proposal done by Friday? How can we implement this new software update across the client’s enterprise? How do we manage our cash flow to accumulate some reserves for our investment goals?

Corporate training does a good job here – teaching and issuing certificates in project management, information systems security, database administration, and various other aspects of financial, operations, engineering, development, and project management tasks.

In contrast, leadership competencies tend to focus on the “why” questions in organizations. Or even the “where”, “what”, and “by whom” questions: Why are we trying to win this contract and what difference will it make when we do? Where does that fit into our strategy? What is our strategy for this agency and why did we chose it? Who is best suited to talk to the client about this issue? What defines success or failure on this program? What are our values and why does that matter?

Leadership questions are most often about the bigger picture. The answers to these questions don’t just tell people how to get something done by the end of the week, they tell people why it matters. Leadership questions tend to be about meaning – why what the team is working on matters to the organization and

how it fits into a recognizable pattern of purpose and achievement.

Although leadership questions are bigger picture in nature than management questions, even philosophical at times, they absolutely are not just for CEOs or senior executives.

I once had a new team leader in her 20’s quiz me in the breakroom about articulating to her team of three developers about where they were going with their task and why it would matter. A certified project manager and developer, she had no problem spelling out the how, but her team needed more to perform well – they needed to know where their work “fit” into the enterprise in a very visceral sense.

So the take-away of the CEOs I talk to is not that leadership competencies are only for senior execs and management skills are for so-called “working level” professionals. That’s a false dichotomy.

Instead, the lifetime lesson from these CEOs (that it took them sometimes an entire career to appreciate) is that any well performing executive in a supervisory role needs both leadership and management skills and should train to them differently because they are distinct.

In the course of a professional career in any field that ultimately might include supervisory, management, or leadership roles, the general pattern shown below applies.



At the beginning of a career, almost all the skills a professional will wield in their daily, weekly, or monthly duties are technical and tactical in nature. The sort of skills that the wide range of professional certifications in our industry capture.

Moving on in one's career, and especially at the time when a professional is asked to be a boss for the first time, that promotion might happen because that individual is tops among their peers in those technical and tactical skills.

But when the time for that second promotion in a career comes around, often the person picked to be the boss is not the most skilled per se (even in an accounting department or software development team or other highly technical area), but rather the best leader.

And leaders tend to spend most of their time on strategic and interpersonal skills – these why, where, what, and by whom questions. Leaders are in the business of making sure that the work of their team fits into the overall plan and strategy and that this is understood by everyone around them in terms that the team understands, not just terms that the leader chooses to use.

Interpersonal skills are labor intensive because people are so different. We all hear and process information differently. Leaders need to articulate the purpose and path of their teams in many different ways sometimes

to make sure that everyone understands it in the way that is meaningful to them.

As I noted, recognizing this distinction between leadership and management skills and competencies, about which I will write more in future columns, is a very common “ah ha” moment for experienced executives. But doing something about it in their organization is where most of them would like to make progress.

Despite the bookshelves groaning under the weight of business leadership books, most CEOs I talk to feel they always have a leadership deficit in their company. Of course, they would love to have another planeload of competent PMPs, CISSPs, VCP-DCVs, CISAs, ScrumMasters, and the like.

But almost all of them would give that up for a car full of executives at every level of management who have taken the time to train not just to be good managers, but to layer on to their career the strategic and interpersonal skills necessary to be an effective organizational leader. ■

About the Author

John Hillen is the former CEO of Sotera Defense Solutions and is the executive-in-residence and professor of practice at George Mason University's School of Business.

6 cyber best practices for the new year

By Diane Griffin

Happy 2016, everyone!

The new year is a great time to set new personal and professional goals, but as a security professional, I also believe this is the perfect time to assess your company's current practices for preventing insider threats to your security.

One of the biggest security threats to your business is now coming from people on the inside—not the outside—of your organization.

Spending some time at the first of the year to review your current procedures and networks—and making any necessary changes or adjustments-- will go a long way towards keeping you safe and secure for all of 2016.

Here are 6 best practices you need to review to prevent insider threats:

Review Current Access Privileges

Do you know who in your organization has access to what information? Giving too many employees access to your network increases your chance for a security breach. Schedule a meeting with your human resources and IT teams to go through every position and their current level of network access, making sure each employee has access to just the information he or she needs in order to effectively perform their job.

In addition, I suggest creating a second level of security that limits privileges to any single administrator--such as requiring two people to be involved in protecting or serving your network.

Monitor Online Actions of Employees

If you do not currently have a system in place for monitoring online actions of employees, you need to create one. This type of system will allow you to discover suspicious actions before they become more serious.

"Employees will put your business at risk accidentally or intentionally," says Nancy Flynn in an article for

Entrepreneur.com. "You need to mitigate those risks and keep misdeeds from turning into expensive crises or lawsuits." Click here for three ways to legally and ethically monitor your employees online and always consult with your legal team should you have additional questions or concerns.

Defend Against Malicious Codes

One of the biggest insider threats we are seeing is when system administrators or privileged users install malicious codes on a network.

"These types of attacks are stealthy and therefore difficult to detect ahead of time," writes NetworkWorld.com. Implement things that will help you with early detection such as anti-virus programs or regular network scans. Click here for some additional information about preventing viruses in your network.

Implement Strategies for Data Backup and Recovery

Take inventory of your entire network including hardware (i.e. servers and computers), software and data. Then, create a plan to ensure that all critical information is backed up and easy to recover should an IT disaster occur. "The impact of data loss or corruption from hardware failure, human error, hacking or malware could be significant. A plan for data backup and restoration of electronic information is essential," states the Ready.gov website, which also includes valuable information and tips for how to create backup and recovery strategies.

Train Employees

In addition to making sure all of your employees understand what security policies and procedures exist, they also need to understand why they are in place and the consequences that come should an employee choose to ignore the policies. Review your employee handbook and create a series of employee meetings to specifically discuss security policies and procedures. As you move forward, make security training part of your new employee orientation program.

Incorporate a Continuous Evaluation Program

CEP - By definition, CEP involves the uninterrupted assessment of an individual for retention of a security clearance or continuing assignment to sensitive duties. The CEP program can assist any company that has a vested interest in protecting their sensitive and proprietary information.

Checks such as:

- Multi-State & Federal Criminal Search
- National SSN/Address Locator
- Sex & Violent Offender Search
- Terrorist Search (OFAC Search / Government Watch List)

Here's to a great—and safe—start to 2016. ■

About the Author

Diane Griffin is the founder and CEO of Security First & Associates.

Three marketing musts for 2016

By Mark Amtower

Margins continue to erode, competition for contracts and task orders is high, what's a contractor to do? In 2016 for most contractors marketing dollars will be scarce, so the value for what you spend on marketing must pay significant dividends.

While there is no simple answer, on the marketing side there are three "must do's" for 2016.

First, go mobile.

When was the last time you were at a meeting, any meeting, and people were not fidgeting with their cell phones or tablets?

You need to recognize how people are getting information, any information. The rise of mobile usage over the past few years has been huge and shows no sign of slowing down.

Is your marketing mobile friendly? Market Connections (www.marketconnectionsinc.com) 2015 Federal Marketing and Media Study has a slide showing federal smart phone and tablet usage growing from 63 percent in 2012 to 90 percent in 2015. The study also shows that usage of mobile devices occurs in all

age groups. While those from 21-34 rank higher (96 percent), those 55 and older are not far behind (85 percent).

Everything, including your web site, must become mobile friendly if your messages are to get through at all.

Second, deliver good content.

First a quick definition. Content is information that educates, discusses trends, highlights best practices, offers training, and other information the customer may find useful at any stage of the buying process – except sales collateral. Content is informative, not salesy.

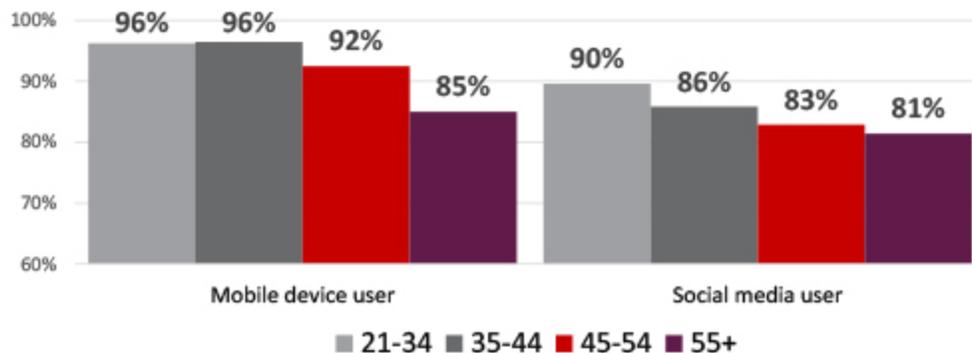
In the 2012 Government Contractor Study, also from Market Connections showed companies producing and sharing "thought leadership" materials (white papers, case studies, webinars and the like) had higher win rates than other companies. That has not changed since the study was released.

Many studies since have shown that providing good content helps buyers make decisions. It also helps

FEDERAL MEDIA & MARKETING STUDY 2015 1

DIFFERENCES BY AGE

Mobile and Social Use



to differentiate your company, to drive sales into your pipeline, to influence the direction of an RFP, and more.

There are two ways to leverage content: develop your own, or share content produced by others. You can also do both. Either way you must be educated enough on the subject to have a point of view, your own spin on things.

If you are developing your own content, do so on a regular basis regardless of which outlet you choose: blogging, webinars, videos – whatever. A regular basis does not necessarily mean daily, but try to produce something at least once or twice each month.

If you are sharing content from other sources, don't simply post a link, curate the content. Point out what got your attention and why. Do you agree, disagree, have something to add? Say so, but don't just post a link.

Third, social engagement.

Social media and social networks are part of the landscape and they cannot be ignored. LinkedIn,

Google+, Twitter, and Facebook are an integral part of how we connect and communicate. Leveraging social media to increase awareness for you and your company is critical and should be done with a purpose.

If you've read my articles or blog before, you know I am a LinkedIn advocate. I remain so, but because of all the changes on the platform recently, especially to groups and messaging, I am hedging my bets and spending a little more time on Google+.

That being said, it is easier to find Feds and contractors on LinkedIn, and it is easier to connect with them as well. Finding and connecting with buyers and influencers in key niches is do-able.

Add mobile, content and social to your to-do list for 2016 – and do them well. ■

About the Author

Mark Amtower advises government contractors on all facets of business-to-government (B2G) marketing and leveraging LinkedIn.

FEDERAL CONTENT MARKETING REVIEW

1

MOST VALUABLE DIGITAL CONTENT

Government



69%
RESEARCH
REPORTS



68%
WEBINARS



65%
CASE
STUDIES



61%
WHITE
PAPERS

6 ways to be a better partner

By Nick Wakeman

Partnering is a fundamental component of the competitive landscape in the government market. If this were football, it would be right there with blocking and tackling.

But just because something is so elemental and essential to success, doesn't mean that it's easy to do. We continue to hear stories about partnerships gone badly as well as the occasional success stories.

So, I jumped at the chance to moderate a panel of three small business leaders and one large business exec to talk about partnering in today's market. The Northern Virginia Technology Council sponsored the event.

My panel was made up of: Satya Akula, president and CEO Amyx; Mark Johnson, founder and CEO Of PRISM Inc.; Kendall Lott, CEO and president of M Powered Strategies Inc., and Ludmilla Parnell, director of business development and small business partnerships for General Dynamics IT.

While I wasn't in a position to take good notes, several things continue to stick out to me two days later.

LOWER YOUR RISK PROFILE

When Parnell spoke about what she looks for in a small business partner she said she wants low risk partners.

So, how do you do that?

Some things require investments. Akula, for example, said his company has ISO and CMMI certifications. But other things are very simple, like showing up on time and doing your homework.

Parnell told the story of how she put together a partnering event and sent attendees a matrix ahead of time to fill out with information on customers, capabilities, etc. Several came to the event without the matrix being filled or even understanding what the event was about. Those companies got scored the lowest by the GD business leaders she had brought in.

MAKE IT EASY TO DO BUSINESS

Lott launched this discussion, and it builds off of lowering your risk. He and the other speakers emphasized how important that partners are easy to work with. This includes simple things like returning phone calls or having a central contact to manage the relationship.

It also means being able to participate and contribute to things such as business development and proposal writing.

THE PRIME IS YOUR CUSTOMER

This theme presented itself in several ways, from how to identify the prime you want to pursue to how to build a relationship once you've made a connection.

Several speakers spoke about approaching a potential prime the same way you approach a prospective customer. Again, it starts with doing your homework and being able to explain your value and how that can help them accomplish what they are trying to accomplish.

FOCUS

Before you can explain your value, you have to know what it is, and that means focus. Companies can't be all things. You have to focus on a few critical skills and technologies and then demonstrate your expertise.

COST IS KING

The biggest change in the world of partnering in recent years has been the emphasis on cost and how that has affected partnering. The panelist spoke about the need to show how you can bring efficiency or reduce costs on a project as an important part of demonstrating your value.

COMMUNICATIONS

Much of a good relationship comes down to being a good communicator. There has to be good communications between the prime and the sub. This includes talking about problems and sharing intelligence about the customer.

It also includes knowing how to talk to the customer. The sub shouldn't go around the prime when it comes to dealing with the customer. This kills the chance of a long-term relationship. The prime also needs to communicate the value of the sub to the customer and share the credit for success.

Many of the comments fit with the partnering [Insider Reports](#) we've done, where we grade the performance of primes and subs.

The message is clear – open communications, doing what you say you're going to do, efficiency and transparency are the critical skills need to be both a good prime and a good sub in today's market. ■

About the author

Nick Wakeman is editor-in-chief of Washington Technology