

Deltek: Why the Search for Clarity?

As 2011 closed and 2012 began government contractors are all asking themselves some simple questions; How well did we do? How can we do better? How will we respond to changes in Government Spending?

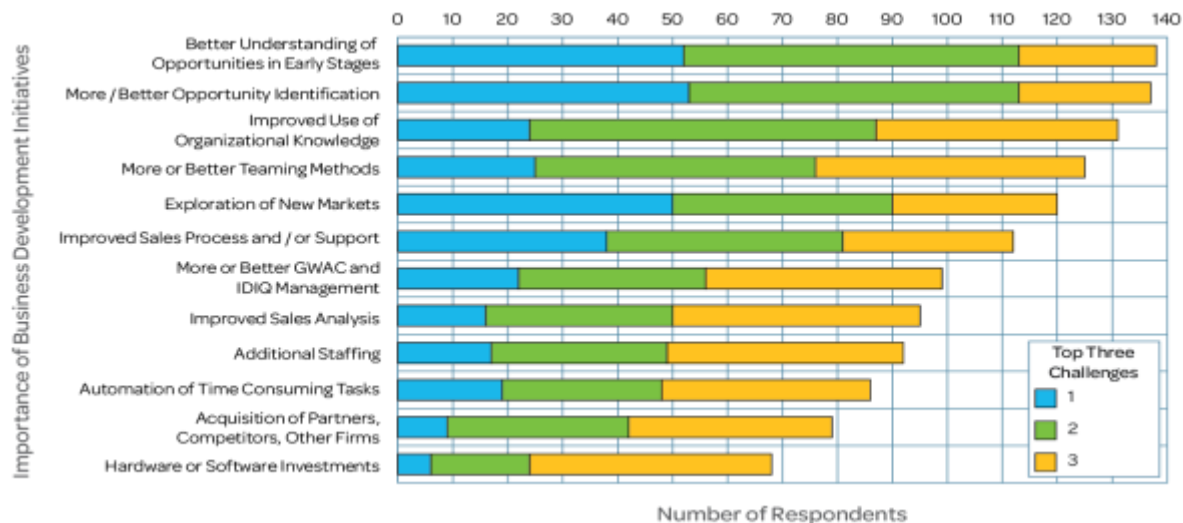
While we could all wish for a crystal ball for a clear vision of the future, the pragmatic project focused government contractor seeks clarity from facts and metrics rather than fantasy. The 10 year rise in government spending is over and industry is embracing that fact and looking for the means to succeed in a more competitive environment.

As the saying goes, once is a fluke, twice is a coincidence, and three times is a trend. This March, Deltek announced its third annual government contracting industry study & survey results: Clarity, a report designed to provide the government contracting industry a benchmark of facts and metrics about the industry from the industry.

This year a record 429 Gov Con insiders contributed to the survey providing an exceedingly accurate portrait of how industry fared in 2011 and where it will need to focus in 2012. The study contains four industry anchor points critical for success in the industry:

Business Development

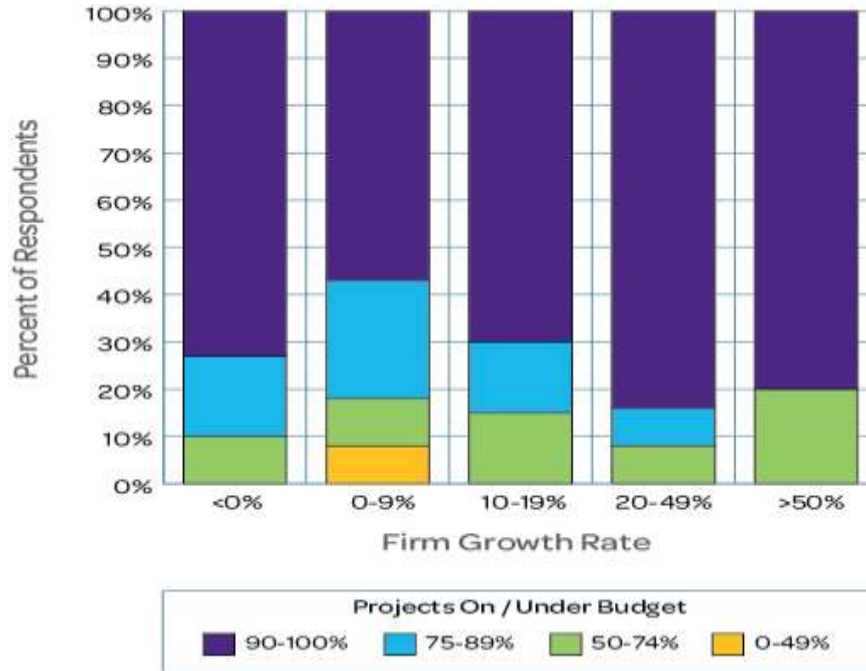
Winning PROJECTS is the engine that drives growth for Government Contractors. Understanding the challenges with Business Development and finding ways to combat them will have a huge impact on the growth rate of the business.



There is no surprise here that macroeconomic drivers are affecting the BD process making each win more important. Fewer dollars translate into a more competitive environment and this may cause companies be more selective of the opportunities they pursue to improve win rates and to protect limited resources.

Project Management

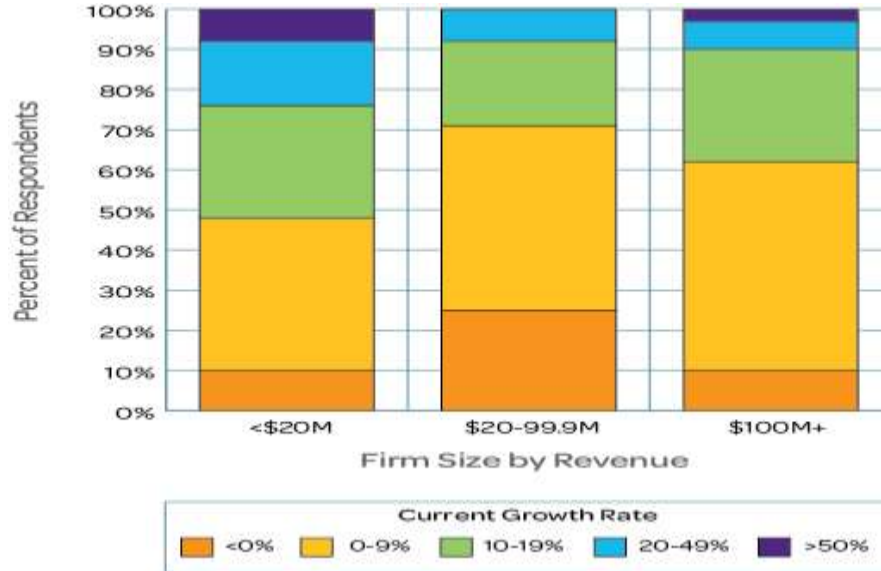
Once the projects are won flawless execution is now an expectation of the customer. Cost and Schedule adherence is critical to keep existing contracts and effectively compete for new projects.



In the wake of the study after study from the GAO of programs that are over running costs and schedule estimate we start to see the market reaction in the chart above as companies are making budget adherence their new mantra. Companies will need to prove to their customers that they can deliver on time and on budget to retain contracts in a more restricted spending environment.

Financial Metrics & Operations

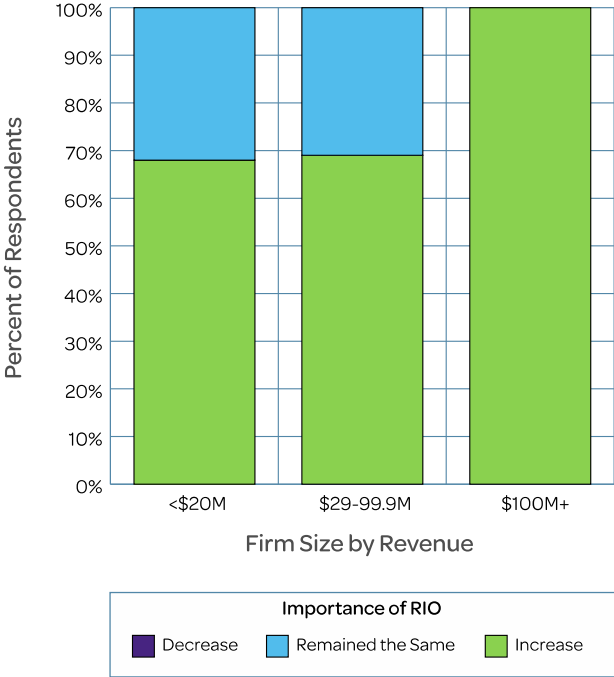
All companies want to grow but with a declining budget it is getting tougher and tougher. Growth is available for those companies that effectively bid and execute projects.



Overall average growth in 2011 is 7.3%, half that of last year..Winning and Executing are critical in this new frontier of budget cuts. Companies will need to grow through diversification into some of the few growth areas such as renewable energy and cyber security or they will need to supplant their peers as contracts come up for re-compete.

Compliance & Risk Management

Risk/Issue/Opportunity (RIO) Management is an emerging discipline. The days of “SURPRISE Mr. CUSTOMER”, we need you to fund a \$10M overrun and we are 10 months late are over. Having the information to formulate mitigation plans and make confident decisions is a must have.



Risk Issue Opportunity Management is a train that can't be stopped: firms must adopt a comprehensive program in this area to remain competitive and to retain their position on existing contracts

To succeed in this industry it's imperative that corporations have an excellent understanding of how they are going to compete and how well they can measure themselves. Armed with that knowledge companies can ask themselves how well they stack up to their peers and start to ask the tough questions were they are behind and focus on how to continue to thrive in areas they are ahead.

Learn more at www.Deltek.com/Clarity