

Government Contracting Industry Study

10th Annual

Results from our annual Deltek Clarity Government Contracting Industry Study show a healthy market of growth and competition.

BUSINESS DEVELOPMENT

Growth is up and organizations are investing in business development, but are facing resource limitations.

40%

Win Rate

68%

Expect an increase in government sales versus last year

Top Three BD Challenges



Limited resources



Customers using contract vehicles that organizations are not associated with



Increased competition

PROJECT AND RISK MANAGEMENT

Organizations are growing quickly, leading to an increased need for forecasting costs and defining scope.



Projects On/Under Budget



Projects On/Ahead of Schedule



90%

of organizations



Up

12 percentage points



90%

of organizations



Up

19 percentage points



Top Project Management Challenge

Accurate project cost forecasting

FINANCE

Organizations are reporting very healthy financials and are increasingly concerned with reducing costs.

Net Profit

8%

Unallowable Costs

1%

Fringe Rate

31%

Overhead Rate

19%

FINANCIAL COMPLIANCE

Organizations are spending less time on compliance, though labor costs remain a concern.

Top Three Audits Companies Have Undergone:

1



DCAA
27% of organizations

2



Incurred Cost Submission
22% of organizations

3



Internal Controls
27% of organizations

Number of Audits Experienced

2

Expect Cost of Compliance to Increase

40%

CONTRACT MANAGEMENT

Tracking and entering contract information continues to be a key challenge for businesses.

Top Three Audits Contract Management Challenges:

1



Non-financial tracking

2



Entering Contract Information

3



Data Integrity

Contracts Protested

26%

Use Contract Management Software

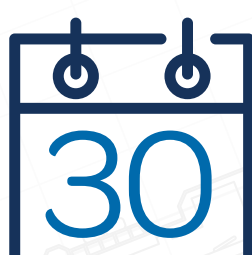
24%

PROCUREMENT

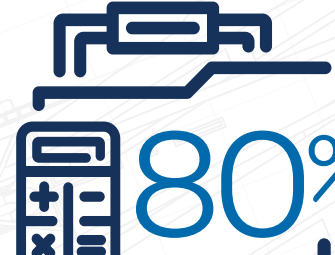
Contracting Purchasing System Review (CSPR) was indicated as a significant cost for firms in 2018.



Number of Procurement FTEs



Days Payable Outstanding



First Time Match Rate

Top Three Tracked KPIs:

1



Days Payable Outstanding

2



Procurement Cycle Time

3



Dedicated Procurement FTEs

HUMAN CAPITAL MANAGEMENT

Organizations are addressing retention issues with improved employee engagement and performance management.



Average Time to Fill Positions

6% of organizations take more than 3 months to fill an open position



Composite Turnover

18% of organizations have a turnover rate of 16% or greater



Annual Training Spend per FTE

\$1000

INFORMATION TECHNOLOGY

IT departments continue to prioritize cloud-based applications and have ongoing concerns about security and compliance.

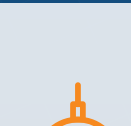
Top Three Information Technology Trends:

1



IT and data Security

2



Government Requirements

3

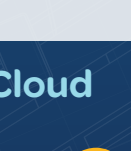


NIST Compliance

Moving to the Cloud

46%

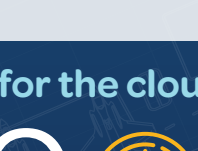
of organizations



have most of their business applications to the cloud.

Need for the cloud

10



hours

to continuity after a disaster

MANUFACTURING

Manufacturers are leveraging software to address challenges with quality control and cost accounting.

28%

Of Organizations

Top Tracked KPI (Shipments Delivered on Time)

90%

Shipments Delivered on Time

Top Three Challenges



Quality control



Calculating true manufacturing costs



Staying compliant with government regulations