

One Year Later... Reducing Reliance on Contractors – Management Advisory



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September 2010

Dear Government Executive

In August 2009, we published an edition of Management Advisory based on OMB's memos outlining plans for significant cost cutting in the FY10/11 budget cycles. Among the OMB focus areas was a concern about the extent of reliance on contractors.

Recently, Defense Secretary Gates announced a number of initiatives to aggressively tackle his department's performance and budget focused agenda. It's certain that other departments and agencies are developing similar, if not as well publicized, plans.

In this issue of **Government Executive Management Advisory** we are republishing last year's letter while offering some new thoughts and ideas. I've also included two links to other documents. One is a "Cloud Consulting" presentation I delivered over the summer at the Society for Applied Learning Technologies. The second is a set of screens from our contractor assessment and management system that may provide you with some ideas on developing your approach.

- [Cloud Consulting presentation](#)
- [Contractor Assessment & Management System screen shots](#)

Best regards, Jim

Featured Article

As the Nation tightens its belt financially, it is incumbent on every department, agency, and staff section to do its part. There are plenty of data suggesting that service support and advisory contractors are costly and time consuming. We also know inherently that too many resources go to overhead versus key operations. And, we now better appreciate that the program and performance data we generate each year are too valuable to have it walk out the door as contractors leave for the next opportunity, or to have it stored in inaccessible text-based documents.

The ready accessibility of cloud-based methodologies that replace or augment consulting services provides a means for leaders to make evidence-based decisions and ensure their investments yield results on behalf of the taxpayer. In August, President Obama referenced this need in relation to US aid dollars, but it can be applied to every investment government leaders make. He said, "If (agencies) aren't using (their resources) effectively, then they need to go somewhere else."

Moving to cloud methodologies provides a number of quick – and sustainable – wins:

1. Leaders gain an ability to see across and through their organizations
2. Leaders get quick answers to difficult questions (who are we contracted with and are they delivering? Where are we spending our money? Are we focused on the right priorities? How well are we integrated? Etc.)
3. Information vulnerability is reduced – data are readily retained and accessible
4. Studies, analyses, and reports get done much faster (from years to weeks)
5. Measurement and results gain objectivity.
6. Decision cycles move faster

In sum, smart cloud-based technologies provide effective, self-help support for those focused on performance and cost cutting goals.

Dr. Jim Hill (jim.hill@proofpoint.net) is the CEO of Proofpoint Systems, a leading provider of easy-to-use organizational performance support systems that help clients solve their toughest business issues.

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