

**Opening Remarks for the World Wide Technology/HP Networking Event at the
Joint Information Environment Mission Partner Symposium**

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By Warren Suss

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Good Evening!

I would like to thank World Wide Technology and HP for inviting me to kick off this networking reception with a few comments on the state of the Joint Information Environment – the JIE. I promise the audience that I will keep my remarks short. I'll give you plenty of time to enjoy the food, drinks, and networking.

The JIE is focused on saving money and improving operational efficiency and effectiveness by moving the Defense Department's information technology investments up to the enterprise level. The strategy is premised on a few key assumptions.

First, by moving IT investments to the enterprise level, JIE will help to reduce costs by eliminating inefficient duplication and overlap of DoD's IT infrastructure, services, and capabilities.

Second, the move to the enterprise will help to enhance operational effectiveness through an architecture that enables greater interoperability and allows for better communication and information sharing between front line forces, military services, departments, and agencies, as well as between Defense Department entities and our coalition partners to support improved mission outcomes from our military, peacekeeping, and humanitarian operations.

Third, by rationalizing our IT architectures at the enterprise level, we will improve our ability to ensure the cybersecurity of the Department's operations.

Those Defense Department leaders who are charged with delivering results from the JIE have their work cut out for them. It's no small task to achieve three challenging and potentially contradictory objectives – reduce costs, support improved operational effectiveness, and enhance cybersecurity. The big question for the folks here in the room, and for their government and industry colleagues, is how can we help deliver real results to support these lofty objectives?

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I believe that the answer to this question can be found by designing JIE acquisition strategies that will leverage the resources and creativity of the competitive marketplace. In short, if the government leadership can design the JIE to channel industry's competitive energies effectively, they'll win, and the JIE will be a success. If not, they'll lose, and the JIE will end up as an acronym that delivered more promises than results.

The current budgetary environment imposes severe restraints on the government's ability to get the targeted results from industry. It's tougher than ever for the government to invest today for results tomorrow. Budget pressures are shifting the government away from capital expenses – even those that would yield high returns on investment. Instead, there are enormous pressures to shift spending to operating expense strategies – where they pay by the drink regardless of the ROI. In place of the government buying, installing and operating its own IT assets, acquisition officials are moving to strategies like purchasing capacity services and cloud computing, where the burdens and risks of up-front capital investments are shifted to industry.

Budget pressures, combined with an improving economy, also make it difficult for the government to compete with industry for the management and engineering talent needed to achieve the transformations required to make JIE a success. At the same time, budget pressures make it more difficult for the government to get support from industry through staff augmentation contracting. And when the government does purchase talent from industry, budget pressures have pushed acquisition officials towards Low-Price-Technically-Acceptable (LPTA) and related purchasing strategies that are degrading the quality of the industry talent pool under contract to support JIE design, engineering, operations and management requirements.

Given the magnitude of the JIE challenge – reduce costs, support improved operational effectiveness, and enhance cybersecurity – and given the serious constraints – minimized capital expenditures, restricted budgets for additional government personnel, limits on staff augmentation, and challenges in paying competitive rates for contractor support – what practical options are available to get meaningful results from JIE?

One way to get from here to there is to improve the way we align JIE strategies and tactics with the IT industry's roadmap for competing for the business of its large corporate customers. In other words, industry is already investing in next generation offerings to compete more effectively for Corporate America's business. Cloud computing, next generation IP network infrastructure, and wireless technologies are three good examples. Industry is spending billions on competitive next generation cloud, IP and wireless offerings. As the government fine tunes their JIE plans, they can ride the same road as large corporate customers to reduced costs and improved operational efficiency and effectiveness. Do a good job of aligning government JIE IP networking, cloud computing, and wireless strategies and tactics with industry's product and service development roadmaps, and you ride the road

to the best industry has to offer and get access to the deep discounts available to industry's largest customers. Do a poor job of alignment, and you end up on a technological sidetrack, paying higher initial prices for non-standard offerings and higher ongoing costs to maintain and operate one-off technologies.

Another way to get from here to there is by improving the transparency of the JIE acquisition process. Transparency not only involves sharing acquisition strategies, but also means providing industry with enough lead time and access to the data needed to create a level playing field for potential bidders – particularly for new federal market entrants. The government has taken a good first step by sharing JIE planning and architecture documents with industry. The same can be said about the extensive information that the government has shared with industry as a part of the recent Unified Capabilities (UC) Request for Information (RFI). The government JIE leadership needs to sustain the momentum and commitment to this type of transparency.

A third way to deliver on the promise of the JIE vision is through predictable aggregation of demand. One of the underlying assumptions of the JIE strategy is that the move to the enterprise will allow the government to get the best deal from industry by aggregating demand across the department's services, departments and agencies rather than allowing each component to do their own thing. This strategy has worked well with enterprise software licenses, but for more complex initiatives like UC, there's an attempt to drive down prices through aggregation without providing industry with a reasonably accurate way to predict the phasing and timing of the aggregate demand curve.

This brings us to the nub of the challenge. JIE is all about the move to the enterprise, but the phasing, timing, and technical evolution of the JIE will depend on the messy and unpredictable politics of cooperation and coordination between the many moving parts that make up the Department of Defense and related agencies and departments.

On the one hand, the pioneering leaders from the Army have been huge supporters – you could call them founding fathers – of the JIE concept. Without their vision and willingness to partner with DISA on Department-wide initiatives, we probably wouldn't be at this conference and JIE might still be a theoretical concept, not a real opportunity that attracts major attention from both industry and government.

On the other hand, the extraordinary complexities related to the color of money, inter-service cooperation, contract lifecycles, and enterprise-wide interoperability and performance levels have the potential to disrupt, delay, or even sink the long term success of JIE.

So, even though there are ways to promote the success of JIE – the alignment, transparency and aggregation strategies I've just outlined may help – we are dealing with an inherently unpredictable process, with most of the risk, in the current environment, shifted to industry.

But isn't uncertainty an inherent characteristic of complex initiatives in markets like ours? In many ways, those of us who have spent our professional careers in the federal IT marketplace have been spoiled. Corporate America doesn't give their vendors access to detailed budgets, technical architectures, RFIs, Draft RFPs, formal evaluation criteria, detailed Performance Work Statements, debriefs, and well-defined protest processes.

Those who want to step up to the plate for a swing at the huge enterprise-wide opportunities under the JIE umbrella need to be willing to play in an arena with higher risks – comparable to those in the corporate marketplace. And the Federal IT industry's well-established risk mitigation processes, from gate reviews to black hats to color teams, are inadequate to address the unpredictable timing, technological landmines, and demand variability of the next generation of JIE opportunities.

Add to this the fact that the biggest JIE opportunities also require industry to make substantial up-front investments to tap into the downstream demand that is so difficult to predict, and many established players are faced with a major dilemma: Stick with yesterday's risk/reward calculus and limit yourself to a diminishing pipeline of opportunities below the enterprise level, or embrace a transforming entrepreneurial market environment characterized by greater opportunity and greater risk.

So as we move on tonight to enjoy the food and drink provided by our hosts, WWT and HP, let's devote some of our networking time to figuring out how to convince increasingly conservative and gun-shy senior federal IT industry executives that it's worth it to reconsider our business models, brave the larger risks, and go for the bigger rewards from helping our government leaders and our nation achieve the promise and potential of the JIE.

Thank you.

Warren Suss is President of Suss Consulting, Inc., headquartered in Jenkintown, Pennsylvania. The company has been delivering results for leading corporations in the federal government information technology community for over 30 years and now provides consulting services directly to federal agencies. Suss Consulting consists of over 70 senior professionals in federal IT, networks, and healthcare IT.

Suss Consulting provides corporate clients with strategic planning, market research and opportunity capture support, including capture management, price-to-win, competitive analysis, proposal strategy, planning, management, editing, and writing. Suss Consulting has helped their corporate clients win over \$50 billion in new federal contracts.

The company has completed assignments directly for federal agencies in areas including technology strategy, information management, local service strategy, CIO organization design, video teleconferencing, IT investment review, VoIP planning and implementation, ERP services and systems, call centers, financial management, "Get to Green" support, and agency performance reporting. Suss Consulting holds a GSA Federal Supply Schedule70 and a GSA MOBIS Schedule.