

The Business of Homeland Security

Aligning Capabilities, Responsibilities, Engagement & Innovation

TABLE OF CONTENTS

The 20/20 Project on the Homeland Security Enterprise	1
Introduction to the 2017 Report	2
CHAPTER 1: The Value of the Homeland Security Industrial Base (HSIB) within the Homeland Security Enterprise (HSE)	4
CHAPTER 2: The HSIB's Responsibility within the HSE	6
CHAPTER 3: The Government's Responsibility within the HSE	8
CHAPTER 4: Maximizing Collaboration Between Government and the HSIB	10
CHAPTER 5: Leveraging Innovation in Homeland Security	12
Conclusion and Call to Action	14
Acknowledgements	16

THE 20/20 PROJECT ON

THE HOMELAND SECURITY ENTERPRISE

The Homeland Security & Defense Business Council's five year long 20/20 Project on the Homeland Security Enterprise embraces the dual concept of 20/20 clarity of vision and the importance of the year 2020 - the year before the 20th anniversary of 9/11. In partnership with our member and pro bono Project manager, Grant Thornton LLP, the Project employs annual surveys, one-on-one interviews, small focus groups, and the Council's National Conversations to collect and offer in-depth insights and unique perspectives from current and former government officials and industry executives. The goals are to encourage government and industry to examine the continuing challenges facing the Homeland Security Enterprise (HSE), identify and share best practices, develop actions to effectively and efficiently achieve mission success, regularly assess the progress being made and strengthen engagement between the two sectors.

Launched in 2015, the 20/20 Project's forums are designed to provide both government officials responsible for the homeland security mission and their industry counterparts, who comprise the Homeland Security Industrial Base (HSIB), with insights and actionable recommendations on the processes, programs, and policies that contribute to the nation's security and resilience.

The Project's first two reports established a baseline assessment of the Department of Homeland Security's (DHS) core management and mission challenges and the significant progress made since its establishment. This included a review of how former DHS Secretary Jeh Johnson's *Unity of Effort*¹ initiative could contribute to strengthening the HSE and achieve greater mission effectiveness and efficiencies. Over the course of the remaining three years of the Project, the Council will use this baseline to assess further progress made and challenges overcome by the Department and across the entire HSE. It is our hope the Project's data collection, analysis, information sharing, and recommendations will encourage greater communication and actionable steps that will help the entire HSE build more effective and sustainable interactions to achieve the homeland security mission.

To preserve anonymity, we do not attribute responses or perspectives to specific individuals or provide a list of participants. Readers can download copies of this and prior reports at homelandcouncil.org/2020-project/.



- **Homeland Security Enterprise (HSE)** – The entities – comprised of federal agencies (including, but not limited to DHS, DoD, DoJ, Energy, State, HHS and the Intelligence Community), state and local government agencies, global partners, academia, civil society, and private sector companies – that work together to accomplish the homeland security mission.
- **Homeland Security Industrial Base (HSIB)** – The private sector companies that provide the technology, service, and product solutions essential to support the HSE and the homeland security mission.
- **Innovation** – The implementation of a new or significantly improved product (good or service), process, or organizational method in mission and business practices or organization. An innovation must be novel, either by being entirely new in the current mission or business context or a significant improvement, but may already be in use elsewhere.

¹ <https://homelandcouncil.org/2020-project/>

INTRODUCTION TO

THE 2017 REPORT

Building on the foundation established by his predecessor, John Kelly, in his first public address as Department of Homeland Security (DHS) Secretary, called for a “Unity of Effort on steroids.” The Council and its members took those words to heart as we framed the 2017 report of the 20/20 Project. We focused on the “business of homeland security,” the value the Homeland Security Industrial Base brings to the mission, and how both government and industry can achieve better alignment of processes and integrate innovation in order to build a more effective and efficient Homeland Security Enterprise (HSE). During the spring and summer of 2017, we collected insights directly from HSE leaders, primarily within DHS, on the progress made since the Unity of Effort initiative was started; looked at the continuing obstacles to greater collaboration between government and industry in advance of and throughout the acquisition process; and asked our participants about the challenges that must be overcome to bring innovative processes, management tools, technology, and other products into the mission space.

Our one-on-one interviews, small focus groups, and extensive online survey sought out the perspectives of industry executives in the Homeland Security Industrial Base (HSIB), former senior government officials now in the private sector, and current government officials engaged in the homeland security mission. We examined the responsibility, accountability, and challenges faced by the government and the HSIB to identify better methodologies to engage with one another to achieve mission success, and explored how innovative processes and technologies could better support the HSE mission. Participants were asked to consider the following questions: Is the value of the HSIB being successfully leveraged? To what extent have

both sectors recognized their individual and collective role and responsibilities in achieving greater mission success? How can the HSE leverage innovation more successfully?

We present our findings in five primary sections discussing the value and contributions of the HSIB; responsibilities of the HSIB and government within the HSE; obstacles to maximizing alignment between the government and HSIB; and leveraging innovation to support the homeland security mission. In addition to sharing input we received, we also present a set of actionable recommendations on topics and challenges that representatives from all three participant groups repeatedly brought up in the focus groups and interviews – admittedly from different perspectives. The recommendations do not require legislative or regulatory fixes. They are tangible, actionable (in some cases, behavioral) steps enabling all parties to build on progress to date to further enhance alignment between the HSIB and government to support the homeland security mission.

This year’s 20/20 Project report presents insights and perspectives from industry executives, former government officials, and current government officials who are or who have served in the HSE. We convened seven focus group discussions, held numerous one-on-one interviews, and administered an online survey to current and former government officials and industry executives associated with the homeland security mission. In total, more than 200 individuals participated, including current and former senior government officials from DHS and other HSE agencies; and senior executives from companies that support the HSE.

DATA COLLECTION

MAY - AUGUST 2017

Focus groups, interviews, and online survey

TOTAL PARTICIPANTS: 217



32%

Current Government Officials

35%

Former Government Officials

33%

Industry Executives



THIS YEAR'S PARTICIPANTS INCLUDED...

DEPUTY CHIEF INFORMATION OFFICER ASSISTANT ADMINISTRATOR UNDER SECRETARY
CYBERSECURITY ADVISOR VICE PRESIDENT DIRECTOR EXECUTIVE DIRECTOR
DEPUTY ASSOCIATE DIRECTOR DEPUTY UNDER SECRETARY MANAGING DIRECTOR
CHIEF PROCUREMENT OFFICE CHAIRMAN SENIOR ADVISOR DEPARTMENT HEAD
SR. DIRECTOR, IMMIGRATION AND BORDER SECURITY PRESIDENT & CEO INDUSTRY LIAISON
COUNTER-TERRORISM COORDINATOR SENIOR ENGINEER ASSISTANT COMMISSIONER
PRESIDENT, HOMELAND SOLUTIONS VICE ADMIRAL COMMANDER DEPUTY ASSISTANT SECRETARY
DEPUTY SECRETARY INTELLIGENCE SPECIALIST ACTING CHIEF EXECUTIVE ADVISOR
CHIEF OF STAFF ASSISTANT DIRECTOR PARTNER DEPUTY CHIEF OF STAFF MANAGING PARTNER
COMMANDANT PRINCIPAL, HOMELAND SECURITY ASSISTANT SECRETARY PRESIDENT
SENIOR VICE PRESIDENT, HOMELAND SECURITY DEPUTY ASSISTANT DIRECTOR

7 small focus group discussions were held with industry executives, former government officials now in the private sector, and senior officials from DHS and its components.

THE VALUE OF THE HSIB WITHIN THE HSE

Federal agencies in the HSE receive critical support from the HSIB including technologies, products, and services. Our 2017 survey examined the HSIB's value to the homeland security mission. To what extent does the HSIB deliver valuable, mission-essential support to the HSE that is not readily available within government – at least not at reasonable cost or with available government staff?

Our online survey asked about the importance of the HSIB within the HSE. Government officials for many years have consistently said that management and mission support challenges have significant impact on their agencies' ability to achieve mission success. This year, 82% of the current government officials who participated in our online survey indicated that management and mission-support challenges impact mission performance. In meeting these challenges, 63% of current government officials reported that they place critical or substantial reliance on the HSIB in achieving their mission.

Participants were then asked about the value the HSIB provides to the overall homeland security mission. The online survey asked participants how they felt about the following statement: "The HSIB brings unique capabilities and/or innovations not found in government to support the mission." Eighty-four percent of participants from across all three groups indicated that they agree or strongly agree with that statement. Fifty-one percent of former government officials now in the private sector strongly agreed with this statement – the strongest response among the three groups polled.

We asked industry and government focus group participants to help define the nature of those capabilities – in other words the "value" – the HSIB can and does provide within the HSE. Participants observed the HSIB (1) contributes an informed, comprehensive view of the HSE to the federal government, including an understanding of multiple components and how they contribute to the enterprise as a whole; (2) accesses and adapts capabilities from the commercial sector that take advantage of rapidly changing technologies (current government officials cited cybersecurity as an example); (3) possesses an agile and experienced workforce bringing necessary knowledge, skills, and abilities to government clients when needed; (4) regularly lends an independent and expert lens through which to understand and evaluate risk; and (5) has an understanding of accountability for performance as well as an appreciation for incentives for generating better performance.

Participants in our industry and government focus groups noted that much of the expertise and agility brought by the HSIB derive from their efforts to thrive in a competitive marketplace – focused on minimizing costs while maximizing efficiency and performance. Further, the understanding of end-to-end production – from concept to delivery to implementation – was highlighted as enabling the HSIB to provide innovative solutions to government more effectively and efficiently.

THE HSIB'S RESPONSIBILITY WITHIN THE HSE

The government relies on the capabilities the Homeland Security Industrial Base brings to the Homeland Security Enterprise. While the public ultimately holds the government accountable for providing for our security, those expectations also flow down to the HSIB, directly and indirectly. How well does the HSIB exercise its responsibility and accountability in its relationship with government? What can industry do better (or differently) to help the government achieve success – particularly within the acquisition lifecycle?

The online survey responses from industry executives and former government officials now in the private sector present a more positive view of HSIB accountability than do current government officials. More than half (56%) of current government officials surveyed were undecided or disagreed with the assertion that industry exercises appropriate accountability in supporting the mission. Conversely, 87% of industry executives and 72% of former government officials agreed or strongly agreed, indicating a significant difference of perception, suggesting that the HSIB needs to do more to realize the high standards it aspires to.

When asked what can be done by the HSIB to improve collaboration with the government in support of the homeland security mission, both the current and former government officials cited “building trust” as the cornerstone. At the same time, several government participants indicated that industry’s behavior during procurements sometimes contradicts industry’s stated desire for greater collaboration and dialogue. They cited unrealistically low-priced bids and too-narrow focus on specific RFP requirements—often followed by protests—as undercutting HSIB’s calls for more flexible and innovative procurement processes. Government participants also cited excessive protests, some of which are perceived as being frivolous, as a source of risk and frustration that

ultimately inhibits trust building between the sectors. They want to see the HSIB use protests more responsibly and not resort to them as a standard element of the acquisition process (more on this in Chapter 4).

Many current government officials, as well as many industry executives, indicated the HSIB has an obligation to act as a trusted partner, whose interactions with government recognize and appreciate a shared interest in delivering mission-essential services. Some government participants additionally said industry sometimes comes across as being about “money first, not mission first,” and industry too often behaves as if it holds business interests (read: profitability) as its only goal. While profitability is a business reality, government participants want to see the HSIB apply appropriate focus on mission achievement. This includes “delivering the right people, as opposed to the most profitable people,” to meet government needs.

Many government officials recognized industry must, by definition, respond to business imperatives and that these imperatives are, in fact, the drivers of the agility, efficiency, and innovation underpinning its value to its clients. However, government participants pointed out achieving a high level of mutual trust, which benefits both sectors, requires industry demonstrate by both words and actions – during the procurement process and when performing against contracts – its commitment to mission objectives. All contractors have a duty to fulfill contract requirements on time and at a fair price. Companies providing essential support to critical missions such as homeland security have an obligation to do more—to act as partners with their clients to achieve mission success. There was also a strong sentiment expressed that the HSIB has an obligation to speak up if and when it can offer a more innovative or efficient solution, as well as to warn the government if problems are emerging during program execution – even if doing so puts business interests at risk.

All participants agreed while government needs to continue to reform the procurement process, industry has a key role in supporting and assisting the movement towards modernizing the processes. Representatives from both sectors urged the government and the HSIB work together to address significant issues.

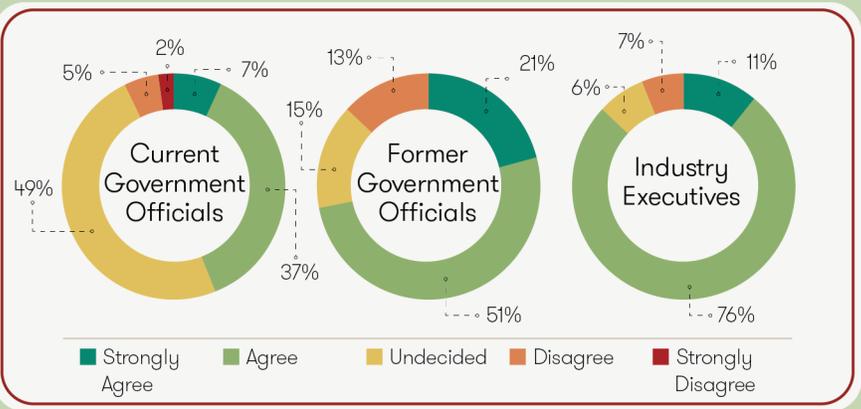
A common theme throughout our discussions, was that input from the HSIB early in the acquisition process adds value by drawing on industry’s collective perspective. All participants noted to be truly valuable, both sides need to approach this dialogue in a spirit of trust and cooperation, with a goal of achieving actionable changes in the current environment. The shared intent is to exchange ideas and tackle topics earlier in the process – before specific

requirements, standards, and solutions are established, when the government is in the formative steps of identifying “the problem” – as the best way to leverage the HSIB’s expertise and capabilities. There will always be a time and place for companies to try to sell their individual capabilities, shape procurements, and seek competitive advantage. What our participants advocated is before all that takes place, there should be extensive government–HSIB interaction, focusing on the problems surrounding the challenges, obstacles, and shared interests in finding the most effective and economical approaches to achieve the mission.

“INDUSTRY SHOULD PROVIDE CANDID INSIGHT ABOUT THE BUSINESS DECISION-MAKING THAT DRIVES INDUSTRY BEHAVIOR”

– Current Industry Executive

The HSIB exercises appropriate accountability in supporting the homeland security mission



- The HSIB could hold itself more accountable in how it supports the mission and be more open in its interactions with the government.
- The HSIB can add value to the relationship with government by seeking opportunities to act as a trusted partner, speaking up when it believes an approach will not be successful or when a different methodology could be more effective or efficient.
- Early engagement between government and industry leverages the HSIB’s expertise and capabilities at a critical time in the acquisition process.

THE GOVERNMENT'S RESPONSIBILITY WITHIN THE HSE

The Homeland Security Industrial Base has the responsibility to support its government clients – not only by providing its best capabilities, but also by holding itself accountable in the ways it does business. For its part, the government should examine the nature of how it interacts within and among its internal structures, as well as the rest of the HSE, and how it can better leverage the capabilities and value of the HSIB, in order to encourage and promote the highest levels of efficiency and effectiveness. What can the government do internally to foster better engagement and greater collaboration with industry? What are the key initiatives and business practices that need to continue and expand to support the HSE's maturity?

Participants representing all groups expressed views on the overall priorities the new DHS leadership team should set, in addition to how to strengthen engagement with the HSIB. Industry participants called on DHS to continue and expand elements of former DHS Secretary Johnson's Unity of Effort initiative to strengthen mission and acquisition strategy and collaboration between the government and HSIB. Our former government participants, representing all three administrations since the establishment of DHS, agreed and advocated structural components of the initiative should continue with reinforced focus, authority, and actionable follow through – particularly the joint task forces, Joint Requirements Council, and Deputy's Management Action Group.

Shifting to the government's collaboration with the HSIB, most comments focused on the procurement phase of the acquisition lifecycle. Industry executives and former government officials both cited the need for government to make significantly more changes in the acquisition

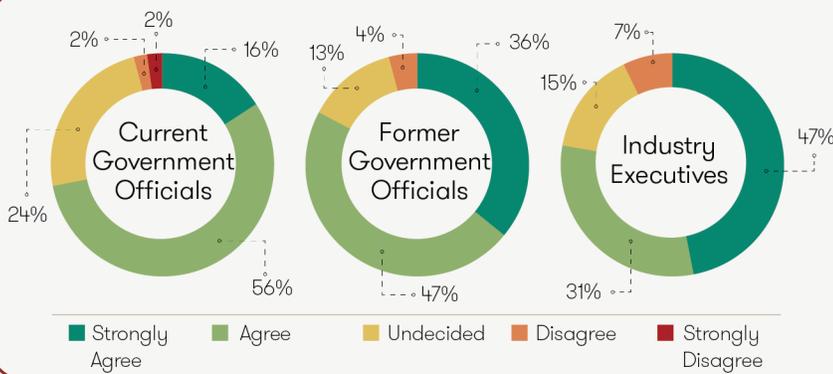
process to make it more efficient, transparent and consistent. Government participants indicated, in the current threat environment, the government cannot afford a "government" timeline to acquire what they need. Things are moving too fast. Every group of participants mentioned process as a key area for improvement in the government's engagement with the HSIB. Seventy percent of all participants either disagreed or strongly disagreed with the statement "the current acquisition system and processes enable sufficient access to capabilities and/or innovation from the marketplace." This collective opinion, reflects a core point made in the previous chapter—industry needs to be involved throughout the acquisition process, particularly early in efforts to help define the problem that needs to be addressed before the procurement procedures restrict collaboration.

Many participants indicated when a solicitation includes requirements that are too narrowly defined or incorrectly written, responding companies are discouraged from offering innovative solutions and stay within the specifics of the solicitation to avoid being "non-compliant." Industry participants cited narrow or inconsistent requirements as a main source of protests and expressed a desire to see more effective articulation of requirements and greater reliance on value over price in procurements. As cited previously, early engagement of industry can help address these challenges. Our industry participants also supported programs such as the DHS Acquisition Innovation in Motion and the Procurement Innovation Lab, which they want to see continue. They also noted the recent FLASH procurement and were encouraged by government's attempt to foster innovation, but felt getting earlier input and having more extensive engagement with industry might have avoided pitfalls.

Industry executives and former government officials also cited the value of efforts to professionalize the acquisition workforce within DHS, including Program Managers charged with overseeing contracts in concert with Contracting Officers' Representatives. Several participants praised recent initiatives by the DHS Office of the Chief Procurement Officer, including the acquisition professional's career program and ongoing training through the Homeland Security Acquisition Institute as positive steps that should be expanded.

Participants stated the HSIB would like to see a greater level of consistency among the components, particularly in engagements with component-level acquisitions professionals and program managers. The current perception is individual government officials take their own approach to communication, often avoiding industry engagement that would be appropriate and acceptable under Federal Acquisition Regulations because of misperceptions of what is allowed.

The government can implement lasting reforms to become more "business-like" in its approach to managing the business operations that support homeland security outcomes.



"WE NEED TRANSPARENT DIALOGUE WITH INDUSTRY FAR IN ADVANCE OF PROCUREMENT."

-Former Government Official



- The Department's Unity of Effort initiative, especially the role and influence of the joint task forces, Joint Requirements Council, and Deputy's Management Action Group, strengthens the overall acquisition process and encourages effective interaction between government and industry.
- Government solicitations that contain narrow, inconsistent, or confusing requirements make it difficult for industry to craft innovative responses and can lead to protests.
- Consistency in acquisition processes across DHS components, including the extent and timeliness of engagement with the HSIB and standards for defining requirements, contributes to effective government/industry dialogue and the overall quality of procurements.

MAXIMIZING COLLABORATION BETWEEN GOVERNMENT AND THE HSIB

As discussed in the two previous chapters, both the government and the Homeland Security Industrial Base must recognize their individual respective responsibilities and accountability to address the process and other issues that limit collaboration in support of the mission. Together, they can identify, deploy, and implement effective, efficient and successful solutions in the Homeland Security Enterprise. What are the obstacles and challenges that both sectors can tackle to achieve higher levels of mission success? How can the two sectors work together more effectively to build higher levels of trust, strengthen communication and collaboration, and address major irritants such as excessive protests?

Many participants from all three groups (though particularly industry and former government officials) cited an unwillingness on both sides to come together to engage in candid dialogue on shared challenges as a major obstacle. Engagement with DHS through various types of industry days and presolicitation conferences – allowing for greater input long before a specific contract/project – was seen as positive steps toward building trust. Joint sector forums, such as the Office of the Chief Procurement Officer's creative industry days, bilateral small group discussions addressing specific acquisition challenges, and the potential of placing government officials in industry for a short period of time, were discussed as ways to build greater trust and a better understanding between government and the HSIB. Participants expressed a strong desire for expanding and deepening these initiatives, discussing possible new avenues of engagement, and developing ways to achieve more rigorous follow-up between the sectors on recommended actions. While our participants see tremendous value in DHS's current government-industry engagement initiatives in forming stronger relationships, many expressed a desire to see more concrete changes result from the discussions and experiences. These might include the government instituting procedural changes or designing more opportunities for substantive, early and ongoing two-way dialogues. Current government participants also expressed frustration with

lack of follow through after initial engagements from industry. Big attendance forums identify specific gaps, obstacles, and challenges, but all participants cited the need to hold smaller joint efforts to actually address and prefer changes, whether led by government, or individual association-sponsored dialogues/working groups.

Lack of consistency across the acquisition process from engagement to program involvement and HSIB engagement were also cited by industry executives and former government officials as an obstacle to collaboration and a source of risk for both sectors. One former government participant noted other federal agencies have similar varying standards, but DHS seems to have more inconsistencies. From one component to another, process, format, and requirements often varies significantly. Similarly, industry and former government participants cited inconsistency in engagement between program managers and acquisitions professionals within the acquisition process as an obstacle. Many think acquisition staff have taken too much control and suggest greater involvement of program managers, who are closer to the mission, so their ideas are heard and incorporated. At the same time, representatives from all groups cited effective programs and processes that already exist within a number of components – “pockets of excellence” – that could and should be recognized and replicated across DHS. Programs mentioned by our participants include the previously cited Procurement Innovation Lab and the Science & Technology Directorate's Small Business Innovation Program.

As noted in Chapter 2, high levels of protests were particularly cited as a significant consequence of the obstacles to collaboration by all the focus groups. All agreed the current “culture of protest” is costly and harmful to the overall relationship between the HSIB and government. In the industry focus groups, executives indicated they protest acquisition decisions because requirements, pricing structure, and evaluation criteria given by the government are unclear. When pressed for feedback as to how acquisition decisions were made, the government may not always provide consistent responses to help industry understand why they were

not awarded the contract. Conversely, government focus group participants viewed the quick resort to protests as contradicting industry's stated desire to partner with its clients in support of the mission, causing additional costs and delays. Currently, there are few barriers to protests, as there is no cost or penalty if it is unsuccessful. Within both the government and industry focus groups, it was suggested there be limitations on filing protests or penalties for firms that file superfluous or excessive protests.

One former government official indicated, as a practice, he would proactively call unsuccessful firms to explain the decision-making process, and this directly reduced the number of subsequent protests. While this approach may

not be feasible for every acquisition, there is a need for the government to communicate more directly and effectively with unsuccessful bidders in an attempt to cut down protests and for industry to be receptive to the feedback that could prove helpful in their future bids.

The hesitancy of companies to engage in open dialogue when competitors are present early in the acquisition process for fear of losing competitive advantage was also mentioned as an obstacle to collaboration. Many former government officials indicated they did not include the HSIB early in these decisions out of fear that conflicts of interest may arise and lead to protest. Industry executives also indicated it is difficult for potential competitors to work together for fear of revealing methodologies or approaches that would give them a competitive advantage in winning a contract.



- **Standardization and consistency within the acquisition process creates an environment that will encourage collaboration and lower the level of risk for both sectors.**
- **Both sectors benefit by abiding by existing policies and regulations that permit discussing certain aspects of upcoming procurements**
- **Protests are harmful to both the HSIB and government and contribute to the lack of trust between the sectors.**
- **Industry undermines its relationship with government when it fails to distinguish between what is good for the mission and what is in a company's competitive best interest when attempting to shape procurements; as well as when being too quick to protest.**

LEVERAGING INNOVATION IN HOMELAND SECURITY

In the face of the diverse, evolving challenges the Homeland Security Enterprise confronts, there is growing recognition the Homeland Security Industrial Base and other industry players must bring more innovative processes and technologies to the government to assist in the homeland security mission, and should be encouraged to do so. What factors affect—positively and negatively—government’s and the HSIB’s ability to spur innovation? How can the HSIB and government work together to remove obstacles to innovation in the HSE?

Nearly all participants in the online survey strongly agreed or agreed there is a need for greater innovation in terms of management processes, services, products, and technologies to support the homeland security mission. Focus group participants agreed cutting-edge technology and efficient processes can improve mission effectiveness and could eventually drive down costs.

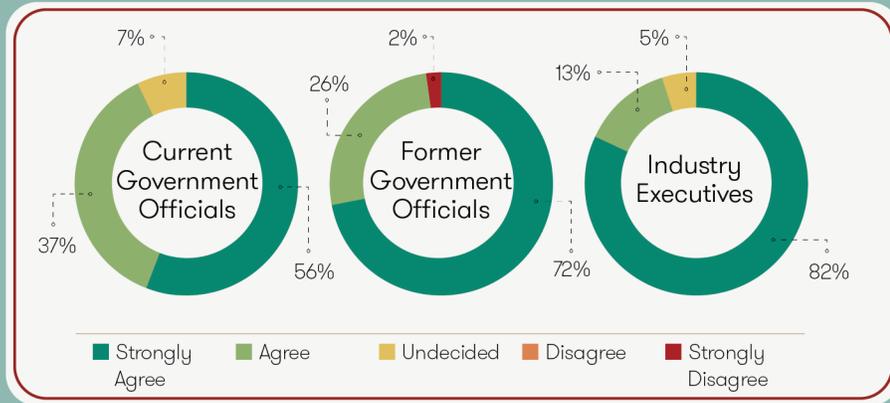
Participants were also asked what changes the government might make to create an environment that encourages industry to provide more innovative products, services and management processes. All forums emphasized the challenges both sectors face in managing risks and bringing innovation through the acquisition process and contract performance. Many of the industry forums and responses from the online survey pointed to the perception that risk aversion on the government side constitutes an obstacle to effective engagement with the HSIB. In our online survey, respondents from all groups overwhelmingly disagreed with the proposition government culture allows for risk taking. Unwillingness to take risks limits early and ongoing engagement with industry, which in turn limits innovation. While the benefits of effective risk management are frequently cited by industry executives and former government officials, current government officials cited numerous internal cultural, political, regulatory and procedural obstacles. However, several participants in

the current government focus group noted they perceive the HSIB as also being risk adverse and chameleon-like in mirroring its customer’s behaviors. Government officials feel this limits its ability and/or desire to provide innovative approaches on processes and technologies to its government clients.

As one participant stated, “Nine out of ten people will say they want innovation, but in the final analysis no one is willing to take the risk or pay for it.” To address this core problem, participants identified three key themes on how to encourage innovation within the HSE: (1) The HSIB should be engaged earlier in the acquisition process, taking part in the identification of the problem, rather than being brought to execute against pre-determined solutions and requirements. (2) A “culture of innovation” should be nurtured to encourage better management of the costs and risks of innovation through recognition of successful innovation and avoiding penalizing reasonable, if unsuccessful, efforts. (3) Government solicitations need to be clearer on when innovative approaches to solutions are being sought and encouraged.

Industry and government participants discussed how to reconcile a desire to successfully deploy innovation in government in the face of risk and failure aversion, as well as budgetary pressures. Industry participants pointed to the government’s over-reliance on low-cost, technically acceptable (LPTA) procurements, whether applied as explicit evaluation criteria or as a result of excessive cost pressures in procurement decisions as a major obstacle to proposing and delivering innovative solutions. A number of participants also pointed out “innovation for the sake of innovation” is not a desired goal. Not every problem in government is deserving of an innovative solution. Again, bringing government and industry together well in advance to identify problems, options, approaches, and methodologies that could be leveraged to address mission challenges would lead to the most appropriate and beneficial – and sometimes the most innovative solution.

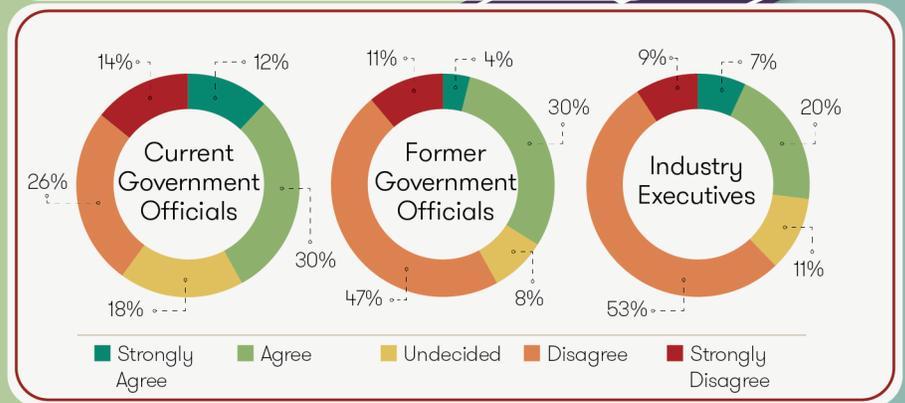
There is a need for greater innovation in terms of processes, services, products, and/or technologies to support the homeland security mission



"EVERYONE HAS A DIFFERENT DEFINITION OF INNOVATION. SO BEFORE ANYTHING ELSE, THERE FIRST NEEDS TO BE CONSENSUS BETWEEN GOVERNMENT AND INDUSTRY ON WHAT THE PROBLEM ACTUALLY IS THAT NEEDS TO BE SOLVED."

- Industry Executive

Component/agency culture provides an environment that allows for risk-taking



- Risk aversion by the HSIB and government can inhibit engagement, as well as prevent introduction of innovative processes and technologies into the market.

- Engaging the HSIB earlier in the process - when government is discussing "What is the problem" vs. only "What is the solution" - creates an environment that will encourage more innovation.

- Government solicitations that are clear on the extent of innovation being sought or structured in ways that make it easier for the HSIB to offer creative solutions (while still being compliant with RFP instructions) allow bidders and evaluators to put less emphasis on cost and risk avoidance.

CONCLUSION AND

CALL TO ACTION

The 20/20 Project on the Homeland Security Enterprise is a five-year effort to gain greater insights into what has and still needs to be accomplished by government and industry to address the many challenges the HSE faces to achieve mission success. A major component of the Project is to identify and highlight best practices and models for better and more substantive engagement between our two sectors. Our survey reports have highlighted the positive steps both sectors are taking to strengthen the dialogue, begin to understand and accept each other's perspectives, improve procurement processes, and better leverage the capabilities and expertise industry brings to the HSE.

In the third year of the Project with the transition to a new administration and its priorities, we focused on how government and industry can work together to strengthen the “business of homeland security” by building on shared values, developing higher levels of trust, and moving to better alignment between the two sectors. Our focus groups, one-on-one interviews and on-line survey yielded numerous thoughtful insights and several common top-line recommendations. We have chosen to highlight three of these as a “call to action” in the new year, whether led by the DHS or hosted by homeland security trade associations/business councils. We are recommending policy, procedural, and behavioral steps government and the HSIB can take on their own or in collaboration with one another. None of these recommendations require new legislation or regulations.



1

Strengthen Communication and Engagement – Throughout the Acquisition Lifecycle

- Expand formal and informal government–industry engagements, especially early in the acquisition process. Efforts to improve the frequency, relevance, substance and actionable follow up of engagements, such as reverse and strategic industry days and pre-solicitation conferences, must be continued. Addressing other obstacles and challenges to achieving mission success could also occur under the auspices of the Federal Advisory Committee Act through the Homeland Security Advisory Council, or hosted by HSIB organizations. Engaging industry provides the HSE with expert and unique perspectives on the shared challenges that confront and impact successful policy and programs.
- Continue and strengthen “Unity of Effort” initiatives – most particularly the Joint Requirements Council (JRC), the Deputy’s Management Action Group (DMAG), and the Office of the Chief Procurement Officer (OCPO) Acquisition Innovations in Motion (AliM) initiatives. The JRC and DMAG provide mechanisms that can drive consistency and application of best practices across the DHS, enabling enhancements that more effectively and efficiently support the mission. They can also ensure a strong mission foundation for acquisition strategy, which in turn can serve as a basis for earlier and more effective engagement with industry. Within AliM, continue to leverage and identify new initiatives, building off the Procurement Innovation Lab (PIL) idea. All of these initiatives could find appropriate and transparent ways to include industry’s perspective well before specific procurements are designed and standards and requirements are set.

2

Address the Impact of Protests on Both Sectors

- Identify and address the underlying causes of protests. The HSE and the HSIB should commit to work individually and together to identify, understand and work toward eliminating the obstacles that contribute to excessive protests. Discussion topics might include improving requirements definition and communication (before and during the procurement lifecycle); providing models for more consistent, thorough, and timely debriefs to both losers and winners; developing alternative procedures for managing competitions (e.g., greater use of down-selects); and creating new and appropriate channels registering concerns short of lodging a formal protest.

3

Foster Innovation

- Build a shared appreciation for how and when to pursue innovative processes, technologies, and products to achieve mission needs, and for addressing the inherent costs and risks. The government and HSIB should commit to work together to define, prioritize, and implement innovative solutions, taking into account potential benefits, as well as associated costs and risks.

Conclusion

These recommendations are neither exclusive nor exhaustive, but are based on the observations and input provided by all three groups as ways to address shared problems and obstacles. In considering these recommendations, government and industry leaders cannot be satisfied with simply holding an event, hosting

a forum or writing a mythbusters-like set of guidelines. Together they must define success by concrete, positive changes in behaviors, processes, and training—all followed up at the highest levels of leadership. Leaders in both sectors must commit to go beyond meeting and sharing information with few concrete results. Instead they must

address these topics (and others that will be identified going forward) on their own and/or by joining together in working groups to come up with actionable recommendations. And both sides must then be willing to do what is necessary to achieve results.

ACKNOWLEDGEMENTS

We cannot thank enough the many current and former government senior leaders and industry executives and subject matter experts for their continued support and participation over the past three years of this Project. We also want to especially acknowledge the individuals who contributed countless hours, energy and expertise in the planning, data collection, analysis and execution of this year's survey and report.

PARTICIPATING FORMER GOVERNMENT OFFICIALS

This past year's Project also received substantial support from more than 70 former government officials who continue to contribute to the Homeland Security Enterprise. A sampling of their respective former government roles are listed below to represent the breadth and depth of their experience:

DHS Counsel, 9/11 Commission	Assistant Secretary for Cyber Security, NPPD	Deputy Chief of Staff & Senior Advisor, ICE	Commissioner, Federal Acquisition Service, GSA
Deputy Under Secretary for Management, DHS	Chief Information Officer, DHS	Chief Information Officer, TSA	General Counsel, NSA
Chief of Staff, DHS	Director, US-VISIT	Assistant Administrator for Acquisitions, TSA	Deputy Associate Director, OMB
Chief Financial Officer, DHS	Deputy Under Secretary for Management, DHS	Administrator, TSA	Senior Counsel, House Committee on Homeland Security
Director of Intragovernmental Affairs, DHS	Chief, U.S. Border Patrol	Sector Commander, U.S. Coast Guard	Senior Policy Advisor, United States Senate
Deputy Assistant Secretary, NPPD	Deputy Assistant Commissioner, CBP	Commandant, U.S. Coast Guard	Staff Director, Senate Committee on Homeland Security and Government Affairs
Executive Director, DHS PARM	Chief of Staff, CBP	Chief Information Officer, Secret Service	Counsel, Senate Committee on Homeland Security and Government Affairs
Deputy Chief Information Officer, DHS	Deputy Administrator, TSA	Special Assistant to the Secretary, DHS	Director, Critical Infrastructure Protection and Resilience Policy
Chief of Staff to the Federal Coordinator for Gulf Coast Rebuilding, DHS	Senior Advisor, FEMA	Deputy Assistant Commissioner, CBP	
Operations Director, DHS	Assistant Director, ICE	Deputy Director, National Counterterrorism Center	
Director, National Cyber Security Division	Assistant Director of Homeland Security Investigations, ICE		

We want to specifically acknowledge the contributions of former DHS Director of Intergovernmental Affairs, and founder of the Homeland Security Bipartisan Collaboration, Ed Cash, for his support and participation in this year's Project – particularly in assisting in our effort to reach out to current and former government officials for the online survey.

PARTICIPATING AGENCIES/COMPONENTS

The Council expresses our appreciation and heartfelt thanks for the outstanding support we received from DHS in conducting this past year's survey, particularly from the Management Directorate and the Office of the Chief Procurement Officer in providing input, time, resources, and space for our government focus group. We continue to receive broad support from current government officials from across the HSE.

DHS USM	CBP	NPPD	USCG
DHS CPO	FEMA	TSA	DOJ/FBI
DHS OPE	ICE	S&T	CBP

HSDBC MEMBER COMPANIES

Industry perspectives were provided through our focus groups, one-on-one interviews and online survey. We thank the many participants – executives and SMEs – who represented a range of Council member companies – size and capabilities. This is a complete list of Council members:

AAC	CSRA	IBM	Phacil
Accenture Federal Services	CTEC	IEM	PWC
ArdentMC	Deloitte	Leidos	Reed Tech
Attain	DXC Technology	LMI	SAIC
Aveshka	E3 Federal Solutions	McKinsey & Company	Salient CRGT
Battelle	Eagle Ray	Microsoft	Schambach & Williams
BayFirst Solutions	Engility	net.America	Serco
Blue Canopy	ESGI	Northrop Grumman	Sevatec
Booz Allen Hamilton	Flatter & Associates	Oracle	The Tauri Group
CACI	General Dynamics	Peraton	Vencore
Capgemini	Grant Thornton LLP		

PROJECT TEAM AND INTERVIEWERS

GRANT THORNTON SURVEY LEADERSHIP TEAM

Tim Hanes, Project Manager
 Phil Kangas
 David Haun
 Shane Bechtold

COUNCIL BOARD OVERSIGHT

Ron Polito

SURVEY TEAM

Gloria Funes
 Adam Hughes
 Amber Lucas

Alex Luboff
 Katie Smoots
 Blake Luna
 Aimee Liu
 Joshua Wheatley

COUNCIL 20/20 PROJECT TEAM

Marc Pearl
 Erin Walls
 Ben Hammond
 Rick Saunders
 Melissa Middlesworth

THE 20/20 PROJECT ON THE HOMELAND SECURITY ENTERPRISE SPONSOR AND PROJECT LEAD

To obtain copies of this report, visit either of the websites listed below.



HOMELAND SECURITY & DEFENSE BUSINESS COUNCIL

1990 M Street NW, Suite 760

Washington DC 20036

(202) 470-6440

www.homelandcouncil.org

Marc Pearl, President & CEO

The Homeland Security & Defense Business Council is a non-partisan non-profit membership organization comprised of senior executives and SMEs from the leading large, mid-tier, and small companies that provide technology, product, and service Homeland Security solutions to our nation and around the world. Our mission is to bring government officials and their executive-level counterparts from industry together for an open, transparent and vital exchange of ideas and perspectives, and to jointly discuss, through our many programs and initiatives, the best ways to align our capabilities with government's mission to address the many challenges of keeping our nation safe and secure.

Visit and learn more about the Council's mission and programs at www.homelandcouncil.org.



GRANT THORNTON LLP

333 John Carlyle Street, Suite 400

Alexandria, VA 22314

(703) 837-4400

www.GrantThornton.com/publicsector

Carlos Otal, National Managing Partner, Public Sector

Grant Thornton Public Sector helps executives and managers at all levels of government maximize their performance and efficiency in the face of ever tightening budgets and increased demand for services. We give clients creative, cost-effective solutions that enhance their acquisition, financial, human capital, information technology, data analytics, and performance management. Our commitment to public sector success is burnished by a widely recognized body of thought leadership analyzing and recommending solutions to government's greatest challenges.

Based in the Washington D.C. metropolitan area, with offices in Alexandria, VA; Austin and San Antonio, TX; Tallahassee, FL, and Los Angeles and Sacramento, CA; Grant Thornton Public Sector serves federal, state, local, and international governments. For more information, visit grantthornton.com/publicsector.

