

AcqNext Panel: Modern Strategies for Software

[00:00:00] Welcome to acquisition. Talk a podcast on the management technology and the political economy of weapons systems acquisition. I'm your host, Eric Laughlin. You can find this podcast and more information, including links, commentary, and articles on acquisition. talk.com. Thanks for listening.

[00:00:36] **Eric Lofgren:** Really happy to have everyone here today. We got an amazing panel lined up for us. Includes Florence Kasule. She's the director of procurement for the U S digital service. Caitlin Dohrman. Who's the president general manager of improbables us defense and national security business, where they build a platform for synthetic environments.

[00:00:54] And then Colonel Eric Obergfell, he's the director for contracts at the air force research lab. And he recently came from SOCOM where he was the head of the contracting activity there.

[00:01:04] So we got a lot of great stuff lined up. The context of this is really a term that we call acquisition next uh, the center for government contracting here, where we came out with a report last month. And the premise is really Hey, there's a bunch of authorities out there to get things done.

[00:01:19] And what we really need is a change in mindset, get us past this kind of pendulum of acquisition reform. Stop that swing. Let's just move towards improvement. And so certainly there's room for reforms. Budget reform is one of those things. And we've been tracking that at the center for a while, and we're excited about the PBB commission, but, top-down reform needs to be complemented with bottom up culture change.

[00:01:42] And so the two really need to go together. So much of the past of acquisition seems to be spending years doing this analysis and then program offices kind of executing those baseline plans. And what's really missing a lot of times, it's this kind of error correction and whether that's built into the process.

[00:01:58] And so one of our kinds of frameworks is we need to move away from these industrial age practices, really optimized for assembly lines and can I've moved towards more digital era practices that we can learn from other organizations within the department of defense and other government agencies themselves and the commercial industry.

[00:02:15] The report that we put out really has two sections program level plays that are like adaptive requirements, continuous market research. And this term we use mastering the baseline, and this is. Here to set the program up for modularity in iteration. And a couple of weeks ago, we had a nice webinar on this.

[00:02:32] But once programs are open to modularity and iteration, it enables our second set of plays, which are software intensive plays. So we have those desk, agile work statements, modular contracting and strategies for intellectual property. And these are really kind of at the contract level. And so while we're excited about the report, you know, we're really here today to have a great conversation with some real leaders in this space.

[00:02:53] And so I'm really looking forward to their views. I want to just start with some short opening remarks from the panel on anything, whatever they'd like to start on.

[00:03:01] So first let's go with the Florence and she's of course the acquisition nerd and bureaucracy Slayer. That's a monitor that she's been tagged with. So I'll let you go.

[00:03:10] **Florence Kasule:** Thanks so much, Eric. And thanks for inviting me and for pulling into helping out with the playbook last year. I also want to thank you for you and the center and all of those who are involved with taking this on those of us who are true acquisition, like geeks and nerds love this topic and the different topics that, that tie into them.

[00:03:30] And so it's always really refreshing to have people do the research because oftentimes in government we don't have the time to do the deep research around these. Of issues. But I really appreciate the all hands on deck approach and the collaborative nature of industry and government and academia coming together to try to tackle these problems.

[00:03:51] But as you said before, in terms of going from the industrial age to the digital age I think it really is a culture shift for a lot of folks, even for those who are digital natives, but have plugged into industrial age organizations and have taken on some of the culture of those organizations and are having a hard time figuring out which rules apply, which rules can shift and help them with their work in the acquisition space.

[00:04:22] So I'm really happy to be here. Thanks for inviting me. And I'm looking forward to this panel.

[00:04:26] **Eric Lofgren:** Thanks Florence. So we'll move on to Eric and his LinkedIn tagline says accelerating change in weapon systems development. I love it over to you, Colonel.

[00:04:36] **Eric Obergfell:** Hey, I don't know if I stole that from acquisition talk, but I should have, right.

[00:04:39] I love that podcast. And I talk about it every week. What I hear and I love that you talk about all the different services, so it's very refreshing. So keep it going. So I would be remiss if I didn't start with the threat As you've seen in the world right now, there's a lot of stuff going on in Ukraine and kinetic action, but underlying that is really all this stuff that we're talking about today, as far as software that delivers that kinetic action, but as well as the software that influences our sentiment as a nation and as a allies and the whole world.

[00:05:08] So I think it's that whole software piece, the threat, and just like Eric Schmidt would say in his AI discussions recently I'm a man in a hurry, right? So there are adversaries have a big plan especially China, as we look at, that's our pacing threat. They have a big plan to really pass us up technologically.

[00:05:25] And they've got the means to do it with the population that they've got in their defense spending over the years, as you pointed out in several podcasts. So the threat is the why we do all this. That's the why? So we can live a free life according to the foundation of our nation, right?

[00:05:39] The principles of our nations. I really got on this journey. When Bob work was DEP sec Def and he started off with a third offset strategy. So I was really inspired by that message. And at that time I took on lean type activities to really try to get after problem-solving faster. So third offset strategy being if the Chinese and others are stealing our IP, how do we actually iterate faster?

[00:05:59] So we make that IP stealing irrelevant because we're continuing to deliver capabilities faster. So acquisition next, I think is an interesting Collision between the third offset strategy and our threat and the acquisition world. So I toggle between the PEO world and the lab world right now.

[00:06:16] I, my, I was at SOCOM at T and L where we, it was all in one building which was awesome. But then I went to LCMC, did it supported the PEOs delivering weapon systems, and now I'm an air force research lab dealing with basic research to develop capabilities for those PEOs.

[00:06:30] So I think all these plays are very interesting. The DevSecOps playbook is another great one to read. I look forward to talking about the software specific plays today with that agile statement of work, modular contracts, intellectual property. But I do want to, I think there's a lot to talk about with the mastering, the baseline too.

[00:06:45] There's a lot of, there's a lot of stuff that goes hand-in-hand with dev sec ops. And I guess one thing I just want to leave you with on the leadership piece. I hope the contracting officers that I've led over the years, aren't rolling their eyes with me being here right now, because **only reason I'm here is because they're so busy that they cannot breathe, they have lots of work to do** and this, and there's a lot of learning to learn that we all are trying to grow with this software pathway and as well as just the systems that we're supporting. I think the contracting officers that hold the unlimited warrants or the agreement officers that are executing here are the ones that I would love to hear, their perspectives.

[00:07:18] But I think the value that I might add is that, I've been to these several different organizations over the last three years. If this DevSecOps really kicked off and, 18, 19 timeframe I started with the soft culture was we stood up soft digital applications and then have gone through the different big organizations to see how it scales.

[00:07:36] And so leadership matters in this, right? We can write policies at the HCA, a head of contracting officer. I was in charge of policy for You know for SOCOM, **but I can tell you the leadership, what I did was more important than what I do, what I said in the policy, how I lead.** And I think that's what we all gotta take.

[00:07:51] Take seriously is how do we lead in organizations? Do we pick the right people that are trying to drive change? We train them the right way. Do we give them the right tools to recreate the right psychological safety in these organizations to let them fail fast, and we all get together and pick it up and move forward.

[00:08:05] So I'll leave it with that over to Kaitlin.

[00:08:06] **Eric Lofgren:** Yeah. Thanks Colonel. That was really good. And of course leadership and top cover are going to be crucial to any kind of change here. Kind of the things that we've been talking about, but I'd be interested in this kind of all the DevSecOps stuff from all of you guys.

[00:08:18] It has been for me, at least the past few years with DevSecOps it felt like there's a lot going on a lot of change, interesting communities, but also a lot of intriguing little battles between government and different contractors. I wish someone would go out there and write like a narrative history of what is actually happened, technologically, bureaucratically, contractually through that.

[00:08:37] But that's where another day. So Katelyn Dohrman you've had a really interesting background here, mostly on the non traditional contractor side. So I'm really glad to have your perspective come on in.

[00:08:46] **Caitlin Dohrman:** Thanks Eric for hosting this panel and also for your team's leadership on the playbook and your broader work in this area.

[00:08:54] And I'm happy to be here as an industry. So now more than ever, I think almost a decade into the official defense innovation initiative. Software is really central to everything that DOD does, like Eric said from designing and developing new systems to analysis, testing experimentation to automate operations.

[00:09:13] So shifting our contracting approach to align with modern software development practices, we'll let the DOD benefit from work that's being done by innovative non-traditional firms and also to harness, still use software from other industries drawing on my engineering background and experience in to defense technology community for 15 years.

[00:09:34] Like you mentioned, Eric I've been at companies including Booz Allen Palentier, and now in probable we're proponents of the recommendations made in the playbook. And I think a few important ones that. Would call out both happens to be software intensive plays. But first is the shorter iterative contracts focused on working software and feedback through the structured process provided by agile rather than fixed rigid requirements.

[00:10:00] I think those kinds of requirements preclude flexibility and responsiveness that agile offers and forces companies into an old paradigm for software development. I think as other panelists have alluded to agile contracting also brings with it the need for culture change. There are critical roles for government team members to plan agile teams like product managers, end users and others.

[00:10:24] I think successful agile teams have to be joint teams. And then the second one emphasizing flexible data rights with a focus on obtaining full rights to application programming, interfaces or API. And data, including metadata

and data schemas, instead of focusing on extensive government purpose rights when using commercial software also, I think, the playbook does a good job of calling out one fault, one fallacy in terms of developing systems that alleged to be open because they follow a certain data standards.

[00:10:57] And we agree with the recommendation to make use of well-defined interfaces that the government will own have insight and understanding to through having interface control documents and require systems to be decomposed into microservices or as close as we can get. I think this both protects the industry is core IP and allows the government to be able to, avoid vendor lock and be able to replace any component that isn't performing without rebuilding their entire solution.

[00:11:25] I was going to say just a couple of quick words about improbable. So globally we're focused on two very different markets. The first is gaming and entertainment and the second is defense. So my business unit deliver a us defense and national security is focused on bringing the best technology to the U S government and bringing in those delivery practices while appreciating the sectors unique requirements and needs.

[00:11:49] We were founded to solve a specific problem related to distributed computing, and we were the first company to leverage cloud hosting in that way. As the company has grown beyond that specific tech problem, we identified applications in the defense community to build and deliver highly complex and immersive virtual worlds for decision-making and training.

[00:12:10] Through our synthetic environment development platforms, just as an example, we're providing defense customers with an operational decision support tool that allows them to look at potential courses of action and then simulate them to see what the outcomes may be. So I think in the discussion, I'm sure we're going to get to some of the areas of challenge where we've seen DOD and industry struggle due to the current software contracting practices.

[00:12:34] So I'm excited to get the conversation started with this great panel and back to you.

[00:12:39] **Eric Lofgren:** Awesome. Thanks so much, Caitlin. Yeah, it was really interesting. I'm glad you went to the intellectual property. Maybe let's just start there for a minute. One of the things that we talked about, cause what you were saying, there actually feels pretty collaborative.

[00:12:51] I think to what the government feels like they want to go towards right. I want to ask, let's start with the Florence here. Yeah. How can government promote this interoperability and avoid vendor lock while avoiding getting too much data rights. That kind of drives away.

[00:13:05] Non-traditional contractors . is, Is that the way, just get the interfaces and the data just don't worry about black boxes. Or is that a good idea, but there's actual real problems underneath it.

[00:13:15] **Florence Kasule:** No, I think it's a good idea. But I always share that one size does not fit all right. So you have to under every program office and every everyone who's building systems has to understand what is their unit. Situation, what are the risks involved and understand how you can iterate on that into the future in order to continue on with your mission.

[00:13:38] So if that means that you're going to wrap your build and put into your contract, certain data rights to protect the government, make sure that it's also something that is meaningful for your future process. I've seen in the past some situations where the government wants to control and hold all of the data rights for us for a specific.

[00:14:00] And then two years later feels as though they've hamstrung themselves in terms of how do they continue on with that particular build. But I think it's, it really is dependent on what are you, what are your objectives overall? You can work with your, and we're going to get into the, into this later on in the panel, but you can work with the vendor community to understand what are the data implications along with your requirement in order to understand , how should you protect the government's interests and not have a one size fits all solution?

[00:14:33] Because that is that's unfortunately what I've seen a lot in in the IP space, within it contracts is this is the way we're going to go. This is the way we have gone. And this is how we're going to go in into the future without taking into consideration. What are the specific needs that we have today?

[00:14:49] And what are the implications moving on 16 months, 18 months out, 24 months out, et cetera.

[00:14:55] **Eric Lofgren:** Colonel, would you like to jump in

[00:14:57] **Eric Oberfell:** there? Yeah. Wow. Florence did a great job on that one. I don't know that I've got too much to add, but if you think through a with

platform, one infrastructure really tries to get after is, creating uh, open type capabilities for.

[00:15:09] Can continuous integration and continuous delivery, right? So where we're getting a code put into iron bank as our our repository and there's those opportunities for different vendors, whether, ideally what we're trying to get to is where if you can have a SBIR [small business innovation research] go through phase one to phase two and even get into the repository working in that way.

[00:15:27] But I would say the idea is that we continue to develop as long as you've got the rights that, whether it be government purpose rights or whatever, you've gone into that at the front with a definition of clearly identified and all players know what their responsible for from the beginning.

[00:15:41] I think that's really where we want to be. Yeah, I think that's, I'll stop there. Plenty of good stuff to talk about later,

[00:15:46] **Eric Lofgren:** caitlin, we got a question from the chat for you to go a little bit deeper on the IP for interoperability, for DOD. I guess the question is really is. You guys as industry want to have government vendor locker, vendor lock folks to some degree. But what's your view here?

[00:16:02] Like as just an ability to monopolize the market, that's like the way we traditionally think of firms. But the question here is really like, how do you think about commercial IP and interoperability such that you could have upgrade solutions from alternative vendors? Do you allow for the kind of competition to come into your space because you guys have a platform for developing virtual worlds, right?

[00:16:23] So once someone goes into that, are they locked in or how do you think about that?

[00:16:26] **Caitlin Dohrman:** Good question. So I guess to respond to the first point about, industry, do we want to get vendor lock-in I actually. Industry and, all of us as a community, we do best when there's competitiveness. So I like to see within software ecosystems, I think that's a way that we can see competition to build and provide the best solution for a particular mission need.

[00:16:51] While still, maybe taking some of the burden that you all talked about with DevSecOps continuous integration and delivery and ATO. Either the government or certainly industry can help with this to establish the sort of

infrastructure and have a common set of requirements for hosting or containerization that can make deployments faster.

[00:17:14] But it also prevents the software provider from having to do a complete customization to a new infrastructure every time. So you're able to on-ramp and off-ramp faster should the government choose to switch industry partners. On the commercial platform piece certainly I think the kind of the platform itself, while it's the commercial products and the company certainly needs to protect its IP that comes from private investment into building the platform. Using that platform doesn't come with a vendor lock-in in the sense that it can't be replaced.

[00:17:45] Just like some of the other ideas we talked about, where you have microservices architecture with well-defined interfaces, the government is still able to go out and either find a commercial replacement or builds a completely bespoke sort of purpose-built solution to replace even the platform itself.

[00:18:01] We, certainly are not seeking to to bring vendor lock-in along with the use of the platform. I think AWS is a great example of how that can, it has its downside. Uh, Certainly but a great example of how platforms can be utilized without being tied to that one platform forever.

[00:18:18] **Eric Lofgren:** Yeah. Thanks for that. It seems one of the things here. Oh, maybe like legacy firms, they like that lock in, but it's like a strong plate to say, we're ready for competition. We'll just, out-compete now iterate. That kind of goes back to what the Colonel was saying. Like we just have to be able to adapt and innovate faster.

[00:18:34] And I think we heard that from Elon Musk, when you put all of his patents out there, he just trusted in himself or his company that they could just out innovate. And that would actually rise all boats, right? Like rising tide lifts, all boats. So competition and IP. One of the things that we heard from people was like IP in a way, is a red herring.

[00:18:52] So long as you have competition open throughout the process and Florence, we talked a lot about this. And you were like a staunch advocate. I felt like for competition, . In government contracts. But in the last panel we actually had one of the PEOs Jim Schermer from ground combat system talked about how in sole source situations you can have the users really use the product and give this iterative feedback and really collaborative in that kind of agile way.

[00:19:17] Whereas he, when he was trying to use it on a different program, in a competitive situation the lawyers were really nervous over like inconsistencies or subjectivity of soldier feedback. And so like, how do you specify all that, evaluation criteria in section, L and M and stuff like that.

[00:19:34] He said, our system is geared towards fairness, more than effectiveness, and we never navigated how to really make use of soldier feedback. What would you say to someone trying to use the competitive process in this kind of iterative fast way, but it feels a little bit rigid in that way that you can't get the kind of collaboration that you want.

[00:19:52] **Florence Kasule:** So I would offer that anyone who wants to get that feedback, there is a phase during the solicitation phase, after you issued the solicitation where you, especially in the realm where we're doing statements of objectives or and you're putting out your objective as a high level, top level.

[00:20:10] This is what we are seeking of doing due diligence and putting that into your solicitation to say we are doing due diligence. And what is due diligence? It's essentially allowing for communications and exchanges between government and industry. And far apart, 15 allows for this. But I understand a lot of folks feel a bit nervous about exchange doing exchanges or having conversations with industry.

[00:20:34] But when you're doing this is the digital age when you're building software and you're building websites, applications forms for the use of people, for people to engage with, you want to get as much feedback as possible. That's part of the whole agile development process, right? And I encourage people to use some of those principles in the solicitation, in the acquisition space as well.

[00:20:57] And that due diligence piece, there was an acquisition advisory that came out in the early two thousands, like 2002, 2003. Basically advised people to go through this due diligence process where you, your development team, everyone, except for the source selection official is allowing for these engages with engagement and have conversations with industry partners who are part of the competition to get feedback and understand what is this environment?

[00:21:24] What are we building? Get as much information as possible in order to inform and help with the with the buy. Because you wouldn't have. My analogy right now, I'm in a new house, my husband and I just moved into a new neighborhood, but you wouldn't have the contractor come and do work in your house inside your house without looking, coming into your house and looking at that, right?

[00:21:45] You wouldn't have some say, send me your quotes and your bids by standing outside of my home, presuming what the inside looks like. I would want the same for those who are going to come into the government and do this very collaborative work to come in, have a conversation with the very teams they would, if they were to be awarded that contract, have conversations, get to understand what is the environment in order for them to present and provide a meaningful and real solution.

[00:22:12] And one that's fully informed as, or as informed as possible.

[00:22:16] **Eric Lofgren:** I know you want to jump in on that same kind of question over to you.

[00:22:19] **Eric Oberfell:** Yeah. I guess a. So I would approach it two different ways. So how, I love the previous podcast, on acquisition talks and webinars, so great point there. And it was, so his point was all about the weapon system, like a major weapon system on ground vehicle.

[00:22:31] I could talk to you about several examples SOCOM, where we took a different approach on accelerating the pace of an acquisition based on user feedback, using a OT for prototyping 2371 B, where we, went out there, we took white papers to reduce barriers to entry, really streamlined the process.

[00:22:47] review the white papers and went to do a manufacturing readiness and looked at the capabilities that they had in plant. And then from there, we got a proposal from those that we thought looked good for prototyping. And then from prototyping, when we got the prototype, we also got the production proposal, so we want to make sure it's competitive with before we go into production. But that, gave user feedback in the white paper section, the manufacturing readiness section, the prototype evaluation and the production section. So that's all pre award type feedback. And I could talk to you several programs about that.

[00:23:18] And we did that within one year to really streamline that acquisition process. on ACAT II and ACAT III level programs, so exciting stuff there, but we're talking about software development today and I, park it back to dev sec. It's all geared around user feedback, right? The whole idea is user feedback and how do we build those relationships?

[00:23:36] So the user is getting feedback at every step of the way. So whether it be like AB testing, telemetry or Canary type releases think those are all opportunities for us to evaluate software along the way, and get that user

feedback without doing surveys or what have you. We're just looking at user behavior comparison of the two models of software and the AB testing or in the Canary testing, just percentages of releases to a population to see how those are folks are using those different capabilities we just delivered.

[00:24:03] So I think the feedback in the dev sec ops environment is built in it's baked in just like security is baked in. And I think we do a pretty good job at that over.

[00:24:12] **Caitlin Dohrman:** Yeah, I just wanted to add on one quick thing about soldier touchpoints and user feedback. I agree. It's absolutely critical at every stage. I would just add that all user feedback is definitely not created equal. And I would like to see someone from the program office adjudicating the feedback.

[00:24:27] And that could also be one way of making it more fair in a competitive environment where you have a government you know, member of the program team who is co-leading and providing direction to the performers on how to respond to the feedback so that they don't over-correct.

[00:24:42] **Eric Lofgren:** The Carl talks about using 20 OTAs, essentially, they start this process off OTAs. I love CSOs as well. Commercial solutions opening as a very flexible merit-based, it's a solicitation mechanism, but what about just what can we do it within the far as well? , one of the things that was pretty influential on me was the DHS procurement innovation lab bootcamp, but also stuff like from USDS, tech for our handbook and all of that. But they were pointing to, multiple award ID IQs as one place where you have these streamlined procedures and comparative evaluations, you can also do it for simplified acquisition and federal supply schedules. But a lot of people are also pushed back on the multiple award ID IQ notion because it gets, it can be like this huge production that takes years.

[00:25:25] And there's never a flexible as people say Eric, what's going on there, or what would you rate. Yeah.

[00:25:30] So

[00:25:30] **Eric Oberfell:** I've got some experience in this area that I'd like to talk through. So as we stood up like soft digital applications, we were going after the MC cop, which is one of the first ones going after the software acquisition pathway.

[00:25:41] We started off with a CSO and to try to go after, okay, how do we develop capabilities? Pretty low barriers. We awarded a note, an OT off the CSO for one area of interest, like a SBIR phase two for another one. We MIPRed funds to get on another contract for another area of interest. So I love the flexibility of the CSO in finding solutions that are quick execute.

[00:26:01] So once we hit the tech eval, we can execute fast and lots of different ways. So I think there's a lot of goodness in the CSO and I've done some other things in CSO. That's just, it's just fun. And I think it's really flexible and it has low barriers. Now, when I talk to organizations, I know I love.

[00:26:16] One of her last briefings on the maturity of an organization and the different contract vehicles that they use in the maturity of an organization. As well for software development. So I've seen that as folks, sometimes based on maybe the capacity of, how many contracting officers and program managers you might have in a shop, or what have you and their maturity in that you might end up going to a MAC IDIQ

[00:26:36] even if you've started with the CSO -OT strategy, if you've got the Mac, you're still going to probably multiple award, I'm sorry, acronym in here. But if you got a multiple award, you're still probably going to get after lots of different solutions that could build teams that can create winning solutions.

[00:26:50] And as quick to execute, right? So I think there's some maturity there that I've seen folks go from, like a CSO or wide open to Mac type awards where you're just competing task orders. So lots of different ways to get after it, but I've seen that sort of as organizations mature, they start using different tools over.

[00:27:07] **Eric Lofgren:** Florence, you have any insights on, on that one?

[00:27:10] **Florence Kasule:** Okay. Eric hit it right on the head. so people will say, multiple award contracts and ID IQ, something we'll take it's onerous and the benefits aren't, as you don't, you it's too much to go through to actually benefit from it, but it depends on your organization.

[00:27:27] It depends on the structure. It depends on the maturities. It depends on your personnel. There's so many, it depends as part of it. But there are all sorts of vehicles that are available between the max, the multiple award contracts between the GWACs that are available, that are out there. The government wide acquisition contracts between the large IDIQs or even single award BPAs that some or organizations will create that allow for.

[00:27:55] Agencies to feed off of it really is part it's everyone's responsibility. I'm a former contracting officer it's everyone's responsibility to do the, as part of your market intelligence and market research. That you do out that's outward in terms of trying to find the different vendors and capabilities that are out there.

[00:28:13] It's also our responsibility to understand the lay of the land in terms of the contract vehicles and the different types of vehicles, OTs. If your agency allows for it, the different types of contract vehicles that are running around all around the government to, to see what can you leverage in order to meet your need.

[00:28:31] Perhaps it's not the time to create a brand new ID IQ for yourself, and you should leverage the hard work and sweat and tears that other people have already experienced and put forth. But it, there are all kinds of ways to get to a contract to meet your needs. But it's about doing the research and understanding which ones are available to you that will help you get to your end result because all of these contracts, they're just enablers to help an organization do their.

[00:28:57] And do their work in the best possible way with an, with a wonderful industry partner. And it's just to me, it's a matter of finding which one works for you and it's sometimes not the best solution is starting from scratch. So doing the research is my tagline for this particular piece.

[00:29:14] **Eric Obergfell:** I just had a brainstorm on this one. Harkens back to my thoughts on, you know, when we first started category management, like a decade ago or something like that, and we were really like, okay, how do we understand our spend and do things a little bit better to get after leveraging NetSpend to get after better solutions?

[00:29:29] So instead of roofing or HVAC know which we initially did with those types of solutions in category management-- software and its our biggest fan, if you look at it across most organizations, so this is a better way of getting after category management. If you look at, in, in February I think they came out with the software, modest modernization policy, talking about software factories know, really encouraging that if you look at what platform one's done with their basic ordering agreements too keeping it competitive at all layers of the stack, but also creating a vehicle. Out there where you are, you can do decentralized ordering as well or centralized ordering. If you want to leverage platform one to get a software factory up and moving very fast to deliver capabilities to programs S and T community or agencies.

[00:30:12] So , if I was starting scratch on, okay, how do I solve a problem for an operator? I would look at the tools that platform one already put in place, because there's a great, there's a tool for each level of the stack that you can execute to get your factory going really quickly to solve your problems over.

[00:30:28] **Eric Lofgren:** So Kaitlin, what kind of contract types do you guys actually receive and what do you prefer? What works best for you?

[00:30:34] **Caitlin Dohrman:** Yeah we are seeing a lot of OTAs, firm, fixed price contracts, I would say. Also CSS can work very well. Those types of vehicles tend to be best, I think for smaller companies.

[00:30:44] They're innovative ways to get past some of the challenging. And ease the process on both sides. If I could I've seen some gaps with OTAs but I'll maybe bring up one is I think FAR and DFARS language can start to creep into OTAs, you know, there's not, I think a great understanding of the sort of boundary between those all the time.

[00:31:03] Something that Florence and Eric actually already mentioned, OTs will sometimes reserve the right to have multiple vendors, but we've seen a lot of cases where only one team has selected effectively cutting the competition short. This could be because of budget constraints, but I'd suggest where appropriate, why not look at MVPs minimum viable products rather than full systems development and initial fielding through an initial OTA.

[00:31:30] And finally. When non-traditional contracts are used, program offices should keep those, keep the spirit of the contract vehicle throughout the life of the program. Don't issue an OTA, but then effectively treat the contract as if it were different. The kind of non-traditional and modular aspects of the contract, shouldn't stop with award.

[00:31:48] We should follow through in order to make sure that innovation really happens.

[00:31:52] **Eric Lofgren:** what does this contract actually look like? We talk about agile contracts. What does that mean to you? What does, what defines an agile contract and then how do you actually write deliverables?

[00:32:02] Because it seems like government wants to have that comfort and notion of this is exactly what they're going to do, and these are the tasks to go get there. But then when you move to an agile contract that opens that aperture, but you still need to like assure accountability and delivery.

[00:32:16] What makes an agile contract agile for.

[00:32:19] **Florence Kasule:** Sure. So an agile contract is one that allows for the flexibility for agile teams to work. And so if you have an agile software development team, that's on the ground, or it's coming on the ground to work with your organization, that contract needs to allow for those allow for the flexibility and not not be so rigid that it creates more work for everyone to execute.

[00:32:46] So what does that mean? I've seen some people sprinkle the word agile all across a performance work statement, or a statement of objectives, statement of work, whatever requirement document that you're working with. And then whenever, when the designers come onto the scene and are doing , human centered design and the results of that research create a pivot in the, in terms of functionality, whatever.

[00:33:10] The contracts team says, oh, we need to mod the contract in order to allow for this or that. That is not an agile contract. So maybe I would offer that if you are, if you're, if it's your first time or second time getting into this kind of getting into this kind of space in terms of, buying the services of a firm that do agile software development services, get to understand what their services are in terms of what the deliverables are. Fully functioning software. Like full stop. I do not want your deliverables to be a PowerPoint deck showing me what the software is going to do. I want to see the, whatever that functionality is along the way that to be rolled out over time. And that means as part of it working with looking on the ground, once the contract is awarded, understanding, what are the, your dev teams doing?

[00:34:07] What are the designers doing? What are the different positions on the team doing? How are they executing and how are they meeting the spirit of this contract? And the way that agile contract is just, you have the framework of making sure that you are, you have a repeatable service that , that the team can rely on and they are iterating on over and over, and they are getting better and better over time.

[00:34:32] If you want to go to a stand-up and you can see, and I encourage all contracting officers and contract specialists and program offices go to the different stand-ups understand what people are talking about, ask questions. And then after the sprint is done, understand what has actually been completed.

[00:34:50] If they are, if they have engaged users, which they should at some point and some point sooner than six months after the contract is awarded, you

should know what the contracts team is doing an executing in a very quick in a very quick turnaround, it should not look or feel like a waterfall contract at all.

[00:35:10] If it does, it's not being. There are all sorts of versions of like agile fall that are running around the government right now. And I think it's part of the maturity process. But , for most people, I would say in most organizations, I'd say an agile contract is one that is that's providing for functionality of working software.

[00:35:29] And it's probably, if it's your first time doing it, a smaller dollar contract. it is not a big bang, we are going and hitting for hitting the stars, \$10 million. It's our first time doing this kind of contract. We're going to, I think get into modular contract at some point here, but it is a small, it's typically a much tighter timeline in order to execute and provide value and show and provide value.

[00:35:54] **Eric Lofgren:** Eric, you want to jump in what are agile contracts to you and what prevents the failure modes? It seems like we have a lot of failure modes getting there.

[00:36:02] **Eric Obergfell:** well, prevent failure modes. So when we try to define the requirement it comprehensively, right? So then you get to this huge approach, almost like a waterfall type scenario.

[00:36:11] When we're say we're doing dev ops. Okay. We want to get all this stuff. So I think here's a plug for the tech far hub, right? So I think there's a lot of really good stuff in there that the CIO puts out talks about modular contracting and understanding how to use modular contracting in this approach.

[00:36:26] But the interesting piece when I talked to some of our software factories is really, the conundrum of. Are they really personal services, contracts? and a lot of cases, yeah, it does. It feels like it. I know that's a dirty word in our business, but we are trying, when we're trying to be agile, a lot of cases, we have government coders right along with industry coders trying to solve a hard problem.

[00:36:46] So I think it's, it is trying to bring those skills to the table. And how can we get after the product vision? That's negotiated between the program manager and the ops side. So what's the product vision that we're trying to get after. And then what's value assessment that frequency and the definition of value that the ops side has.

[00:37:03] And then the program manager helping us get to that point of, okay here's the value of setting. Here's the contract team that's working it. So I've got a couple of coders sitting right next to my other government coders and they're trying to solve problems. we need that flexibility whether it be a T&M contract.

[00:37:20] I don't think fixed price works here. As I think it's hard to define there, the end results in a lot of cases, and we want to be flexible enough to pivot when we see problems. And it one as one senior material pointed out to me is, we don't want folks to be afraid to identify tech debt around as they go through the process, too.

[00:37:36] So if we've got a firm fixed price in an area and they're like, ah, we don't want to address that. Nobody talk about it, or what have you. So you've got to create the right contract that's going to drive psychological safety for folks to be able to challenge each other and pivot when we need to get after it.

[00:37:48] Let Caitlin jumped into Galen.

[00:37:50] **Caitlin Dohrman:** Come on. Yes. I agree with everything Eric said, I think it's important. When we have agile contracts and defining requirements that they're very outcome-based, but we may need to be creative to avoid those pitfalls that Eric mentioned, put in performance measures whether it's things like availability or uptime or whether it's number of bugs that are found and fixed within the contract time.

[00:38:12] I think that's really important to make sure that the agile process can deliver something that meets the core mission needed the outcome that we wanted to go after in the first place. And I have seen some very successful DOD contracts using agile principles that actually some of the most fun work that I've ever done was to be part of those joint teams.

[00:38:30] Some things that I think worked really well were to actually have the team do agile training together. Like Florence said, we don't have to be prescriptive about the. So as you look at the full the whole kind of framework or agile agile principles it's not only fine.

[00:38:46] It's recommended to pick and choose what works for you, or are you going to do, scrum with all the sprint reviews and daily stand-ups and demos and backlog grooming and who needs to participate in each one? I think a training can help manage joint expectations. And then I would say culturally, it's important that delivering working software and deploying systems is seen as important as other operational roles.

[00:39:10] Cause I've been in programs for personnel were pulled out of operational roles to be the product owner on an agile. On the government side, but the operational postings still continue to be the thing that earns promotions. So culturally, I think the organization has to value the delivery of these successful programs.

[00:39:27] As much as some of the operational work that personnel could be doing

[00:39:31] **Eric Lofgren:** Florence c'mon and then Eric,

[00:39:34] **Florence Kasule:** you hit a nerve with this one, Eric. Okay. So one thing that Eric O said that also hit a nerve and I'm watching the chat is the psychological safety piece. So an agile contract, also everybody, I believe needs to understand that not every piece is going to be perfectly.

[00:39:54] Like you're going, this is not a failure proof. Like you sprinkle agile, you know, something on your contract and in the services. And then everything is failure proof. The teams are working collaboratively together to learn and understand what is it that we need here? What are we building to inform and delight and make sure that the users on the ground, the people who are actually going to use this software, that it's going to be useful.

[00:40:22] And it's something that is that we're not creating and building software that has features that are, that go unused or functionality that people don't understand. We're building something along the way and we're learning and like bobbing and weaving as we do it together. And you ha whoever is the product owner of that has to have the leadership cover to understand how to prioritize well, how to move and motivate people well, to make sure that people can ask questions and learn in an open and collaborative way.

[00:40:58] Because in past instances where I've seen people, want to go through this, like an agile transition, You can't wrap them around, you better get this right. A hundred percent of the time. I feel like throughout this entire contract, that P it, it creates an environment where people are feel in fear of actually asking the questions and it completely goes in the face of what you're trying to do here.

[00:41:23] So I think Eric mentioned the the maturity model and it's the digital maturity model that we have on the tech far hub. If you go to usds.gov and find, I think Kirsten dropped in here, the tech far hub in the chat if you go to the

digital maturity model, there are questions that an organization can ask themselves.

[00:41:43] It's like a personal review and organizational review of where you are, realistically, in order before you engage in these types of contracts, or if you're in the service of going forward with these kinds of contracts, just do an assessment of where you are so that, you can start off on the right foot.

[00:41:59] Because we wouldn't definitely don't want you to go from zero to a hundred and not prepare your personnel along the way in order for people to be successful.

[00:42:10] **Eric Obergfell:** So if I could jump in one of my favorite things, a leader told me as we were executing is there's nothing that you can do that I can't undo in 24 hours. His point was go out and experiment, think outside the box and really challenge the norms and try to drive change. So his as his whole point to me and we tried to do that, I don't know. If I was successful, I don't think he had to undo too much, but I did try to experiment, but the whole point of that was this is very uncomfortable, especially for a contracting officer has been in as long as I have, whoa, I'm used to FAR eight or 12 or 15 of our 16 when it gets out of that, it gets very uncomfortable in a lot of cases.

[00:42:46] Not saying you can't use those, but using OTs or CSOs and then all this is new stuff. So I think this is where it goes back to that leadership point of our organizations aren't designed. And this is where Caitlin said, Hey, you gotta make sure you've got the right talent and give them the right incentives.

[00:43:00] I'd say our current organizations really aren't designed right now to incentivize that kind of change or people taking some of these non-traditional roles that are hard and uncomfort. And then experimenting in them. So I think there's, we've got to continue to look at that as we structure our organizations from a corporate air force or corporate services perspective, and then make sure we get the right incentives for folks to really accelerate change and try to do something different.

[00:43:26] Cause I think really a lot of our incentive structures are rewarded around doing business as usual and we've got to change that and I know I'm part of the problem. I'm a, a leader here, I've got to make sure that I incentivize folks and I give them the right training that Caitlin talked about.

[00:43:39] All right, I'll stop there.

[00:43:40] **Eric Lofgren:** Back over to you, Eric what you said earlier, you're like for him fixed price, probably isn't the right mechanism for some of these agile contracts. one of the reasons I liked the firm fixed prices. It gets you away from all those business systems and a ton of other requirements that kind of come along with it.

[00:43:55] You know, FFP, LOE level of effort. I think you still have the timekeeping, but what's your perception? Cause if you're working with a bunch of primes, okay. CPFF, LOE all day or a TNM, it's not a big deal, but what about if you have non-trationals in your base? And then Florence jump in..

[00:44:10] **Eric Obergefell:** Yeah. So that is a problem. So we've had. Some current policy exclusions that give us the ability to not have cost accounting standards for SBIR- type work, which is goodness there. But I agree, I do hear that from some of the non-trationals that it is a very big challenge for the cost accounting hurdle to get over.

[00:44:26] So yeah, okay. I think like Palentier, Andre several others that did a really good job like saying, Hey, we know your requirements better than, your requirements and we'll develop something to meet your requirements. And we bought into that. So I think there's, there are some great examples of non-trationals that have done very well in that environment of firm fixed price.

[00:44:44] And I say, There's no one answer. So I said firm fixed price, probably not the right answer, but in some, and in some cases it probably is, I think you've got to adjust to your specific scenario that you're trying to solve the problem you're solving and then figure out what's the right contract vehicle for that problem.

[00:45:00] And then, what am I really trying to attract grow my innovation base here or what ?

[00:45:04] **Florence Kasule:** . So I thought I've had a new friend in Eric Obergefell until a few minutes ago when he said FFP cannot work in these scenarios. And I thought, no, Eric don't say it. I'm glad that he, in his last comment he gave some caveats. There are moments when this does work and we've, we have at USDS, our procurement team, we have encouraged many agencies to go this route at on an FFP basis.

[00:45:32] And we have documentation to show people how you can build your contract with an FFP contract type. But this is definitely a robust debate and conversation among acquisition people across the government and within our

industry partners where we've also spoken to some of those non-traditional vendors who have said FFP works for us, especially when we are just getting into the government space and we can focus on delivering, working software.

[00:46:01] And we do not have, and we are, we know what the teams are, or we can flex within the FFP bounds and just deliver within like iteratively within the sprints and not have to worry about the cost accounting issues, any kind of, and also on the government side, when we've talked to program offices who have said walking the T&M animal down the street takes a L it's a lot of overhead in our office.

[00:46:28] And so understanding when you are, when you're selecting your contract type, it is also part of the analysis of your organization. What are the risks involved with the on each side for all of the parties and then making an uninformed decision there.

[00:46:44] Can I just say Eric?

[00:46:45] We can still be friends it's

[00:46:47] **Eric Obergfell:** okay. I'm not afraid to admit I'm wrong.

[00:46:49] **Caitlin Dohrman:** Um, From an industry perspective. So just jumping on that I do definitely see the place for cost-plus contracts in TNM contracts especially on more of the type of basic research work and that's a road that we've explored and in fact, gone down. So I think just to add a little bit of color into what Florence said about how the additional business needs can be very can be very constraining or even cost-prohibitive for some small companies, our assessment at the outset of this journey, was that the cost to prepare our organization to be fully compliant with cost accounting requirements and other FAR and DFARS clauses it's in the hundreds of thousands over the first two years which includes salaries for.

[00:47:28] Required personnel that you need in order to administer these contracts and systems. I also think there's a cultural aspect. The industry partner has to change to comply with certain contract types and there's kind of balance in any organization between compliance and innovation.

[00:47:43] And as the scale tips towards compliance, it does become harder to recruit and retain the best engineers because they have their pick of environments to work in and their pick of companies to work for. And it, it definitely does present challenges in, in personal retention.

[00:47:59] **Eric Lofgren:** Some of the questions that I've actually been asked here, and I think this kind of gets back to as well, some of the stuff in other transactions, but there's two questions in one was like, do we need a centralized cadre for like agile contracting?

[00:48:12] And then another question was, there's also that new software cadre that came out of the national defense authorization act. Do we need these kinds of like special teams to help with the product ownership and like the business functions of this that are separate? Or is it actually like, Hey, we need the current.

[00:48:28] Those folks to all move in the same direction and kind of crawl, walk, run. So is it like a separate cadre or is it like a crawl walk, run Florence? I'll let you jump in first and then Eric and Kaitlin.

[00:48:38] **Florence Kasule:** So I want to take a step back and think through that question in terms of when we are, there are all of the agencies, it is everywhere.

[00:48:47] As Eric said, it's the highest spend. All of the agencies are buying some sort of it systems, solution software services. And all of these services, when you're building these kinds of digital products, it's highly collaborative. So if you centralize the.

[00:49:04] **How do you collaborate across the enterprise?** So I'm an advocate for crawl, walk, run, make sure that everybody support the crawlers support, the walkers support the runners, like all at each stage and make sure that they have the training that is necessary for them to jump to the next level. Because you we need to empower people to understand what they're buying and then learn how to buy it properly and how to administer and walk, whichever animal they're walking down the street, they need to know and learn how to do that.

[00:49:37] Centralizing it and creating, I think a specialized cadre of folks I think would potentially end up like creating a system where there's higher risk at the other eight at the other agencies that don't have that kind of. That kind of expertise, but I want to build the workforce up so that wherever, and I'm in the DC Metro area, there are people move agencies, every two to three to four years.

[00:50:04] I'd want people to have that. And then if they're finished within moving within the government, they move within industry. So I'd want people

to have that ability to move from agency to agency. And for us not to have this very specialized group, all in one area.

[00:50:18] **Eric Obergfell:** Yeah. Hey, so I'm a big proponent of range, right? The book range that talks about how just having a broad base of skills. As a contracting officer I started off as a weapon system buyer in space. Then I went to operational then defense and post award contract administration and DCMA then operational squadron, and then combat and commands twice.

[00:50:38] So I think there's lots of Skills that you need along the way, but if you have the foundation of contracting and non-farm tools, I think that's really where you got to go. I think the training that we get to continue to really grow with everyone is this sort of agile or dev sec ops type mindset of continuous integration and continuous delivery type mindset.

[00:51:00] How do we really get after problems faster? And that's really where I would push it. I think a lot of people put some stuff in there, like tech bar hub or training. I like to watch this. There's a lot of great DIU videos out there, Nick Chalan, I don't know what he did, but he did a lot of videos and they were fantastic.

[00:51:15] lot of great stuff out there. uh, You can learn a lot just by watching his videos. And I agree with with both the other panelists said about just bringing the whole team together Before in some of this training, I think there's breaking down the barriers. If you just did contracting folks in the training, then we're all going to see it from our own vantage point.

[00:51:30] If you just did PMs from their own vantage point, but bringing the team together and discussion some of the training, I think they're super, super valuable. And I think, just like category management, it tickle, when we were starting it, we had to have people that could look at do the business intelligence, look at what made sense to put into categories and managed by portfolios, like crawl, walk, run piece.

[00:51:47] So we have to make sure that we teach folks how to do the basics of putting together these types of contracts. And then we teach a larger group how to use these type contracts and then continue to proliferate until we're all running at hopefully at a very fast pace

[00:51:59] **Eric Lofgren:** great. And I love that you used one of my favorite words, Eric portfolio. We can move towards portfolio management at some point, but Caitlin, I w I want to stick with you, like some of this stuff that we're

talking about with agile, and maybe even like modular contract, we didn't get to some of those questions, but it almost, it feels like the paradigm is almost like government has this requirement and then you come out with these contracts.

[00:52:22] And you have a level of effort for awhile and then you move up through the stages and you get things developed and deployed and all that kind of stuff. But then there's, Eric also mentioned, the Palantirs and Andurils where they're just like, we're just going to build it and then sell it back to you guys.

[00:52:36] And they might have some of those types of contracts to do. And you can tell me more about this, but some of the, kinds of they have their own, enterprise tool. And then they build off of that for unique customer needs, but really the capabilities in that tool.

[00:52:50] And then the licenses that come from it. So it's one thing I struggle with in my mind is okay, if you're agilely and modularly iterating through these development contracts, where does that end? And where do you shift into this kind of asset service model or consumption-based model where you're actually selling a product. Or is it government just owns the whole thing and they're always paying through these little contracts for each, upgrade and development. How do you think about that consumption-based asset service model versus these kinds of level of effort, the modular software development models?

[00:53:22] **Caitlin Dohrman:** Yeah, absolutely. I really liked the as a service model, I would say, especially when it comes to dual use technology, there often is going to be some kind of like integration configuration last mile requirement to get something ready for the DOD. So I would see that either can be wrapped into a contract where customers purchasing the license and then the necessary configuration to fields and go live.

[00:53:46] Or you could do it separately as a services contract, for sure. But on the broader point, software is no longer a capital investment. It's a utility, it's a utility delivery. That has a lot of advantages under the right circumstances and government really shouldn't be left behind on that. I see a lot of demand to avoid these fixed capacity software contracts where the nature of usage, whether it's the number of users, the compute required, the storage it's dynamic, the requirement is dynamic.

[00:54:13] On the flip side, USG also needs cost predictability, even if they're paying on a consumption based model in arrears. So I think industry should be looking at a model with a ceiling within the fiscal year to avoid on budgeted overages. It's, I think it really encourages price, pricing, transparency,

commercial companies have to do a lot of work to get to a point where they can offer their software or their platform to customers as a service.

[00:54:38] It has to be transparent in the sense that. Your vendor has to instrument and collect all these usage metrics and they should be able to show you on a dashboard at the end of the month, how much you used. And that kind of takes a lot of work and drives considerable products investment to get there.

[00:54:51] And also, going back to an earlier point, I think that the vendor is incentivized to continue to produce the product so that you use more of it. And the company has to bet on themselves to say, yes, we're going to bring innovative product to the government. We're willing to do it on this model where we don't have either a minimum buy or we don't have a guarantee.

[00:55:10] you know, In terms of a three to five-year contract, So you could do things even our company, we're looking at providing synthetic environments as a service. So basically the government would gain access to the platform itself, as well as certain capabilities and content that have been integrated and tools for developing the actual end user applications, all available and hosted with a pretty quick delivery.

[00:55:33] So you can, some customers might want like a virtual world or synthetic environment with 10 million complex entities in a dense urban environment or something like that. It would be very expensive purely from a hosting environment. Just the bill for the compute alone would be considerable.

[00:55:47] So you want to be able to turn this on when you need it, turn it off when you don't, it doesn't have to be a persistent world. So this kind of model lets you just pay for what you use. You can separate out the cost for integration of new content. Going back to your point. So I do think it's something that's a great opportunity for governments working.

[00:56:05] **Eric Lofgren:** But just back to real quick, do you guys offer like a services model and then a product model? Or is that how it works for you guys? Okay. Hey Florence or Eric, jump in if on the same question, this kind of like services software, product development build versus like actually buying it as a service or consumption-based.

[00:56:24] **Eric Oberfell:** Yeah. One of my passions is really working with developing our younger contracting officers. And what we've been doing recently in the air force is sending them out to venture capital type companies,

trying to understand how venture capitalists invest, find a portfolio to invest into great, all these unicorns that we're reading about.

[00:56:40] That brings back to the point. What one of your previous guests Katherine Boyle had talked about is how do you know the frustration with VCs of bringing a technology to production? So we get, is it innovation theater, or are we actually getting some of these products and into production?

[00:56:54] And I would say, there are some success stories there where we're getting some small, non-traditionals to go into production with weapon systems more, probably at the ACAT three and two level. But when I look at some of the successes, they have been as a service type model and rather than a production type environment.

[00:57:10] I think there's some real interest there. And that's where we can get maybe venture capital on dual use technology to support that service when they. Hey, this is a service that DOD is interested as well as the rest of the world. So they're going to put in some money to really scale some of that development.

[00:57:25] So I think as a service to us is interesting. And I think that fits right in with another one of your gas Christian bros . When you wrote the book to kill chain, we talk about, divesting of some of our legacy weapons systems to get after higher volume where a treatable type weapon systems.

[00:57:39] So what does that look like? Could some of those be as a service or what have you, or a system integrator type piece? So I think there's getting a little bit off the software path talk, but I think there is as a service discussion, as we look at, venture investment, as well as what does our future weapons systems look like

[00:57:55] **Eric Lofgren:** How about some final thoughts and we'll start with you Florence.

[00:57:58] **Florence Kasule:** Okay, great. I think in the realm of innovating and trying to all improve, I would encourage anybody in leadership here and anyone who is new to the field leadership, ask your people questions, what's working, what's not working. There was a customer experience EO that was issued back in December.

[00:58:17] And in that it was about asking and making sure that we send to. People in all of the requirements that we do. And I want to pull that back a little bit to make sure that the acquisition force is also supported and part of that

process, so that we are asking our acquisition force, what is working in, what is not working?

[00:58:38] How do we improve ourselves in the process? Just like we are, we improve and do agile software development to impart and put on top of our acquisition process processes a re-evaluation of what is working and what is not working, asking ourselves, how do we improve those acquisition processes in order to support the different missions that our offices are supporting?

[00:59:02] That's one and also doing an analysis of what are the local policies that we have that are, that may not be serving us anymore. I love Eric's organization's idea around sending people out to venture capital and you're sending them out into industry to learn do the work, to educate our workforce as much as possible in order for us to be true business advisers so that people know when they're sitting across the table from teams at improbable or teams at any of the other firms that are out there that they're as informed as possible about the.

[00:59:37] Of those firms in order to understand how do we make sure that we are all good partners and fiduciaries to protect the taxpayer dollar and meet the different mission needs. I'm very big on training. I support my team, like whatever training you want to go on, please go because it's, it makes you better.

[00:59:56] It makes us better. It makes people happier and much more confident in the work that they do. And I think , it is a boon to everyone. If they get as much training and on the ground or elsewhere in the world, as they need.

[01:00:10] **Eric Lofgren:** Thanks, Caitlin.

[01:00:11] **Caitlin Dohrman:** Yes. I'm very excited with some of the momentum that's really starting to pile in behind more modular contracting ways of doing modern software development and DevSecOps.

[01:00:21] With DOD, I think there has been very positive momentum. Even though we still have work to do. And I just come back to the benefit to the government. What is the benefit of getting uncomfortable in doing things in a new way, working with the kinds of companies you don't normally work with? The benefits are that together industry and government teams can get working software to users.

[01:00:40] We do, we reduce the risk either the risk of, something not working or being obsolete by the time that it actually gets fielded. We also moved some

of the risks on to industry and these, in some of these approaches that we've talked about and it gives DOD access to the innovative technology that I think they really need.

[01:00:57] So overall, really excited about this direction. And now, please, to see conversations like this going on.

[01:01:04] **Eric Lofgren:** Thank you. Thanks Kaitlin. And the far says it right there, right? Modular contracting reduces risk. So Eric, over to you for the final word, and I don't want to steal your thunder, but you were interested in the the mastering, the baseline piece.

[01:01:17] So if you have any also like success or thoughts on this aggregating systems into, and then separately contracting for those technical pieces would appreciate your insights there as well.

[01:01:29] **Eric Obergfell:** Okay. I'll start from there. The one of the key leaders at a Kessel run just at south by Southwest last weekend was pointing out how important it is to own the integration piece.

[01:01:39] So the continuous integration piece, so we can have contractors doing a lot of the build through modular type contracts or teams, but that integration piece, where we're actually looking at the validating the code and going back and identifying errors and then sending it back for further builds and improvements.

[01:01:53] So when important, and what I see that is mastering the baseline, that integration piece. When we look at our software factories owning that integration and not outsourcing or outsourcing the baseline outsourcing the integration piece is something to really consider. I'll leave that at that point.

[01:02:07] So we can talk further if you're interested on mastering the baseline, because that goes to a lot of our different programs, but that's the software piece. If I want to just hit on two points here. And as I wrap up. I love to talk about what other leaders have told me. Here's another Juul that I got **respect plus trust, equal opportunity**.

[01:02:23] So in this dev sec environment, that's that op environment between the contractor supporting us, the teammates. There are government coders out there in the leader. I have to have that respect and trust. That's, what's going to create the opportunity for us to move fast and create software that works.

[01:02:39] So that's super important. And then one of the things I learned as a leader coming up through major commands is I was very big on using lean, coming in with a deliberate innovation strategy. And as I found in chaotic environments that need to move fast, that doesn't always work.

[01:02:54] So I had to pick up two on an emergent innovation strategy, and I found that there's a lot smarter people executing at the lower levels than me. So when I'm creating policy, I needed to actually watch what they were doing, figuring out what was working and then figure out how to scale it as fast as I possibly could.

[01:03:11] So I really encourage leaders at all levels to look at what's the emergent innovation strategy I need to take. And then figure out how to scale it fast. It goes back to what Florence said is really just give the training to the people out there. And then trust them and let them go. And then when I went, once you see what's successful, scale it as fast as you can.

[01:03:28] And thank you very much, Eric. I encourage you to keep this exciting acquisition talk, these webinars going. I love it. I'm always looking for the summary every week and all the exciting guests that you have. Thank you very much for having me on Android to talk today.

[01:03:42] **Eric Lofgren:** Thanks so much for that, Eric and a Florence Caitlin's it was great to have you guys on really appreciate it.

[01:03:47] It was a great discussion. Again, acquisition. Next is a report. I it was a really great time and we'll see you in the future.

[01:03:55] This concludes another episode of acquisition. Talk, if you have comments, interview recommendations, or just want to chat, please contact us@acquisitiontalk.com. Thanks again. And until next time.