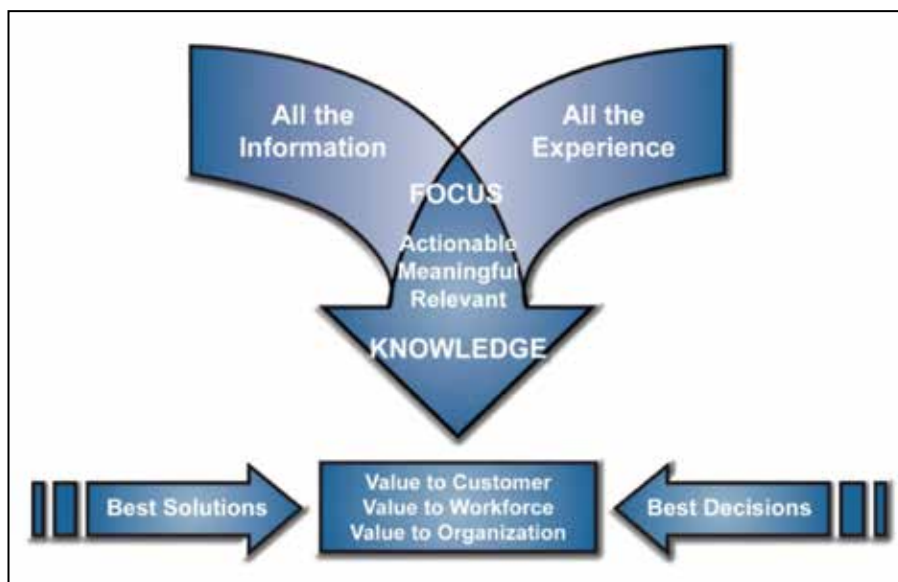


Breaking the Code on Creating and Implementing Effective Contracting Policy: Listen to Your Workforce and Leverage *What They Know* About Implementing Policy

BY BILL KAPLAN

While contracting workload continues to increase, agency staffing for contracting officers and contract specialists is not keeping pace.¹ In many agencies, a critical function—contracting policy—has been marginalized or eliminated in order to focus the remaining and diminishing resources on the increasing obligation and contract award workload. Federal agencies often neglect their contracting policy functions to the detriment of the entire organization, the workforce, the public, and the contracting process.

FIGURE 1.



The U.S. federal government consistently issues broad, governmentwide, contract-related initiatives in the form of legislation, regulation, policy, or Executive Order, including agency supplemental regulations to the *Federal Acquisition Regulation (FAR)* or implementing instructions for the many Office of Management and Budget and Office of Federal Procurement Policy memoranda. Agencies also issue contracting policy guidance to support agency initiatives.

Many agencies are challenged in issuing timely guidance to their contracting workforce necessary not only to support the implementation of these initiatives, but also to assist

the workforce in making the best business decisions around their implementation.

Innovation in Policy Development and Implementation Is Needed

A comprehensive and innovative solution to re-engage and redevelop agency policy mechanics is necessary. Simply stated, but not simply done, the answer is to listen to the contracting practitioners and leverage what they know and are learning about policy implementation. The logical question is “Why is this innovative?” The answer is, “Because we don’t really do it effectively.” No, we really don’t.

Leveraging the Knowledge of Your Agency Workforce is Necessary

It is imperative that we recognize that contracting workforce knowledge consists of two components:

- *Explicit* knowledge, which is codified, searchable, and accessible directly through many means; and
- *Tacit* knowledge, which is personal, in peoples' heads, and not as easily accessible.

FIGURE 1 on page 12 reflects this concept of knowledge.

The *FAR*, regulations, policies, training courses, binders all over your desk...all of this is explicit knowledge—i.e., information. How the *FAR* is applied, how contracting decisions are made, connecting the dots...all of this is tacit knowledge—i.e., experience. We know that organizations that can effectively leverage not only the information in

their organization, but also the experience in their organization, will make better decisions, solve problems and challenges more effectively, and adapt to change much more effectively.

Experience demonstrates that the ability to “consistently leverage what you know about what you do as a part of the work process and workflow” is a “cost-effective” multiplier for improving contracting processes, especially policy development. Consequently, *policy development* or *policy change* should be “knowledge-based” so that the direct and collective input from those that have the responsibility for executing the policy *and* who are most impacted by the outcome of the execution of that policy can share what they know about policy implementation and effectiveness. These contracting “practitioners” will have critical knowledge in the form of learning or insight that can guide the ability to more effectively shape policy. The result is a policy implementation outcome that is more easily achieved and effectively managed over time.

Working with many contracting organizations to capture their knowledge from the execution of their contracting processes, make sense of this captured knowledge, and then use this knowledge to make changes in how their contracting processes are executed demonstrates the value of a knowledge-based “performing and learning” model in contracting. What follows not only can be the development of new policy or a change in the policy based on learned lessons, but can also be a change in the training associated with that process that is necessary to embed the policy into how the work gets done. What has been learned from policy execution in the past can drive policy development or change, and policy development or change can drive changes in execution and training. This model for “Operationalizing Learning,”² aligning process, execution, learning, and training, when applied to the policy development and implementation process, can drive a relevant and effective high-performing policy organization.

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Integrating this knowledge management capability with policy development not only reduces the time it takes to craft, define, and execute new or changed policies, but also provides a sustainable mechanism for improving the effectiveness of policy management based on what can be quickly learned from the execution of policy in the field.

Getting to “Effective”

One challenge contracting policy offices face is the effective development and implementation of policy.

First, a current state assessment is one way to get a grip on exactly how effective policy development and implementation is in an agency. This assessment includes the following components and is tailored based on the following:

Creating a baseline:

- Understand your mission, challenges, and issues;
- Review organizational alignment, policies, processes, and measures;
- Recommend updates/revisions and new polices; and

- Codify this as your starting point.

Leading practices evaluation:

- Research and apply leading practices,
- Compare agency contracting policy practices with other government agencies and commercial policy/compliance operations, and
- Baseline your initial observations and share broadly with leadership.

An important part of the assessment is a survey of agency policy “customers” to determine user satisfaction and needs with respect to contracting policy and policy support. A policy organization could through many channels elicit input from across the agency that would be used in collaboration with the policy office to focus the efforts of the office on the most-needed, highest-return improvements.

Once recommendations for process improvements and needed policies have been accepted and prioritized by the agency, begin making carefully considered changes as part of a larger strategy for improvement.

Another component of effective policy management is the oversight of implementa-

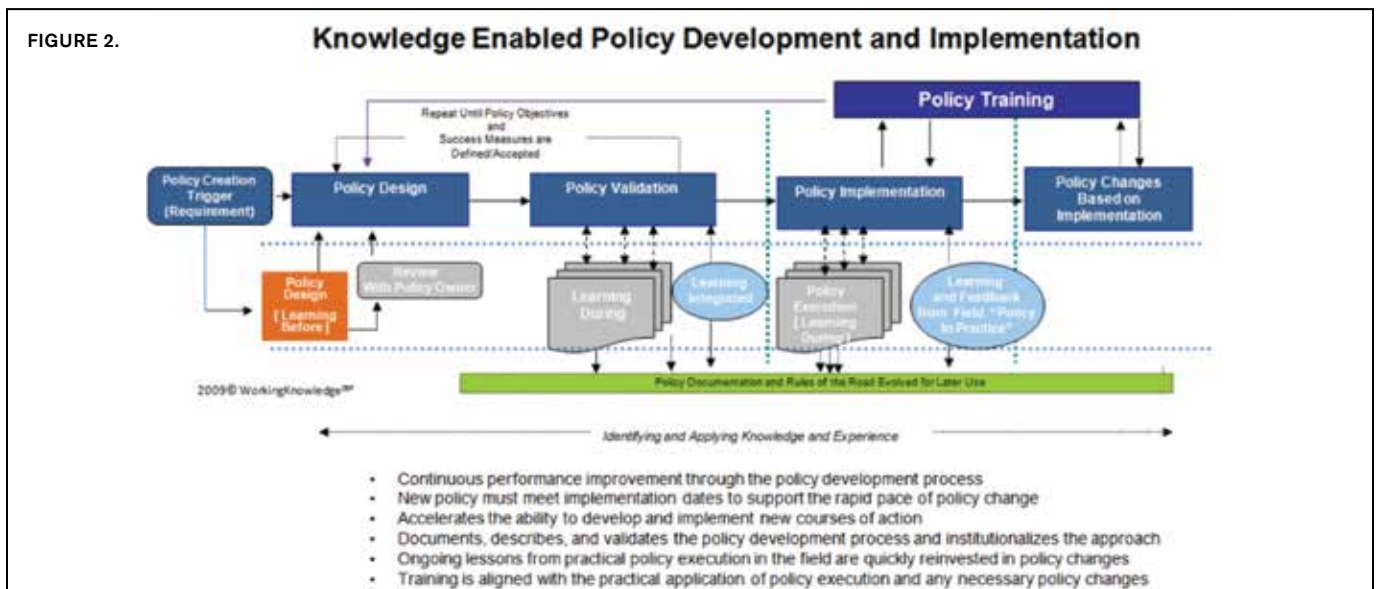
tion. Whether oversight is a function of the specific policy office or another organization, simple, measurable, context-relevant criteria are required to assess the value and effectiveness of these changes.

Consistent Processes and Outcomes

Integrating effective and context-driven knowledge management practices within the agency contracting policy office will deliver more effective contracting and acquisition outcomes, specifically in researching, reviewing, assessing, issuing, and overseeing the implementation of governmentwide and agency-specific regulations and policies.

FIGURE 2 below illustrates a solution.

This innovative, repeatable, and knowledge-based approach (Operationalizing Learning) to policy development and implementation not only reduces the time it takes to craft, define, and execute new or revised policies, but is also a necessary mechanism for improving the effectiveness of policy management based on what can be quickly learned from execution of policy in the field and reinvested. Through the alignment of a process, execution of the process, and the training needed to successfully implement the process, overall policy development and





execution can be significantly and measurably improved.

In summary, a policy trigger begins the process. The policy development team (or individual point of contact) searches broadly (learning before) for similar policies that could be relevant or adapted to the current effort before beginning the policy design process. The draft policy is validated in the field and through ongoing “action” reviews (learning during), the policy is refined prior to implementation. Once the policy is implemented, contracting teams share what is learned about actual operational (field) implementation so that any required policy changes can be timely made. Concurrently, training is designed, developed, and delivered to the agency contracting workforce that eventually includes lessons learned from policy implementation so that the most current graduates of the training are being trained based on the most current

application in the field. Additional insights from experience gained in policy application, as well as specific policy subject matter content, are reinvested in future policy design and development.

Listen to the people who know and leverage their insights and experience to create more value and relevance from your contracting policy operations! **CM**

ABOUT THE AUTHOR

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ENDNOTES

1. See www.fai.gov/drupal/humancapital/quarterly-workforce-metrics.
2. Copyright WorkingKnowledge^{CSP}.