

EBOOK

Forecasting for a Better Tomorrow



An excerpt from the
2023 Gauge Report

ABOUT THE GAUGE REPORT

Forecasting is at the heart of this year's GAUGE because it can have a profoundly positive impact on GovCon firms. However, successfully implementing forecasting can be a huge challenge; it requires people and technology across the organization to be in alignment, starting with the project and finance teams. They need to be connected, openly communicating, and in sync to a single source of data.

To help you meet this challenge, each chapter of the seventh edition GAUGE includes important tips, techniques, and tools designed to help enable your company to produce various types of forecasts that provide a true, trustworthy indicator of the direction your business is heading and how best to mitigate the risks it faces.

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SURVEY RESPONDERS SPAN THE INDUSTRY AND ORGANIZATION

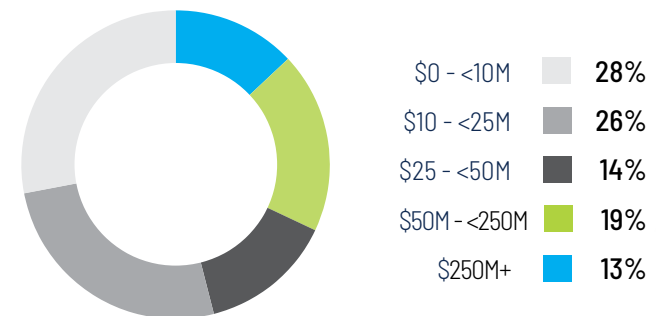
The findings in the seventh edition are based on 1,180 survey responses gathered from a variety of government contracting professionals that represent a full cross-section of the GovCon industry in terms of firm size (employees), annual revenue, and set-aside designation.

The broad range of perspectives gives us a high degree of statistical confidence that the findings in our report are fresh, accurate, relevant, and valuable. Survey responses were gathered between February and May of 2023.

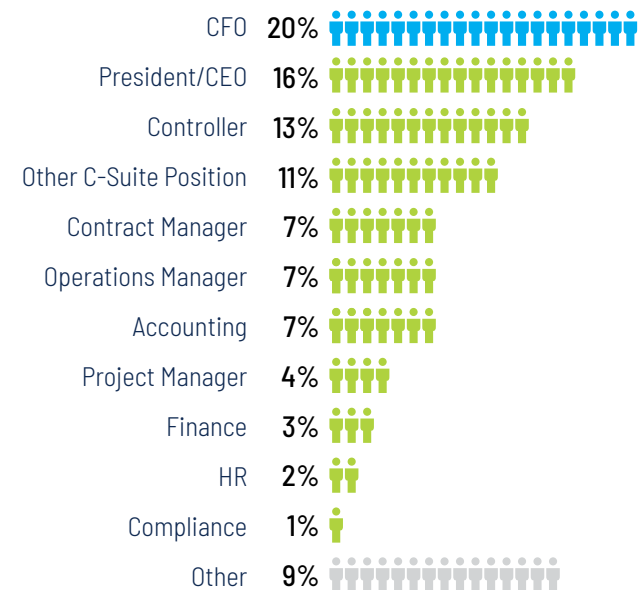


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Respondents by Annual Revenue



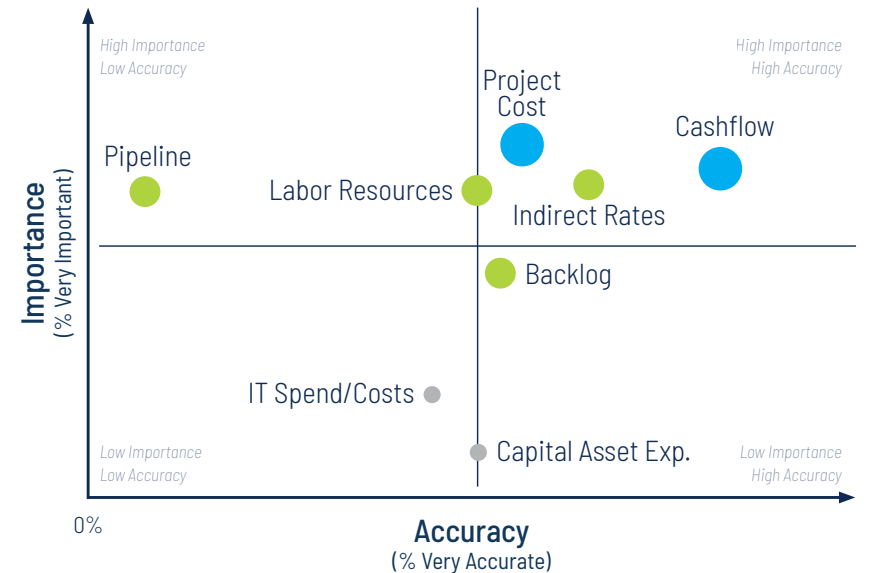
Respondents by Job Title



IMPORTANCE + ACCURACY

Most respondents said that their ability to forecast was important to running a successful and profitable business.

Unfortunately, almost one-quarter of respondents question the accuracy of their own pipeline forecasts, and less than one-fifth believe their forecasting to be very accurate.



Size represents frequency of forecasts
(based on % reporting monthly or more often):

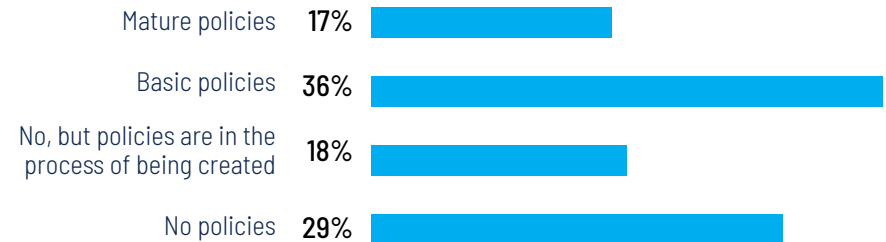


A LACK OF POLICIES IS LEAVING FIRMS BEHIND

Almost half (47%) of companies have no forecasting policies whatsoever or are in the process of creating them.

Only about one in five firms have forecasting policies that people strictly follow. While more firms appear to rely on top-down inputs rather than bottom-up inputs for forecasting, and each has their respective strengths and weaknesses, both planning approaches deserve a place in a firm's processes and business decision-making.

Does your organization have policies on forecasting?



7 REASONS TO IMPROVE YOUR FORECASTING

01 Creates improved visibility, and control over enterprise resource needs and utilization.

02 Enhances improved predictability and understanding of overall performance.

03 Optimizes project management staff freed to focus more on the customer and less on turning the crank.

04 Strengthens communication within and between project teams and senior leadership.

05 Provides for easier implementation of organizational standards to help ensure consistent reporting, reduce work, and reduce dependence on “heroes”.

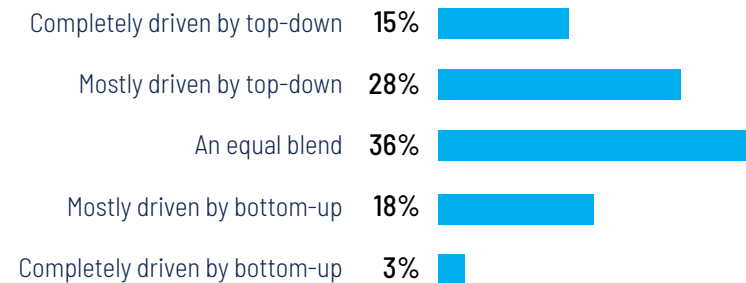
06 Generates valuable real-time insight into project financials and enables firms to take proactive steps to address identified risks.

07 Leads to more delighted customers because their projects more consistently deliver value and are on-time and on-budget.

THERE IS NO ONE SIZE FITS ALL

In fact, a good number of respondents (36%) use a forecasting approach that blends the two top-down and bottom-up approaches to forecasting.

To what degree is the forecasting in your organization driven by inputs from leadership (top-down) versus managers and lower (bottom-up)?



BOTTOM-UP PLANNING REQUIRES OPEN COMMUNICATION

Bottom-Up Planning

Bottom-up planning (Grassroots) is based on open communications with key parties in a project. It entails asking those who are close to the project, including the customer and subcontractors (project managers, functional managers, control account managers, etc.), about their needs from a resource perspective, what they perceive to be the risks and opportunities associated with the project, and what they perceive as constraints (limited skill sets, technical challenges, etc.). All that information is rolled up to provide an unbiased forecast.

Benefits:

- Project teams work to establish a cost and schedule forecast
- Fosters communication and buy-in for the plan at the project level
- Potentially more accurate at the project level
- Provides key insights into constraints and/or risk

Pitfalls:

- Cycle time to complete planning will be longer due to the detailed nature of the planning
- The scope of the contract or project must be crystal clear
- It may not tie back to overall corporate goals
- It may keep a firm from exploring alternative pathways to meeting corporate goals

TOP-DOWN PLANNING REQUIRES BUY-IN & TRANSPARENCY

Top-Down Planning

In the process of top-down planning, the objectives and path to achieve goals are driven from the top. High level goals are determined and an approach to meeting them is established. These goals are then pushed down through the organization to develop a detailed course of action to achieve the desired outcome.

Benefits:

- C-Suite leaders typically develop the plan, so their buy-in is assumed
- It's generally quick, involving a shorter cycle time
- Usually aligns tightly with the corporate strategy because it's executed by the same leaders that developed it

Pitfalls:

- A lack of understanding within the C-Suite of issues and risk at the project level
- Buy-in from project managers could be low because they lack input in the process
- Top-down mandate requires people to back in to the resource plan

IMPROVE YOUR FORECAST DOWNLOAD THE FULL REPORT

Lead by Forecasting

Read the seventh annual GAUGE Report to gain valuable insights into the latest best practices and trends for the GovCon industry - with a focus on how better forecasting can transform your business.



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AFTERWORD



A Big Thank You!

We owe a huge debt of gratitude to the GovCon community who took the time to share their insights and data for the 2023 GAUGE Report. This report happens because of you! Our goal with the GAUGE Report is to create a relevant, insightful, timely, and widely accessible benchmarking resource for the government contracting industry; one GovCon execs can trust our report for reference, perspective, and guidance in their decision-making.

About CohnReznick

A leading advisory, assurance, and tax firm, CohnReznick helps forward-thinking organizations achieve their vision by optimizing performance, maximizing value and managing risk. Clients benefit from the right team with the right capabilities; proven processes customized to their individual needs; and leaders with vital industry knowledge and relationships. Headquartered in New York, NY, with offices nationwide, the firm serves organizations around the world through its global subsidiaries and membership in Nexia International. For more information, visit www.cohnreznick.com.

About Unanet

Unanet is a leading provider of project-based ERP and CRM solutions purpose-built for government contractors, architecture, engineering and construction firms, and professional services firms. More than 3,700 project-driven organizations depend on Unanet to turn their information into actionable insights, drive better decision-making, and accelerate business growth—all backed by award-winning support delivered by a people-focused, forward-thinking team for whom the success of your projects, people, and financials is paramount. For more information, visit www.unanet.com.

Contacting Us

Have questions or feedback regarding the 2023 GAUGE Report? Want to share your insights by taking part in the 2024 survey? We welcome feedback from you. We'd love to hear your suggestions and ideas for how the GAUGE Report can work for you. Here's how to reach the co-authors:

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