Report

Government Contracting State of the Industry & Outlook 2025

Key Insights and Emerging Trends on Stakeholder Engagement, Data Optimization, Operational Efficiency, and AI from Industry Leaders



VisibleThread.com

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Introduction

This State of the Industry report provides an in-depth exploration of the latest trends in stakeholder engagement, data management, and operational efficiency. It also focuses on the transformative role of artificial intelligence (AI) in government contracting.

VisibleThread reached out to our extensive community of customers and followers, as well as numerous GovCon organizations, to capture a broad spectrum of insights from industry professionals. Through this comprehensive engagement, we've gathered invaluable input from industry experts, providing a forward-looking perspective on the strategies and trends shaping the GovCon landscape for 2025. These findings reveal how leading organizations are adapting and succeeding in a fast-paced, evolving environment.

We sincerely appreciate all participants who shared their expertise and helped us develop this insightful report. Your contributions are instrumental in driving the future direction of our industry.

According to the Deltek 2024 Clarity Government Contracting Study, 54% of government contractors reported higher revenue in 2024, with 62% expecting continued growth in 2025.

54%

of government contractors reported higher revenue in 2024.

62%

Expecting continued growth in 2025.



About Our Survey Participants

To everyone who took the time to participate in this survey. Your insights and perspectives are invaluable, and they have helped shape a comprehensive understanding of the current landscape in government contracting. This report would not have been possible without your contribution, and we deeply appreciate your input.

The respondents bring a wealth of experience to the table, with 60% having more than 10 years of experience in government contracting. Another 25% have between 5-10 years, and 15% have less than 5 years. This diversity of experience offers a well-rounded perspective, ensuring that our findings reflect both seasoned veterans and emerging voices in the industry.

We also had a wide representation from organizations of different sizes. Small businesses with fewer than 100 employees made up 40% of the respondents. Mid-sized companies with 100-500 employees accounted for 30%, and the remaining 30% represented large organizations with more than 500 employees. This distribution ensures that our survey captures the distinct challenges and opportunities faced by both small contractors and larger enterprises.

Regarding areas of focus, 45% of respondents indicated their primary efforts are in technology and IT services. Another 30% are focused on professional services, while 25% are involved in defense contracting. This aligns with the current priorities in the industry, where digital transformation, security, and innovation are key drivers in government contracting.

Once again, thank you to all the professionals who contributed their time and expertise to this survey. Your feedback has provided us with a clearer view of the opportunities and challenges ahead. We look forward to continuing this journey with you as the industry evolves.

Business Size Breakdown

Technology & IT Services
45%

Professional Services
30%

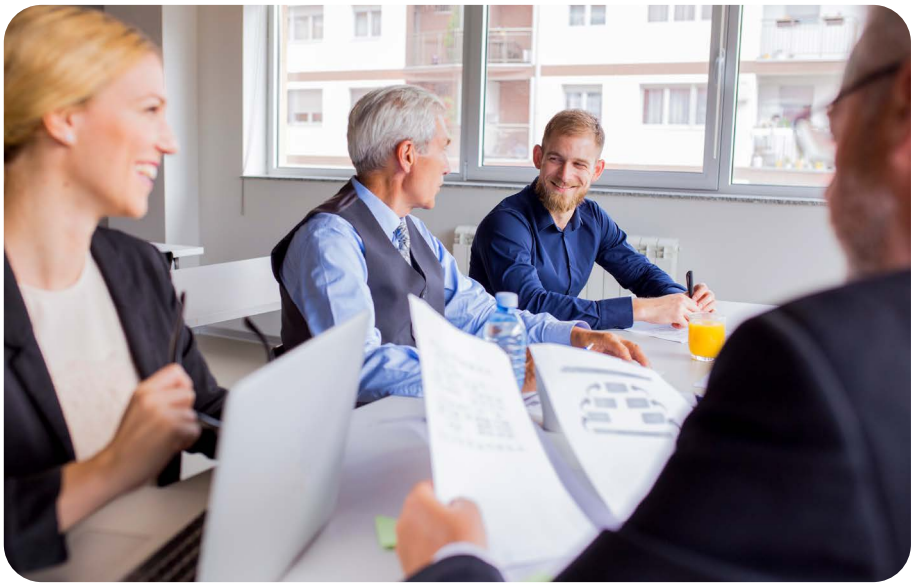
Defense Contracting
25%

Primary Focus Areas

Small Businesses (<100 employees)
40%

Mid-sized Companies (100-500 employees)
30%

Large Organizations (>500 employees)
30%



What to expect

This **industry** report is designed to provide government contractors with the most critical insights and trends shaping the industry today. Based on our survey data from professionals across the government contracting space, the report focuses on five key areas. **Stakeholder Engagement, Data Management, Efficiency, AI Adoption, Burnout**. These areas are crucial for success in GovCon, where staying ahead means combining technology innovation with strategic planning and operational efficiency.

- **Stakeholder Engagement** is at the core of any successful government contract. Without buy-in projects can fail or be delayed. This section helps you understand key challenges and strategies for securing cooperation.

- **Data Management** is the backbone of effective decision-making in government contracting. As contracts get more complex, accurate and consistent data management ensures compliance, reduces errors, and drives success. This section shows the latest practices to improve your data management skills.

- **Efficiency** in operations directly affects project timelines and return on investment (ROI). By reducing inefficiencies, you can boost profitability and quality of service for government clients. This section helps you identify common inefficiencies and offers solutions to streamline your processes.

- **AI Adoption** is emerging as a game-changer in the industry, offering the potential to automate tasks, enhancing decision-making, and improving performance. However, concerns about data security and readiness remain. This section explores AI's potential and barriers to adoption in GovCon.

- **Burnout and inefficiencies** in Government contracting. The industry faces operational challenges and widespread employee burnout. This burnout is due to high workloads, unrealistic deadlines, and a lack of support. Stress is common, making it essential to address these issues.

We chose these sections because they represent the biggest challenges and opportunities that contractors are facing today.

Each area is crucial for helping organizations stay competitive, work effectively, and leverage new technologies in a changing market.

Let’s dive into the report...

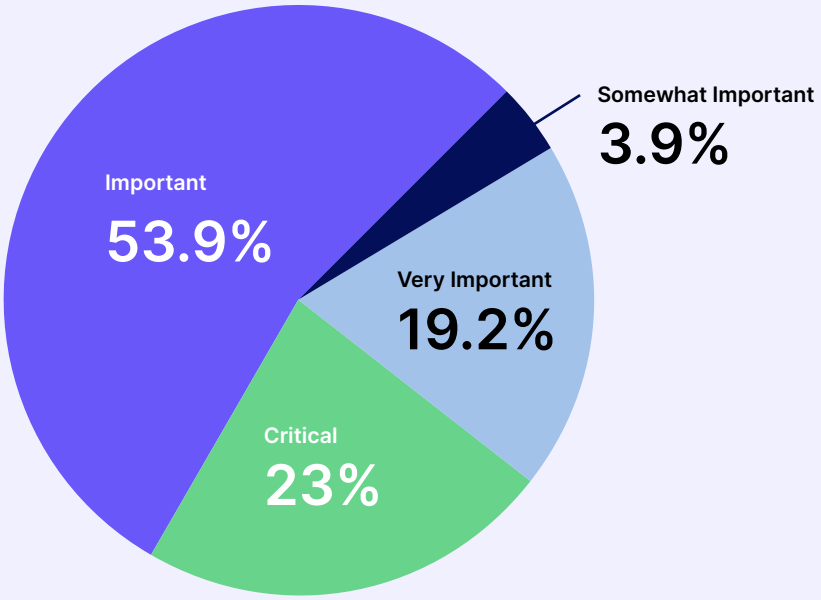
Stakeholder Engagement:

Driving Buy-In and Fostering Cooperation Across Your Organization

"You'll be helping to drive team alignment. You'll be building trust with those people that you work with and work for. You'll be participating in crafting a shared vision..."

Cynthia Bruce - *Associate Director and Bid and Proposal Strategist*
Precise ParkLink

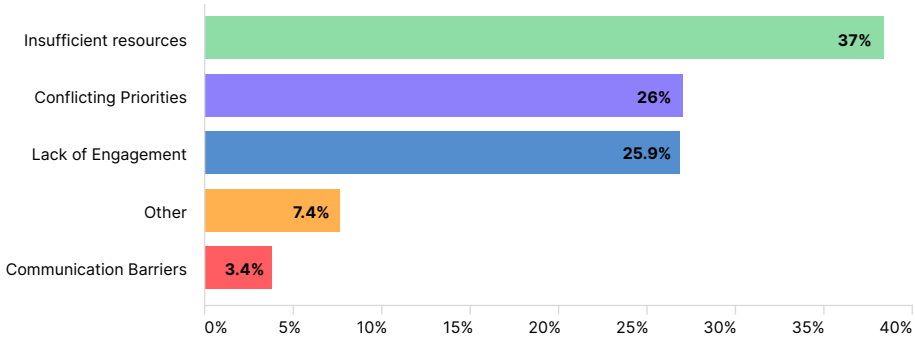
How important is stakeholder buy-in for the success of your projects?



- A majority of respondents emphasized that securing buy-in from stakeholders is essential for project success, especially in government contracting. Without strong stakeholder engagement, projects are more likely to face delays, misaligned objectives, and even complete failure. Poor buy-in can lead to confusion, a lack of accountability, and a breakdown in communication. This hinders a contractor's ability to deliver on time and within budget.
- To overcome these challenges, contractors should prioritize clear and consistent communication. This ensures that stakeholders understand the project's value and their role in its success. Aligning goals, addressing concerns early, and creating shared ownership of outcomes are key strategies to foster cooperation and mitigate risks. By investing in these areas, organizations can significantly reduce delays, improve collaboration, and enhance overall project success.

What is the biggest challenge you face in aligning organizational goals with stakeholder expectations?

In government contracting proposal teams, aligning organizational goals with stakeholder expectations is key to winning contracts and ensuring project success. The data highlights several significant challenges that teams must overcome:



- **Insufficient Resources (37%):** The lack of resources is the biggest barrier for proposal teams. To address this, organizations must allocate dedicated proposal staff, invest in tools that streamline proposal writing, and prioritize cross-functional support. Ensuring teams have the capacity and tools to meet proposal demands can significantly improve outcomes.
- **Conflicting Priorities (28%):** With multiple projects and departments vying for attention, conflicting priorities can derail proposal efforts. The solution lies in stronger leadership alignment—establishing clear priorities across departments and aligning them with the proposal's strategic importance. Structured decision-making processes and defined accountability can help ensure that proposal teams have the focus they need.
- **Lack of Engagement (25.9%):** Stakeholder disengagement hinders progress, making it difficult to meet deadlines or align on key objectives. To solve this, fostering early and consistent communication with stakeholders is critical. Proposal teams should set regular touchpoints and provide transparency on progress. Additionally, they should highlight the value of stakeholder input at every stage to increase buy-in and cooperation.
- **Communication Barriers (3.7%)**: While not the top concern, communication remains vital. Proposal teams can benefit from investing in collaboration tools that enhance communication between departments, ensuring all parties stay informed and aligned. Regular, clear, and concise updates can further minimize misunderstandings and delays.

By addressing key challenges, such as boosting resources and aligning priorities, government contracting proposal teams can enhance their efficiency. Additionally, increasing engagement and improving communication will further contribute to this enhancement. This approach will also improve their chances of winning contracts in an increasingly competitive landscape.

Feedback from survey respondents:

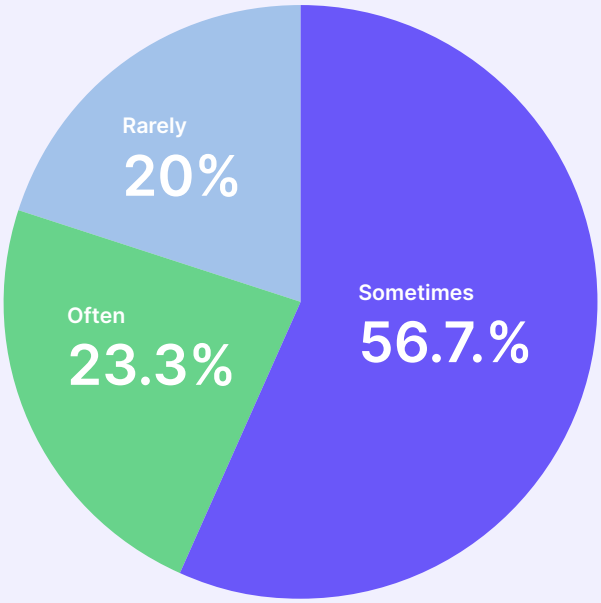
What skills do you believe will be most critical for future success in government contracting?

"Negotiation and communication."

"Leadership and management."

Effective leadership is critical as the industry adapts to new technologies, processes, and workforce dynamics. Leaders who can manage change while motivating teams will be essential for future success in the GovCon sector.

How often do you encounter resistance when trying to gain buy-in from stakeholders?



23.3%

respondents reported encountering stakeholder resistance "often"

56.7%

experienced resistance "sometimes"

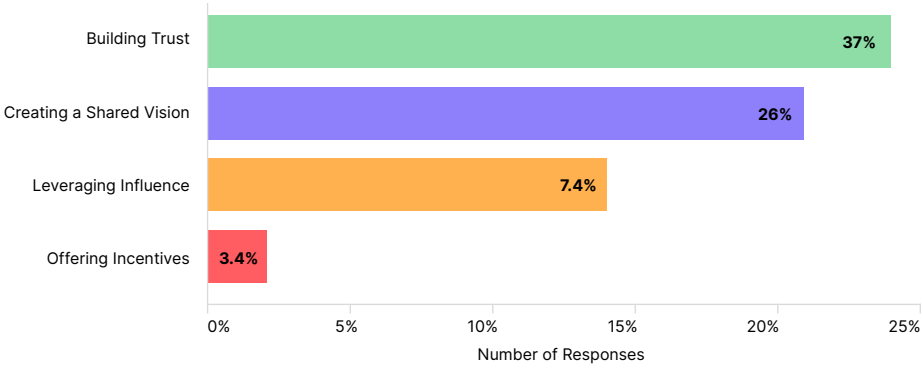
Nearly 23.3% of respondents reported encountering stakeholder resistance "often," while a significant 56.7% experienced resistance "sometimes." This demonstrates that resistance is a common challenge for proposal teams. This is especially true in government contracting, where multiple stakeholders often have competing priorities. Overcoming this reluctance is crucial, failing to gain buy-in can lead to project delays, misaligned goals, and missed opportunities.

When organizational objectives don't align with stakeholder expectations, resistance is inevitable. This often stems from a lack of clear communication, misinterpretation of goals, or uncertainty about roles and responsibilities. Without early and consistent engagement, projects can quickly go off track, resulting in stalled progress or failure to meet critical deadlines.

The good news? Solutions are within reach. Clear, transparent, and consistent communication is key to minimizing resistance. By actively listening to stakeholder concerns and addressing them early on, proposal teams can significantly reduce pushback. Additionally, fostering a sense of shared ownership helps further minimize resistance. Additionally, leveraging data and aligning project goals with stakeholder interests can demonstrate value, further encouraging cooperation.

In the competitive GovCon market, effective stakeholder management isn't just a soft skill—it's a key differentiator. Organizations that invest in building stronger, more collaborative relationships with stakeholders will set themselves apart. This investment will also enhance their ability to secure contracts and deliver successful projects.

What strategies have been most effective for you in gaining stakeholder cooperation and support?



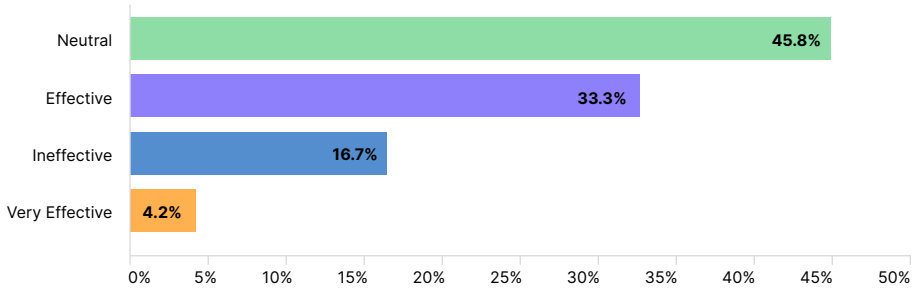
- Building trust establishes a solid foundation for collaboration, while a shared vision aligns everyone's goals and expectations. Leveraging influence helps navigate complex stakeholder dynamics and ensures critical buy-in from decision-makers. Together, these strategies drive cooperation and reduce friction. They also contribute to the overall success of projects by ensuring all parties are working toward the same outcomes.



Data Management

Ensuring Accuracy and Consistency

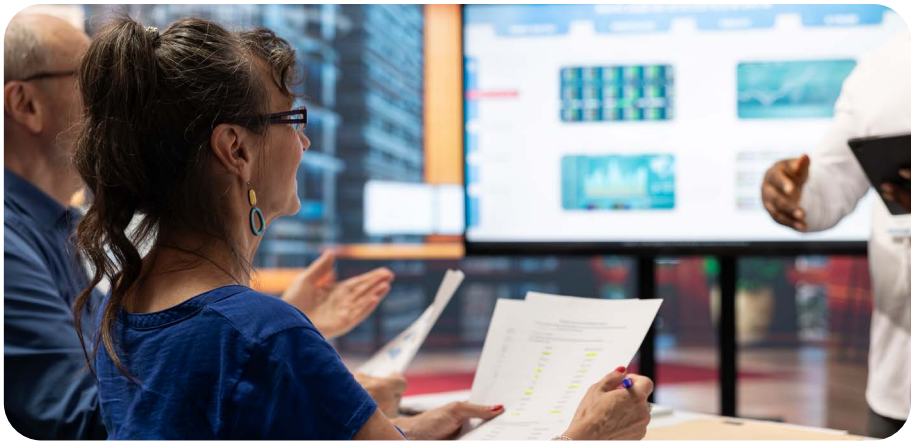
How would you rate the effectiveness of your current data management practices?



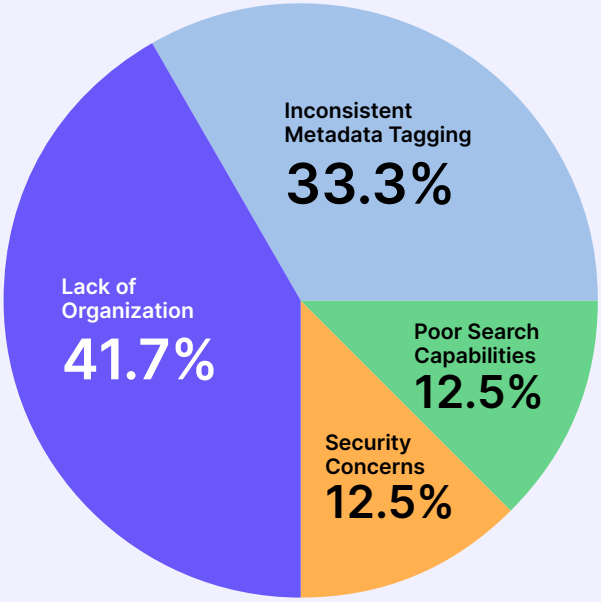
- Only 33% of respondents rated their current data management practices as effective, signalling a significant opportunity for improvement. Nearly half of respondents indicated a neutral stance on their practices. This suggests that many organizations are operating in a grey area, where data management is functional but not optimized for success.
- In government contracting, the ability to make informed decisions quickly and maintain compliance hinges on robust data management. To enhance effectiveness, companies must prioritize upgrading their data tools, systems, and processes for greater accuracy, consistency, and accessibility. Finding, organizing, and referencing the right data can be a critical bottleneck. This is especially true under the tight deadlines typical in contracting cycles.
- Inefficient data management can lead to poorly sourced information, which undermines the quality of proposals and compliance efforts. By investing in advanced data segmentation, better reference tools, and streamlined processes, organizations can ensure their data is actionable and compliant. This also makes sure the data is ready when needed.
- In an increasingly data-driven GovCon landscape, strengthening data management capabilities will reduce errors and improve proposal quality. This enhancement will also give organizations a competitive edge in securing future contracts.

33%

of respondents rated their current data management practices as effective, signalling a significant opportunity for improvement.



Which data management challenges does your organization face most frequently?



The most significant data management challenges reported are Lack of Organization (41.7%) and Inconsistent Metadata Tagging (33.3%). These issues are common among companies working with the government. Data from different systems often fails to integrate smoothly, leading to inefficiencies.

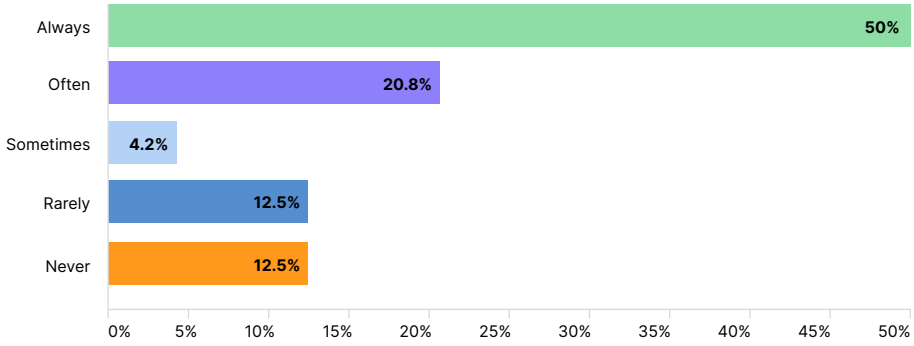
Data accessibility is crucial in government contracting, where timely action is critical. As organizations begin to leverage AI search technologies, disorganized and disconnected data storage poses a major risk. This makes crucial information difficult or even impossible to reference. You must structure resource libraries and properly tag them to ensure that AI can quickly and accurately locate relevant content. Without consistent metadata tagging, AI tools may struggle to search effectively, delaying the proposal process and diminishing the quality of responses.

Looking forward, organizations need to prioritize data organization. This is a key enabler for harnessing the full potential of AI and automation in the GovCon sector. Improving search capabilities and ensuring data consistency will streamline operations. This will also provide a competitive advantage by enhancing accuracy and response times in critical projects.

"Information is the oil of the 21st century, and analytics is the combustion engine."

Peter Sondergaard, *Senior Vice President and Global Head of Research at* **Gartner, Inc.**

How often does your team use SharePoint or similar platforms for managing government contracting data?



70%

of respondents indicated that they frequently use platforms like SharePoint to manage government contracting data.

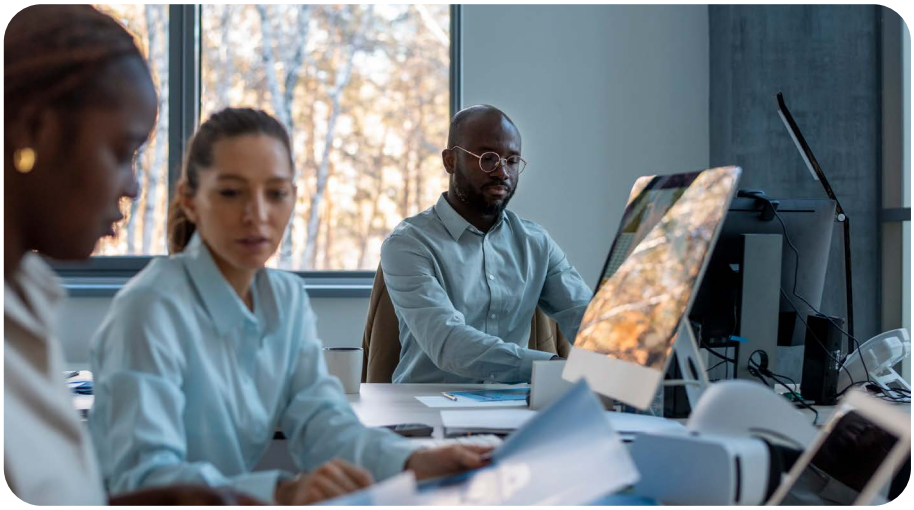
25%

either rarely or never utilize such platforms, revealing potential gaps in data management practices.

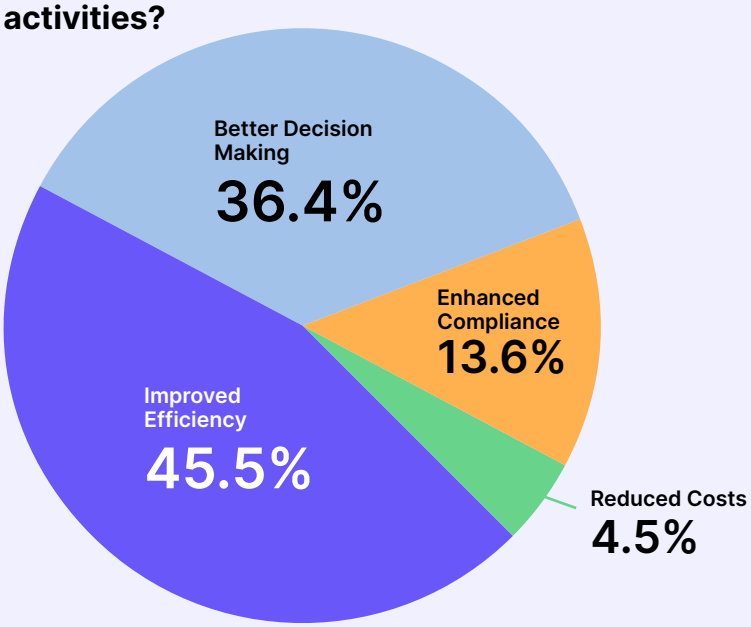
A significant 70% of respondents indicated that they frequently use platforms like SharePoint to manage government contracting data, with 12.5% using them occasionally. However, a notable 25% either rarely or never utilize such platforms, revealing potential gaps in data management practices.

SharePoint is a widely used tool for storing, organizing, and referencing government contracting information. However, the effectiveness of any data storage system depends on how well you tag, structure and organize the data. Without proper organization and tagging, critical information becomes difficult to access. This leads to incomplete search results or delays in finding the correct references. This can result in responses that lack sufficient justification or supporting material. As a result, the quality of proposals is undermined, which ultimately reduces the chances of securing contracts.

To maximize the value of platforms like SharePoint, organizations must focus on implementing best practices in data management. This includes consistent metadata tagging, regular updates, and ensuring that all teams are trained on how to effectively organize and retrieve information. By doing so, companies can significantly reduce inefficiencies and improve the overall accuracy and timeliness of their proposals.



What would you identify as the primary benefit of effective data management in your GovCon activities?



Controlling your data is crucial for making informed decisions, ensuring regulatory compliance, and improving efficiency. Maintaining organized and accessible data helps organizations meet regulatory requirements, streamline processes, and boost productivity.

These findings underscore the common challenges faced by many organizations, such as fragmented systems and inconsistent data practices. Effective data management practices include automation, regular audits, and adherence to industry best practices. These measures allow for better accuracy, quicker decision-making, and enhanced compliance. This approach ensures that contractors can navigate complex requirements and regulations while staying competitive.

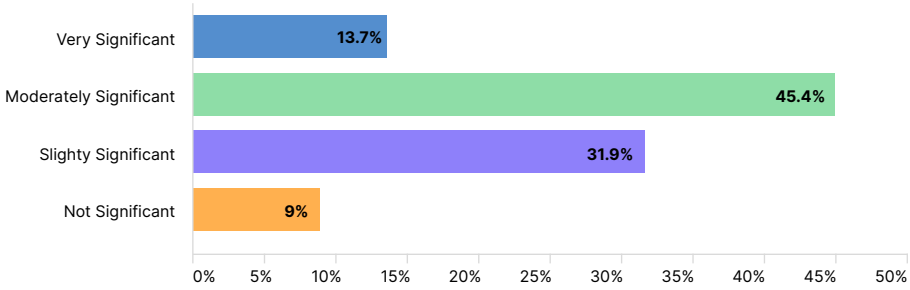
By prioritizing improvements in data management, organizations can mitigate risks and avoid costly mistakes.

By prioritizing improvements in data management, organizations can mitigate risks and avoid costly mistakes. This approach ultimately provides a significant competitive edge in the highly regulated GovCon environment. Streamlined data practices lead to faster, smarter decisions, enabling teams to meet deadlines and deliver higher-quality results.

Efficiency

Reducing Inefficiencies in GovCon

How significant is the impact of inefficiencies on your organization's ROI?



An overwhelming 90% of respondents recognize a negative correlation between process inefficiencies and ROI. Among them, 45.4% consider the impact moderately significant, while 13.7% find it very significant. This starkly highlights the real-world consequences of not investing in streamlined, efficient processes. Process inefficiencies can slow down project execution, increase costs, and ultimately erode profitability. In a high-stakes environment like GovCon, compliance and precision are essential. Organizations that fail to address inefficiencies are likely to see diminishing returns on their efforts.

To mitigate these impacts, organizations should focus on optimizing workflows, automating repetitive tasks, and implementing stronger project management practices. Tightening these processes will enhance efficiency and maximize ROI. It will also provide a clearer path to sustained growth and competitiveness in the marketplace.

Feedback from survey respondents:

In your experience, what are the most significant challenges currently facing the GovCon industry, and how do you believe these challenges can be addressed?

"Deeply entrenched incumbents and contracting officers with no interest in improvement."

Established players in government contracting can stifle innovation and make it hard for new or smaller companies to compete. Addressing this requires more transparency in the procurement process and fostering competition.

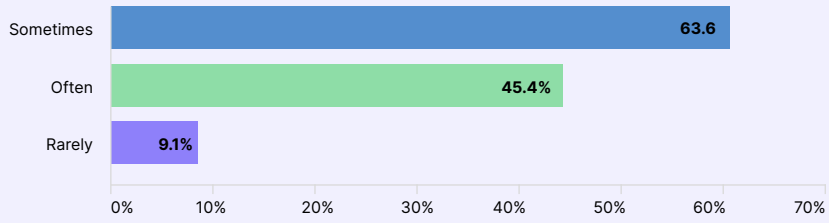
"The timeline to award is getting longer. Government procurement has had a brain drain as far as procurement knowledge."

Long procurement timelines and a reduced knowledge base within government agencies can result in poorly structured RFPs and delays. This highlights the need for more effective training and resource allocation within procurement teams.

"Doing more with less. BD staff is pure overhead, and it's difficult to quantify how much time it takes and all the steps involved."

Business development in GovCon is resource-intensive and difficult to measure, yet essential for success. Organizations need tools and strategies to better quantify and streamline the business development process.

How frequently do inefficiencies affect your project timelines?



63.6%

of respondents reporting delays sometimes.

27.3%

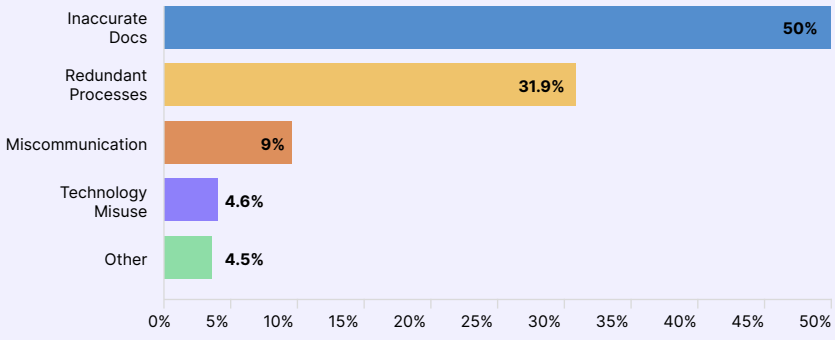
indicating delays often.

Inefficiencies, such as unclear requirements or insufficient resources, significantly impact project timelines, with 63.6% of respondents reporting delays sometimes and 27.3% indicating delays often. This means nearly all respondents experience negative effects from inefficiencies, underscoring the widespread nature of the problem.

Addressing these inefficiencies can lead to faster project delivery, improved resource management, and more predictable outcomes. Organizations that proactively identify and resolve bottlenecks will see significant benefits. Whether through better communication, automation, or resource allocation, they will reduce project delays and position themselves for greater success in a competitive environment.

By streamlining processes and eliminating common barriers, companies can achieve a significant competitive edge. This ensures that projects are completed on time and within budget, which is critical in the high-stakes world of government contracting.

What are the most common inefficiencies you encounter in your government contracting work?



Respondents reported inaccurate documentation (50%) and redundant processes (31.9%) as the most frequent inefficiencies. These issues cause delays and frustration.

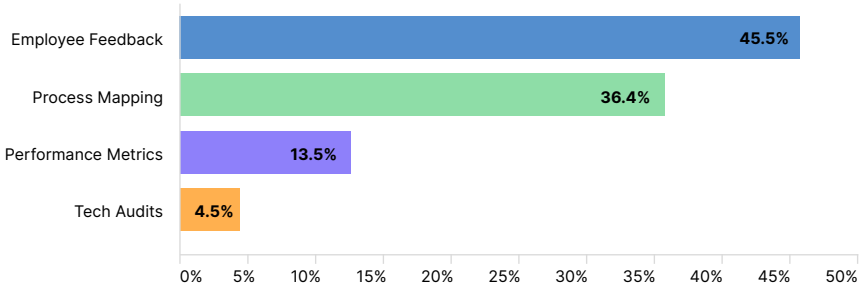
To solve this, companies need to simplify their processes and clearly define what they're working on.

The most common inefficiencies encountered in government contracting are Inaccurate Documentation (50%) and Redundant Processes (31.9%). These issues frequently lead to delays, frustration, and lost productivity. Additionally, Miscommunication (9%) and Technology Misuse (4.8%) further compound inefficiencies, creating additional barriers to timely project completion.

To overcome these challenges, organizations need to streamline their processes and ensure clarity around roles, responsibilities, and deliverables. By investing in accurate documentation practices and eliminating redundant tasks, companies can reduce the risk of errors and delays. Simplifying workflows and improving communication channels are also critical to preventing missteps and keeping projects on track.

By addressing these inefficiencies head-on, organizations can significantly improve their operational performance and responsiveness. This leads to more successful outcomes in the highly competitive GovCon space.

What tools or methods do you use to identify inefficiencies in your processes?



These tools enable organizations to detect problems early and implement corrective actions before delays or budget overruns occur. By acting quickly on feedback and performance data, companies can continuously improve their operations. As processes are ever evolving, it's crucial to iterate rapidly and seize every opportunity to increase efficiency.

Efficiency is a key driver of ROI in government contracting. Reducing inefficiencies has a direct and measurable impact on project timelines, profitability, and overall success. To remain competitive, organizations must focus on identifying bottlenecks, streamlining operations, and leveraging tools that mitigate delays.

From administrative roadblocks to ineffective communication, inefficiencies can significantly hinder success if left unaddressed. Regular process audits and technology-based solutions can further enhance operational efficiency. Automating repetitive tasks and ensuring that teams are trained to handle new tools effectively will contribute to smoother operations. By using these strategies, organizations can improve their efficiency and better navigate the complex GovCon landscape

Feedback from survey respondents:

Advice for Succeeding in Today's GovCon Environment

What advice would you give to other professionals in the GovCon industry who are looking to succeed in today's competitive environment?

"Don't be afraid of change. Our processes for capture and bid preparation must evolve."

The GovCon landscape is constantly evolving, with new technologies and strategies emerging. Professionals who remain adaptable and embrace change will have a competitive edge.

"Complete true capture analysis and solution development to research and understand your customer and if your offering is a winnable match."

True capture analysis is crucial to align proposals with client needs. This advice highlights the need for thorough research and strategic positioning to increase the chances of winning contracts

AI in GovCon

Transforming Processes with Automation

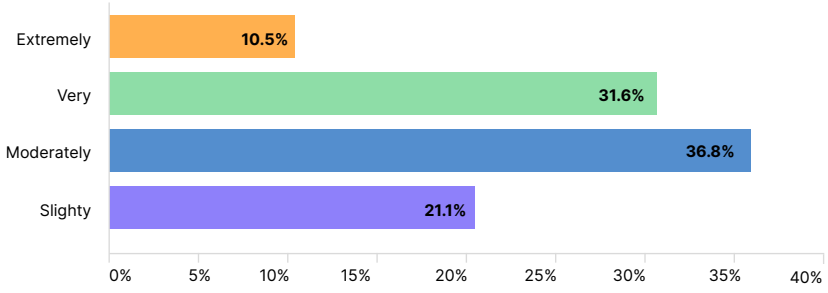
Discover The Human Factor by Fergal McGovern, CEO of VisibleThread. This weekly LinkedIn newsletter dives into how AI is reshaping people, process, and automation in large organizations. Get expert insights on navigating transformative change—subscribe today!



"Adoption will be fast - Many assume once we equip users with product XYZ, all will go swimmingly. However, you need proper buy-in across the user community... You must teach users about hallucinations, why they must verify every response, how to prompt well, what to use GenAI for and what not to use it for.""

Fergal McGovern
The Human Factor Newsletter

How familiar are you with the use of AI in government contracting?

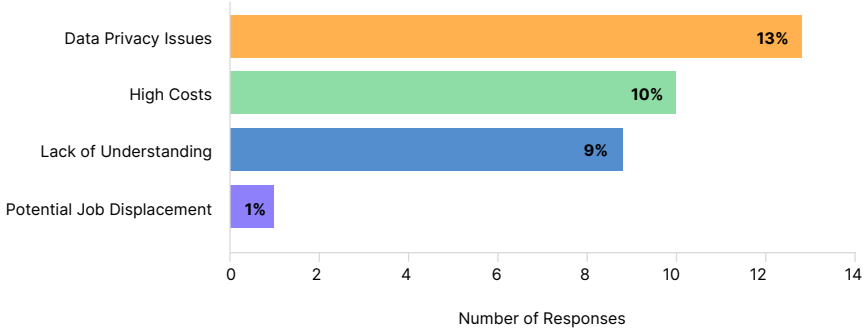


While 100% of respondents indicated familiarity with AI in government contracting, only 10.5% consider themselves extremely familiar. This suggests that there is widespread interest in AI adoption. However, many organizations are still in the early stages of understanding how to best leverage these technologies.

Organizations that prepare now for AI evaluation and implementation will be at the forefront of innovation in the GovCon space. To capitalize on AI's full potential, it is crucial that companies prioritize organizing and segmenting their data accurately. The effectiveness of AI in retrieving and analyzing critical information is heavily dependent on the structural integrity of the data repositories.

In short, AI will transform processes in government contracting, but its success relies on companies having clean, well-organized data. Those who invest in improving their data management systems will be better positioned to utilize AI for automation, efficiency, and faster decision-making.

What challenges or concerns are holding you back from adopting AI in your government contracting processes?



"If you're in a regulated industry (like defense, space, financial services, or healthcare), you need to ensure that your data is fully locked down and isolated. This applies especially to Gen AI... Many vendors rely on public cloud-based LLMs which expose proprietary data to the cloud."

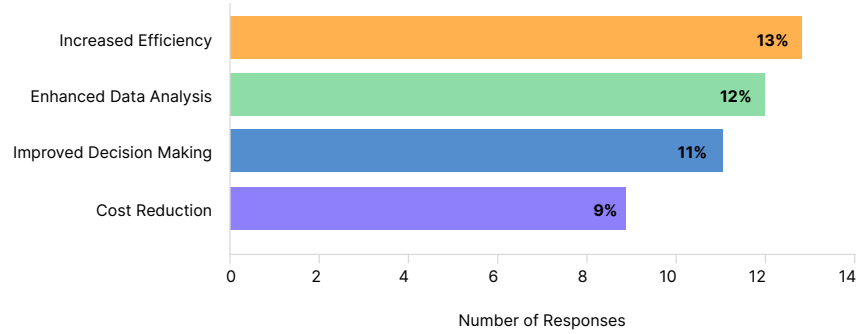
Fergal McGovern
The Human Factor Newsletter

The primary concerns surrounding AI adoption in government contracting are Data Privacy Issues (73.6%) and High Costs (52.6%), followed closely by a Lack of Understanding (42.1%). These concerns highlight the hurdles many organizations face in fully embracing AI, despite its potential to revolutionize the sector.

For AI adoption to succeed, addressing data security concerns is paramount. Organizations must prioritize partnering with vendors and implementing AI systems that emphasize a security-first approach. Overcoming the skills gap and deepening understanding of AI's capabilities are essential for demystifying the technology and its applications.

Investing in both cybersecurity and workforce development will be crucial steps toward ensuring smooth and secure AI integration. By building confidence in AI's safety, affordability, and functionality, organizations can harness its potential. This helps streamline operations and drive innovation in the GovCon space.

What potential benefits do you see in integrating AI into your GovCon activities?



Respondents highlighted the key benefits of AI integration in GovCon activities, with Increased Efficiency (63.1%) and Enhanced Data Analysis (63.1%) tied as the top advantages, followed closely by Improved Decision-Making support (57.8%). The potential to streamline processes, reduce human error, and optimize decision-making makes AI a highly attractive investment for government contractors.

These respondents are right on target. AI has the power to significantly boost efficiency, improve data analysis capabilities, and enhance decision-making processes in government contracting. Organizations that embrace AI will benefit from faster, more accurate insights and streamlined operations. By strategically applying AI to the most relevant tasks, companies can maximize their return on AI investments. This approach helps them maintain a competitive edge in the GovCon space.

The clear message is that those who integrate AI effectively will gain a significant advantage. They will leverage the technology to improve both operational efficiency and the quality of their strategic decisions.

Feedback from survey respondents:

The Future of Government Contracting
How do you see the future of government contracting evolving over the next 5-10 years, particularly in relation to technology, regulations, and workforce dynamics?

"More automation, more AI tasks. "

The increasing role of AI and automation in GovCon is a recurring theme. These technologies will streamline processes and boost efficiency, enabling professionals to focus on strategic tasks instead of administrative ones.

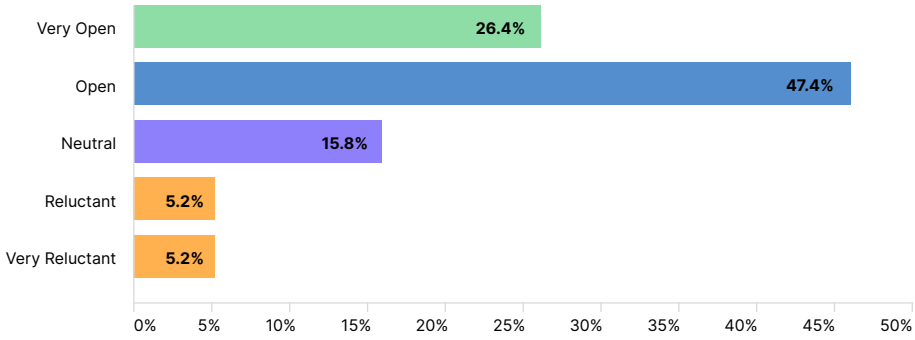
"The workforce will dramatically change, and it will be difficult for current managers to adapt to a new way of doing business."

"Greater attention paid and technology solutions developed to authenticate and protect electronic GovCon processes to ensure integrity, transparency and cybersecurity. "

The evolving workforce, with new technologies and generational shifts, will present challenges for existing management structures. Leaders will need to adapt their management styles and workflows to retain talent and meet evolving demands.



How open is your organization to adopting new technologies or processes in government contracting?



70%

Most respondents reported that their organizations are open to adopting new technologies.

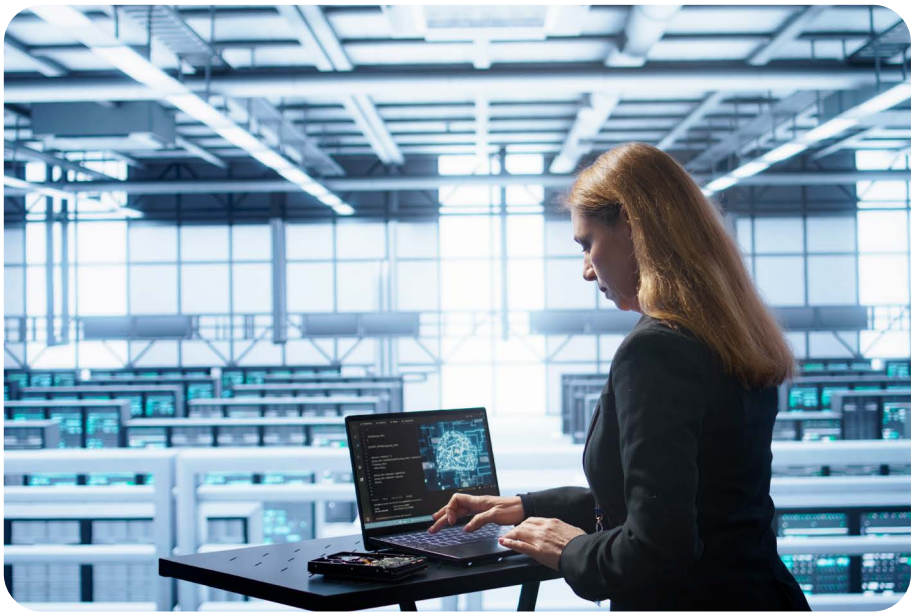
10%

Expressing concerns about reluctance to embrace new tech.

Most respondents (70%) reported that their organizations are open to adopting new technologies, with 10% expressing concerns about reluctance to embrace new tech. This creates significant opportunities for early adopters who are willing to take risks and innovate. By embracing new technologies, early adopters can gain a competitive edge and get ahead in the game.

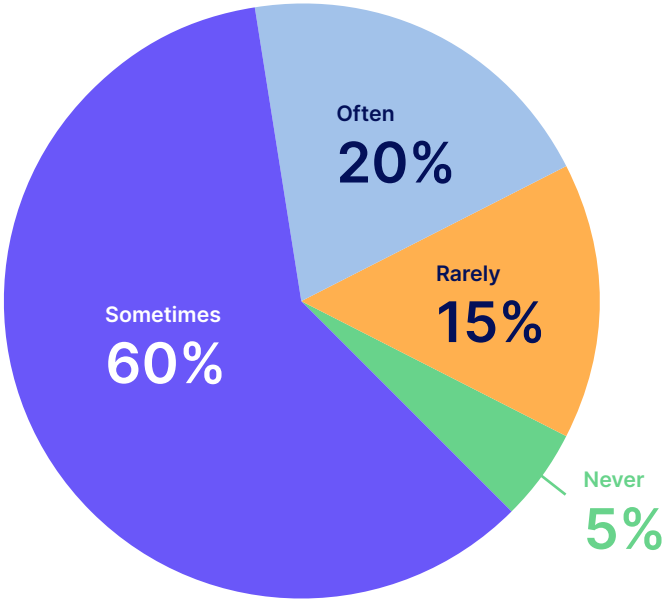
The adoption of AI is poised to transform the industry by automating tasks, improving data analysis, and enabling better decision-making. However, many companies remain hesitant due to concerns over security and a lack of expertise. Despite these barriers, AI presents a strong opportunity for those who move early to leverage it effectively. As contractors become more familiar with AI's potential, investing in the right tools and platforms will be key. This investment will help capitalize on AI's advantages.

Building internal capabilities and fostering a culture of continuous learning around AI are critical. These efforts will help organizations stay competitive and ahead in the rapidly evolving market.



Burnout and Inefficiencies in Government Contracting

How often do you experience feelings of burnout related to your work in government contracting?



20% of respondents reported experiencing burnout often, while another 60% experienced burnout sometimes. This highlights a pervasive issue within the GovCon space, where high demands and workloads contribute to widespread burnout.

Burnout is a growing challenge in GovCon, driven by heavy workloads, tight deadlines, and complex processes. However, there are actionable solutions. Many of the strategies discussed earlier can help alleviate the burden on teams. These include improving data management, streamlining processes, and leveraging automation. Optimizing workflows and reducing manual tasks can improve efficiency and create a healthier work environment, reducing burnout risk.

Addressing burnout is critical for long-term success. Organizations that proactively implement technology solutions and enhance team collaboration will see improvements in employee well-being. Encouraging work-life balance will also boost overall performance.

Feedback from survey respondents:

Emerging Trends and Issues in GovCon
Are there any emerging trends or issues in GovCon that you feel are not getting enough attention?

"The pace of growth is not being met by the same level of resource staffing. Introducing technology improvements to overworked personnel without offering time for training is problematic."

As technology advances, the human resources available to leverage these tools effectively are lagging. Organizations must invest in both technology and workforce development to bridge this gap.

"The increasing number of AI and tech solutions that accomplish similar tasks but with different features and integrations."

The rapid introduction of AI tools makes it challenging for organizations to identify which ones best fit their specific needs. Professionals will need to be savvy in evaluating and integrating these technologies.

Feedback from survey respondents:

Talent Development and Retention in GovCon
What initiatives does your organization have in place to develop and retain talent in the GovCon sector?

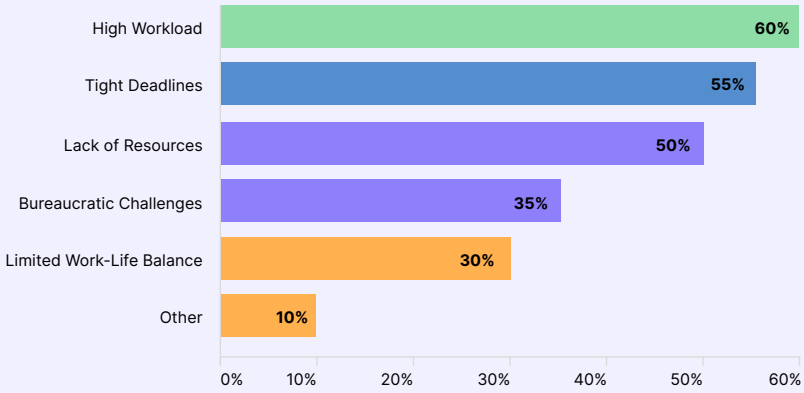
"In-house training, wellness, diversity (we are not afraid of DEI)."

Diversity, Equity, and Inclusion (DEI) initiatives are gaining prominence in the GovCon industry. Organizations that invest in training and creating inclusive environments will attract and retain top talent.

"Professional development opportunities."

Continuous professional development is key to keeping employees engaged and ensuring they have the skills necessary to keep up with industry changes. Investing in development opportunities helps maintain a competitive edge

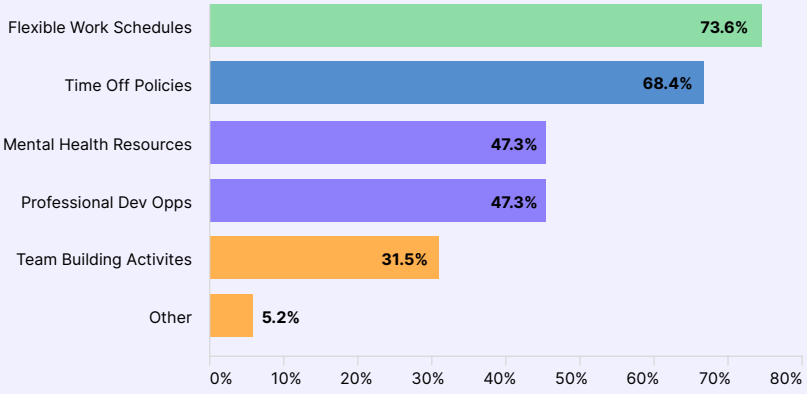
What factors contribute most to burnout in your role?



The heavy demands of government contracting, including high workloads and unrealistic deadlines, are key factors driving burnout. The lack of resources and support further compounds the issue, leading to stress and diminished productivity.

To address this, organizations need to reevaluate their project timelines and provide more robust support mechanisms. Offering additional resources, better workload management, and fostering a culture that prioritizes work-life balance can help reduce burnout. By doing so, companies can not only improve employee well-being but also enhance overall project performance.

What strategies or support does your organization provide to help manage or prevent burnout?



Only 47.3% of respondents reported that their organizations provide mental health resources to manage burnout, including wellness programs and workload balancing initiatives. This leaves a significant gap in support for employees facing burnout.

While some organizations are starting to implement strategies to address burnout, more proactive measures are needed across the industry.

Key efforts such as flexible work schedules, mental health support, and manageable project loads can make a significant difference. Expanding these initiatives will help reduce burnout and create a healthier work environment.

The government contracting industry faces substantial challenges related to operational inefficiencies and widespread burnout. High workloads, unrealistic deadlines, and a lack of adequate support have fostered environments where stress is pervasive. Addressing these issues is essential for improving both employee well-being and overall organizational performance.

Solutions such as better workload management, process automation, and fostering supportive work environments are vital. By improving operational efficiency and providing strong support for mental health and well-being, organizations can reduce burnout. This approach also enhances productivity and creates more sustainable work conditions.

Focusing on these improvements will benefit employees. It will also lead to better project outcomes and a more resilient workforce in the long run.

Focusing on these improvements will benefit employees. It will also lead to better project outcomes and a more resilient workforce in the long run.



Key Takeaways for 2024 and Beyond

As we look toward 2025, the government contracting industry is at the cusp of exciting transformation, driven by innovation and the need for greater efficiency. Stakeholder engagement, data management, and AI adoption will be key factors that shape the future of the industry. Contractors that embrace these changes and evolve their processes will lead the way in the new era of GovCon.

So, what can you do to stay ahead in 2025?

- **Invest in Stakeholder Engagement Tools.** Strengthen collaboration and foster cooperation through clear communication channels. Use digital tools that promote alignment with stakeholders.

- **Upgrade Data Management Systems**. Adopt integrated data solutions to ensure accuracy, accessibility, and consistency, giving you a competitive edge.

- **Address Inefficiencies Early.** Regularly assess and optimize your processes to reduce delays, improve project outcomes, and maximize ROI.

- **Prepare for AI Integration.** Now is the time to start building AI expertise within your teams. Focus on addressing data security concerns and preparing your data infrastructure to fully leverage AI's potential.

The opportunities are vast for those willing to embrace change and invest in the future. By acting now—streamlining operations, improving data practices, and integrating emerging technologies—contractors will position themselves to thrive in 2025 and beyond.

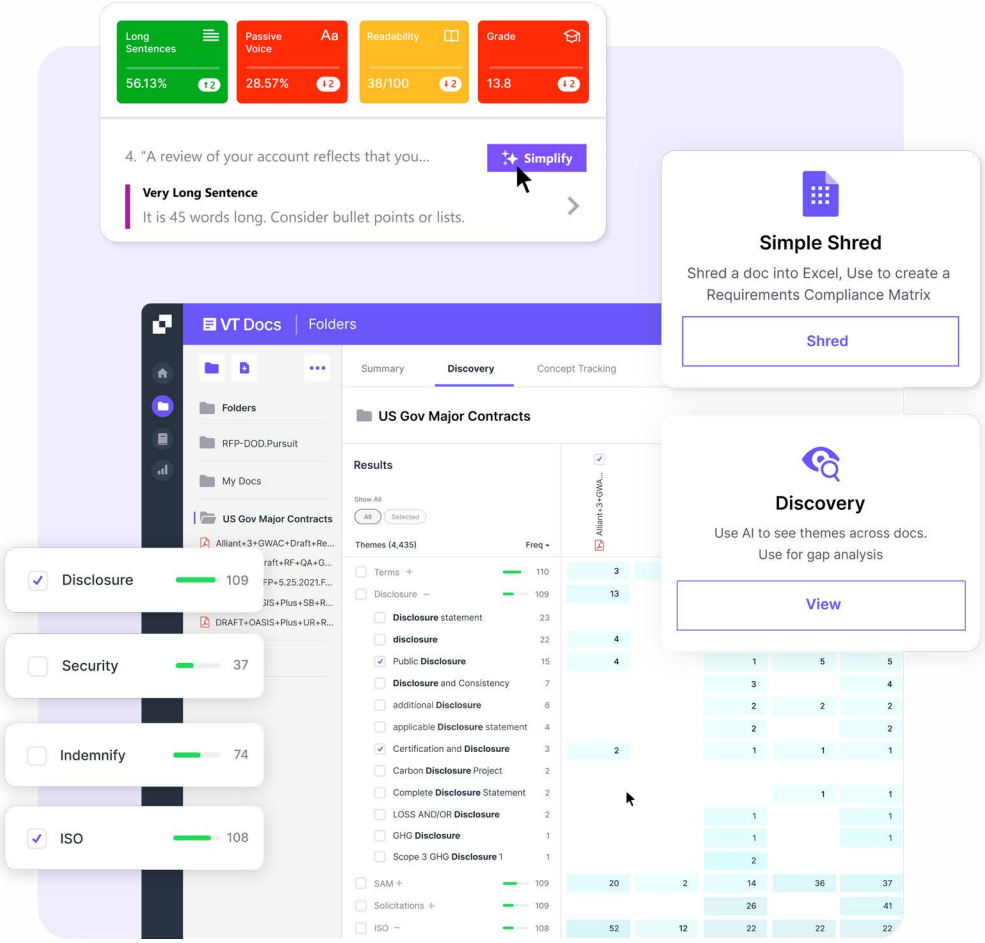
The future is bright, and those who prepare today will lead the charge tomorrow. Stay ahead by embracing the change!

Leveraging VisibleThead

For 16 years, VisibleThread has been helping customers change the way they approach the proposal process. While our industry continues to evolve,many of the challenges outlined in this report have been ongoing. Inefficient processes, blockers, and a manual approach have long led to burnout among proposal teams. With those issues in mind, we continue to develop solutions that allow users to identify requirements, assess risk, and create compelling responses in less time.

We love automation and are committed to better proposals and a better quality of life for proposal professionals. Because of this approach and continued innovation, VisibleThread is trusted by 11 of the top 15 US Government Contractors.

We would love to tell you more.



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