



*2024 Winter Conference*

## **From Crisis to Catalyst:**

*Workforce, Technology, and the New Economy in  
Public Procurement*

**Jake Smithwick, PhD, MPA**

# Download Today's Slides & Resources

[Jake.Smithwick@simplar.com](mailto:Jake.Smithwick@simplar.com)



[center4procurement.org/rmgpa](https://center4procurement.org/rmgpa)



[center4procurement.org](http://center4procurement.org)

## OUR MISSION

The Center for Procurement Excellence (CPE) mission is to improve the effectiveness of public and private procurement worldwide, through:

- Education and training of professionals in the procurement and delivery of goods and services
- Promoting excellence in the solicitation aspects of the procurement profession
- Standardizing procurement practices and solicitation practices
- Advocating for global improvements for advancement to procurement policy



# Simplar

- Consultancy, Research, OCM, and Trainers
- Expertise with **all parties** (owners & vendors)
- Provide **consulting, tools, training** for:
  - Procurement & Sourcing
  - Project Delivery
  - Organizational Readiness & Transformation
  - Risk-based Partnering & Planning
  - Project & Risk Management, Project Controls
  - Performance Measurements



# Simplar

- Becoming a **Client of Choice**
- Becoming a **Performance-Based Vendor**
- Other things:
  - Industry Benchmarking
  - Human Dimensions/Team Optimization
  - Talent Development
  - Workforce Studies
  - Exploratory research
  - Policy & Regulations
  - Standards & Templates



# 20+ Years | 170+ Owners

## 3,500+ Projects | \$20+ Billion Procured

### Information Technology

Networking  
Data centers  
Hardware  
COTS software  
ERP systems

Help desk services  
eProcurement

### Facility Management

maintenance  
landscaping  
security service  
building systems  
industrial moving  
waste management  
energy management

custodial conveyance  
pest control

### Health Insurance/ Medical Services

### Manufacturing

### Business / Municipal / University Services

dining  
multi-media rights  
fitness equipment  
online education  
document management  
property management  
audiovisual  
communications systems  
emergency response systems  
laundry

retirement fund  
material recycling  
bookstores  
furniture

### Construction / Design / Engineering





















Infrastructure  
Municipal  
Laboratory  
Education  
Hospital  
Corrections  
Financial

Renovation  
Repair  
Maintenance  
Roofing  
Specialty  
Demolition  
Development

DBB  
CMAR  
DB  
IDIQ  
JOC  
Low Bid  
IPD



## PROJECT PARTNERS AND PARTICIPANTS:

-  U.S. General Services Administration (GSA)
-  US Army Medical Command
-  Arizona State University
-  Canon
-  State of Oklahoma
-  City of Phoenix, AZ
-  University of Minnesota
-  State of Alaska
-  Rijkswaterstaat (Dutch public works & water management)
-  Aramark
-  State of Oregon
-  State of Idaho
-  University of Alberta
-  Boise State University
-  United Airlines
-  Neogard / Jones-Blair
-  Tremco
-  Bank of Botswana
-  General Dynamics C4 Systems
-  Salt River Project (SRP)

-  US Air Force Logistics Command
-  US Coast Guard
-  US Embassy (Botswana)
-  US Army Corps of Engineers
-  Federal Aviation Administration
-  IBM
-  Brunsfeld
-  Qwest
-  Honeywell
-  City of Peoria, AZ
-  University of Idaho
-  University of Hawaii
-  University of New Mexico
-  Entergy
-  Sodexo
-  Chartwells
-  Dallas Independent School Dist.
-  Olmstead County, MN
-  City of Roseville, MN
-  Hennepin County, MN
-  Scenter
-  Abengoa Solar
-  City of Sitka, Alaska
-  US Solar
-  Rochester Public Utilities
-  Harvard University
-  Denver Health & Hospital Authority
-  State of Missouri
-  State of Washington
-  Idaho Transportation Department
-  State of Georgia
-  Arizona State Parks
-  United Excel
-  East Valley Institute of Technology
-  Arizona Public Service (APS)
-  Rochester School District
-  Fann Environmental
-  Idaho State University
-  On Semiconductor
-  Pearson
-  State of Wyoming
-  Idaho Department of Corrections
-  City of Miami Beach, FL
-  Lewis & Clark State College
-  Hawaii Department of Transportation
-  Baptist Health
-  City of Columbia, SC
-  PECO Energy
-  Intermediate District 287

PARTNERS





Georgia-Pacific





Tell You

# Leader or Manager?

- The Future Needs Great Leaders, Not More Managers
- What is the difference between a Leader and a Manager

# Leader or Manager?

- What is the difference between a Leader and a Manager

**Manager = someone you have to work for**

**Leader = someone you want to work for**

# Process vs. People

Although Procurement is primarily about processes and procedures...

... a majority of time is spent interacting with people



# Importance of the People

The ability to realize

**innovation,**

**risk minimization,**

**value creation, &**

**cost reduction**

will not exceed the  
capability of the  
people doing the work

# Limited Pool of Expertise

- There is a limited pool of high performing experts and experienced personnel
- *Also varies by*
  - Moment in time (when the solicitation/work is needed)
  - Location (geography)
  - Market/Sector
- Organizations also commonly underestimate the cost of working with average and low performing vendors

# KEY TAKEAWAY

Clients & Buyers (+Vendors & Suppliers)  
**are in competition with each other**  
for the same  
*limited pool*  
of skilled personnel

# Not Enough

- There are not enough skilled workers for the current need and future need (worsening)
  - 29% of firms have lowered hiring standards
  - 42% of firms have increased spending on training
- Great organizations/companies will be those that learn the fastest to do more with less
- Needs: Better Approach + Technology All Centered on People



Show You

# ***NOTICE:***

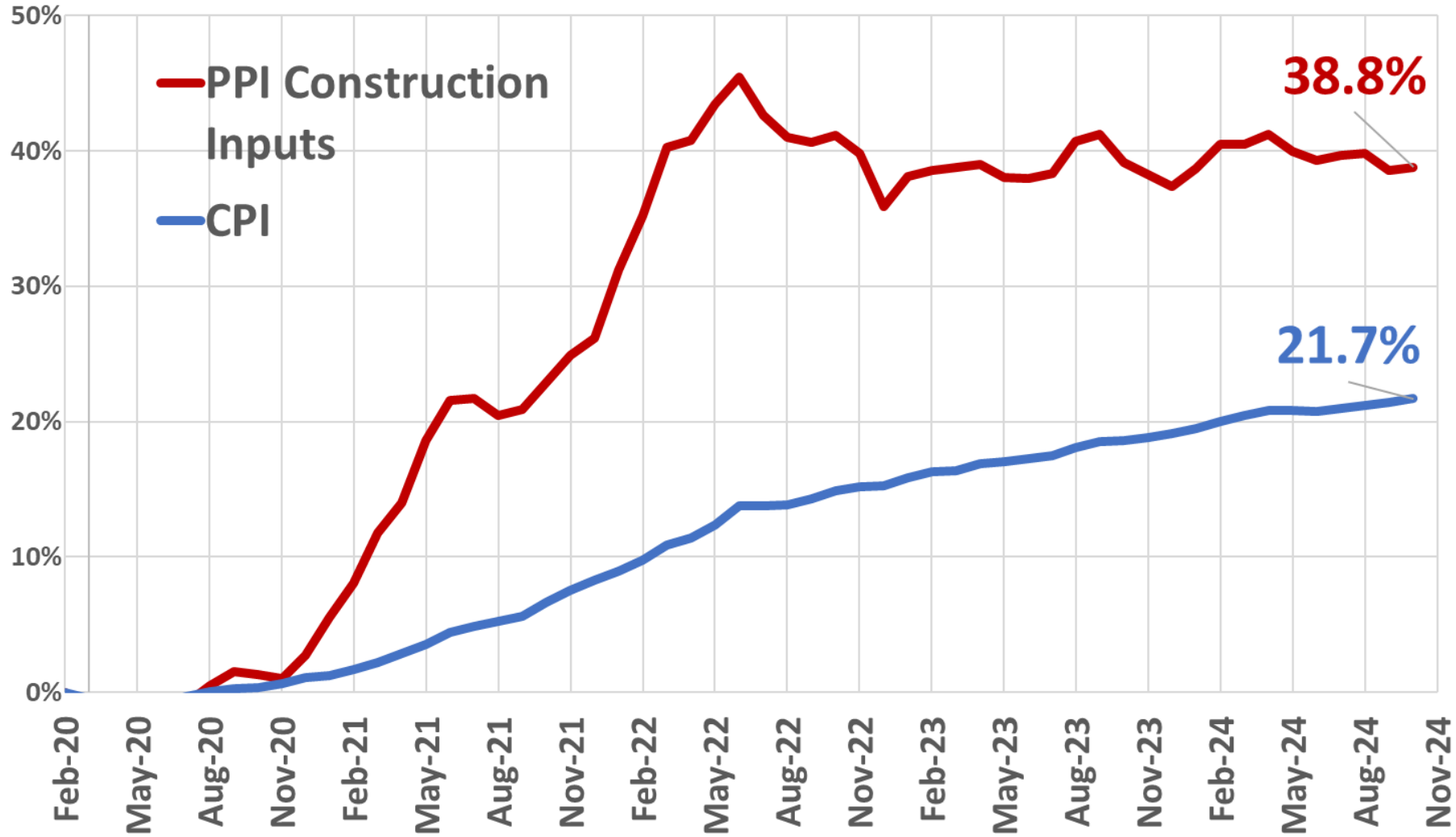
**ALL DATA IS AS OF DEC 5, 2024  
AND THE MARKET IS CHANGING FAST  
THE DATA SHOULD BE UPDATED  
REGULARLY**

# **Many Headwinds in Today's Supply Chain**

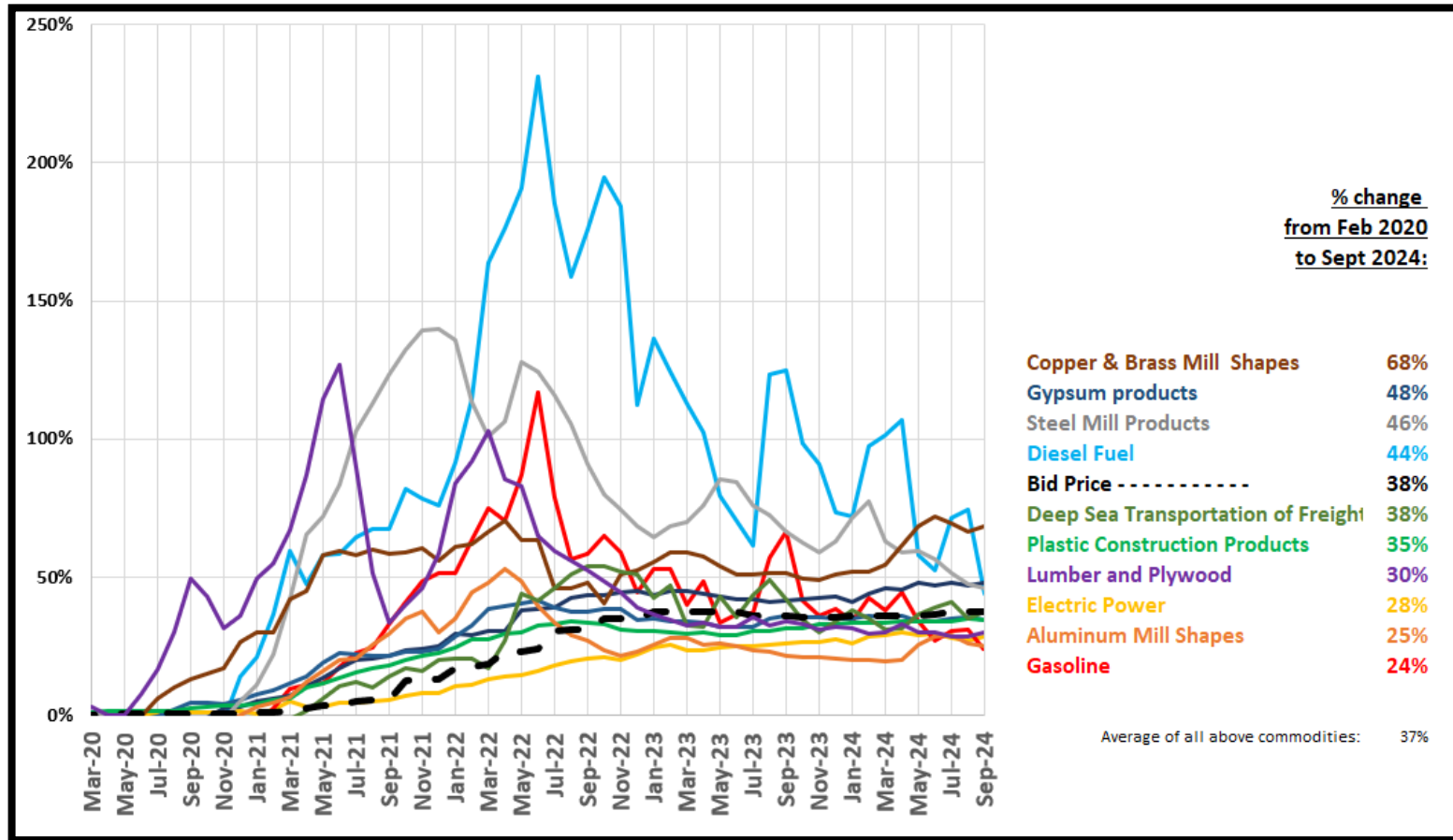
- **Cost Escalation & Volatility**
- **Materials Shortages & Supply Chain Challenges**
- **Quick Macro**
- **Workforce**

# Many Headwinds in Today's Supply Chain

- **Cost Escalation & Volatility**
- Materials Shortages & Supply Chain Challenges
- Quick Macro
- Workforce

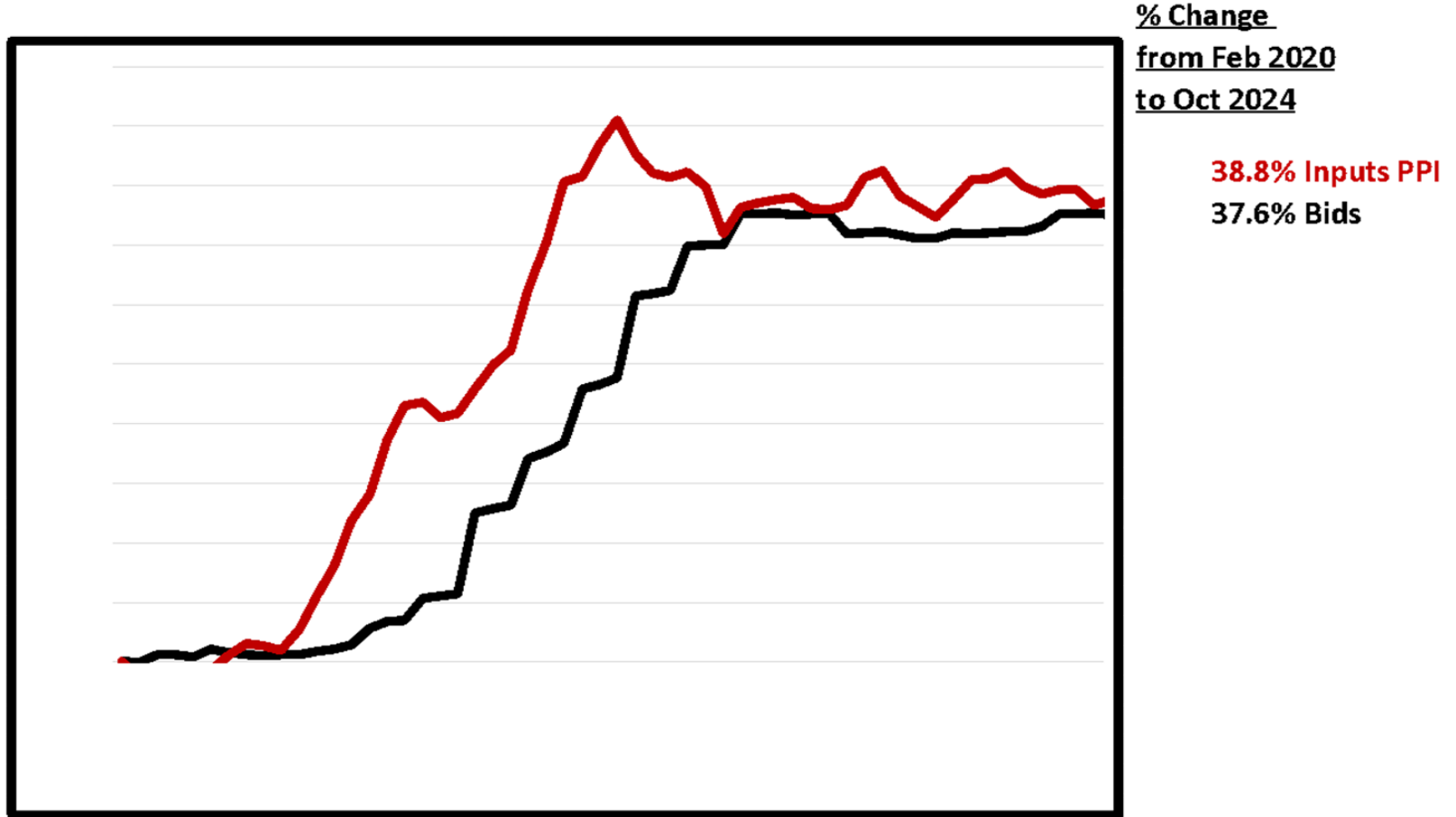


# Material Prices & Uncertainty – Sept 2024 BLS



# Economic Uncertainty?

3

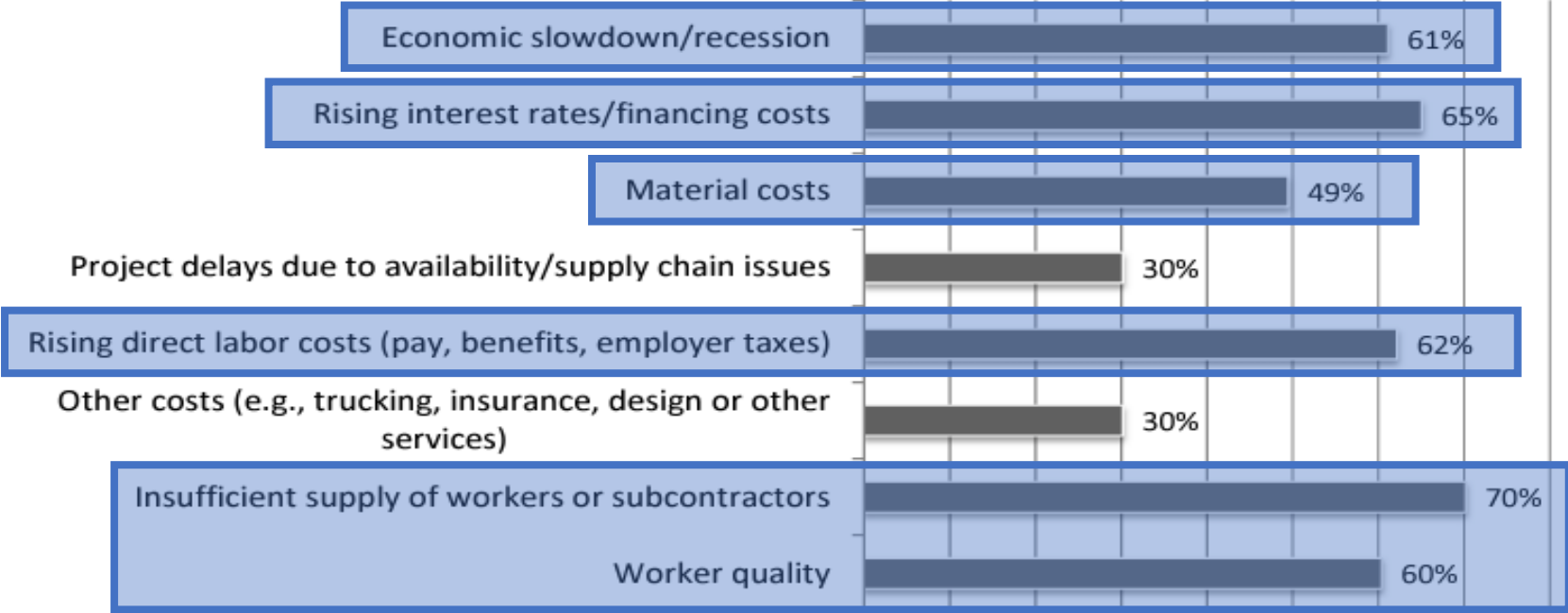


# What are your biggest concerns – Aug/Sept 2024?



**AGC**  
THE CONSTRUCTION  
ASSOCIATION

**Sage**





# Economic - Dodge Momentum Index

**More Work Coming?** (Up 31% YoY for Aug 2023-2024, then down 4% Sept & down 5% Oct)

Dodge Momentum Index (Oct 2024 update) **D•N** Dodge Construction Network

- Monthly measure of nonresidential projects in planning, leading indicator of construction by 1-year
  - Commercial **UP** year-over-year by 42% ; Institutional **UP** year-over-year by 8%



# PROSPECTS IN INDIVIDUAL SECTORS BY FIRMS WORKING IN THOSE MARKETS

	NUMBER OF FIRMS	CURRENTLY (%)			3-6 MONTHS (%)			12-18 MONTHS (%)		
		DECLINING ACTIVITY	STABLE ACTIVITY	IMPROVING ACTIVITY	DECLINING ACTIVITY	STABLE ACTIVITY	IMPROVING ACTIVITY	DECLINING ACTIVITY	STABLE ACTIVITY	IMPROVING ACTIVITY
COMMERCIAL OFFICES	78	71	28	1	65	31	4	35	49	17
DISTRIBUTION, WAREHOUSE	48	32	53	15	21	60	19	6	62	31
EDUCATION K-12	56	7	66	27	5	66	29	4	62	34
ENTERTAINMENT, THEME PARKS, CULTURAL	33	18	55	27	19	50	31	9	50	41
HOSPITALS, HEALTH CARE	67	4	54	42	1	51	48	3	33	64
HIGHER EDUCATION	71	18	68	14	17	62	21	11	65	24
HOTELS, HOSPITALITY	51	37	53	10	34	54	12	14	60	26
MULTI-UNIT RESIDENTIAL	49	37	41	22	35	33	31	21	35	44
RETAIL	44	45	48	7	43	50	7	18	61	20
INDUSTRIAL, MANUFACTURING	55	13	53	35	13	47	40	2	47	51
TRANSPORTATION	37	8	41	51	6	39	56	3	35	62
WATER, SEWER AND WASTE	36	6	58	36	6	56	39	3	56	42
POWER	28	4	46	50	4	32	64	0	21	79
PETROLEUM, PETROCHEMICAL	11	27	73	0	27	73	0	18	36	45
ENVIRONMENTAL, HAZARDOUS WASTE	10	30	40	30	20	50	30	10	40	50

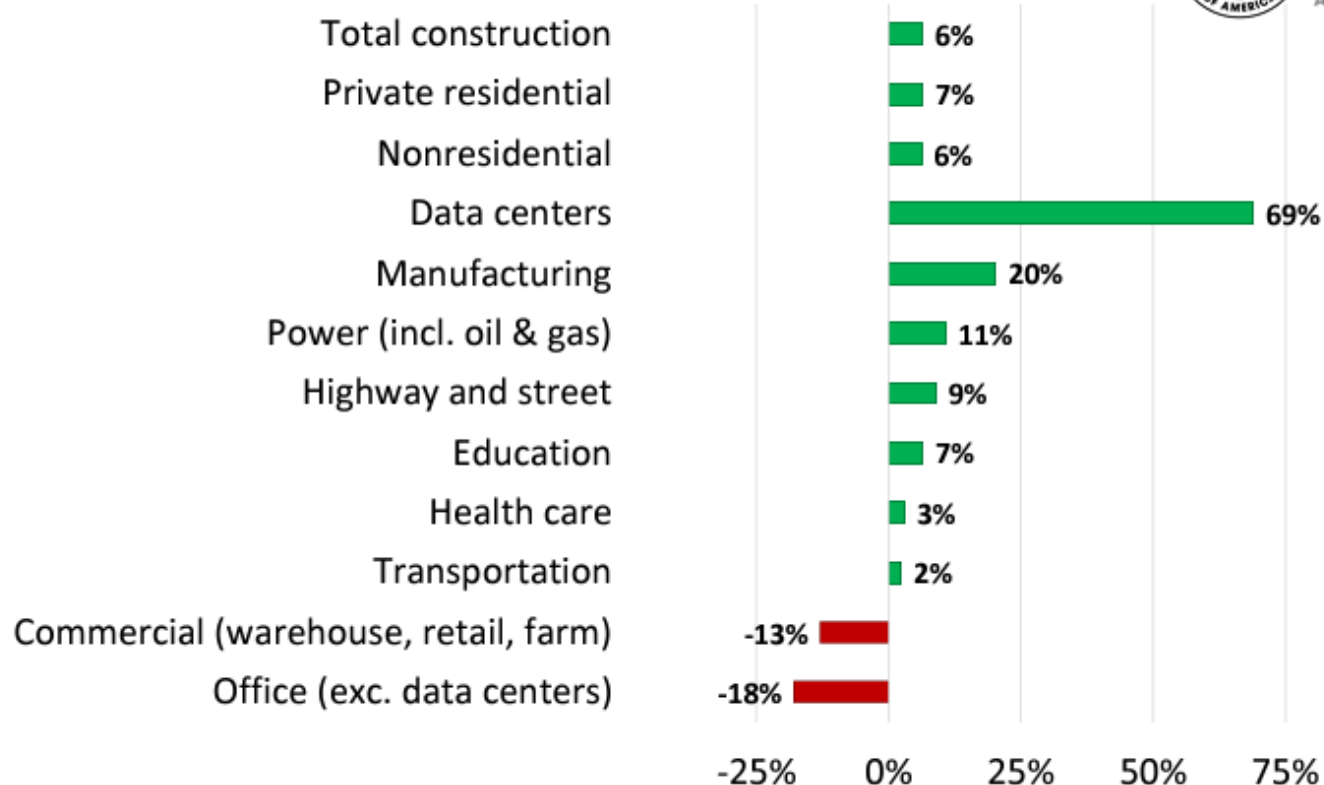
SOURCE: ENR/BNP MEDIA. FIGURES MAY NOT ADD UP TO 100% DUE TO ROUNDING

## Change in construction spending: May 2023-May 2024

Year-over-year % change in current (not inflation-adjusted) dollars, seasonally adjusted

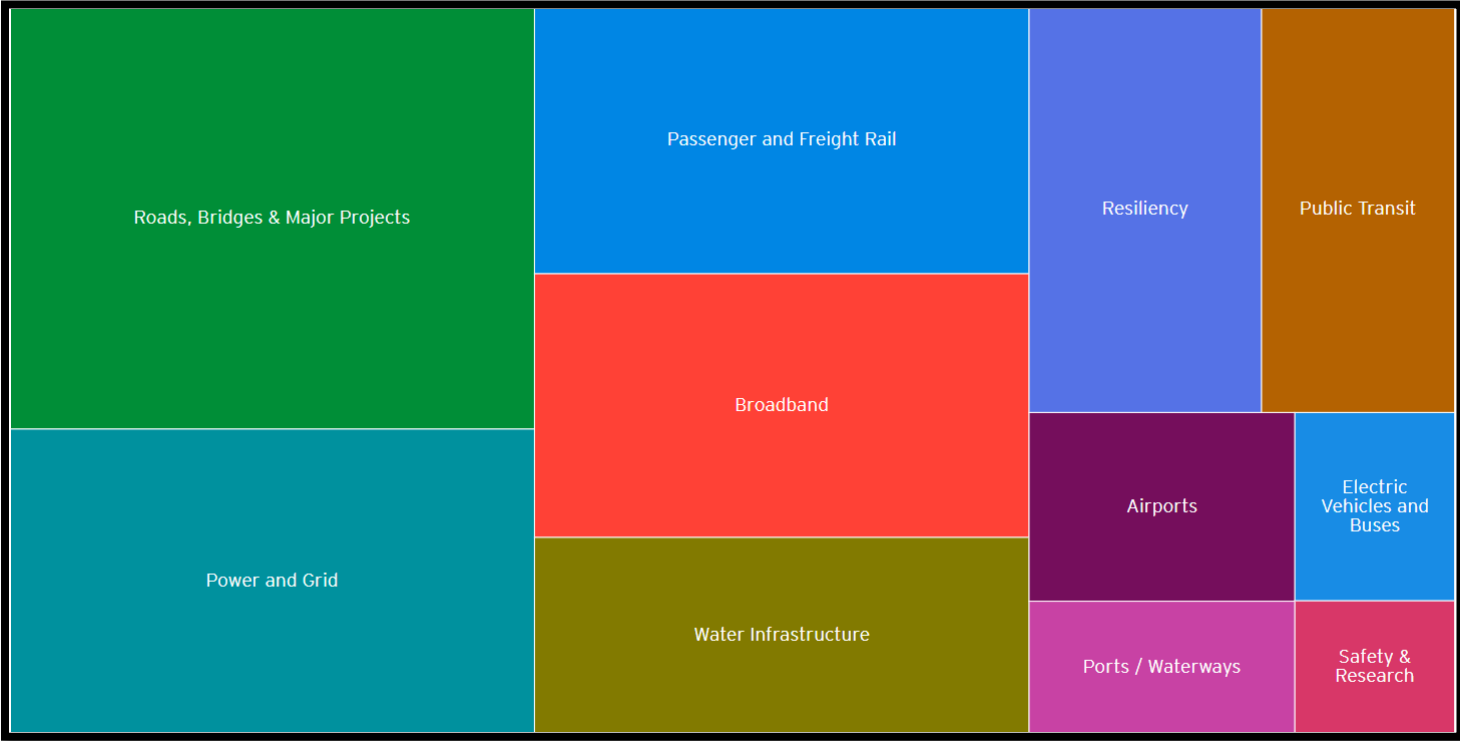


**AGC**  
THE CONSTRUCTION  
ASSOCIATION



# IIJA (“Infrastructure Bill”) - \$1.2T/5yr (Nov ’21)

- Roads and bridges: \$110B
- Power and grid: \$73B
- Rail: \$66B
- Broadband: \$65B
- Water infrastructure: \$55B
- Resiliency: \$46B
- Transit: \$39B
- Airports: \$25B
- Environmental: \$21B
- Ports/waterways: \$17B
- Safety/Research: \$11B
- Low-carbon buses and ferries: \$7.5B
- EV infrastructure: \$7.5B



# More Work Coming? - Others

- Dodge – new starts up 2% from same time last year
  - Non-residential starts down 7%
  - Residential starts up 5%
  - Non-building starts up 14%
    - May '24 up 49% from April (up 17% ytd since Jan)
- AGC - Total Value of Starts up 6% Year to Year
  - Non-residential – Up 6%
  - Commercial/Data Centers – Down 13%/Up 69%
  - Office – Down 18%
  - Education – Up 6%
  - Highway/Bridge – Up 9%
  - Industrial/Manufacturing – Up 20%
  - Power/Energy – Up 11%
  - Healthcare – Up 3%
- Decarbonization/Energy Policy for Existing Buildings?
- On-Shoring / Deglobalization – Reindustrialization of America (+Mexico)
- Semi/Chip and Data Centers (\$280B CHIPS and Science Act (\$52B subsidy to semi))

“Risks continue to mount for the construction sector,” said Richard Branch, chief economist for Dodge Construction Network. “Over the last 12 months, construction starts have essentially froze as rates increased and credit tightened. The industry needs further adjusting as rates are expected to stay higher for longer, along with the potential for higher energy costs and continued political uncertainty. A return to broad-based growth in construction starts is still some time away.”



## Biden Administration Announces Federal Building Performance Standard

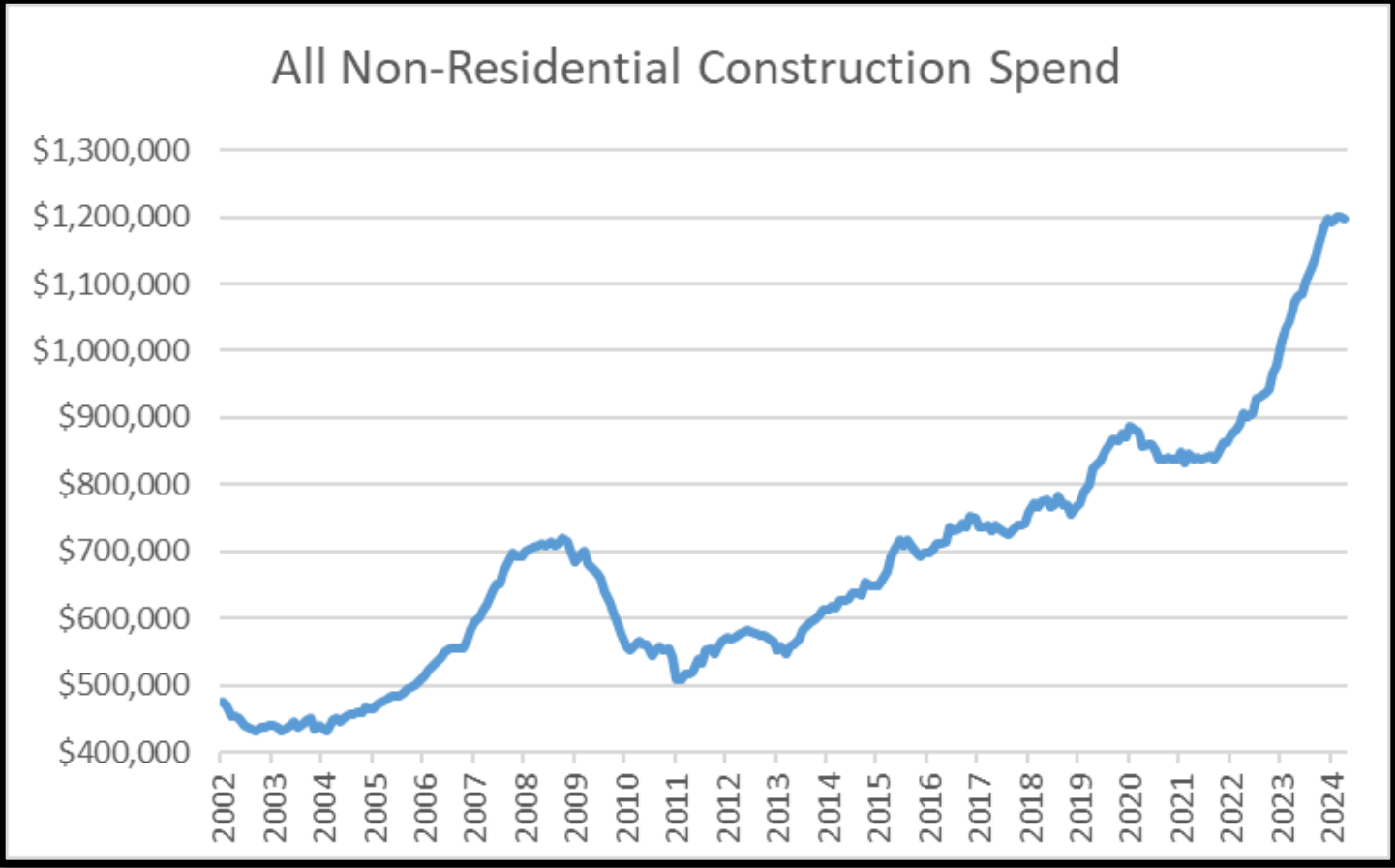
*The standard will help federal facilities meet several concurrent sustainability and emissions reduction goals.* December 29, 2022



By Greg Zimmerman, senior contributing editor

ENERGY EFFICIENCY

# Total Construction Spend – All Non-Residential



# Many Headwinds in Today's Supply Chain

- Cost Escalation & Volatility

- **Materials Shortages & Supply Chain Challenges**

- Quick Macro

- Workforce

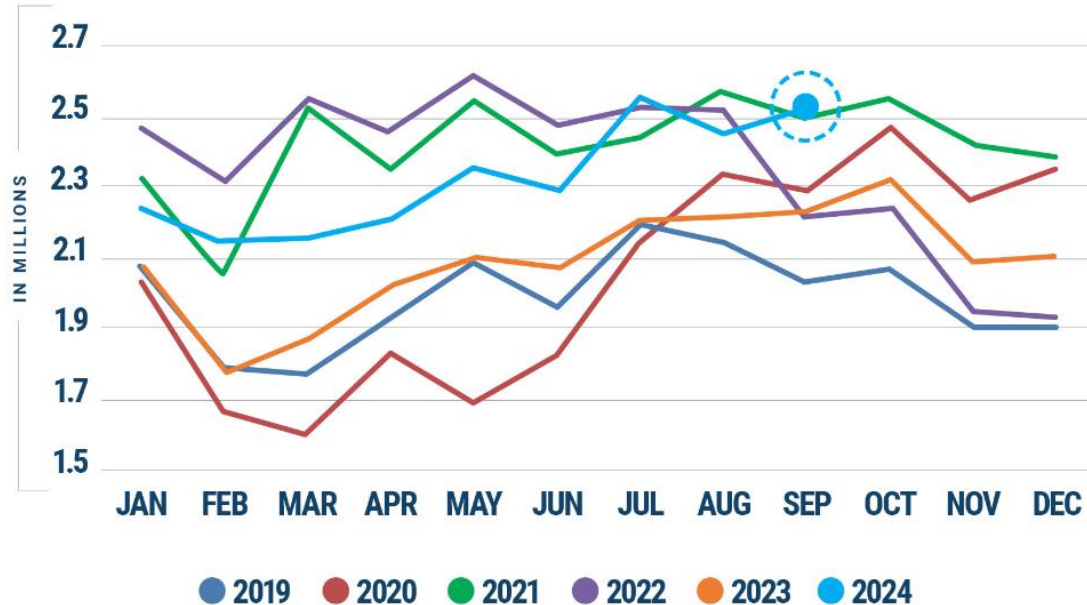
# Supply Chain Issues

- 90% of projects have had supply chain impacts
- 84% of projects have had higher cost
- 72% of projects have taken longer
- **Actions People are Taking:**
  - Accelerated purchasing after contract award (cash flow)
  - Alternative suppliers
  - Alternative materials/products (change the spec)
  - Stocking inventory
  - Increasing Bids/Budgets
  - Longer Completion Times
  - Some Primes advising Owners to push Risk to Subs



# Supply Chain: shipping

## 2019-2024 U.S. CONTAINER IMPORT VOLUME (TEUs)



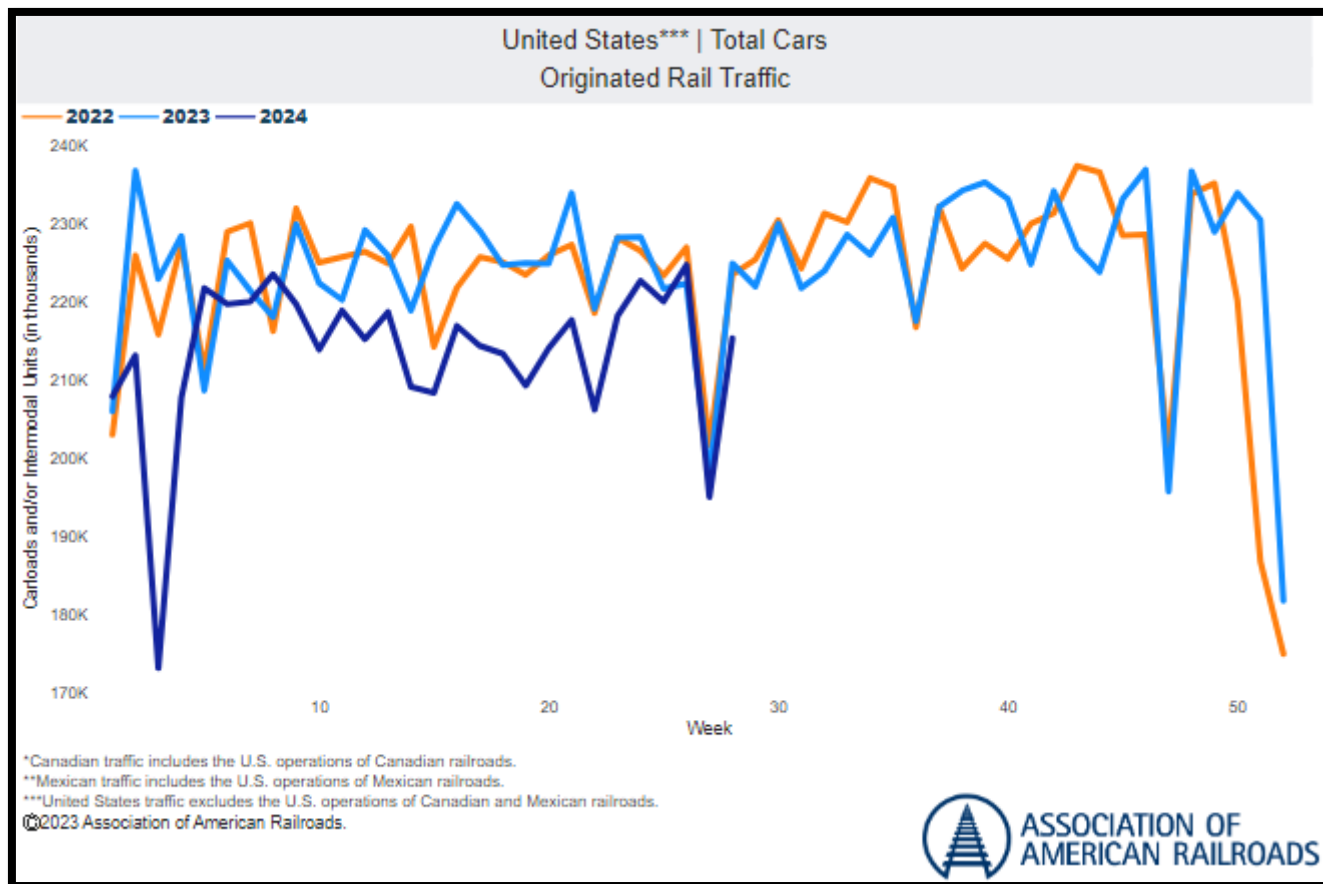
### US Container Imports:

- July '24 is a 26-month high since May '22
- 1<sup>st</sup> time in 22mo where volume >2.4M TEU level which created port congestion in COVID
- Growth in 2024 is 15.6% higher than same months in 2019.
- Top commodities were furniture/bedding + plastics / articles thereof
- 40% of imports are from China.
- Panama canal back to near-full operating depth and rising.
- Cargo avoiding Suez for longer more expensive routes, disrupted by weather at tip of South Africa



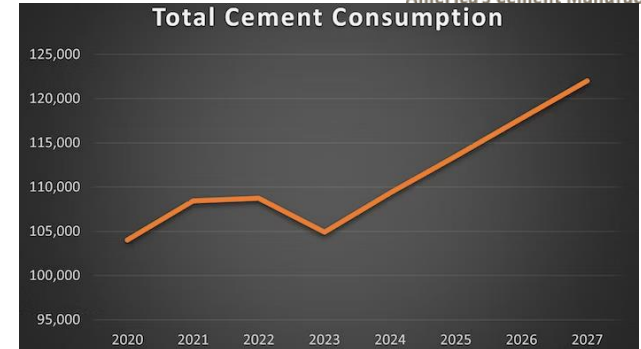
- US East and Gulf Coast Ports strike  
(current agreement expired on Oct 1st – Oct 3rd tentative deal in place till Jan 15<sup>th</sup> – automation and AI...and then workers to vote on it...)
- The USMA-ILA were not at the table together.
  - ILA is largest US union of maritime workers
  - Prior west-coast union negotiations proceeded without a contract. ILA not same.
  - ILA Pres is *“certain ILA members will achieve a landmark agreement, even if it takes a coast-wide strike beginning Oct 1<sup>st</sup> to get it.”*
- A strike would have shut down 1M+ TEUs entering the US.
  - *And everything leaving.*

# Weekly Rail Traffic



# Others: Materials Shortages

- 43 states had shortages in cement
- No cement capacity has been added in the US since 2009
- Additional cement production capacity coming, but PCA expects demand to outpace supply
- *Fly Ash Shortage Coming – some stockpiling*
- **IV Fluid Shortage – Nation Wide**
- Hurricane Helene

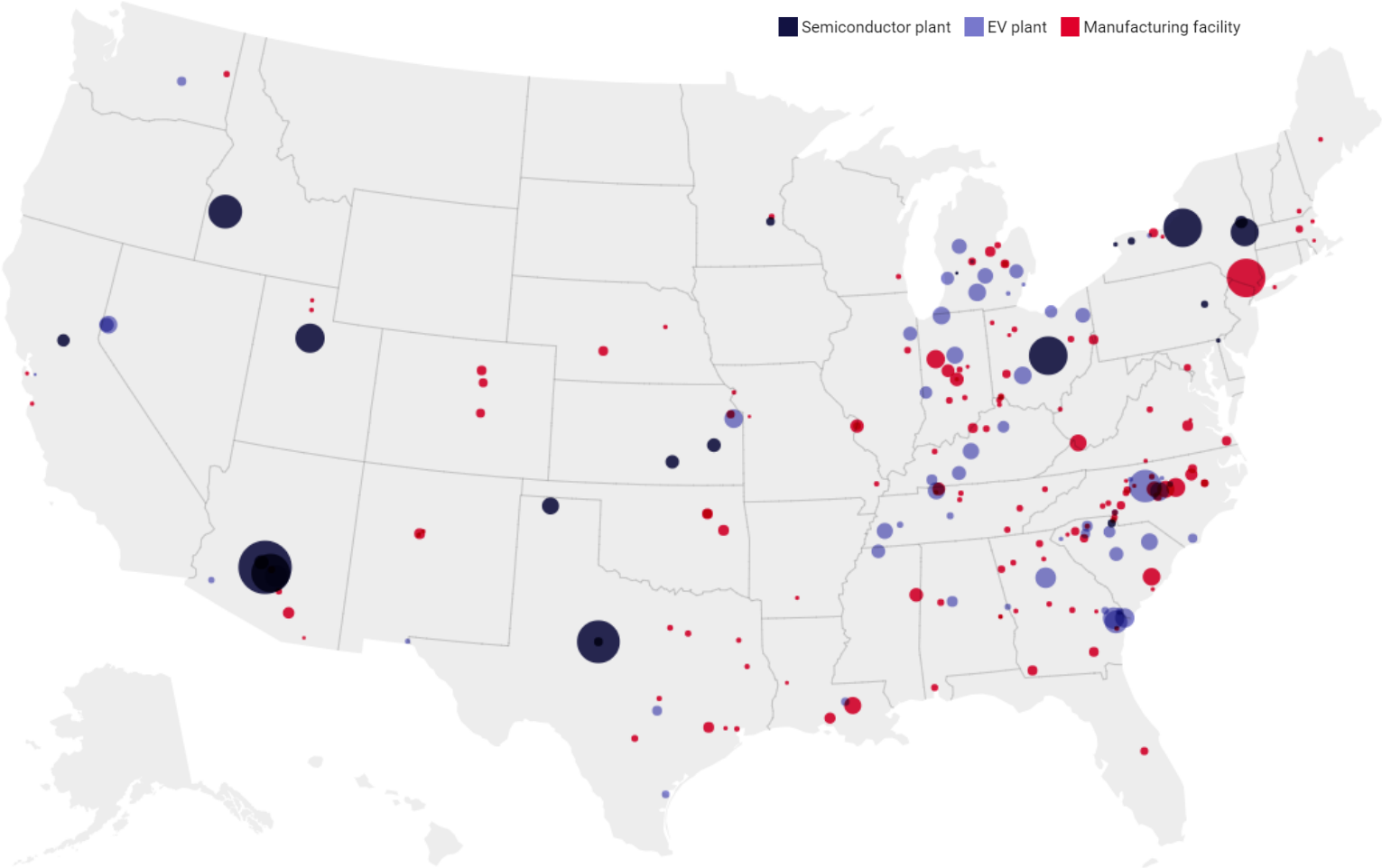


Hurricane Helene exacerbated the issue by shutting down a key IV fluid manufacturing plant in North Carolina, owned by Baxter International, which supplies 60% of the nation's IV fluids.

# Manufacturing construction surges across US

Top projects by value and location since August 2022

■ Semiconductor plant ■ EV plant ■ Manufacturing facility



# More “Megaprojects”

- 2023 = new annual record of 41 megaprojects (\$103.9B)
- 2022 = at the time, record of 31 megaprojects (\$103.2B)
- Pre-2019 = prior best of 35 megaprojects (\$79.1B)

# Many Headwinds in Today's Supply Chain

- Cost Escalation & Volatility
- Materials Shortages & Supply Chain Challenges
- **Workforce**

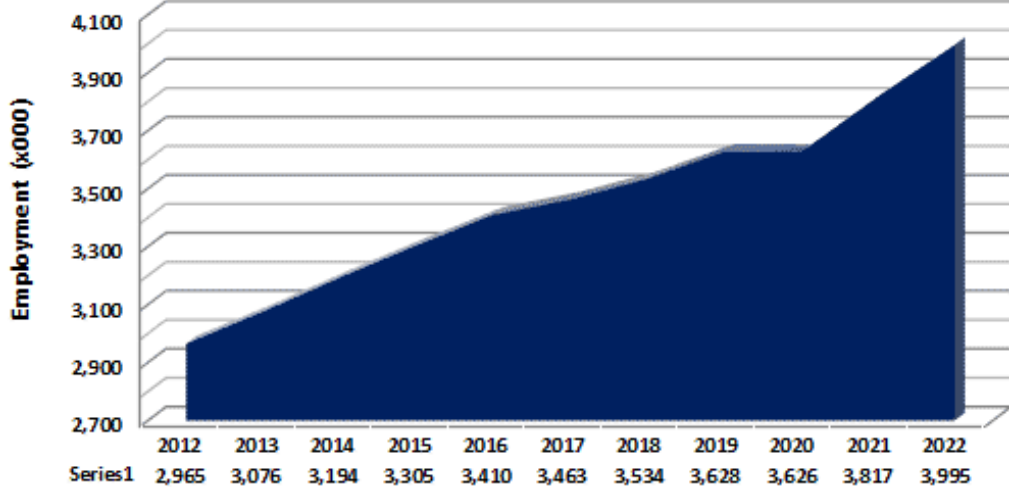
# **Workforce Shortages**

- **60-80% of orgs struggling to fill positions**
- **55% feel will be as hard or harder to find skilled people**
- **Mental health and productivity are challenges with high levels of hiring, shortages, and change (retirement, etc.)**



# Workforce Growth in IT

Historic IT Job Market Size - 3.99 million Jobs  
Still Growing

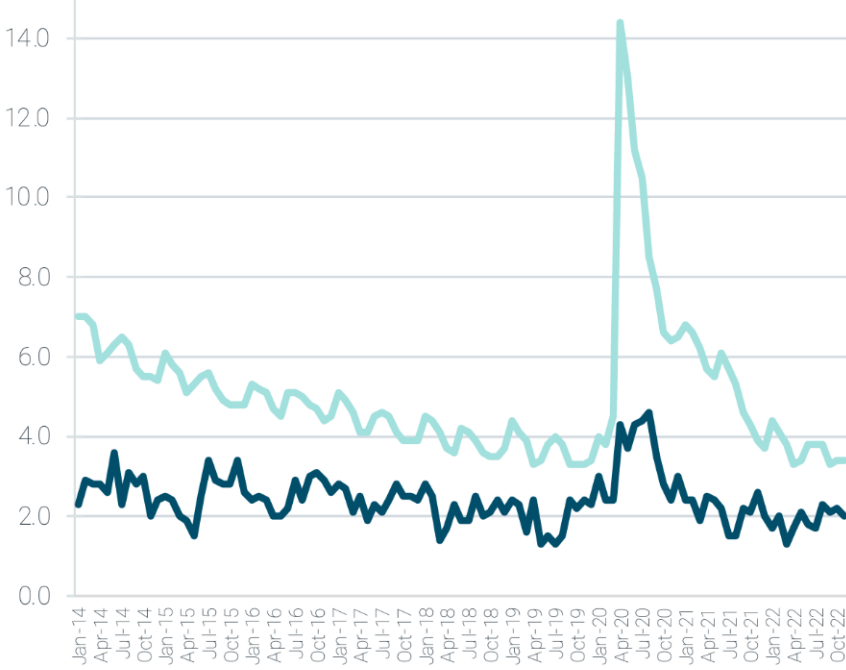


© 2022 Copyright Janco Associates, Inc. --



## UNEMPLOYMENT RATE TRENDING

Tech Occupation Rate      National Rate




CompTIA.

Market Personal Finance Business Economy Featured NextGen Engage **GINGE**

F&O Curukul SME Champion Awards Budget Ballot 2024 Latest News Market Live Newslett

NIFTY Adani Enterpris 2903.45 (0.24%) Adani Ports 1120.60 (-1.45%) Apollo Hospital 6213.35 (0.97%) Asian Paints 2999.45



HOME Education News Google Likely To Layoff 30,000 Employees Post New AI Innovation

### Google likely to layoff 30,000 employees post new AI innovation

Google had laid off approximately 12,000 employees, a move Sundar Pichai deemed essential for the company's adaptability and capacity to invest in emerging areas amid a transformative global environment.

LATEST NEWS

FEATURED

LIVE TV

- CNBC-TV18
- CNBC AWAAZ
- CNBC BAJAR

MARKET LIVE

TE

Join TechCrunch+

Login

Search Q

TechCrunch+

Startups

Venture

Security

Featured Article

### A comprehensive...

From major layoffs at Google, Am... startups and

**Oct 11, 2024**

- September 2024: 3,765 employees laid off — [see all September 2024 Tech Layoffs](#)
- August 2024: 26,024 employees laid off — [see all August 2024 Tech Layoffs](#)
- July 2024: 9,051 employees laid off — [see all July 2024 Tech Layoffs](#)
- June 2024: 10,083 employees laid off — [see all June 2024 Tech Layoffs](#)
- May 2024: 11,011 employees laid off — [see all May 2024 Tech Layoffs](#)
- April 2024: 22,423 employees laid off — [see all April 2024 Tech Layoffs](#)
- March 2024: 7,403 employees laid off — [see all March 2024 Tech Layoffs](#)
- February 2024: 15,639 employees laid off — [see all February 2024 Tech Layoffs](#)
- January 2024: 34,107 employees laid off — [see all January 2024 Tech Layoffs](#)

BIOTECH

# Fierce Biotech Layoff Tracker 2024: Ikena lays off 35% staff; Cuts at Cara

By Gabrielle Masson, Max Bayer · Jan 22, 2024 9:20am

layoffs Biotech Special Reports



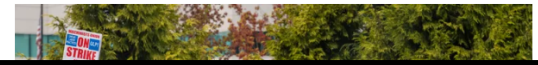
Investopedia INVESTING SIMULATOR BANKING PERSONAL FINANCE

COMPANY NEWS

## Boeing Plans 17,000 Job Cuts as CEO Ortberg Shakes Up Plane Maker

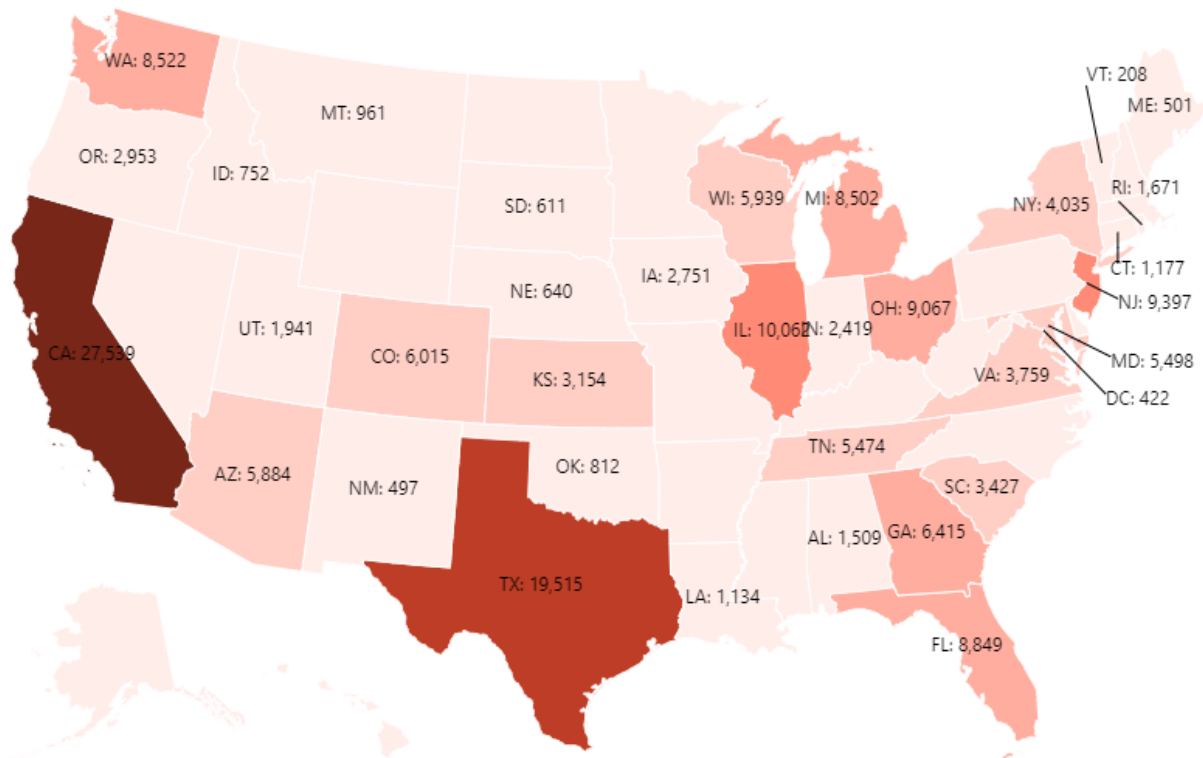
By NISHA GOPALAN Updated October 14, 2024 10:42 AM EDT

f X e



**Oct 14, 2024**

# Map of layoffs for 2024



Market Personal Finance

F&O Curukul SME Champ

NIFTY Adani Enterpris 290

HOME

LATEST NEWS

FEATURED

LIVE TV

- CNBC-TV18
- CNBC AWAAZ
- CNBC BAJAR

MARKET LIVE

BIOTECH

**Fierce 2024: at Car**

By Gabrielle Masson,

layoffs Biotech

PERSONAL FINAN

akes

### Cracks in strong jobs market: discouraged workers, long-term unemployed on the rise

by CORY SMITH | The National News Desk | Fri, October 11th 2024 at 4:46 PM



**Oct 11, 2024**

FILE - Job seekers attend the JobNewsUSA.com South Florida Job Fair held at the Amerant Bank Area



TOPICS: JOBS MARKET DISCOURAGED WORKERS LONG-TERM UNEMPLOYED

(TNND) — There are cracks emerging in America's strong jobs market. The number of "discouraged workers" jumped

Department of Labor's monthly report on Friday. The number of discouraged workers jumped 100,000 in August from 3.5 million to 3.6 million, the highest since 2013.

**Oct 4, 2024**

### Blowout US employment report reinforces economy's resilience

By Lucia Mutikani

October 4, 2024 11:10 AM MST · Updated 10 days ago



CNBC MARKETS BUSINESS INVESTING TECH POLITICS VIDEO INVESTING CLUB PRO LIVESTREAM

ECONOMY

### U.S. job creation roared higher in September as payrolls surged by 254,000

PUBLISHED FRI, OCT 4 2024 8:30 AM EDT | UPDATED FRI, OCT 4 2024 10:00 AM EDT

Jeff Cox  
@JEFFCOX7528  
@JEFFCOXNBCSN

KEY POINTS

- Nonfarm payrolls rose 254,000 in September, up from a revised 159,000 in August and above the 150,000 Dow Jones consensus forecast.
- The unemployment rate fell to 4.1%, down 0.1 percentage point, as the survey of household employment showed an even stronger picture, with a gain of 430,000.
- Average hourly earnings increased 0.4% on the month and were up 4% from a year ago. Both figures were ahead of respective estimates.

**Oct 4, 2024**



**Aug 21, 2024**

By — Associated Press

Leave your feedback

Share

### U.S. economy added 818,000 fewer jobs than first reported, sign job market has been slowing

# A.I. is on a collision course with white-collar, high-paid jobs — and with unknown impact

PUBLISHED MON, JUL 31 2023 7:30 AM EDT

# Two-Thirds of Jobs Are at Risk: Goldman Sachs A.I. Study

...t bank's economists estimate that 46% of administrative positions, ... positions, and 37% of engineering jobs could be replaced by artificial

**Forbes**

# Half Of All Skills Will Be Outdated Within Two Years, Study Suggests

Joe McKendrick Senior Contributor

*I track how technology innovations move markets and careers*

Microsoft

60-day return p

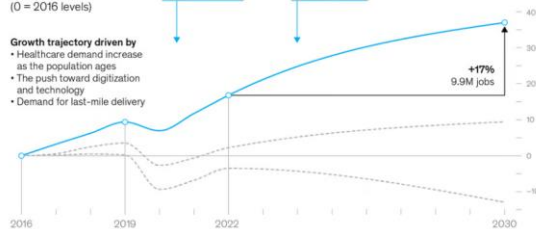
We expect an additional 12 million occupational transitions through 2030.

US job growth, index (0 = 2016 levels)

**Resilient and growing occupations**

Growth trajectory driven by

- Healthcare demand increase as the population ages
- The push toward digitization and technology
- Demand for last-mile delivery



36 Share of US workers in resilient and growing occupations, 2022, %

- Occupations where generative AI could accelerate automation significantly
- Health professionals
  - Health aides, technicians, and wellness
  - STEM professionals
  - Transportation and warehousing
  - Managers
  - Business and legal professionals

Projected transitions to new occupations, 2022-30

**1 million**  
From a resilient and growing occupation to any other occupation**Guardian**

... with \$5 per month

**The Guardian**

# AI having 'positive impact' on UK jobs but could increase regional inequalities, says report

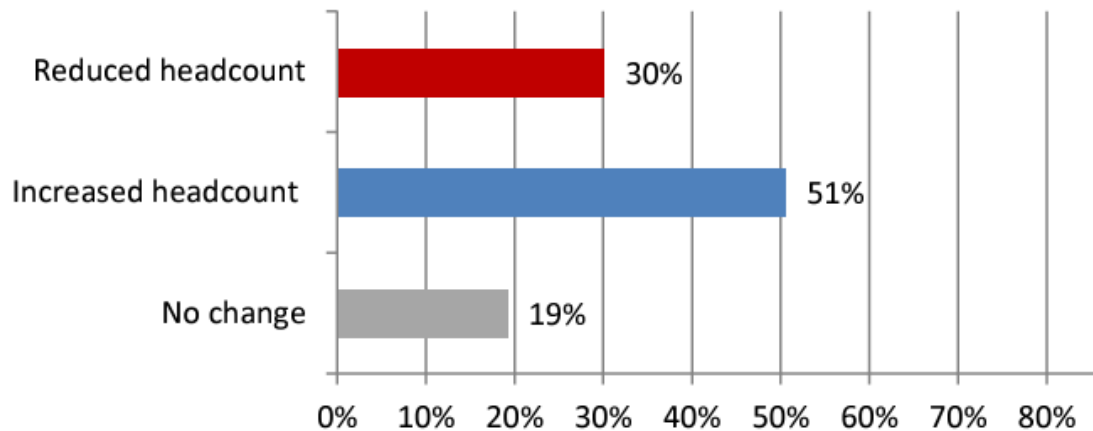
Study finds new technologies have created and upskilled jobs but disparities in education and investment may affect pace of change



# **AGC 2024 Workforce Survey**

- **National survey conducted in Aug 2024**
- **1,492 Contractors Responded Nationally**

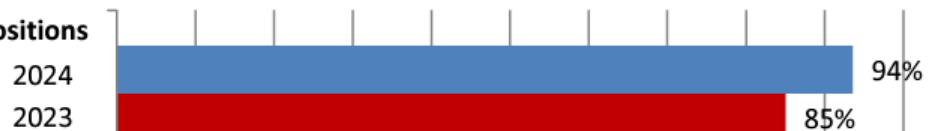
**By what percentage has your firm's headcount changed in the past 12 months? Responses: 1,492**



**Do you currently have an open hourly craft or salaried position? Responses:**

**2024: 1,185 Salaried, 995 Craft; 2023: 1,149 Salaried, 1,101 Craft**

**% of firms with openings for hourly craft positions**



**% of firms with openings for salaried positions**



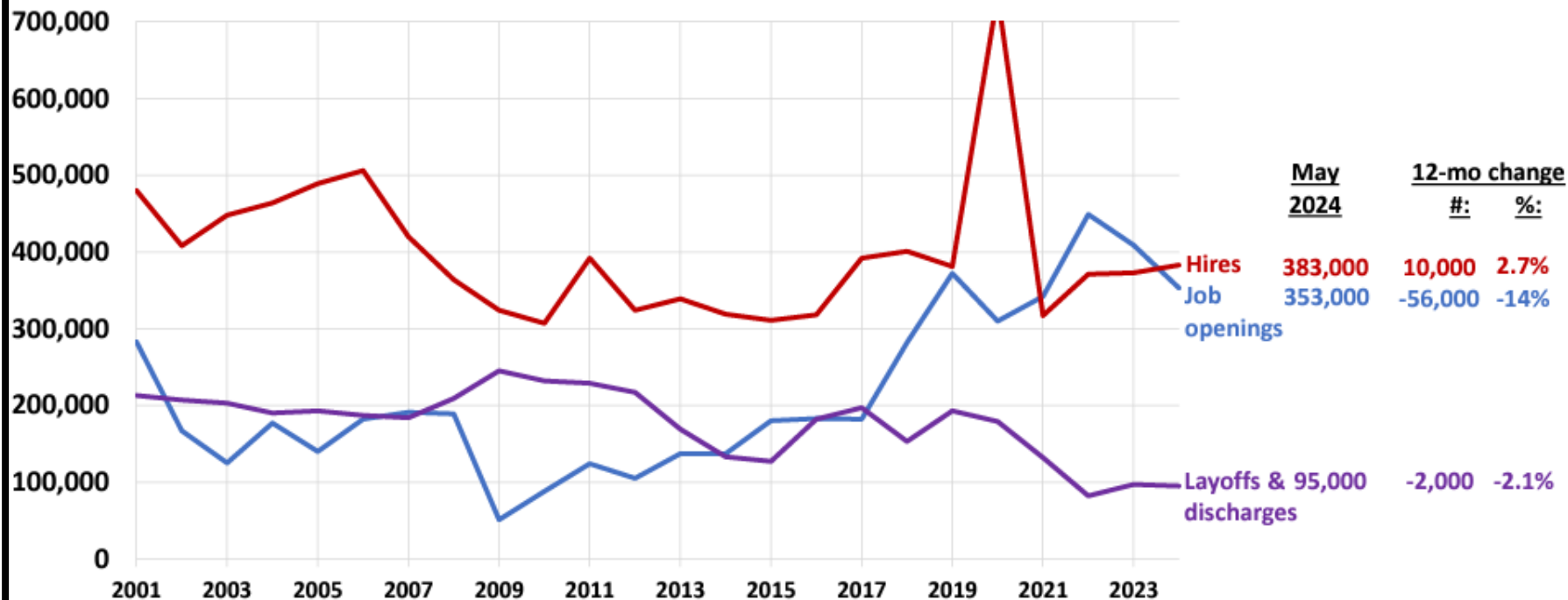
0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

# Construction job openings, hires & layoffs

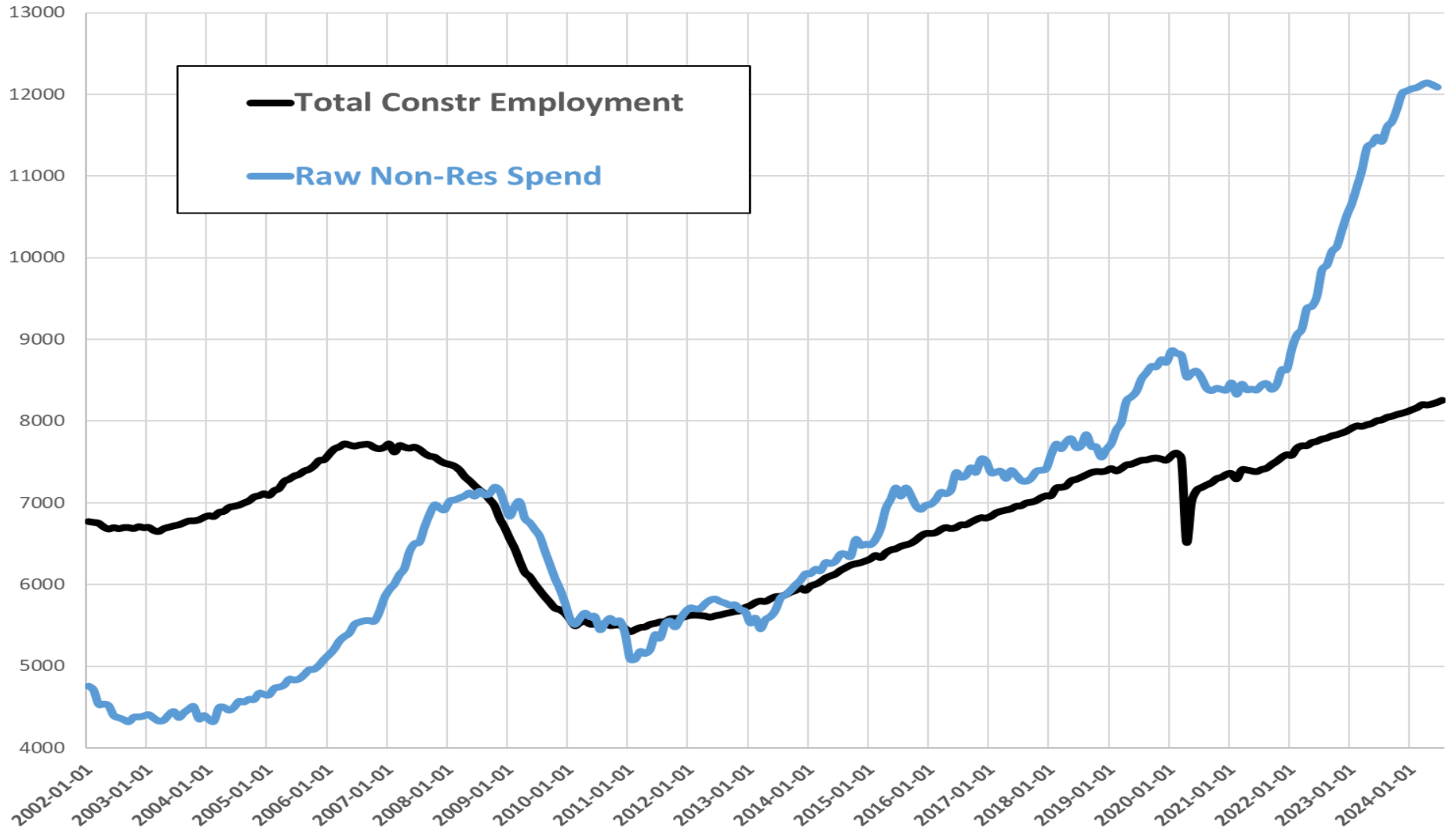
Job openings, hires, and layoffs May 2001-May 2024, seasonally adjusted



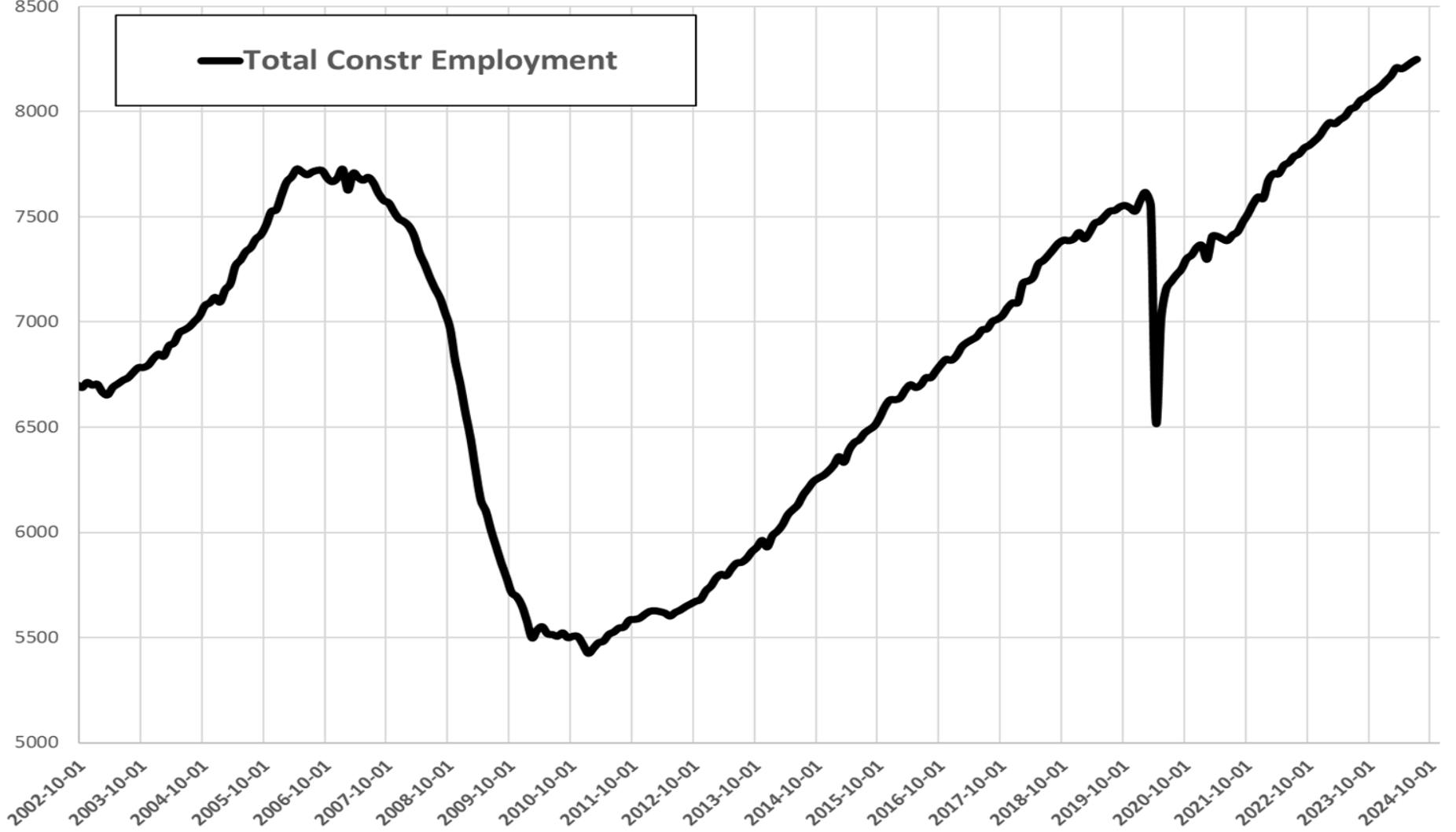
**AGC**  
THE CONSTRUCTION  
ASSOCIATION

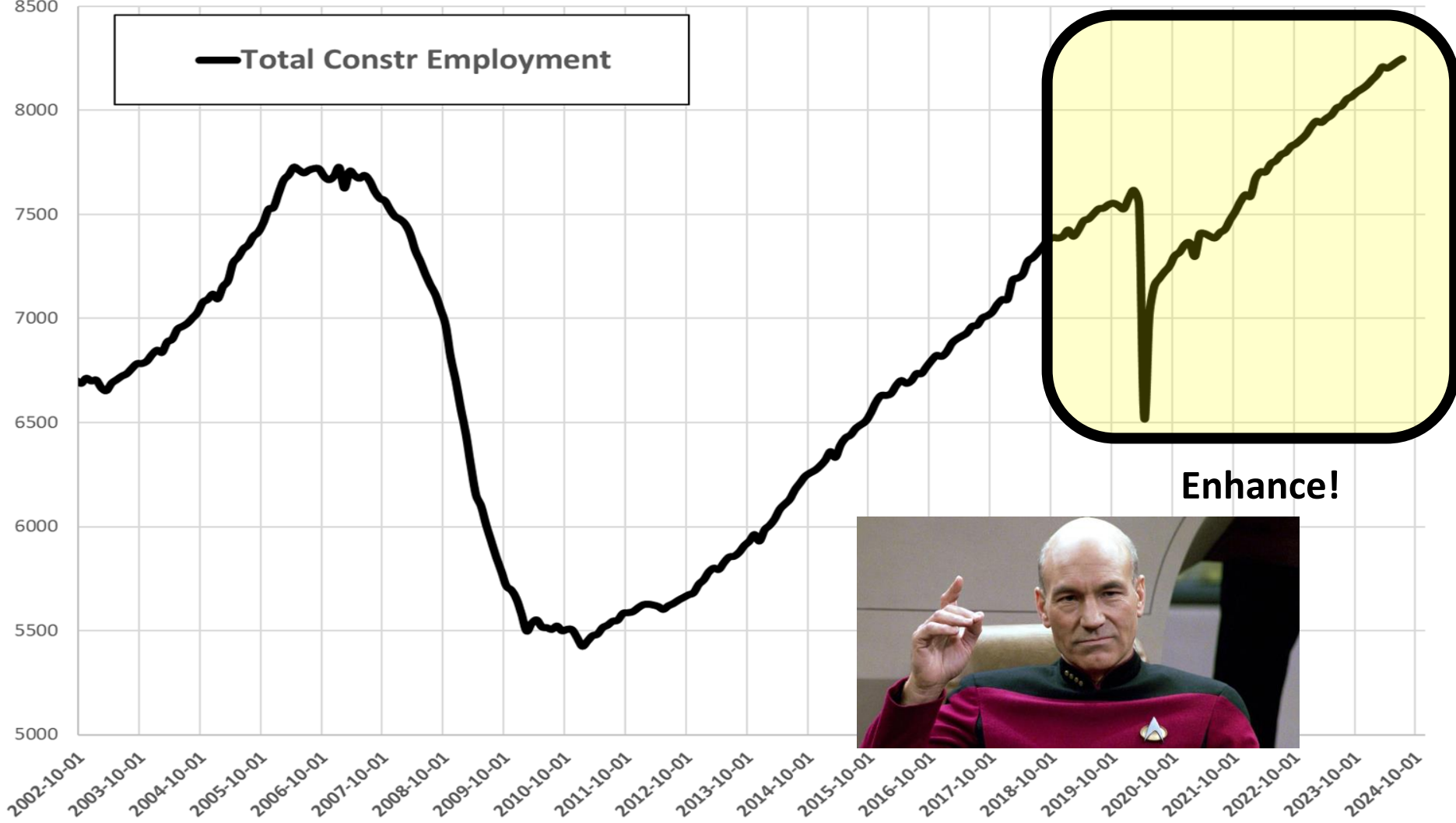






**So, What's Really Going On?**





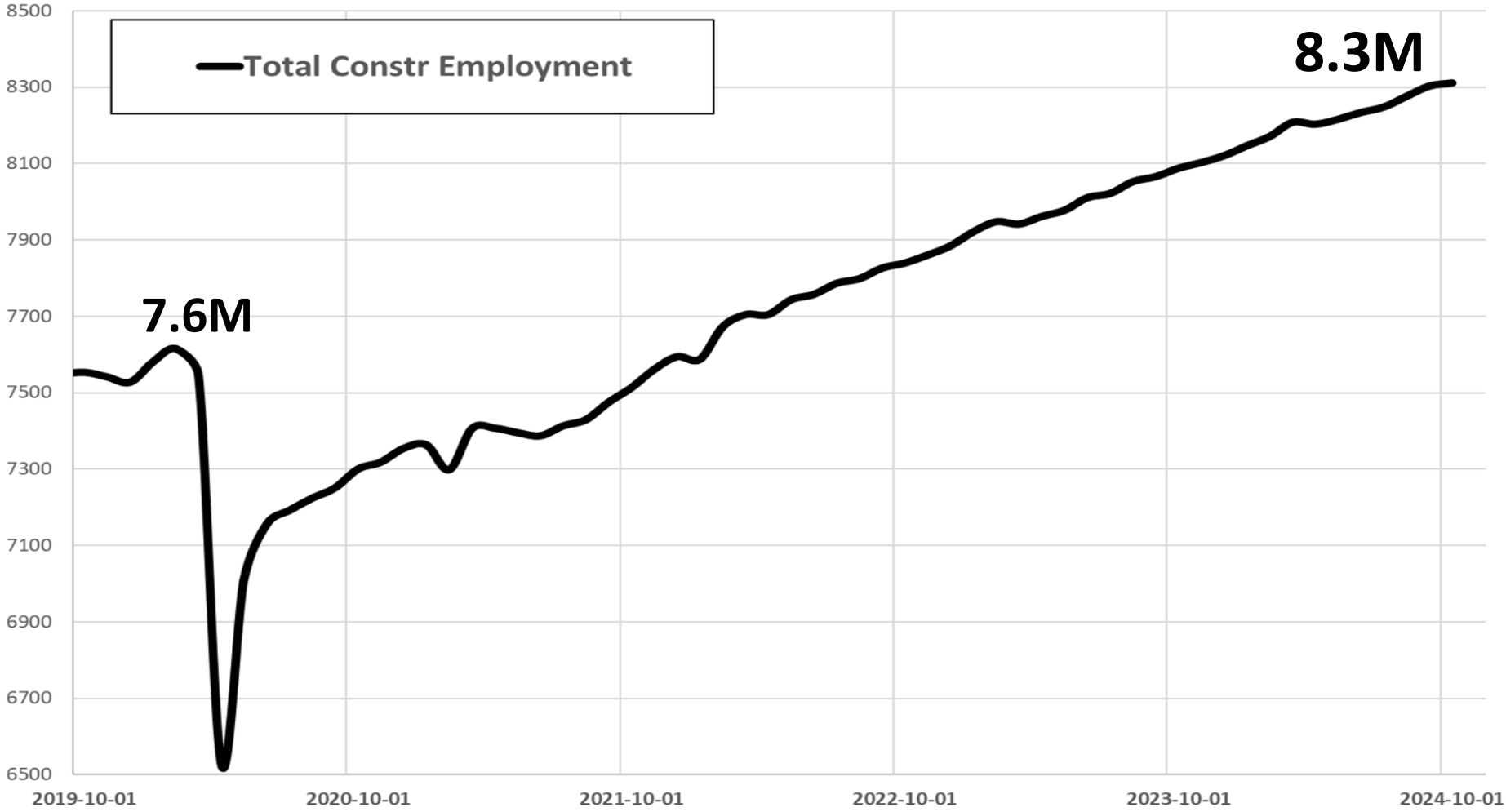
**Enhance!**

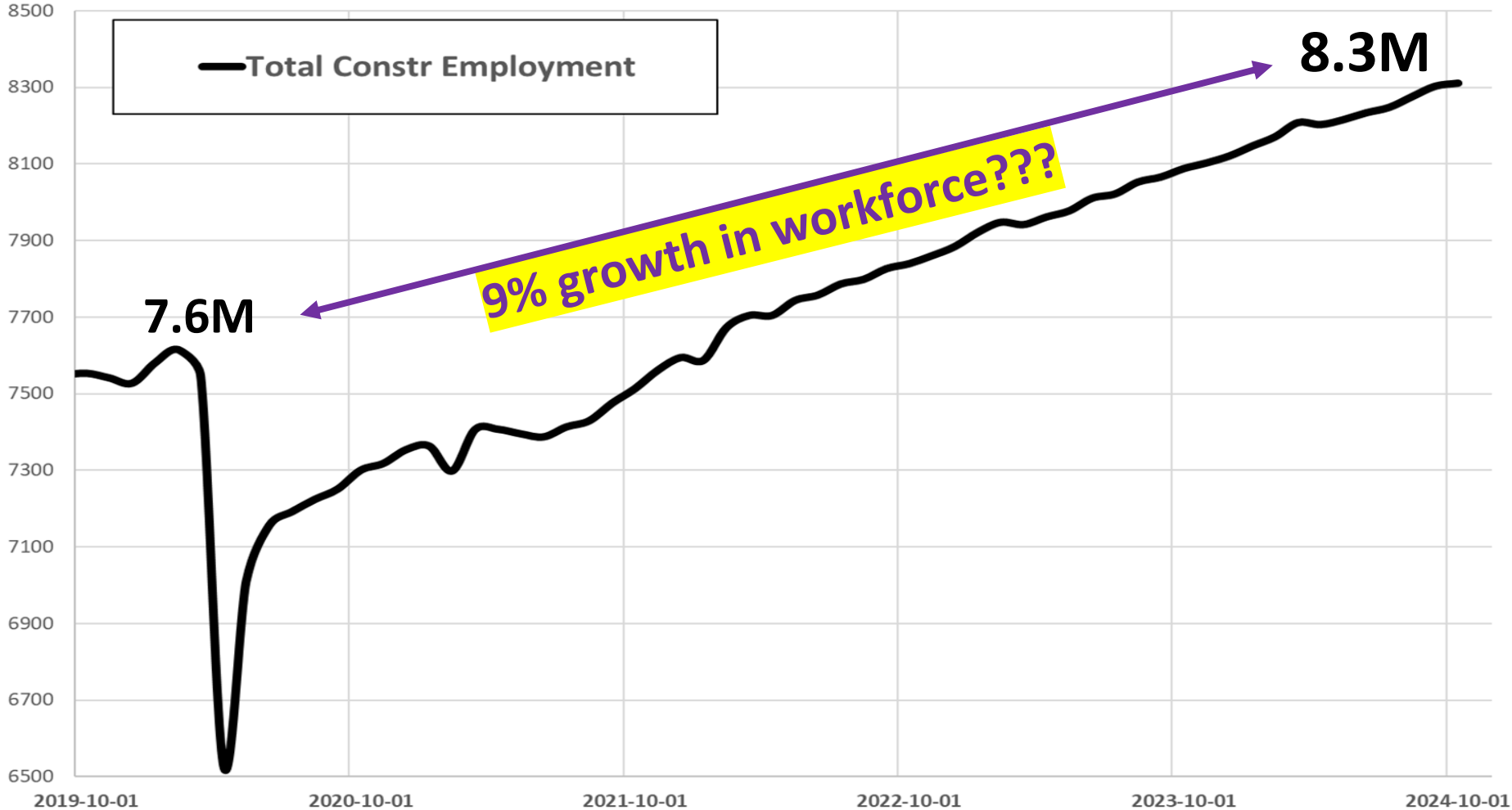


— Total Constr Employment

7.6M

8.3M



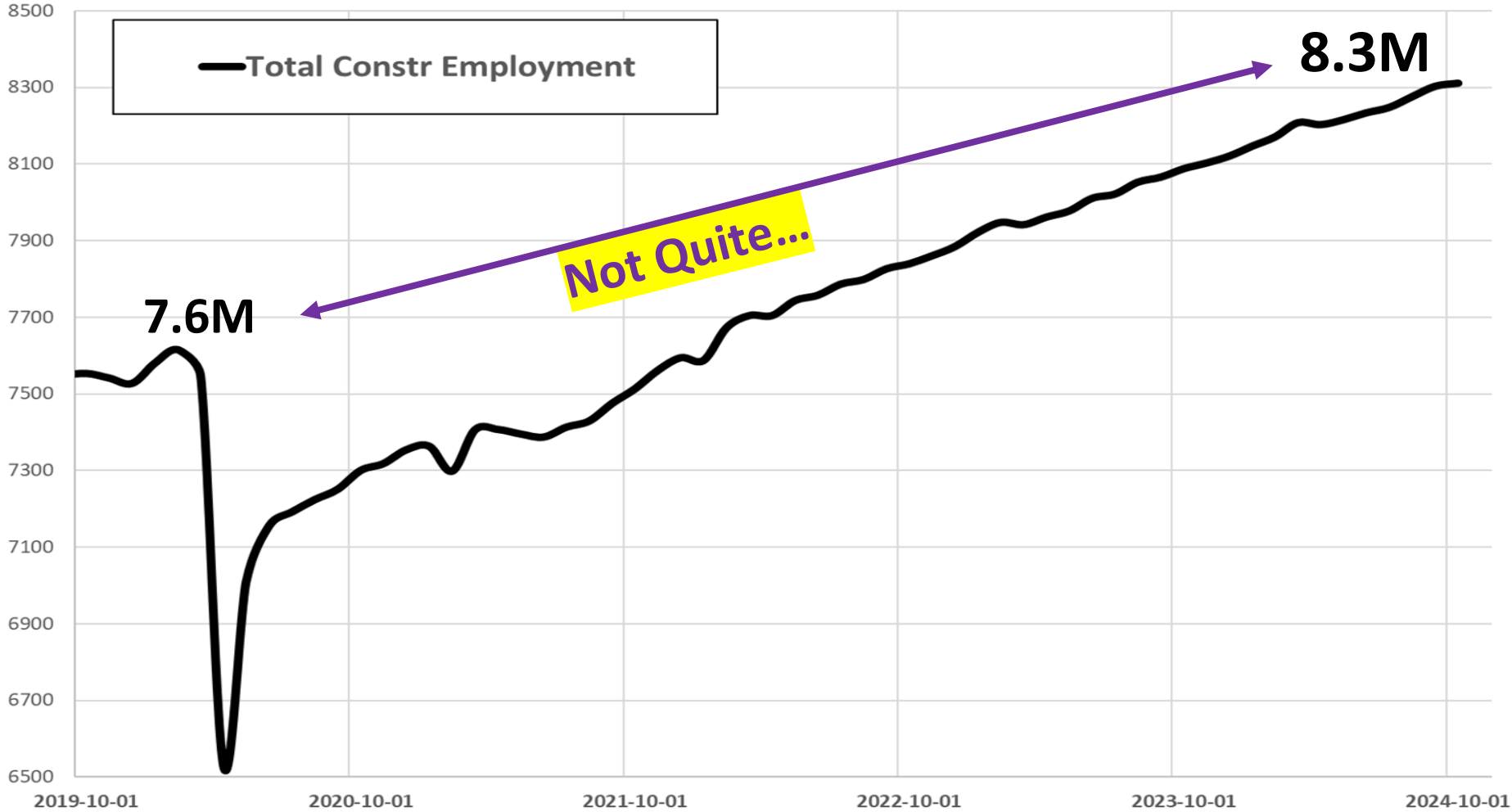


— Total Constr Employment

7.6M

9% growth in workforce???

8.3M



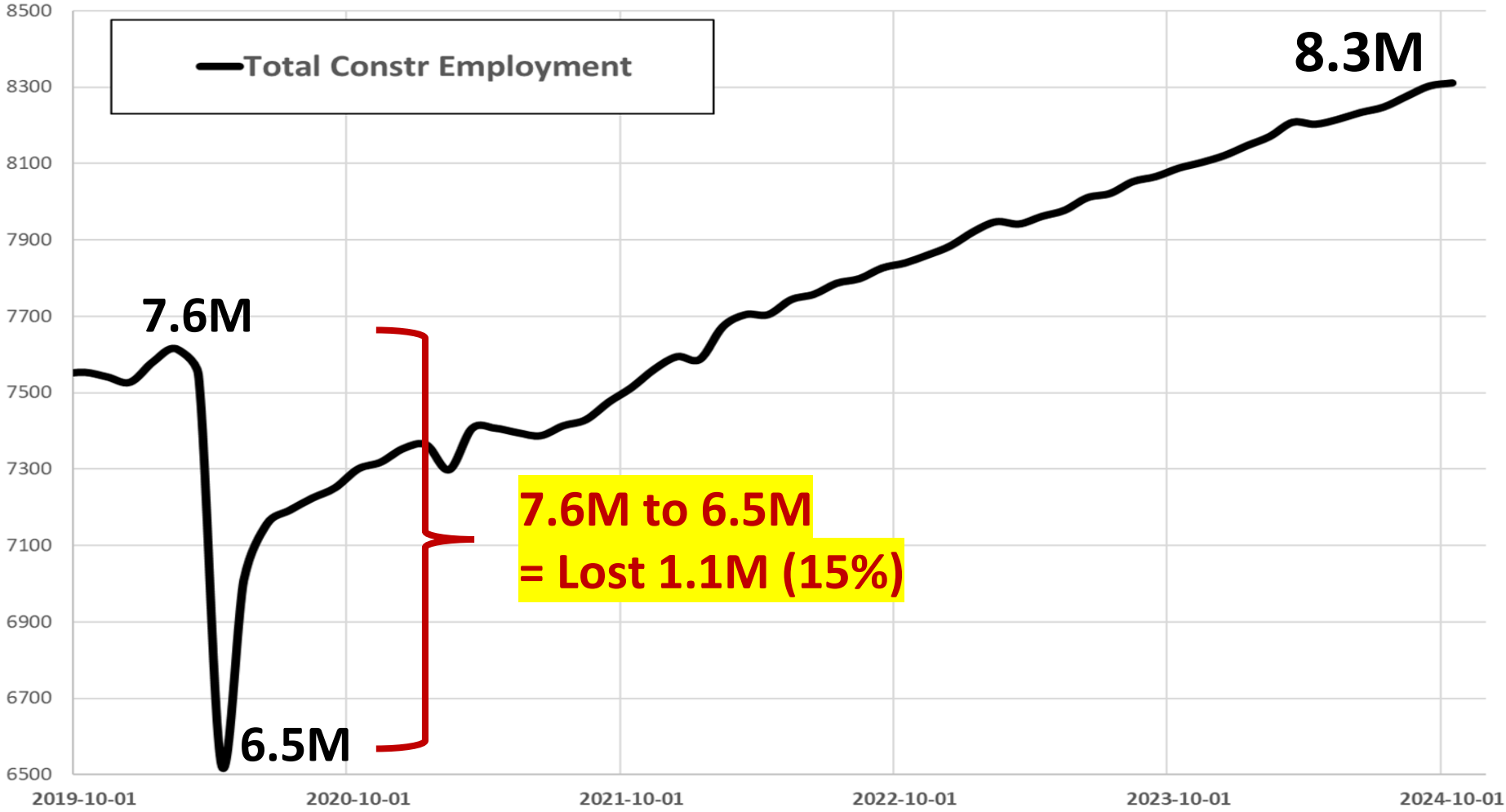
— Total Constr Employment

7.6M

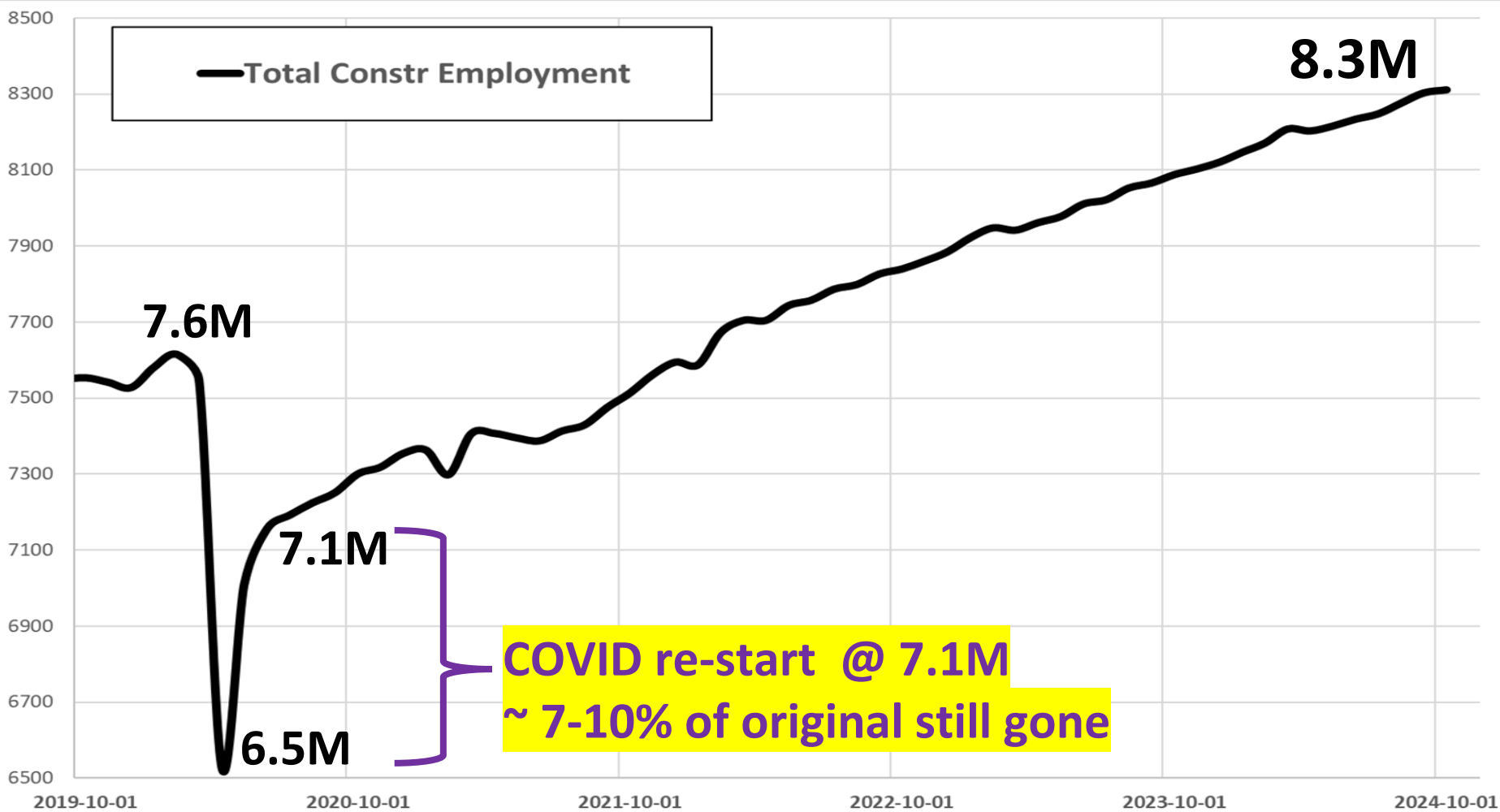
6.5M

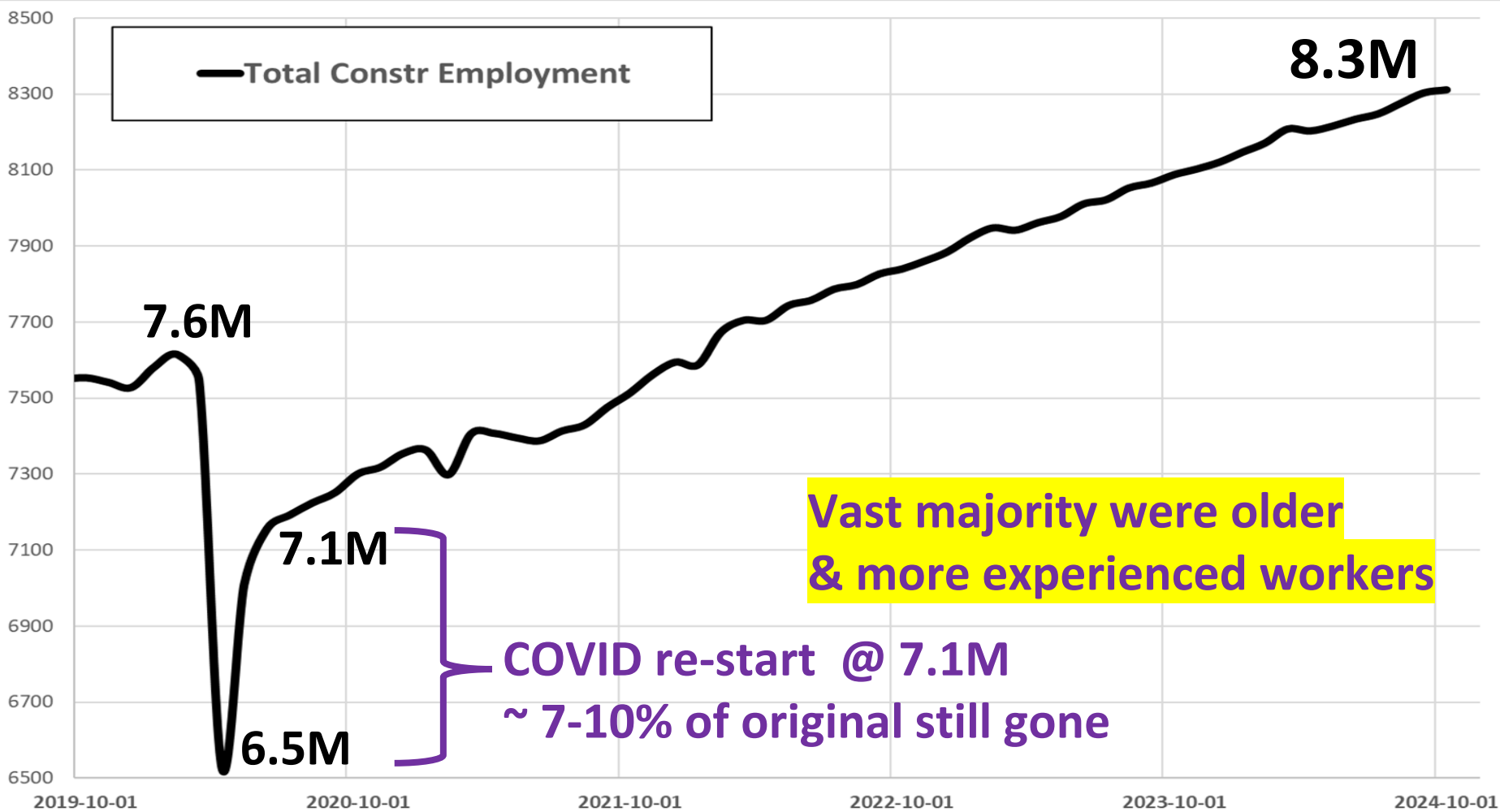
8.3M

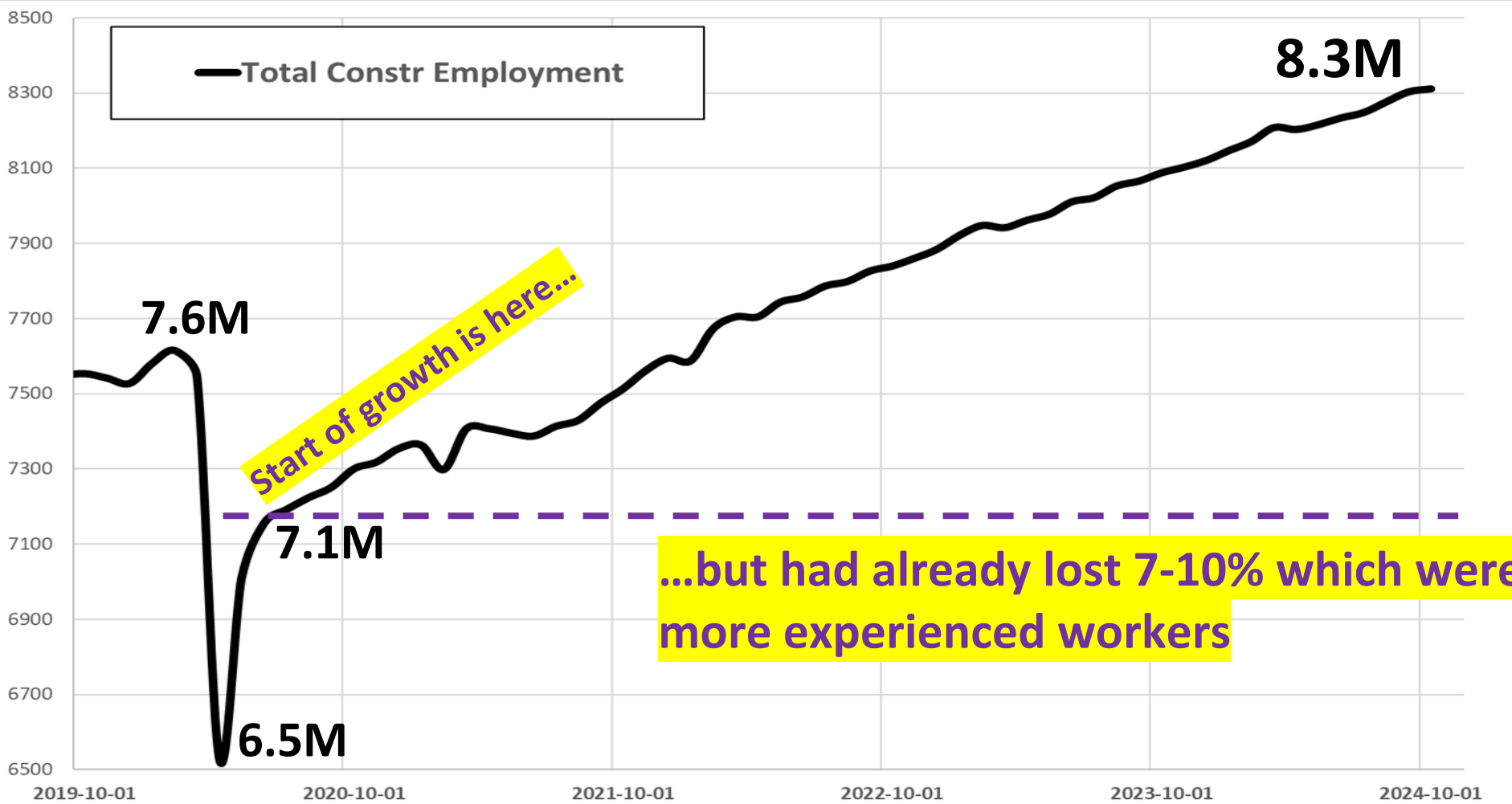
7.6M to 6.5M  
= Lost 1.1M (15%)

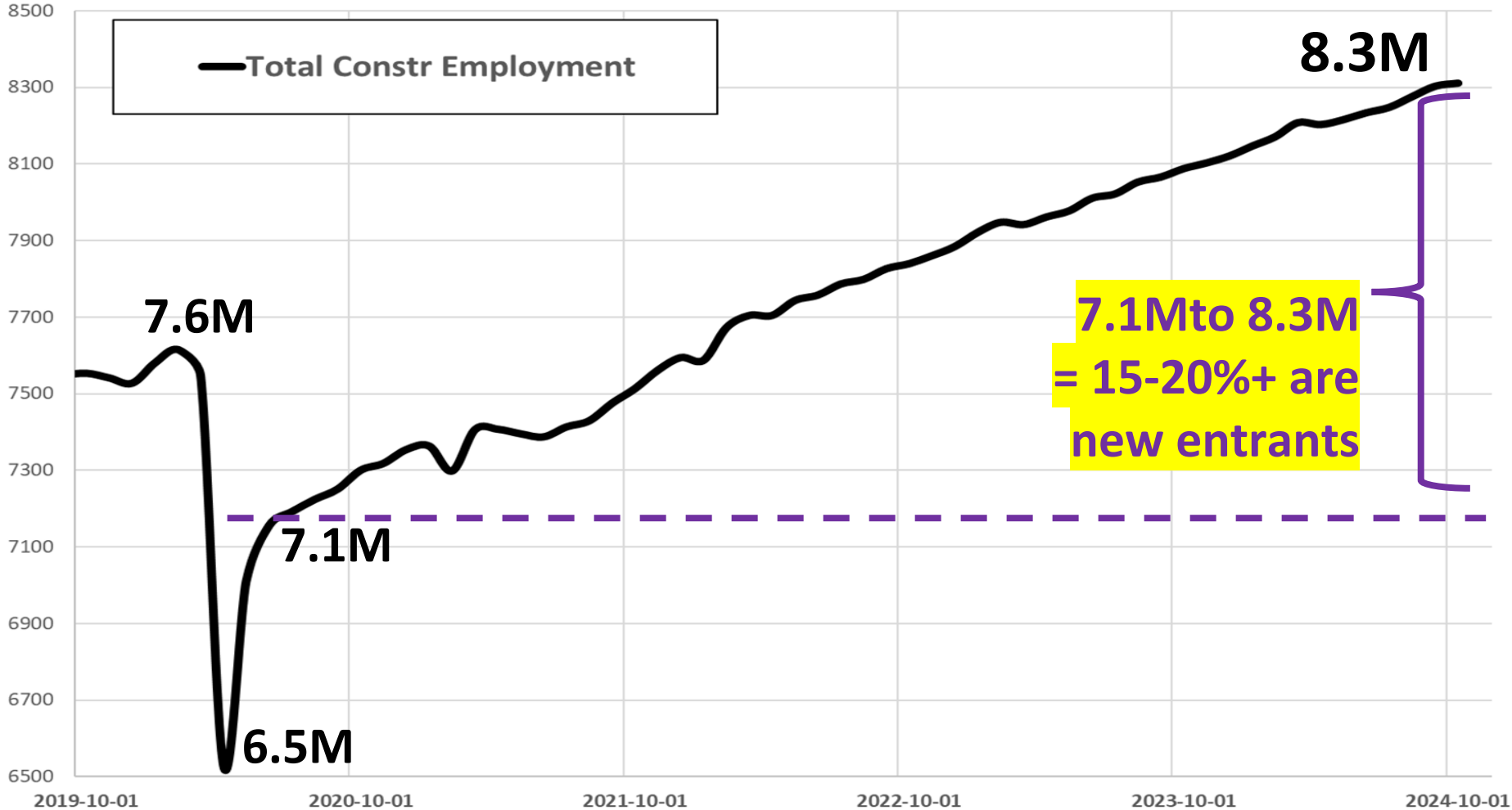


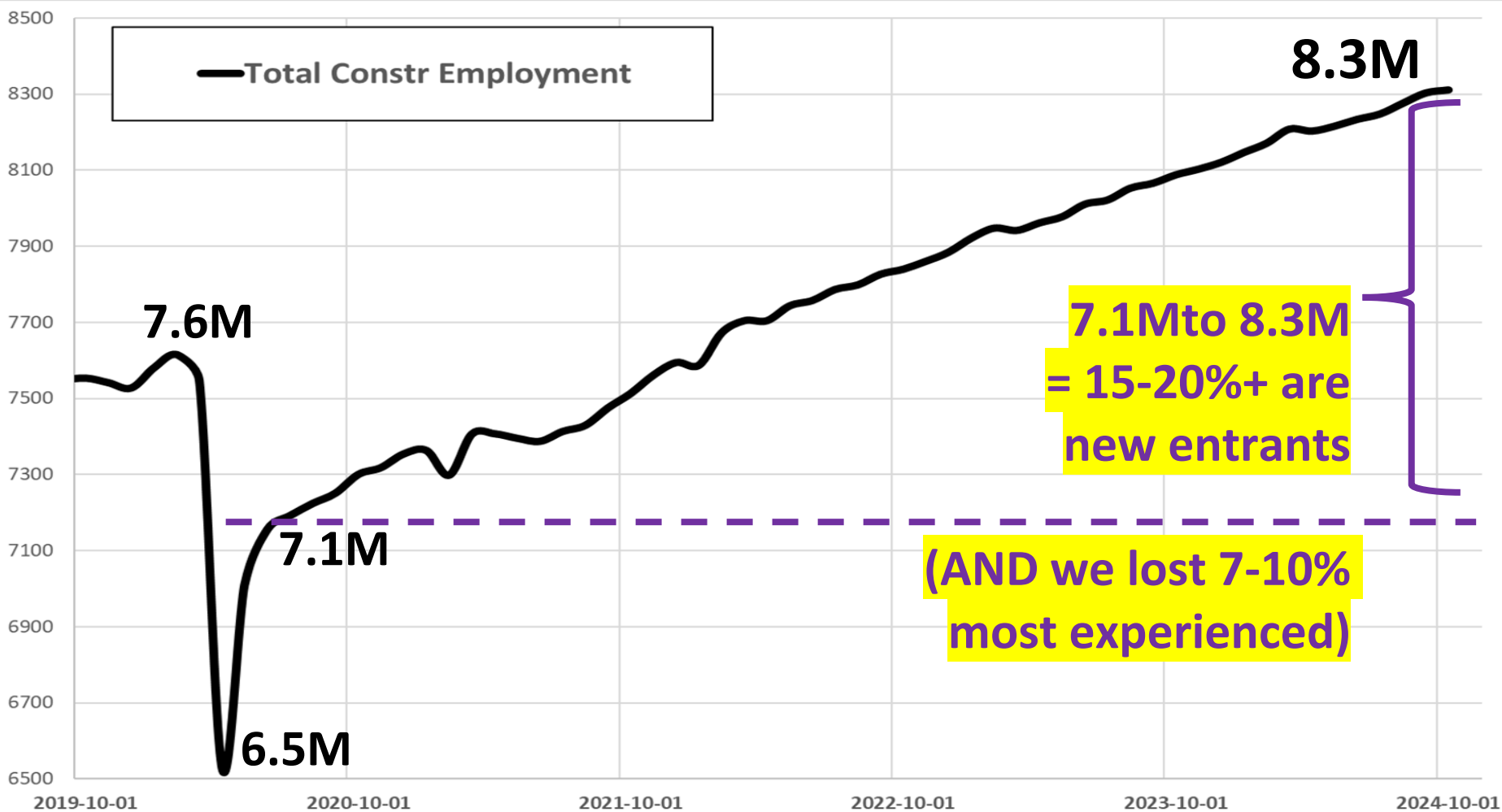


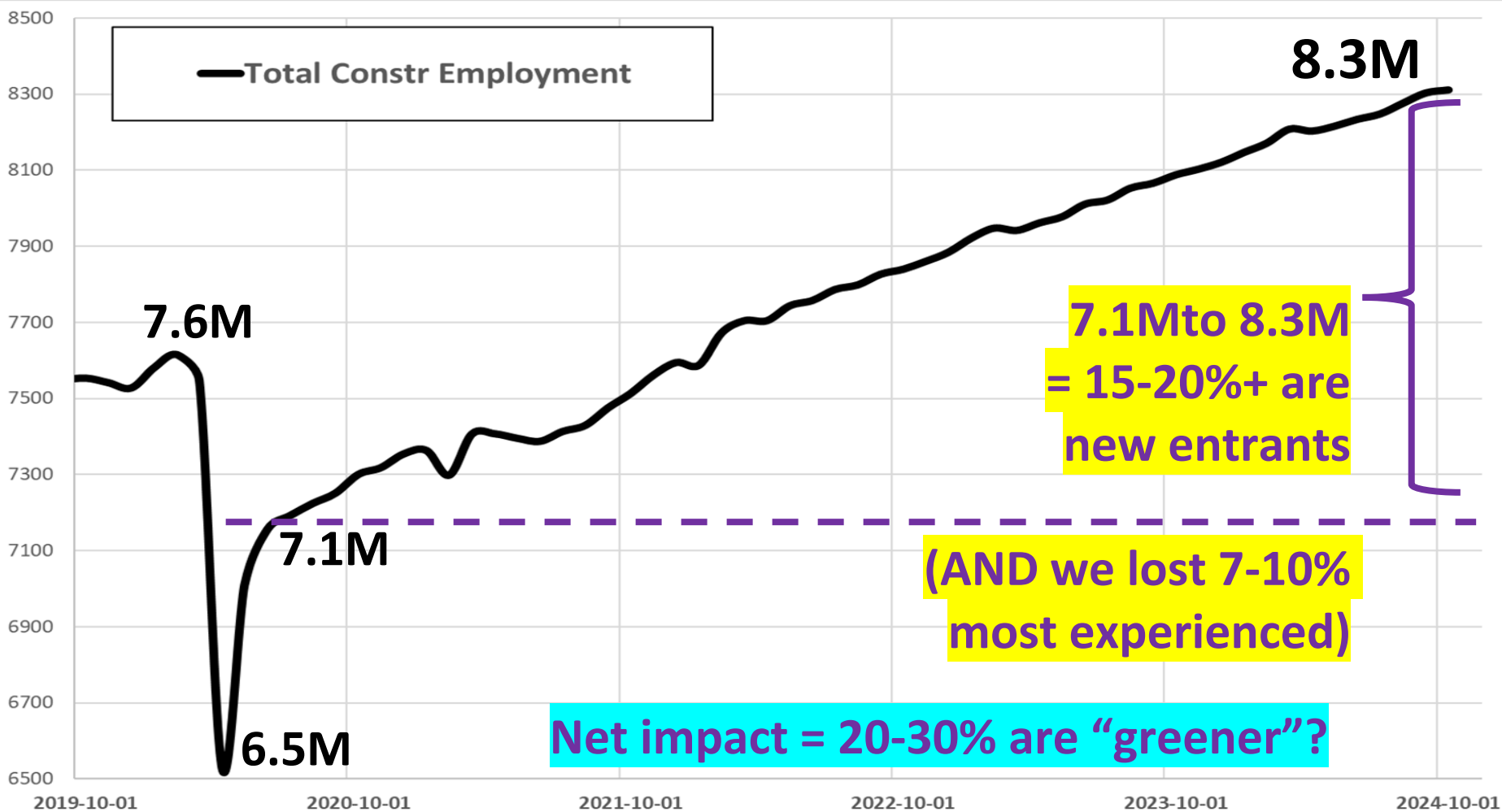












# Other Workforce Challenges

- Before pandemic – trades wage rates exceed average total private sector by 20-25% historically
- **Now Trade Wage Rate is 16-18% above national average....**
  - Pay is not keeping up
  - Cannot work from home
  - Benefits not as comprehensive
  - Non-flexible hours
  - Vaccination requirements were an issue
- **Procurement Professionals**
  - 25-45% underpaid
  - Significant resource shortages/understaffed
  - HR struggling to adapt

# Workforce

- Since the year 2000, the US Population has gotten:
  - Older or Younger?



# Workforce

- Since the year 2000, the US Population has gotten:
  - Older by 3.4 years

# Workforce

- Since the year 2000, the US Population has gotten:
  - Older by 3.4 years
- This trend is:
  - Accelerating or Decelerating?

# Workforce

- Since the year 2000, the US Population has gotten:
  - Older by 3.4 years
- This trend is:
  - Accelerating (2021 was most rapid increase across the 21yr range)

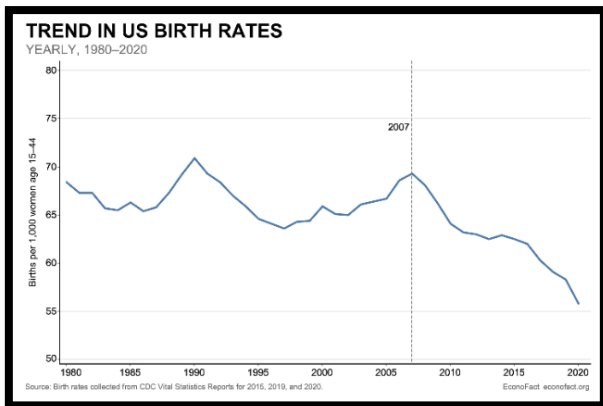
# Workforce Challenges

*2020 Birth Rate 4% lower than 2019  
Lowest Ever  
(11.99 Births per 1000 people)  
(up 1% in '21, up 0.09% in '22  
11.00 in '23)*

**As of '23, 1.62 Births/woman – Lowest Ever Recorded**

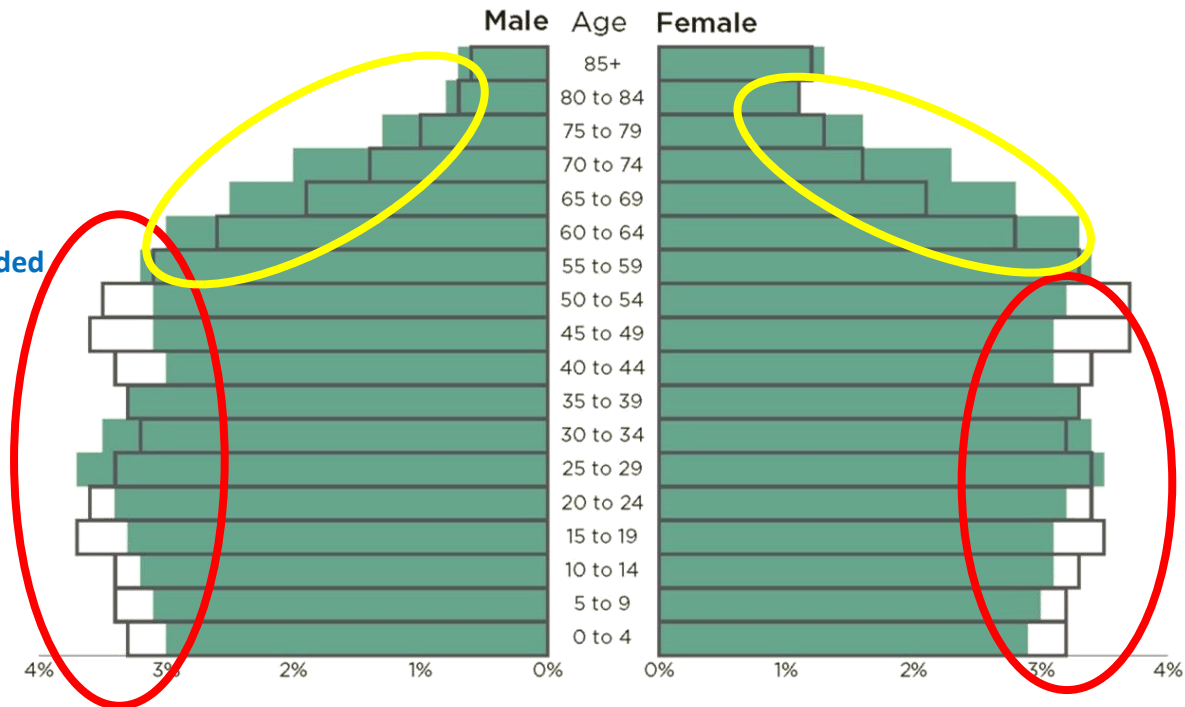
*(was 31% higher in 1990)*

*(was 102% higher in 1950)*

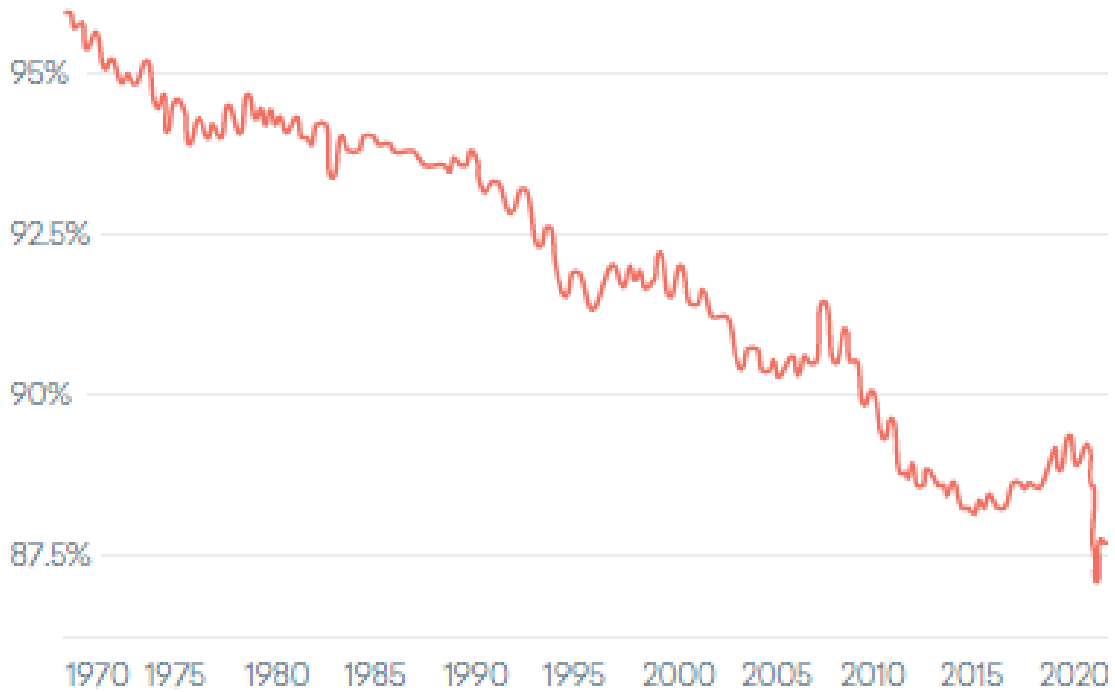


Percent of Total Population in 2010 and 2019

□ 2010 ■ 2019

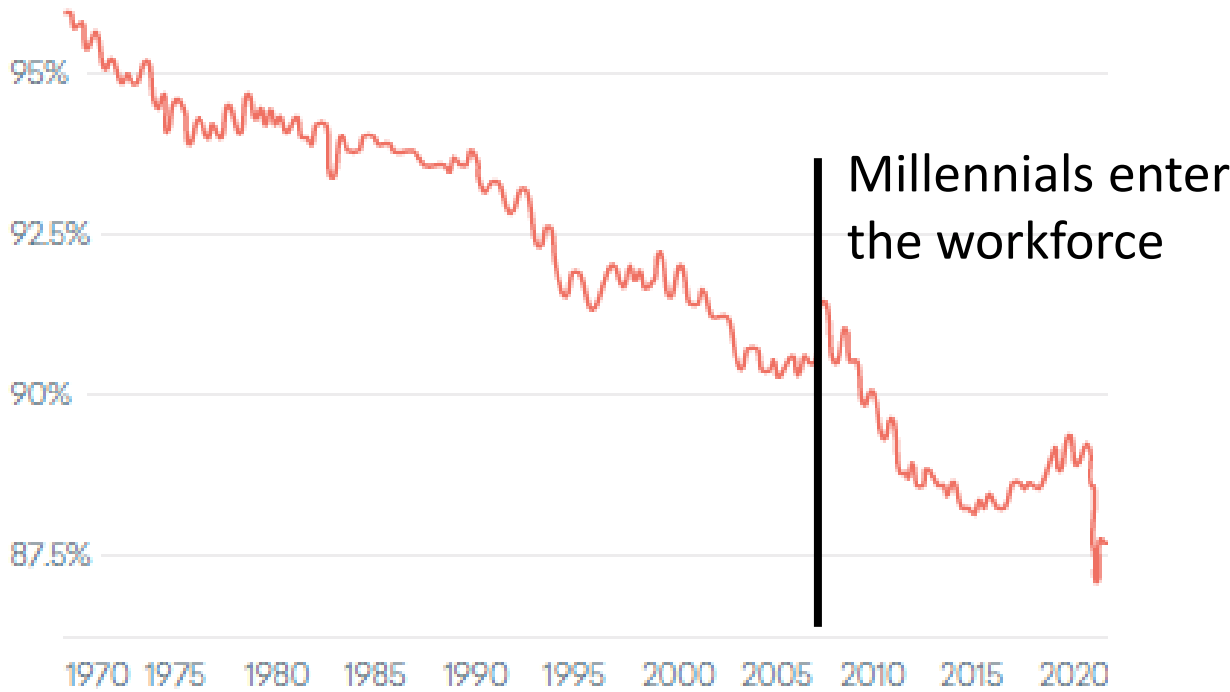


# Workforce Challenges – Prime Age (25-54) Male Workforce Participation



Source: BLS Current Population Survey.

# Workforce Challenges – Prime Age (25-54) Male Workforce Participation

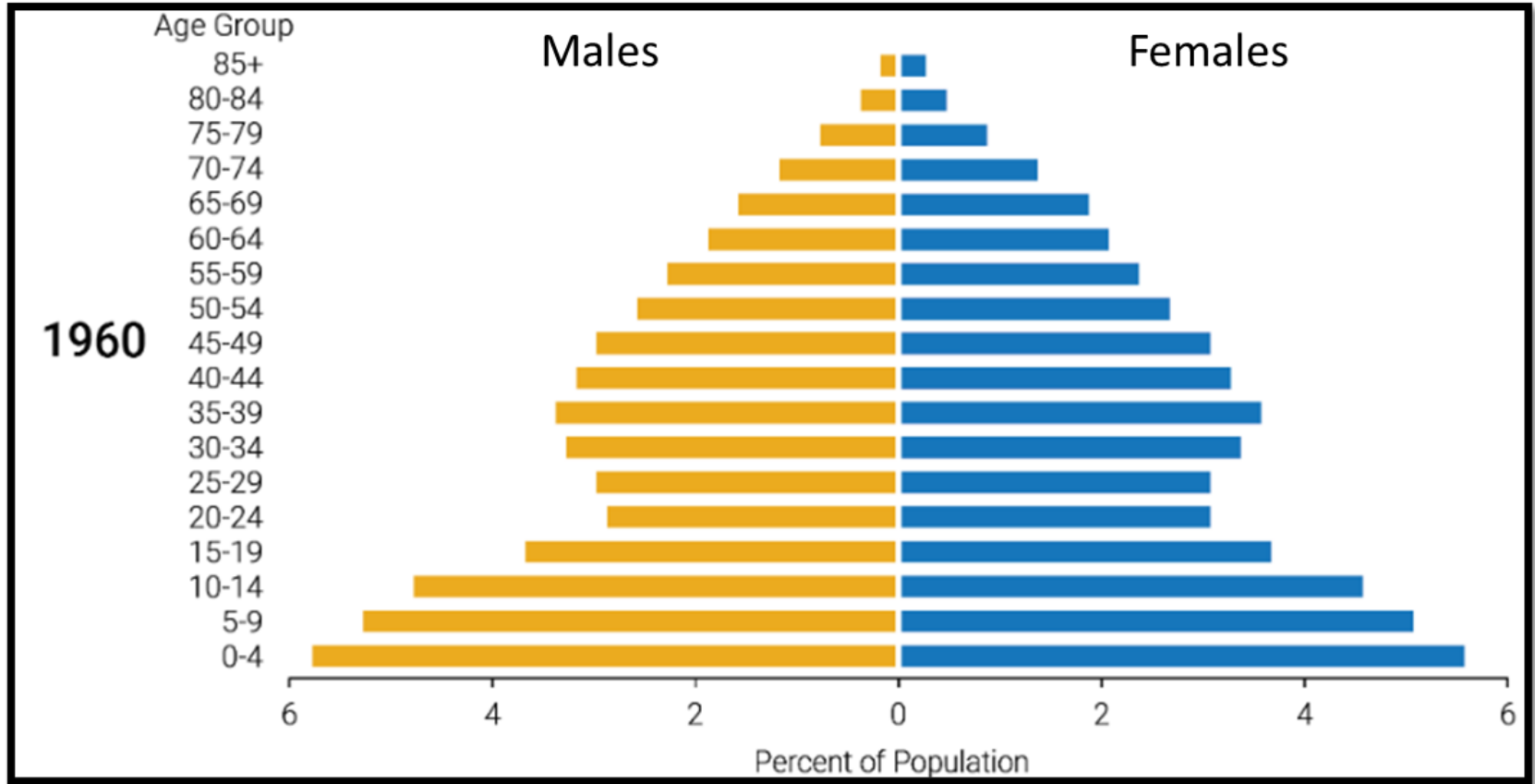


Source: BLS Current Population Survey.

# Workforce Challenges

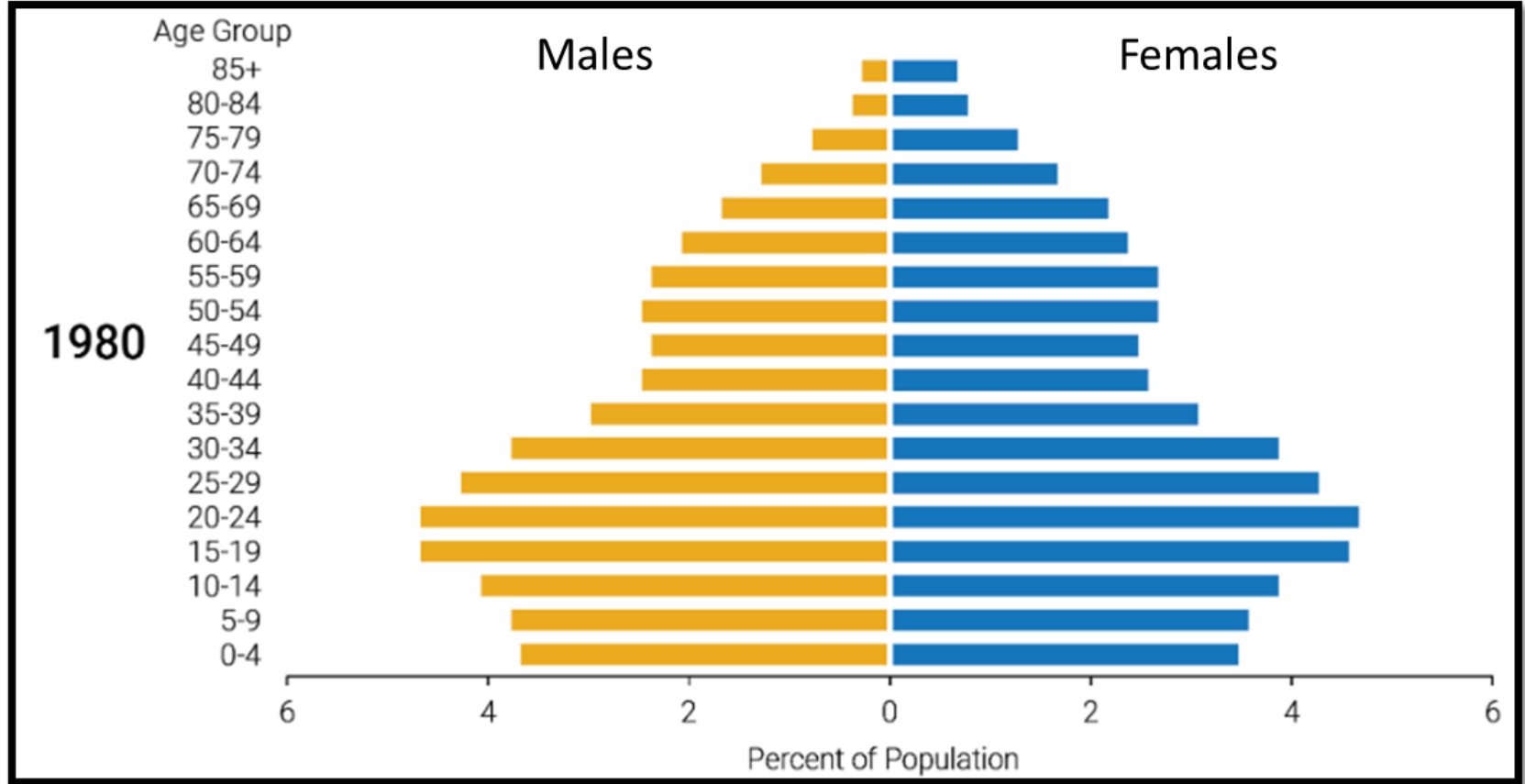
- Baby Boomers created incredible wealth
  - Young X, Old Millennials are expected to inherit ~\$80 Trillion from their parents - begins 2030-2035
- More men 25-34 yo live with parents than with spouse (first time since 1880)
- Drugs are a big problem (robbing nearly a million prime-age men a year from the workforce)
- 2.4M Women left workforce since Feb 2020 – still growing
- Demographics will only be getting worse moving forward

# US Population Histogram

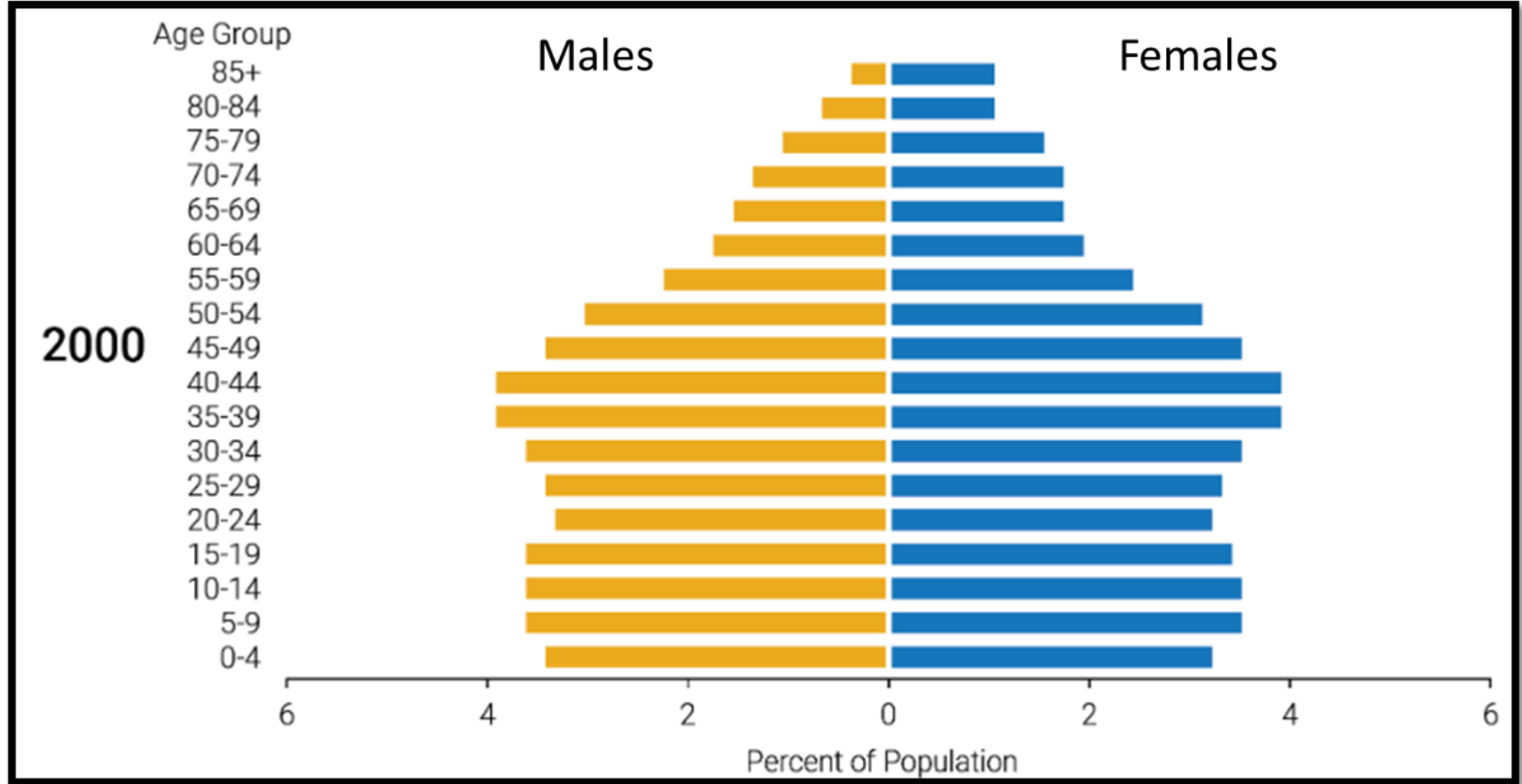




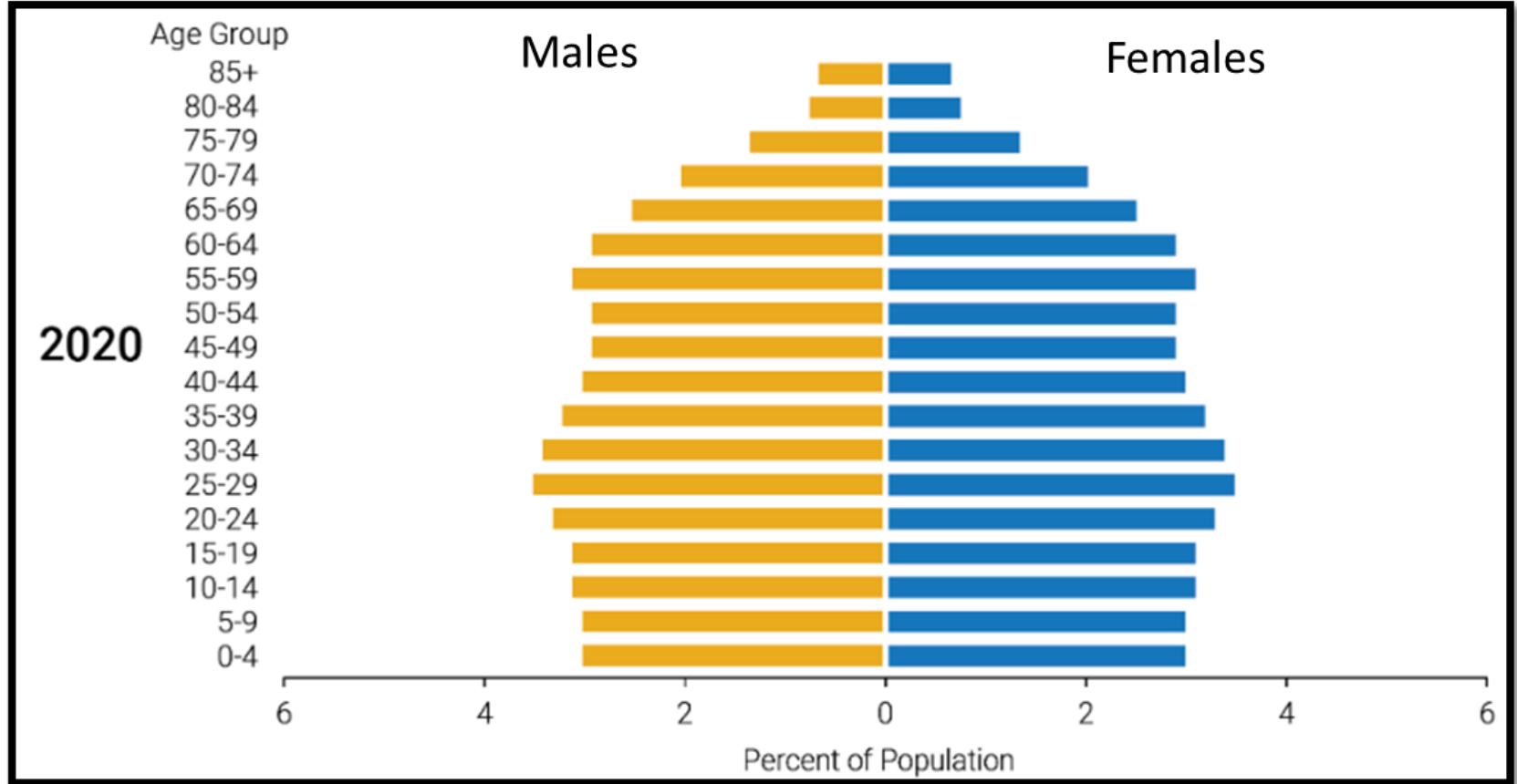
# US Population Histogram



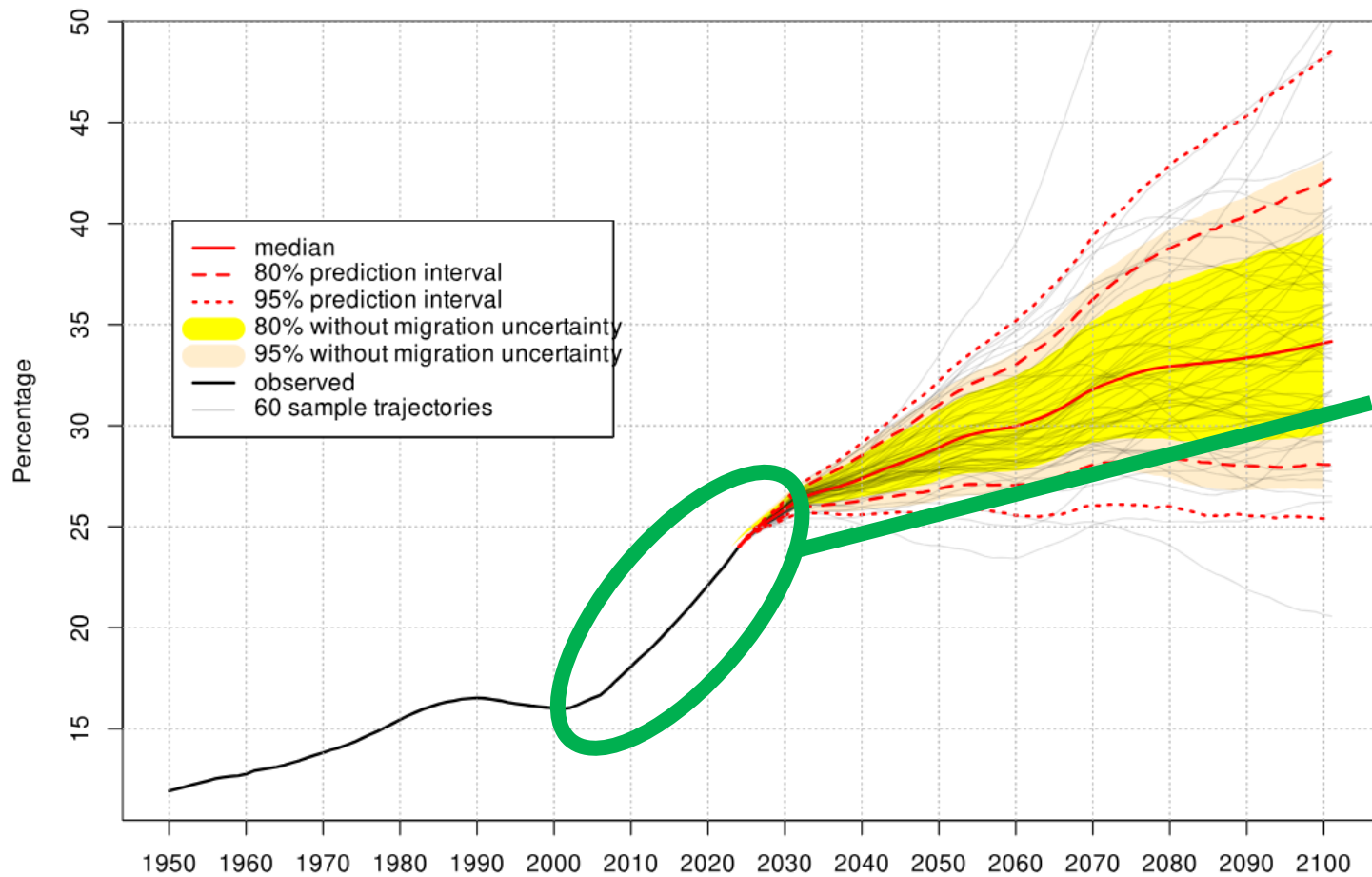
# US Population Histogram



# US Population Histogram



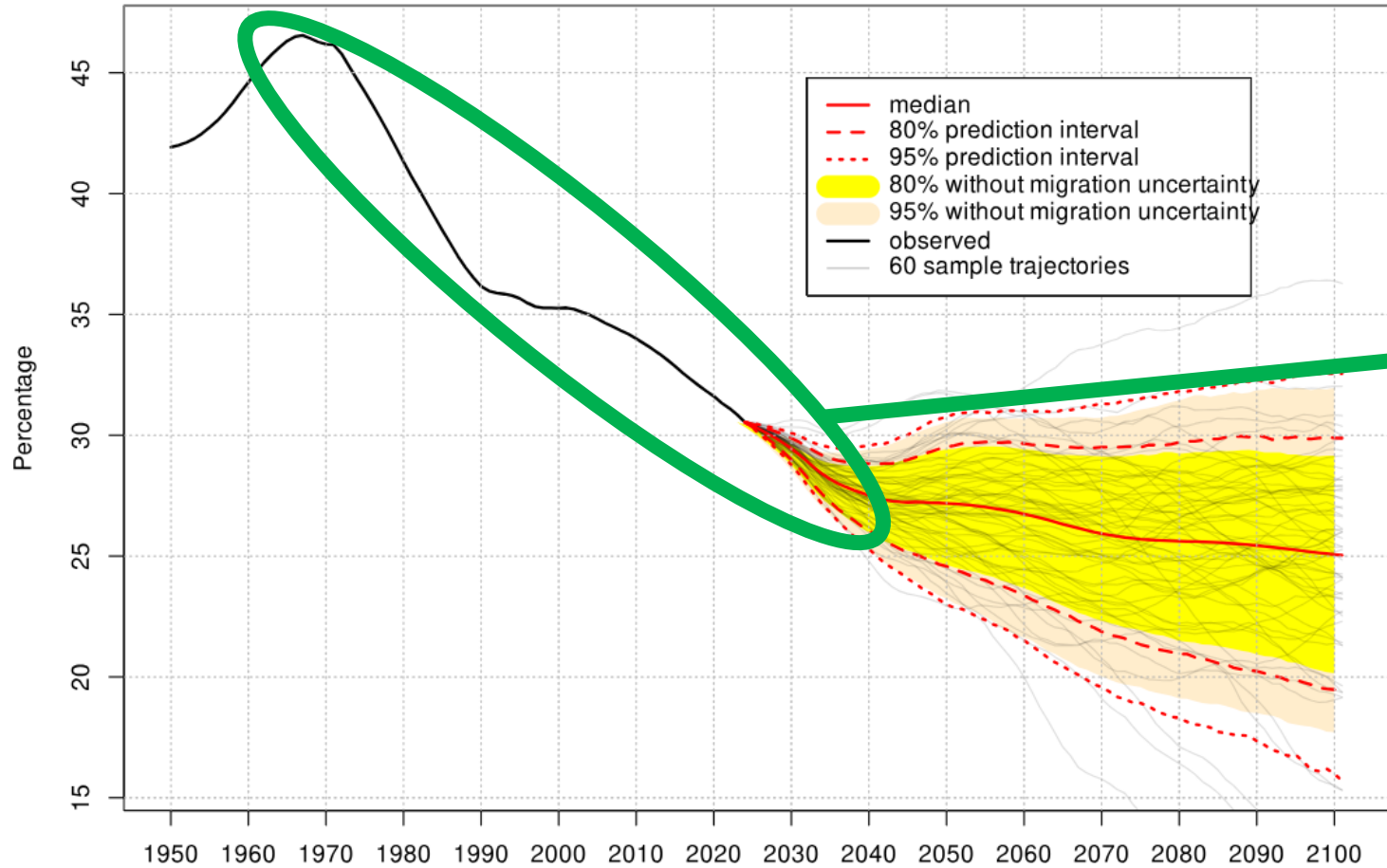
# United States of America: Percentage of population aged 60 years or over



## Near Exits

*-60+ yr olds as a % of population has grown 50%  
-Doesn't level off to mid-2030s*

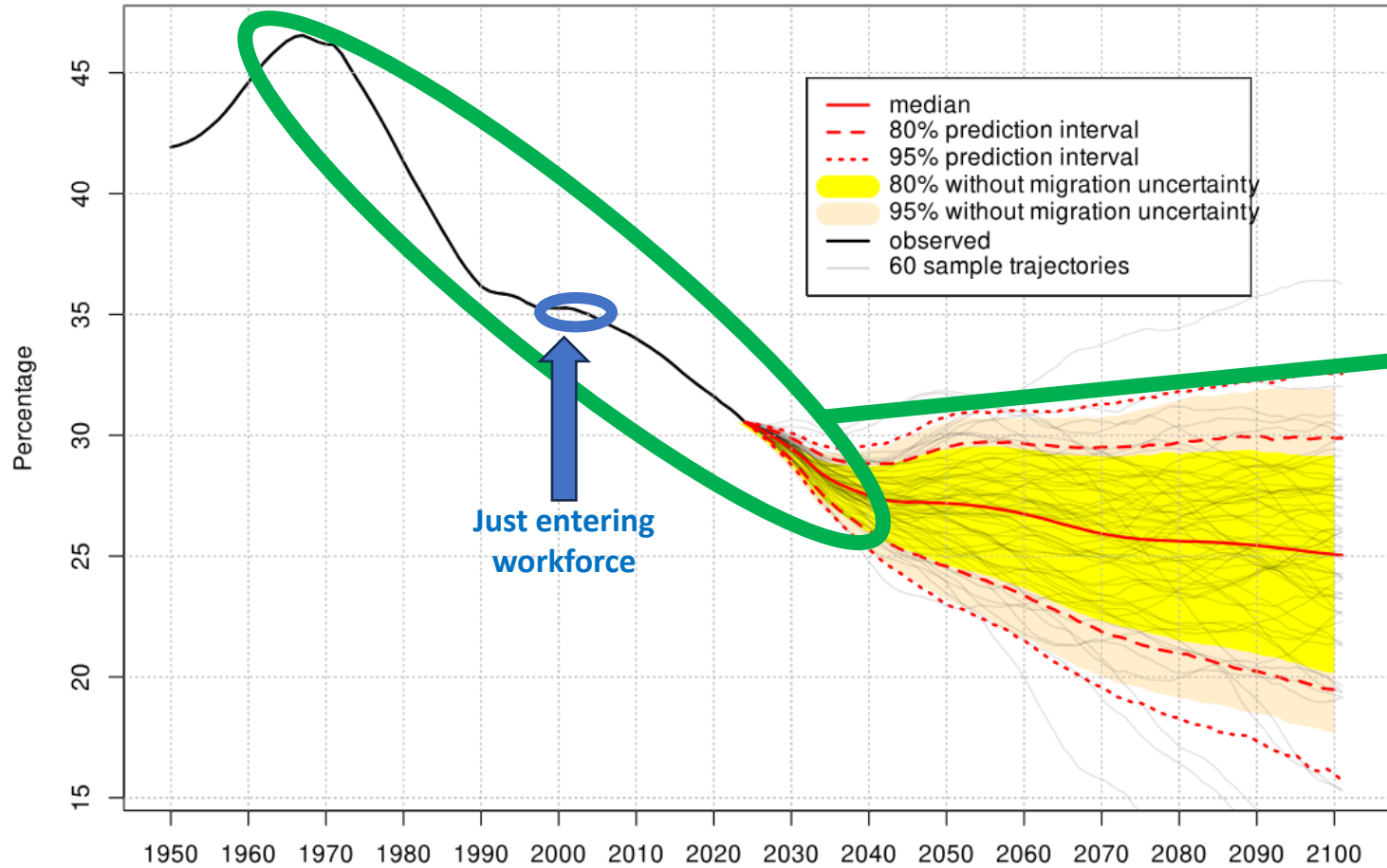
# United States of America: Percentage of population under 25 years of age



**No More Senior Discounts**

*Massive decrease in future workforce as a % of population*

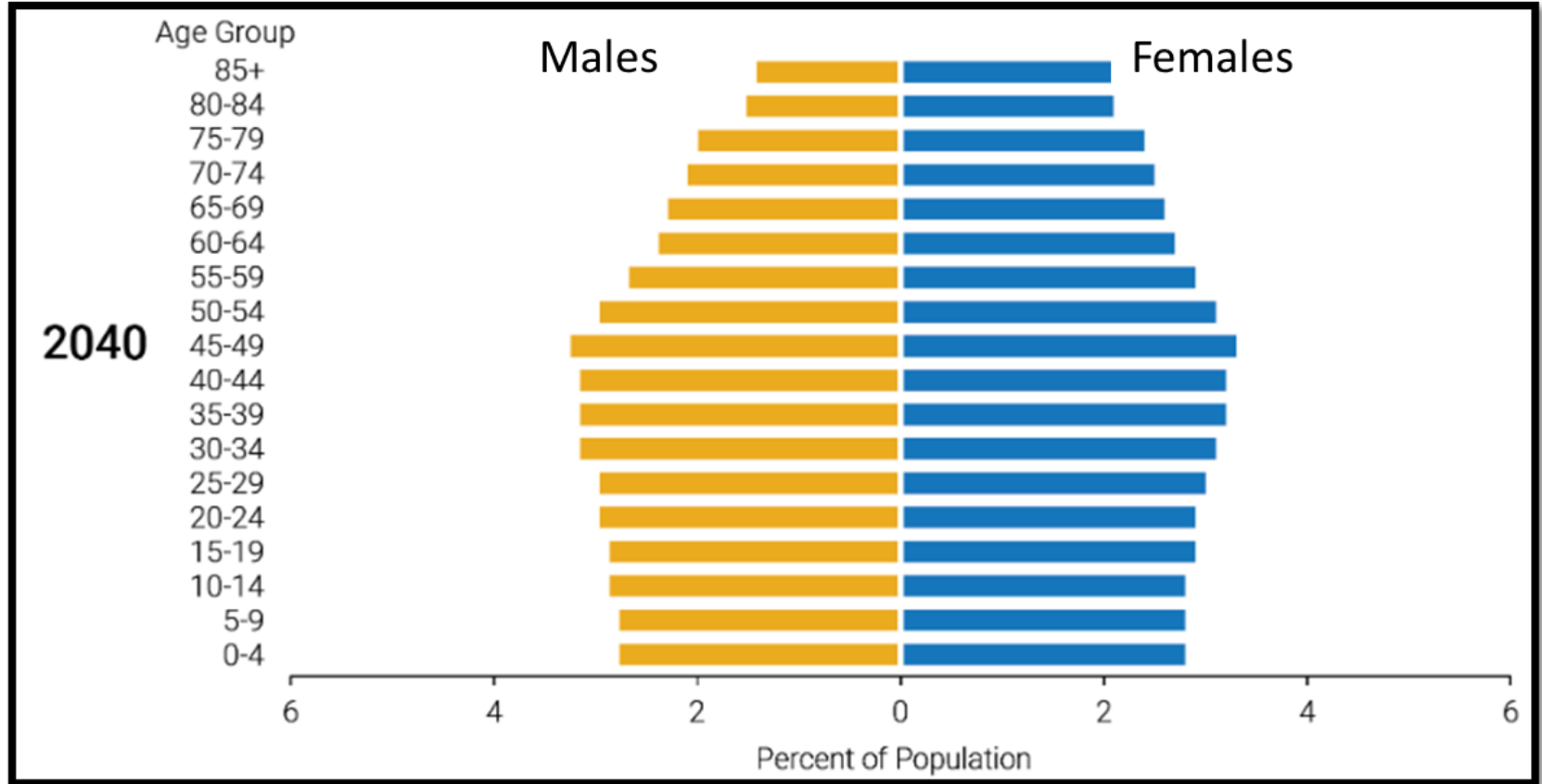
# United States of America: Percentage of population under 25 years of age



Just entering  
workforce

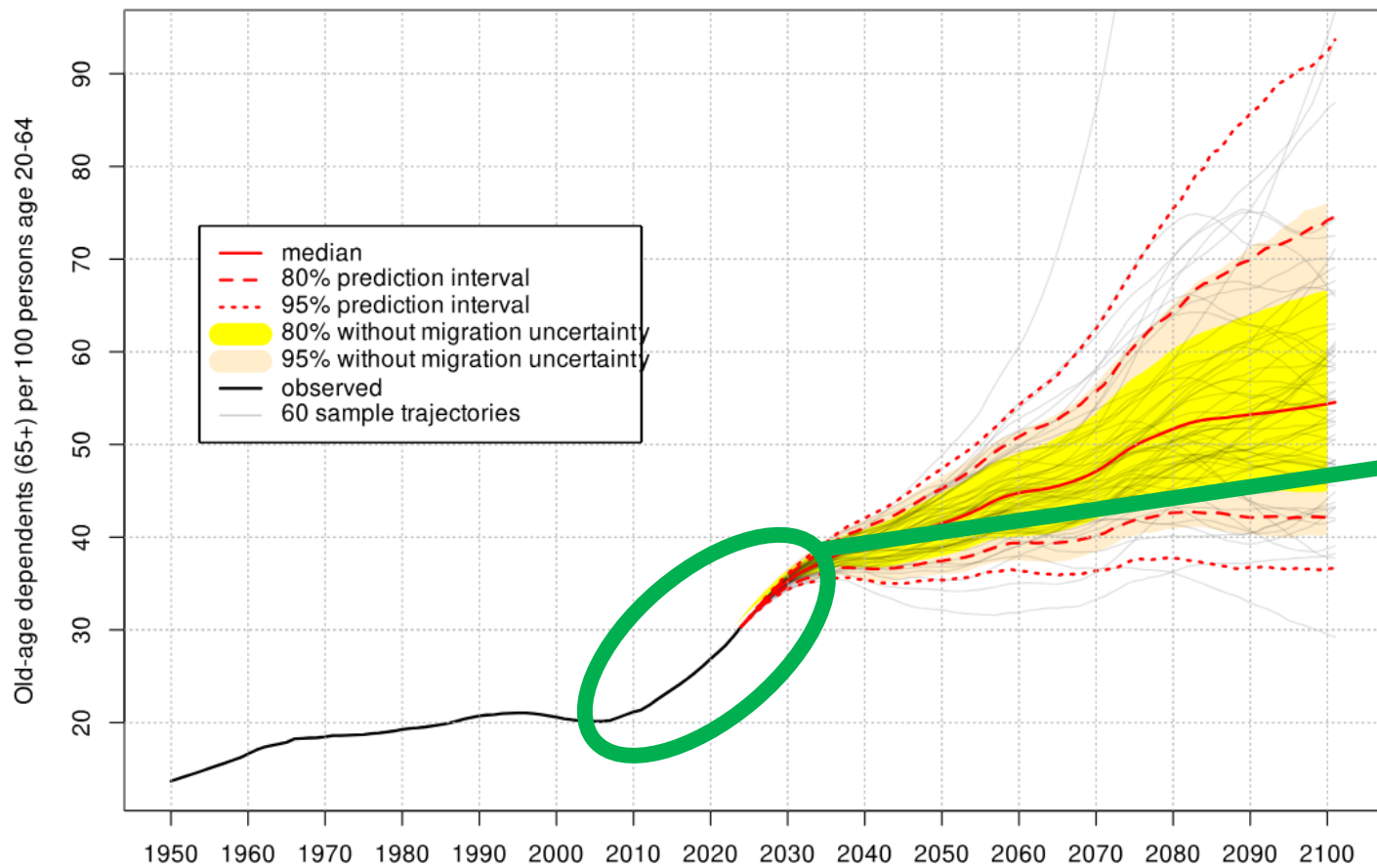
**No More Senior  
Discounts**  
*Massive decrease  
in future  
workforce as a %  
of population*

# US Population Histogram



*2040 Fertility Rates will be below replacement rate – all growth will be immigration  
2024 Growth rate of 65+ Age will outpace growth of younger generations thru 2054*

United States of America: Old-age Dependency Ratio  $\left(\frac{\text{Age 65+}}{\text{Age 20-64}}\right)$



**Employer  
Opportunity:  
Family  
Caretakers to  
Double**

**Currently about 1  
out of 4 have an  
older family  
member they care  
for....this will  
double in next few  
years**



Mid- and Long-Term Outlook

this is the

**BEST**

it will be

(for the remainder of our careers  
barring a sustained recession/depression)

When You See a Another Employer



Talking To Your Top Performer

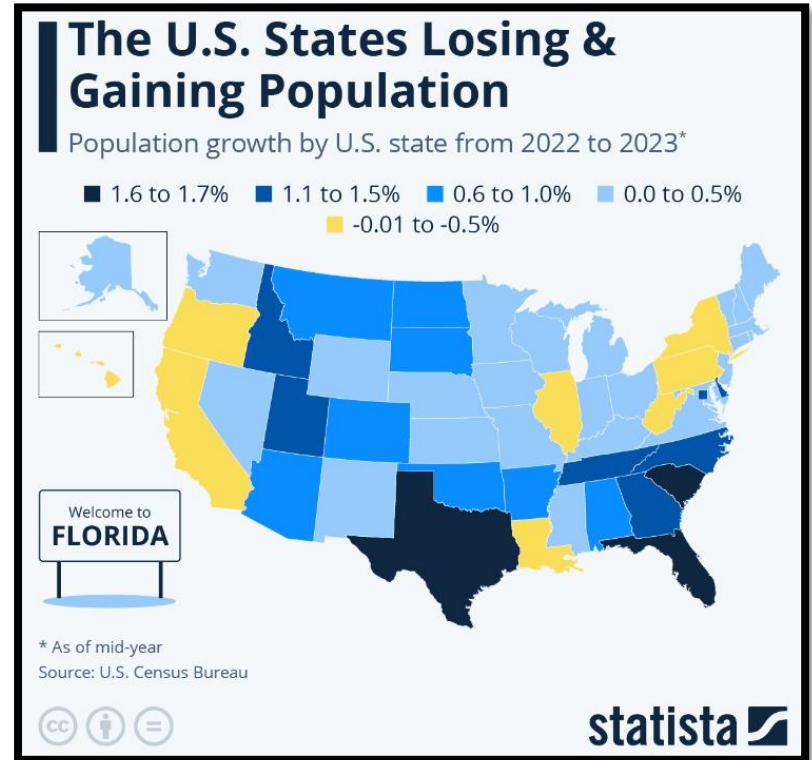
# Client/Buyers Experiences:

**These are the current market realities...**

- Hot Markets for Vendors
- Workforce will not be improving
- Product/Equipment/Material availability will continue to vary
- Cost escalation/ uncertainty/ “**sticker shock**”
- Quality & Safety worsening
- Productivity worsening
- Margins diminished
- Everyone looking for solutions – trying old ways again....

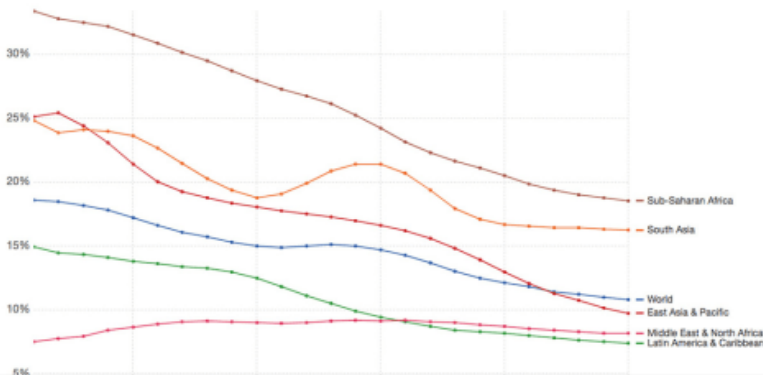
# So.....

- Lots of “Never Been Here Before” & “Near Historic” all at the same time for the Economy
- Notable uncertainty globally
- Demographics
- But Lots of Good Things Too

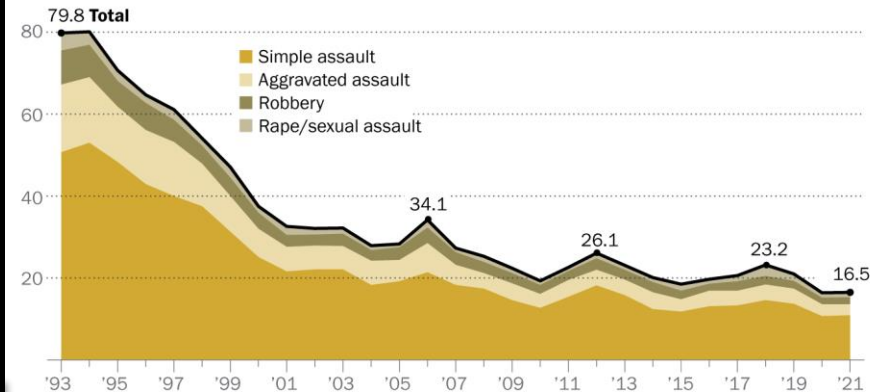


### Share of the population that is undernourished

This is the main FAO hunger indicator. It measures the share of the population that has a caloric intake which is insufficient to meet the minimum energy requirements necessary for a given individual.

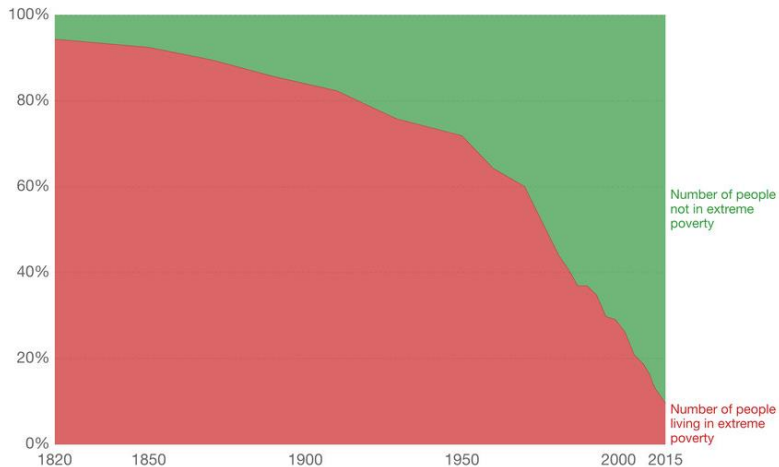


### Violent victimizations per 1,000 Americans ages 12 and older



### World population living in extreme poverty, 1820-2015

Extreme poverty is defined as living at a consumption (or income) level below 1.90 "international \$" per day. International \$ are adjusted for price differences between countries and for price changes over time (inflation).

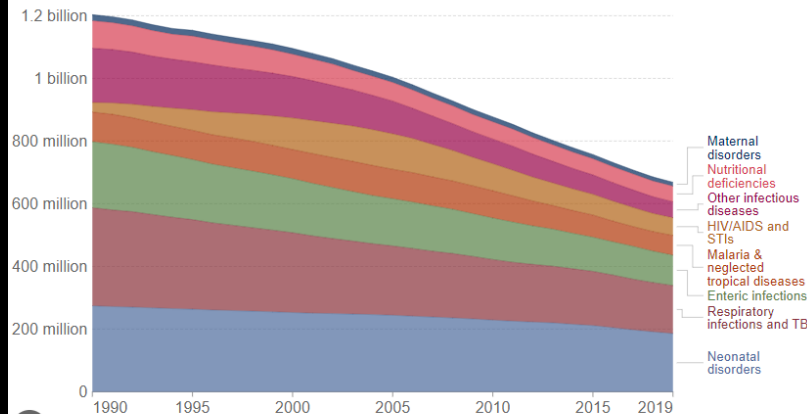


Source: OWID based on World Bank (2016) and Bourguignon and Morrisson (2002) [OurWorldInData.org/extreme-poverty/](https://ourworldindata.org/extreme-poverty/) · CC BY-SA

### Disease burden from communicable, maternal, neonatal and nutritional diseases, World, 1990 to 2019



Total disease burden from communicable, maternal, neonatal and nutritional diseases, measured in DALYs (Disability-Adjusted Life Years) per year. DALYs are used to measure total burden of disease - both from years of life lost and years lived with a disability. One DALY equals one lost year of healthy life.



Source: IHME, Global Burden of Disease (2019)

[OurWorldInData.org/burden-of-disease](https://ourworldindata.org/burden-of-disease) | CC BY

Reality

# Performance Problems







# KEY TAKEAWAY

Clients, Buyers, Contractors, Suppliers...  
**are in competition with each other**  
for the same  
*limited pool*  
of skilled personnel

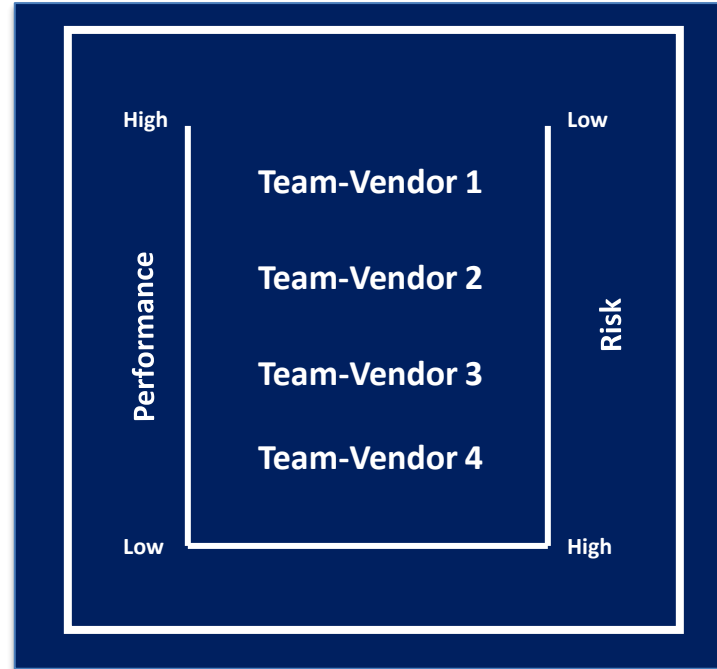
# Realistic & Immediate Solutions

- Become a “Client of Choice”
  - (for External Vendors & Internal Customers)
- Move to a Collaborative Approach – Authentic Partnerships
- Increase your HD IQ (Human Dimensions)
- Train your People the right way – become better sooner

# Realistic & Immediate Solutions

- Become a “Client of Choice”
  - (for External Vendors & Internal Customers)
- Move to a Collaborative Approach – Authentic Partnerships
- Increase your HD IQ (Human Dimensions)
- Train your People the right way – become better sooner

**Which of these teams brings your project the most risk?**



# A “Client-of-Choice” (“Customer-of-Choice”)

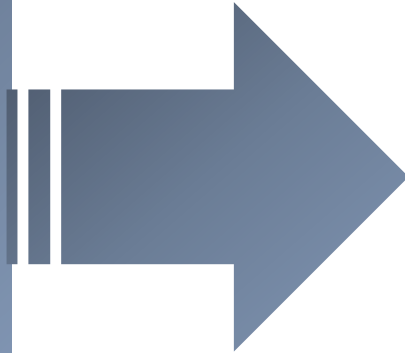
- Vendors/Suppliers/Contractors want to work for you over other owners
- Clients-of-Choice get vendors’ best teams (experts) on their projects/services
- Vendors spend the time to put together an accurate proposal
- Client-of-Choice personnel know how to behave with experts
- Client-of-Choice has an owner “team” that is trained and prepared to work in a high performing environment

# Realistic & Immediate Solutions

- Become a “Client of Choice”
  - (for External Vendors & Internal Customers)
- Move to a Collaborative Approach – Authentic Partnerships
- Increase your HD IQ (Human Dimensions)
- Train your People the right way – become better sooner

# Future Project Considers...

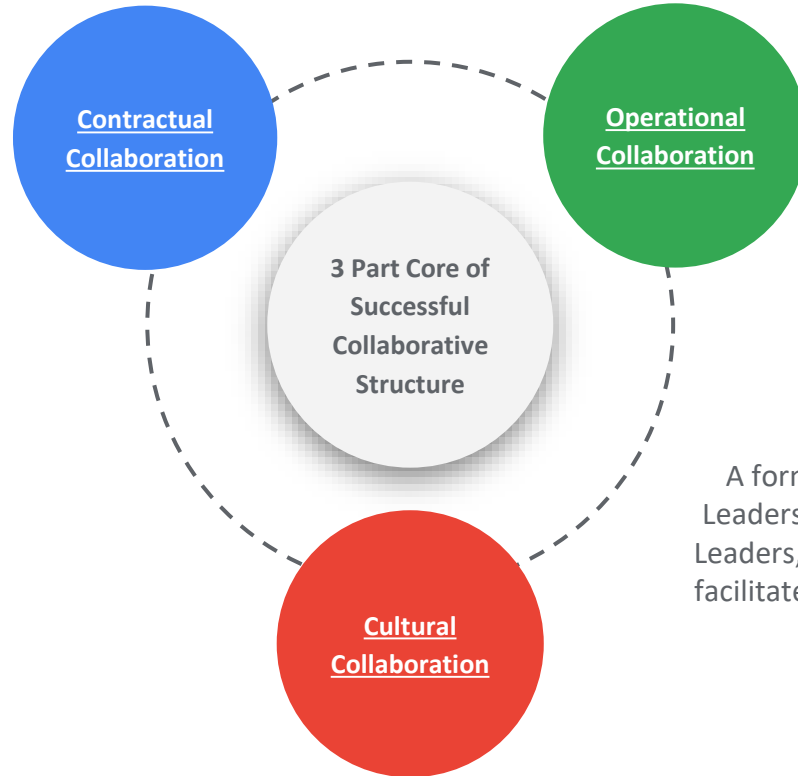
- Processes
- Technology
- Training
- Contracts



# Project Approach for Skill Constrained Market

## *Collaborative Strategic Partnership = TRUST*

Contract conditions reflect the “win-win” intent and incentivizes collaborative behavior. A mutual risk-sharing model to promote aligned interests and project success.



Proactive approach to project execution by leveraging early engagement, shared risk, better controls data, focus on productivity analysis, all to streamline project execution.

A formal structure across Company Leadership, Project Management, Task Leaders, and Professionals. Trained and facilitated collaboration, and innovation efforts.



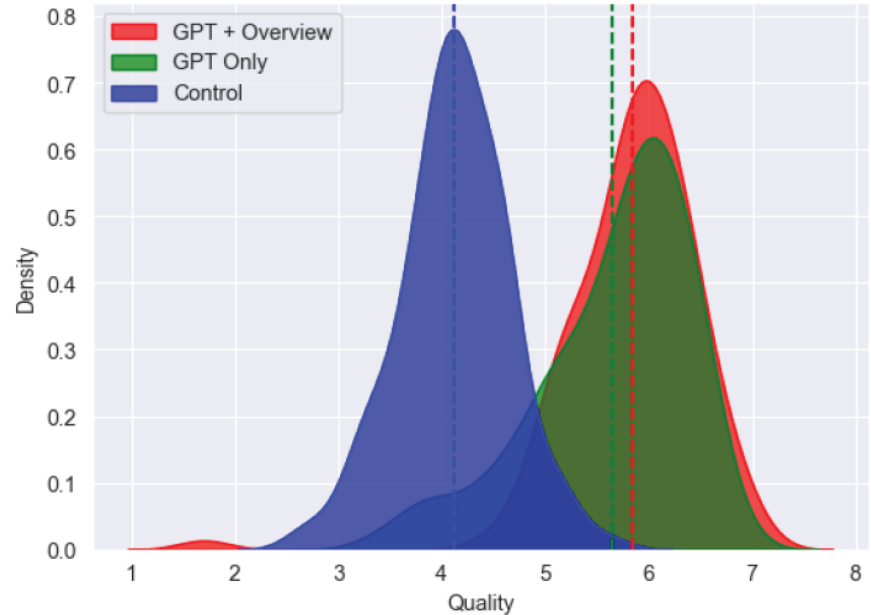
# Obligatory AI Section

# One Aspect of Training: AI - Currently Two Paths

- People say “AI” but really “two paths”
- Path 1: Generative + Assistance (Good to OK now)
  - ChatGPT, Gemini, Co-Pilot, plugins for current apps/software
- Path 2: AI Enable Solutions (Wild West)
  - “Applications/Software”
  - 6000+ in past 12 months

# A Piece of the Workforce Solution?

- Generative AI is here NOW
- Recent Study of impact of GenAI
  - **12.2%** More Tasks Completed
  - **25.1%** Less Time per Task
  - **40%** Higher Quality
  - **AI Training Significantly Increase Efficacy**
  - For control performance
    - For those starting below average performance – **AI improved performance 43%**
    - For those starting above average performance – **AI improved performance 17%**
- My study on students with AI enable tech was significant improvement – 10 to 30% performance impact (+ speed impact)



# One Quick Thing About AI....

- In most all previous technologies and innovations – junior (or younger) employees were very effective at teaching and helping the more experienced and senior employees learn and adopt the new technology
  - Largely due to willingness to try innovation that conflicts with traditional or standard practice (and not having invested as much time & expertise)
- For AI, this is being proven to NOT BE TRUE for AI. Juniors are not more capable than seniors at adopting AI
- Thoughts are the technology is so different that being younger is not as advantageous....

# Unique Leadership Considerations for Leaders

- **Actions today vs tomorrow – what is the timeline?**
  - Generative (ChatGPT) – NOW
  - AI Apps/Enabled requiring investment – WAIT (18-36months)
- **New Impacts - Not experienced from other innovations**
  - Structural impacts – organizational (depts, functions), foundational (basics of procurement process, contract, owner role, etc.)
  - Cultural & Mind Impacts – changing work patterns (80%/20% - losing the 80%)
  - Constant Change – change adoption culture
  - Outperforming Humans – new baseline for value and expectations

# Realistic & Immediate Solutions

- Become a “Client of Choice”
  - (for External Vendors & Internal Customers)
- Move to a Collaborative Approach – Authentic Partnerships
- Increase your HD IQ (Human Dimensions)
- Train your People the right way – become better sooner



[Click here to  
join the interest list!](#)

# AI Procurement Boot Camp Spring 2025

- **Three interactive sessions:**
  1. Using AI to Write Better Statements of Work
  2. Unlocking the Power of AI in Data Analytics for Procurement
  3. Creating a Custom-AI Tool for your Organization
- **AI Tools for Procurement:** Master AI technologies to enhance procurement practices.
- **Boosted Productivity:** Streamline meeting and email management to improve efficiency.
- **Contract Analysis:** Quickly analyze and evaluate purchasing contracts.

# \*FREE\* Online Course! 10 PDH

**Now: Oct 17, 24, 31, Nov 1**

**2025 x 3 times  
(Jan, May, Aug)**



## Better RFPs = Better Projects

- Session #1 = Organizing a High-Performing RFP
- Session #2 = Effective Statements of Work (SOWs)
- Session #3 = Evaluation Best Practices & Vendor Debriefings
- Session #4 = RFP Administration

## NASPO's Procurement U

- Log on to the Procurement U Learning Management System (LMS) to register, access the course and materials.  
[www.naspo.org/procurement-u/](http://www.naspo.org/procurement-u/)  
— or Email Amy: [amy@center4procurement.org](mailto:amy@center4procurement.org)
- Open to all (even non-members of NASPO)



# \*NEWer\* Courses by CPE + NASPO

- The 1, 2, 3's of a Great Scoring Matrix (2025x2 = Feb, Oct)
  - Session #1: Creating an Evaluation Matrix [90min]
  - Session #2: Complexities of Real-World Scenarios [90min]
- Deep Dive on Effective Evaluations (2025 x2 = Mar, Oct)
  - Session #1: Planning Your Evaluation Strategy [90min]
  - Session #2: Training Your Evaluators [90min]
  - Session #3: Strategies for the Negotiation Phase [90min]

Look for  
these courses on...



# Free Webinar Series!

3<sup>rd</sup> Thursdays monthly  
@ 12pm Central

## *15min Teaching Moment*

(learn a new tip, trick, or tool)

## *20min Virtual Peer Group*

(network with other procurement professionals)

## *5min Announcements & Opportunities*

(upcoming courses & other ways to get involved)

## *Office Hours*

(open Q&A until the questions run out!)



[center4procurement.org/rfp-doctor](https://center4procurement.org/rfp-doctor)

# Invite your Friends!



[center4procurement.org/rfp-doctor](https://center4procurement.org/rfp-doctor)

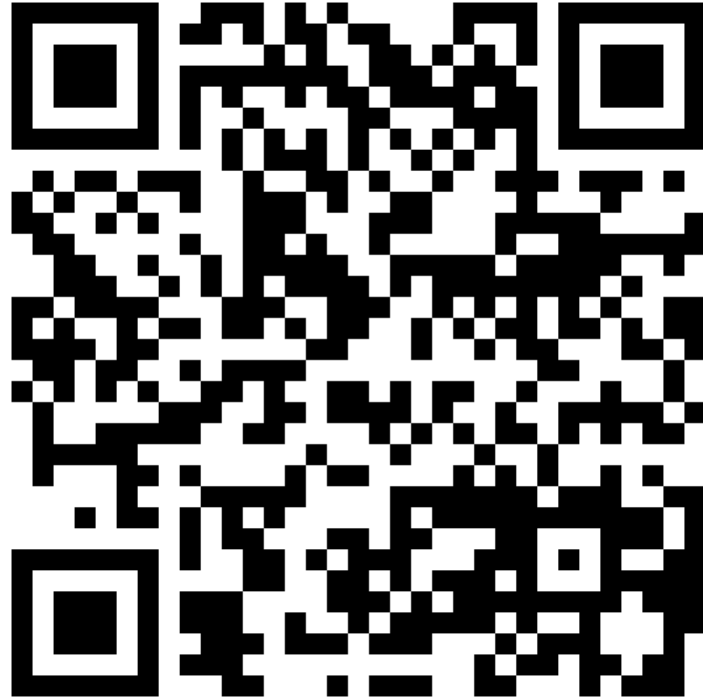
[Home](#) [About CPE](#) [Events](#) [Ask the RFP Doctor](#) [Certification](#) [Templates, Guides & Tools](#) [Membership](#) [Contact](#)

## Register For Ask The RFP Doctor Event

We will send you your personal admission credentials via email.

**REGISTER NOW!**

RFP Doctor Sign-up (FREE)



# Previous Recordings Available Online!

How Do You Ask For  
(& Evaluate) Cost Proposals  
In Software RFPs?

April 15, 2021



Simplr's Evaluation  
Criteria to Minimize  
Budget Risk

May 20, 2021



Current State of Practice  
In Software RFPs

June 17, 2021



How to do Market  
Research More  
Effectively

July 15, 2021



"Don't Worry, the  
Contract Will  
Save Us"

August 19, 2021



The Value of  
Debriefings

September 16, 2021



Handling Large IT  
Hardware Buys  
With Different Scope Packages

October 21, 2021



Vendor of  
Record Programs

November 18, 2021



7 Most Deadly  
Marketing Phrases

December 16, 2021



It's a New Year -  
Ready for the  
Next Level?

January 20, 2022



Best Practices for  
Evaluator Training

February 17, 2022



Got RFP Soft Skills?

March 17, 2022



[center4procurement.org](https://center4procurement.org)

# NEW RESOURCE – CEU Hours!!!

- CPE is pleased to announce that all attendees @ **live** “Ask the RFP Doctor” events will receive 1 hr Continuing Education Unit (CEU)!



# Future – I am Very Excited

- **What do I know? = Nothing**
- Prices = Uncertainty; Materials = More Certain; Limited control of either
- Labor = A New Model Needed; Key Differentiator
- Possibility of Tremendous Improvements– but window may be tight
  - Technological Revolution

[Jake.Smithwick@simplar.com](mailto:Jake.Smithwick@simplar.com)

