

GovFlex

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Section 809 Panel Recommendation for an Online IT Talent Marketplace Pilot Will Leverage Commercial Best Practices and Provide Access to the Gig Economy

The Section 809 Advisory Panel recommended a talent marketplace pilot to leverage best commercial practices as an opportunity for DOD to gain access to the gig economy and state-of-the-art IT talent. The Panel noted the federal government needs to acquire IT experts more in line with commercial best practices, improving the speed, cost, and quality of resources that support complex IT solutions.

As the federal government increasingly focuses on online talent marketplaces it's important to recognize the traditional IT services for legacy systems and transition requirements can be readily augmented by short and intermediate term freelancers. However, the over \$95 billion spent annually on IT includes a much wider range of sophisticated and complex requirements requiring highly specialized talent.

As the commercial sector has already demonstrated and the 809 Panel recognized, online talent marketplaces are ideally suited to effectively provide far more sophisticated state-of-the-art technology support from experts who prefer to work as freelancers in the gig economy.

Freelancers and companies often prefer the efficiency of online marketplaces with dramatically reduced lead times and simplified payments. According to Fisher Phillips Top 2019 "Trends to expect for the Gig Economy," the gig economy workforce is currently growing three times faster than the traditional U.S. workforce and... "by 2027, half of U.S. workers are expected to be freelancers."

The Fisher Phillips article noted the current total of freelancers and independent workers is "nearly 60 million in the U.S. alone." The article noted changing views of traditional employment by Millennials and Generation Z Gig Workers, many of whom will provide the high-end technical expertise needed by government agencies and contractors.

One key indicator from the commercial experience is no surprise to the government sector. Top talent with the latest skill sets and expertise are in high demand. Online marketplaces help expand the talent pool and increase competition to help control cost.

So what kinds of specialized IT talent are firms seeking in the commercial online marketplace? The Institute of Electrical and Electronics Engineers (IEEE) is the world's largest technical organization with a membership of over 420,000. In their June 2018 blog "Top Paying Jobs in the Gig Economy Are in Tech," Monica Rozenfeld noted that freelancers working in artificial intelligence/deep learning, blockchain architecture, cybersecurity, ethical hacking, augmented virtual reality and Amazon Web Services developers are in high demand.

A Section 809 pilot would create opportunities for DOD to test the value of an online marketplace for high demand state-of-the-art talent for a wide range of highly technical skills. For example, the Department of Defense might consider Artificial Intelligence (AI). The Department is rapidly expanding its investment in AI. DOD's largest effort to date has been Project Maven for imagery analysis, valued at \$109 million in the past two years. However, DOD may also choose any number of other possible areas of focus.

In her Washington Technology commentary "An Inside look at DOD's AI Strategy," Immix Group's Stephanie Meloni noted "As the DOD pilots AI projects for things like improving maintenance and repair of weapons systems, supply chain management and improving business processes, industry can expect to see similar rates of growth."

Meloni noted: "All technology companies, regardless of what type of technology they focus on, need to pay attention to the development of AI. It will affect traditional infrastructure and cloud, edge computing and IoT, cyber data collection and protection, and of course, analytics and business intelligence."

The Wharton School at the University of Pennsylvania noted in its January 16, 2019 innovation blog, "Talent on Tap: Why Online Labor Platforms Are Taking Off", that in an increasingly tightening labor market, that "many of the benefits of using online labor platforms come at the right time". Flexible talent pools can provide specialists that can work on site, or remotely at any time of day.

The article also cited that "Companies can bring on platform workers within a matter of days." Finally the article noted that Procter&Gamble uses labor platforms "not only to fill traditional IT roles but also fill knowledge gaps... for freelance market research analysts, management consultants and regulatory compliance specialists." As an additional example GE was cited for developing its own platform that "serves as a crowdsourcing mechanism for high-skilled workers including data scientists and engineers."

The pace of change and demands upon government and industry to transform require

careful analysis. Industry and the commercial sector, by no means, have all of the answers. Nevertheless, the commercial sector is further ahead in the adoption of online talent marketplaces and provides substantial indications that the Section 809 Panel recommendation for a pilot program for contracting directly with IT consultants was well placed.