Where Have All the Estimators Gone?

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Introduction

• Programs face declining budgets, acquisition changes and expanding oversight resulting in increased demand for cost estimating & analysis
• Despite increased importance of cost estimating, ICEAA has seen a decline in membership
• Action plan for Government/Industry and ICEAA for overall growth in cost estimating
Brief History of Cost Estimating

- Ancient History
- Modern Day – Ups and Downs

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<td>Group</td>
<td>RAND Econ/Cost Analysis Depts.</td>
<td>OSD Systems Analysis Office</td>
<td>OSD CAIG</td>
<td>Service Cost Centers</td>
<td>DAWIA</td>
<td>Acq. Workforce Reductions</td>
<td>WSARA</td>
<td>Sequestration LPTA</td>
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Proprietary Information
History of Cost Estimating Organizations

- As of 2016, there were 217,900 cost estimators and 114,000 operations research analysts in the US.
- By 2026, the number of cost estimators is expected to grow by 11% and the number of operations research analysts by 26%.

**Major Professional Organizations**

- American Society of Professional Estimators (ASPE)
- Professional Construction Estimators of America (PCEA)
- Association for the Advancement of Cost Engineering International (AACEI)

**International Cost Estimating and Analysis Association (ICEAA)**

- Created in 2012 when International Society of Parametric Analysts (ISPA) and Society of Cost Estimating and Analysis (SCEA) merged.
- Traces back to 1979 with founding of ISPA.
- Currently over 1,200 members with chapters across the world.
ICEAA Membership

- Data collection and analysis process
- Major ICEAA events
- Active Members
  - 29% Government/Education
  - 71% Industry
Geographic Look at ICEAA - US

2008
Geographic Look at ICEAA - US

2009
Geographic Look at ICEAA - US

2010
Geographic Look at ICEAA - US

2011
Geographic Look at ICEAA - US

2012
Geographic Look at ICEAA - US

2013
Geographic Look at ICEAA - US
Geographic Look at ICEAA - US

2015
Geographic Look at ICEAA - US

2016
Geographic Look at ICEAA - US

2017
Geographic Look at ICEAA - World
Geographic Look at ICEAA - Phoenix

2017
Why is ICEAA Membership Declining?

• Limited Pool of Analysts – Barriers to Entry
  - College recruits not familiar with cost estimating
  - Companies can hire only so many junior analysts – developing a pipeline is difficult
  - Hard to get into cost estimating once past the college recruiting stage
    • Many contracts require security clearances
    • Average clearance investigation time is increasing
    • Contracts need “directly applicable experience”
Why is ICEAA Membership Declining?

• Perceived Lack of Value
  - Changing needs of members
  - Certification not usually recognized/required by contracts (as opposed to PMP)
  - Limited awareness and applicability of CCEA outside of niche career paths
  - Delivery method of testing and training not updated or easy for members to participate
Next Steps/Recommendations

Goal

More Cost Estimators / Analysts

Influence

Government / Industry

Challenge

Qualified Staff

Budget Pressures

LPTA

Attraction / Retention

Organizational

Approach

• Embrace modern approaches
• Hire/develop next generation
• Clearances

• Cost analysts are the solution
• Team skill mix
• Matrixed organizations

• Understanding services
• Understanding impacts
• Avoid dive to the bottom

• Engagement and outreach
• Value and benefits
• Relevance

• Leadership/volunteers
• Executable plan/approach
• Accountability

Proprietary Information 20
Government/Industry Influence Areas

• Increase Qualified Staff
  - Embrace Modern Approaches
  - Hire and Develop the Next Generation
  - Clearances
Government/Industry Influence Areas

- Budget Pressures
  - Cost Analysts are the Solution
  - Team Skill Mix
  - Matrixed Organizations
Government/Industry Influence Areas

• Lowest Price Technically Acceptable (LPTA)
  - Understanding Services Cost Analyst Provide
  - Understanding Impacts of LPTA
  - Avoid the Dive to the Bottom
ICEAA Influence Areas

- Attraction and Retention
  - Engagement and Outreach
  - Showcase Value and Benefits
  - Ensure Relevance
ICEAA Influence Areas

• Organizational
  - Leadership and Volunteers
  - Executable Plan and Approach
  - Accountability
Summary/Closing

• Continue ongoing actions and initiatives
• “This has been tried before” doesn’t mean it can’t be attempted again
• Partnership between ICEAA, Government, and Industry with a common vision
• Challenges exist but with vision, defined goals, crawl/walk/run planning, some or all goals are achievable