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**PERCEPTIONS ON THE FEASIBILITY OF  
IMPLEMENTING INNOVATIVE COST AND PRICE  
ANALYSIS SOFTWARE ACROSS NAVAL SEA  
SYSTEMS COMMAND**

Cooper, Zachary H.

Monterey, CA; Naval Postgraduate School

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JOINT APPLIED PROJECT REPORT

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## PERCEPTIONS ON THE FEASIBILITY OF IMPLEMENTING INNOVATIVE COST AND PRICE ANALYSIS SOFTWARE ACROSS NAVAL SEA SYSTEMS COMMAND

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June 2022

**By:** Zachary H. Cooper

**Advisor:** Kelley Poree  
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Naval Sea Systems Command

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**PERCEPTIONS ON THE FEASIBILITY OF IMPLEMENTING INNOVATIVE  
COST AND PRICE ANALYSIS SOFTWARE ACROSS NAVAL SEA SYSTEMS  
COMMAND**

Zachary H. Cooper, Civilian, Department of the Navy

Submitted in partial fulfillment of the  
requirements for the degree of

**MASTER OF SCIENCE IN CONTRACT MANAGEMENT**

from the

**NAVAL POSTGRADUATE SCHOOL  
June 2022**

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# **PERCEPTIONS ON THE FEASIBILITY OF IMPLEMENTING INNOVATIVE COST AND PRICE ANALYSIS SOFTWARE ACROSS NAVAL SEA SYSTEMS COMMAND**

## **ABSTRACT**

Consistent with the 2018 National Defense Strategy's call for organizations to streamline processes, the Department of Defense (DOD) introduced ProPricer proposal analysis software to expedite the government's modeling, evaluating, and negotiating contractor proposal process. While some DOD acquisition organizations, such as Navy Strategic Systems Programs and the F-35 Joint Strike Fighter Program Office, implemented ProPricer proposal analysis software with favorable performance outcomes, it is unclear why other acquisition organizations have not. This qualitative research explores acquisition and contracting leader perceptions on the feasibility of adopting an innovative proposal analysis software platform at Naval Sea Systems Command (NAVSEA). The findings revealed three feasibility of adoption themes: cost versus relative advantage, proposal compliance checks and observability, and compatibility. Recommendations include a phased approach toward ProPricer software awareness, consideration, adoption, and implementation for NAVSEA acquisition and contracting leadership.



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## LIST OF ACRONYMS AND ABBREVIATIONS

ACO	Administrative Contracting Officer
BOE	Basis of Estimate
CAS	Cost Accounting Standards
CMUA	Coping Model of User Adaption
DCAA	Defense Contract Audit Agency
DCMA	Defense Contract Management Agency
DFARS	Defense Federal Acquisition Regulation Supplement
DOD	Department of Defense
DOE	Department of Energy
FAR	Federal Acquisition Regulation
FY	Fiscal Year
GE	Government Edition
IT	Information Technology
NAVSEA	Naval Sea Systems Command
NDS	National Defense Strategy
NPS	Naval Postgraduate School
PCO	Procuring Contracting Officer
PEO	Program Executive Office
PEOU	Perceived Ease of Use
PM	Program Manager
PU	Perceived Use



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## **I. INTRODUCTION**

This chapter introduces the Department of Defense’s (DOD’s) call to action via the 2018 National Defense Strategy (NDS). The U.S. Department of Defense Sole Source Streamlining Toolbox is introduced and examined to explore how it applies to this research. The problem statement and purpose of the research are also presented. Further, the research questions and the methodology utilized to answer the questions are introduced. At the conclusion of Chapter I, an outline of the remainder of the thesis is provided.

### **A. BACKGROUND**

A call to action to the DOD was made to adapt to support the joint forces by the 2018 NDS: “If current structures hinder substantial increases in lethality or performance, it is expected that Service Secretaries and Agency heads will consolidate, eliminate, or restructure as needed” (Department of Defense [DOD], 2018, p. 10). The NDS also states that DOD’s leadership will secure support from outside of the department to achieve streamlined processes for their organizations (DOD, 2018, p. 10). Director of Defense Pricing Shay Assad, while speaking at the 2018 Government Contract Pricing Summit, reiterated the NDS’s streamlining goals: “What we are interested in is changing [the award process] from 400–500 days to 30” (Government Contract Pricing Summit, 2018). To help accomplish this mission, the DOD released the Sole Source Streamlining Toolbox. Within the toolbox, ProPricer is introduced as a software that can “expedite the modeling process and facilitate constructive communications between the Government and the contractor during proposal evaluations, fact-finding, and negotiations” (DOD, 2020, p. 4).

Many government agencies—including the Defense Contract Audit Agency (DCAA), the Defense Contract Management Agency (DCMA), the Department of Energy (DOE), the Navy’s Strategic Systems Program Office, the Army’s Acquisition Support Center, and the F-35 Joint Strike Fighter Program Office—have implemented ProPricer to streamline cost analysis, price analysis, and contract negotiations (ProPricer, 2022). Naval Sea Systems Command (NAVSEA), the Navy’s largest system command (Naval Sea Systems Command [NAVSEA], n.d.-b), has contemplated ways to meet the acquisition “at

the speed of relevance” (DOD, 2018, p. 10) as required by the NDS, but to this point has not followed peer government agencies in obtaining assistance through an innovative software platform like ProPricer. In addition to government agencies, the 10 largest U.S.-based defense contractors (Lockheed Martin, Raytheon, Boeing, Northrop Grumman, General Dynamics, BAE Systems, L3 Harris, Airbus, Leonardo, and Thales) utilize ProPricer to develop Federal Acquisition Regulation (FAR)–compliant proposals (Defense News, n.d.; ProPricer, 2022).

## **B. PROBLEM STATEMENT**

A universal problem in most organizations centers on adopting innovations. According to Rogers (2010), organizations should consider five factors when deciding on adopting an innovation: relative advantage, compatibility, complexity, trialability, and observability. While some government agencies have successfully adopted ProPricer, it is unclear if it is feasible to adopt innovative cost and price analysis software at NAVSEA.

## **C. PURPOSE**

The purpose of the qualitative research study is to explore NAVSEA acquisition leadership’s perception on the feasibility of adopting and implementing ProPricer across their organization in Fiscal Year (FY) 2023.

## **D. SCOPE OF LIMITATIONS**

The scope of the thesis is limited to NAVSEA Headquarters based out of the Washington Navy Yard. While the content herein can provide utility to the broader DOD acquisition system, the results and recommendations detailed throughout are based on the organizational structure and feedback from NAVSEA acquisition leadership. The goals of the NAVSEA acquisition leadership are not necessarily the goals of other government organizations; therefore, the scope of this study is not intended to be viewed as universal across the DOD. The scope is further limited to the NAVSEA leadership’s perceptions in April 2022, as this is when the feedback from NAVSEA acquisition leadership was received.

## **E. RESEARCH QUESTIONS**

This thesis answers the following research questions:

1. How do NAVSEA acquisition team members perceive the feasibility of implementing ProPricer?
2. How can ProPricer allow NAVSEA to streamline the acquisition life cycle as required by the NDS?

## **F. RESEARCH METHODOLOGY**

This thesis includes a literature review featuring academic articles from the Naval Postgraduate School (NPS) Dudley Knox Library, government policy, peer-reviewed journals, and websites for both NAVSEA and ProPricer. The literature review provides the reader with context to understand the NAVSEA acquisition team and its current processes. Analysis from the literature review also reveals how government agencies respond to innovative software implementation as well as the capabilities of ProPricer. Utilizing the research contained in the literature review, the researcher presented to NAVSEA acquisition leadership to allow them to understand the capabilities of ProPricer and to explore their perceptions on the feasibility of implementing ProPricer in FY2023. The research methodology was reviewed by the NPS Institutional Review Board, which determined that the study did not meet the federal definition of “research” and, therefore, did not require formal review and approval.

## **G. THESIS OUTLINE**

The Chapter II literature review reveals how government agencies respond to innovative software implementation as well as the capabilities of ProPricer. Chapter III introduces the presentation to NAVSEA acquisition leadership. Chapter III also elaborates on the purpose, questions, and methodologies of this thesis. Chapter IV analyzes themes of the feedback provided by NAVSEA acquisition leadership after attending the presentation. Chapter V concludes this thesis with the researcher’s conclusion and recommendations.

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## **II. LITERATURE REVIEW**

The literature review starts by analyzing the NAVSEA contracts directorate organizational structure as well as their current approach to cost analysis, price analysis, and contract negotiations. This information provides the reader with context to help understand the NAVSEA acquisition team and its current processes. This chapter then explores the Sole Source Streamlining Toolbox's introduction of ProPricer and its capabilities. This discussion helps the reader understand that the DOD has a desire to reduce the acquisition life cycle and has identified a solution that can help accomplish that goal. The chapter then describes the Diffusion of Innovation Theory, which provides success metrics for innovations. Following the discussion on the Diffusion of Innovation Theory, the literature review explains the Coping Model of User Adaption (CMUA), which highlights leadership's role in innovation implementation. The Diffusion of Innovation Theory and CMUA both address a pathway to success as well as potential roadblocks to implementing new technology like ProPricer across an organization.

### **A. NAVSEA CONTRACTS DIRECTORATE**

According to NAVSEA's website, the headquarters contracts directorate "awards nearly \$24 billion in contracts annually for new construction ships and submarines, ship repair, major weapon systems, and services" (NAVSEA, n.d.-b). A senior executive service (SES) member, referred to herein as the director of contracts, leads the contracts directorate. NAVSEA contracts manage "the Nation's most complex shipbuilding and weapons systems procurements on behalf of NAVSEA headquarters and its numerous field activities with delegated contracting authority, located throughout the country" (Secretary of the Navy, n.d). The contracts directorate oversees the contracting functions of 21 field procurement offices (FPOs) located throughout the United States, inclusive of another 1,500 employees. However, the scope of this study is limited to NAVSEA Headquarters based out of the Washington Navy Yard.

The contracts team consists of approximately 250 contract personnel and support staff at NAVSEA Headquarters. The 250 employees are divided into four divisions



(shipbuilding, fleet support, surface systems, and undersea systems). Within the four divisions, there are 18 total branches led by branch heads. In addition to the SES director of contracts, the contracting competency contains three additional SES leaders. The directorate performs cradle-to-grave contracting support across the NAVSEA enterprise with both procuring contracting officer (PCO) and administrative contracting officer (ACO) responsibilities.

## **B. PROPOSAL EVALUATION AND CONTRACT NEGOTIATIONS**

The acquisition life cycle is a phased framework for the acquisition of supplies and services (Defense Acquisition University, n.d.). Numerous directives and instructions guide the DOD and the Navy's processes for the acquisition life cycle. These include but are not limited to the FAR, Defense Federal Acquisition Regulation Supplement (DFARS), and DOD instructions. The guidance is designed to lead to both successful proposal evaluation and contract negotiations. According to Chung et al. (2018), the sole source acquisition life cycle can be organized into six high-level activities or phases:

- **Phase 1.0:** Release of Solicitation to Receipt of Adequate Proposal
- **Phase 2.0:** Fact-Finding and Evaluation
- **Phase 3.0:** Pre-Negotiation Business Clearance
- **Phase 4.0:** Negotiations
- **Phase 5.0:** Post-Negotiation Business Clearance
- **Phase 6.0:** Contract Award

Per FAR 1.102 (2022), "The vision of the Federal Acquisition System is to deliver on a timely basis the best value product or service to the customer, while maintaining the public's trust and fulfilling public policy objectives." Further, per former Under Secretary of Defense for Acquisition, Technology, and Logistics Ellen Lord, while the DOD delivers the best weapon systems in the world, the countries that pose the greatest threat to national security surpass the speed at which the United States can deliver those systems

*(Department of Defense Acquisition Reform Efforts, 2017)*. With the speed of the greatest national security threats in mind, the 2018 NDS directs the DOD to adapt to support the joint forces. “If current structures hinder substantial increases in lethality or performance, it is expected that Service Secretaries and Agency heads will consolidate, eliminate, or restructure as needed” (DOD, 2018, p. 10). The NDS also states that the DOD’s leadership will secure support from outside of the department to achieve streamlined processes for their organizations (DOD, 2018, p. 10). The initiative to adapt and streamline was echoed by Director of Defense Pricing Shay Assad at the 2018 Government Contract Pricing Summit: “What we are interested in is changing [the award process] from 400–500 days to 30” (Government Contract Pricing Summit, 2018).

To help accomplish this mission, the DOD released the Sole Source Streamlining Toolbox. The toolbox is a reference to provide acquisition professionals with methods to reduce the acquisition life cycle. Within the toolbox, ProPricer is introduced as a software application with the ability to assist with Phase 2.0 through Phase 5.0 of the sole-source contract award process: “The ProPricer working model can expedite the modeling process and facilitate constructive communications between the government and the contractor during proposal evaluation, fact-finding, and negotiations” (DOD, 2020, p. 4). The ProPricer reference in the Sole Source Streamlining Toolbox led the researcher to further explore the capabilities of ProPricer to detail how ProPricer could streamline the acquisition life cycle. The researcher summarized those findings into three overarching elements as shown in Table 1.

Table 1. ProPricer Capabilities. Adapted from ProPricer (n.d.-a, n.d.-c, n.d.-d, n.d-e).

Benefit	ProPricer Capabilities
1. Transparency	<ol style="list-style-type: none"> <li>1. Proposals are received compliant with FAR, DFARS, cost accounting standards (CAS), and customer requirements.</li> <li>2. Proposal receipt in ProPricer eliminates the need to recreate the contractor’s proposal.</li> <li>3. ProPricer allows evaluators to analyze pricing logic and formulas, and verify rates and labor basis of estimates (BOEs) in minutes.</li> </ol>
2. Technical Evaluation	<ol style="list-style-type: none"> <li>1. ProPricer generates an editable spreadsheet with BOE-level detail for technical teams to easily review and populate recommendations for each BOE.</li> <li>2. ProPricer allows technical evaluators and cost analysts to work in a shared collaborative environment, ensuring a single source for the proposal data.</li> </ol>
3. Streamlined Negotiations	<ol style="list-style-type: none"> <li>1. ProPricer runs a summary of changes report providing delta at each cost element between positions.</li> <li>2. Exchanging offers in ProPricer eliminates the need for the government to rebuild the contractor’s offer to verify changes.</li> <li>3. ProPricer allows what-if analysis to run multiple simulations in an instant to see the cost impact of multiple scenarios.</li> </ol>

The literature review has introduced the NAVSEA contracts directorate to give the reader context to the organization and its current processes. The literature has also made it clear that the DOD has a desire to reduce the time spent in the acquisition life cycle and identified a solution with ProPricer that can help accomplish that goal. However, to this point, the literature does not specifically discuss a pathway to success or potential roadblocks to implementing an innovation, such as ProPricer across an organization. The remainder of the literature review accomplishes that task. First, the Diffusion of Innovation Theory is described and then leadership’s role in innovation implementation is explored.

## C. DIFFUSION OF INNOVATION THEORY

In his book *Diffusion of Innovations*, Rogers (2003) defined innovation as “an idea, practice, or project that is perceived as new by an individual or other unit of adoptions” (p. 12). Rogers went on to define *diffusion* as “the process in which an innovation is communicated through certain channels over time among the members of a social system” (Rogers, 2003, p. 5). Rogers later supplemented his 2003 book with five distinct success metrics to explain whether an innovation will be successfully implemented across an organization. The five metrics are relative advantage, observability, compatibility, complexity, and trialability (Rogers, 2010). The five metrics can work as an evaluation framework for leaders to consider when working through an innovation implementation (Kaminski, 2011).

### 1. Relative Advantage

Relative advantage refers to how the adopters perceive an innovation as compared to their current solution. The more confidence the adopters have in the innovation over the current solution, the faster the adoption process will go. It is vital to evaluate relative advantage to determine the ability of a firm to adopt innovative technology (Chandra & Kumar, 2018). A positive perceived use (PU) compared to the current solution, from the user’s perspective, results in an intention to use innovation (Mosley & Evans, 2021). Thus, evaluating an innovation compared to the current solution is imperative to determine if innovation implementation will be successful. This is similar to the auto industry; by allowing a consumer to test drive a vehicle, the consumer can determine if the test-driven car has a relative advantage over their current car.

### 2. Compatibility

Compatibility refers to how an innovation is consistent with the current standards or processes in place. The closer an innovation relates to the current process, the easier it is for adoption to take place. “Consider a manufacturing plant; if an innovation requires significant alteration to the overall factory flow, the chances to adopt that innovation will be lessened” (Mendoza & Lemma, 2021). Per Sugandini et al. (2018), there are two types of compatibilities: (1) cognitive compatibility, which refers to what is thought about

innovation, and (2) operational compatibility, which refers to the actual use of the innovation. If new technology is the continuation of old technology that has been utilized, then the speed of innovation adoption will be relatively fast (Smith et al., 2022). Further, the level of adoption of innovative products will be faster if an individual or organization feels the existence of the same values or beliefs offered by innovative products (Mani & Chouk, 2018).

### **3. Complexity**

Complexity refers to how simple an innovation is perceived for adopters to use. The less complex the innovation is the faster the adoption will take place. A vast body of academic articles suggests that there is a strong impact of perceived ease of use (PEOU) of new technology on its adoption (Alsharida et al., 2021; Buabeng-Andoh, 2018; Kamal et al., 2020; Mendoza & Lemma, 2021; Mosley & Evans, 2021). Central to measuring complexity is PEOU as a predictor of people's attitude towards use. The PEOU then influences the willingness to continue to use, leading to the endpoint of actual use. Further, Lin and Chen (2017) concluded that technology with a friendly interface is perceived as easy to use and forms positive attitudes toward the innovation.

### **4. Trialability**

Trialability refers to the rate at which an innovation is adopted. Innovations trialed across an organization are adopted more quickly than those without a trial period. Per Mendoza and Lemma (2021), a rapid change to a process makes transition more difficult. A gradual transition to an innovation can assist in addressing problems that arise during implementation and reduce resistance by those with initial hesitation to the innovation. A trial of an innovation allows the end-user to understand how the innovation works for themselves (Smith et al., 2022). Engels et al. (2019) concluded that adopters are interested in a demonstration rather than open-ended questions on their perceived interest on an innovation. The test drive of a vehicle example also applies to trialability, as consumers feel more comfortable buying a vehicle after a test drive than they would without one.

## 5. Observability

Observability refers to the ability of the adopters to see the results of the innovation implementation. The easier the adopters can see the positive impact of the innovation, the more likely they are to have a positive outlook on the adoption. Observability focuses on sharing the positive results of an innovation. By sharing positive results, the adoption becomes visible to the entire organization. Viewing positive results can influence resistant people because the doubt about the innovation's effectiveness is mitigated (Mendoza & Lemma, 2021).

While consumer attitudes toward innovation adoption are important, they do not correspond to actual adoption (Tharrett et al., 2020). Instead, consumers will successfully adopt innovations that meet the five metrics of successful innovations by having a greater relative advantage, compatibility, trialability, observability, and less complexity (Tharrett et al., 2020). The success metrics identified by Rogers are detailed in Table 2. These metrics carry influence over the different stages of adoption shown in Figure 1 (Magsamen-Conrad & Dillon, 2020). The adoption process will have early- and late-stage adopters. Leadership, together with its chain of command, can influence acceptance through decisions, opinions, and support of initiatives for innovation (Mendoza & Lemma, 2021).

Table 2. Success Metrics That Influence Adoption. Adapted from Rogers (2010).

Parameter	Effect
Relative Advantage	Higher benefit anticipated leads to faster adoption
Compatibility	More familiarity leads to easier adoption
Complexity	Ease of perceived use leads to faster adoption
Trialability	Incremental adoption provides easier adoption
Observability	Visibility of positive results leads to faster adoption

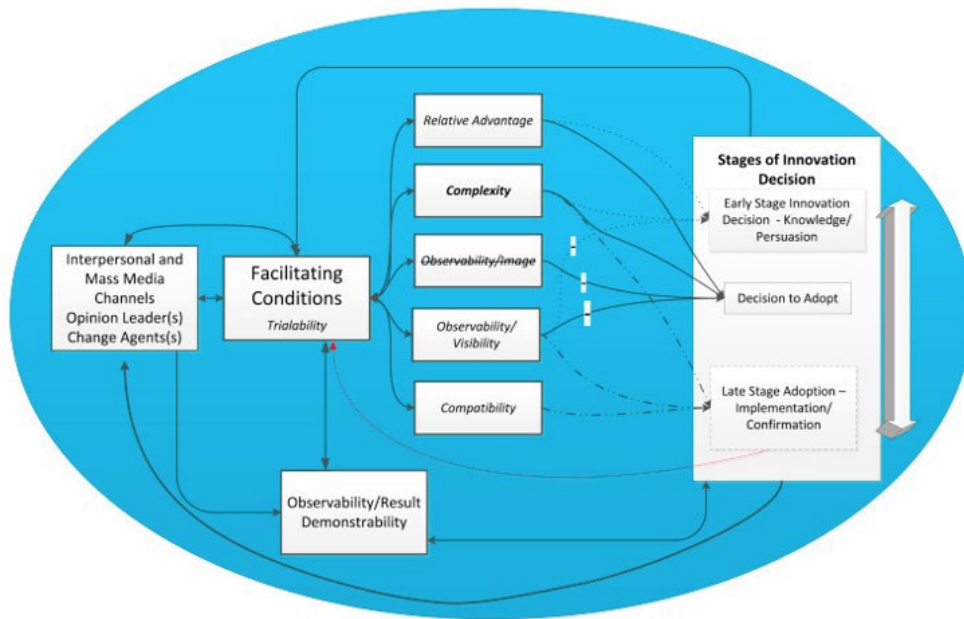


Figure 1. Lifespan Mobile Technology Diffusion Model. Source: Magsamen-Conrad & Dillon (2020).

However, these five factors alone will not guarantee a successful innovation adoption. Safi et al. (2018) concluded,

The subjective stance assumes that knowledge is derived from many sources because individuals observing the same phenomenon will tend to interpret it in diverse ways. These individualized interpretations exist as a consequence of each individual's diverse values, beliefs, and experiences. (p. 3)

Therefore, leadership's role in aligning the organization is pivotal for innovation implementation. In a related study on innovation, Tharrett et al. (2020) found that leaders' attitudes towards an innovation in their messaging to the workforce play an essential role in the diffusion of innovation adoption process. The next section of this literature review theorizes management's role.

#### D. LEADERSHIP'S ROLE IN INNOVATION IMPLEMENTATION

Innovativeness within organizations is impacted by the effectiveness of the leaders within the organization (Tharrett et al., 2020). For leadership, the introduction of an

innovation is a critical yet challenging assignment. The role of formal communication is critical for innovation implementation; however, formal communication alone does not ensure effective communication. Only 17% of managers are effective communicators according to a survey of over 100 internal communication practitioners (Tsai & Compeau, 2021). Tsai and Compeau proposed four content areas that are crucial for management to be able to communicate to employees about an innovation implementation.

- **What?** Provides communication to employees regarding the features and functionality of the innovation.
- **How?** Provides communication to employees regarding the extent the innovation will change the way the employee currently operates.
- **Why?** Provides communication to employees regarding the purpose of adopting the innovation.
- **When?** Provides communication to employees regarding the timeline of the schedule leading to effective utilization of the innovation (Tsai & Compeau, 2021).

Figure 2 provides a diagram of an employee's perceptions of the quality of the information received from leadership regarding an innovation. The information quality is evaluated by the extent to which information is timely, useful, relevant, and sufficient. The employee evaluates the quality of information on an innovation through the lens of the four content area questions discussed above. The diagram is flexible, with the ability for an employee to adjust to new material provided by leadership (Tsai & Compeau, 2021).



		Content Areas			
		What	How	Why	When
Information Quality Attributes	Timely				
	Useful				
	Relevant				
	⋮				
	Sufficient				

Figure 2. Conceptualization of Communication Quality. Source: Tsai & Compeau (2021).

The CMUA views both the initial communication and all status updates about an innovation as a chance for employees to evaluate the innovation. The quality of that information will determine whether the employee will view the innovation as an opportunity or threat to themselves and their organization (Beaudry & Pinsonneault, 2005, 2010). Following the threat versus opportunity analysis, employees then evaluate their perceived control or their ability to either mitigate the threat or flourish with the opportunity (Tsai & Compeau, 2021). Figure 3 shows the emotions based on both the threat and opportunity analysis and the evaluation of the extent to which the employee is in control. The emotions range from a favorable opportunity and high perceived control over the innovation event to, on the contrary, viewing the innovation as a threat and having low perceived control over the innovation (Beaudry & Pinsonneault, 2010).



Figure 3. Emotion Categories in Beaudry & Pinsonneault (2010, p. 694).

Stein et al. (2015) supplemented the CMUA by suggesting that where the employees fall in the diagram shown in Figure 3 is based on five cues:

1. **Interactions with others:** Opinions employees are hearing about the innovation
2. **IT instrumentality:** Perceived attributes of the innovation
3. **Involvement in change:** Employee involvement with the implementation
4. **IT symbolism:** The meaning of the innovation
5. **Identity work:** Innovation use of impact work-related identity

The first three cues provide the most relevance to this research. Implementation information from leadership (Cue 1) is pivotal to shaping an employee's perception (Cue 2) of the usefulness of an innovation. According to the CMUA, by allowing employees at the working level to be involved in the change (Cue 3) they are more likely to perceive the opportunity as favorable and have higher perceived control over the implementation decision. As previously stated, and as further established in this section, leadership, together with its chain of command, can influence acceptance through decisions, opinions, and support of initiatives for the new technology (Mendoza & Lemma, 2021). If leadership is successful at influencing the acceptance of an innovation throughout the organization, the employees will act as agents of adoption. Conversely, if the organization is not sold on

the implementation, they will act as resisters among their peers and will negatively influence the adoption.

#### **E. SUMMARY**

The literature review makes it clear that the DOD has a desire to reduce the time spent in the acquisition life cycle. To accomplish that goal, the DOD has identified a solution with ProPricer. The literature review revealed a pathway to success as well as potential roadblocks to implementing a new technology via the Diffusion of Innovation Theory. Finally, the literature review concluded by viewing leadership's role in influencing the perceptions of the workforce on implementing innovative technology, such as ProPricer. The literature review findings allowed the researcher to develop questions, goals, and methodology in Chapter III.

### **III. GOALS, RESEARCH QUESTIONS, AND METHODOLOGY**

Chapter III explains the rationale for utilizing a qualitative research method for this thesis. This chapter also describes the researcher's presentation to NAVSEA acquisition leadership. The description includes how the presentation was developed as well as the key content presented. Additionally, the goals and research questions are reintroduced. To conclude this chapter, a summary is provided before moving on to Chapter IV, where NAVSEA acquisition leadership's feedback on the briefing is detailed.

#### **A. QUALITATIVE RESEARCH METHOD**

A qualitative research method is appropriate to explore a phenomenon from the perspective of those involved (Johnson & Christensen, 2012). The researcher's process of presenting to and soliciting feedback from NAVSEA acquisition leadership fits within the qualitative research umbrella. Miles et al. (2018) argued that qualitative data provides a well-grounded, rich description of the social process. Qualitative data also assists researchers in preserving the chronological flow of logical explanations for the outcomes. Accordingly, the qualitative method supported understanding the feasibility of adopting ProPricer Government Edition (GE) at NAVSEA. An 1102 contracting professional with 5 years of experience conducted this qualitative study.

#### **B. PURPOSE**

The purpose of the qualitative research study is to explore NAVSEA acquisition leadership's perception on the feasibility of adopting and implementing ProPricer across their organization in FY2023.

#### **C. RESEARCH QUESTIONS**

This thesis answers the following research questions:

1. How do NAVSEA acquisition team members perceive the feasibility of implementing ProPricer?

2. How can ProPricer allow NAVSEA to streamline the acquisition life cycle as required by the NDS?

#### **D. METHODOLOGY**

This thesis includes a literature review featuring academic articles from the NPS Dudley Knox Library, government policy, peer-reviewed journals, and websites for both NAVSEA and ProPricer. The literature review provided the reader with context to help understand the NAVSEA acquisition team and its current processes. Analysis from the literature review also revealed how government agencies respond to innovative software implementation as well as the capabilities of ProPricer. The researcher utilized the information gained from the literature review to develop a presentation to NAVSEA acquisition leadership to both allow them to understand the capabilities of ProPricer and explore their perceptions on the feasibility of implementation. The researcher directed the meeting invitation towards the director of contracts but allowed the invitation to be extended to other members of the acquisition leadership team as well. The NAVSEA acquisition leadership is an appropriate audience as they are the decision-makers that will answer the problem statement on whether it is feasible to adopt innovative cost and price analysis software at NAVSEA. The research methodology was reviewed by the NPS Institutional Review Board, which determined that the study did not meet the federal definition of “research” and, therefore, did not require formal review and approval.

The bottom line up front (BLUF) of the presentation was to present an opportunity for the NAVSEA contracts directorate to reduce the acquisition cycle lead time by implementing ProPricer. The presentation included a thorough detail of the researcher’s literature review, including a reference to the Sole Source Streamlining Toolbox’s introduction of ProPricer. The presentation continued with a discussion of ProPricer’s customers and capabilities. The presentation then viewed potential challenges to implementation as well as solutions to those challenges by exploring the Diffusion of Innovation Theory and leadership’s role in innovation implementation. To conclude the presentation, the researcher introduced step one of the recommendation: NAVSEA acquisition team to meet with ProPricer for a virtual demonstration of capabilities. Once

feedback from the presentation was received, a qualitative analysis was performed to explore leadership's perceptions on the feasibility of implementing ProPricer in FY2023. The themes of NAVSEA acquisition leadership's feedback to the briefing are discussed in detail in Chapter IV and informed the recommendations in Chapter V of this study. The slides for the presentation are provided in the Appendix.

## **E. SUMMARY**

This chapter discussed the research methodology and process, which serve as the source of the answers to the research questions. A qualitative research study provides a well-grounded, rich description of the social process. Analysis from the literature review revealed the DOD's need to reduce time spent in the acquisition life cycle and how agencies respond to innovative software implementation. This analysis motivated the researcher's presentation BLUF, an opportunity for the NAVSEA contracts directorate to reduce the acquisition cycle lead time by implementing ProPricer. The presentation of ProPricer's capabilities allowed the attendees to compare the current proposal evaluation processes at NAVSEA with what ProPricer could provide. By presenting the Diffusion of Innovation Theory and leadership's role in innovation implementation, the attendees were able to explore key characteristics of successful implementation across an organization. The feedback on the presentation is discussed in Chapter IV

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## **IV. RESULTS AND ANALYSIS**

In this chapter, the NAVSEA acquisition leadership who participated in the virtual presentation are introduced. The roles, feedback, and themes of the feedback received from NAVSEA acquisition leadership after receiving a presentation on the research are discussed and analyzed. Included within the feedback and discussed herein are themes including potential barriers to implementation brought up by the presentation participants. The discussion on the themes of the presentation feedback allowed the researcher to make a comparison with other organizations that have similarly been introduced to an innovation. To conclude Chapter IV, a summary is provided before moving on to Chapter V, where the researcher's conclusion and recommendations are detailed.

### **A. NAVSEA ACQUISITION LEADERSHIP PRESENTATION PARTICIPANTS**

The researcher presented the findings of this research to NAVSEA acquisition leadership during a virtual presentation on April 21, 2022. The slides for the presentation are provided in the Appendix. The researcher directed the meeting invitation towards the director of contracts but welcomed the invitation to be extended to other members of the acquisition leadership team as well. The roles of the participants who received the briefing were as follows:

- Director of Contracts
- Associate Director of Contracts
- Contracts Directorate Chief of Staff
- Surface Systems Contracts Deputy Division Director
- Integrated Combat Systems Branch Head



## **B. PRESENTATION FEEDBACK THEMES**

After the presentation, the researcher sought questions and feedback from the participants. This section highlights themes in the feedback provided by NAVSEA acquisition leadership. Research themes allow for the accurate interpretation of qualitative data. The identification of themes allows for the interpretation of a concept and its function in data analysis (Desantis & Ugarriza, 2000). The researcher classified the presentation feedback into three overarching themes: cost versus relative advantage, proposal compliance checks and observability, and compatibility.

### **1. Cost versus Relative Advantage**

The contracts directorate does not have a budget and, therefore, would have to request funding to support a ProPricer implementation from the command (Director of Contracts, personal communication, April 21, 2022). Funding and likewise cost are always major considerations for any organization looking to switch to an innovative process. Dingfelder and Mandell (2011) explained a similar dilemma when considering the Diffusion of Innovation Theory for a new process in the healthcare field and concluded the implementation decision comes down to a question: “Is the cost of changing worth the relative advantage offered by the new program?” (Dingfelder & Mandell, 2011, p. 601). As previously discussed, the relative advantage refers to how the adopters perceive an innovation as compared to their current solution. The DOD has identified ProPricer as a streamlining tool (DOD, 2020, p. 4), and the presentation of the capabilities of the software led the director of contracts to conclude that ProPricer, if used effectively, could reduce the time spent in the acquisition life cycle (Director of Contracts, personal communication, April 21, 2022). With the DOD and director of contracts aligned on the relative advantage of ProPricer, the request for funding to the NAVSEA contracts directorate’s funding source has grounds.

### **2. Proposal Compliance Checks and Observability**

As discussed in the literature review, a benefit of ProPricer GE is the elimination of a proposal evaluator needing to recreate the contractor’s proposal. The NAVSEA acquisition leadership viewed this as a potential risk because recreating a proposal allows

a proposal evaluator to confirm that all rates/profit calculations are properly applied. There was a concern that if the government was no longer recreating the contractor's proposal, inconsistencies would be missed (Associate Director of Contracts, personal communication, April 21, 2022). When researching other applications of the Diffusion of Innovation Theory, the theme of a disconnect between innovation capabilities and how potential adopters view the innovation was common. In fact, the knowledge of an innovation is the first step in the individual innovation-decision process (Lundblad, 2003).

As further elaborated on in Chapter V, the researcher's first recommendation is for the NAVSEA acquisition team to meet with ProPricer for a virtual demonstration of capabilities. A demonstration is an effective forum to transform an idea into implementable innovation (Bossink, 2015). The demonstration of capabilities will allow adopters to gain knowledge of the software to inform the implementation decision; NAVSEA acquisition leadership concurred (Contracts Directorate Chief of Staff, personal communication, April 29, 2022). The demonstration would achieve the observability metric of the Diffusion of Innovation Theory by allowing the adopters to see the innovation processes before adopting. The easier the adopters can see the positive impact of an innovation, the more likely they are to have a positive outlook on the adoption.

### **3. Compatibility**

Compatibility refers to how an innovation is consistent with the current standards or processes in place. To measure compatibility, the participants measured the perceived ProPricer capabilities versus the current processes in place at NAVSEA. The participants viewed the cognitive compatibility of ProPricer as strong because the implementation of ProPricer would not change the organization's goals, just the process that allowed them to reach the goals (Integrated Combat Systems Branch Head, personal communication, April 21, 2022). This cognitive compatibility of ProPricer provides utility because the adoption will be faster if individuals feel the existence of the same values or beliefs offered by innovative products (Mani & Chouk, 2018). The operational compatibility of ProPricer could not be explored until after implementation, because the operational compatibility needs to be analyzed during the actual use.

### **C. SUMMARY**

The content presented from the researcher's presentation to NAVSEA acquisition leadership resulted in the feedback in the form of three overarching themes. The first was a cost versus relative advantage dilemma, where leadership needs to determine if the cost of ProPricer is worth the relative advantage that the software offers. The second theme was proposal compliance checks and the observability metric of the Diffusion of Innovation Theory. Within this theme, it was clear that there was a disconnect where a benefit of ProPricer was being perceived as a potential risk by NAVSEA leadership; this disconnect can be solved by the leadership team attending a ProPricer demonstration of capabilities. The demonstration would also achieve the observability success metric of the Diffusion of Innovation Theory. Lastly, the third theme was the extent to which ProPricer met the compatibility metric of the Diffusion of Innovation Theory. The participants viewed the cognitive compatibility of ProPricer as strong because the implementation of ProPricer would not change the organization's goals, just the process that allowed them to reach the goals (Integrated Combat Systems Branch Head, personal communication, April 21, 2022).

## V. CONCLUSIONS AND RECOMMENDATIONS

In this chapter, the research conclusions are discussed. The conclusion includes answers to the research questions, which provide the basis for this thesis. Following the conclusion, the researcher's recommendations for the NAVSEA contracting directorate on the potential implementation of ProPricer are detailed. A summary of the research is provided to highlight the significance of this research to NAVSEA and the broader DOD acquisition system as a whole. To conclude this chapter, areas for further research are explored, providing potential research topics that would be beneficial to the DOD.

### A. CONCLUSIONS

The 2018 NDS requires DOD agencies such as NAVSEA to streamline processes to reduce the acquisition cycle lead time (DOD, 2018, p. 10). The researcher provided NAVSEA leadership with the findings of this research to allow leadership to understand how the implementation of ProPricer can assist in meeting the requirement of the 2018 NDS. The purpose of this research was to explore NAVSEA acquisition leadership's perception on the feasibility of adopting and implementing ProPricer across their organization in FY2023. The themes obtained from the feedback provided by leadership were utilized to answer the research questions and subsequently accomplish the purpose of the research.

#### 1. **How Do NAVSEA Acquisition Team Members Perceive the Feasibility of Implementing ProPricer?**

The content presented from the researcher's presentation to NAVSEA acquisition leadership resulted in the feedback in the form of three overarching themes. The first theme centered on the cost versus relative advantage dilemma. Regarding costs, the director of contracts noted that the contracts directorate does not have a budget and, therefore, would have to request funding to support a ProPricer implementation from the command (Director of Contracts, personal communication, April 21, 2022). However, on the other side, the director of contracts also noted that ProPricer, if used effectively, could reduce the time spent in the acquisition life cycle (Director of Contracts, personal communication, April

21, 2022). Thus, an implementation decision would need to be made on the extent of the relative advantage of ProPricer versus the costs of implementation. The researcher concludes that because the DOD and the director of contracts are aligned on the relative advantage of ProPricer, the recommendation to request funding for ProPricer implementation has grounds.

The second theme addressed proposal compliance checks and the observability metric of the Diffusion of Innovation Theory. Regarding proposal compliance checks, the associate director of contracts noted that ProPricer's capability of eliminating the need to recreate a contractor's proposal creates a risk to the contracting department of missing inconsistencies or mistakes within the proposal (Associate Director of Contracts, personal communication, April 21, 2022). Within this theme, there was a disconnect where a benefit of ProPricer was being perceived as a potential risk by NAVSEA leadership. The researcher concluded that this disconnect would be eliminated if the researcher's first recommendation was taken and leadership attended a ProPricer demonstration of capabilities. The demonstration of capabilities will allow adopters to gain knowledge of the software to inform the implementation decision. NAVSEA acquisition leadership concurred (Contracts Directorate Chief of Staff, personal communication, April 29, 2022). The demonstration would achieve the observability metric of the Diffusion of Innovation Theory by allowing the adopters to see the innovation processes before adopting.

Finally, the third theme included the compatibility metric of the theory by analyzing ProPricer compared to current NAVSEA processes. The integrated combat systems branch head explained that ProPricer does not change the organization's goals, just the process that allows them to reach the goals (Integrated Combat Systems Branch Head, personal communication, April 21, 2022).

The themes of the feedback provided by NAVSEA acquisition leadership after the presentation provided their perception on the feasibility of implementing ProPricer in FY2023. While NAVSEA acquisition leadership concurred with the Sole Source Streamlining Toolbox that a potential to reduce the acquisition cycle lead time exists with a ProPricer implementation, further discussion on funding and proposal compliance checks

would be needed. This feedback to the presentation influenced the recommendations detailed later in this chapter.

## **2. How Can ProPricer Allow NAVSEA to Streamline the Acquisition Life Cycle as Required by the NDS?**

According to Chung et al. (2018), the sole source acquisition life cycle can be organized into six high-level activities or phases:

- **Phase 1.0:** Release of Solicitation to Receipt of Adequate Proposal
- **Phase 2.0:** Fact-Finding and Evaluation
- **Phase 3.0:** Pre-Negotiation Business Clearance
- **Phase 4.0:** Negotiations
- **Phase 5.0:** Post-Negotiation Business Clearance
- **Phase 6.0:** Contract Award

Within the Sole Source Streamlining Toolbox, ProPricer is introduced as a software with the ability to assist with Phase 2.0 through Phase 5.0 of the acquisition life cycle. The toolbox states that ProPricer can “expedite the modeling process and facilitate constructive communications between the Government and the contractor during proposal evaluations, fact-finding, and negotiations” (DOD, 2020, p. 4). Further, it can be concluded that since ProPricer can assist with streamlining Phase 2.0 through Phase 5.0, the software would also be able to streamline the Phase 6.0 contract award as fact-finding and evaluation, the pre-negotiation business clearance, negotiations, and the post-negotiation business clearance are all key milestones in the award process. Further, Phase 1.0 of the acquisition life cycle is also accomplished with the transparency of proposal submission in ProPricer being received compliant with FAR, DFARS, CAS, and customer requirements (ProPricer, n.d.-c). Therefore, ProPricer would allow NAVSEA to streamline Phase 1.0 to Phase 6.0 of the acquisition life cycle. Further, the researcher’s presentation to acquisition leadership led the director of contracts to conclude that ProPricer, if used effectively, could reduce the

time spent in the acquisition life cycle (Director of Contracts, personal communication, April 21, 2021).

## **B. RECOMMENDATIONS**

After completing the research and analyzing the three presentation feedback themes, the researcher identified a pathway to the implementation of ProPricer across the NAVSEA contracts directorate. The three recommendations include solutions to the two themes that acquisition leadership views as obstacles in the implementation decision: funding and proposal compliance checks. The recommendations are consistent with the Diffusion of Innovation Theory and CMUA, discussed in the literature review. The researcher's recommendations provide a phased approach that ultimately provides a successful implementation of ProPricer, allowing NAVSEA to reduce the time spent in the acquisition life cycle.

### **1. Demonstration of ProPricer Capabilities**

Engels et al. (2019) concluded that adopters are interested in a demonstration rather than open-ended questions on their perceived interest on an innovation. As part of ProPricer's implementation and training regimen, they offer a demonstration of capabilities before any financial commitment (ProPricer, n.d.-b). The first recommendation is for a cross-organizational team of both acquisition leadership decision-makers, and working-level employees to meet with ProPricer for a virtual demonstration of capabilities. According to the CMUA, by allowing employees at the working level to participate in the demonstration, they are more likely to perceive the opportunity as favorable and have higher perceived control over the implementation decision (Beaudry & Pinsonneault, 2005, 2010). Additionally, the working-level employees are more heavily involved in proposal evaluation and negotiations than those in leadership are; therefore, it is logical to have them involved in the implementation process for ProPricer. Additionally, a cross-organizational team attending the demonstration would accomplish Cue 1 and Cue 3 of the CMUA:

- **Cue 1. Interactions With Others:** Opinions employees are hearing about the innovation

- **Cue 3. Involvement in Change:** Employee involvement with the implementation

Furthermore, the demonstration of capabilities mitigates the proposal compliance check implementation obstacle. As previously noted, there exists a disconnect where a benefit of ProPricer was being perceived as a potential risk by NAVSEA leadership. The demonstration of capabilities will allow adopters to gain knowledge of the software to inform the implementation decision. Additionally, the demonstration would achieve the observability metric of the Diffusion of Innovation Theory by allowing the adopters to see the innovation processes before adopting. The demonstration of capabilities allows NAVSEA acquisition leadership to understand why ProPricer eliminating the need for proposal evaluators to recreate a contractor's proposal is a benefit to the command and not a risk.

## **2. Phased Implementation of ProPricer**

Also detailed within ProPricer's training and implementation regimen are "custom and scalable training and implementation packages for any size team or office" (ProPricer, n.d.-e). The second recommendation is a phased implementation of ProPricer across NAVSEA's surface systems division. As mentioned in the literature review, NAVSEA's contracts directorate consists of four divisions; however, given the research contained herein, the researcher recommends initially limiting the implementation of ProPricer to one division. The phased implementation would achieve the trialability metric of the Diffusion of Innovation Theory by allowing the organization to trial the innovation on an installment plan. Additionally, if the innovation were successful within the surface systems division, the other three divisions would experience other metrics of the theory. The other divisions would experience a relative advantage by hearing from coworkers how ProPricer compares to their current processes. The other divisions would also have the information needed to evaluate the perceived complexity of ProPricer. Finally, observability would also be prevalent as future adopters would be able to see the results of the innovation implementation in the surface systems division.



Furthermore, the phased implementation mitigates the funding obstacle to implementation noted by NAVSEA acquisition leadership. As previously noted, leadership needs to determine if the cost of an innovation such as ProPricer is worth the relative advantage that the software offers. If initially fewer ProPricer licenses were acquired by NAVSEA, less of an investment would be needed from the command. If the surface systems division was successful in implementing ProPricer and reducing the acquisition life cycle, a business case requesting an increased investment in ProPricer licenses for the entire contracts directorate has a higher probability of approval. Additionally, if the implementation was not successful, a decision to halt the ProPricer implementation is only an adjustment for one of the four divisions.

### **3. Implementation Oversight**

“According to the Harvard Business Review, there are five steps to change management: preparation, planning, implementation, cultural change, and analysis” (Miller, 2020). By implementing the first two recommendations, NAVSEA’s contracts directorate would have performed the first three steps; however, there would need to be a cultural change from the way things have always been done in the acquisition life cycle to a new innovative process. According to the NDS, “The current bureaucratic approach, centered on exacting thoroughness and minimizing risk above all else, is proving to be increasingly unresponsive” (DOD, 2018, p. 10). Therefore, NAVSEA should not shy away from a cultural change.

Leadership plays a key role in this cultural change with the quality of information supplied to the workforce. As detailed in the literature review, there are four content areas (what, how, why, and when) that are crucial for management to be able to communicate to employees about innovation implementations (Tsai & Compeau, 2021). The CMUA views both the initial communication and all status updates about an innovation as a chance for employees to evaluate the innovation (Beaudry & Pinsonneault, 2005, 2010). The quality of that information will determine whether the employee will view the innovation as an opportunity or threat to themselves and their organization. Therefore, the long-term success of an innovation implementation is based on the quality of oversight and communication

provided by leadership to their employees. Further, and as discussed in the areas of further research section below, if ProPricer is implemented, NAVSEA acquisition leadership must continue to analyze the extent to which the implementation reduced the acquisition life cycle when deciding whether to implement ProPricer across the organization.

### **C. AREAS FOR FURTHER RESEARCH**

The DOD processes thousands of complex proposals each year, with contracts totaling billions of dollars and subject to substantial regulation. Significant issues arise when the DOD analyzes proposals using the traditional building and analyzing cost models in Microsoft Excel. Consequently, the DOD's current proposal analysis results in significant labor hours and schedule risks associated with more extended technical evaluations, contract negotiations, and, ultimately, contract award timelines. Therefore, if a solution such as ProPricer is implemented at NAVSEA, there are opportunities for future research that can help the DOD acquisition system as a whole:

- Research NAVSEA's implementation of ProPricer, analyzing the initiation, adoption decision, and implementation process for ProPricer GE.
- Research the extent to which the implementation of ProPricer reduced the time spent in the acquisition life cycle, if any.

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## APPENDIX. PRESENTATION SLIDES

The researcher presented the findings of this research to NAVSEA acquisition leadership during a virtual presentation on April 21, 2022. The slides for the presentation are provided in this Appendix.

### 1. Slide 1: Introduction

Slide 1 (Figure 4) allowed the researcher to welcome all attendees to the presentation and introduce the title of the presentation, *Feasibility of ProPricer Implementation at NAVSEA*.



# Feasibility of ProPricer Implementation at NAVSEA

Zachary Cooper  
SEA 0251  
21 April 2022

1



Figure 4. Slide 1: Introduction

**2. Slide 2: BLUF**

Slide 2 (Figure 5) informed attendees of the BLUF of the presentation, an opportunity for the NAVSEA contracts directorate to reduce the acquisition cycle lead time by implementing ProPricer.

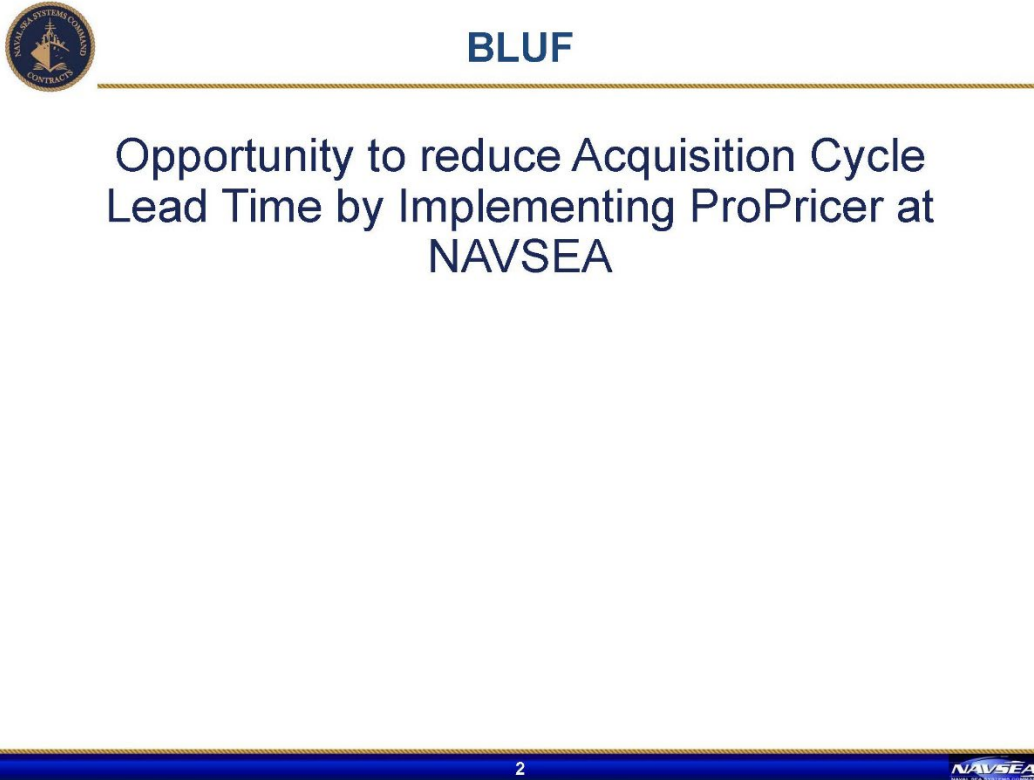


Figure 5. Slide 2: BLUF

**3. Slide 3: Background**

Slide 3 (Figure 6) provided attendees with background on how the researcher chose the topic.



## Background

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- Naval Postgraduate School's Master of Science in Contract Management
- Introduced to ProPricer through coursework.
  - Conducted a mock negotiation utilizing ProPricer

3



Figure 6. Slide 3: Background

#### **4. Slide 4–Slide 9: Literature Review**

From Slides 4–9, provided as Figures 7–12, the researcher provided an overview of Chapter II, Literature Review, including a reference to the Sole Source Streamlining Toolbox's introduction of ProPricer. The presentation continued to introduce ProPricer's customers and capabilities. The presentation then viewed potential challenges to implementation as well as solutions to those challenges by exploring the Diffusion of Innovation Theory and leadership's role in innovation implementation.



## DoD Sole Source Streamlining Toolbox

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- The 2018 National Defense Strategy states that the DoD's leadership is committed to securing external support for streamlining processes and organizations.
- To support the NDS, the DoD released the U.S. DoD Sole Source Streamlining Toolbox.
- Within, the toolbox ProPricer is introduced as a software which can "expedite the modeling process and facilitate constructive communications between the Government and the contractor during proposal evaluations, fact-finding, and negotiations"

Figure 7. Slide 4: DOD Sole Source Streamlining Toolbox



## What is ProPricer?

- Executive Business Services - Veteran owned small business, developer of ProPricer.
- Desktop application with a centralized database that provides a fully functional electronic cost model.

ProPricer Customers

Government	Industry
DCMA	Lockheed Martin
DCAA	Raytheon
Navy – Strategic Systems Planning	Boeing
Department of Energy	Northrop Grumman
NASA	General Dynamics
F-35 Joint Strike Fighter	BAE Systems
	L3 Harris

Figure 8. Slide 5: Introduction of ProPricer Capabilities and Customers





## ProPricer Capabilities (Resource Reduction)

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**Transparency-** Proposals are received compliant with FAR, DFARS, CAS, and customer requirements

- Eliminates need to re-create the contractor's proposal. ProPricer formatted files allow full cost analysis in a standardized environment
- Analyze the pricing logic and formulas, verify rates and labor BOEs in minutes
- Each cost element embedded with BOE information

### **Technical Evaluation**

- Generates an editable spreadsheet with BOE level detail for TAR to populate the min, most likely, and max for each BOE
- Integrate the technical evaluation positions into your Pre-BCM position

### **Streamlined Negotiations**

- Run a summary of change report for offers, eliminating the need for rebuilding contractor offer to verify the changes
- Run simulations with just a click providing delta at every cost element

Figure 9. Slide 6: ProPricer Capabilities



## Custom and Scalable Training

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- 6 hour training session concluding with a case study creating a negotiated position to a fictional proposal
- Phased Implementation
- Prior to any commitment, ProPricer offers live virtual demonstration of capabilities.

Figure 10. Slide 7: ProPricer Training Regimen



## Diffusion of Innovation Theory

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The Diffusion of Innovation Theory describes a five factor view to facilitate the adoption of an innovative process such as ProPricer:

1. *Relative advantage*- How the adopters perceive an innovation as compared to their current solution.
2. *Compatibility*- How an innovation is consistent with the current standards or processes in place.
3. *Complexity* - How simple an innovation is perceived for adopters to use.
4. *Trialability* – How the adoption will take place.
5. *Observability*- How the adopters see the innovation implementation prior to use.

Figure 11. Slide 8: Diffusion of Innovation Theory



## Leadership's Role in Implementation

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There are four content areas that are crucial for management to be able to communicate to their employees to make sense of innovation implementations

1. *What?* Provides communication to employees regarding the features and functionality of the innovation.
2. *How?* Provides communication to employees regarding the extent the innovation will change the way the employee currently operates.
3. *Why?* Provides communication to employees regarding the purpose of adopting the new innovation.
4. *When?* Provides communication to employees regarding the timeline of steps that must occur for them to be able to effectively use the innovation.

9



Figure 12. Slide 9: Leadership's Role in Implementation

### 5. Slide 10: Conclusion/Recommendation

To conclude the presentation, the researcher introduced their recommendation to the attendees: "NAVSEA cross organizational team to meet with ProPricer for virtual demonstration of capabilities."



## Conclusion/Recommendation

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- The 2018 NDS “If current structures hinder substantial increases in lethality or performance, it is expected that Service Secretaries and Agency heads will consolidate, eliminate, or restructure as needed.”
- **Recommendation: NAVSEA cross organizational team to meet with ProPricer for virtual demonstration of capabilities.**

Figure 13. Slide 10: Conclusion/Recommendation

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