



**2017 Defense and National  
Security Industry Outlook**  
Interview with Nathan Houser

**Nathan Houser, Deloitte Consulting LLP principal and Federal Defense and National Security Sector leader, sees a focus on three areas in 2017: integrating innovative technologies and analytic techniques, improving organizational agility, and attracting and retaining talent. While specific nuances may differ by agency and mission, each of these objectives are central to meeting challenges to our security.**

**What do you see as the key challenge for the new administration in the area of national security?**

In times of transition and change, it's more important than ever to have the agility to adapt and the courage to innovate. Now that the transition is behind us, the Trump administration's approach takes center stage. Thus far, we've seen directives on immigration, federal hiring, cybersecurity, and foreign policy. This is a clear indication of this administration's priorities.

A key national security challenge going forward will be to provide seamless security. The range of threats to our national security interests do not fit neatly into any single agency's traditional roles and responsibilities. Instead, we must be prepared to confront them wherever they emerge – whether in cyberspace or the physical world, from other nations or lone wolves. This means the various defense and national security agencies will continue working together in new and unprecedented ways.

Seamless security requires an integration

of different missions – law enforcement, military operations, intelligence, and border security, for example – to ensure our collective security. Lots of progress has been made in recent years towards this goal, and expectations are that the work will continue.

**What do you see as the focus for defense and national security agencies in 2017?**

In the year ahead, defense and national security agencies are likely to focus on new technologies and analytic techniques that can help accomplish their missions. Data and information are more abundant than ever, and leveraging them can create efficiencies without sacrificing rigor.

For example, consider cyber reconnaissance. By collecting network data from different sources and analyzing it from the lens of would-be hackers, we can identify vulnerabilities before they're exploited. Big data and analytic techniques can help preempt cyber-attacks. Predictive and proactive agencies can be more responsive and are ultimately more secure. Harnessing the power of data is central to

meeting today's security challenges. Mission analytics – conducting analysis on large data sets to identify better ways of doing business – has operational applications, but also contributes to all facets of an agency's activities, from performance management to information sharing.

This administration also has indicated that they will have an increased focus on cost transparency and efficiency in spending. Here again, data analytics reveals smarter approaches to mission activities. But audit readiness and finance transformation are also likely to play significant roles. Streamlining and integrating organizational business processes and reporting can enhance both accuracy and transparency. National security agencies can employ more data and better processes so that they can keep the nation safe while also being good stewards of taxpayer dollars.

**“Technology is revolutionizing age-old processes, and it presents huge opportunities for national security agencies.”**

**Let's talk more about changes in technology as it relates to business processes and workforce.**

Technology is revolutionizing age-old processes, and it presents huge opportunities for national security agencies. The supply chain is a great example of this. Cutting edge technologies like 3-D printing and radio frequency identification bring the supply chain into the digital age to help improve speed, security, and resilience. When these technologies are coupled with transformation of business processes, potential outcomes include improved readiness and reduced costs.

An important element of defense and national security, however, remains the people. From entry-level to executives, the federal workforce needs effective, mission-driven, and properly-trained people at every level. This is especially important in positions that require extensive technical proficiency.

The best investment in defense and national security is in the men and women who are committed to keeping the nation and its citizens safe. A talented workforce can compensate for some of the shortcomings in technology and organizational structure, but it's more effective when coupled with innovative technology and sound processes. Technology doesn't replace the talent, it

gives agencies the flexibility to reallocate it to handle the toughest issues. This relationship between people, tech, and process is one of the keys to mission success.

**The need to innovate seems to be in competition with ongoing mission requirements. How can national security agencies balance these?**

You have to do both. Of course, this is easier said than done. But we don't get to stop what we're doing today to prepare for tomorrow. And we can't get so caught up in daily activities that we don't take a forward-looking view. While we are innovating and adapting to the changing security environment, we must continue operating and addressing challenges as they arise.

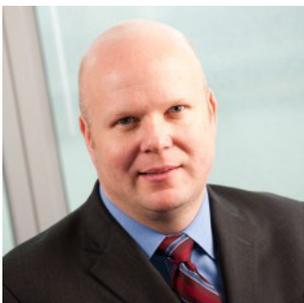
We know that threats to our security will continue to evolve, so we must keep pace with them. Defense and national security agencies are not only securing the nation from today's threats, but preparing for those that are only beginning to emerge, such as challenges to the security of our satellite constellations.

So we have to do both – optimize operations today and design for tomorrow; secure legacy networks while modernizing our IT infrastructure; realize business process efficiencies in things like supply chain and

financial management while undertaking transformational improvements; secure cyberspace while preparing to secure outer space. Being able to do what's required today and implement designs for the future to achieve a seamless security.

With continued investments in our people and our processes, defense and national security agencies are well-positioned to maintain their advantages in 2017 and well beyond.

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