



NUCLEUS
RESEARCH

DELTEK ADDS VALUE-DRIVEN GENERATIVE AI

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THE BOTTOM LINE

On October 16th through 18th 2023, Deltek conducted its annual user conference, ProjectCon 2023. Central themes of the conference included leveraging generative AI to enable organized data and concise insights, predictive functionalities, and a Deltek digital assistant. Several product updates aligning with these themes were announced; projected benefits impacting customers' bottom lines include enhanced data processing & predictive intelligence, optimized client & resource management, and an improved user experience. Nucleus has previously found that employing generative AI technology is expected to reduce the duration of certain tasks including generating documents, composing emails, and interpreting data by between 10 and 40 percent and render between eight and 20 percent of labor costs in automatable areas reallocated over the next ten years.

PROJECTCON 2023

At Deltek ProjectCon 2023, the vendor unveiled a strategic vision centered on the applications of generative AI. This overarching theme not only set the direction for its future innovations but was also evident in its product announcements. These product introductions reflected Deltek's commitment to integrating generative AI to drive returns for real-world business use-cases.

DELTEK'S GENERATIVE AI INITIATIVES

As customers seek increased operational leanness in project management, Deltek introduced the following forward-looking goals empowered by recent advancements in generative AI:

- **Data Organization and Concise Insights.** Deltek aims to distill immense volumes of data into precise executive summaries, making decision-making seamless and informed.
- **Predictive Functionalities.** The vendor looks to embed predictive intelligence into routine processes, especially for anticipating resource requirements, thereby expediting project staffing and recruitment.
- **A Deltek Digital Assistant.** Deltek's looks to equip users with a digital ally, the Deltek Digital Assistant, designed to navigate data, execute functions, and facilitate self-education via intuitive natural language interactions.

GenAI will lead to the reallocation of 8-20% of labor costs over the next decade

PRODUCT ANNOUNCEMENTS

Specific announcements at ProjectCon delivering immediate or upcoming impact for customers include:

- **Vantagepoint Client Summaries.** The Client Smart Summary grants a comprehensive snapshot of client interactions, including an executive synopsis with vital client details. This is now accessible to all users in the latest Vantagepoint version.
- **Costpoint Predictive Labor Forecasting.** Addressing the longstanding difficulty of forecasting project-specific resource needs, Predictive Labor Forecasting visualizes

anticipated workforce requirements, aiming to simplify planning endeavors. The feature is set for a 2024 release.

- **PM Compass Narrative Smart Score.** In line with generative AI's integration into Project Portfolio Management (PPM), the PM Compass Narrative Smart Score assesses the quality and completeness of variance narratives. By analyzing the content of these narratives, it identifies gaps or inconsistencies that might affect compliance with Earned Value Management (EVM). By offering real-time feedback, contractors are given the opportunity to refine and improve their reports, ensuring a higher level of accuracy and compliance with EVM standards. This feature is currently planned for release in 2024.
- **Talent Management's Generative AI for Job Requisitions.** This feature facilitates job requisition creation and offers real-time suggestions for updating or creating job requisitions, ensuring that the listings are appealing, accurate, and in line with what potential candidates are seeking in the current job market landscape. Its release is projected for 2024.
- **Deltek Digital Assistant for Costpoint and Vantagepoint.** An evolution from the previously introduced "Hey Deltek" that used legacy NLP technology, the new generative-AI-powered Deltek Digital Assistant is envisioned as a singular user-interface solution. This assistant can respond to product usage queries, provide insights on data entities like contracts, and manage tasks like dispatching emails to project managers about pending tasks.

DELTEK

Deltek serves a variety of sectors, including accounting, architecture, engineering, construction, consulting, energy, IT, aerospace, defense, marketing, and government contracting. It offers an array of project-based ERP tools tailored to distinct industry needs. Costpoint is designed for government contractors in IT contracting, engineering, and manufacturing, facilitating the entire project lifecycle, from opportunity selection to project conclusion, with an emphasis on compliance and security. Vantagepoint is aimed at architect, engineering (A&E), and consulting firms, while Maconomy is suited for large professional service entities. Ajera is optimized for smaller A&E firms, WorkBook functions as a management solution for marketing agencies, and ComputerEase is specialized for the construction industry.

All of Deltek's platforms offer modular and low-code customization, allowing businesses to modify their operations according to project demands and to expand when necessary. Unionpoint, Deltek's iPaaS integration platform, ensures comprehensive automation by

seamlessly integrating both Deltek's tools and third-party applications. Lastly, Deltek's cloud-based GovWin IQ platform serves as a specialized tool for government contractors, assisting them in navigating the complex landscape of government contract opportunities. GovWin IQ enables customers to qualify leads faster, define the competitive landscape, and help organizations make better bid/no-bid decisions. SmartFit Score "scores" federal, state, local, and education contracting opportunities and contract awards based on a company's historical contract award data.

Deltek equips workforces with tools that bolster collaboration and knowledge sharing. Its role-based products feature conversational UIs, enabling users to enter time directly from platforms like Microsoft Outlook and Teams. The addition of RPA tools allows for the automation of repetitive tasks, while industry automation features like digital signatures, private blockchains, and automatic bank feeds address auditing challenges and aim to promote trust among partners and government entities. Collaborations with fintech providers have further incorporated automated payment solutions across all Deltek products. Deltek's investment in machine learning drives its strategy, offering descriptive, predictive, and prescriptive analyses that refine the project lifecycle and provide critical business insights.

GenAI is expected to deliver 10-40% time savings for certain menial tasks

ANTICIPATED CUSTOMER IMPACT

Nucleus expects Deltek's announcements will lead to enhanced data processing & predictive intelligence, optimized client & resource management, and an improved user experience.

- **Enhanced Data Processing & Predictive Intelligence.** Generative AI enables the processing of large volumes of data, converting them into executive summaries. This transformation allows users to access condensed information from extensive datasets quickly. Furthermore, the integration of predictive intelligence in routine processes provides a forecasting mechanism, predicting resource requirements and therefore helping users identify and allocate resources in real-time. This prediction can lead to reduced idle resources and efficient project execution, maximizing resource utilization and minimizing waste.

- **Optimized Client & Resource Management.** The Smart Summaries for GovWin IQ and Vantagepoint offer users structured data profiles. These profiles present a clear picture of client interactions and spending patterns. The Predictive Labor Forecasting feature leverages historical and present data to forecast workforce requirements for projects. This forecasting mechanism aids in preemptive resource allocation; by preemptively addressing resource needs and having a structured client interaction record, users can ensure timely project deliveries and maintain consistent client communication, improving client retention.
- **Improved User Experience.** The Deltek Digital Assistant, powered by generative AI, provides a tool for natural language interactions. Users can directly query this assistant using natural language about product usage and data entities like contracts. Additionally, it can execute tasks, such as sending emails. By reducing the time users spend searching for information and executing routine tasks, the assistant reduces employee workload, allowing users to focus on tasks that directly contribute to project deliverables and returns.

LOOKING AHEAD

While virtually all software companies are looking to inject generative AI technology into their products, few are doing so with a value-driven approach; many vendors seem to be hoping to capitalize on the impact of using marketing buzzwords around AI technology with no underlying value proposition. Refreshingly, Deltek's recent advancements leveraging generative AI aim to harness the technology for improved returns through use cases that drive productivity. Deltek's AI-powered applications align with Nucleus' findings regarding generative AI models' potential to boost workflow efficiency. We've found that these models efficiently comprehend and produce language, reducing time spent on tasks like email composition and data interpretation by 10 to 40 percent. This reduction in time is expected to lead to a redirection of eight to 20 percent of labor expenses over the next decade (Nucleus Research x176 – The user impact of Dataiku's LLM Mesh – October 2023). Furthermore, Deltek's generative AI tools analyze complex datasets to extract actionable insights. By doing so, businesses can identify emerging trends, manage risks, and adjust to market changes. Leveraging AI in this manner equips companies with informed decision-making, ensuring they are more adaptable and responsive.