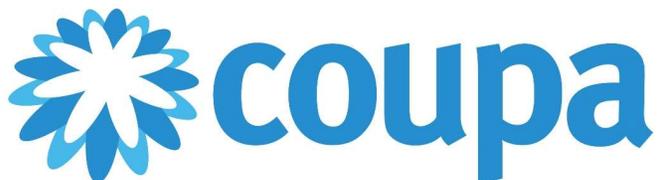


Public & Social Sector Procurement Best Practices Exchange

Critical Practices Exercise Results (from Oct 2016 Mtg)

Sponsored by:

Washington, DC



www.publicspendforum.net

About - *The Public and Social Sector Procurement* Best Practices Exchange*

- The Public and Social Sector Procurement Best Practices Exchange is **a global initiative** to connect public and social sector procurement leaders and collect/disseminate actionable best practices
- In partnership with faculty from **Michigan State University's #1 Ranked Procurement and Supply Chain program**; and **Spend Matters**
- **Includes Federal, State, Local and Social Sector leaders**; private sector leaders active participants
- **Global reach**, leveraging Public Spend Forum and Spend Matters offices in Europe and Asia...and advisory roles with the World Bank, Penn Law Center for Asian Law

PUBLIC
SPEND
FORUMMICHIGAN STATE
UNIVERSITY
Broad College of BusinessPUBLIC
SPEND
FORUM
EUROPESpend
Matters™

***NOTE about “Acquisition” vs. “Procurement”** – The term “procurement” is used to refer to all phases of the procurement lifecycle including needs identification and requirements development. The term “acquisition” is unique to the federal government and is generally referred to as procurement in all other sectors including state/local/private.

FOR EXCLUSIVE USE ONLY BY AUTHORIZED PARTIES. Please see detailed Copyright agreement at end of this document.

Summary of Critical Practices Exercise

- **Leaders provided input on critical procurement practices to achieve desired outcomes:** In the last exchange meeting (Oct 2016), we asked public procurement leaders to rate relative importance and improvement needed for a set of draft (work-in-progress) critical public procurement practices necessary to achieve desired public procurement outcomes
- **“Top tier” critical practices identified:** While all of the critical practices presented were identified as “important” or “absolutely critical”, based on the importance rating, we grouped them into 3 tiers – the top tier ones identified included:
 - Early customer engagement/ requirements collaboration
 - Supply market analysis
 - Manage, retain & develop procurement talent & competencies
 - Manage supplier performance and contracts post-award
 - Manage procurement/ acquisition function
 - Manage total cost
- **Interestingly, greatest improvement required for “top tier” critical practices:** Leaders also rated the degree of improvement required for each of the presented critical practices – interestingly, the greatest improvement was needed for some of the critical practices identified in the “top tier” – specifically:
 - Early customer engagement/ requirements collaboration
 - Supply market analysis
 - Manage, retain & develop procurement talent & competencies
- **Majority of critical practices require improvement:** Leaders identified the majority of the critical practices as requiring improvement, further underscoring the need to measure public procurement performance relative to key dashboard metrics and drive ongoing improvement plans
- **Addition of a critical practice as we progress the study:** Finally, leaders suggested the addition of another critical practice, “Customer Planning & Budgeting of Procurements”, which is not included in the results here, but will be included moving forward as part of the public procurement performance study

Critical practices are visually depicted on the following slide (based on relative importance and improvement required)

Summary of critical public procurement practices depicted by relative importance and improvement need

Public Procurement Critical Practices* (Relative Importance vs Improvement Required)

Improvement Required	High	<ul style="list-style-type: none"> Leverage supplier expertise and innovation Manage risk Align staff with customers & markets 	<ul style="list-style-type: none"> Early customer engagement/ requirements collaboration Supply market analysis Manage, retain & develop procurement talent & competencies 	
	Med	<ul style="list-style-type: none"> Supplier competition & sourcing process 	<ul style="list-style-type: none"> Manage supplier performance and contracts post-award Manage procurement/ acquisition function Manage total cost 	
	Low	<ul style="list-style-type: none"> Achieve social policy goals 	<ul style="list-style-type: none"> Operate within procurement/ acquisition regulations 	
		Base Tier	Mid Tier	Top Tier
		Relative Importance of the Critical Practice		

Top tier critical practices requiring greatest improvement

***Note the following:**

- 1) Critical practices shown here are a work in progress – we will be further refining with input from leaders and experts
- 2) Some critical practices have been combined since the input from participating leaders
- 3) “Participating in Customer Planning & Budgeting of Procurements” was identified as an additional critical practice by leaders (not rated here)

Your Points of Contact

Raj Sharma



Raj is a thought leader focused on strengthening the management capacity of the social and public sectors. Raj advises leaders in government and social sectors on applying proven practices to improve performance, transform procurement and deliver more value to customers/constituents. Raj co-founded the Public Spend Forum and also serves as CEO of Censeo Consulting Group, a firm recognized nationally for its award-winning culture and impact. He also serves on several boards, including Higher Achievement and Michigan State University's Executive Advisory Board for the supply chain program. And he has written as a fellow for the Center for American Progress and the Woodrow Wilson Center's Women in Public Service Project. [Contact: Raj@publicspendforum.net](mailto:Raj@publicspendforum.net)

Professor Joe Sandor



Former President and CEO of Creative Procurement Strategies, Joseph Sandor was appointed the Hoagland-Metzler Endowed Professor of Practice in Supply Management at The Eli Broad College of Business of Michigan State University in 2006. During his time with Creative Procurement Strategies (CPS) Sandor advised clients such as Harley-Davidson, John Deere, Electrolux, Rolls-Royce, Whirlpool, Hewlett-Packard, IBM, Motorola, ConAgra, Delphi, Sandia, Schlumberger and the USAF. Sandor has over forty years proactive supply management experience with progressively increasing responsibilities emphasizing cost prevention/reduction, team building, strategic supplier alliance formation, systems development, logistics optimization, shared services, inventory control and cost modeling. [Contact: Sandor@broad.msu.edu](mailto:Sandor@broad.msu.edu)

Pierre Mitchell



Pierre Mitchell, Senior Advisor at the Public Spend Forum and Chief Research Officer and Managing Partner of Azul Partners, Inc., has 25 years of procurement and supply chain industry and consulting experience, and is a recognized procurement expert specializing in supply processes, practices, metrics, and enabling tools and services. He is a regular contributor to business publications, a frequent presenter at industry events around the world and counts himself fortunate to have served and interacted with so many CPOs and future CPOs. Pierre is a Sr. Advisor and regular contributor to Public Spend Forum. [Contact: Pierre@spendmatters.com](mailto:Pierre@spendmatters.com)

Ash Bedi



Ash Bedi is a member of the Public Spend Forum management team, responsible for overall business strategy and research. Ash has more than 25 years of experience in both consulting and industry, with expertise in the areas of strategic planning, procurement and supply management. Ash brings a blend of private sector and government industry experience, having worked with Fortune companies as well as numerous federal agencies. Ash has also been a frequent presenter at high profile forums including Institute of Supply Management, National Association of Purchasing Managers, Sourcing Interests Group, and National Contract Management Association. Ash previously worked at A.T.Kearney and Censeo Consulting Group, among others. [Contact: Ash@publicspendforum.net](mailto:Ash@publicspendforum.net)

Copyright Notice

THIS DOCUMENT IS THE PROPERTY OF Public Spend Forum LLC.
FOR EXCLUSIVE USE ONLY BY AUTHORIZED OR PURCHASING PARTY

The following acts are strictly prohibited:

Reproduction for Sale

Posting on a Web Site

Transmittal via the Internet Outside the authorized party.

Copyright © 2016, Public Spend Forum LLC.

This document is protected by United States copyright laws and international treaties. Unless otherwise noted, the entire contents of this publication are copyright by Public Spend Forum LLC., and may not be reproduced, stored in another retrieval system, posted on a Web site, or transmitted in any form or by any means without prior written consent of the publisher. The information may be used as long as this document is appropriately cited. Unauthorized reproduction or distribution of this publication, or any portion of it, may result in legal penalties.

The trademarks and registered trademarks of the corporations mentioned in this publication are the property of their respective holders. All information contained in this report is current as of publication date.

publicspendforum.net

USA (202) 591-3361

Washington DC

Chicago

London