

June 21, 2016 Meeting Summary and Notes
Public and Social Sector Procurement Best Practices Exchange
An Initiative led by Public Spend Forum and Michigan State University
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Public Sector leaders, academics and industry experts held a vigorous and wide-ranging conversation during the last meeting of the Public and Social Sector Procurement Best Practices Exchange in June 2016. The group focused key discussion topics on:

1. **“Reverse Industry Days”**: New and innovative way to engage with suppliers (presented by Soraya Correa, Department of Homeland Security Chief Procurement Officer).
2. **Metrics Study Initial Findings**: Deep dive into our in-progress study on determining what metrics matter most for public sector organizations.
3. **Metrics Framework Discussion**: How a common metrics framework may be applied across public organizations with varying missions.

The following is a summary synopsis of the discussions in each of the three areas above.

1. “Reverse Industry Days” – presented by Soraya Correa, CPO of US Department of Homeland Security

Reverse Industry Days is a different take on the long-held “Industry Days”.

Whereas Industry Days is an opportunity for government to present to Industry, “Reverse Industry Days” is the opposite where a new type of event that allows suppliers to the government to educate procurement staff and leaders as to how they work, their approach to proposals and more, and what they see as helpful or prohibitive about the procurement process.

“An idea that <I had> was to get industry in the front of the room and tell us about their thought process, what invites them to compete, what causes them to compete, what information they need from us, what are they trying to get” ... “We want to know what enables them to better understand requirements so they can invest in innovation.”

Key discussion points included:

- DHS and its industry liaisons work with professional associations to select companies—so as not to appear to give preferential treatment to particular vendors—to speak at the events. The full-day event starts with a plenary session, followed by a series of breakout sessions that invite vendors to discuss their business processes.
- Key insights gained included:
 - Some companies won’t consider bidding if they don’t have 12 to 18 months lead time before the requirement hits the street.
 - Others won’t bid on lowest-price technically acceptable contracts because they see LPTA as a sign the contract isn’t important to the agency.

- About 160 participants have attended DHS's two industry days, with federal personnel comprising roughly three quarters of the audience. DHS also invited guests from the Government Accountability Office, the Office of Inspector General, and Hill staffers, so they could also better understand industry perspective and process.
- DHS's procurement shop will begin incorporating lessons learned from reverse industry days into the DHS acquisition curriculum.

2. Determining What Metrics Matter Most for Public Sector Organizations

Based on extensive secondary research and interviews with experts, leaders, and practitioners in the field, the Public Spend Forum team drafted and presented Initial findings from the metrics study and teed up discussion around the key aspects of a common public procurement metrics framework.

Key discussion points included:

- Research on metrics gathered from various organizations revealed the use of 500+ metrics, making a succinct and clear consensus of a "top 10 metrics" initially difficult to assess.
- However, many of these metrics currently used are likely measuring same or similar things – the study team will continue to group metrics into common measurement groups
- Exact metrics adopted and prioritized will depend on the organization's positioning, the different types of purchases made by those organizations, and the different roles across those organizations.

"One of the things we have to take into consideration when we talk about metrics is how the procurement organization is viewed within the larger organization, depending on where you are, which agencies you work for, which agency you're representing" ... "We've got to be really careful with the tone. Everybody thinks there's a magic bullet, but it's going to vary by agency."

3. A Common Metrics Framework for Public Organizations

Leaders agreed that a common public procurement metrics framework can be developed for public procurement functions as long as it incorporates flexibility in how it's applied across organizations of varying missions and focus areas.

Key discussion points included:

- A framework may be helpful in developing metrics competencies within leaders. A case study or two will help illustrate how a broad framework may be helpful to a variety of organizations.
- Some additional considerations discussed for a widely applicable metrics framework included how to account for where different stakeholders sit within an organization, what metrics are being used for (benchmarking savings, staffing decisions, etc.), and whether all metrics are meant to be used for benchmarking.
- A common metrics framework needs to measure how well organizations are achieving the procurement outcomes they set for themselves, along with how well they're performing the

One participant noted that diversity and disparity between organizations doesn't mean a common, flexible framework is impossible. He argued that some metrics, such as what percentage of resources are being dedicated to mission outcomes, are applicable across the board. "If a large percentage of time is not being spent on key indicators, then that tells you something about the organization's performance, no matter what the organization is".

various capabilities (e.g. supplier management, total cost of ownership) that drives those outcomes.

- The framework has to be flexible enough to accommodate procurement departments that may be positioned differently within their larger organizations, or at varying levels of maturity.

Next Step Focus Areas for the Metrics Study

The conversation and debate is already informing the next steps of Public Spend Forum's procurement metrics study, which includes a report on initial findings, the development of a draft metrics framework, and the sharing of that framework for more feedback. There will be a lot more to report on and discuss when the group next meets in the Fall.

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