

Public & Social Sector Procurement Best Practices Exchange

Commonly Used Public Procurement Metrics

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

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***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.

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High Level Findings on Commonly Used Public Procurement Metrics

As part of our study on public procurement performance metrics, we developed a picture on what metrics are currently used (and also referenced secondary research on the topic)

Summary of Current State of Public Procurement Metrics

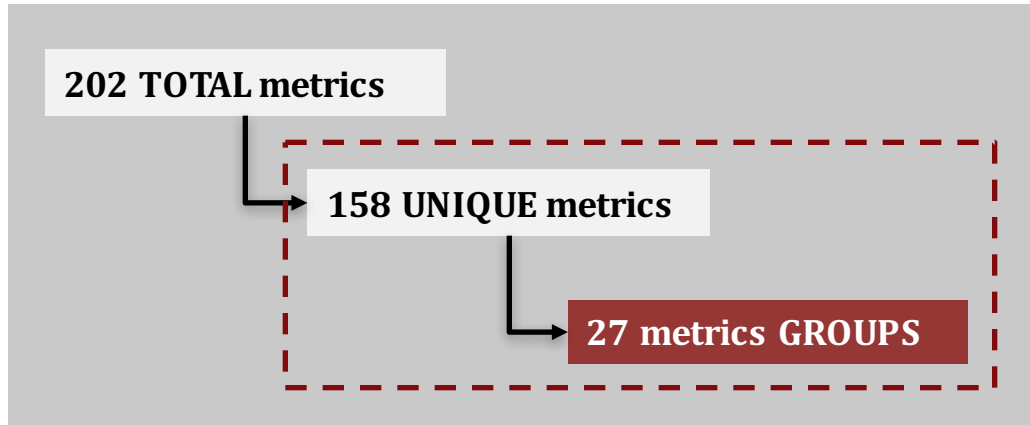
- 1) Lots of metrics being collected across organizations
- 2) Limited consistency across organizations in what metrics areas are used
- 3) While metrics areas collected may be similar in some cases, types of specific metrics vary significantly
- 4) Metrics often heavily influenced by regulations and policies
- 5) Limited alignment of metrics with organizational goals or stated outcomes

The following slides elaborate on this summary and present commonly used metrics today and perspectives from secondary research—Ultimately we need to develop a common metrics framework for public procurement

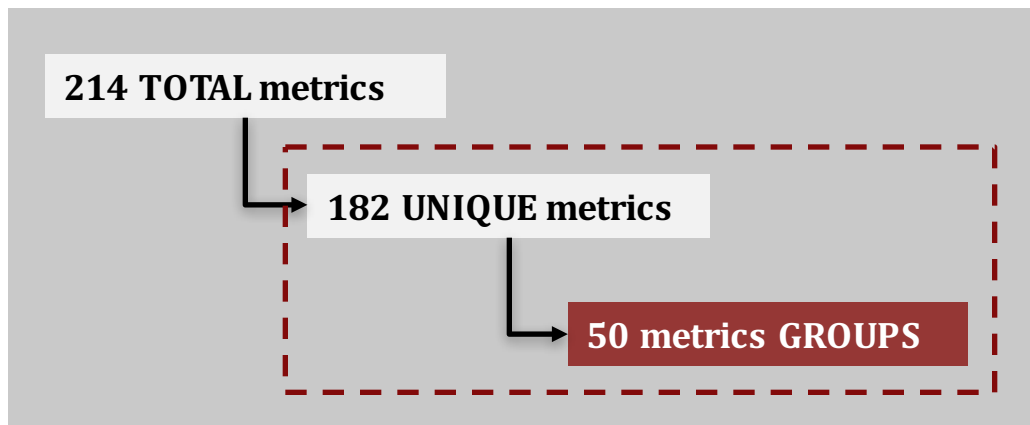
Through our study we identified hundreds of metrics from both sample organization data and secondary research

Hundreds of Metrics Synthesized into Relevant Groupings

Sample Organization Data



Secondary Research Data



Key Points

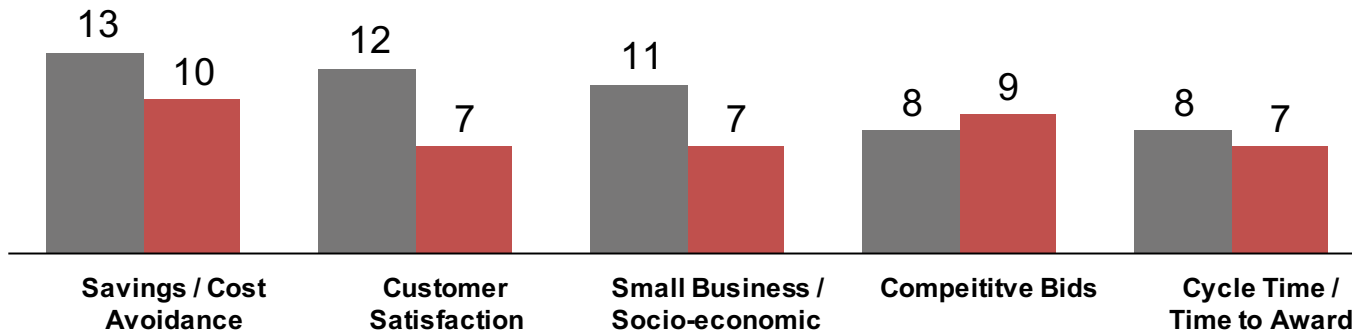
- Metrics GROUPS vary significantly in how often they were mentioned by various sources
- Secondary research showed much greater fragmentation in metrics groups
- We have aligned metrics GROUPS against the “critical practices/capabilities”

We present top metrics groups from both sources on the following pages

A small number of metrics groups from organization data were consistently identified by organizations

Top Metrics Groups from Sampled Organization Data

Total Metrics Groups = 27 (Not All Shown here)



■ # of Mentions (out of 17 Total)

■ Unique Measures/ Metrics

- Only 3 of the 27 metrics GROUPS were mentioned / identified by at least half of the organizations or more
- There were 158 unique measures / metrics used to track these 27 metrics groups

Key Points

- Collectively across sampled organizations, we have identified a rich set of metrics
- However, organizations in general do not utilize a robust set of metrics

A closer look at the 27 metrics groups from sampled organization data

Metrics Area	# of Mentions*	Metrics Area	# of Mentions*	Metrics Area	# of Mentions*
Savings / Cost Avoidance	13	Excess Contract Capacity / Wasted Effort	4	Metrics / Information required for reporting	2
Customer Satisfaction	12	Post Award Management	4	Solicitation Types	2
Small Business (socio-economic goals)	11	Spend Under Management	4	Value / ROI	2
% Competitive Bids	8	Supplier Engagement	4	Health of Supply Base	1
Cycle Time / Time to Award	8	% Automated Transactions / e-procurement	3	Number of vehicles across government	1
Employee Training / Certification	8	Customer Engagement / Knowledge	3		
Work Quality / Compliance	8	Data Quality	3		
Workload	8	Employee Retention	3		
Contract Types and Risks	7	Employee Satisfaction	3		
Cost of Procurement Function	6	On-time Delivery %	3		
Staffing Levels/ Experience / alignment	5	Supplier Satisfaction	3		

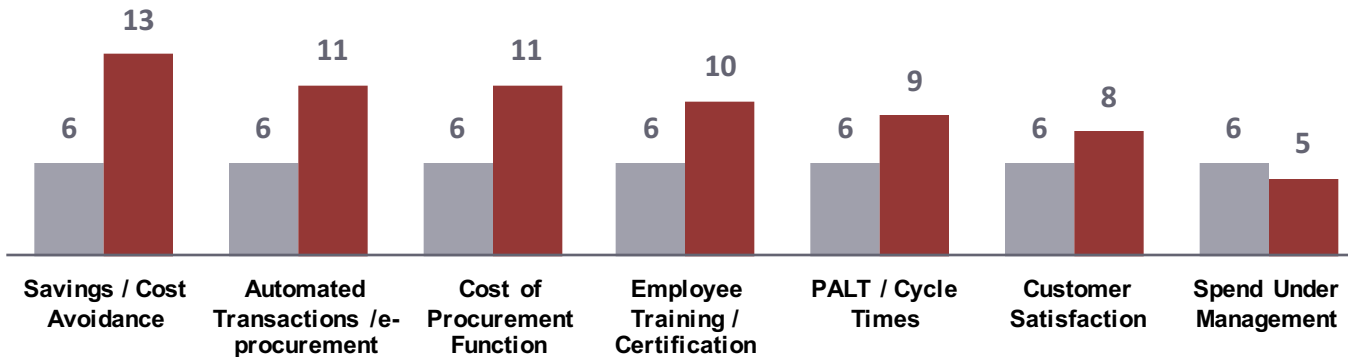
158 “unique” metrics were used to measure these 27 metrics groups

* Out of 17 sampled organizations

Secondary research shows greater dispersion (relative to the sample organization data) across key metrics groups

Top Metrics Groups from Secondary Research Data

Total Metrics Groups = 50 (Not All Shown here)



■ # of Mentions (out of 7 Total)
■ Unique Measures/ Metrics

- While many secondary research sources identified the same top metrics groups, the sources varied significantly in the how they identified other (less common) metrics groups
- There were 182 unique measures / metrics used to track these 50 metrics groups

Key Points

- Secondary research sources did a good job identifying some basic metrics areas, however ...
-linkage back to stated desired outcomes was often missing, leading to a large dispersion of metrics areas

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

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

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