

October 12, 2016 Meeting Summary and Notes (Metrics Study Discussion)

Public and Social Sector Procurement Best Practices Exchange

*An Initiative led by Public Spend Forum and Michigan State University
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Introduction

At the most recent meeting of Public Spend Forum's Public and Social Sector Procurement Best Practices Exchange, leaders from across the public sector gathered to discuss not only what metrics are most vital to their organization, but how the public sector can rethink its approach to measurement, to get at what drives the most value.

The Metrics Study Discussion

Public Spend Forum, with help from leaders in the Exchange and beyond, is working on mapping a metrics framework that is flexible enough to be adopted by a diversity of public procurement organizations across the globe. As part of the metrics framework discussion the group on two key areas:

- **Background Research on Metrics:** As background informing data, the results of in-depth research conducted by the Public Spend Forum team on metrics from both a sampling of public procurement organizations as well as secondary research.
- **Critical Capabilities that Drive Procurement Outcomes:** The importance of aligning metrics to outcomes and more importantly to critical organizational capabilities that drive public procurement outcomes, since outcomes are often challenging to directly measure.

The following are highlights of these discussions.

- As the group dug into the PSF research about what metrics are often prioritized by organizations, one member noted that many of the metrics used by organizations are more process-oriented, less outcome-oriented. Tying metrics to outcomes was the number-one priority for good management, agreed many of the members.

"There's a difference between collecting data and saying what's important, and saying whether it's useful. There are some metrics that are important to me because I'm required to collect and report them. Do I think they're useful? No."

- Many members expressed concern over past performance metrics. Many said the way they're collected are too anecdotal, or are often inaccurate because the people doing the reporting are hesitant or are "not explicit with the facts." One federal executive said past performance metrics have failed to keep up with the "massive infrastructure change" where contractors are doing much of the work that federal employees once did.

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- One executive argued that while outcome-oriented metrics are essential, that understanding the way metrics fit together and reveal influences on each other is also critical: “We’re talking about linkages to outcomes, but are we looking at linkages to each other?” she said.
- Public Spend Forum board member and Spend Matters Chief Research Officer Pierre Mitchell noted that while it’s important to discuss metrics in the context of outcomes, there are a number of outcomes one could measure, depending on one’s own perspective as a stakeholder. For instance, procurement may look to certain process-oriented outcomes to measure against, whereas internal customers may have their own outcomes.
- One federal executive said, “When I think of outcomes, I think of agency mission results. I’d like to throw out a provocative question: Fundamentally the assumption here should be are you buying the right thing. You can do process well, but are you buying the right thing? Is that reflected in the metrics? We don’t do a good job of measuring that qualitative outcome, the result. We don’t have any meaningful data about whether we get a result that we expected. Customer satisfaction is a placeholder, but it’s not totally correlated to the impact.”
- Another executive said metrics often start too late in the process. “There isn’t a sense [from the metrics collected through the study] that there’s a plan here. You don’t get a sense that planning is talked about here. We’re really talking about now I have a requirement, sit down and talk to you.”
- Finally, while the participants by-and-large agreed on the fifteen draft public procurement critical capabilities that drive desired public procurement outcomes, one addition capability was identified: *engage with internal customers at the planning and budgeting stage of the procurement.*

Next Step Focus Areas for the Metrics Study

As Public Spend Forum’s metrics study continues, we would love to hear from you on what metrics you’ve found most valuable, and how you tie your metrics to the right outcomes and capabilities to achieve those outcomes. As we move forward, we will be refining our draft of critical public procurement capabilities to achieve desired public procurement outcomes. In addition, we will be drafting a public procurement metrics framework to further refine with input from public sector leaders and experts.

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