

Organization Transformation and Innovative Outcomes – Beyond Traditional Purchasing

Jane Benton, CPPO - Government Sourcing Solutions

Rosey Murton, CPPO, CPPB - Florida State University



What's popular with consumers today?

- Streaming videos & music
- On-line shopping
- Drones
- FaceTime
- Watches that do more than tell time
- Smarthomes that are controlled via phones
- Automatic pill dispensers

What's on the horizon?

- 3D printing
- Drones
- Driverless cars, electric cars
- Telemedicine
- Internet of Things (IoT)
- Blockchain
- Artificial Intelligence

5 Traits of World-Class Procurement Organizations

1. They act as trusted advisers to top management.
2. They help to drive supplier innovation.
3. They provide fresh insights into key supplier data.
4. They help to manage and alleviate supply-chain risk.
5. They promote “agile staffing” and talent development.

Government Sourcing Solutions Procurement Report

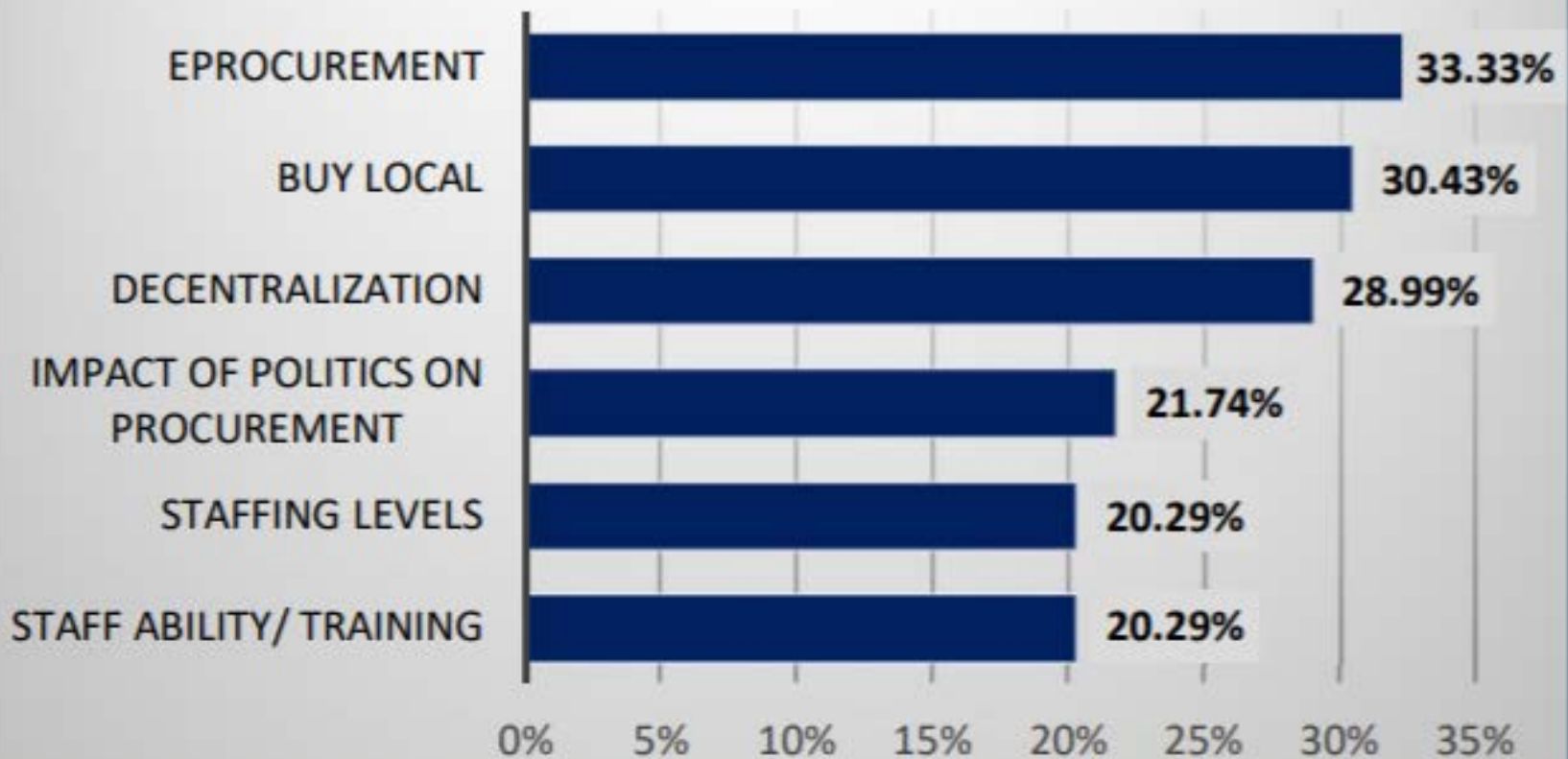


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Top Issues Identified by CPOs



GSS Public Procurement Survey, March 8 – August 8, 2018



Does size of school or private/public matter?



Smaller school issues

Private schools vs Public



Value of the procurement office



- Ability to impact largest addressable spend second to human capital
- Insight into business relationships on campus
- Support institution strategic mission/goals
- Value beyond “cost savings” or issuing a PO

Procurement can be true VALUE CREATION



What Does Value Mean?

Means different things to different people.....

Most customers
care about speed
and cost

Researchers care
about speed and
quality

Finance cares about
cost, revenue, risk
and compliance

**All aspects of service are critical for
success**

People

Yesterday

- Administrative
- Purchasing Agents
- Policy “Police”
- Transactional
- Change adverse

Today and Tomorrow

- Undergraduate degrees focused here
- Trusted Advisor
- Category Managers
- Data Analysts
- Works across silos

Process



Yesterday

- Tactical
- Began to utilize technology
- Focused on price
- Vendor management
- Procedure focused
- Silo'd relationship with payables and other departments

Today and Tomorrow

- Strategic and mission focused
- Value creation/total cost of ownership
- Procure to pay/supply chain mgt
- Supplier Relationship Management
- Customer service focused (SLA)
- Financial Stewardship
- Impact on Society/Sustainability
- Risk Mitigation

Technology

Yesterday

- Paper!
- Catalog e-procurement
- Electronic Invoicing and Payments
- PCard

Today and Tomorrow

- Spend/Data Analytics
- Cloud Financials and/or Procure-to-Pay (P2P) System
- Contract Management System
- Supplier Management Portal
- RFX/Solicitation Portal
- Travel and Expense management
- Dynamic discounting for payment

Future: Artificial Intelligence/Blockchain

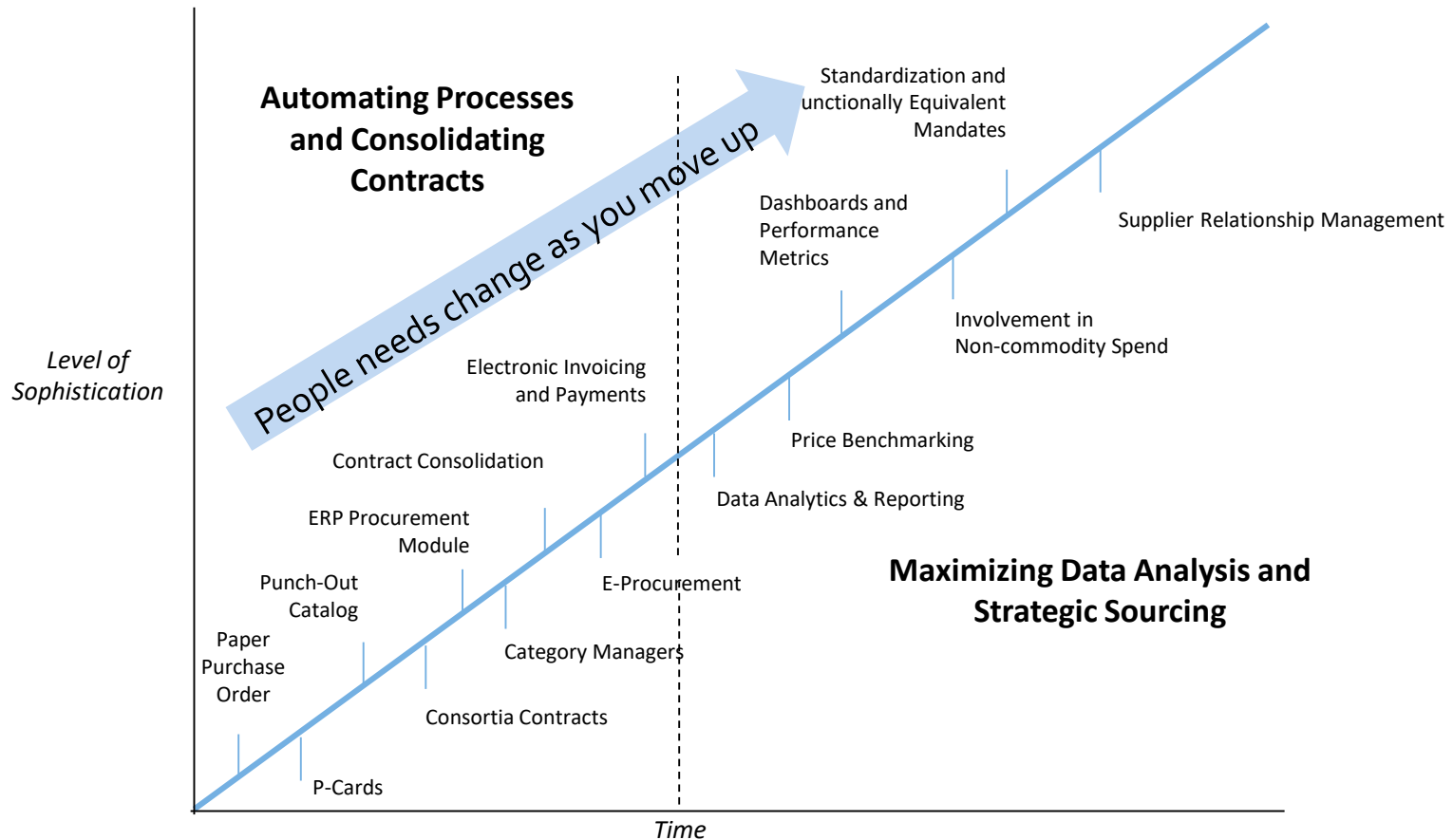
Transforming our Procurement Operations



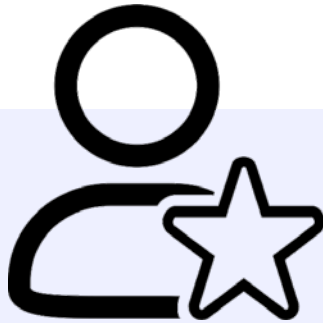
- Establish a governing procurement council
- Properly align and staff the procurement organization
- Make technology work for us
- Establish alliances with key suppliers and field experts
- Engage in collaborative strategic sourcing



Process and Technology Curve—where are you?



Actions You Can Take Now

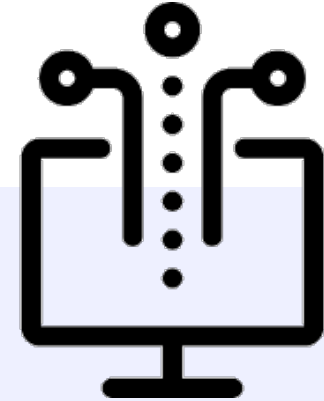


Invest appropriately in procurement talent



Expect more....

Don't invest blindly. Expect a business case and measures of success.



Invest in technology to maximize resources

What if I only have a one person department?

Small Schools have a lot of options even with limited resources:

- Consortiums like E&I Cooperative (focused on higher ed), Sourcewell, etc. for contracts
- Technology like eprocurement can be more affordable now
- Tap into analytical resources elsewhere in the organization (e.g. Budget and Planning or Financial Planning and Analysis)
- Collaborate with other schools
- Invest in yourself

How do we do it?

- Have a seat at the table
- Our network—NAEP and beyond...
- CBO awareness / support
- Business case development
- Technology investments
- Incremental change

Innovative Outcomes— Beyond Traditional Purchasing



NAEP Innovator Forum Whitepapers



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Strategies

NAEP
National Association of Educational Procurement

Key Insights from the 2012 Innovator Forum and Recommended Strategies for Procurement Leaders

2012

Higher Education Industry Expert

QUEST PATHSTONE

Technology

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National Association of Educational Procurement

Key Insights from the 2013 Innovator Forum and Recommended Strategies for Procurement Leaders

2013

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Talent

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Innovators Forum Report

2014

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Brand

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The Procurement Brand

2015 Innovators Forum Report

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Enhancing Supplier Value and Performance

2016 Innovators Forum Report

QUEST STONEBRIDGE

Customers

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Customer Engagement Management

2017 Innovators Forum Report

JAGGAER STONEBRIDGE

BI

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Business Intelligence

Innovators Forum Report

2018

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<https://www.naepnet.org/page/WhitePapers>



Be decisive.

**Right or wrong,
make a decision.**

**The road of life
is paved with
flat squirrels
who couldn't
make a decision.**