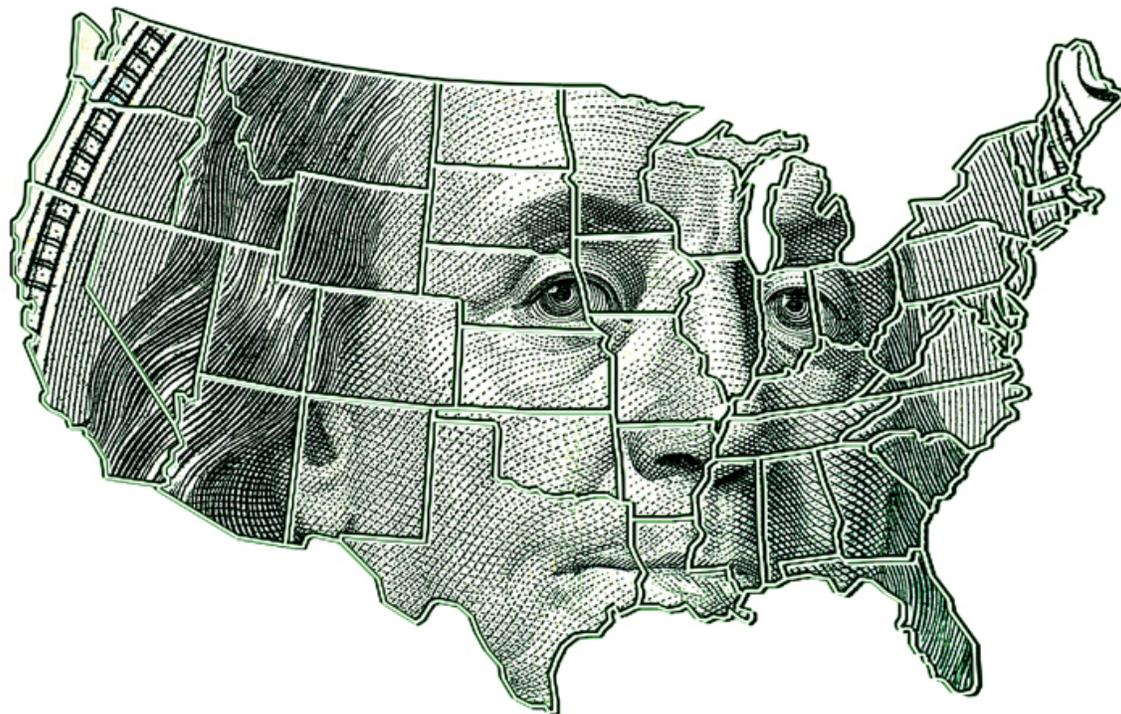


## What Procurement Must Do to Keep Pace with Government's Promises to Taxpayers

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*The White House* wants government to start buying IT more like “a business”. That has been the rhetoric as of late as it relates to procurement reform. Even GSA officials promised vendors a “proactively business-friendly” procurement approach last month. But, if you take a step back and really assess the viability of that approach, it becomes apparent – as both government leaders and taxpayers – that adopting big business’ way of thinking is not going to stop us from wasting an exorbitant amount of money now or in the future, which is every politician’s promise to its constituents. Nor will modeling procurement systems or organizational structures after private sector organizations necessarily increase government’s transparency levels or eliminate fraud and abuse. In fact, abandoning tried and true government buying practices may end up compounding our greatest procurement issues. That’s because we don’t necessarily need to change how we buy, just how we execute buys – and how we use technology to do so. In other words, we all need to think about how we can more thoughtfully buy and apply technology for the sake of procurement modernization. It is possible to innovate in a way that’s favorable to both our nation’s buyers and our “bottom line” if we understand a few things first:

1. *Government spending is not analyzed against a bottom line in the same way as traditional businesses.* Every government acquisition, whether it's a jet or inkjet printer ink, is a measured one that's dictated by numerous rigid laws and regulations to ensure fair and open competition. For that reason alone, government can't behave like a business, much less buy like one.
2. *We must monitor and analyze spend at a deeper, and broader level if we are going to achieve complete transparency, minimize waste and fulfill our promise to improve the nation's fiscal health.* This requires complete and simultaneous visibility into multiple government departments. Additionally, the capability to capture spend data in a manner which makes presentation and access for the taxpayer straightforward is paramount in meeting today's taxpayers' increasing demands for transparency. Therefore, we need to ask ourselves if an ERP-only environment can facilitate this level of visibility, even after an "upgrade" is complete. If not, we need to place greater value on eProcurement technologies that are built to bridge otherwise disparate data sets, especially those related to spend. It's easier to spot sources of waste, fraud and abuse – and act on new opportunities to maximize spend – when you can see all the data in one place.
3. *Public sector agencies don't have endless funds available to utilize a trial-and-error approach to modernization like private sector counterparts.* Our government has a constitutionally-engrained responsibility to taxpayers to sustain the highest level of fiscally responsibility, which means we shouldn't be dipping into "rainy day funds" to find a better way to spend money. We need to get it right the first time. Here's how:

*We must take a more well-calculated and cost-sensitive approach to procurement technology investments, starting right now.* We can't afford to spend multiple project cycles, or valuable resources, fixing piecemeal technology systems or force-fitting "business market" ERP and app-centric models into a government environment. Public sector procurement can't afford to be mired by highly complex and inefficient processes that are cloaked by an expensive – or expansive – private sector-proven technology system. They will just create more transparency issues. Remember: The best solution is often the simplest one. That's why eProcurement technologies are the only ones really providing agencies with their desired ROI right now. They are easy-to-integrate on the back-end and easy to on-board on the front end. Buyers claim that sourcing via an eProcurement solution, such as the MASS COMMBUYS site, is as easy as the Amazon shopping experience. Of course, eProcurement platforms have the exclusive ability to sync data from supplemental operations systems (i.e. finance, ERP) on one user-friendly screen, which means that governments need eProcurement technologies to make more deliberate, data-driven buying decisions that drive cost savings across all sourcing categories.

*Most importantly, agencies need to start collaborating more when it comes to technology utilization and procurement.* The NASCIO-NASPO roundtables are a good start, but let's put real effort behind the development and application of public – not private – sector best practices. We can be innovative, as long as that innovation doesn't become disruptive or contrary to good public policy; such as fair and open competition, cost savings, and transparency. Just look at the agencies that have proven the business case for certain technology solutions and clearly disqualified others. If we follow the lead of Massachusetts, for example, and standardize on systems that fit the government “business” model, we won't have to drain rainy day funds to get things done. They've taken the initiative to get their house in order, to consolidate their procurement, finance and operational systems; and to do so in a way that doesn't require (expensive) workarounds or (even more expensive) re-works. In doing so, they've improved procurement processing times, improved supplier and contractor relationships, improved spend under management, and improved overall procurement transparency - a key *requirement* today and in the future for public procurement while being a non-issue for private sector business. Ultimately, Massachusetts placed transparency as a foremost differentiator between public procurement and private sector procurement to justify the selection of a best-of-breed public sector eProcurement Solution.

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