

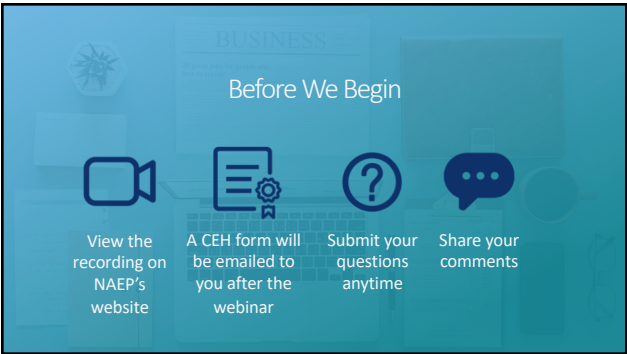
Leveraging the Procurement Function as a Key Tool to Advance Mission and Goals

Mary Dukakis, Southern New Hampshire University
Nichol Luoma, Arizona State University
Rosey Murton, Florida State University





1



Before We Begin



View the recording on NAEP's website



A CEH form will be emailed to you after the webinar



Submit your questions anytime



Share your comments

2

Our Agenda

○ ○ ○



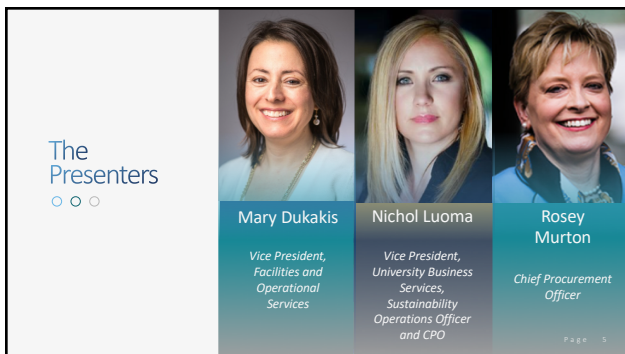
- Overview and objectives
- The value of procurement and evolution of procurement
 - Three institutional examples of evolution
- What can you do?
- Resources and questions

3

1



4



5



6

Polling Question

Which option best describes your role?

- A. Procurement office
- B. Finance/accounting
- C. CBO
- D. Both A&B
- E. None of the above



Page 7

7

Does a CPO look the same everywhere?



CPO levels below CFO	One	Two	One
Student FTE	3,000+ on campus 90,000+ online	41,911	70k+ on campus 30k+ online
Addressable Procurement Spend	\$316M	~\$500M	~\$1B+
Supply Chain or Procurement FTE	10	20	~76 w/ students
Procurement including social responsibility	✓	✓	✓
Contracting	✓	✓	✓
Capital Procurement	✓	✓ (hybrid)	✓
Travel and Expense	Travel only		
Mail / Warehousing / Receiving/Surplus	✓		✓
Auxiliaries (including parking/transit)			✓
Other: Risk/EHS/Security/Facilities	✓		✓

8

Polling Question

Which option best describes your institution?

- A. Large public
- B. Small public
- C. Large private
- D. Small private
- E. Community College



Page 9

9

Does size of school or private/public matter?



Smaller school issues



Private schools vs Public

Page 10

10



The Value of Procurement

o o o

11

Value of the procurement office

Ability to impact largest addressable spend second to human capital

Value beyond "cost savings" or issuing a PO



Insight into business relationships on campus

Support institution strategic mission/goals

Procurement can be true VALUE CREATION

Page 12

12

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

Page 13

13



The Evolution of Procurement

o o o

14

Evolution of Procurement in Higher Ed

People

Process

Technology

Page 15

15

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

Page 16

16

Extra note on talent skillsets

According to the 2014 NAEP Innovator's forum whitepaper, the following skills were critical to higher ed procurement:

- Ability to develop *compelling business cases*
- Ability to *sell and influence* diverse stakeholders around service and strategy
- Proficiency in *prioritization* and *management* of complex, high-value projects
- Demonstrated skills in *critical thinking* and *adaptability*
- Ability to build and *manage relationships* with a wide variety of stakeholders
- Ability to *translate data to information*



Page 17

17

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

Page 18

18

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

Page 19

19

Evolution Summary

- All of this can be very overwhelming!
- Many of us are only NOW moving to today and tomorrow, but we ARE MOVING

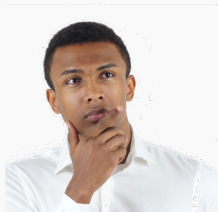


20

Polling Question

Which option best describes how you feel?

- A. I feel better! Best in class in all areas!
- B. We are behind the times—we need to get moving
- C. Right in the middle; probably should do a quick assessment soon



Page 21

21



Transformation Examples from Three Institutions

○ ○ ○

22

Organization Transformation

Yesterday

People

- Tactical procurement

Process

- Little visibility to CBO

Technology

- Paper based
- No e-procurement
- PCard program

Today and Tomorrow

People

- Strategic focused – support University Mission
- Serve as trusted advisor

Process:

- Delegated Authority
- Move to strategic sourcing
- Analytics drive decisions
- Source-sign-settle

Technology

- Punch out e-Procurement (Workday)
- RFP tool
- Contract management tool

Page 23

23

Innovative Outcome—Beyond Traditional Purchasing

*Just in Time computer
inventory program*

**Southern
New Hampshire
University**



24

Organization Transformation

Yesterday

People

- No targeted recruitment process

Process

- Tactical purchasing
- Total cost somewhat
 - Little consideration of risk/sustainability
- Vendor management
- No visibility to CBO
- No "CPO"
- Payables is not considered

Technology

- Punch out eprocurement
- Paper POs

Today and Tomorrow

People

- Require degree or certification
- Pipeline – hire WP Carey Business students

Process

- CPO "seat at the table"
- Move to category sourcing and supply chain
- Engage with Risk/EHS/Sustainability
- Joint goals with payables and expense
- Campus supply chain partnership with facilities
- Strategic sourcing
- SRM with key relationships including auxiliaries

Technology

- Evolving with Cloud Financial system and p2p
 - Enabled headcount to focus on higher value activities
- Spend Analytics



Page 25

25

Innovative Outcome—Beyond Traditional Purchasing



Lyft makes its trips carbon neutral in bid to fight climate change





26

Organization Transformation

Yesterday

People

- No "pipeline"

Process

- Tactical Purchasing/Gatekeeper
- Total cost somewhat
 - No benchmarking
- No visibility to CBO
- No "CPO"
- Payables is not considered

Technology

- Punch out eprocurement (sandwich model)
- Multiple systems

Today and Tomorrow

People

- Chief Negotiations Officer
- Category Management
- Contract Administrator

Process

- Library Initiatives (Negotiations Consultant)
- Contract/Signature Authority Centralization
- Leasing & Construction Efficiencies
- Benchmarking for best pricing/TCO

Technology

- eProcurement
- Contract Repository
- Spend Analysis Tool (implementing)
- Integration with AIM



Page 27

27

Innovative Outcomes—Beyond Traditional Purchasing

Partnering with the Provost:
Library Procurement

Partnership to convert campus
bus fleet to all electric





28

How did we do it?

- We had/have a seat at the table
- Our network—NAEP
 - People
 - Whitepapers
- CBO awareness / support
- Business case development
- Technology investments
- Incremental change

Page 29

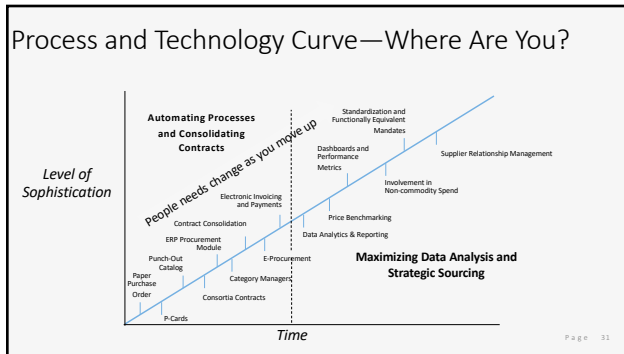
29



What CAN
YOU DO?

○ ○ ○

30



31

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

Page 32

32

What if I only have a one person department?

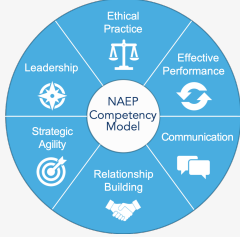
Small Schools have a lot of options even with limited resources:

- Invest in your people and get a seat at the table.
- Consortiums like E&I Cooperative (focused on higher ed), NJPA, 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

33

Resources for your CPO and your Procurement Org

- Professional development
- Networking—maybe one of the most important parts
- Whitepapers—membership not required
- Formal/informal peer reviews




Page 34

34

NAEP Innovators Forum Whitepapers



www.naepnet.org/page/WhitePapers

Page 35

35

Polling Question

What procurement topic would you like to learn more about?

- A deep dive on technology procurement in a dynamic environment
- A deep dive on Enterprise contract management
- A deep dive on facilities and construction procurement
- How procurement partnerships can proactively impact capital budgeting
- A deep dive on Amazon



Page 36

36



What Questions Do You Have?

○ ○ ○

37



webinar
NAEP
National Association of
Educational Procurement

Mark your calendar!

Details about upcoming events and webinars are located on NAEP's calendar, www.naepnet.org



- AASHE Conference and Expo, October 27-30, 2019 in Spokane, WA. Rosey Murton, CPPO, CPPB, Florida State University and Kimberly Watson, C.P.M., University of Maryland will lead a "deep dive" on sustainable procurement entitled "**Co-creating a Sustainable Economy Through Procurement**".
- Wednesday, October 30th: "**Diversity Spend Goals? How to Meet Them and Streamline Purchasing**" Webinar Presented by Amazon and Sponsored by OMNIA Partners

Page 38

38
