

## IN MY OPINION

### Just follow the yellow brick road...

by Michael Asner

If we choose to innovate and to boldly embrace technology, we will move as respected procurement organizations into a key role in the future. We must actively look forward. We must implement innovative practices, be receptive to new approaches to how we conduct our business and seek to position ourselves as strategic members of our government's business management team. Each day we must strive to find new and better ways to add value to our governments and the people we serve. If we fail to move, our respective governments, driven by the inevitable forces of change, will move on without us. As procurement professionals, we must establish ourselves as innovators and leaders – as a Corps of Discovery on the edge of a new government and management frontier.

*State Procurement: Strategic Positioning for the 21<sup>st</sup> Century*  
National Association of State Procurement Officials  
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In the Wizard of Oz, Dorothy's goal was to get back home. Her strategy was to follow the yellow brick road and find the wizard in an ever-changing, foreign environment. Sounds simple – but she needed help. Along the way, she formed a strategic alliance with a lion, a scarecrow, and a tin man, all having complementary goals.

The land of Oz appeared strange and complex – as is today's purchasing world. Talk to 10 different purchasing executives and you will find 10 different goals, 20 critical factors and dozens of untried tactics. How do we deal with downsizing, e-commerce, electronic tendering and all the demands for more and better types of services? While many organizations have identified a set of problems and challenges – even opportunities – few have developed a cohesive strategy based on a vision for the future. When you are busy fighting fires, how do you find the time and energy to develop a road map, let alone sell it to your senior management?

In January 1999, the US National Association of State Procurement Officers (NASPO) published a White Paper, *State Procurement: Strategic Positioning for the 21st Century*. This easy-to-read, valuable tool identifies “powerful, external forces” that are redefining the purchasing world, including:

- a dynamic and rapidly diversifying marketplace;
- a new global economy and marketplace;
- continuous pressure to downsize staff and/or operations;
- an increase in customer service demands; and
- the explosion in information technology.

NASPO is a professional organization composed of the directors of the central procurement offices in each of the 50 US states and District of Columbia. For more information contact Carol Roberts, Executive Director, at [roberts@camrinc.net](mailto:roberts@camrinc.net), or visit their website at <http://www.naspo.org>, where the complete White Paper is available.

The NASPO paper describes four critical strategies:

### **1. Supply Chain Management**

Purchasing has an emerging strategic role in shaping the interface with the private sector. Rapid advances in information technology promote and facilitate this new role which includes requirements definition and global sourcing – key components of supply chain management. This new role places procurement at the most senior levels of the decision making process.

### **2. Continuing Education**

The second strategy relates to the development of broad-based continuing education for procurement personnel, program managers, suppliers, executive and legislative management, agency heads, the media and the public. Innovative approaches must be found to provide training for procurement officials as well as their clients, both inside and outside their own organizations.

### **3. Electronic Commerce**

The third strategy is to optimize the development and standardization of e-commerce applications for public procurement. The implications are tremendous and affect every aspect of public law and policy. E-commerce permits organizations to streamline their operations and do more with limited resources. However, these solutions will require high levels of cooperation between governments and the private sector to ensure both seamless and secure connectivity.

### **4. Strategic Decentralization**

The fourth strategy decentralizes the purchasing process while maintaining centralized procurement authority and management. Implementation requires a review of statute and administrative laws as well as published policies and procedures. This is a major undertaking in all but the smallest jurisdictions.

NASPO believes that the four strategies – supply chain management, continuing education, electronic commerce and strategic decentralization – are “imperatives for a 21st century state procurement program.” They believe that the adoption of these strategies will “secure the central procurement office the role it deserves in top state management.”

*In my opinion*, this short paper can be used as a model for many Canadian organizations. Easily adapted to focus the attention of senior executives on the strategic role of purchasing, it can help purchasing management stake out new territory as an important player in a renewed organization. It can provide a roadmap for changes in the procurement function – a roadmap based on the powerful external forces now reshaping government and the marketplace.

[Michael Asner](#), based in Vancouver, is internationally recognized as a procurement expert. He authors *The RFP Report*, published in Canada and the US, is a regular columnist in *Reseller* magazine, a Sacramento-based publication and authored several books on procurement including *The Request for Proposal Handbook* and *Selling To Government*. He recently launched a new website, [www.proposalsthatwin.com](http://www.proposalsthatwin.com).