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Deep and Wide – eProcurement in Massachusetts

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Topics

- State Level Procurement Goals

- Larger Vision

    - Expanding scope of eProcurement beyond what is required
    - Success Stories

- Driving Strategy through Data

Goals – Commonwealth Executive Order 533

- **Conform to ongoing pressure to reduce state expenditures**

- **Improve transparency into state spend**

- **Develop broader community of common interests across Commonwealth**

- **Increase spend under management**

- **Drive process efficiencies for purchasing and procurements**

- **Increase Revenue**

Larger Vision

Create a state-of-the-art, easy to use online market center to facilitate commerce between government purchasers and business.

Market center features

- **Online vendor registration**
- **Catalog ordering**
- **Robust bid management**

Market Center customer focus

- **Marketing events and materials**
- **Outreach and enablement**
- **Comprehensive training for buyers and vendors**
- **Help Desk support**

Extending eProcurement beyond "required"

- Building the organization to support the vision

- Defining who your customers are, and thinking creatively

- Taking an entrepreneurial approach to your business

- Building a network of buyers

- Suppliers as central players

Success Stories (and lessons learned)
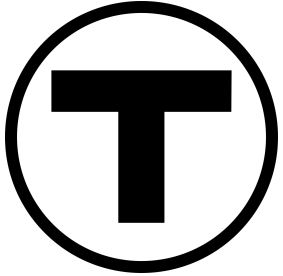
- Massachusetts Bay Transportation Authority

- City of Lawrence

Driving strategy through data
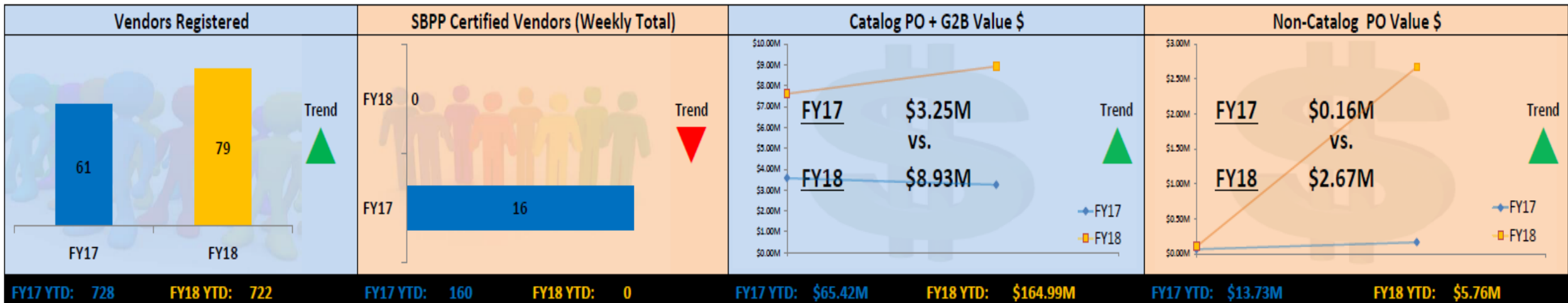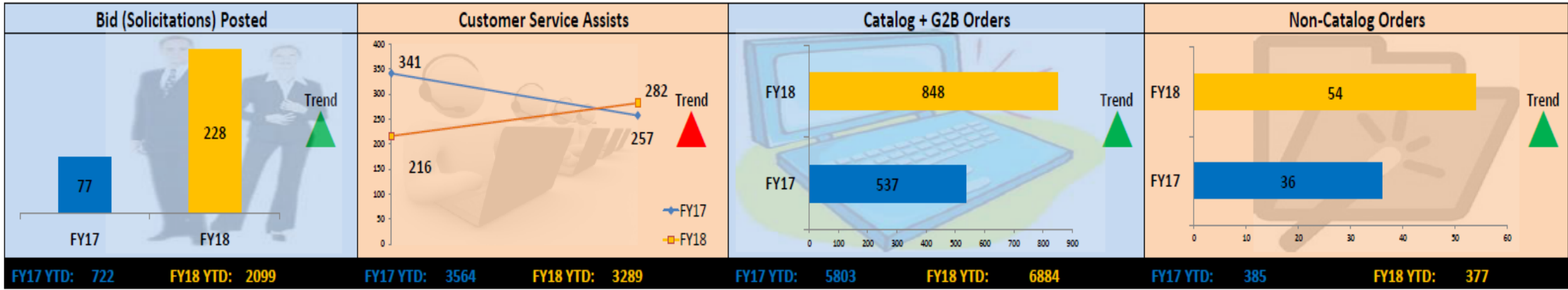
Driving strategy through data

Daily Stats

Fiscal Year	Bid (Solicitations) Posted	Customer Service Assists	Catalog Orders + G2B Daily	Catalog PO + G2B Value $	Non-Catalog Orders Daily	Non-Catalog PO Value $	Vendors Registered	Organization Administrator Setup	Basic Purchasers Setup	Inquiry Users Setup	Buyers Accessing System	Vendors Accessing System
FY_14	1,167	6,697	717	$2,005,445.28	26	$385,020.64	5,767	248	946	452	20,315	27,268
FY_15	3,462	16,208	23545	$131,000,204.60	2811	$83,357,272.62	5,729	195	972	207	56,122	82,286
FY_16	3,932	17,278	29184	$222,492,011.75	2331	$53,860,620.49	4,717	180	930	168	71,098	94,582
FY_17	8,296	22,748	34237	$358,392,969.00	2179	$41,224,925.09	4,149	510	1410	149	76,814	105,338
FY_18	2,223	3,488	7313	$167,470,363.41	394	$5,788,249.65	771	45	118	-10	16,849	19,786
Grand Total	19,080	66,419	94,996	$881,360,994.04	7741	$184,616,088.49	21,133	1,178	4376	966	241,198	329,260

Driving strategy through data

Week over Week Administrative Fee Collection

OSD Administrative Fee Collected through Week 51   6/24/17

Fiscal Year	Amount Collected
FY'12	$9,941,970
FY'13	$9,982,965
FY 14	$11,184,656
FY 15	$12,917,056
FY 16	$13,005,394
FY 17	$14,568,417
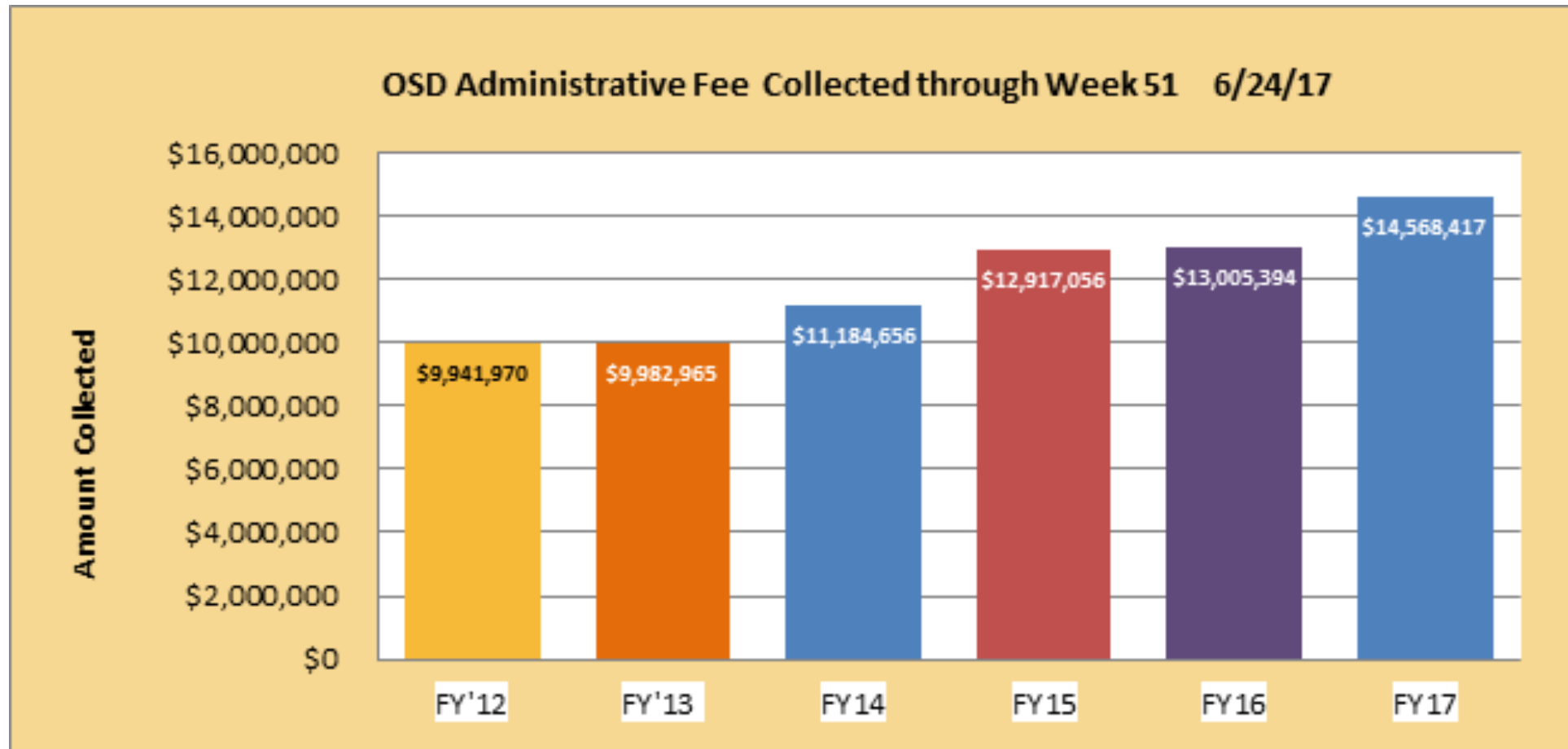
Key Takeaways

So what? Lessons for the Periscope network

How does this translate into something meaningful for participants

- Think creatively about who your customers are? How can you broaden that view (e.g., cities extend contract usage to NGOs, smaller jurisdictions?)

- Realize the importance of suppliers embracing eProcurement <u>and</u> the concept of the procurement network you are building

- View data as central, not a peripheral component of what you do

- Organize, staff, and plan your resources in a way that focuses on all of these. Don't underestimate what it takes to do it, but also don't underestimate the benefits of doing it well.

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1. Expand Your Network

Other States/Counties/ Cities

School Districts

Charter Schools

Transit Providers

Utilities

Community Colleges

Housing Authorities

NonProfits

Public/Private Partnerships

Entrepreneurial vs. mandate-driven

Focus on users as customers

Who buys what you buy?

Drive value to new customer groups

Increased volume = increased value

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2. Importance of Suppliers
Empower & Connect Entire Ecosystem

Periscope
HOLDINGS INC

Buyers

Suppliers

COMMBUYS
SUPPLIER
NETWORK

3. Data - Be Realistic but Persistent

Strategy — Roadmap and Metrics

People — Business Driven and Collaboration

Governance — Compliance and Agreement

Technology — Automation and Innovation

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3. Data - Be Realistic but Persistent

Level 1: Unaware	Level 2: Opportunistic	Level 3: Standards	Level 4: Enterprise	Level 5: Transformative

Sophisticated program management

Business-strategy-driven

Deploy an enterprise metrics framework

Enterprise performance culture

Business executives become BI champions

Technology standards start to emerge

Inconsistent data and stovepiped systems

Spreadsheet and information anarchy

Limited users

Outside-in perspective

Proactively research new methods, technologies

CAO/CDO roles well-established

One-off report requests

Document-hidden cost of silos

Projects cross business processes

BICC evolves to ACE

Driving enterprise and industry transformation

Appoint governance sponsor

BICC started

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ACE = analytics center of excellence; BI = business intelligence; BICC = business intelligence competency center; CAO = chief analytics officer;
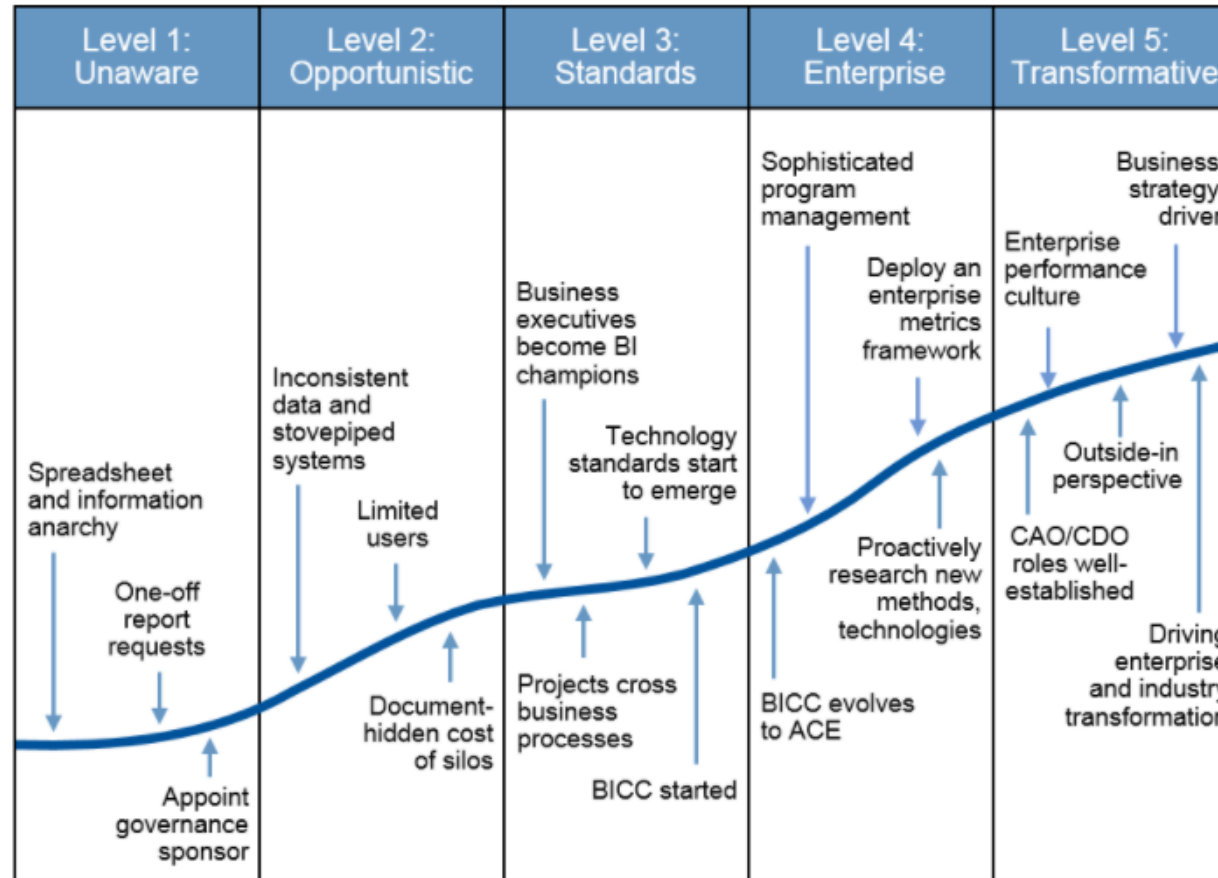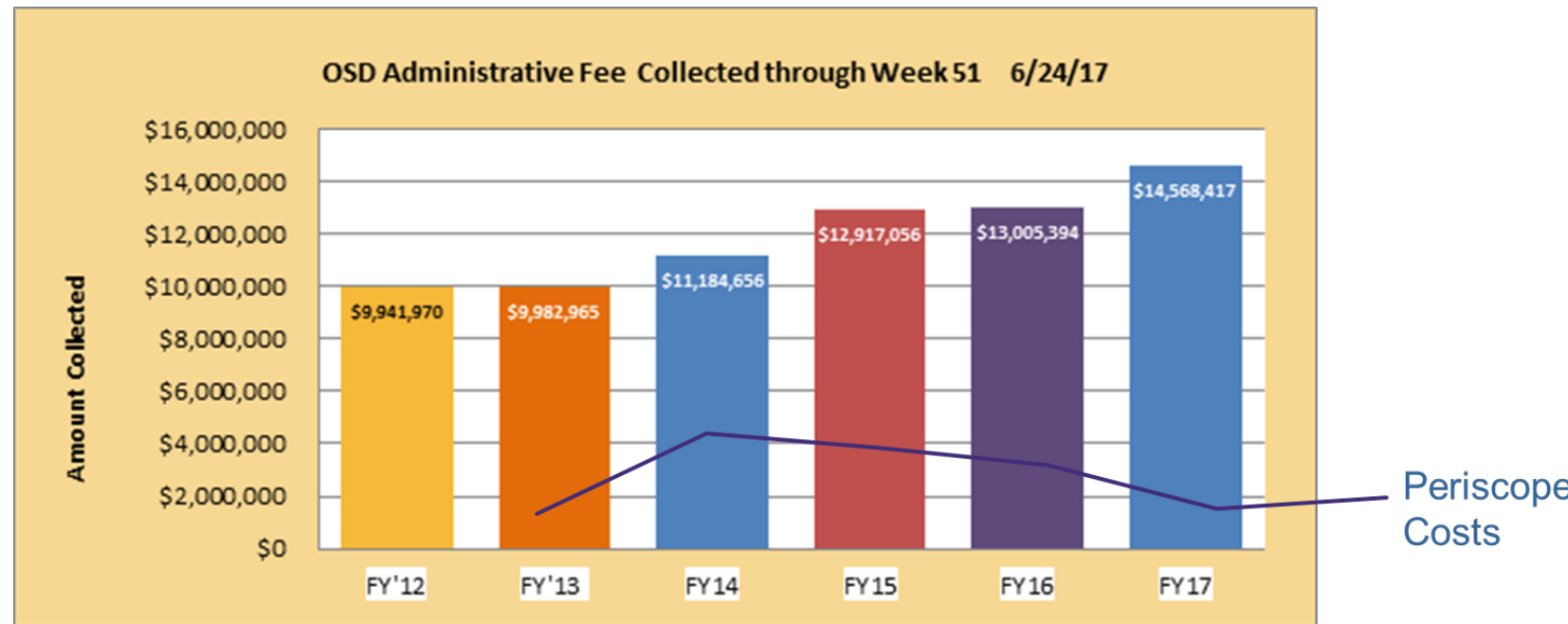
CDO = chief data officer

Source: Gartner (April 2017) How to Accelerate Analytics Adoption When Business Intelligence Maturity Is Low
Published: 07 April 2017 **ID:** G00322677

4. Invest Resources to Drive Value

- $20 million invested, $71.6 million revenue since 2012

- Trending 10% increase in revenue YOY 2017 to 2018

	Pre-COMMBUYS	Now
Support	6	15
Training	4	8
Marketing	2	7
Outreach	1	4

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Periscope Costs

Questions?