

*Enlightened, Inc. White  
Paper Series for  
Government Agency  
Officials*



**Enlightened Inc.**  
**White Paper Series**  
*Topic: Procurement  
Assessment Recommendations*

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## **1 EXECUTIVE OVERVIEW**

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The goal is to identify opportunities to enhance the current system, provide recommendations for improving operations, manage strategic sourcing, evaluate organizational alignment, and identify potential cost savings. This effort requires a comprehensive, holistic approach involving stakeholders from across the institution, benchmarking leading practices, and developing a strategic action plan.

The foundation of a successful procurement system begins with a focus on mission, vision, and values. With a commitment to integrity, compliance, and accountability, focus extends to a collaborative, customer-centric approach with an emphasis on leading practices. This approach encompasses a commitment to leveraging innovation, promoting the most effective use of technology, adopting state-of-the-art procurement methods, and enhancing related communications throughout the system.

This comprehensive assessment requires a structured framework to include a focus on the customer, a focus on the procurement workforce, and well-designed performance measures for all components of the procurement system. The measures of performance address not only business processes and major spend areas such as capital programs, grants, and purchase cards, but also economic inclusion, diversity supplier spend, sustainable purchasing, and other special emphasis programs.

## **2 BACKGROUND**

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Leaders in public and private institutions, including universities, recognize the critical importance of an effective procurement system and the benefits of implementing effective strategic sourcing practices. These functions are vital to the success of major programs while providing a wide range of equipment, supplies, and daily services. Procurement typically represents a major element of the organizational budget and extends to a broad range of stakeholders and customers.

Changes in mission requirements, new business methods, evolving technology, new software applications, and the need for transparency, audit, and compliance reviews continuously challenge the procurement function. Further, budget pressures to control costs through limiting overhead growth, human resource expenditures, and investment in new systems compound the pressure to deliver quality service for a continuous flow of new and ongoing requirements.

Professionals recognize the need to continuously assess the state of the procurement function in their organization. Assessment can lead to validation of things that are working well, and identification of those that require change. An independent review can often lead to transformational change and adoption of innovative practices and methods. These changes can lead to a more efficient and effective organization, providing more responsive services as well as substantial cost savings and leading to a higher return on investment.

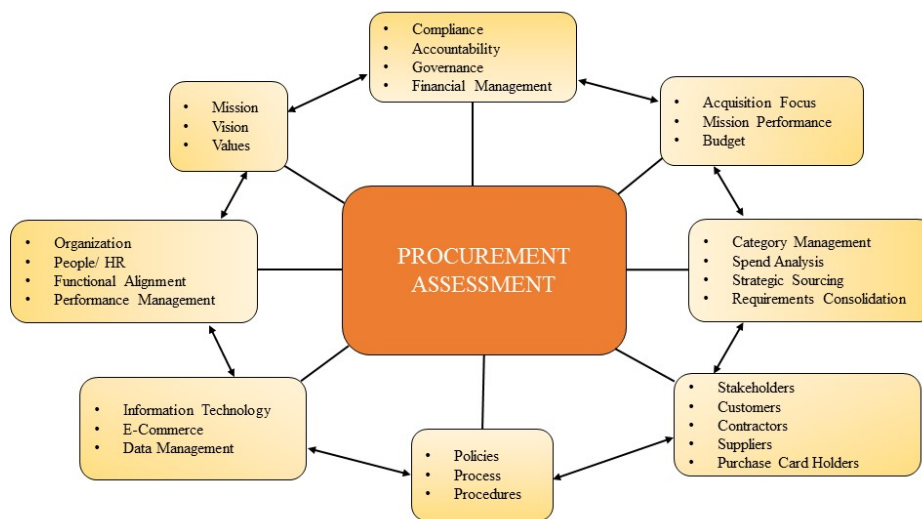
To attain optimal results, assessments require structured problem solving and an effective review of current spend, analysis of alternatives, benchmark-leading practices, and development of recommendations leading to a framework for change. This comprehensive effort requires significant customer and stakeholder involvement. When effectively accomplished, this structured approach helps promote customer and stakeholder “buy-in” and adoption of

transformational change and innovative practices. This collaborative approach provides the most effective way to achieve meaningful results, more efficient operations, and potential cost savings.

### 3 METHODOLOGY

Procurement assessments begin with the recognition that the procurement function operates at the intersection of a broad range of operational, management, technical and policy-related activities. In the broadest sense, this recognition provides an acquisition framework that enables thorough evaluation and review.

To most effectively assess the procurement process, the methodology recognizes the dynamic nature of the procurement ecosystem. Key elements of the system and various interrelated activities are in a state of continuous motion. This dynamic provides challenges as well as substantial opportunities for organizational change and adoption of continuous improvement



processes.

Figure 1 - Procurement Assessment

The assessment requires a collaborative approach, meetings with key personnel, and analysis of significant quantities of detailed information and data. Enlightened's consulting professionals will contact designated client representatives in advance of onsite visits to coordinate access to information and to schedule meetings with stakeholders, management, procurement, and technical staff and other personnel.

Throughout the assessment process, we maintain an ongoing dialog with our client, regularly sharing updates on our progress. Preliminary findings and recommendations will be shared with

our clients for discussion, analysis, and modification prior to submission.

## **4 PROCUREMENT BASELINE FUNCTIONAL ASSESSMENT**

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The baseline procurement assessment is a structured process to enable a professional understanding of the current operating environment. It includes roles and responsibilities and the current organizational structure. This process includes identifying those things that work well and those that need additional work or change.

Key steps include:

- Reviewing and analyzing current operations, including organizational alignment
- Conducting the current state assessment to include policies, procedures, and methods
- Assessing the current state of eProcurement and automated systems implementation
- Benchmarking leading practices and analyzing alternatives
- Identifying leading practices for evaluation of applicability to the organization
- Developing initial recommendations for review and consultation with management
- Consulting with clients and stakeholders
- Outlining a strategy and overall approach
- Identifying metrics, scorecard practices, and opportunities for improvement
- Providing a blueprint for implementation
- Providing a final report and deliverables
- Assisting the client with implementing identified changes

## **5 SPEND ANALYSIS**

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This assessment reviews and evaluates a comprehensive picture of an organization's spend and supplier base to ensure delivery of the best products and services at the lowest total cost. The spend analysis includes a review of all approved buying methods, sources of supply, and compliance with applicable policies and procedures. It also includes identifying opportunities for the implementation of process improvements and cost containment.

Key Steps Include:

- Analyzing current spend and strategic sourcing activities and agreements
- Reviewing customer satisfaction with current arrangements and identifying opportunities for improvement
- Evaluating stewardship of supply chain and logistics management
- Reviewing current supplier practices and relationships
- Assessing current spend for transparency and compliance
- Reviewing and evaluating the purchase card program
- Evaluating spend and sourcing implications for grant management
- Identifying gaps and overlaps
- Identifying potential savings areas

- Identifying new candidates for enterprise-wide agreements
- Analyzing potential economies, consolidation, and streamlining or simplification opportunities
- Evaluating consolidated supplier relationship management alternatives

## **6 PROCUREMENT MANAGEMENT ASSESSMENT SPECIAL INTEREST AREAS**

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This area of the assessment focuses on additional management issues related to procurement as a function within the framework of the organization. We recommend incorporating the following areas in addition to areas of specific interest to the organization.

Key areas of focus include:

- Assessing areas designated by the client as special interests
- Evaluating centralized versus decentralized procurement approaches
- Reviewing spend analytics to identify opportunities for consolidation and streamlining
- Reviewing financial performance as it relates to procurement management and oversight
- Evaluating procurement system and contract risk management
- Reviewing post award contract management for high dollar programs and capital projects
- Evaluating reporting and tracking procurement activities

## **7 GOVERNANCE AND COMPLIANCE REVIEW AND ASSESSMENT**

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Our review will assess the extent to which procurement governance policies and processes provide for compliance, oversight of risk, and service delivery. This area of the assessment focuses on the audit process to evaluate adherence to procurement rules and regulations, as well as adherence to statutory requirements.

Key steps include:

- Determining that the procurement governance structure and practices are in place and observed
- Reviewing processes for continuous oversight of key programs such as travel or purchase cards
- Assessing the contract compliance audit plan

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## **8 IDENTIFYING OPPORTUNITIES FOR MANAGEMENT IMPROVEMENT, INNOVATION, AND TECHNOLOGY TRANSFORMATION**

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The following areas are addressed as part of our assessment and will be the topic of ongoing collaboration throughout our review. As appropriate, recommendations will be documented and provided as a deliverable.

Key areas of focus include:

- Assessing the innovative use of technology transformation initiatives to improve business value
- Reviewing technology transformation strategies and their impact on procurement transformation
- Evaluating IT infrastructure and procurement system opportunities related to agile services
- Determining to what extent opportunities may exist to automate and track customer relationship management
- Assessing to what extent collaboration technology tools may improve the procurement system
- Evaluating current state versus future state options for procurement system collaboration
- Assessing organizational alignment
- Determining how to achieve optimal efficiencies and savings for possible reinvestment
- Reviewing timely access to data to improve management decisions
- Assessing holistic approach to managing people, processes, and results
- Focusing on goals, performance measures, and metrics

Report and Recommendations

- The results of our assessment will comprise our final report and include:
- Summary of Findings regarding current state and change recommendations
- Procurement Baseline Functional Assessment
- Summary of Spend Analysis, Strategic Sourcing, and Procurement Management Model Assessments
- Results of the Governance and Compliance Review
- Opportunities for Management Improvement and Organizational Alignment
- Recommendations for Innovative Improvements and Transformation

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## 9 CONCLUSION

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Leading universities, public institutions, and corporations recognize the importance of an enterprise-wide approach to procurement and spend management. They view these functions broadly to include the impact on current and future operations, financial implications, a broad array of stakeholders, and the need for compliance and accountability.

In one sense, the procurement function involves a heavy transactional focus, providing significant opportunities for innovation and transformation. In another sense, procurement management calls for the creativity to negotiate complex agreements and deliver results through a focus on people. In this complex environment, opportunities for procurement system improvements cannot be considered in isolation and do not necessarily compete. Instead, procurement system human resource factors, business processes, and technical solutions can be assessed and blended to produce optimal results.

The challenge for leadership is to manage the procurement process to produce those results while leveraging innovation, leading business practices, and smart use of technology. This challenge includes leading people from where they are to where they need to be and to promote understanding and acceptance along the way.

To achieve optimal results, an independent, business-like, and structured procurement assessment provides real opportunities for leveraging technology, implementing leading practices, realigning activities, and improving operations. From a professional management and financial standpoint, this approach can represent a valuable alternative to the status quo and a significant investment in the future.



## 10 ABOUT ENLIGHTENED

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Enlightened, Inc. is a leading provider of Information Technology (IT) consulting services founded in 1999 and headquartered in Washington, DC. We are certified as a small, HUBZone business; and one of the few to achieve Capability Maturity Model Integration (CMMI) Development Level 3 and CMMI Service Level 2 appraisals.

Enlightened develops and delivers strategic IT and management solutions to complex business problems of global, national and local significance. Enlightened provides expertise in the following capabilities:

- Management Consulting
- System Integration
- Information Assurance
- Business Process Outsourcing

Enlightened serves Federal (Defense and Civilian), state and local government agencies and private sector entities that face daunting challenges in achieving their mission.

Each year the federal government purchases from private firms billions of dollars in goods and services that range from paperclips to complex space vehicles. It is the policy of the United States, as stated in the Small Business Act, that all small businesses have the maximum practicable opportunity to participate in providing goods and services to the government.