HOW PROCUREMENT CAN MAKE OR BREAK YOUR AGENCY'S DIGITAL TRANSFORMATION

State CIOs have made it clear that they are as focused on strict fiscal management as they are on aggressive IT modernization. One can assume there is a direct correlation: States don't have unlimited funds to execute these large-scope technology projects, but they don't have the luxury of delaying their digital transformations either.

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State CIO Top Ten Priorities for 2018
November 2017

Top Ten Strategies, Management Processes and Solutions

1. **Security and Risk Management:** governance; budget and resource requirements; security frameworks; data protection; training and awareness; insider threats; third party security practices as outsourcing increases; determining what constitutes "due care" or "reasonable"

2. **Cloud Services:** cloud strategy; proper selection of service and deployment models; scalable and elastic IT-enabled capabilities provided "as a service" using internet technologies; governance; service management; service catalogs; platform; infrastructure; security; privacy; data ownership

3. **Consolidation/Optimization:** centralizing, consolidating services, operations, resources, infrastructure, data centers, communications and marketing "enterprise" thinking, identifying and dealing with barriers

4. **Digital Government:** framework for digital services; portal; improving citizen experience; accessibility; identity management; artificial intelligence; digital assistants; chatbots; crowd sourcing; privacy; security; cross-agency collaboration; cost/benefit analysis

5. **Budget, Cost Control, Fiscal Management:** managing budget reduction; strategies for savings; reducing or avoiding costs; dealing with inadequate funding and budget constraints

6. **Shared Services:** business models; sharing resources; services; infrastructure; independent of organizational structure; service portfolio management; service catalog; marketing and communications related to organizational transformation, transparent charge back rates, utility based service on demand

7. **Broadband/Wireless Connectivity:** strengthening statewide connectivity; implementing broadband technology opportunities

8. **Data Management and Analytics:** data governance; data architecture; strategy; business intelligence; predictive analytics; big data; roles and responsibilities

9. **Enterprise IT Governance:** enterprise IT policy and planning; improving IT governance; partnering; inter-jurisdictional collaboration; industry advisory boards; legislative oversight-achieving proper balance; agencies participating as members of a "state enterprise"

10. **Agile and Incremental Software Delivery:** iterative design and incremental development of software solutions; allows for design modifications, prototyping and addition of new capabilities as part of the development process

201 East Main Street, Suite 1405 Lexington, KY 40507 859.514.9153 T: @NASCIO Info@NASCIO.org

There is an immediate need for greater information security and privacy controls. There is also an urgent demand for more advanced digital infrastructure that can facilitate data-centric "business" models across all government functions and support a rapidly-expanding portfolio of online citizen services. As a result, states must stretch their budgets and apply firm cost controls to avoid dipping into rainy day funds. At the same time, CIOs are searching for ways to better manage risks during highly complex IT projects, deliver highly specialized IT services and find more qualified resources to help consolidate and optimize IT systems, as noted in a **2017 NASCIO survey**.

Top Ten state CIO Priorities for 2018

What does this all have to do with public procurement? Everything.

Four Efficiencies that Only Procurement Can Provide to CIOs During their Digital Transformation

1 **ORGANIZED INSIGHTS INTO SPEND**

CIOs expect full visibility into their spend. They can't afford to take educated guesses; they need exact figures to make well-informed decisions about the scope of projects and track actual performance. Procurement's use of purchase classification tools, such as the NIGP Code, makes it easy to manipulate reports to extract specific spend data in IT categories. CIOs will no longer have to make assumptions or clumsy calculations using generalized spend reports or inaccurate data sets. Procurement can provide around-the-clock access to actionable business intelligence using highly focused IT sector parameters so that CIOs know exactly what is purchased for their projects.

2 **SPENDING CONTROLS**

Procurement offers complete transparency into cost and vendor quality metrics, plus a complete set of spend management tools. Built-in audit trails help track actual spend and monitor vendor performance throughout the project so procurement can immediately identify issues to CIOs. This makes it easy to adjust contract pricing terms during renewals and utilize new sourcing strategies to better manage budget reductions. Procurement can also help CIOs reduce legal, financial and regulatory risk through standardized language and reporting.

3 **TARGETED SUPPLIER DIVERSIFICATION**

Procurement's efforts to expand supplier networks and increase competition will not only provide access to the specialized resources that CIOs are seeking, but they can translate into more competition and, therefore, greater cost savings during bidding and negotiation processes.
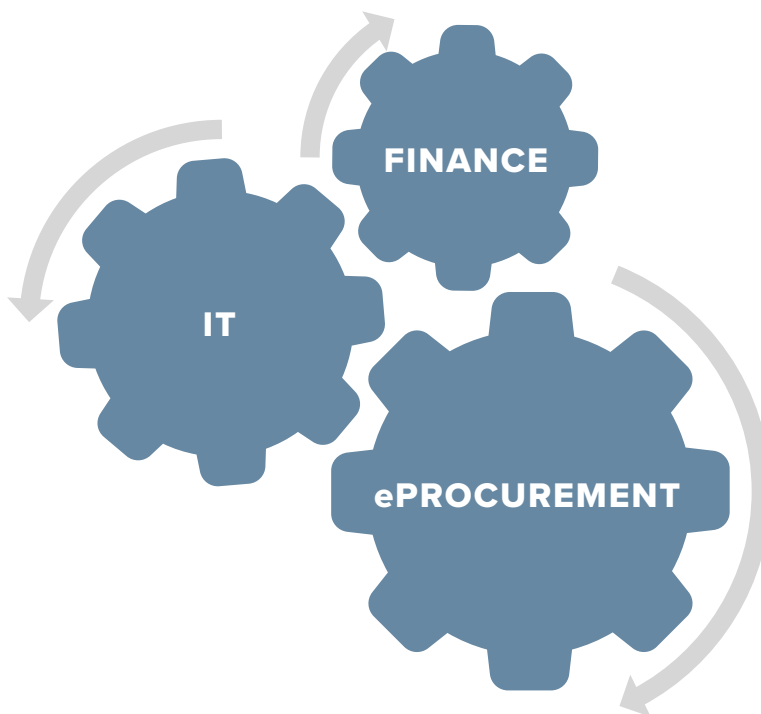
4 **GREATER VALUE**

The whole purpose of public procurement is to maximize the value of government spend. Procurement officials can help CIOs pinpoint ways to maximize resources so that they can better manage evolving project demands — and reduce or avoid unexpected costs — throughout each contract's lifecycle.

Why Government Technology and Procurement Modernization Must Occur Simultaneously

While procurement, finance, and IT should be working in concert to develop and implement savings strategies, there is one caveat: Procurement cannot play an effective role in helping CIOs meet cost and quality control goals if it is not equipped with the right technology tools.

FINANCE

IT

ePROCUREMENT

Cloud-based technologies are a top three priority for CIOs, but they must be the number one technology priority for public procurement.

If you expect every stakeholder to work seamlessly together, then every system must work seamlessly together. Fortunately, a highly-integrated hybrid eProcurement-ERP solution can facilitate constant communication and coordination between all parties. It can also provide two-way visibility between your procurement platform and third-party systems so that everyone can access — and react to — the same organized data sets, in the most appropriate format for their business function, in real time.

4 Ways That Cloud-based eProcurement Platforms Make Your Job — and Your CIO's Job - Easier

PROVIDES FRAMEWORK FOR BETTER RISK MANAGEMENT STRATEGIES

The collaborative dashboard enables all stakeholders to monitor project status and, if needed, make adjustments to procurement actions to reduce the inherent risks of agile and incremental projects.

PROVIDES FRAMEWORK FOR BETTER FISCAL MANAGEMENT STRATEGIES

CIOs can clearly identify ways to maximize spend impact and ensure the entire agency receives a greater ROI for all spend, whether it's a back-office ERP system, consolidated data center or new digital citizen service.

eProcurement

ENABLES MORE EFFECTIVE PLANNING

CIOs gain clear visibility visibility into what your agency has bought to-date or how it is currently being used so they can make smarter decisions about how to reduce waste during IT expansion.

FACILTATES MODERN IT SOURCING METHODS

Enables procurement to advise CIOs on how to diversify their sourcing pool to better control spend and quality, especially during agile projects.

TAKEAWAY

Today's government technology leaders are challenged to formalize digitalization strategies — and fully deliver on the well-optimized services and systems that stakeholders demand — within their narrow fiscal margins. Given procurement's central role in fiscal management — and centralized visibility into supplier performance and project spend — procurement leaders can easily help state CIOs succeed in their endeavors, despite inadequate funding and budget constraints.

If they have the right eProcurement system in place.

Learn more about how eProcurement technologies can directly support your fiscal management efforts at

www.periscopeholdings.com