

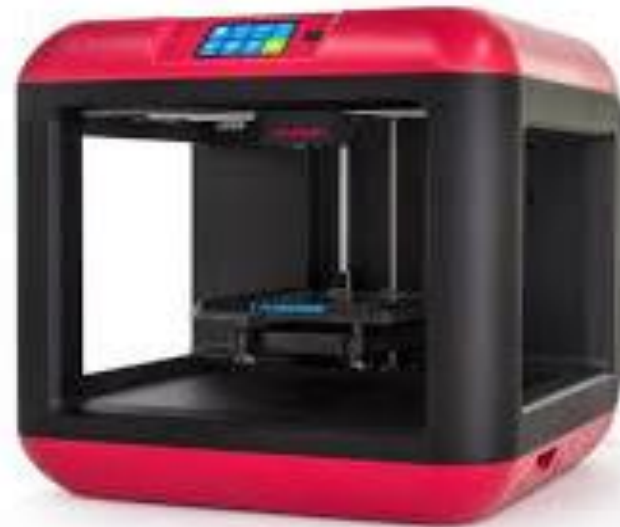
Transforming Public Procurement

TAKING LONG STANDING PROCESSES AND REIMAGINING THEM IN AN
EPROCUREMENT SOLUTION

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Objectives

Provide an overview of the journey into adopting an eProcurement solution

- ▶ How we have transformed ourselves
- ▶ The highs
- ▶ The lows
- ▶ Next steps on our transformational journey

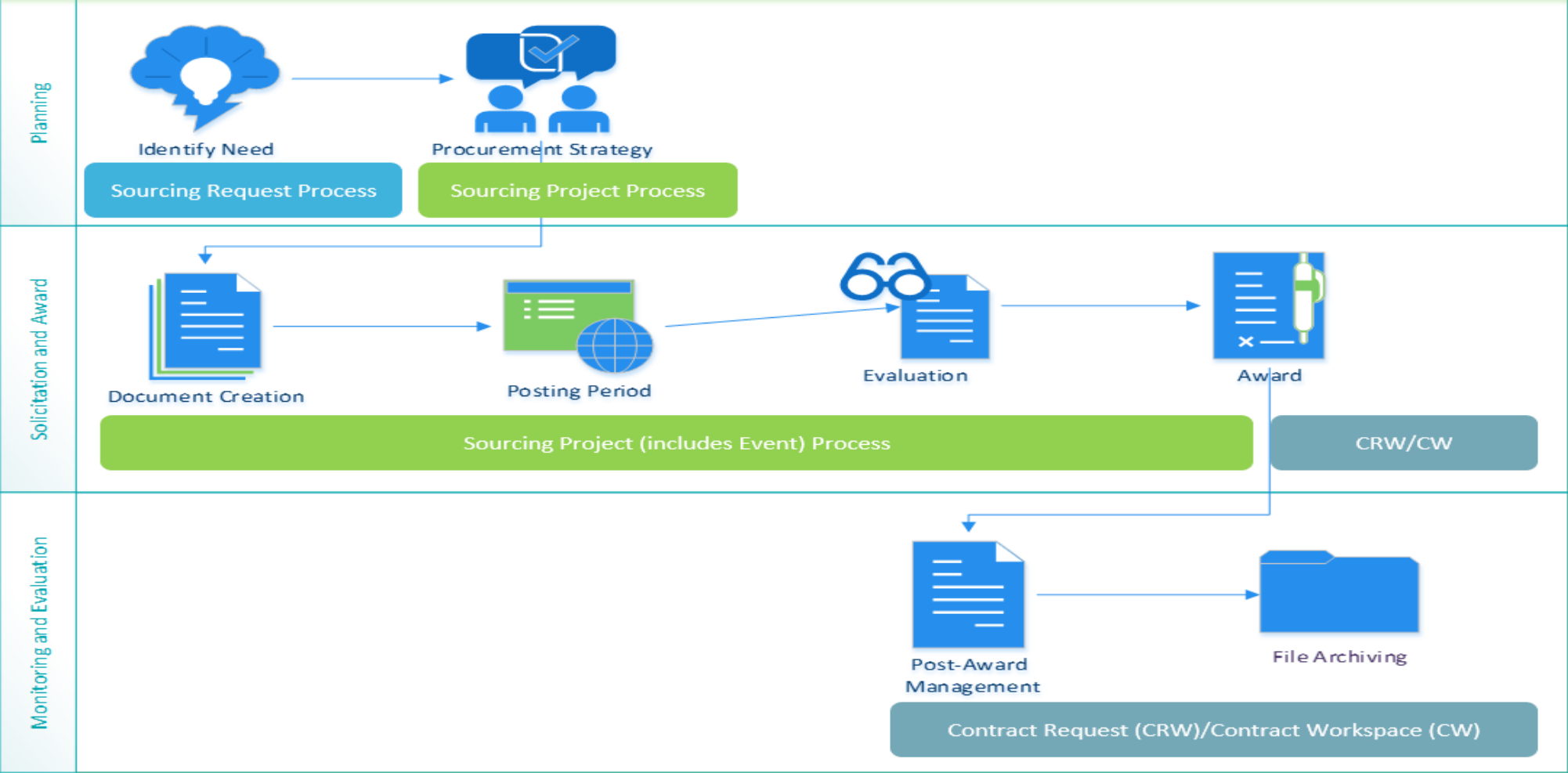
About Nova Scotia Procurement

- ▶ 70 employees - made up of a mixture of positions
- ▶ Clinical, Construction and Fleet; & Goods, Services and IT Operations, along with our Corporate Strategy and Business Intelligence Sections
- ▶ Nova Scotia's Sustainable Procurement Policy is designed to help achieve the objectives of the *Shared Services Act* and the *Public Procurement Act*
- ▶ Our clients include:
 - ▶ Government Departments
 - ▶ Agencies and Commissions
 - ▶ Nova Scotia Health Authority (NSHA) and IWK
 - ▶ Greater Public Sector Entities (e.g. municipalities, academic institutions, etc.)
 - ▶ Suppliers

SAP Ariba (our eProcurement solution)

- ▶ Selected in 2014; launched Sept 2015 (+ e-Bidding Dec 2017)
- ▶ Chosen because of it's ability to streamline and centralize end to end procurement processes, practices and technology
- ▶ First of Nova Scotia's Shared Services technologies to be introduced
- ▶ Cloud-based solution
- ▶ Adopted European version (vs. American version) – data resides in Germany and The Netherlands
- ▶ No integration with our SAP system – stand alone technology (at this time)
- ▶ Purchased Sourcing, Contracts and Spend Analysis (formally Spend Visibility) Modules

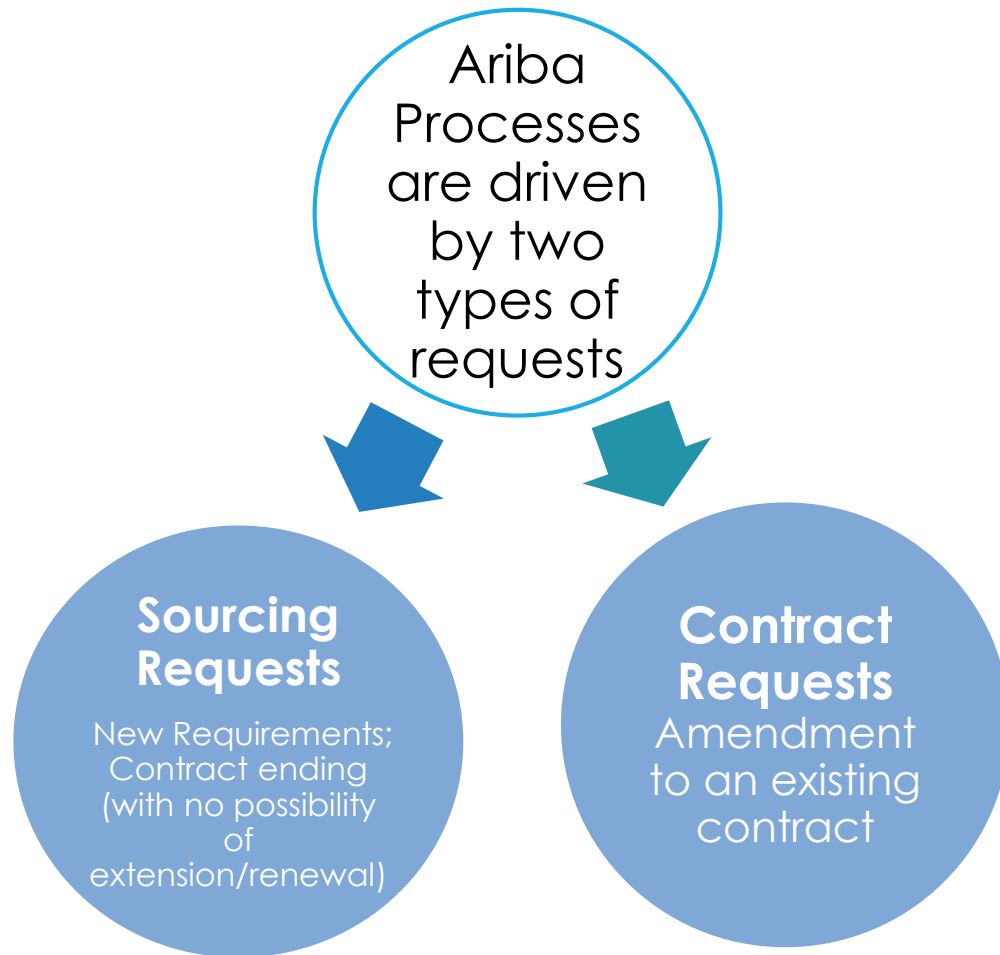
High Level Procurement Process



How we
have
transformed
ourselves

- ▶ **Rebuilt our initial interaction with clients**
- ▶ **Expanded client access**
- ▶ **Changed how tender information was captured, reported, & stored**
- ▶ **Created a central contract repository**
- ▶ **Launched E-Bidding**
- ▶ **A Business Systems team to support our eProcurement solution**

Rebuilt our initial interaction with clients



- ▶ **Everything over \$10,000 (government) or \$25,000 (NSHA) must be added to the system**

(high level alternative procurements are the exception, and have different threshold levels for inclu

- ▶ **Standardized information coming in from clients**
 - ▶ Allows Procurement to determine information required
 - ▶ Provides Procurement staff good information as a starting point for discussion and further collaboration with the client

2017-2018 Ariba Facts

Types of Workspaces	# created	Created By
Sourcing Requests	1,267	Clients
Contract Requests	530	Clients
Sourcing Projects	671	Procurement staff
Contract Workspaces	1,206	Procurement staff

Expanded client access

▶ **Clients have access to:**

- ▶ Initial requests – can used as a repository or their own Procurement e-file
- ▶ Standing Offers (SO) and SO documentation including:
 - ▶ signed contracts;
 - ▶ how to purchase guides; and
 - ▶ financial information such as Purchase Orders, or Outline Agreements
- ▶ Follow on projects (e.g. Sourcing Projects, Contract Workspaces) as Business Owners
- ▶ Sourcing Library – a ‘one-stop shop’ for all procurement related information

How tender information is captured, reported and stored

- ▶ **Customized fields** to fit Nova Scotia Procurement policy, process
- ▶ **Links client requests to next steps** in the procurement process
 - ▶ Sourcing Request → Sourcing Project → Contract Workspace
- ▶ Information entered allows **the functionality of the solution to drive automation**
 - ▶ E.g. Type of RFX pushes out the template that is used in an event
- ▶ Captured information allows us to build **Procurement data sets**
 - ▶ Data sets are more robust, and provides us with the most data we have ever had accessible through any system/solution
- ▶ All tender information **must be stored in our e-Procurement solution**
 - ▶ Making it easily accessible to anyone in Procurement
 - ▶ Clients have access to all the tender data for their own files
 - ▶ File room is basically non-existent

A Contract Repository – Finally!

- ▶ Solution allows Procurement to hold all contracts in **a central location**
- ▶ Makes contracts **easily accessible to staff and clients**
- ▶ Alleviates the time and effort **chasing down** who might have a copy
- ▶ **Built in notifications** – for staff and clients – on upcoming contract expirations
- ▶ Ability to **control level of access** – security access set at Administrator level

E-Bidding

- ▶ Has become part of the **day to day operations** for Procurement and our clients
- ▶ Transforms how **suppliers complete business with the government**
- ▶ Increasing our reality of being a **paperless office**
- ▶ Helping us **continuously improve** workflow, process and tasks related to sourcing
- ▶ **Technology offers** more opportunities for automation
- ▶ E-bidding Facts:
 - ▶ 176 open and invitational events have run through the solution
 - ▶ 927 bids have been received ( increase for us)
 - ▶ Reaching more suppliers across the world from Nigeria, Brazil, China, Romania, India, Estonia, United Arab Emirates

The Business Intelligence Team

▶ **Dedicated team for:**

- ▶ Support
- ▶ Training
- ▶ Solutioning
- ▶ Improvement/enhancements; and
- ▶ Maintenance
- ▶ Data analysis and reporting

▶ **7 FTEs (currently)**

- ▶ Director, Business Intelligence (1)
- ▶ Manager, Business Systems (1)
- ▶ Training and Change Coordinator (1)
- ▶ Business Operations Analyst (2)
- ▶ Operations Support Coordinator (1)
- ▶ Data Analyst (1)





The Highs and The Lows

The Highs

- ▶ **What the systems offers (or the benefits) for our stakeholders**
 - ▶ Government
 - ▶ Clients
 - ▶ Suppliers
- ▶ **Business Intelligence Team** – a team of superheroes!

The Benefits

▶ Overall benefits to all stakeholders:

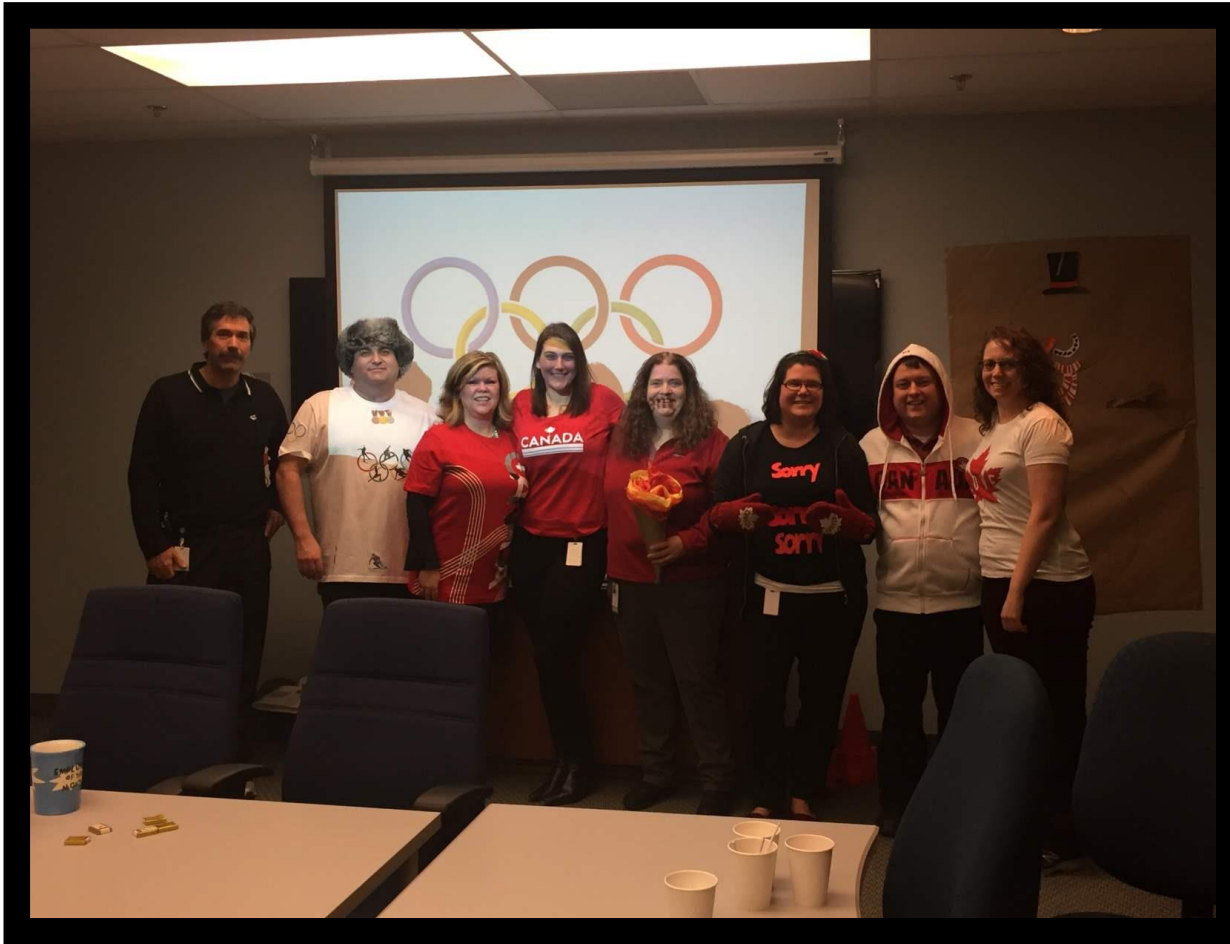
- ▶ A safe and secure cloud-based solution, accessible anywhere the internet is available
- ▶ Robust notifications for a variety of items (e.g. contract expiry dates; addendums; tasks completion, etc.)

▶ Government and Clients

- ▶ Saves time as sourcing and contract lifecycles refined
- ▶ Better decision making through increased collaboration and information sharing

▶ Suppliers

- ▶ Registering and accessing all NS Government, NSHA and IWK opportunities are free.
- ▶ Savings in time and money by eliminating the need to drop off a paper copy to the Procurement office in Halifax
- ▶ Access to other procurement opportunities within the Ariba Discovery Network



It takes a team to support an eProcurement solution!

Investment in SMEs to support Operations, and Future State is an asset

2017-2018 Tickets Received, Resolved, Unresolved

Total Received Tickets

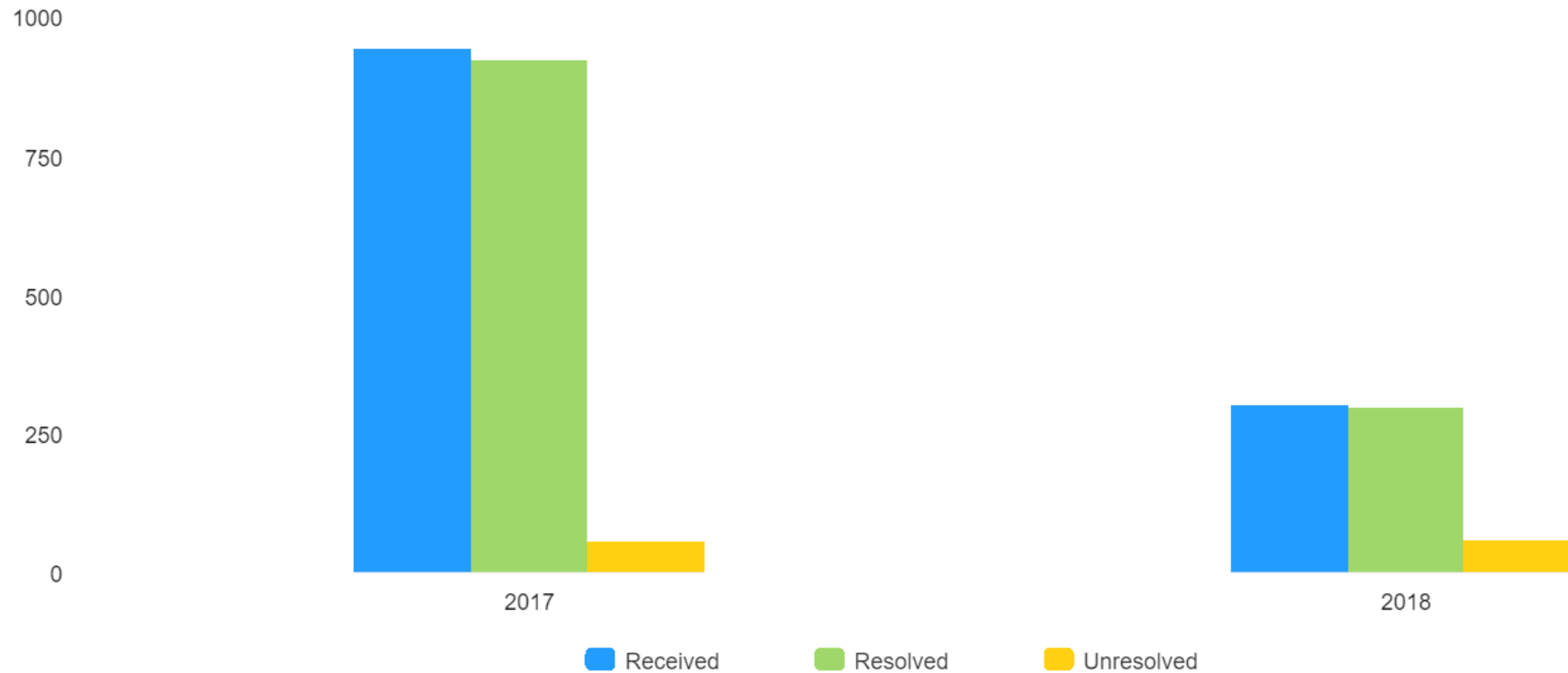
1250

Total Resolved Tickets

1223

Total Unresolved Tickets

63



The Lows

- ▶ Private vs Public Systems
- ▶ Change – the unavoidable challenge of transforming
- ▶ Battling the common phrase “*We have always done it that way...*”

Private vs Public Systems

- ▶ Third Party Systems are limiting regarding public procurement policy and protocols
- ▶ Higher level of customization required
- ▶ Open tendering is difficult
- ▶ Functionality is limited to the way we do business
- ▶ Workarounds are common practice – until a solution can be generated



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Change – an unavoidable low

- ▶ eProcurement solutions **are change**
- ▶ **Be prepared.** No matter how much you plan, invest, etc. – the change will take a toll on your employees, your clients and your suppliers
- ▶ **Be understanding.**
 - ▶ **Everything done in the solution**, from adding a field to automating a process = **change to how someone performs their role on a daily basis**
- ▶ Don't underestimate the **importance of continuous change management** from all levels
- ▶ Help **manage the change** as best as possible – small doses
- ▶ **Be realistic. Address expectations – DON'T EXPECT A PERFECT SYSTEM** and make sure stakeholders are aware and understand



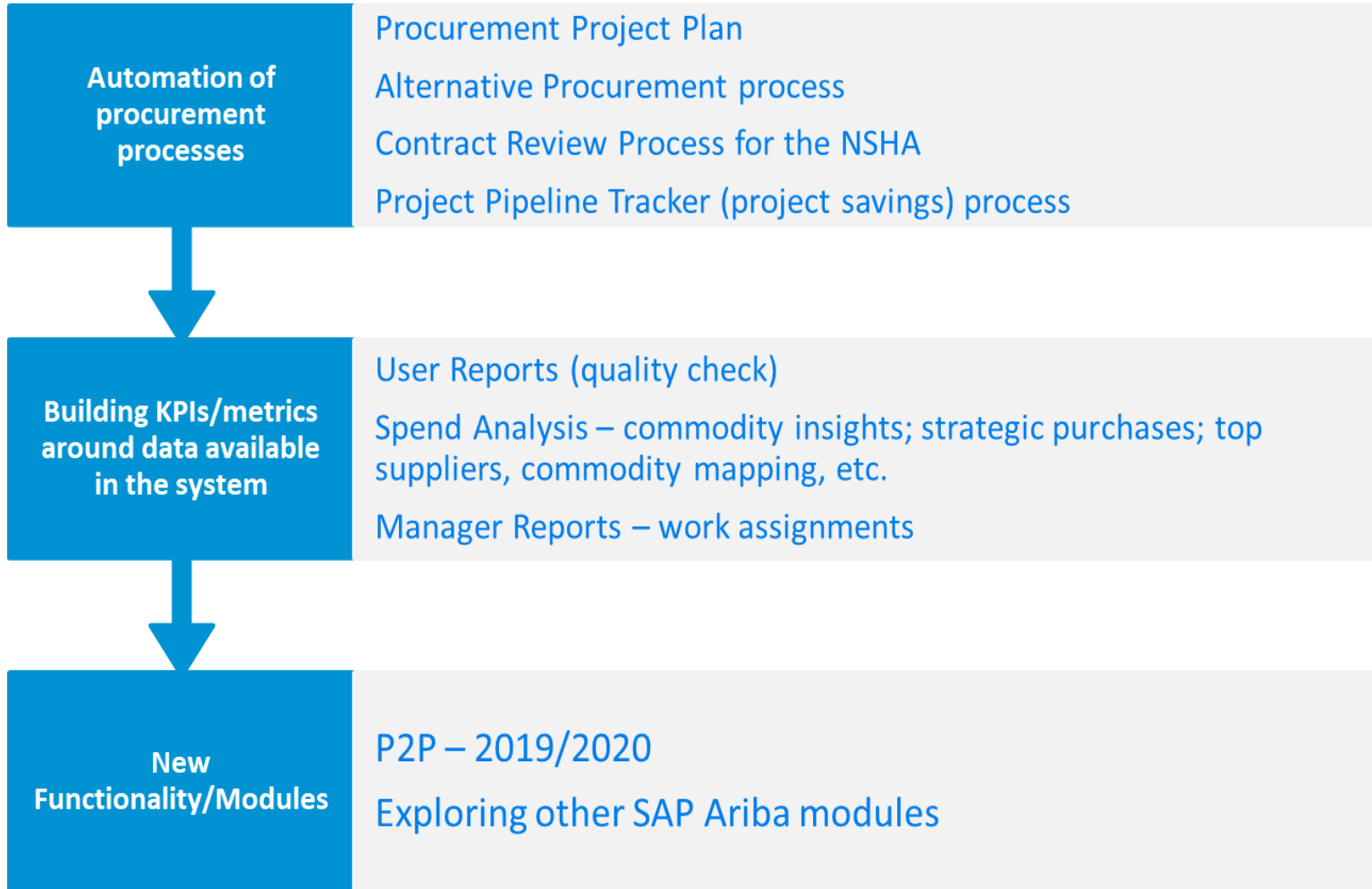
Humans are allergic to change. They love to say, 'We've always done it this way.' I try to fight that. That's why I have a clock on my wall that runs counter-clockwise.

– **Grace Hopper**



“We have always done it that way”

- ▶ **A true, daily challenge – but worth transforming**
- ▶ **How we address it:**
 - ▶ Ask Why? Why? Why? Why? and Why?
 - ▶ Present the possibilities – how the technology could/can support
 - ▶ Leverage best practices and industry standards (if someone else had success, we can too!)
 - ▶ Continue to work with stakeholders – they do have a lot of the answers



Next steps on our
transformational
journey

Thank You/Questions?

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