

## Introduction:

### ‘Procurement:- What are you trying to achieve?’

Wyze2 offers Management Services all over the globe. With our long-term CEO/CXO experience in over 20 countries we believe it’s time to ‘give back’ as the Americans so eloquently say.. For us this means that we are active as Board members, Advisors or as Coaches for young leaders; often quietly in the background. We’ve had our ‘TV-time’; it’s your time now!

Our new Newsletter will be posted on our LinkedIn pages and our website [www.wyze2.com](http://www.wyze2.com). ..We will select ‘hot’ items from the news, use these as examples and call on our experience to explore some of the main underlying topics. In other words, we endeavour to contribute to a better understanding, especially needed when in a leadership role. We hope you’ll enjoy reading and please contact us in case you have questions.



### Procurement:- What are you trying to achieve?’

We return to the UK Post Office for our first look at Procurement. The Horizon software contract that the Post Office concluded at the time, has been beset by problems, which lead one to ask the question ‘What was the objective of procuring new software?’

This may seem obvious! But it is a serious question, which applies to all procurement, whether hardware or services; whether capital or operating expenditure; whether short-term or long-term. Without clear, documented objectives it becomes very difficult to monitor and measure the success of a procurement exercise – particularly for items with a long implementation period – but more importantly, a clear understanding of what you are trying to achieve may lead you to a completely different purchase decision.

Looking at the Post Office case we can ask whether the objective was Increased accuracy of recording of transactions? Reduction in potential fraudulent activity? Enabling the introduction of new products and services? Increased efficiency (cost reduction)? Improvements in communication with stakeholders (primarily customers)? or ... Something else?

With a well-defined set of objectives it will become clear to you, as the decisionmaker, whether procurement of a good or service is the appropriate way to achieve those objectives. For example, in this instance, maybe a process reengineering would have been a better way to proceed. But if procurement is clearly the way forward, then you already have the basis of the performance section of the Invitation to Tender which you will issue: the supplier will be tendering to supply a solution that meets the objectives of the Tender.

Software procurement is particularly sensitive: what systems will it interface with? How will those interfaces be managed? What hardware is required for the software to run on? Do you already have the necessary hardware, or will that be a separate procurement activity? How secure is the software from external access? Those of us who have experience in telecoms will all be aware of the issues surrounding vendor access to billing systems, network operating systems, CSRs to name but a few. It is evident from the Post Office experience that control over access to the Horizon software was poor, to say the least. But why was it so poor? Our take on this is that the definition of the required and acceptable levels of performance defined in the Invitation to Tender was clearly inadequate. A well-defined set of objectives to be achieved by the item to be procured also gives the basis of your implementation processes and of your performance monitoring. But these will be covered in a subsequent Newsletter.