THE SUPPLIER - PRACTITIONER CONNECTION

Adding Value to Procurement
YOUR PANEL OF EXPERTS

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EVOLUTION OF THE NIGP BUSINESS COUNCIL

FROM SPONSORS TO INDUSTRY THOUGHT LEADERS
NIGP BUSINESS COUNCIL
- Thought Leadership & Strategic Partners
Today’s Focus

UNDERSTANDING THE VALUE OF THE SUPPLIER-PRACTITIONER CONNECTION

• Being a Strategic Practitioner/Supplier
• Addressing Perceived Risks
• Recognizing Opportunities
• Leveraging Value
WHAT IS A STRATEGIC SUPPLIER?

• Aligned with entity’s initiatives
• Invested and engaged
• Creates opportunity for broad impact
• Delivers value beyond price
• Included in long-term strategic planning
SUPPLIER RATING SPECTRUM

- SUPPLIER: Transaction-based
- TACTICAL SUPPLIER: Competitive price, Efficient process
- CONTRACT SUPPLIER: Contract holder/COOP Goals, Compliance
- PREFERRED SUPPLIER: Long-Term Partnership Reporting
- STRATEGIC PARTNER: Value-added partner, Strategic planning
STRATEGIC PARTNERS

- Transaction-based → Partnership
- Adversary → Ally
- Mutual trust and openness
- Shared vision, strategy, and values
- Shared risks and advantages
WHAT IS A STRATEGIC PRACTITIONER?

• Focuses on mission and value
• Serves as a trusted advisor for stakeholders
• Forges strong relationships
• Recognizes and balances roles
• Strives to be more proactive, less reactive
PERCEIVED RISKS

- Distrust the supplier community
- Could create an unfair advantage for a supplier
- May encourage protests from other suppliers
- Unintentional violation of regulations
- Suppliers will manipulate their responses
- Higher cost to change suppliers
OPPORTUNITIES (LOST?)

- Maximizing Competition
- Increased Diversity, Equity, Inclusion
- Missed Efficiencies
- Improved Quality
- Mitigated Risk
- Creativity of Solutions
- Reduced Impact on Entity Resources
- Increased Savings/Value
Creating Balance
LEVERAGING VALUE

• Industry Specific Resources
• Market Data
• Education and Awareness
• Creative Solutions
• Positive Impact on Contract Administration
• Improved Quality of Service/Product
• Supplier Evaluation - Ratings/Scorecards
• Strategic Partnerships
WHERE TO BEGIN

• Embrace an Open Mindset
• Develop YOUR strategy
• Leverage industry expertise
• Gather information
• Pursue and encourage innovation
• Leverage your OGS resources
HOW CAN WE HELP?

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RESOURCES

• Slide Deck Appendix
• Return on Investment (ROI)
• Total Cost of Ownership (TCO)
• Supplier Scorecards
• Global Best Practices
• Core Competency Development
PRESENTATION OPPORTUNITIES BY NBC

- Entity and NIGP Chapter Panels and Presentations
- In-Person and Virtual
- Contact to Schedule
  - Belinda Sites, NIGP – bsites@nigp.org
  - Business Council Members – Contact Directly
BUSINESS COUNCIL WHITE PAPERS / PRESENTATIONS

• 2013 – We No Bid And We Will Tell You Why
• 2014 – Everybody Wins – Crafting Winning Solicitations
• 2015 – Healthy Agency Supplier Relationships
• 2016 – Total Cost of Ownership (TCO)
• 2017 – The Supplier-Practitioner Connection – Adding Value to Procurement
• 2018 – The Procurement-Supplier-End User Relationship
• 2019 – Market Volatility
• 2020 – How Unlikely Partners Can Make You Successful
• 2021 – Contemporary Business Practices – Finding Common Ground

Visit: https://www.nigp.org/home/find-procurement-resources/guidance/papers
2022 FORUM
In-Person AND Virtual!

Topic: The Evolution of the NIGP Business Council
Why We No Bid
Healthy Agency Supplier Relationships
Everybody Wins
Crafting Solicitations that Foster Transparency, Best Value, and Collaborative Partnership
Market Volatility – Tariffs, Taxes & Employment
How Unlikely Partners→ Successful Procurement

Total Cost of Ownership (TCO)
Procurement, Supplier & End User Relationship

Contemporary Business Practices – Finding Common Ground in DEI

Business Council – From Sponsors to Industry Thought Leaders
2013 – We No Bid And I’ll Tell You Why

- NIGP Business Council’s Evolving Intentions
- Bid Expectations and Competition – Old School vs. New
- NBC - Common Solicitation Challenges
- Board Members’ Validation of Opposing Challenges
- Top Reasons To NOT Compete –
  - Time
  - Specification Alternates
  - Terms & Conditions
  - Information
2014 – Everybody Wins

- Crafting Winning Solicitations
  - Foster Transparency
  - Best Value
  - Collaborative Partnership
- Commodities, Capital Equipment, IT, and Services.
- Recommended Practices
  - Pre-Bid Conferences
  - RFI’s
  - Exceptions to Terms and Conditions
2015 – Healthy Agency Supplier Relationships

• Healthy Relationships → Better Procurement Results
  • It’s Procurement Professionals AND Suppliers, not vs. Suppliers
  • Improve communications and outcomes

• Explore several key questions:
  • What does “better communication” look like?
  • What specific types of activities or exchanges could practitioners and suppliers engage in?
  • What might be the benefits of these activities?
2016 – Total Cost of Ownership

• Discussion about TCO Modeling
  • When to employ
  • How to develop
    • Goods
    • Services
• Example – Heavy equipment purchase model
  • Different cost factors
  • Three different proposers with varying cost/price structures
2017 – The Supplier Practitioner Connection – Adding Value to Procurement

• Up-to-date Industry Expertise
  • Pre-RFP Meetings and RFI’s

• Information and Building Trust
  • Effective communication about long-term agency goal(s)

• Long-term Contract Performance
  • Build a winning contract that yields performance for years
2018 – The Procurement – Supplier – End User Relationship

• Importance of End User Experiences
  • Benefits to Procurement and Supplier

• Building a Progressive Business Review
  • Supplier Rating Systems

• Procurement Shifts
  • Order Processes
  • Payment Processes (P2P)
  • Inventory/Distribution

• Methods, Tools, & Analysis
  • RFI
  • TCO
  • Cost of Procurement
2019 – Market Volatility

- Discussion about Industry Impacts – Current & Forecasted
  - Economic Unrest
  - Taxes & Tariffs
  - Employment Effects

- Leveraging Supplier Input
  - RFI’s
  - Pre-RFP Industry Meetings
  - Practitioner Meet-ups
2020 – How Unlikely Partners Can Make You Successful

Why a Collaborative Buyer & Supplier Relationship Matters

• New supplier solutions for your Public Entity

• Reinforce Procurement’s overall contribution

• Performance Measurement
  • Supplier Ratings
2021 – Contemporary Business Practices

• Examining Public Entity Diversity (DEI) Goals
• Comparing to Environmental Social & Governance (ESG) &
• Corporate Social Responsibility (CSR)
  • **Defining** Supplier Organizations’ ESG Reporting
  • **Competing** Supplier Organizations’ ESG Capabilities
  • **Evaluating & Scoring** Supplier Organizations’ ESG Results