

## Computer says No - Do data, systems & processes rule over personal relationships in procuring professional services?

Tuesday 28 February 2017, Cushman & Wakefield, Portman Square, London W1

Moderator: Brent Evans, Capita Real Estate & Infrastructure

Speakers: Shaun Carroll, Global Procurement G4S

Sezgin Kaya, Real Estate & Facilities, IBM

Mike Perkis, RE Services Procurement, Incendium

This Breakfast Forum, hosted by Cushman & Wakefield, was organised to examine the influence of computerisation and technology on procurement - how much do data, systems and processes really take precedence over personal relationships, knowledge and intuition?



To discuss the question **Brent Evans**, of Capita's Real Estate & Infrastructure team, who sits on CoreNet UK's Events committee, who, with **James Maddock**, had lined up three experts to give us their views on where the industry is heading and how this might impact our businesses, whether we are buying or selling, and how the use of technology and robust processes can help to better our business decisions around service provider engagement.

First out of the box was **Mike Perkis** of Incendium Consulting who has over 18 years of acting as a consultant for corporate occupiers. His answer to the question posed is a firm 'No'. Not a technophobe, he believes that, while robust data and analytics can help to save time, they should inform rather than lead on any decision making. That while helping to procure services, these services should be delivered by humans. Looking only at the next three to five years (for he believes we are on the cusp of major changes) he divides

procurement into five steps, analysing the input of machines versus humans at each step to find the balance. Initially, at the pre-engagement stage, there is a high human input with a need for understanding the issue; the next two stages (RFI/PQQ and RFP) the machine can drive through the process of analysis providing clear alternatives; then at the interview stage a more human input is required; and finally, for clarification, while the machine can provide assistance the human input is absolutely necessary. This is the situation now he added but - beyond the next five years, with predictions of 35% of current jobs at risk from automation - who knows?

Next **Shaun Carroll** head of global procurement for G4S whose answer is also a firm 'No'. Computers, he said, can't take over. They can remove a lot of the woolly reasoning, providing clear and rigorous processing. But 'People buy People' and it's buying the right people that matters - can technology help here and in the management of people? Shaun then shared his controversial theory that, in a procurement process, the best people are put forward - the 'A' team; once the contract is signed the 'C' team appears to actually manage the contract; the relationship then sours and once again the 'A' team is brought in to 're-win' the contract. The moral of this is that if the buyer relies purely on the human element, rather than including technology to analyse the contractors, any problems down the line are bound to be magnified.



Finally **Sezgin Kaya**, global category lead, Real Estate & Facilities at IBM, for whom the answer is 'definitely, Yes!' Typically, he said, procurement centred round cost savings, efficiency and access to skills which was often a negative experience. Technology changes that and, as it does, users themselves change with experience of the service provided. A cognitive buying assistant facilitates the procurement process, predicting what you need and providing a cost analysis, from the computer in your pocket, while you're on the move.

Technology enhances the user experience. The key lies in what you teach the computer. As far as jobs are concerned technology is changing the way business works - and it is creating more jobs than ever for a growing world population. As well as the expansion of, for example, telecommunications businesses, it provides access to intelligence systems and analysis - all of which make life easier and allows more time for more creative thinking.

With more time after these brief introductions, a most interesting Q&A session, moderated admirably by Brent, then followed out of which emerged the following gems:

- \* A balanced scorecard - key in managing the mix of the procurement team and choosing both with care;
- \* Cyber Security is one of IBM's fastest growing businesses;
- \* That smart buildings show a regional bias - more prevalent in the US where demolition of older buildings and re-build is the norm, than in Europe where refurbishment tends to prevail;
- \* That benchmarking is really important - G4S reduced its global supplier base from 95,000 to 45,000 on the basis of building relationships and knowing the businesses;
- \* RFP is an artificial process dictated by CFOs to get the best price - but the best value?
- \* Be aware of different markets - there is no global market because of wide cultural differences which have to be taken into account.

Procurement is an important element of corporate real estate and the intelligent use of technology is clearly a vital tool. This was a fascinating insight from three experts and allowed for a really useful panel session.

Alison Sutherland