LEVERAGING DATA IN TRANSFORMATION; BECOMING A HIGH PERFORMANCE ORGANIZATION

What is a data driven organization?
How does data improve decision making?
How does data lead to greater value?

WORKSHOP OBJECTIVES:
- What are performance metrics?
- Where to find data to use in performance metrics
- How to apply data in performance metrics
- How to use performance metrics to show value
- How to use data in performance metrics - strategically
PERFORMANCE METRICS:

Definition:

- That which determines and organization’s behavior and performance.
- Measures an organization’s activities and performance.
- Supports a range of stakeholder’s needs; customers, employees, public.


PERFORMANCE METRICS:

- How does an organization create value
- There is not a one size fits all - panacea
- Creative strategic thinking is needed to develop an effective performance metric system
- No two organizations are alike .......
  however, there can be similarities

VALUE:

- Fully understand how and where to derive value
- Value based programs focus not only on the performance of the operation, but on the performance towards satisfying the purpose – targeting benefits provided by the service or process
WHERE CAN YOU FIND THE DATA?

✓ Systems Approach for Measurement

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WHERE CAN YOU FIND THE DATA?

✓ Systems Approach for Measurement
EFFICIENCY MEASURES

Metrics that are easy to measure

Metrics that are easy to use

Tactical Data Analysis
- Number of Requisitions
- Days to Process
- Dollars vs. Value
- Delivery Timeframes

Strategic Data Analysis
- Number of Staff Needed
- Establishment of Baselines
- Staff Assignments
- Contract Compliance

Requisition  | Purchase Orders  | Goods & Services

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### EFFECTIVENESS MEASURE

**Delegation of Authority**
- Centralized Procurement
- Customer Departments

Strategic Data Analysis:
- Staff Composition
- Delegation to End Users
- Assignment of Points of Contact
- Signature Authority

### EFFECTIVENESS

**Thresholds**
- Small Purchases
- Formal Threshold
- Contract Execution Authority

Strategic Data Analysis:
- Dollar Threshold
- Pareto Principle
- Delegation to Staff
- Return on Investment

### EFFECTIVENESS

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EFFECTIVENESS

Purchase Orders
• Values
• Transactions

Strategic Data Analysis

✓ System availability to match purchasing habits
✓ Decrease staff time = contract releases
✓ Better data collection = minimize use of blankets

EFFECTIVENESS

EFFICIENCY AND EFFECTIVENESS

ACT
PLAN
CHECK
DO

• Predict
• Understand
• Control
• Evaluate
WHAT CAN YOU DO?

- Operational Policy Measurements
- Single quote limit
- Informal solicitation threshold
- Formal solicitation threshold
- Thresholds for various approvals
- PCard usage
- Set program goals and measure progress toward goals

WHAT CAN YOU DO?

PCard Program
- Growth/Monitoring
- Revenue - Rebates
- Cost Avoidance

Socioeconomic Programs
- MBWBE Spend
- MBWBE Participation
- Solicitation Effort

Purchase Orders
- Values
- Transactions

PCARD

PCard Transaction Comparison FY13 and FY14
WHAT CAN YOU DO?

- Procurement Program Measurement
- Establish baseline
- Develop program goals
- Develop methods or reports to measure progress toward goals
WHAT CAN YOU DO?

- Staff Performance Measurements
- Supplier Quality Measurements
- Customer Satisfaction Measurements
- Financial Performance

WHAT CAN YOU DO?

Strategic Sourcing
- Commodity Code Structure
- Spend Analysis
- Contract Availability

Contract Administration
- Spend Under Contract
- Maverick Spend
- Violations

Revenue
- Value Generated
- Budget Percentage

STRATEGIC SOURCING

Percentage of Spend on Contract
WORKSHOP OBJECTIVES

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THANK YOU