No Heroics:
Lean/Agile Procurement 70% Faster

CIPMM Regional Workshop Vancouver

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Objectives

1. How to procure 70% faster while reducing the need for heroics by improving the process.
2. How to sustain this level of performance and continuing innovation in a virtual environment
3. How to maximize buy-in from staff, clients and other stakeholders,
4. A handful quick wins that you can try out on your return to work.

The Problem

Procuring Cloud Software
> $ 100k

- Approximately 100 steps/handoffs
- 3-5 months of elapsed time
- Unhappy clients, procurement staff
- Procurement staff overloaded
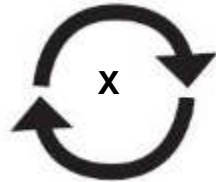- Slow process affecting delivery of core business

NOW:
- **3 weeks elapsed time from start to finish, by default.**
- **No heroics.**
- **Procurement staff happier, less-stressed.**
- **Clients delighted.**

© LEAN AGILITY
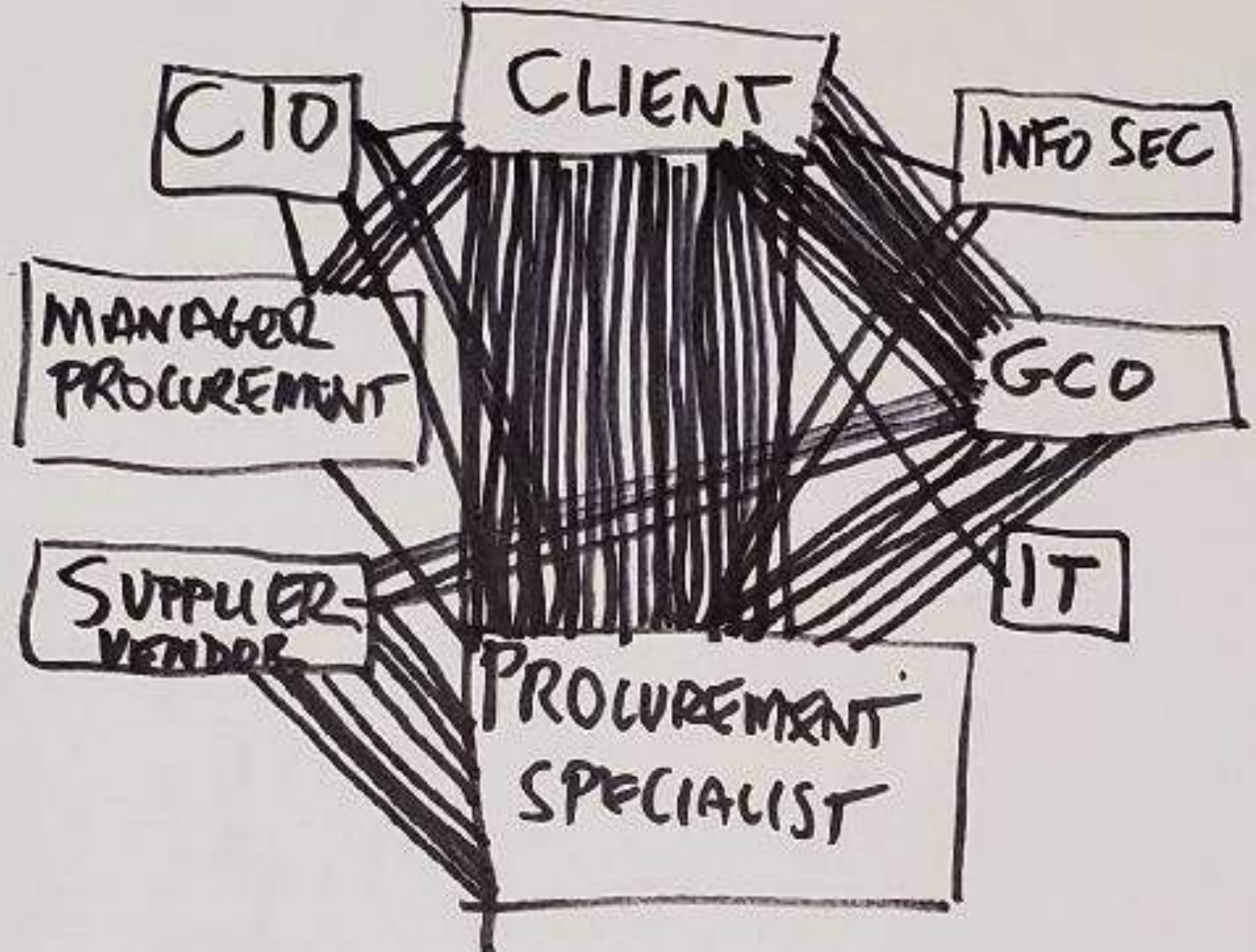
- Clients often do not know how to express their business requirements and scope, poorly-defined, many back and forths internally
- No intuitive, at-a-glance, intake form to guide client to do this phase, or other early work, correctly

- RFS can be drafted with unclear inputs, causing later failure demand
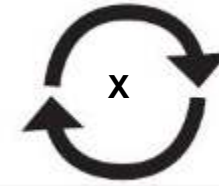
S T A R T

Prepare for Procurement (Client)

Initial Discussion

Draft RFS
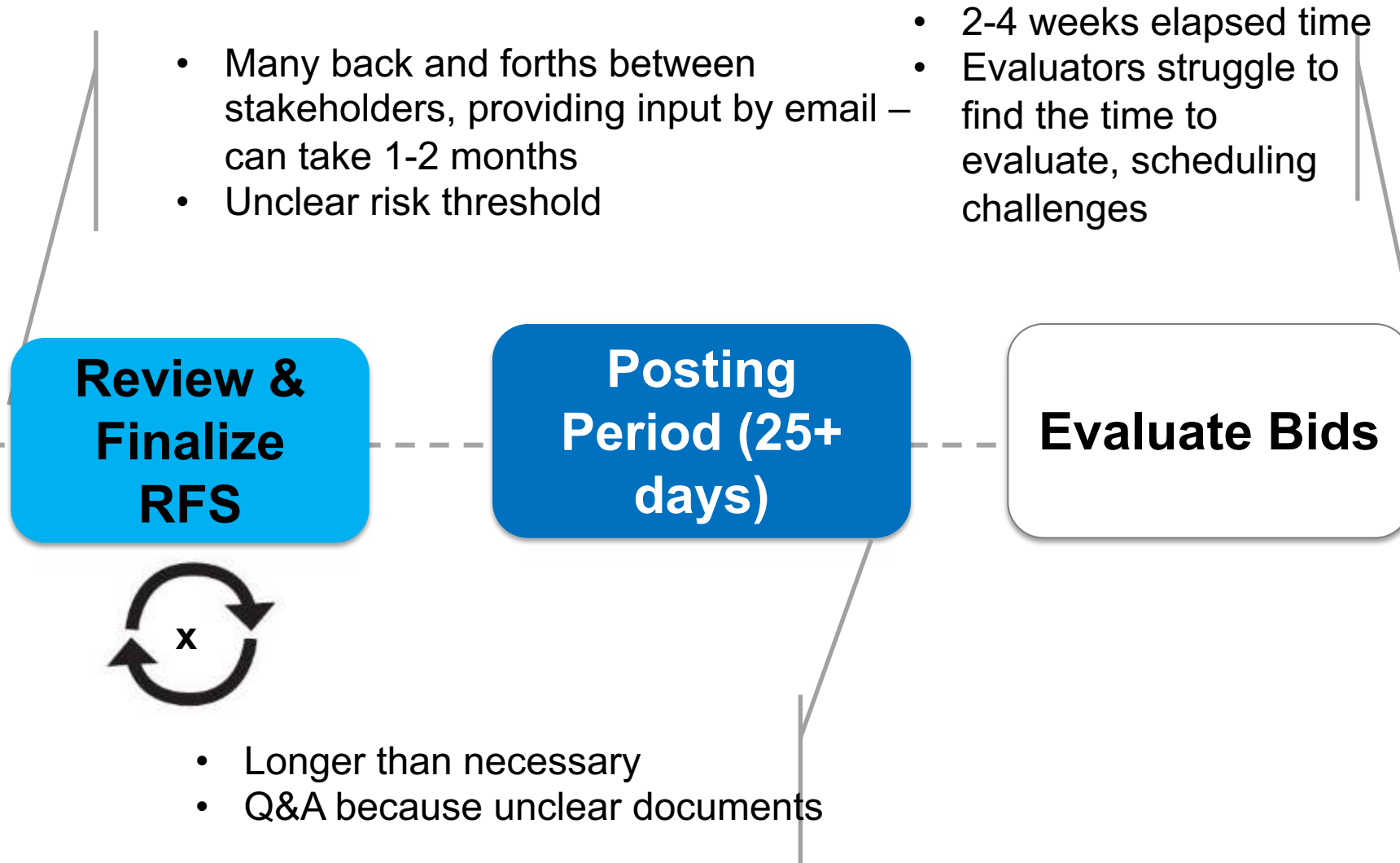
- Scope provided by client insufficient to proceed
- Lack of clarity on part of all parties, on who will do what, when – no project plan

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- Many back and forths between stakeholders, providing input by email – can take 1-2 months
- Unclear risk threshold

- 2-4 weeks elapsed time
- Evaluators struggle to find the time to evaluate, scheduling challenges

Review & Finalize RFS

Posting Period (25+ days)

Evaluate Bids

x

- Longer than necessary
- Q&A because unclear documents

- 3-8 loops back and forth between Legal and Client

Draft and Review Contract

Negotiation
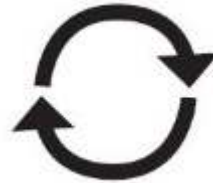
Sign Contract

- Back and forth on final form review and approval – configuration, usability and value of form is questioned – at least 50% have significant defects
- Contract Info Form scope crept since inception – "job to be done" not clear to clients

Review and Approve CIF

Approved signed contract

3 to 5 months elapsed time

SOLUTIONS

ELIMINATE FAILURE DEMAND

Eliminate **Failure Demand**

Work that is required because something failed the first time.

20-50% of our workload is fixing these problems.

Total Capacity

- Value Work
- Preventable Work
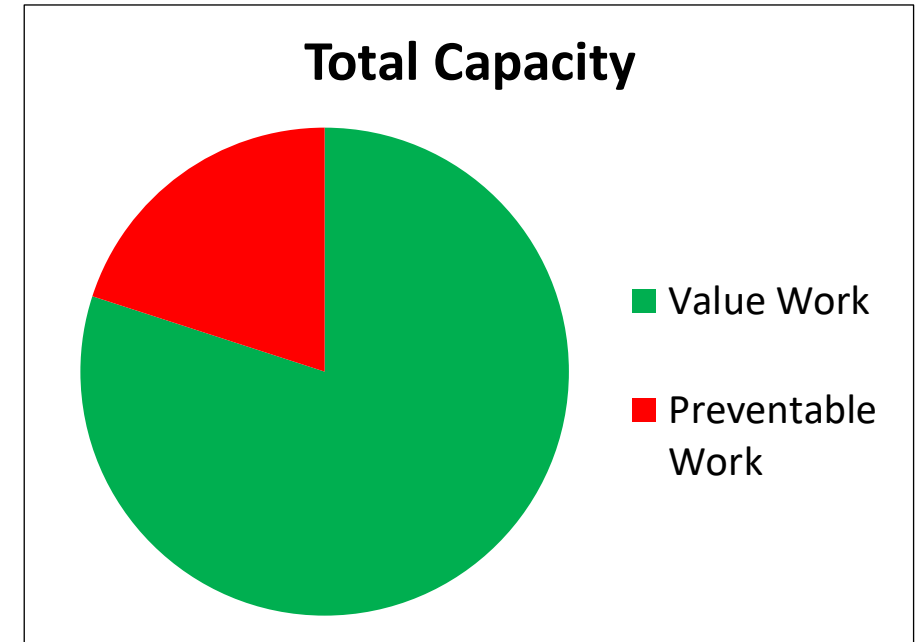
Failure Demand: drains capacity and consumes time but does not add value

Type	Example
1. Something not done	Document, information missing – go find it
2. Something is incorrect	Wrong information, misplaced info – redo it
3. Something is not clear	Unclear instructions, requirements – go get clarification
4. Something takes too long	Chasing progress, answering
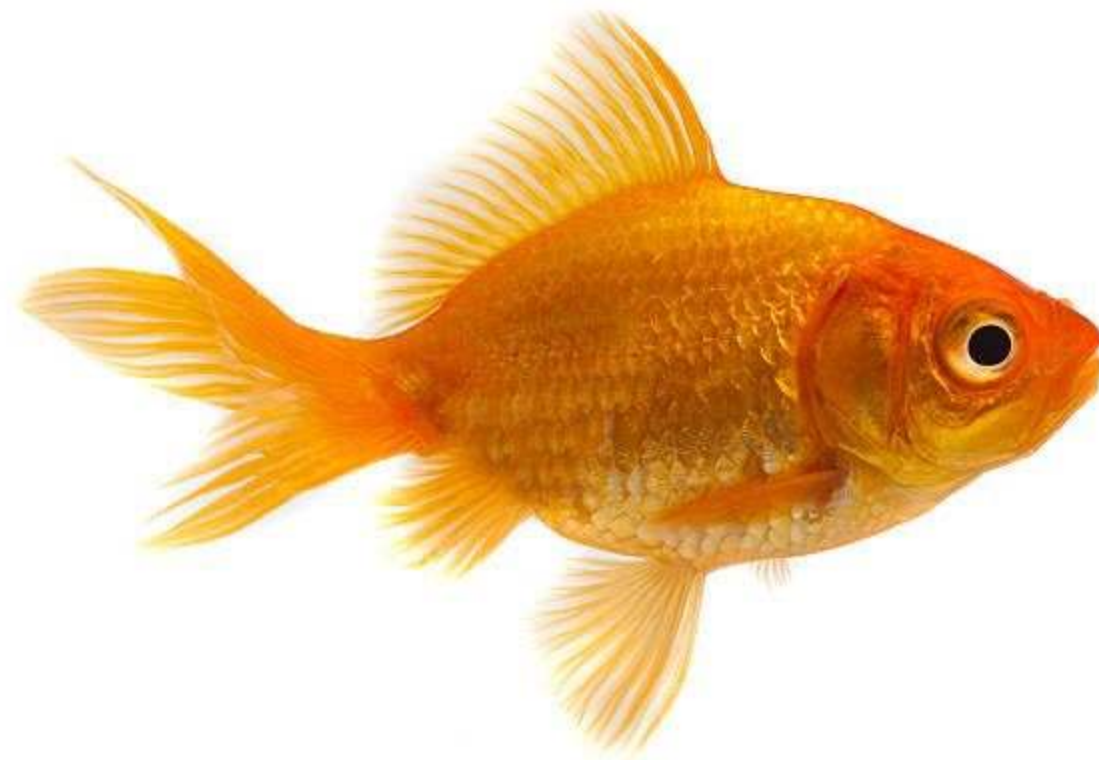
FLOW EFFICIENCY VS RESOURCE EFFICIENCY

Diane believes she may have cancer

"Resource" Efficiency

Clarification, questions, corrections

| Family Doctor | Ultra-sound Clinic | Cancer Clinic | Lab | Cancer Clinic | DIAGNOSIS RECEIVED |

| 10 mins activity | | 30 mins activity | | 30 mins activity | | 40 mins activity | | 10 mins activity | ACTIVITY: 2 HOURS |

| | Wait 12 days | | Wait 10 days | | Wait 10 days | | Wait 10 days | | ELAPSED: 42 DAYS |

"Flow" Efficiency

| Walk-in Breast Clinic | ACTIVITY: 2 HOURS |
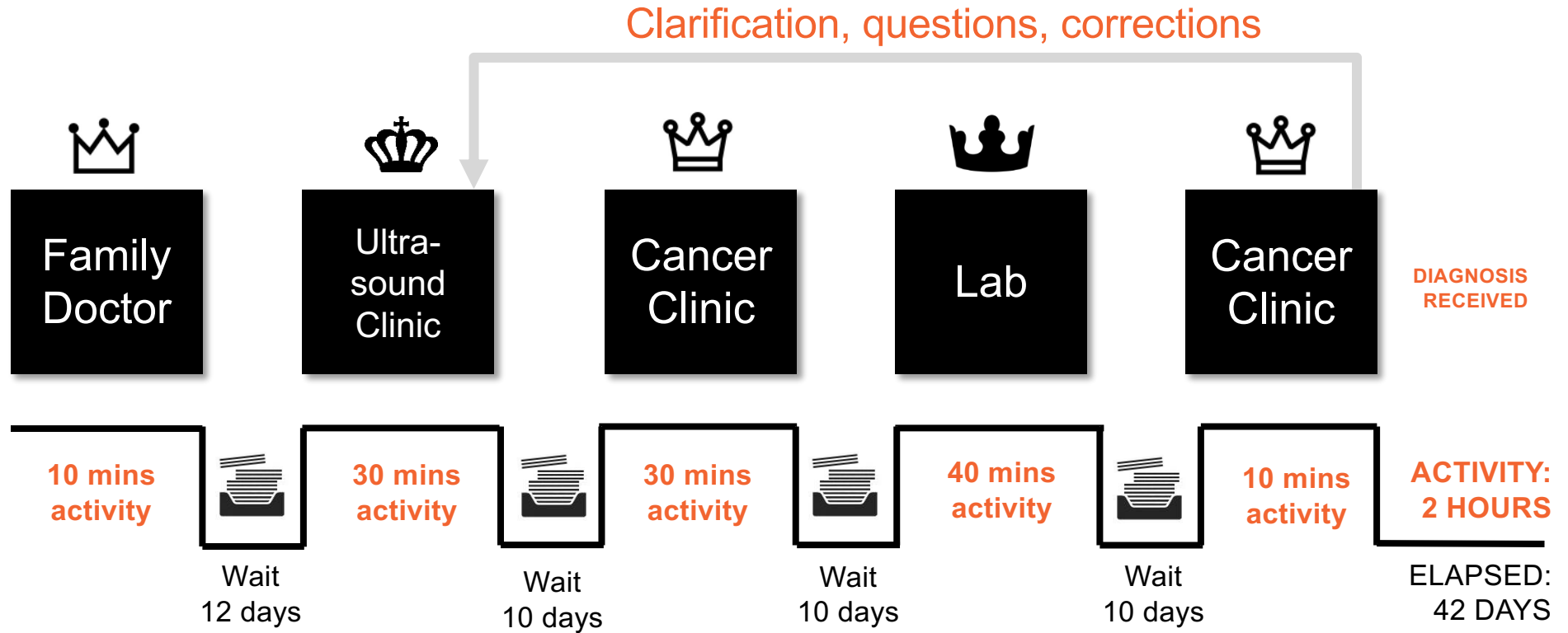
ELAPSED: 3 HOURS

Flow Efficiency in Action

THE "ONE AND DONE" HUDDLE

Work with client via email
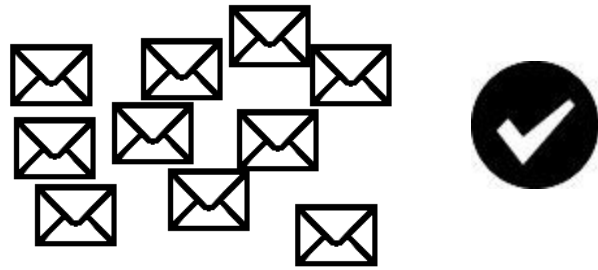
- Effort: 7 hours
- Elapsed Time: 20-40 days

Work with client face-to-face, "live"

- Effort: 3 hours
- Elapsed time: 1 day

"One and Done" Huddles

- Kickoff with client, including SME and Legal
- Developing/Refining RFS documents
- Bid Evaluation
- Review draft contract

OTHER SOLUTIONS

Project Management

- Treat each procurement file like a project
- Project plan with dates, roles
- Book all key dates into calendar at kickoff meeting

SUSTAINING AND CONTINUING TO IMPROVE

Decision 2

Flow Efficiency > Resource Efficiency

+

Visible Process Perform-ance

+

Proactive Learning / Problem-Solving Routines

=

LEAN

Processes that flow across functional "islands"
vs
making each "island" efficient, but not making the end-to-end process flow

Everyone knows the score – at a glance
vs
working in the dark, unable to see end-to-end process performance across the islands

Routines built into the work to solve problems and experiment proactively
vs
Firefighting only, "all-in" bets, little learning of what works, repeating old mistakes

Faster, better, more capacity, with inspired people who continue to improve as part of the work

From: This is Lean: Modig & Ahlstrom

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Invisible end-to-end process performance

Procure-ment	Client	IT Security	Legal	Procure-ment
HOME 3 – GUEST 2	HOME 3 – GUEST 6	HOME 54 – GUEST 6	HOME A – GUEST B-	HOME 3 s – GUEST

ACTIVITY: 2 HOURS

ELAPSED: 42 DAYS

23
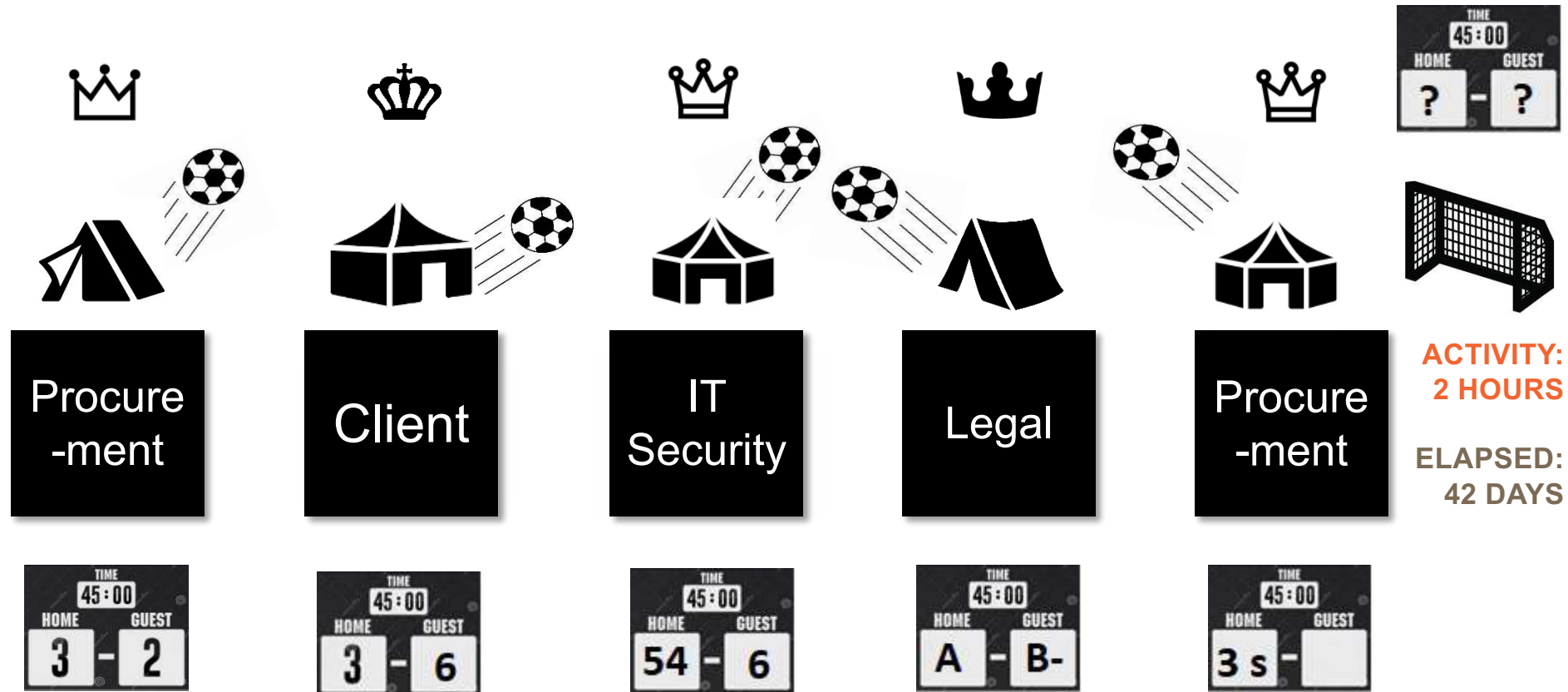
Meeting Notes and Reflections ⋯

Meeting Notes Template
Template ≡

July 7, 2020
≡

July 15, 2020
≡ ☑ 0/5

July 21, 2020
≡ ☑ 0/6

July 28, 2020
≡ ☑ 0/3

August 4, 2020
≡

August 11, 2020
≡ ☑ 0/2

August 18 2020
≡ ☑ 0/1

August 25, 2020
≡ ☑ 0/3

September 1, 2020
≡ ☑ 0/1

+ Add another card

Quick Win ⋯

To Do

Add news articles when we engage a shared contract (e.g. Media Buying)

Improve Procurement document management for artifacts vs procurement activity
👁 ≡ 💬1 ☑ 0/5

Doing

Add list of available VORs to intranet (MGCS & OECM) and set schedule to update VOR list regularly (quarterly or semi-annually).

Procurement Orientation Training
👁 🕐 Apr 26 ≡ 💬7 ☑ 5/6 EZ KM

Temp Help Resources User Guide
👁 ≡ 💬9 ☑ 3/9 KM

Develop tracking & repository of IT Standards
👁 ≡ 💬9 ☑ 5/8 KC LM

+ Add another card

Data Collection and Tracking - LM ⋯

To Do

Doing

Reporting and Metrics
👁 ≡ LM

Done

High Priority
Develop method for tracking related procurements
👁 ≡ 💬2

Develop process for getting PO/Contract execution info from business owner
💬2

Add measurements from experiments into performance dashboard
☑ 0/1 CS EW

Finalize new procurement log
👁 🕐 Sep 11, 2020 ≡ 💬3

+ Add another card

Policy Updates FY21/22 - LM ⋯

To Do

2021/22 - Q2 - Policy Review Notes
👁 🕐 Jul 5 💬1 ☑ 0/9 LM

Consult with external counsel (if necessary)

Draft policy updates
≡ ☑ 0/6

GCO review of draft policy
💬1

Draft accompanying documents
👁 🕐 Aug 2 ≡ LM

Director level review
≡

Executive level review
👁 🕐 Aug 2 ≡ LM RG

Send to AFC for final approval (November 2nd)
🕐 Aug 9

Doing

+ Add another card

Vendor Validation ⋯

To Do

Present proposed business process to Eva, Lizanne, Kenneth & Fiorella

Update next steps email template with new instructions

Finalize Form

Train Kelly to conduct & document vendor validation

Test form and process with vendor/Craig S.

Doing

Draft new business processes: when Procurement Specialist involved and when not involved
👁 💬2

Done

Review Form with Procurement & Contracts Teams

Vendor Validation Form and Business
≡

+ Add another card

Experiment Backlog / Parking Lot ⋯

OneDrive Folder

High Priority
CIF Workflow Review
≡

Improve guidance on "subscriptions" and review existing contracts with KS clients

Holiday Advance Notice Reminder
≡ EZ

Customer Service Survey
≡ EZ

RFS - Technical Resources User Guide
≡ EZ

Survey clients for feedback
≡

Rating Criteria Template
≡

+ Add another card

Continuous Improvement Tickler
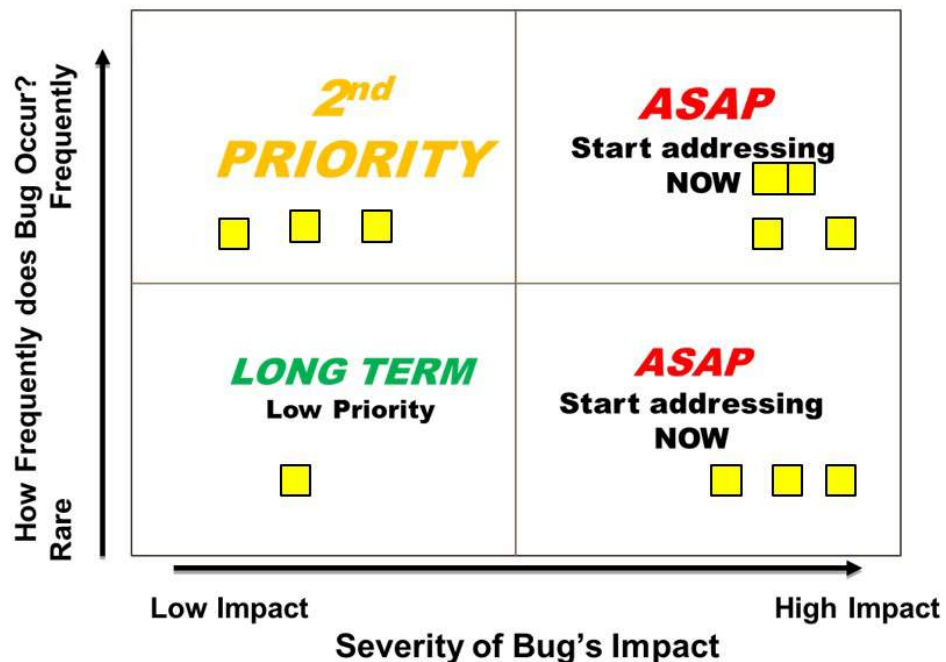
2021/22 - Q1 - Review Procuremen Intake Form
🕐 May 28

2021/22 - Q3 Annual Review of Intranet Pages
🕐 Oct 1

2021/22 - Q3 Root Cause Analysis Risk Findings
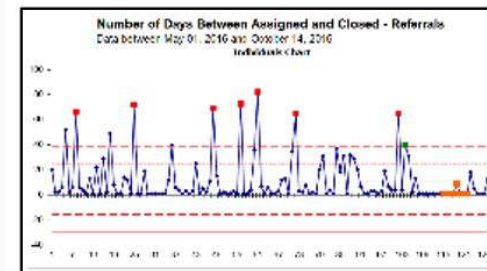🕐 Oct 26 ≡

2022/23 Q1 - Review and update C
🕐 May 27, 2022 ≡ ☑ 0/5

+ Add another card

System Bugs

How Frequently does Bug Occur? (Frequently / Rare)

2nd PRIORITY

ASAP Start addressing NOW

LONG TERM Low Priority

ASAP Start addressing NOW

Low Impact — High Impact

Severity of Bug's Impact

Time to Resolve

Business days since referral to [ ] with no response yet

Number of Days Between Assigned and Closed - Referrals
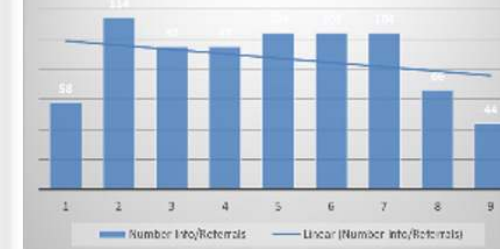Data between May 01, 2016 and October 14, 2016

Morale Today

☺ |||| | ||||
😐 ||||
☹ |
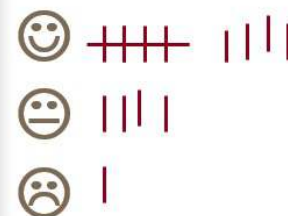
Number Info/Referrals

This Week:
- Appraisals due
- Fill out survey please
- Wednesday – TRW training for OSR's

This Month:
- Charity drive

IN/OUT TODAY

	8:00	9:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00
Deb	P	P	P	P						
Dave			P	P	P					
Frank	X	X	X	X	X	X	X	X	X	X
Gilles			X			P	P	P		
Marie					P			P	P	P
Sonja					X				P	P
Frederic	P	P				P	P			

P=on Phones, minimum 2 at any time
X= Unavailable

Meeting Length

Stand Up Meeting Length
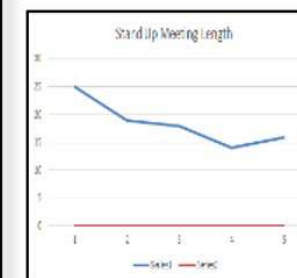
Training Matrix

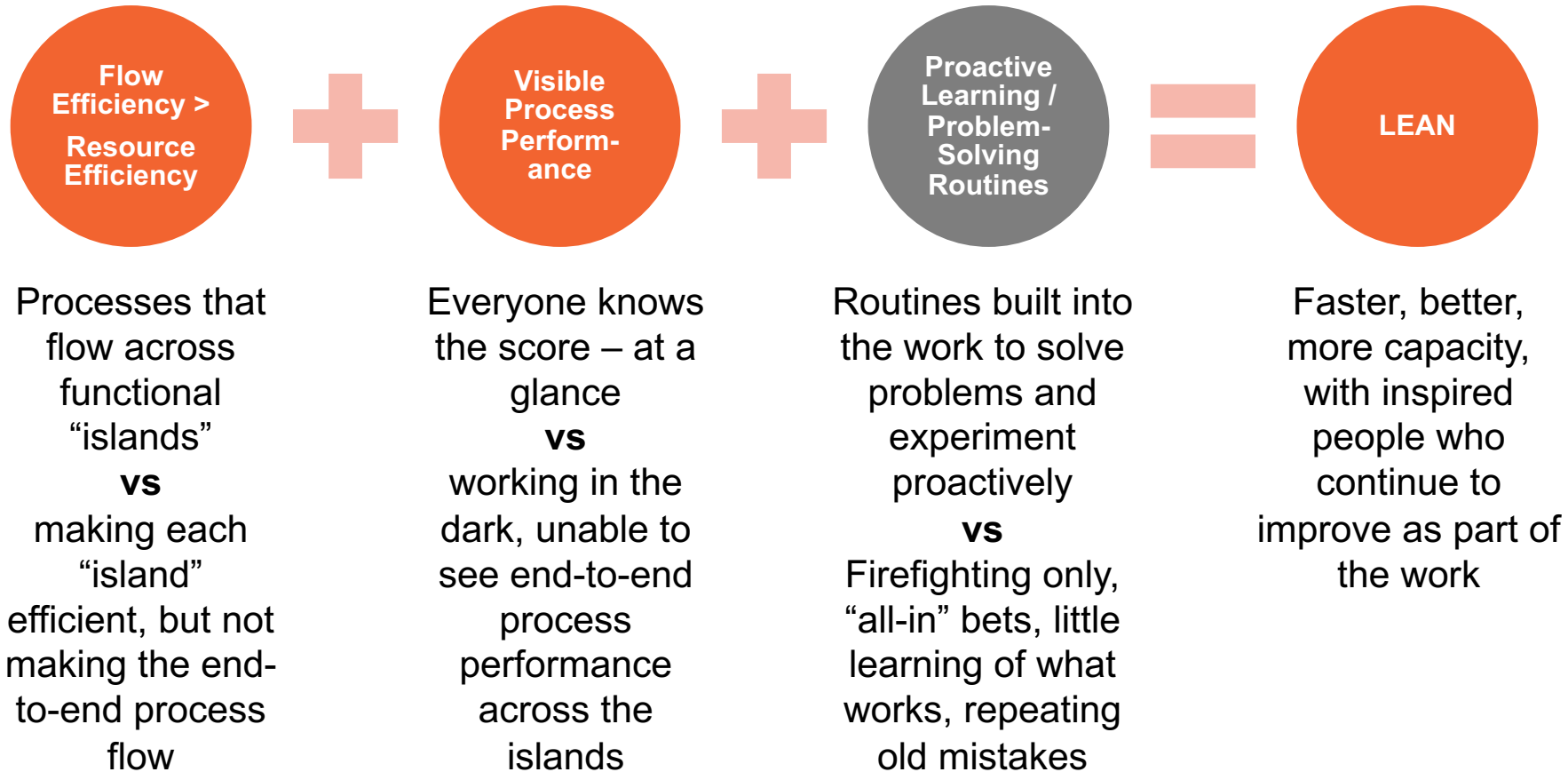| Team Member Name	Mail Merge Outlook and Word	Applicant tracking	Access	Peoplesoft	ApplicationStreaming	Correspondance tracking	RPD	Archiving	Processus Acéléré / Fast Track	Transfers d'appels / Call Transfers	Troubleshooting Process X	Scheduling Renewals	Aménagement physique / Physical Layout	Procédures privées/publics / Public/Pr	Entrants et sortants / Incoming and O
Bob	Blue	Blue	Blue	Blue	Blue	Green	Blue	Blue	Blue	Green			Blue	Blue	Blue
Lucie	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green		Green	Green	Green
Carole	Green	Blue	Blue	Blue	Blue	Blue				Green	Blue	Blue	Green	Red	Green
Doug	Green	Green	Green	Green	Green	Green				Green			Green	Green	Green
Lisa	Green	Blue	Blue	Blue	Blue					Green			Green	Green	Green
Bill	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green		Green	Green	Green
Xavier	Green	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red		
Jane	Green				Red	Red	Red	Red	Red	Green					

Legend:
- White — Training Not Required
- Red — Need to be Trained
- Green — Has been Trained
- Blue — Can give Training

No-Interruption Zone for Today / Zone sans interruption pour aujourd'hui

Name / Nom	8:00	9:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00
Julie	■									
Réjean										
Paul	■									
Anne			■	■						
Jane										
Sarah						■	■			
Cameron										
Jackson		■		■						
Allison							■	■	■	
Simon			■							

Decision 3

Flow Efficiency > Resource Efficiency

+

Visible Process Perform-ance

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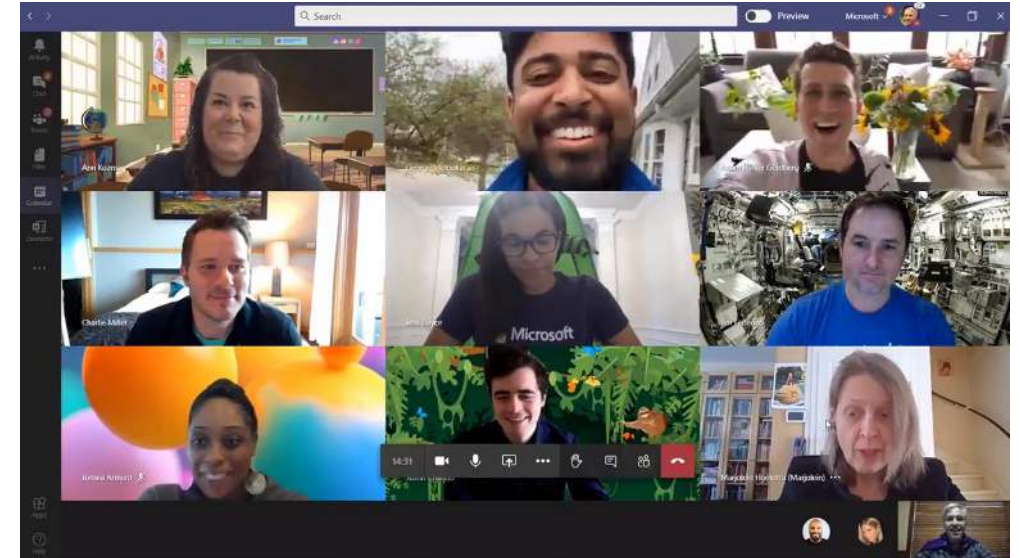
Huddle Meetings

10 minutes daily/regular tempo – stop the work and address:

- Since our last huddle:
  - What went well?
  - What didn't go well?
  - What should we do differently? Experiments to try.
- Follow up on action items
- Get everyone aligned on same page
- Deal with top topics:
  - Wellness
  - Today's priorities
  - Balance workload
  - Interruptions

Performance Measure:
The 10 minutes spent in the huddle adds more value to each participant than what they would have otherwise been doing with that same time.

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April 26, 2021

in list Meeting Notes and Reflections

LABELS

Meeting Notes +

Description Edit

What Worked Well

- UPS RFQ meeting went well - all stakeholder present - quickly identified outstanding issue and decided on course to resolve it and ended meeting early!

- Working meetings going really well, e.g. developing presentation

- Online Polling RFP - hitting the timeline spot on

- ERP for DSB - walked through RFS together, team working on, RFS for consultant to help develop scope for RFP in GCO review now. Meetings going faster now with Team.

- GSAM web development RFP upcoming

What Didn't Work Well

- Case Manager resource for ▓▓▓▓ lots of delay in evaluating - selected candidate declined, next highest dropped also, then 1st candidate wanted back in. Working with vendor to ensure resource committed.

- ▓▓▓▓ not responding on RFP for MS Prof Services. Sent to evaluators and ▓▓▓▓ requested evaluation kick-off meeting but not responding. Send an invite out and ask for other date if not convenient.

What Should We Do Differently?

- Run the whole presentation before debriefing

- If not getting response from client (▓▓▓▓), send invite with friendly note and get item on their calendar, they can propose other time if needed.

Action Items Delete

0%

Add an item

SUGGESTED

- 👤 Join

ADD TO CARD

- 👤 Members
- ◈ Labels
- ☑ Checklist
- 🕐 Dates
- 📎 Attachment
- 🖥 Cover

POWER-UPS

- + Add Power-Ups

BUTLER ⓘ

- + Add button

ACTIONS

- → Move
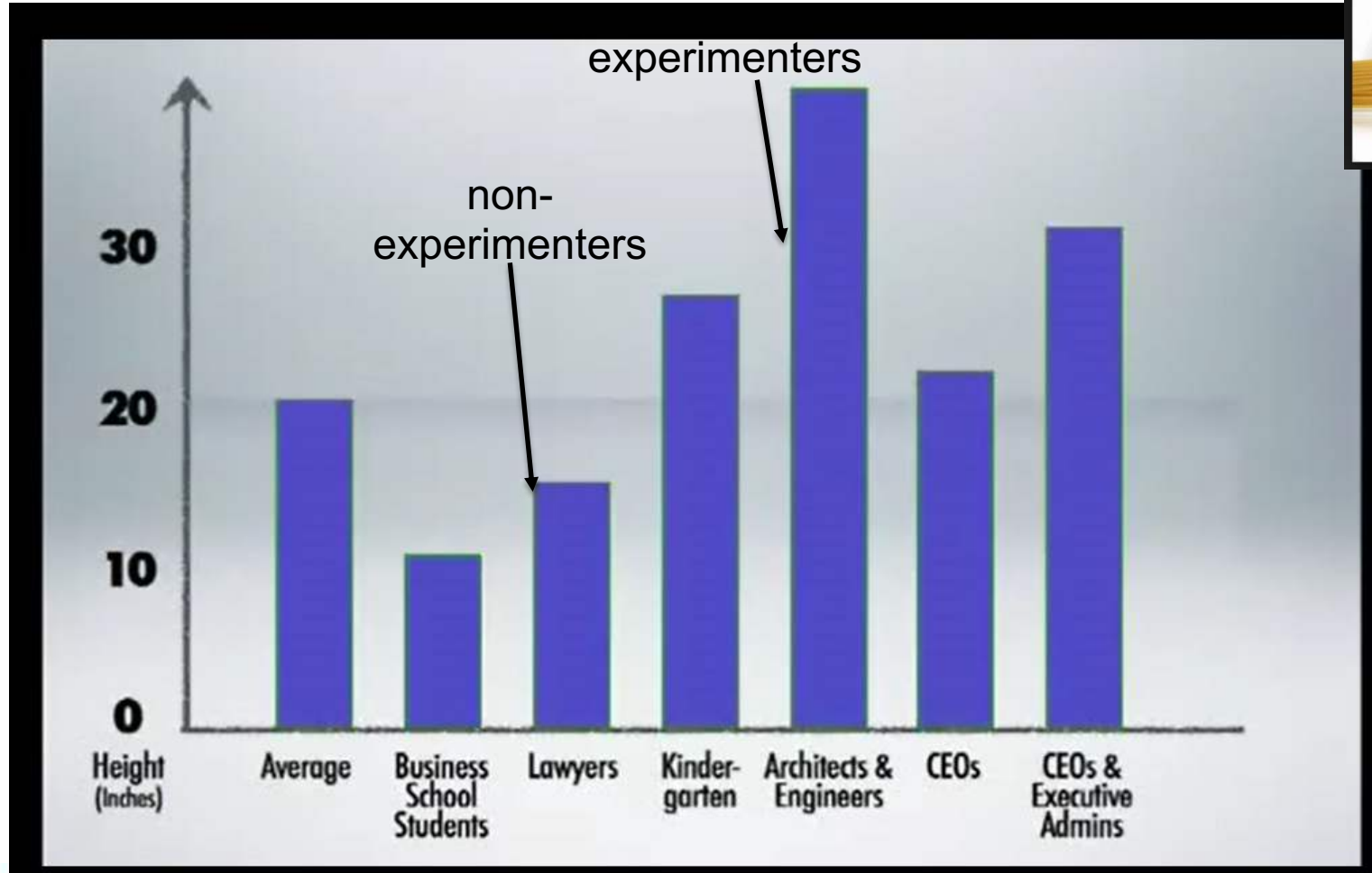- 🗐 Copy
- 🖥 Make template
- 👁 Watch
- 🗄 Archive
- ⤴ Share

MAXIMIZE BUY-IN

In the history of the world, nobody has ever washed a rented car.

- Larry Summers

Improvement Approach: Experiments. Why?

Three things you can do next

1. **Identify and Eliminate Worst Types of Failure Demand** to provide quick wins and free-up capacity
2. **Experiment with structured "One and Done" huddles** to create flow efficiency – faster, with less effort
3. **Experiment with a "project management" orientation** to get into calendars early, make roles and responsibilities clear, and progress visible

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Free One-Day *Introduction to Lean Procurement* Training

December 14, 2022 - 8:00-16:00 PT

Exclusive Event – maximum 25 participants, CIPMM attendees only.

Free for <u>first 25</u> to sign up at:
http://www.eventbrite.ca/e/275648842107/?discount=CIPMM2022

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