

The Procurement Office

Procurement Advisory Office

Procurement Training Office

The Art of Strategic Execution

Paul Emanuelli

Managing Director

The Procurement Office

paul.emanuelli@procurementoffice.com

416-700-8528

www.procurementoffice.com





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For further information please contact:
paul.emanuelli@procurementoffice.com



About the Author

Paul Emanuelli is the General Counsel and Managing Director of the Procurement Office. He was recognized by *Who's Who Legal* as one of the top ten public procurement lawyers in the world. His portfolio focuses on strategic governance in public purchasing and on negotiating high-profile major procurement projects. Paul has an extensive track record of public speaking, publishing and training. He is the author of *Government Procurement*, *The Laws of Precision Drafting*, *Accelerating the Tendering Cycle* and *The Art of Tendering*. Paul hosts a monthly webinar series and has trained and presented to thousands of procurement professionals from hundreds of institutions across North America through the Procurement Office and in collaboration with leading industry organizations, including NIGP, SCMA, the University of the West Indies, and Osgoode Hall Law School.

The Art of Strategic Execution

The Flawed Execution Fallacy

The “Flawed Execution Fallacy” assumes that public sector project failures can be blamed on project-level incompetence and inefficient institutional-level project management mechanisms. While partially true, this accounts for only 40% of the inherent risk factors that plague public sector procurement projects.

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Systemic Flaws and Mitigating Strategies

Drawing on the latest research from *The Art of Tendering: A Global Due Diligence Guide*, this presentation explains how systemic structural flaws caused by senior-level indecision, interference, and inadequate resourcing complete the five inherent risk factors that undermine major public sector procurement projects, while offering strategies for mitigating those inherent project risks.

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Recurring Failures

Project failures are typically caused by the inability to properly address inherently competing objectives. Project failures typically manifest themselves in one or more of the following ways:

1. failure to meet operational needs
2. failure to stay within budget
3. failure to deliver on time
4. failure to follow the process rules

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Defining Project Success

Based on these recurring risk areas, the definition of project success can be distilled into one simple question:

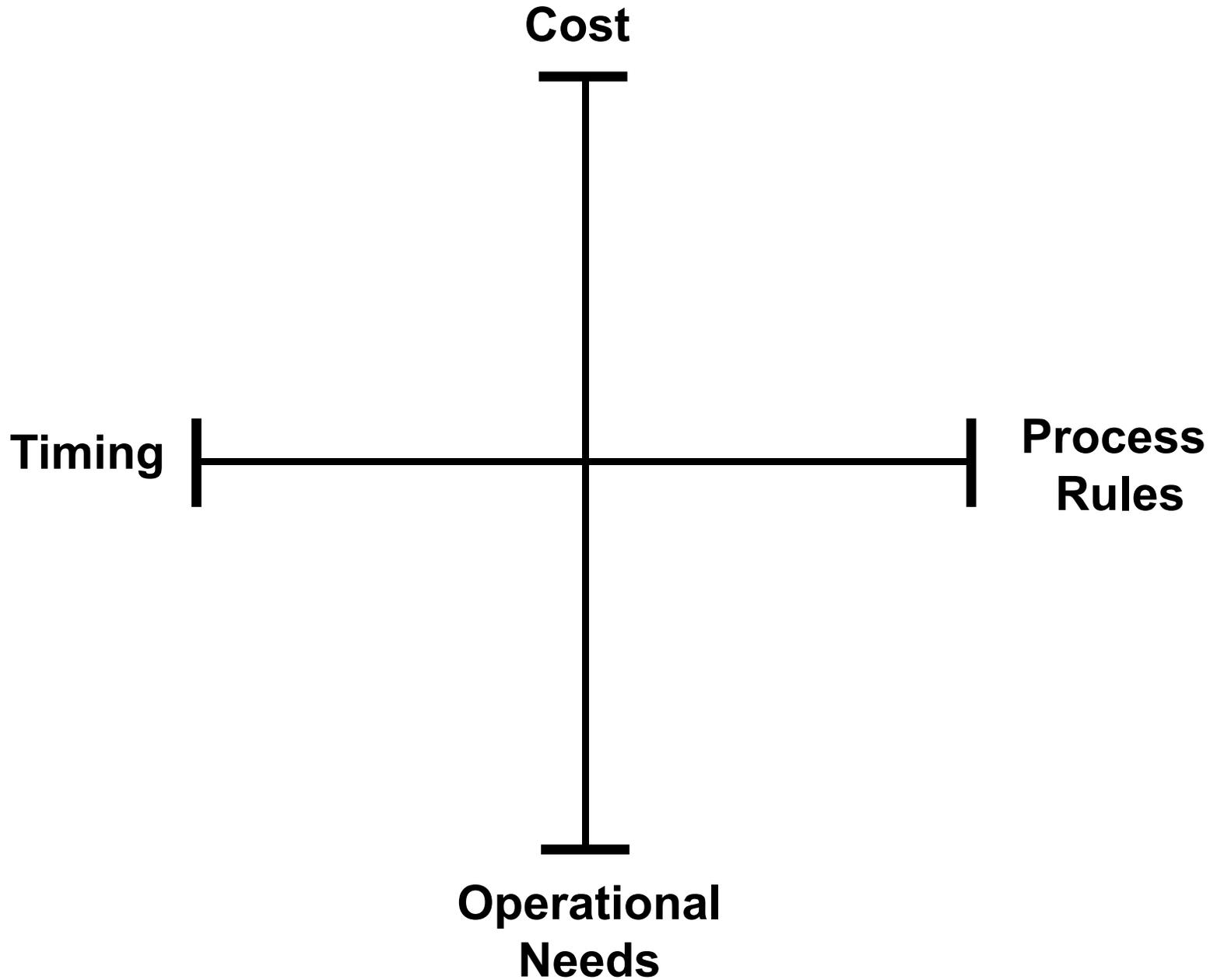
Did we buy what we need, on budget, on time and by rules?

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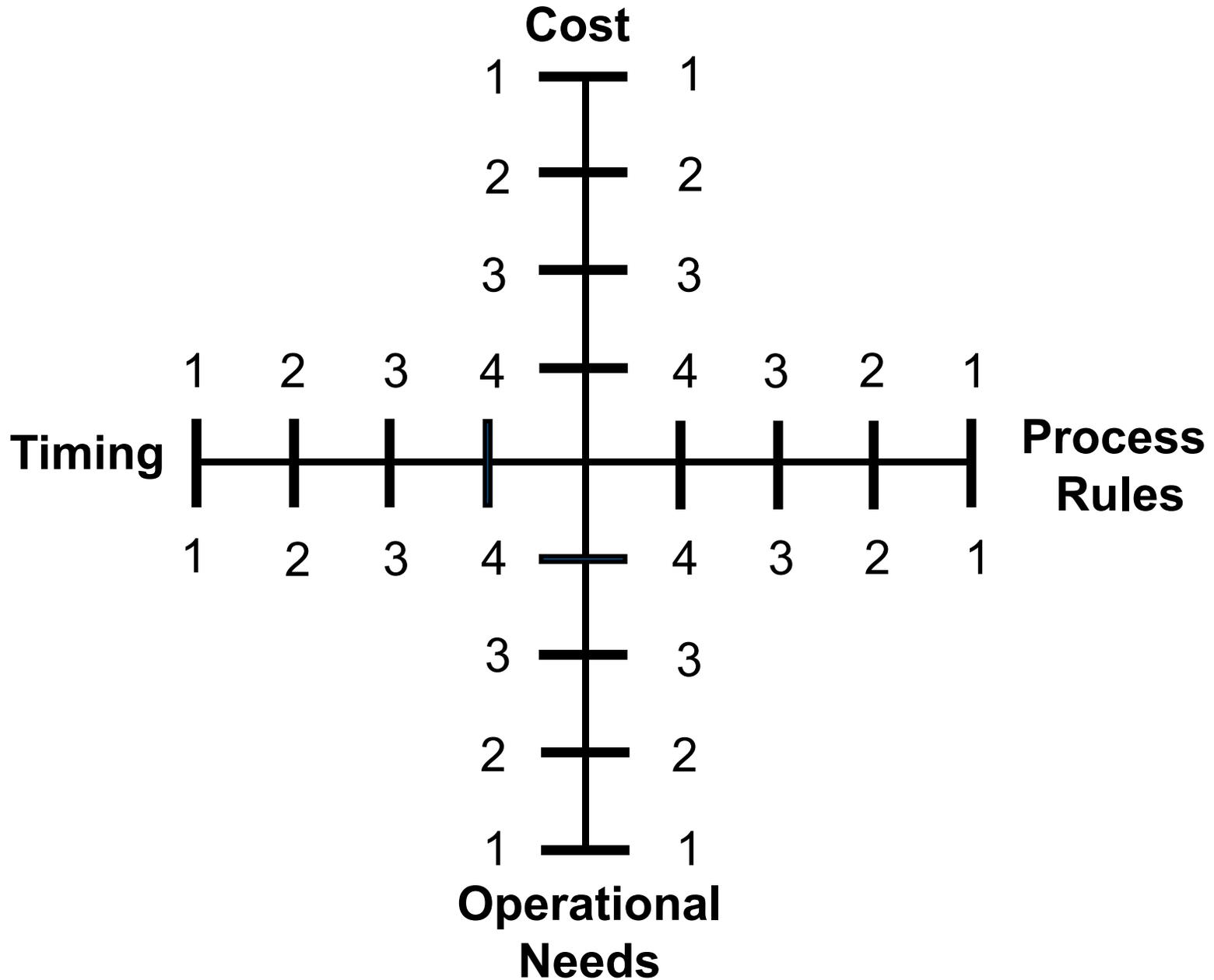
Defining Project Success to Guide Project Planning

Yet, without proactive planning, it is almost impossible to properly balance the inherent tension between operational needs, budgets constraints, time pressures and process rules. Project teams should therefore address all four of these major risk factors and use them as performance benchmarks for properly designing their project plans.

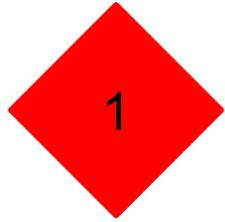
Project Scoring Grid



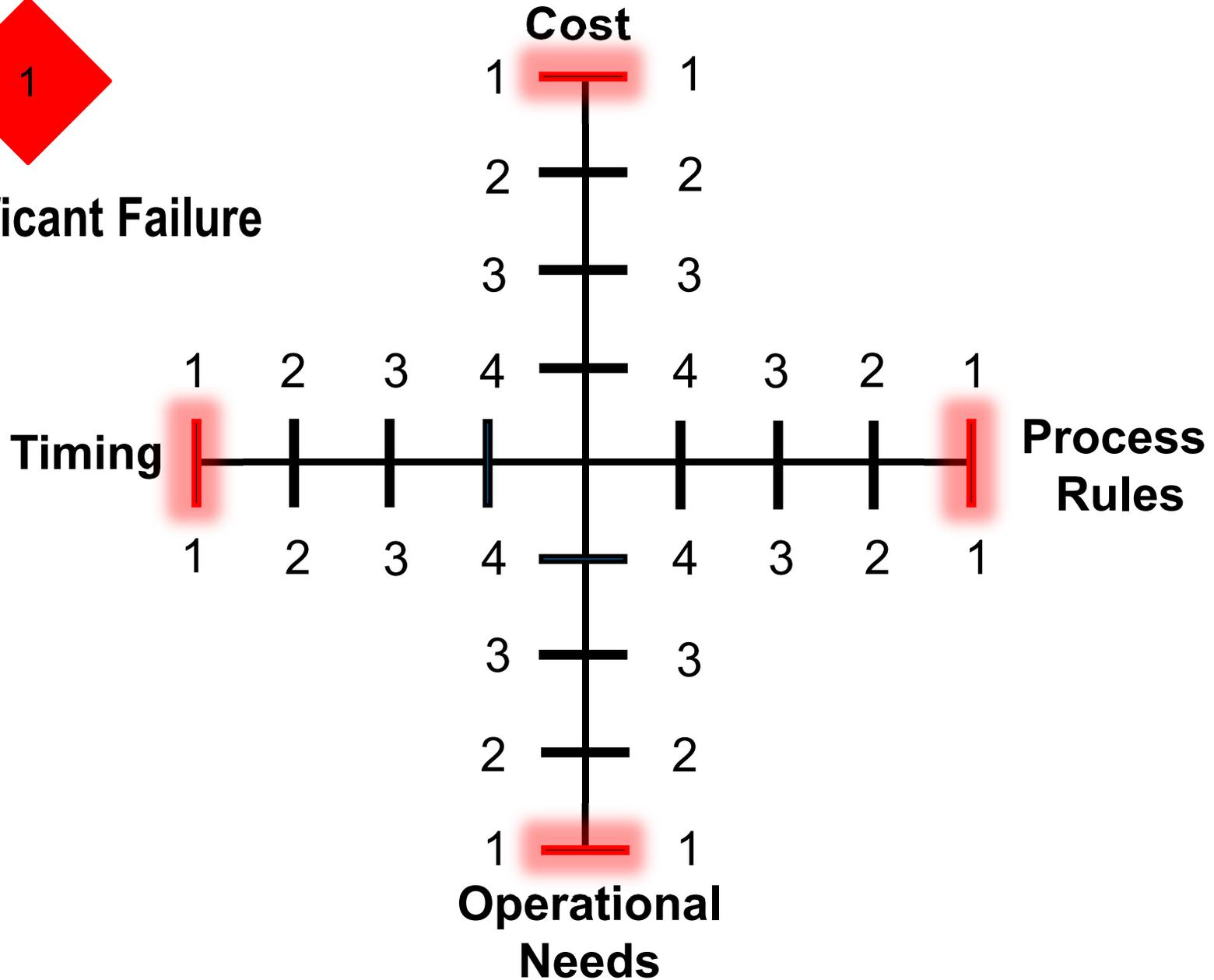
Project Scoring Grid



Project Scoring Grid



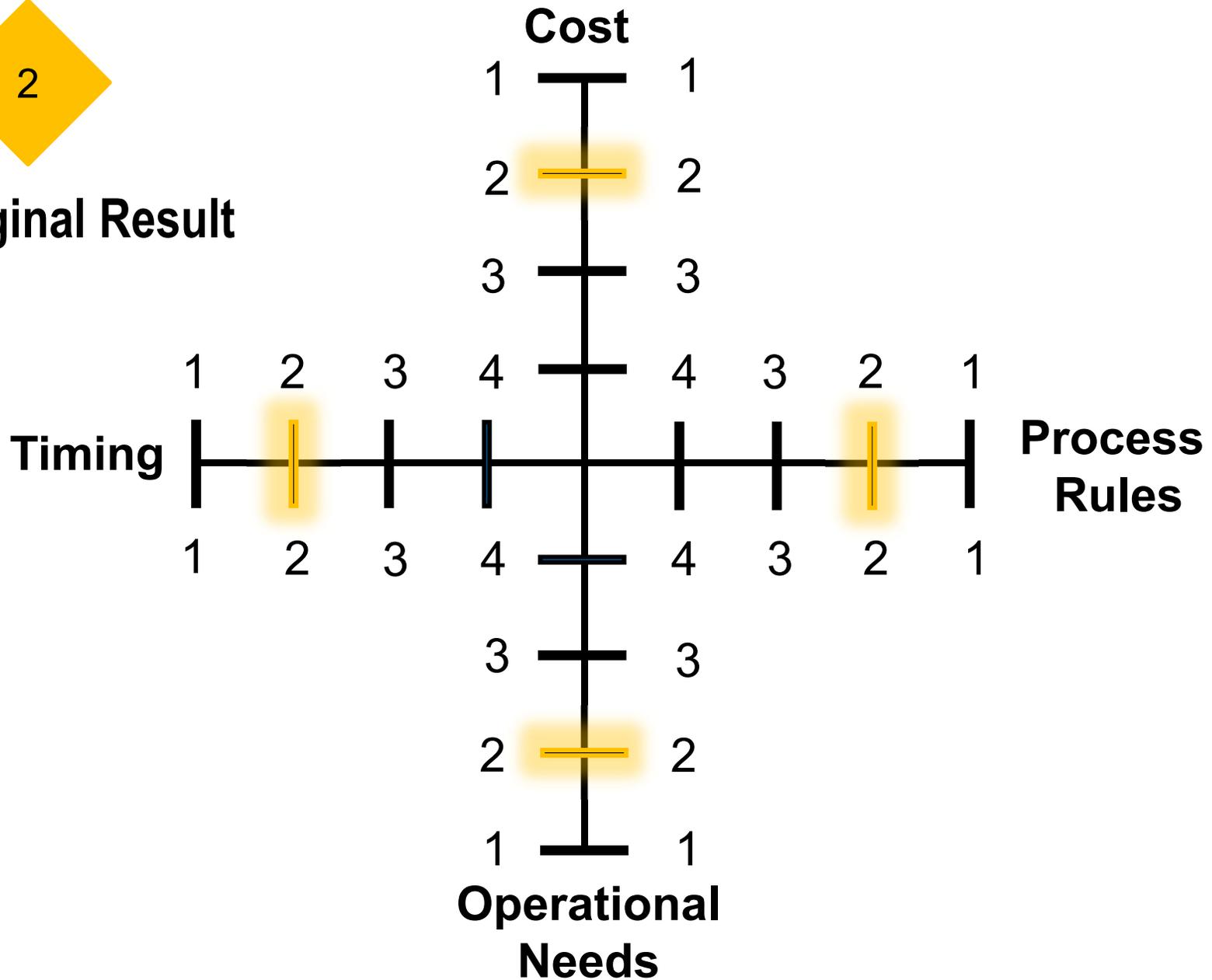
Significant Failure



Project Scoring Grid



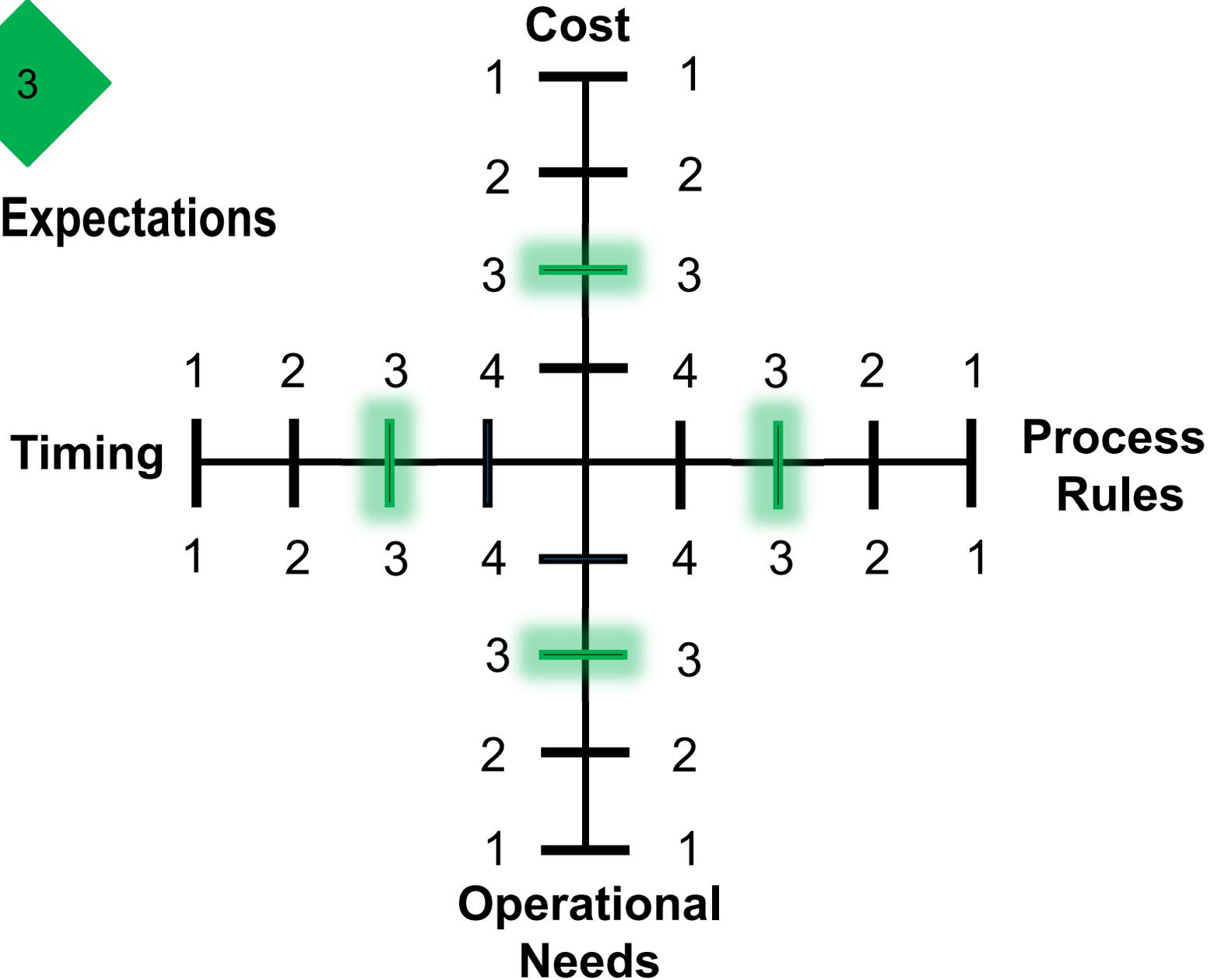
Marginal Result



Project Scoring Grid



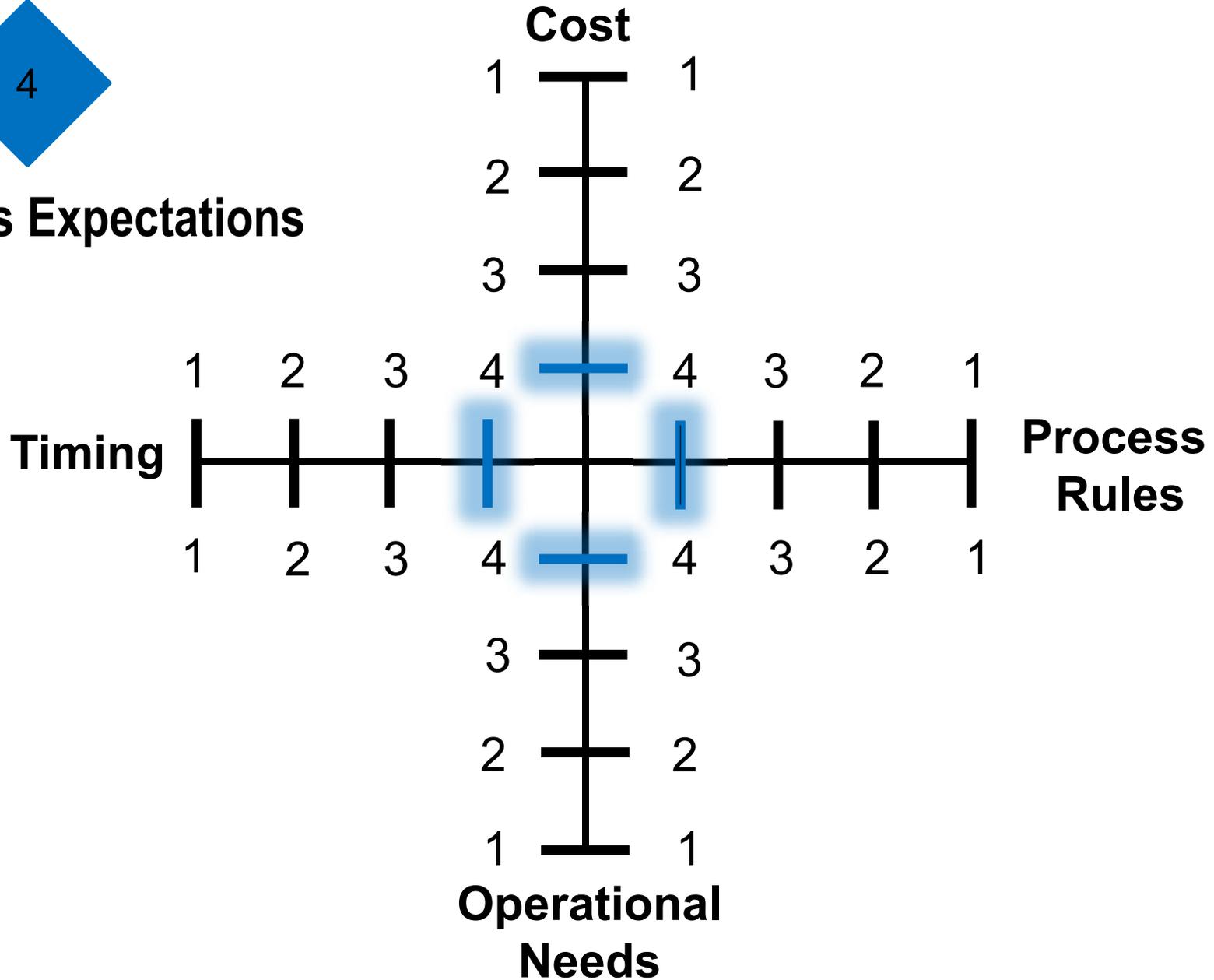
Meets Expectations



Project Scoring Grid



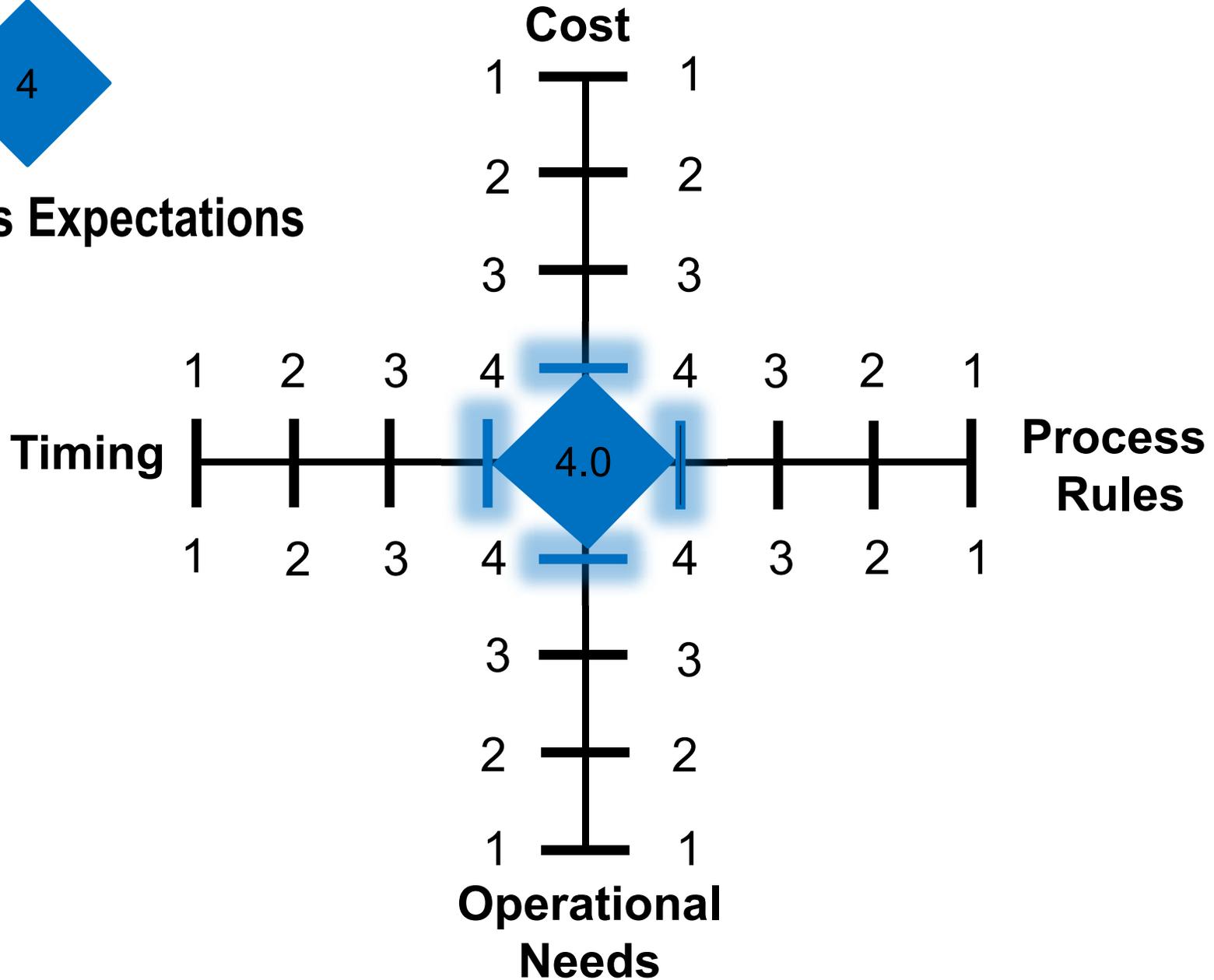
Exceeds Expectations



Project Scoring Grid



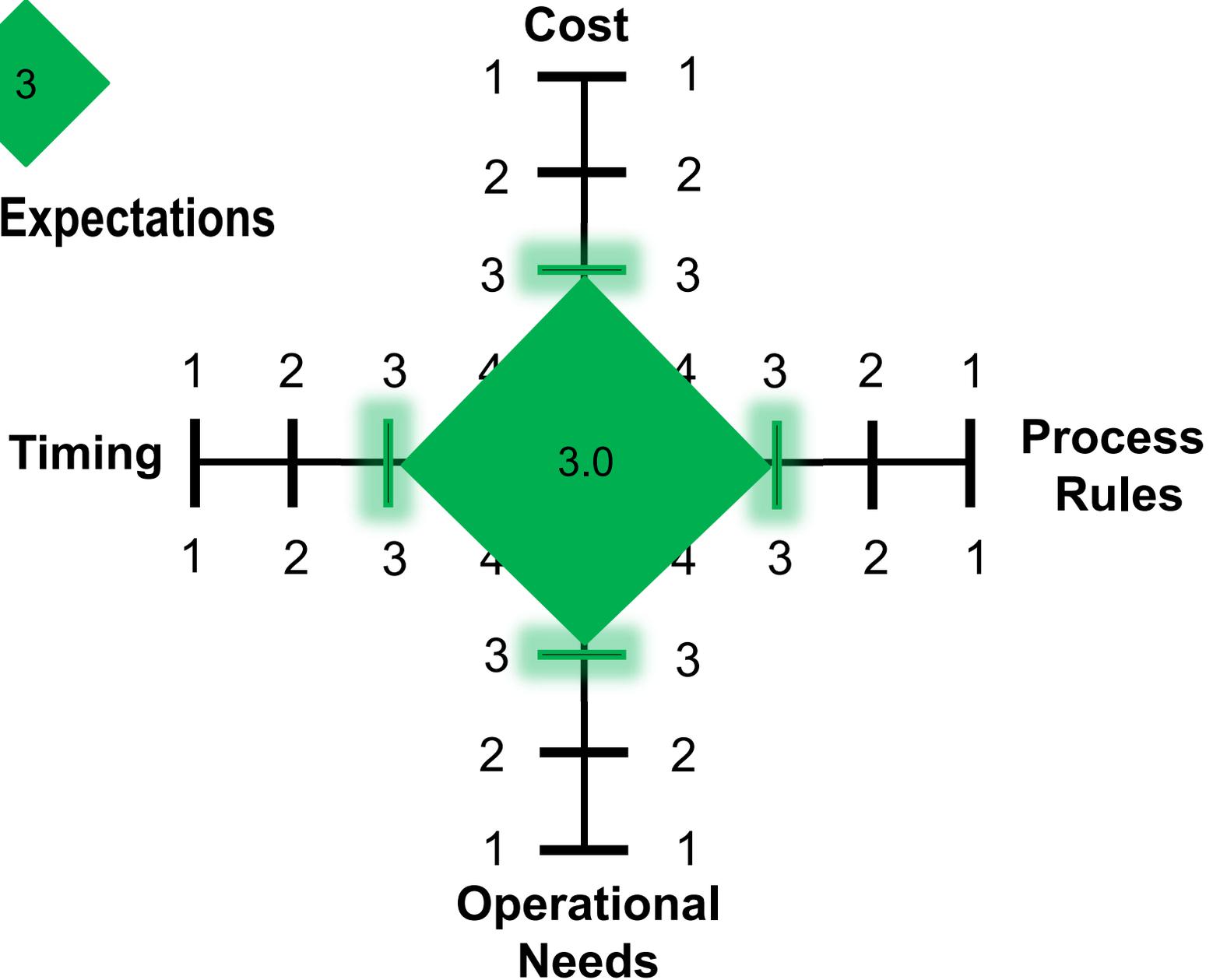
Exceeds Expectations



Project Scoring Grid



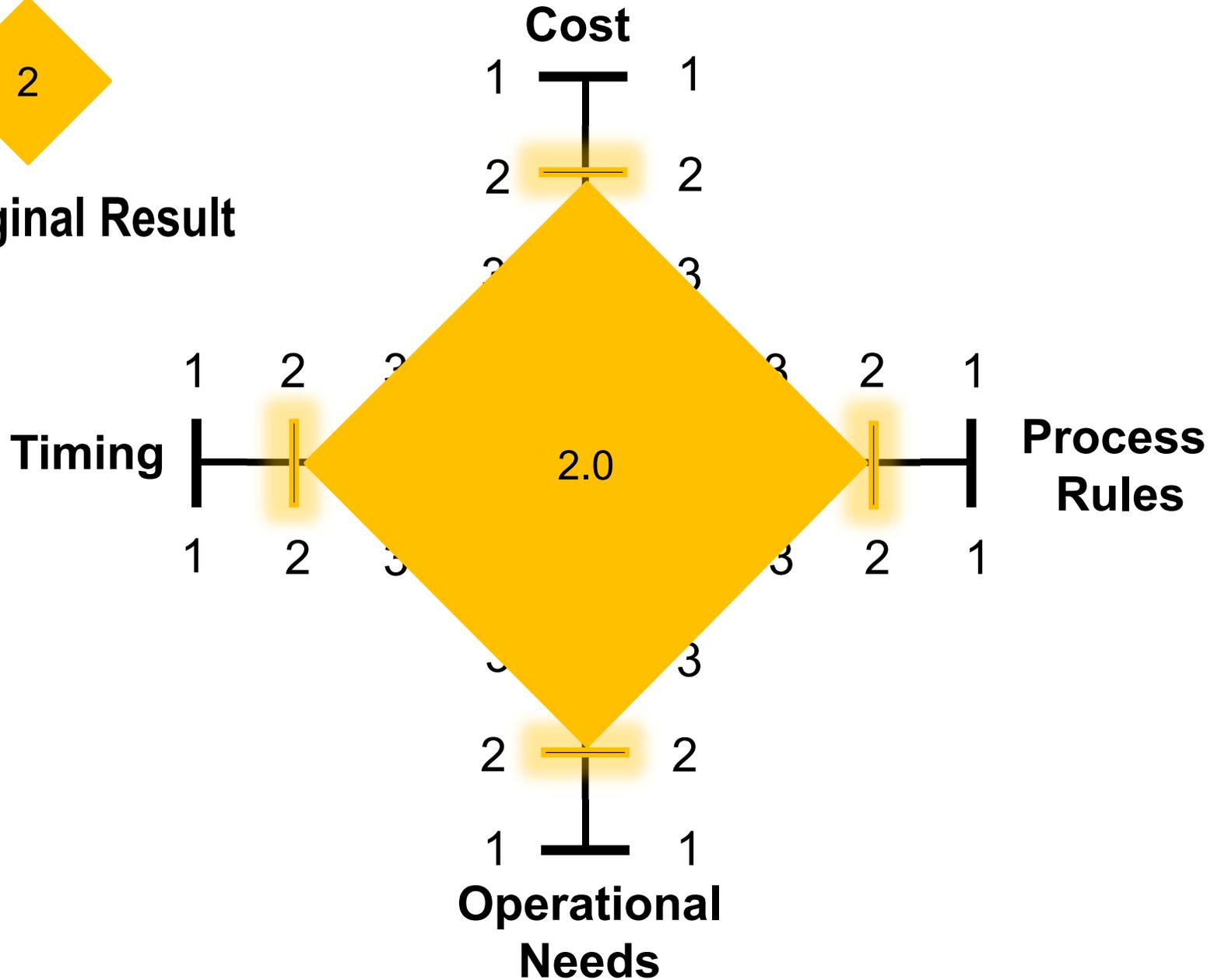
Meets Expectations



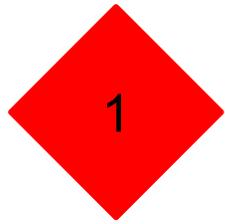
Project Scoring Grid



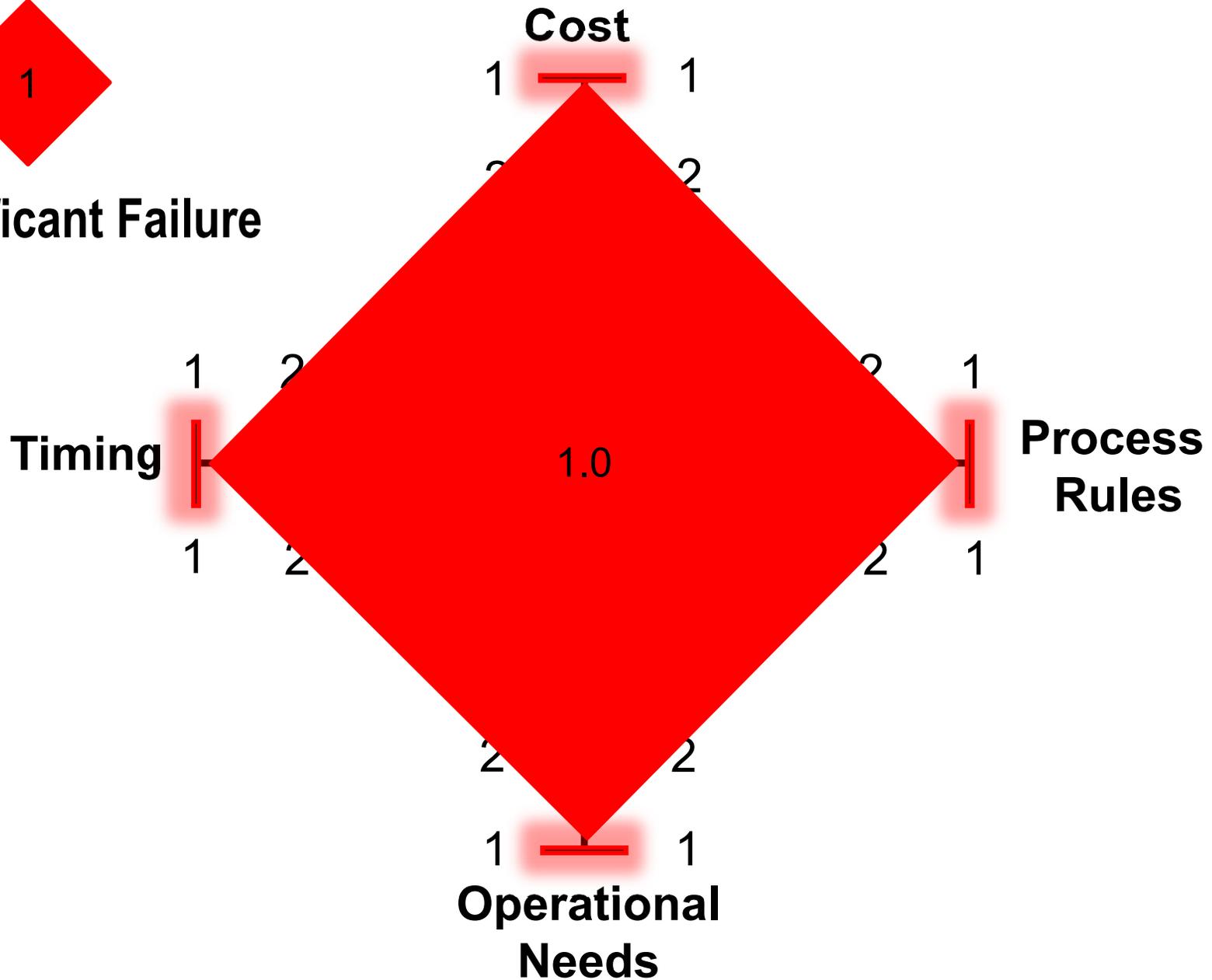
Marginal Result



Project Scoring Grid



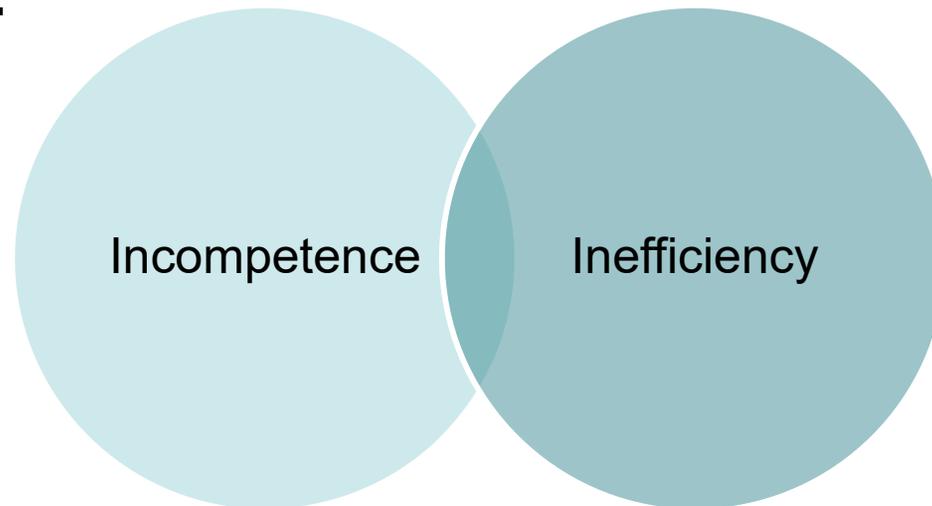
Significant Failure



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The Flawed Execution Fallacy

The Flawed Execution Fallacy assumes that public sector project failures can be blamed on project-level incompetence and inefficient institutional-level project management mechanisms.

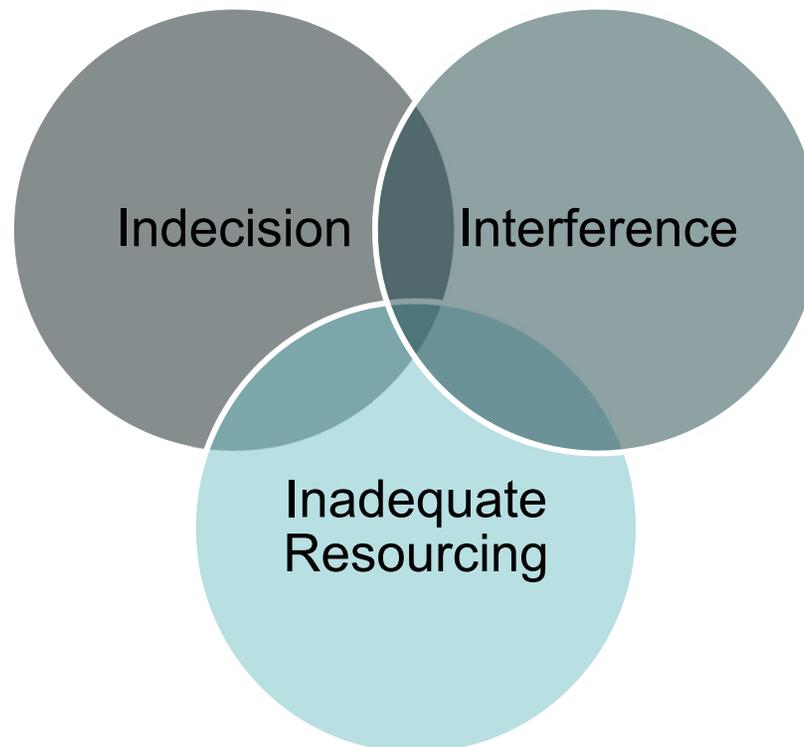


While partially true, this accounts for only 40% of the inherent risk factors that plague public sector procurement projects.

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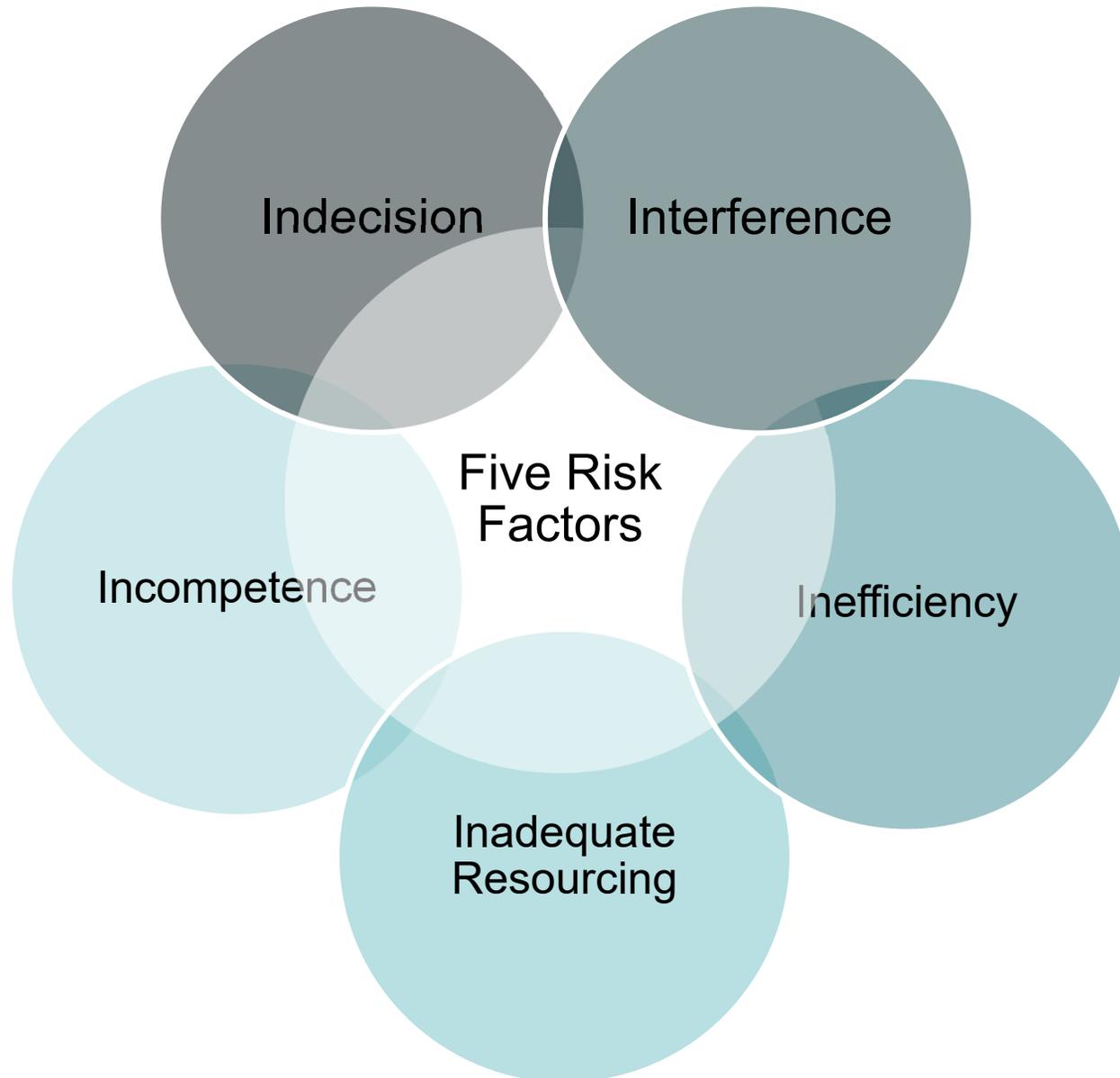
Systemic Structural Failings

Systemic Structural Flaws caused by senior-level indecision, interference, and inadequate resourcing complete the **Five Inherent Risk Factors** that undermine major public sector procurement projects.



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The Five Inherent Risk Factors



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Adopting a Procurement-Centric Approach

If they want to deliver procurement projects with speed and precision, public institutions need to take a procurement-centric approach to business process improvement. That process improvement should integrate strategic planning at the start of each project and apply proper project management practices to solicitation drafting, bid evaluations, and contract award negotiations.

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Adopting a Procurement-Centric Approach

This discussion explains how purchasing departments can overcome institutional misconceptions and technological assimilation, and build real business process change that embeds strategic execution into the front end of the procurement cycle.

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Advocating for Strategic Procurement

Strategic procurement advice should inform the business planning decisions that drive project scoping, pricing structures, and contract development strategies. That advice should also inform the procedural transparency standards that define defensible evaluation criteria and award procedures. To meet these standards, public procurement advisors need to integrate themselves into the start of the project to advise on initial strategic design planning.

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Advocating for Strategic Procurement

However, due to deeply engrained institutional misconceptions, procurement departments are typically not viewed as strategic partners in the planning process and this leads to significant lost opportunities. Project teams tend to cut procurement advisors out of strategic discussions, viewing procurement departments as, at best, tactical and operational service providers and, even worse, clerical cogs who create bureaucratic barriers to project success.

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Advocating for Strategic Procurement

After being cut out of strategic discussions, those same procurement advisors are then asked to execute on flawed strategies and are often blamed when projects fail. This then re-enforces the decision to exclude them from the strategy table on the next project. Procurement departments need to stop this cycle of failure by advocating for the implementation of strategic procurement within their organizations.

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Avoiding Assimilation

In recent years, public institutions have drifted into the enterprise-wide automation of their business operations. These “end-to-end” initiatives do not end well for procurement departments, since generic business automation typically traps procurement advisors into their stereotypical roles as clerical cogs in an underperforming procurement machine.

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Avoiding Assimilation

These generic automation exercises impede strategic execution since mass-produced software platforms were never designed to meet the unique challenges of public procurement. Those public institutions that depend on external supply chains to deliver their broader public mandates make a massive strategic error when they assimilate their procurement processes into generic software applications, since this reduces procurement to a clerical, non-strategic procedure. This assimilation is an exercise in futility.

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Avoiding Assimilation

Since strategic procurement was never in the DNA of mass-produced business process software, no number of costly configurations and customizations will overcome the defects in the original source code. At best, these generic “business process improvement” exercises can placate procurement departments with minor and marginal improvements to the flawed standard business processes embedded in the applications. Rather than tinkering with these marginal improvements, procurement departments should resist this software assimilation and champion the change to strategic procurement.

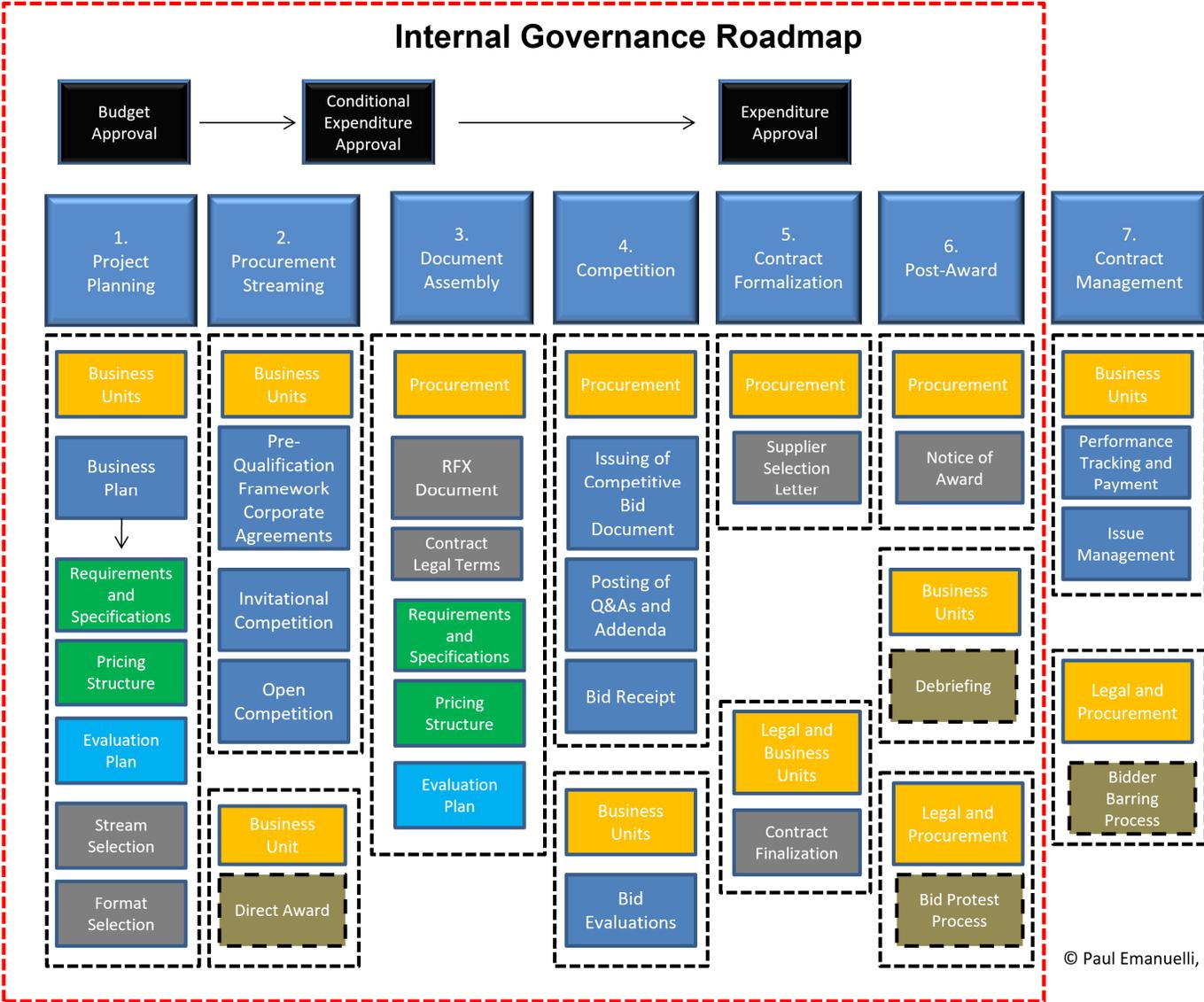
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Avoiding Assimilation

For public procurement, real business process improvement means that outdated procurement processes need to be torn down, rebuilt, and rebooted. This requires a top-down mandate that enables the creation of a new operating system powered by procurement-centric business process improvement priorities. Once the procurement process is properly redesigned to enable strategic execution, then different smart procurement technologies can be leveraged along the critical project path.

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Front-End Execution



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95/5 Rule

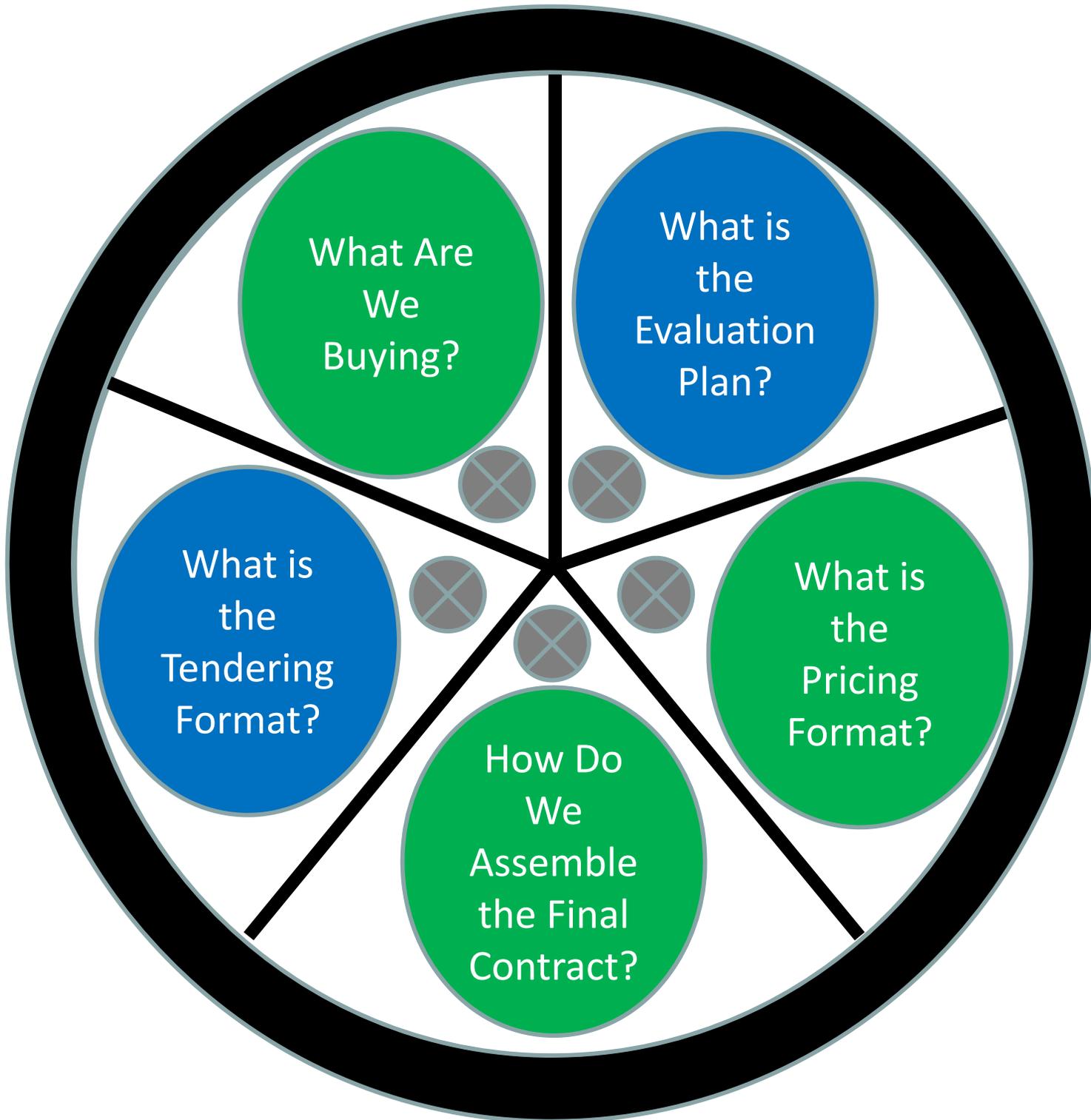
To increase project success rates, procurement advisors need to embed themselves early with project teams to manage internal approvals, define roles, and develop solid project plans using the “95/5 rule” of procurement planning.

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95/5 Rule

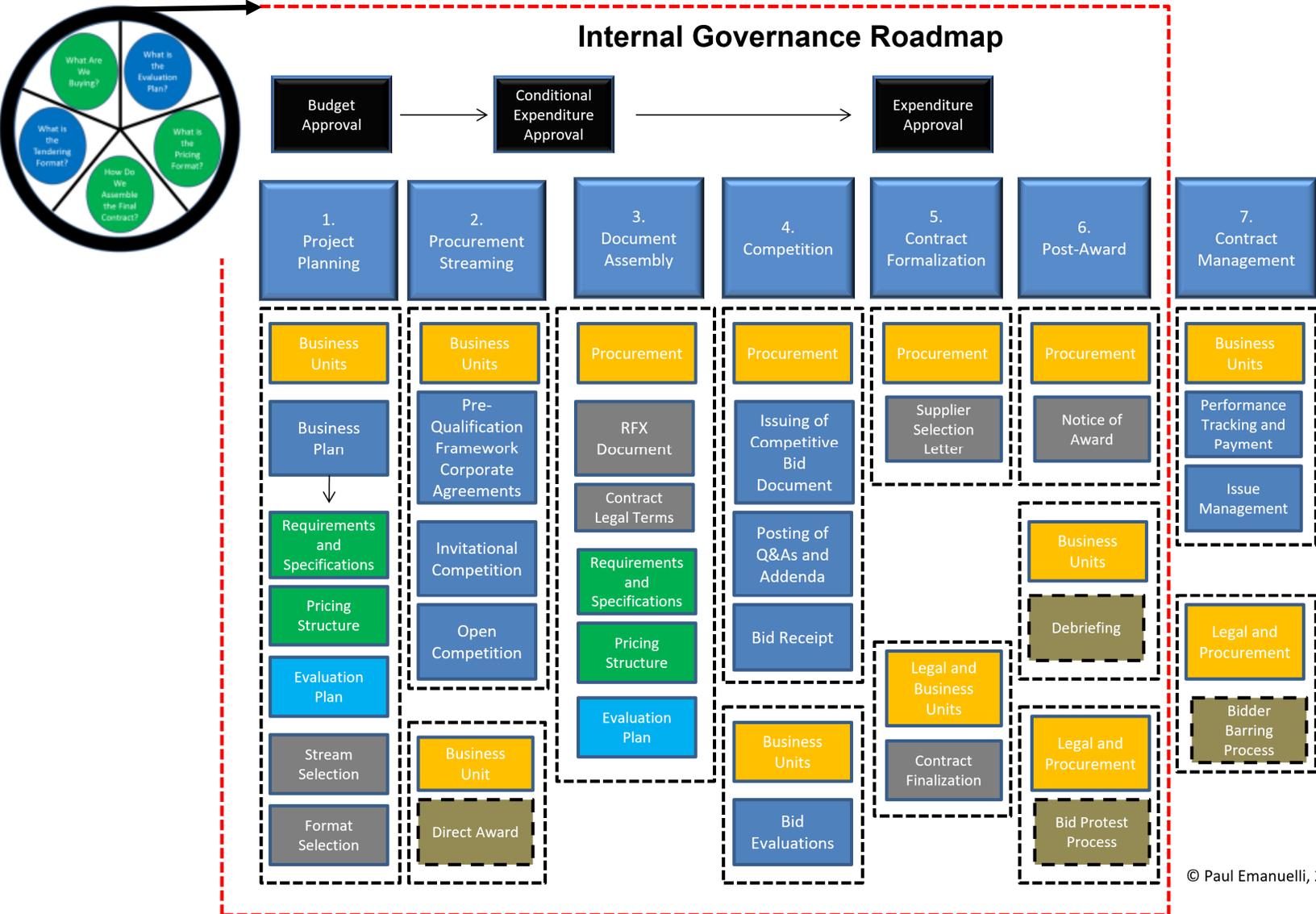
The “95/5” rule recognizes that ninety-five percent of procurement failures are caused by the failure to properly address the five core design elements of project planning:

1. scoping of requirements;
2. pricing structures;
3. evaluation criteria;
4. contract format; and
5. tendering format.

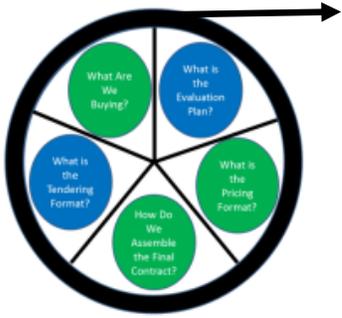


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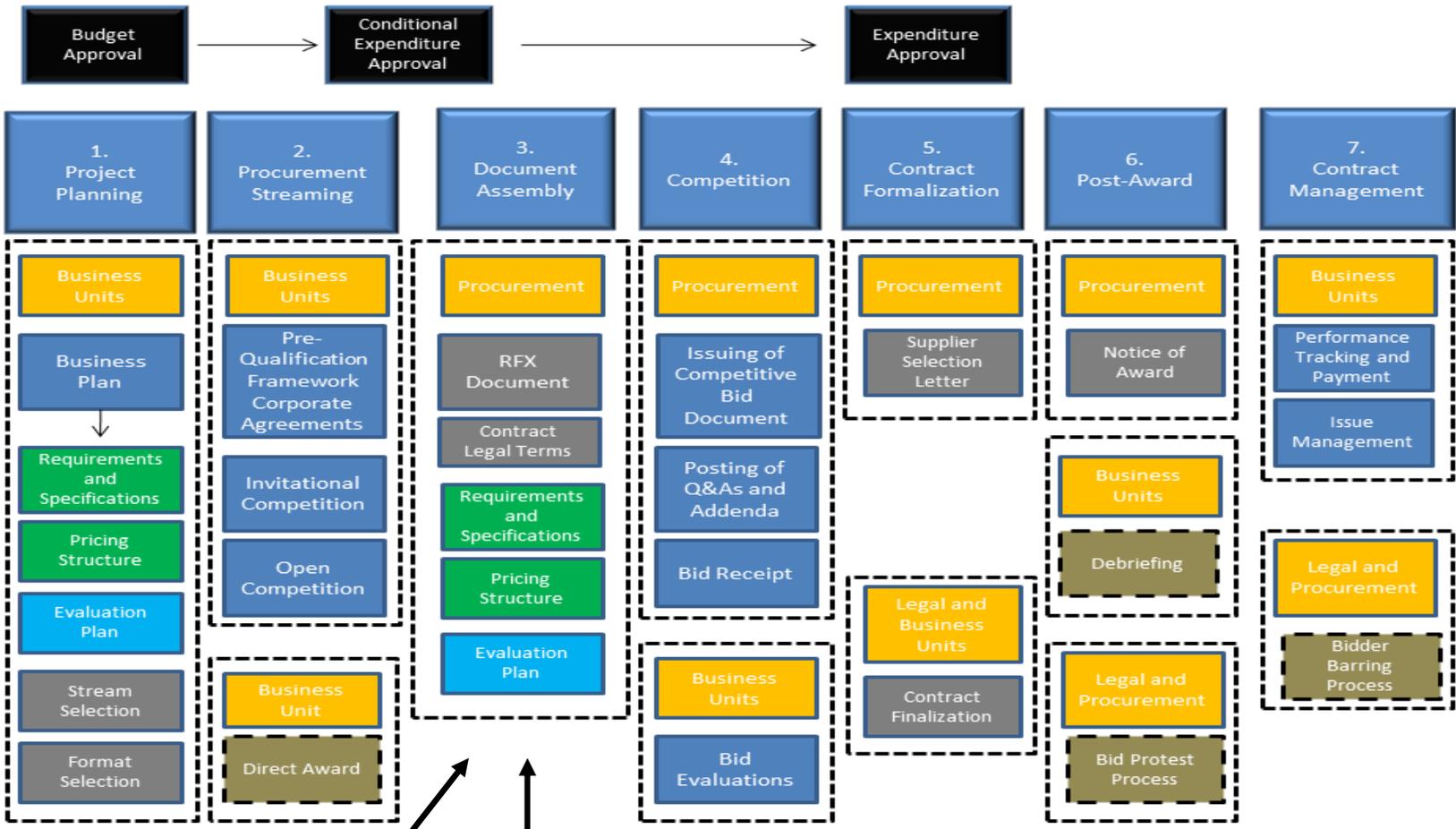
Integrating 95/5 Design Planning



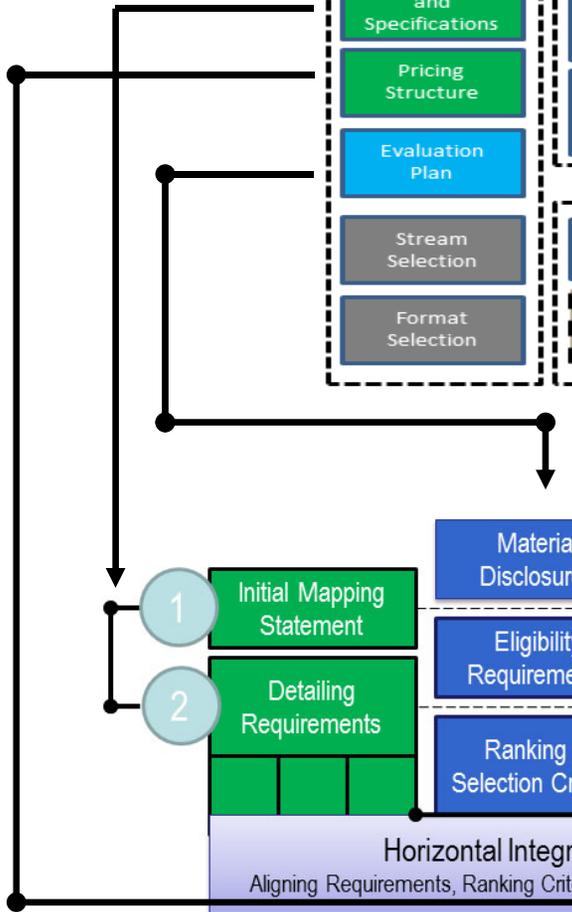
A. Design



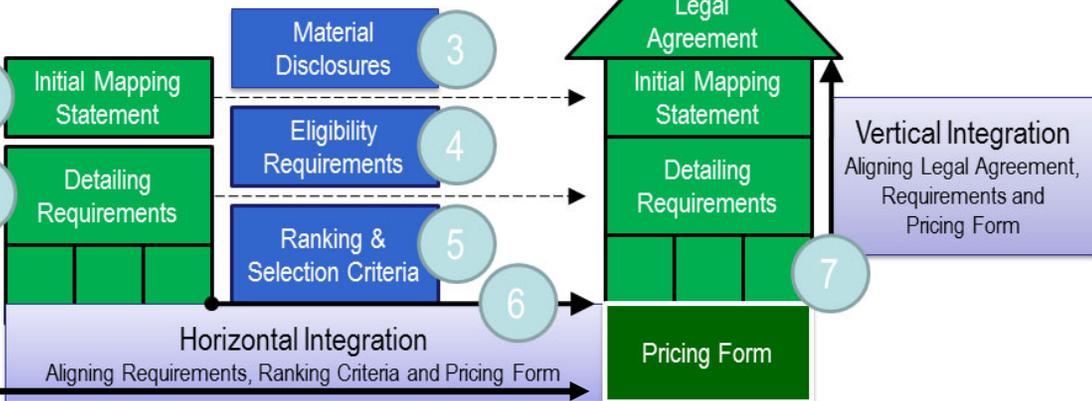
Internal Governance Roadmap



B. Drafting



C. Assembly



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Leveraging Project Management Disciplines

While project management principles may already be applied on some public sector projects at the post-contract award stage of the procurement cycle, by that point it is too late to make a strategic impact. To enable front-end strategic procurement, public institutions need to execute an institutional rapid action plan that redesigns internal business processes and embeds a culture of project management from the outset of a project. This means mandating strategic execution in the designing and drafting of solicitation documents, in the bid evaluation process, and in the negotiation of contract awards.

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Leveraging Project Management Disciplines

These front-end stages can then be divided into separate sub-projects. Each sub-project should have a specific project manager that organizes each sub-stage and coordinates activities along the critical path, since someone needs to lead project teams through each stage and navigate any external factors that are blocking the road to contract award. This allows procurement advisors to be engaged from the start of a project so they can provide the strategic advice needed to accelerate downstream execution, while also adding enough float time to deal with unforeseen delays.

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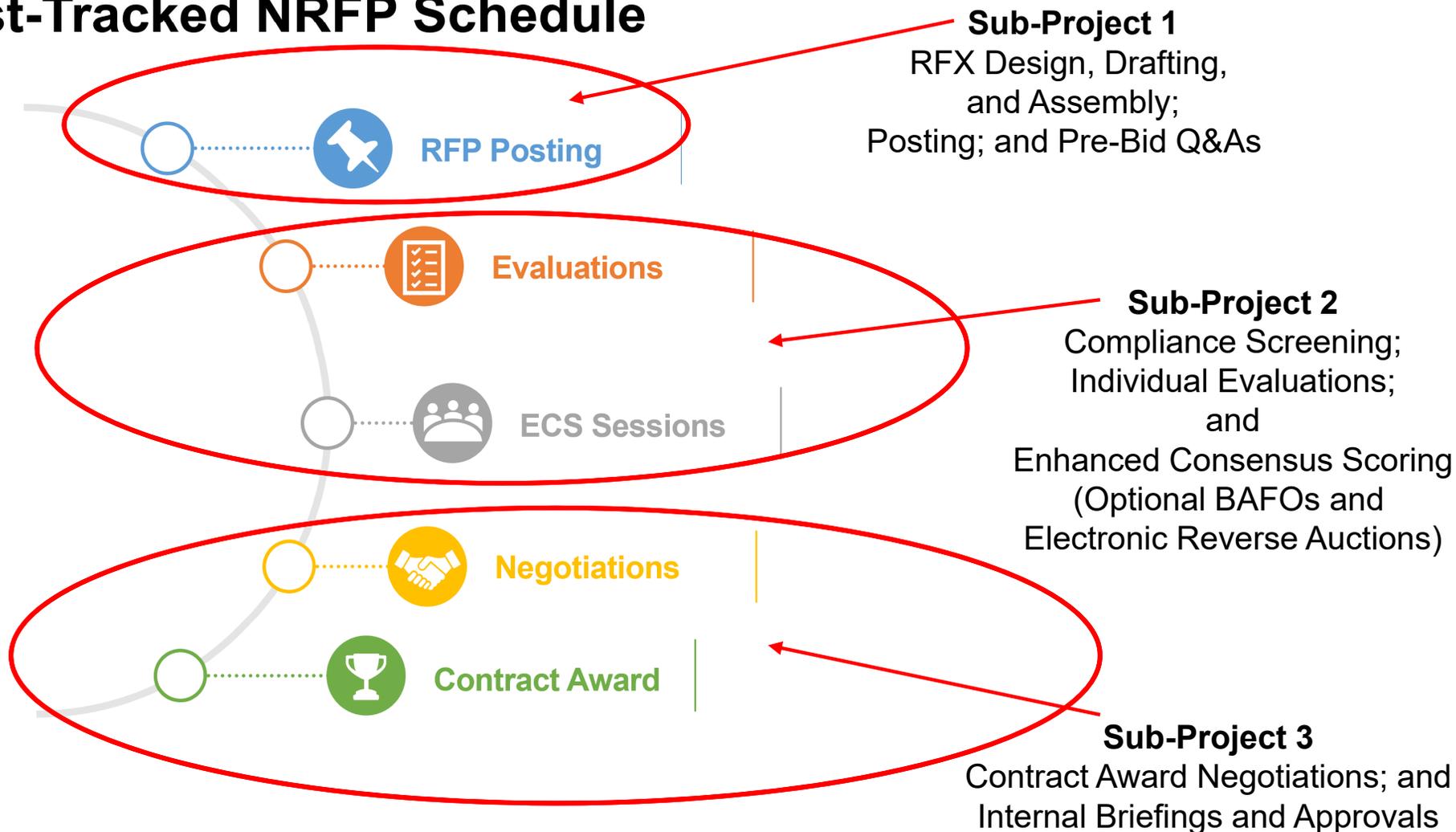
Leveraging Project Management Disciplines

Project leads can then manage the free float and make tactical decisions on how to spend their extra buffer time during solicitation drafting, bid evaluations, and contract negotiations when delays are encountered. This strategic planning is critical to success, since starting a project with no strategic design plan and no float time sets a project up to fail before it even begins. By building winning conditions along proper business process paths, the science of time management enables project teams to practice the art of strategic execution.

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Leveraging Front-End Project Management Discipline

Fast-Tracked NRFP Schedule



Sub-Project 1
RFX Design, Drafting,
and Assembly;
Posting; and Pre-Bid Q&As

Sub-Project 2
Compliance Screening;
Individual Evaluations;
and
Enhanced Consensus Scoring
(Optional BAFOs and
Electronic Reverse Auctions)

Sub-Project 3
Contract Award Negotiations; and
Internal Briefings and Approvals

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Electronic Bid Submissions

While most organizations have already automated their solicitation posting procedures, many remain mired in paper-based bid submissions and need to migrate to electronic bid submissions as quickly as possible for three reasons:

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Electronic Bid Submissions

1. paper-based bids require longer trade treaty posting periods and therefore waste precious time in your procurement cycle;
2. paper-based bids block the significant downstream process improvements gained by using electronic bid evaluation tools to score proposals; and
3. paper-based bids block the electronic reverse auction platforms which, if properly used, can cut 20% or more from traditional one-shot bid prices.

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Evaluations

Most project team members lack the skill and experience required to properly manage evaluation complexities and meet evaluation due diligence standards. Control over evaluations should therefore reside with the team's procurement advisors, who should apply enhanced consensus scoring techniques to streamline and improve the evaluation process.



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Evaluations

By focusing on outlier scores during group evaluation meetings, evaluation teams can avoid wasting time in redundant line-by-line reviews of scores that already fall within acceptable scoring ranges. While spreadsheets are typically used to deal with group evaluations, these antiquated applications are slow and prone to human error.



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Evaluations

Deploying procurement-centric bid evaluation platforms allows for the superior coordination and acceleration of group evaluations and creates better records for downstream negotiations, debriefings, audits, and bid-protest challenges.

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Negotiations

Moving to contract awards, the proliferation of negotiated RFP formats has put a premium on procurement advisors who can lead project teams in closing complex commercial deals. To compress timeframes while maximizing negotiated gains, project teams need to move beyond standard negotiation theory and leverage deeper strategic, tactical, and operational principles from game theory, sports analytics, and military strategy.



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Negotiations

Managing multiple rapidly moving pieces during contract award negotiations calls for a procurement-centric application of business improvement principles to avoid freestyling and coordinate the negotiation team within project management disciplines.

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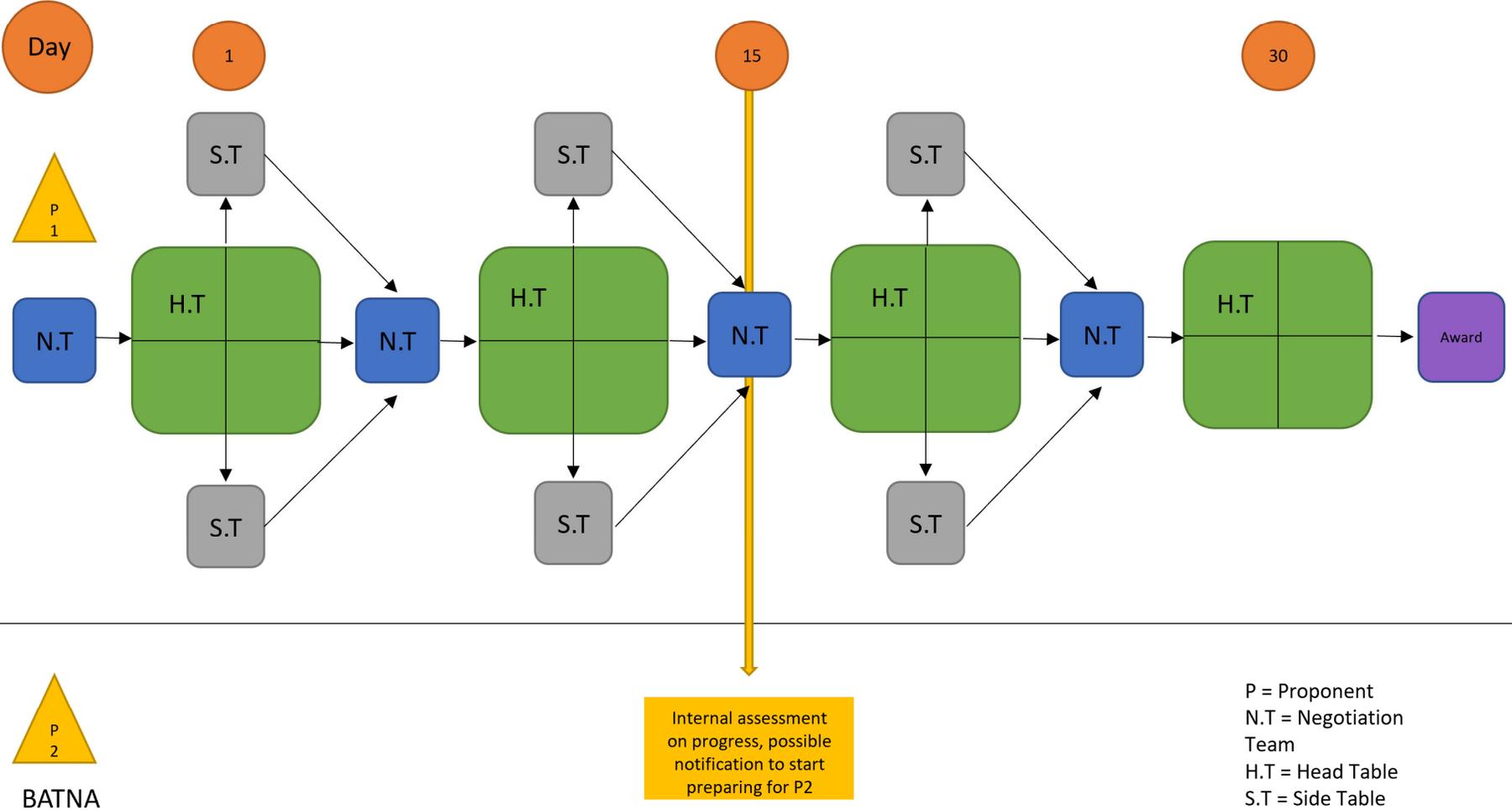
Contract Awards

Maximizing your returns during negotiations also requires the tight tactical use of scheduling and meeting platforms so you can connect purchaser and supplier negotiating teams across multiple time zones to quickly close your deals within the rapidly expanding global supply chain. Maximizing the speed and precision of the front-end procurement stages will help you hot launch project teams to higher levels of strategic execution while accelerating your tendering cycles.



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Contract Award Negotiations



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Hot Launching Your Major Projects

With the right leadership, procurement departments can bring real business process improvement to the procurement cycle and embed the project management disciplines necessary to launch projects on a trajectory to successful contract performance.

Available for Pre-Order

The Art of Tendering: A Global Due Diligence Guide

The Art of Tendering: A Global Due Diligence Guide is the third installment in a trilogy of practical procurement manuals written by Paul Emanuelli. Prepared exclusively in eBook format, this new work spans over 1,000 pages covering leading public procurement practices from a global perspective in the areas of institutional governance, project governance, tendering formats, document drafting, bidding risks, contract management, training, and innovation.

Featuring brand new content from his most recent research, along with updated content incorporated from *Accelerating the Tendering Cycle* (2012, 271 pages) and *The Laws of Precision Drafting* (2009, 190 pages), this new publication serves as a comprehensive consolidation of Paul Emanuelli's leading research and best practices.

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Want more information? Subscribe to our newsletter for updates or contact us.



Live Online Learning

Our Live Online Learning program can be provided to larger groups. Organizations interested in live online learning should contact us for more details.



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Larger groups that are interested in live training in-house with Paul Emanuelli should contact us for more details.



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Case of the Year

February 13, 2019 @ 1:00 pm - 2:00 pm EST



Why Procurement Projects Fail

March 20, 2019 @ 1:00 pm - 2:00 pm EDT



After the Deal is Done

April 24, 2019 @ 1:00 pm - 2:00 pm EDT



Debarment Disputes

May 22, 2019 @ 1:00 pm - 2:00 pm EDT

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For more information please contact:

Paul Emanuelli

Managing Director and General Counsel
Procurement Office

paul.emanuelli@procurementoffice.com

416-700-8528

Marilyn Brown

Senior Counsel

Procurement Office

marilyn.brown@procurementoffice.com

416-700-8531

Heather Baker

Senior Procurement Advisor

Procurement Office

heather.baker@procurementoffice.com

416-700-8537

Julia Mills

Senior Procurement Advisor

Procurement Office

julia.mills@procurementoffice.com

416-700-8530

www.procurementoffice.com