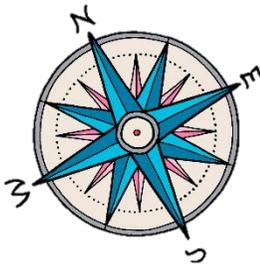# Agility in IT Procurement

MARKET ADAPTABILITY AND CUSTOMER SATISFACTION IN AN EVOLVING PROCUREMENT ENVIRONMENT

Today's Panelists

- Dave Meyer

Director, Technical Architecture and Project Management (DOA)

- Jim Schumann

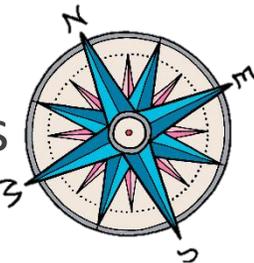Information Technology Management Consultant (DOC)

- Neeraj Kulkarni

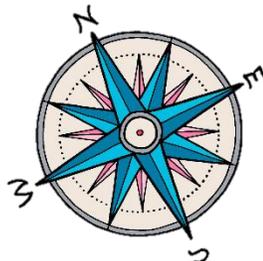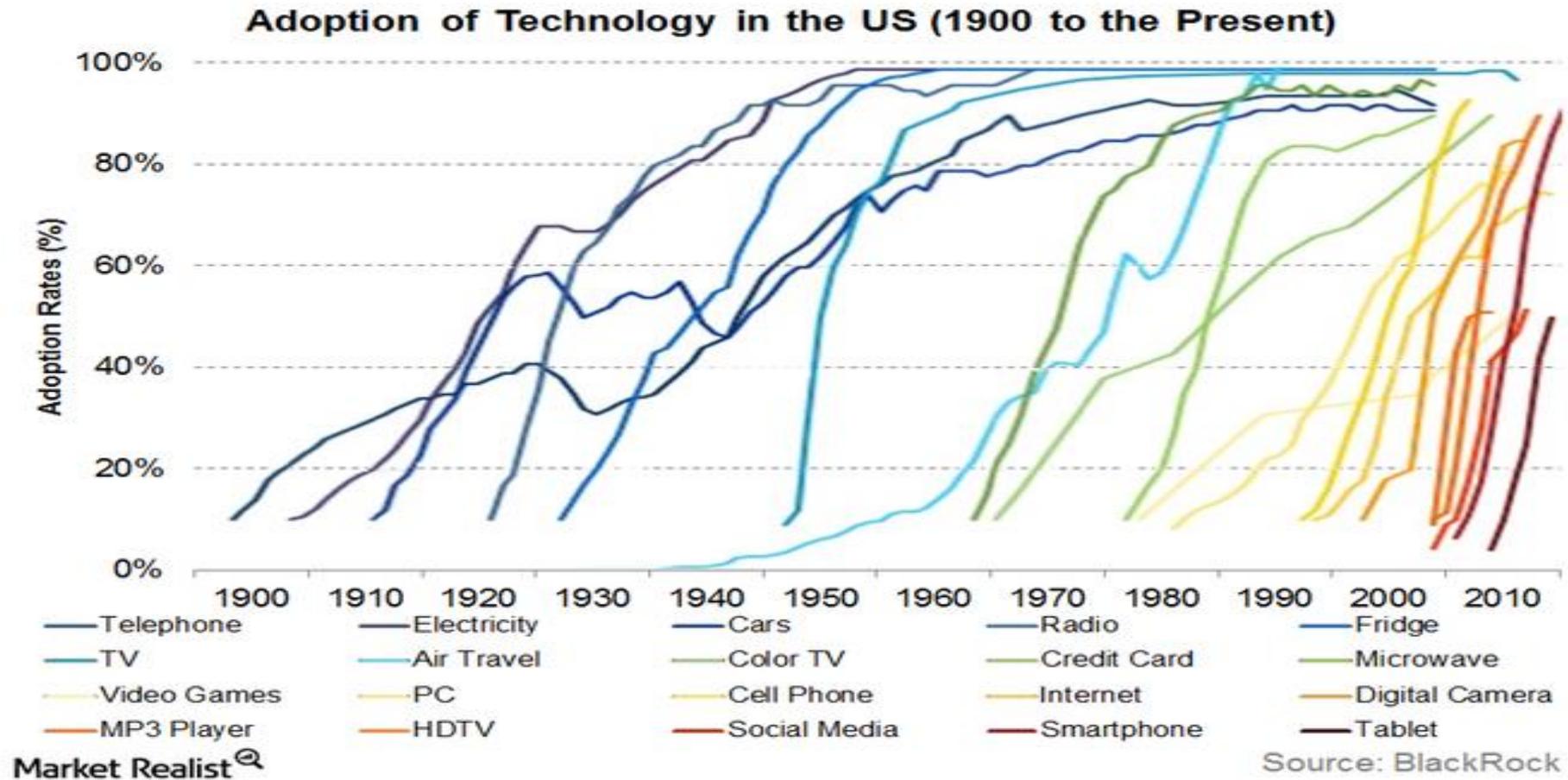Director, Application Services Bureau (DOR)

- Jim Witecha

IT Acquisitions Analyst (DOA, SBOP)

Agenda & Objectives

- What is Agile
  - Background and History of the IT Project Methodology
  - Current Use in Government

- Agile and Procurement
  - Technology and Agility – The Need for a New Way of Thinking About Public Procurement
  - How to Achieve Better Outcomes Through More Efficient Means

- Discussion
  - What Do Our IT Teams and End Users Need From Procurement
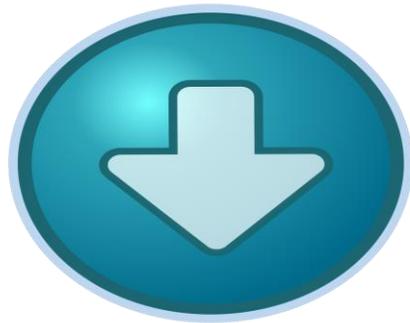 - How Can Different Groups Work Together for Better Procurement Outcomes

Before We Get Started…

Adoption of Technology in the US (1900 to the Present)
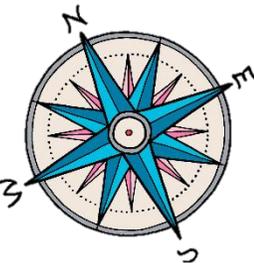
Source: BlackRock

Market Realist

What is Agile?

- Background of agile methodology
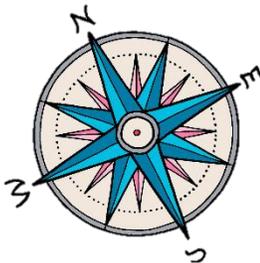- The use of agile in state agencies and beyond

- How does this apply to procurement?
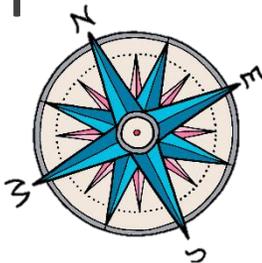
NASCIO/Accenture - Agile Study

In 2017, the National Association of State Chief Information Officers (NASCIO) and Accenture published a study on the extent to which agile development impacts government:

- It included in-depth interviewing of state government technology, management, and program experts. It also built upon the survey findings released earlier that year.

- NASCIO and Accenture learned a great deal from state CIOs and agency leaders who had successfully implemented agile methods.
  - "Agile will require a different approach and mindset regarding procurement and budgeting."

NASCIO/Accenture - Agile Study

- "Agile delivery is helping early public-sector adopters develop and launch technology initiatives more efficiently and with more focus on citizen needs. Citizens increasingly expect the same type of digital experience in the public sector that businesses are providing, and the Agile approach supports efforts to meet those rising expectations."

- Several key factors and issues came to light, some of which will be reviewed today.
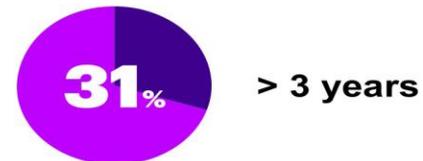
How is Agile Being Utilized

THE "STATE" OF AGILE

AGILE MATURITY
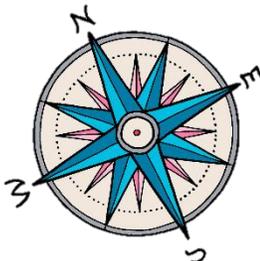
STILL LEADING EDGE

RESPONDENTS USING AGILE

- **31%** > 3 years
- **50%** < 3 years
- **19%** Not at all

AGILE'S PIECE OF THE IT PIE

59%

Use Agile on 1-20% of projects

AGILE IN THE MIX

- **53%** Frequently blend Agile with other implementation methodologies on an IT project

- **40%** Rarely or never blend Agile with other implementation methodologies

*Source: "Unleash the New: State Governments Get Agile," a study by NASCIO and Accenture.

How is Agile Being Utilized

Agile Helps States Get Less of the Results They <u>Do Not</u> Want

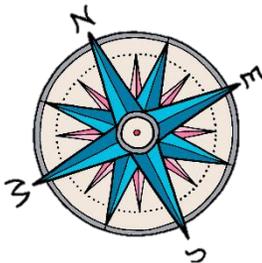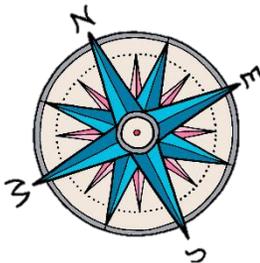| 70%	66%	60%	58%	43%
Wasted money from ineffective IT projects	Large IT project failures	Delayed implementation	Programs that do not meet business needs	Programs that do not meet citizen needs

*Source: "Unleash the New: State Governments Get Agile," a study by NASCIO and Accenture.

Agility as it Relates to Procurement

- Small Scale: Implement a series of best practices into the procurement process that will speed it up, or increase the likelihood of a successful outcome (see today's handout).
  - There is no uniform process. Many of these will be implemented situationally, or developed as needed.

- Large Scale:
  - Pre-procurement investigation and development (formal project – agile, lean, etc.).
  - Agility integrated into the procurement process.
  - Creating an agile or adaptive contract (post award).

Barriers to Agility

AGILE ADOPTION: WHAT'S STANDING IN THE WAY

BARRIERS TO AGILE

BARRIERS TO BUST:

ORGANIZATIONAL

75%
Lack of training/ knowledge in how to use

70%
Procurement is not set up for Agile projects

47%
Culture does not support Agile

TECHNICAL
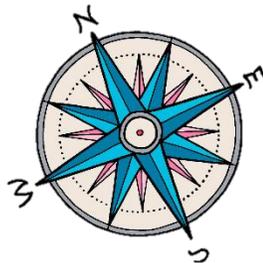
77%
Legacy solutions

58%
Integration with other systems

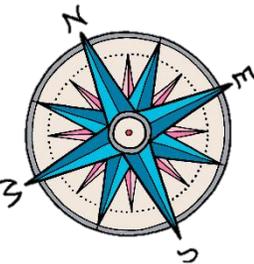**53%**
Not having DevOps to support

*Source: "Unleash the New: State Governments Get Agile," a study by NASCIO and Accenture.
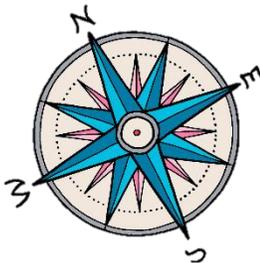
Better, Quicker Outcomes

- Start with the unknown, at a lower level, and build upward towards the right outcome.

- Frequent updates available to end users and program staff.

- Higher levels of customer satisfaction and increased likelihood of beneficial results.
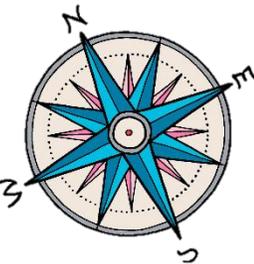 - "You gave me what I asked for, but it's not what I needed."

New Uses for Agile

- How to apply the agile methodology to IT procurements...
  - Theory (Procurement Policy, How to Incorporate Agile, Recurring Themes)
  - Current Applications (Structure of an Agile Procurement)
  - Examples:
    - California (Child Welfare Case Management)
    - 18F/Ohio (Micro-Procurement, Data Analytics)
    - Wisconsin (Possible General Services Agreement)
    - Others...

What Do Our IT Teams Need From Us?

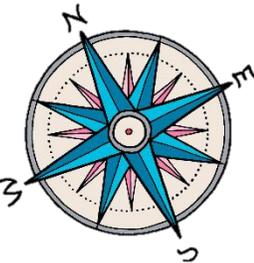- Panelist discussion

Questions/Discussion

Thank you very much for attending. Please feel free to contact me with any additional questions or comments.

Jim Witecha
IT Acquisitions Analyst
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E-mail: James.Witecha@wisconsin.gov

Additional Information

Agile Procurement in Practice (Webinar and Paper)

http://www.naspo.org/dnn/Publications/ArtMID/8806/ArticleID/4486

NASCIO/NASPO: Designing for Agility (Publication)

https://www.naspo.org/dnn/Publications/ArtMID/8806/ArticleID/3409

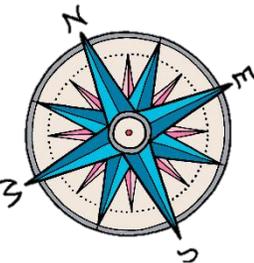How Government is Reforming IT Procurement and What it Means for Vendors

http://www.govtech.com/biz/How-Government-Is-Reforming-IT-Procurement-and-What-it-Means-for-Vendors.html

Communication, Collaboration Key to (IT) Procurement

http://www.govtech.com/budget-finance/Communication-Collaboration-Are-Key-to-Effective-Procurement.html

Additional Information

Can Agile Change the Culture of Public-Sector Procurement?

http://www.govtech.com/budget-finance/Can-Agile-Development-Change-Culture-Public-Sector-Procurement.html
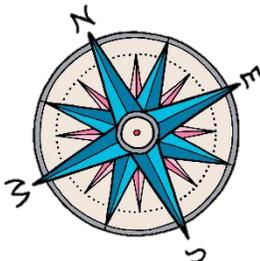
Agile Acquisitions: Rethinking Public Sector Purchasing

http://www.govtech.com/budget-finance/GT-September-2017-Agile-Acquisitions-Rethinking-Public-Sector-Purchasing.html

Unleash the New: State Governments Get Agile

https://www.nascio.org/Portals/0/Documents/2017/NASCIO_Accenture_Slideshare_2017_04.pdf

Four Things You Should Know About Agile Procurement

https://govinsider.asia/smart-gov/four-things-you-should-know-about-agile-procurement/

Additional Information

Agile Procurement for the Public Sector - A Primer

https://www.publicspendforum.net/blogs/emilio-franco/2017/08/19/agile-procurement-public-sector

5 Best Practices for Agile Procurement

https://fcw.com/articles/2016/12/08/comment-agile-contracts.aspx

11 Ways to Speed Up Government Procurement

http://www.govtech.com/budget-finance/GT-September-2017-Good-Stewards.html

Agile in Government: A Playbook from the Deloitte Center for Government Insights

https://dupress.deloitte.com/content/dam/dup-us-en/articles/3897_Agile-in-government/DUP_Agile-in-Government-series.pdf

3 Strategies for Procurement Success

http://www.govtech.com/GT-September-2017-3-Strategies-for-Procurement-Success.html