FUTURE PROCUREMENT SKILL REQUIREMENTS

A More Strategic Procurement Approach

STRATEGIES FOR RECRUITING, ENGAGING AND RETAINING STAFF

August 2018
The Australasian Procurement and Construction Council Inc (APCC) is the peak council whose members are responsible for procurement, construction, asset management, and property policy and delivery for Australian State and Territory Governments.

Over the past 50 years, the APCC has established itself as a leader in government procurement, construction, asset management, and property strategies and practice. The work of the APCC is committed to procurement innovation, solutions and efficiencies designed to create savings and maximise service delivery to the communities of Australia and New Zealand. The APCC Council of Chief Executive Officers leads the direction of the APCC, supported by Special Interest Groups driving the overall work program.

The APCC promotes a cohesive government procurement environment and harnesses the benefits of nationally consistent approaches for its members. The APCC community is made up of individuals with a wealth of skills and expertise. Collectively, it represents the hub for public sector procurement, construction, asset management, and property excellence.
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ABOUT THIS REPORT

This report examines how procurement is changing, how this is likely to impact future skills requirements and how governments can use this information to invest in new professionalisation initiatives to better recruit, engage and retain procurement staff for the next five years.

Report Audience

+ Ministers and senior public sector decision-makers
+ Public Service Commissions
+ Government departments undertaking procurement
+ Chief Procurement Officers
+ Agency Heads of Human Resources
+ Procurement industry advisory groups
+ Registered training organisations and universities
+ Recruitment agencies
+ Procurement professionals

What is Procurement?

Procurement is defined as the process for identifying, planning, acquiring and sustaining the goods, services and works necessary to enable an organisation to achieve its goals. Within the public sector, procurement’s objective is to deliver compliant sustainable value-for-money outcomes aligned with the priorities of government.

Procurement encompasses a large range of possible activities, including requesting market information from industry, establishing a standing offer panel offering a catalogue of goods and services, implementing a contract for supply of goods and services, the sustainment of that asset over its life, and related disposal activities.

Procurement may adopt a category management structure where individual procurement activities are grouped together, for example, all procurements involving construction, community services, Defence materiel, energy, facilities, fleet, legal services, office supplies, travel or vehicles are clustered to gain efficiencies and generate value.

Outcomes-focused strategic procurement provides the opportunity to use every procurement lever available to increase the likelihood of delivering multiple outcomes aligned with government priorities and organisational objectives. Previously unattainable or unaffordable outcomes for government are possible through a holistic integrated procurement approach.
EXECUTIVE SUMMARY

As governments seek to deliver a greater range of community services, they are looking to the procurement profession to deliver more strategic and sustainable value-for-money outcomes that are aligned with government priorities and subject to continuous improvement.

Public policy is driving governments towards greater innovation, efficiency and effectiveness. This is often achieved through simplification, standardisation, differentiation, aggregation, and a commitment to a more holistic organisational approach. Further, this is being supported by technology and improved decision-making, which is having the effect of significantly altering the dynamics of the workforce, including a reducing workforce.

Thus, for governments to achieve greater procurement value within a smaller workforce, they will need to invest more in workforce professionalisation, increasingly considered a strategic lever of change. Organisations will need to develop a comprehensive procurement workforce strategy for recruiting, engaging and retaining staff, and a greater commitment to specialist training, education and career management through more procurement-focused graduate, management and leadership development.

As governments continue their journey to a more strategic procurement approach, a focus on emerging procurement competencies will deliver greater value by emphasising the requirement for a broader range of economic, environmental, social, ethical and safety outcomes. These new competencies will also help procurement organisations recruit appropriate staff and support their professional development across a career lifecycle.

Outcomes of a more strategic procurement approach

- Maximise whole-of-life value across the procurement lifecycle.
- Delivery of increased productivity and value through savings, innovation, greater community engagement, competition, more effective collaboration with industry, and contemporary supplier relationship management.
- Development of a principles-based policy framework through a centre-led/enabled model.
- Achieve best practice in procurement spend categories and leverage this to deliver more effective outcomes consistent with government priorities.
- Increased use of technology to increase the efficiency of transactional activities through streamlined e-procurement workflow systems.

Professional competencies required to deliver a more strategic procurement approach

- Greater consideration of soft skills, e.g. self-awareness, influence and leadership.
- Delivering greater public sector value, e.g. social and economic outcomes.
- Applying business acumen to reduce commercial risk.
- Greater harnessing of existing procurement technical skills (such as category management, supplier relationship management and international sourcing).
- A better understanding of how to design the digital environment (technology and analytics).
- A more integrated understanding of legal, finance, project management, logistics and human resource management knowledge and skills as they impact securing value from procurement.

See Table 1 for a comprehensive list of current skills and emerging procurement competencies.
Table 1: Current Procurement Skills and Emerging Procurement Competencies

Table 1 contains a list of skills and competencies on which organisations are placing an increasing emphasis, in terms of staff recruitment and professional development in order to engage and retain their staff.

<table>
<thead>
<tr>
<th>Current Procurement Skills</th>
<th>Emerging Procurement Competencies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intra-Personal Soft Skills</strong></td>
<td>+ Leadership through influence</td>
</tr>
<tr>
<td>Self-confidence, self-esteem, self-awareness, integrity, initiative and enterprise, self-management, persistence, discipline, resilience, intrinsic motivation and having a positive attitude.</td>
<td>+ Courage to challenge conventional thinking</td>
</tr>
<tr>
<td></td>
<td>+ Innovation, creativity and being able to identify options</td>
</tr>
<tr>
<td></td>
<td>+ Agility and flexibility to deal with constant change</td>
</tr>
<tr>
<td></td>
<td>+ Ability to identify critical issues within an ocean of data</td>
</tr>
<tr>
<td><strong>Inter-Personal Soft Skills</strong></td>
<td>+ Strategic long-term thinking, strategic alignment and managing complexity</td>
</tr>
<tr>
<td>Communication, learning, listening, negotiation, research, analysis, critical thinking, problem-solving, decision-making, business planning and organising, providing constructive feedback and having respect for others.</td>
<td>+ Collaboration and negotiating win/win outcomes</td>
</tr>
<tr>
<td></td>
<td>+ Cross-discipline teamwork</td>
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<tr>
<td></td>
<td>+ Inter-cultural awareness and communication</td>
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<tr>
<td></td>
<td>+ Relationship building and conflict resolution</td>
</tr>
<tr>
<td></td>
<td>+ Strategic planning / Goal setting and outcome tracking.</td>
</tr>
<tr>
<td><strong>Procurement Skills</strong></td>
<td><strong>Delivering Public Sector Value</strong></td>
</tr>
<tr>
<td>Drivers – Transactional Economic approach</td>
<td>+ Establishing strategic alignment with government priorities and organisational objectives</td>
</tr>
<tr>
<td></td>
<td>+ Translating government priorities into more sustainable procurement outcomes (economic, environmental, social, ethical and safety)</td>
</tr>
<tr>
<td></td>
<td>+ Strategic procurement leadership – leading the development of procurement as a professional, strategic, value-adding function while still integrating with other organisational functions</td>
</tr>
<tr>
<td></td>
<td>+ Establishing a clear governance structure supported by principles-based policy and supporting simplification, standardisation, differentiation, aggregation and professionalisation</td>
</tr>
<tr>
<td></td>
<td>+ Benchmarking procurement capability against other leading organisations</td>
</tr>
<tr>
<td></td>
<td>+ Understanding public, private and voluntary sectors</td>
</tr>
<tr>
<td></td>
<td>+ Understanding High Performing v Reliable v Lean v Agile v Innovative approaches</td>
</tr>
<tr>
<td></td>
<td>+ Understanding Acquisition, Sustainment and Disposal contracting</td>
</tr>
<tr>
<td></td>
<td>+ Delivering outcomes-based procurement</td>
</tr>
<tr>
<td></td>
<td>+ Maximising community engagement (including Grants)</td>
</tr>
</tbody>
</table>
## Procurement Skills

<table>
<thead>
<tr>
<th>Procurement Lifecycle Phases</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Planning</strong></td>
<td>✪ Identifying the need and strategy</td>
</tr>
</tbody>
</table>
| **Contracting/Sourcing** | ✪ Finalising request documentation  
  ✪ Approaching the market  
  ✪ Evaluation  
  ✪ Negotiation and contract signature |
| **Contract Management and Disposal** | ✪ Conducting market analysis and early stakeholder consultation  
  ✪ Working to shape and support a viable market, e.g. to maintain competition, reduce monopolies or build SME capability to tender competitive bids, especially to generate regional suppliers  
  ✪ Planning and analysis to identify the available options, the best whole-of-life acquisition strategy and effective contract management mechanisms  
  ✪ Awareness of global sourcing opportunities and understanding how different countries conduct their business  
  ✪ Identifying continuous improvement mechanisms to improve innovative approaches, productivity, lower costs and achieve value/benefits realisation |

## Current Procurement Skills

<table>
<thead>
<tr>
<th>Foundational Procurement Skills</th>
<th>Current Procurement Skills Emerging Procurement Competencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Acumen – understanding private sector drivers</td>
<td>The emphasis going forwards will be to build on a foundation of individual procurement skills to develop a range of more sophisticated competencies. These, in turn, should deliver a more effective, integrated, structured outcome that understands dependencies, trade-offs, inter-relationships and opportunities for synergies.</td>
</tr>
<tr>
<td>Category Management</td>
<td>Procurement professionals must therefore have these foundational procurement skills, understand how they work as a complete inter-related system in order to add value, and how they would be tailored or added to in order to operate in a specific category management environment. How these competencies would apply would also be dependent on a range of larger strategic objectives, such as achieving specific social procurement outcomes.</td>
</tr>
<tr>
<td>Change Management</td>
<td>A more integrated approach may, in turn, result in new forms of contracting and procurement relationships.</td>
</tr>
<tr>
<td>Configuration Management</td>
<td></td>
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<tr>
<td>Cost Management</td>
<td></td>
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<tr>
<td>Culture Management</td>
<td></td>
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<tr>
<td>Customer Relationship Management</td>
<td></td>
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<tr>
<td>Demand Management</td>
<td></td>
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<tr>
<td>Due Diligence</td>
<td></td>
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<tr>
<td>Knowledge Management</td>
<td></td>
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<tr>
<td>Performance Management</td>
<td></td>
</tr>
<tr>
<td>Quality Management</td>
<td></td>
</tr>
<tr>
<td>Stakeholder Management (including understanding end-user requirements)</td>
<td></td>
</tr>
<tr>
<td>Supplier Relationship Management</td>
<td></td>
</tr>
</tbody>
</table>
### Current Procurement Skills

<table>
<thead>
<tr>
<th><strong>Managing Commercial/Contractual Risk</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Breach of Contract, ‘Time is of the Essence’ and Schedule Delay, Remedies (Liquidated Damages) and Termination</td>
</tr>
<tr>
<td>Confidentiality, Intellectual Property and Security</td>
</tr>
<tr>
<td>Contract Management and Contract Changes</td>
</tr>
<tr>
<td>Contract Risk Allocation and Import/Export Issues</td>
</tr>
<tr>
<td>Elections, Estoppel and Waiver</td>
</tr>
<tr>
<td>Government Furnished Elements</td>
</tr>
<tr>
<td>Indemnities and Limitation of Liabilities</td>
</tr>
<tr>
<td>Insurance, Securities and Retention and Transfer of Title</td>
</tr>
<tr>
<td>Proximity, Fraud and Misrepresentation</td>
</tr>
</tbody>
</table>

### Emerging Procurement Competencies

- Ensuring contractual clauses are consistent with acquisition strategy
- Understanding innovative contracting approaches, such as productivity and performance-based contracting
- More focus on establishing a constructive working relationship and culture that supports both parties, regardless of specific contractual obligations
- Creating a web of separate contractual relationships to achieve outcomes that would not otherwise have been possible with any one organisation
- Managing differences earlier (early warning)
- Applying collaborative business engagement approaches

### Digital Technology – Using individual technologies to improve process efficiency.

Using technology to improve efficiency and effectiveness, including translating requirements into a single streamlined e-procurement system, with single-handling of data and providing a single-source of truth, across the entire procurement lifecycle and integrated with other organisational systems.

### Analytics – Demand Analysis, Financial Viability Analysis, Supply Chain Analysis and Spend Data Analysis.

Real time predictive and user behaviour analytics, drawing from Big Data, artificial intelligence, and algorithms, through a comprehensive integrated dashboard to assist and drive improved decision-making, aligned with key performance indicators and reporting requirements.

### Legal – Identifying and understanding relevant legislation, regulations and mandatory organisational requirements (including contract and related commercial law disciplines).

- Being able to interpret and apply legislation to support agreed outcomes
- Providing the widest range of legal options for consideration in a contract
- Providing ongoing project assurance
- Conducting proactive legal and/or probity compliance audits

### Finance – Financial literacy to understand how to read financial data and ensure appropriate contractual mechanisms.

Assessment of organisational spend, savings opportunities and whole-of-life project costings. Structured financial investigation and analysis of all financial data through tenders, contract clauses and contract changes and their impact on performance, schedule, cost, cash flow and value delivered.
### Current Procurement Skills

#### Project Management – the effective management of a task with regards to importance, performance, schedule, inter-dependencies, uniqueness, resources and conflict.

Ensuring the benefits of project management are integrated across all areas of procurement, notably issues relating to scheduling and benefits realisation.

#### Logistics and Supply Chain Management – the planning, implementation and control of the efficiency, effective flow (supply meets demand) and storage of goods and services from the point of origin to disposal.

A more holistic approach to quality (performance, special features, flexibility, durability/reliability, conformance with standards, serviceability, aesthetics and perceived quality), testing and assurance.

Commitment to ‘value engineering’, an organised effort directed at analysing the functions of systems, equipment, facilities, services and supplies for the purpose of achieving the essential functions at the lowest lifecycle cost consistent with required performance, reliability, quality and safety.

Working with other organisations to benefit from scale of economy purchasing.

Collaboratively identifying supply chain vulnerabilities and competition levels.

#### Human Resource Management – workforce planning to meet organisational objectives, industrial relations, job analysis and design, recruitment, performance management, learning and development, compensation and rewards, managing turnover, measuring and evaluation.

HRM skills, such as developing a competency standard (job family), supported by a career management development framework, in order to deliver improved individual, group and workforce outcomes.

Working with industry and the education sector to deliver tailored procurement training and education.

Promoting a national procurement profession to encourage a pool of available talent.

Managing diversity, work/life balance and engaging and retaining appropriate staff by tailoring working conditions.

Conducting cultural audits and satisfaction surveys to assess progress over time and the early identification of concerns.

#### Risk Management – identification of likely risks, consequences, risk levels and mitigation activities in a risk register.

The critical risk in Risk Management is that participants will adopt a ‘tick the box’ process approach without meaningfully considering the entire risk environment and modifying it with regards to their procurement category. Risk management must be outcomes-focused, must support an appropriately agile risk culture, and assist in decision-making.

A more holistic enterprise risk management approach that identifies risk at a project and category management level, feeds this into an organisational risk management strategy, before determining an appropriate risk culture and tailored contractual clauses relevant for a specific procurement project.

Greater focus on risk categories such as: new technology and digital risk, market risk, supply-chain risk, contract risk, product and business continuity failures, ethical and reputational risks, safety risks, climate change and other environmental risks, economic and social risks, political risk and uncertainty, management controls and legal compliance assurance, identifying contingency approaches for a wider range of unexpected risks, continuous scanning for new risks and testing of past assumptions, agility to deal with risk, and resilience in recovering from risk.

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1 HOW IS PROCUREMENT CHANGING

1.1 Strategic Procurement: A Paradigm Shift

The changes in public sector procurement delivery are being driven by a complex range of factors, including globalisation, new technologies, innovative business approaches, and the need to provide an aligned and integrated organisational response to deliver more innovative, efficient and effective outcomes.

In order to best respond to these changes, business leaders are adopting a Strategic Procurement approach – reflecting a paradigm shift in thinking. It moves away from a focus on individual procurement transactions to a more holistic approach to deliver a much greater range of outcomes. Without significantly increasing costs, a strategic procurement approach can be linked to a range of sustainable outcomes, such as directly supporting social programs like building capability for Small and Medium-sized Enterprises (SME). This is why savvy business leaders recognise procurement as a strategic business enabler.

There are many elements to be considered to move towards a more strategic procurement approach. Table 2 captures a range of these issues, noting that not all of them may be present or apply in every environment. The challenge is for senior business leaders in the public sector to invest in a more strategic approach to managing their procurement function.

Table 2: Differentiating Transactional and Strategic Procurement

<table>
<thead>
<tr>
<th>Transactional/ Purchasing Procurement</th>
<th>Strategic Procurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective: procure the immediate product or service</td>
<td>Objective: achieve compliant sustainable value-for-money outcomes that are aligned with government priorities and subject to continuous improvement. Manage demand to drive greater value.</td>
</tr>
<tr>
<td>Checklist-driven compliance with governance requirements</td>
<td>Focused on being compliant with existing legislation and mandatory policies but also interpreting requirements and applying them to add value. Strive to deliver best and next generation practice.</td>
</tr>
<tr>
<td>Focused on economic value</td>
<td>Focused holistically on sustainable outcomes encompassing economic, environmental, social, ethical and safety objectives (where appropriate).</td>
</tr>
<tr>
<td>Focused on immediate requirement</td>
<td>Strategically aligned with government priorities and horizontally integrated across functions to deliver improved public sector value (whole of organisation).</td>
</tr>
<tr>
<td>Focused on immediate specification</td>
<td>Working with stakeholders, suppliers, customers and end users (the community) to manage demand and identify real needs/ requirements, which might include co-design, co-production and co-delivery activities.</td>
</tr>
<tr>
<td><strong>Transactional/Purchasing Procurement</strong></td>
<td><strong>Strategic Procurement</strong></td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>Focused on immediate decision (short term)</td>
<td>Whole-of-life considerations (long term) across the procurement lifecycle, with a focus on planning, research, identifying options, industry collaboration and long-term contract management (with time as a strategic element).</td>
</tr>
<tr>
<td>Existing product or service</td>
<td>Working with suppliers and customers to improve suppliers over time.</td>
</tr>
<tr>
<td>Brand focused</td>
<td>Capability focused.</td>
</tr>
<tr>
<td>Rear-view metrics</td>
<td>Rear-view, real-time and predictive metrics linked to decision-making tools.</td>
</tr>
<tr>
<td>Existing market</td>
<td>Helping to shape the market (through industry standards) to add value for all participants, such as maintaining competition and building SME capability. Spend more time planning before contract management.</td>
</tr>
<tr>
<td>Locally focused</td>
<td>Awareness of global sourcing opportunities and applying the benefits locally.</td>
</tr>
<tr>
<td>Physical</td>
<td>Integrated physical and virtual systems in order to add maximum value, including use of mobile applications and working remotely.</td>
</tr>
<tr>
<td>Limited data</td>
<td>Potential to capture, access, value-add and search vast amounts of data for insight.</td>
</tr>
<tr>
<td>Existing process</td>
<td>Continuous improvement (innovation) of existing best practice by applying efficiency and effectiveness drivers to simplify, standardise and aggregate, including through reviews/audits, in order to deliver greater end user value.</td>
</tr>
<tr>
<td>Standalone, manual or repeated handling</td>
<td>Supported by seamless streamlined integrated e-procurement workflow.</td>
</tr>
<tr>
<td>One procurement process fits all (Simple)</td>
<td>Differentiated category management approach (Complex).</td>
</tr>
<tr>
<td>Reactive/Static</td>
<td>Proactive/Dynamic.</td>
</tr>
<tr>
<td>Commodity-based exchange</td>
<td>Increasingly relational and collaborative (relationship of trust and dependency).</td>
</tr>
<tr>
<td>Process driven</td>
<td>Outcomes focused.</td>
</tr>
<tr>
<td>Negotiated outcomes are win/lose or win/win</td>
<td>Collaborative innovative win/win outcomes that seek to create new value.</td>
</tr>
<tr>
<td>Assume existing skillsets are sufficient</td>
<td>An ongoing commitment to improving workforce competencies through a comprehensive range of professionalisation initiatives.</td>
</tr>
</tbody>
</table>

Total procurement spend must be vertically aligned with the broader priorities of government and horizontally integrated to deliver more efficient and effective outcomes.
2 KEY DRIVERS AFFECTING PUBLIC SECTOR PROCUREMENT

There are a range of drivers that are impacting on the role of public sector procurement and which must be considered in terms of existing skills and emerging procurement competencies.

- **Globalisation** – This is creating a much more accessible and connected world where threats and opportunities in one location can have significant and often unexpected consequences globally. This requires a public sector with a much wider understanding of international markets to better access their benefits and manage their risks.

- **Legal** – An increasingly complex legislative environment may include new legislation (such as the Commonwealth Procurement Rules or the Work, Health and Safety Act), or new legislative requirements, contract law, intellectual property ownership, and standards that must be complied with.

- **Political** – Governments seek a public sector that is more business-like, increasingly focused on innovation and improving the efficiency and effectiveness of its expenditure, while still achieving a range of sustainable procurement outcomes, such as economic, environmental, ethical, social and safety objectives.

- **Accountability** – with the availability of new information and commentary instantly on social media, the rise of the 24-hour news cycle, and an increasingly educated community with higher expectations, the demand for greater public accountability from governments and increased transparency will continue. Procurement professionals must embed probity into their processes and be seen to be meeting the highest ethical standards, while also being able to explicitly tell the benefits realisation story.

- **Technology** – New technologies offer significant opportunities, with a rise in more efficient e-procurement systems and web-based software to encourage supply chain collaboration.

- **Data** – The data, information and knowledge content of almost every field is continuing to grow, often as intersecting disciplines, creating new risks and opportunities. The ability to access and interrogate Big Data through predictive analytics and forecasting tools to aid decision-making is becoming increasingly important.

- **Demographics** – Australia’s ageing population means that experienced procurement professionals are retiring, and succession planning is necessary to protect critical technical and corporate knowledge for the future. Tailoring recruitment and working environments to take into account new generational characteristics may determine the availability of procurement talent.

- **Change** – As a result of so many other change drivers, community expectations are high. The rate of change is escalating, putting additional strain on existing structures, processes and workforces. As a result, the public sector environment is becoming increasingly dynamic, needing to be more agile, continuously conscious of aligning with government priorities and being horizontally integrated to deliver the best results. New ways of working may need to be found to fit with new government structures and approaches. Some organisations may in effect be in a permanent restructuring mode and managing change effectively will become increasingly critical.
### 3 COMPETENCIES REQUIRED FOR EACH KEY DRIVER OF CHANGE

Table 3: How Key Change Drivers can be Translated into Appropriate Procurement Competencies

<table>
<thead>
<tr>
<th>Key Driver</th>
<th>Competencies Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Globalisation</td>
<td>In order to deliver better outcomes, a more comprehensive understanding is required of what products and services are available globally, and how these could best be delivered locally. An understanding is also required of how different countries/industries conduct their business, including their legal regimes, export controls, working conditions and any use of hazardous materials. A greater focus will also be needed on inter-cultural communication skills.</td>
</tr>
<tr>
<td>Legal</td>
<td>Understanding, interpreting and applying compliance obligations, in a complex environment of overlapping and sometimes contradictory requirements, must become a foundational procurement skill. Strengthening the understanding contract law will be important.</td>
</tr>
<tr>
<td>Political</td>
<td>Agencies must work to constantly identify ways to innovate and improve the efficiency and effectiveness of existing policies and processes. To do this requires more strategic thinking, to look holistically across its entire government and organisational spend (now and into the future), planning for the entire procurement lifecycle, and considering individual procurement activities from a whole-of-life perspective. This may result in fewer but more long-term, collaborative relationships with suppliers. Tools to assist in delivering greater productivity include innovation, simplification, standardisation, aggregation, differentiation and professionalisation. Governments and agencies may also consider a centre-led/ enabled approach to deliver best practice value (see Table 4). Procurement professionals must also have the ability to deliver multiple outcomes aligned with government priorities, by integrating economic, environmental, ethical, social and safety objectives drawing on both technical and ‘soft’ skills (see Table 5).</td>
</tr>
</tbody>
</table>
| Accountability | Agencies must prioritise competencies that develop, maintain and assure the principles of accountability and transparency, in order to ensure industry and public confidence in the procurement process. Particular skills include better understanding the value of competition, fairness and impartiality, consistency and transparency of process, management of conflicts of interest, and the need to have in place appropriate security and confidentiality arrangements.  

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Key Driver Competencies Required

Data
Big data encompasses data sets that are so large and complex that they create new challenges for capturing, storing and analysing data, and may require machine learning Artificial Intelligence applications to interrogate them. As the amount of available data increases, procurement professionals must understand how they can design digital environments to maximise the value of predictive and user behaviour analytics to support decision-making.

Demographics
Procurement policy areas must understand and plan for how the impact of changing demographics is likely to impact their workforce over the coming years.

Change
To better accommodate the rate of change, procurement policy areas should consider moving towards a more principles-based approach, as well as being more modular where acquisition strategies and contractual approaches can be scaled up or down in terms of complexity/risk-profile, or replaced as appropriate. Agility, flexibility, change management and stakeholder management competencies are also necessary to ensure procurement change is managed effectively to engage the workforce.

Table 4: Critical Tools to Improve Procurement Productivity

<table>
<thead>
<tr>
<th>Tools</th>
<th>How They Can Add Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing across the Procurement Lifecycle</td>
<td>The procurement workforce must have a greater understanding of whole-of-life issues for their procurement category and ensure that value is being delivered across all procurement lifecycle phases. It will need to identify appropriate contract management mechanisms during the planning phase and build it into both the request documentation and the resulting contract. Greater community engagement and industry collaboration will become more important earlier in this process.</td>
</tr>
<tr>
<td>Simplification</td>
<td>Unnecessary processes need to be removed in order to focus on those requirements that add value. A first step is to identify all the procurement processes sequentially across the procurement lifecycle and distinguish those that add value or are compliance obligations, from those that don’t.</td>
</tr>
<tr>
<td>Standardisation</td>
<td>To improve efficiency, procurement processes should be standardised to comply with mandatory obligations and best practice approaches. Standardisation must be offset by a commitment to innovative continuous improvement so that only the best practices are ‘locked in’.</td>
</tr>
<tr>
<td>Differentiation and Aggregation</td>
<td>Procurement should be categorised according to procurement spend/industry sector, aggregated for total organisational spend in that category, and then specialist category managers should identify ways to achieve best value for money. This may require an investment in specialist planning and contract management, supplier relationship management and ensuring ongoing improvements to quality and service delivery.</td>
</tr>
</tbody>
</table>
Key Driver Competencies Required

**Professionalisation**

Even a marginal improvement in delivering public sector procurement outcomes would deliver significant savings to government. These improvements very much rely on an investment in the professionalisation of procurement’s human capital, in order to accelerate understanding and application of new knowledge and skills.

**Centre-led/enabled Model**

In order to improve coordination, reduce duplication and benefit from scales of economy, jurisdictions should consider establishing a centre-led model at the whole-of-government or whole-of-organisation level (or a hybrid approach as appropriate). It should determine which level is best placed to manage mandatory and best practice policy approaches, to provide appropriate tools and templates, assurance testing, and ensure the workforce has the appropriate procurement competency standards and development opportunities.

### Table 5: Sustainable Procurement Outcomes

<table>
<thead>
<tr>
<th>Outcome</th>
<th>How They Can Add Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>Financial considerations to ensure a procurement activity delivers the best value for money.</td>
</tr>
<tr>
<td>Environmental</td>
<td>In the context of legislation and community expectations, environmental procurement considers issues such as: demand management; resource extraction and consumption; manufacturing and production; transport and logistics; product and asset design; use and maintenance; hazardous materials; and recycling and disposal options.</td>
</tr>
<tr>
<td>Ethical</td>
<td>As per Table 3, public sector procurement professionals need to integrate the highest ethical standards into their activities. This may include understanding conflicts of interest, unconscionable conduct, unfair competition and related assurance processes.</td>
</tr>
<tr>
<td>Social</td>
<td>Social procurement focuses on achieving social objectives including: local economic development (SME capability and regional development), community engagement and fair trade. Targeted beneficiaries would include: the long term unemployed, traineeships/apprentices, people with disabilities, indigenous peoples, migrants and refugees, youth, women, and other groups that may be vulnerable or marginalised.</td>
</tr>
<tr>
<td>Safety</td>
<td>Complying with relevant legislation and supporting a safety culture.</td>
</tr>
</tbody>
</table>

4 WHAT WILL PROCUREMENT LOOK LIKE IN THE FUTURE?

4.1 The Procurement Function

As the value of what procurement can deliver is increasingly recognised, skilled procurement professionals will continue to strategically align the function in order to deliver a greater range of government priorities from the same procurement spend.

In order for agencies to better deliver this optimal value, they will need to consider the key drivers impacting procurement, and how these can be translated into updating existing skills or identifying new ones.

For example, in terms of the digital environment, procurement professionals will increasingly use technology competencies to manage the entire procurement lifecycle – the approaches to market, the submission and evaluation of tender documents, and contract management activities. Web-based systems will aid in collaboration across the entire supply chain. This provides the opportunity for the procurement professional to focus on adding value, rather than managing transactional activities.

The effects of simplification, standardisation, differentiation and aggregation will reduce the numbers of, and time spent on, transactional procurement activities, which will, in turn, impact workforce size requirements. As the workforce decreases, and the size and complexity of procurement activities increases, the need for a greater commitment to an effective centre-led model and workforce professionalisation becomes increasingly important to deliver more strategic procurement outcomes.

Procurement is transforming from interaction-based transactions to digital-based, analytical technology.

Managing across the procurement lifecycle

Any procurement activity is an opportunity to consider the broader objectives of economic, environmental, ethical, social, and safety outcomes. To do this effectively requires understanding the real costs of the proposed acquisition.

For example, is it more cost-effective to buy a low-cost ship that is expensive to staff and maintain, or a very expensive ship that is cheaper to staff and maintain, perhaps over a 40-year period? If the ship-building occurs locally, could this reduce unemployment benefits paid to those in the community? Will all suppliers across the supply chain meet all Australian standards? When you need to dispose of the ship, how will you do so in a sustainable manner?
4.2 Public Sector Procurement Competencies

The definition of procurement and the roles required will continue to change in the next five years. Procurement professionals are, and will be, invaluable to their organisation. They possess the skills necessary to reduce costs, deliver value for money, fulfil social responsibilities, use excellent negotiation skills and manage supplier relationships. They are expected to be innovative now more than ever in the changing business environment.

4.3 The Skills Needed for Strategic Procurement

As per Table 1, governments will need a workforce with the knowledge, skills and experience in the following areas in order to better deliver strategic procurement outcomes. They will need:

- a greater consideration of soft skills to maximise their human capital
- to translate specific government policy objectives into productive and sustainable procurement outcomes to deliver greater public sector value
- to invest more in managing commercial risk in a globalised environment
- to make greater use of existing procurement technical skills (such as category management, supplier relationship management and international sourcing)
- a better understanding of how to design a fit-for-purpose digital environment that will provide the appropriate analytics to aid decision making
- a more integrated understanding of legal, finance, project management, logistics and human resource management
- to maintain an ongoing commitment to continuous improvement.

Business leaders in the public sector must make a significant investment in developing procurement as a strategic profession in order to maximise the achievement of government priorities.

'A constructive disrupter'

"Procurement’s culture is defined by successfully challenging the status quo, influencing leadership to try something different. It is a ‘constructive disrupter’, displacing traditional, less efficient processes with new, creative solutions that are able to scale with the future strategy."

*The Hackett Group, 2016*
Despite governments having only limited resources, they will always be subject to increasing demands for new services. In order to best meet these demands, the public sector must spend its money to achieve maximum value, constantly working to deliver better quality services (such as greater accessibility or more satisfactory customer experiences) while reducing costs.

However, in addition to delivering the existing procurement requirement, business leaders in governments can also use social procurement to engage with the local community and deliver a greater range of outcomes.

In this case study, we will first look at the category requirements of community services and then discuss how social procurement could be applied.

### 5.1 Delivering Community Services

In addition to a range of traditional skills, procurement professionals working in the community services category require a range of unique capabilities.

The procurement is often required to be progressed in the context of the end user’s environment, specifically taking into consideration the life and culture of those receiving the service.

The decisions made by the procurement team can have a profound impact on the recipient. For example, recipients may have long-standing and strong relationships with the community service provider and a decision to change providers may cause considerable stress and health issues for the recipient.

A procurement activity that is the ‘enabler’ rather than the ‘doer’ also requires a different set of capabilities. This may see the delivery of the community services done with and through others; which in turn requires new forms of management and organisational alignment of technology and culture, and a greater focus on the coordination of the delivery strategy.

For the public sector to manage community services and its ongoing policy development and implementation challenges, it needs to have sufficient business intelligence and sector knowledge. For example, it’s an important strategic decision regarding who is best placed to provide a service in a particular community because it may impact on both the resource utilisation and responsiveness to customers and end-users. Further, the agency may perform various roles, which may overlap, such as: provider, regulator, funder or contractor.

There is thus a blurring of boundaries between the public and private sectors. These partnerships may be within government (in the form of shared services), or with the private sector (in the form of outsourcing arrangements) or with the voluntary sector. The effective management of collaborative relationships in these partnerships is a key to successfully delivering value-for-money outcomes, especially in relation to the fair allocation and sharing of procurement risk.
5.2 Social Procurement Outcomes

In addition to government delivering community services, there is also the opportunity to deliver a range of additional social procurement outcomes.

Because of the role played by the community sector, they are also likely to have certain advantages to assist government with identifying social procurement initiatives, such as employment programs for the local long-term unemployed or engagement with marginalised groups. These advantages include sharing the same objectives, local knowledge, understanding how service changes impact communities, and a history with prospective clients.

Social procurement outcomes are particularly important because, while the public sector can outsource the delivery of community services to a private organisation, government can never outsource their ultimate responsibility or the opportunity cost of not considering all available options. The closer the delivery of services is to a community, the greater the likelihood that multiple outcomes will be satisfied. Further, additional expenditure by these recipients may then indirectly help support the local economy.

Procurement is thus strengthened when it can enable these contributions.

Increased pressure to deliver

The Australian public sector is under pressure to deliver more services against an ever-tightening budget.

To face the challenges of increasing efficiency dividends, agencies need to invest in procurement capability to improve and adapt to a more streamlined and effective service delivery model.

5.3 The Skills Needed for Community Services Procurement

Those charged with delivering community services will need a range of traditional technical and specialist knowledge, skills and experience, in the following areas.

+ Understanding end-user requirements early in the procurement strategy development process and ensuring it is effectively incorporated into community consultation (including co-production and co-design activities), more realistic request documentation, contract design, and contract management mechanisms, such as an appropriate performance management regime.

+ System thinking and design skills, recognising the complexities involved in engaging multiple organisations (private, public or voluntary) to deliver a seamless service delivery, the required underpinning technology, and the effective management of relationships in a delicate web of partnerships.

+ Sector knowledge and appreciation of inter-dependencies.

+ Conducting appropriate financial analysis to ensure that the proposed service funding is actually available to achieve the desired outcomes and to better cost service requirements, so that the supply market can respond more accurately during tendering.
+ Understanding the unique range of risk factors inherent in community services and allocating/ transferring risk in a mature and fair manner to the most appropriate party(s).

+ Expertise in assessing which organisation is best able to provide a community service, balancing resource efficiency, responsiveness to customers and end-users, and the level of social capital in that organisation, such as the level of trust in its service delivery.

+ Establishing a culture of probity with particular attention to the management of conflict of interest and integrity issues that can arise in a complex, multi-organisational commercialised environment.

+ High-level management and stakeholder engagement, and ensuring that the project team has strong strategic and project management capability.

+ Understanding how each of these procurement skills can be leveraged off to identify and integrate social procurement outcomes through attainable key performance indicators for community services programs.

5.4 Analysis

This community services case study is an example of what government procurement must increasingly do to deliver improved value and to better meet government priorities.

It begins with a foundation of standard generic procurement skillsets, it then contextualises them within a particular procurement category (community services) within a particular organisation, and then looks to leverage off these to deliver greater value. In this example, additional social procurement outcomes were discussed, but it would be appropriate to also consider other economic, environmental, ethical and safety outcomes.

Once all these issues were canvassed, and options identified and agreed, it would then be appropriate to build the technology infrastructure to support the efficient and effective delivery of these outcomes, supported by relevant metrics and review processes.

The critical value of this approach is that a procurement officer is no longer working in a silo delivering a simple transactional result; they are now being actively engaged to consider a more holistic and strategic range of options to deliver better outcomes. In turn, the organisation must identify the critical competencies relevant to them, and bridge the gap between the generic procurement skills already possessed and those specifically required by the organisation and the procurement category.

Public sector agencies must make a real investment in building on existing procurement skills and tailoring them to their respective categories.

Whenever a government imposes an efficiency dividend on a public sector agency, it is the responsibility of that agency to invest in a capability for innovation to, not only meet that dividend, but also to surpass it.
6 MECHANISMS TO ACHIEVE PROCUREMENT COMPETENCIES

6.1 Centre-led/Enabled Organisational Model

Procurement domains often discuss whether a centralised or decentralised organisational model is best. Each model has its own advantages and disadvantages. However, the compromise is a centre-led organisational approach which seeks to manage procurement policy requirements at the highest appropriate level to deliver certainty, and reduce duplication and inconsistency. This may occur at a whole-of-jurisdiction level or a whole-of-organisation level, or an agreed hybrid approach.

A centre-led/enabled procurement authority should consider managing the following issues:

+ establishing the procurement policy governance framework (to ensure scope of authority, role clarity, purpose and responsibility) and standardised workforce structure
+ having a defined body of knowledge comprising relevant legislation and mandatory/best practice policy
+ managing a range of operational procurement tools, including process and tendering/contracting templates for different activities and risk profiles
+ providing systems, such as workflow processes, reporting, delegations, or eProcurement
+ establishing a comprehensive professionalisation approach, encompassing individual, group and organisational learning managed across an individual’s career
+ ensuring service delivery through properly trained procurement professionals
+ ensuring effective communication, and culture and change management activities
+ managing internal assurance reviews and working with external auditors
+ strong performance reporting framework
+ enabling data mining at whole-of-government level.
6.2 Professionalisation Infrastructure

Workforce professionalisation is increasingly being seen as a strategic lever for improved outcomes. An agency’s procurement workforce needs an enabling infrastructure to support them in achieving the right competencies to successfully manage strategic procurement. In conjunction with the HRM team, a procurement domain should establish an area responsible for professionalisation to deliver greater workforce value in the following ways.

Recruit well:
+ establish clear role profiles that detail required competency and behavioural indicators
+ routinely conduct recruitment against these competency standards and agreed behavioural attributes
+ establish new entry-level pathways to tertiary undergraduate qualifications with a procurement focus.

Develop specialist procurement staff holistically:
+ establish an aspirational 70/20/10 procurement development framework
+ establish opportunity for experiential learning embedded in specialist procurement activities
+ provide exposure to learning from supervisors, mentors, communities of practice or professional bodies
+ deliver targeted formal training to build the required professional body of knowledge
+ offer a means to broaden the commercial experience of procurement specialists via industry placement opportunities
+ offer internal to government rotation or job placement initiatives

Train for the right skills:
+ leverage existing Australian Qualifications Framework (AQF) vocational procurement competency standards and relevant university programs with a procurement major
+ if there are gaps in AQF offerings, address these with course content – for example to meet jurisdictional compliance requirements
+ work with industry advisory bodies to identify new or emerging skill needs required for the discipline
+ identify core behavioural attributes required by specialist procurement practitioners and function leaders and address them, e.g. influencing up and change management.

Establish career pathways
+ document career pathway options to encourage high retention of trained staff
+ establish an approach for career management and leadership development initiatives.
Retain high performing staff:
+ establish a mechanism to acknowledge and reward excellence in procurement outcomes.

Offer access to thought leadership:
+ deliver contemporary thought leadership in the discipline
+ engage with other public sector agencies, industry, educational providers, professional bodies, industry associations and interest groups for innovation and better practice.

Workforce Planning:
+ establish a workforce planning approach to sustainable access to procurement expertise
+ establish access to workforce data to assess medium to long-term retention and engagement issues
+ monitor the investment in professionalising the workforce including:
  • proportion of the workforce with relevant procurement qualification
  • appropriate annual improvement targets
+ source mechanisms to identify and measure skill gaps
+ develop an approach to talent management including:
  • succession planning for critical roles
  • establishing a talent pipeline (including an approach to graduate entry)
  • induction for all staff on procurement

Senior leader advocacy for the procurement discipline:
+ establish an approach to build strong executive leader advocacy for the procurement discipline value-add
+ engage with senior stakeholders proactively to promote that strategic value-add
+ establish a profile for expected knowledge and behaviours of new and emerging business leaders responsible for making commercial decisions
+ monitor the currency of existing workforce competencies against changed requirements and invest in capability uplift programs.

Opportunities for synergy might be for an organisation to identify training or education that is AQF accredited, tailored to a specific public sector environment or category, and is supported by relevant professional bodies. The benefit of tailoring courses is that theoretical knowledge and necessary practical skills are more likely to be linked, so that improved competence can be more readily applied in the workplace.

Ultimately, having a procurement workforce with the appropriate knowledge, skills and expertise will deliver value-for-money procurement outcomes which directly support the government's strategic objectives.
7 HOW DO WE RECRUIT PROCUREMENT PROFESSIONALS?

To ensure procurement has access to a ready pool of talent, it must continuously support people moving into the profession and help shape the institutions that enable this.

The key targets for recruiting procurement professionals are graduates, existing government employees and current private sector workers. Salary, career progression, commitment to training and development, and work life balance are the main factors when deciding on an employer.5

To differentiate from the private sector, the public sector must promote its non-salary benefits, such as employment security, commitment to long-term career development, flexibility, holiday and sick leave, alternative working environment, advocacy for a healthy work-life balance, and the opportunity to participate in and lead public sector initiatives that support the community.

7.1 Attracting Graduates

Developing a whole-of-government or agency graduate program is an effective way to establish a long-term recruiting leadership pipeline of top graduates into the public sector. Such a program can emphasise the benefits of working in government and increase the awareness of the procurement profession among university students, and the link between the successful achievement of procurement courses and recruitment opportunities.

Maintaining strong links with universities delivering procurement qualifications (notably undergraduate degrees) should be a priority, as well as attending career days to promote procurement as a profession within government. Encouraging procurement graduates from across a range of related degrees, such as legal, finance, industry policy, logistics, project management and marketing, is also important as they will have developed transferable skills. Employees from STEM fields (science, technology, engineering and mathematics) will be increasingly useful as technology transforms the procurement environment.

It is important to introduce and support a range of vocational and university pathways to bring young people into the profession. The strategy below is one of the many ways that government could bring graduates into procurement roles.

5 Hays, CIPS, 2016.
7.2 A Whole-of-Government (WoG) Procurement Graduate Program

The objective of a Procurement Graduate Program is to enable a regular refresh of the workforce and introduce a long-term leadership pipeline.

To do this successfully will require both good marketing of the opportunity and a well-articulated value proposition to profile the opportunity and to encourage high-performing graduates to apply for a government graduate procurement role over competing offers. The diagram below captures this.

A WoG program will depend on the procurement environment and what the agency is looking for in procurement professionals.

A WoG approach would help to create a framework that every jurisdiction could follow. This would make the process much simpler and ensure a steadier flow of procurement graduates while also introducing opportunities for inter-jurisdictional synergies.

EOI for Procurement Graduates

Pitch the benefits of a career in procurement

Offer interesting and diverse government grad program

Offer training, flexible work-life balance, competitive salary, and good working conditions

Provide large and interesting projects for graduates to work on

Ways to go further and beyond other employers

Offer permanent position

Offer postgraduate education

Offer accelerated career advancement
<table>
<thead>
<tr>
<th>Challenges</th>
<th>Opportunities</th>
<th>Retention Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salary</strong></td>
<td>The private sector may offer higher compensation, which can make it harder for government to both attract and retain procurement professionals.</td>
<td>Ensure that the value proposition of working for government is well communicated during recruitment, notably the government’s commitment to social and environmental concerns.</td>
</tr>
<tr>
<td><strong>Salary</strong></td>
<td>Due to tight budgetary conditions, individual government agencies may not have the resources to identify and deliver procurement training. According to the APSC, long-term career management linked to progression are some of the strongest reasons for joining and remaining in a job field.</td>
<td>Agencies need to focus on providing a range of procurement learning opportunities, perhaps coordinated at a whole-of-government level, and emphasise the cost savings that training will generate. This will ensure better quality procurement outcomes.</td>
</tr>
<tr>
<td><strong>Technology</strong></td>
<td>The private sector is using new social networking technologies to maximise recruitment. Governments must utilise these resources as well.</td>
<td>Promote government procurement opportunities using online networking tools such as: YouTube, Facebook, Twitter, LinkedIn and Seek.com.</td>
</tr>
</tbody>
</table>
### Challenges

<table>
<thead>
<tr>
<th>Recruiting Graduates</th>
<th>Recruiting Current Government Employees</th>
<th>Recruiting Current Private Sector Employees</th>
</tr>
</thead>
</table>

#### Recruiting Graduates
- Many graduates look to the private sector for higher salaries and organisational reputation. Large private sector companies recruit aggressively from universities, sometimes identifying talent in their first year.
- Procurement-related courses, at both the undergraduate and postgraduate levels, need to be encouraged to ensure a wider pool of potential procurement talent.
- In recruitment packs, include a strong desire for applicants to have appropriate procurement qualifications. Broadcast this message at Career Days and support this through speaking opportunities, student clubs, procurement leadership camps, sponsored student attendance at conferences and paid internships.

#### Recruiting Current Government Employees
- Current government employees in other areas are an untapped market who would be well suited to procurement roles because they already understand the public sector environment and have a successful work history.
- Current procurement staff may be in a strong position to identify those existing government employees who may be interested or who have the skills to move directly into procurement.
- Actively network and engage with current employees to promote the procurement profession (notably passive job-seekers) and to recruit, grow and retain procurement professionals.

#### Recruiting Current Private Sector Employees
- Current private sector employees are an invaluable source of knowledge regarding how industry is currently managing procurement activities. However, they may be expecting equivalent salaries and an immediate acknowledgement of their current skills.
- Current government procurement staff may be in a strong position to identify private sector employees who may be interested in moving into the public sector. They may also be looking for a range of non-salary benefits, such as an improved work/life balance.
- Actively network and engage with current employees to promote the procurement profession to interested private sector employees. Bridging schemes should be available to assist government or private sector employees to build on their existing skills and make the transition to procurement easier.
Managers will understand that different people have different needs, so a ‘one-case-fits-all approach’ will not work in engaging and retaining valuable staff.

The key is to embed engagement and retention strategies into ongoing management activities, such as identifying who may be interested in a new work activity, performance discussions, and determining which training and development activities should be prioritised. The key is tailoring these strategies to the needs / desires of the individual.

Having a career management framework that clearly identifies the relevant competencies for a promotion, and the related learning activities, should assist in this process. In particular, managers should look to provide their staff with a range of interesting job experiences that will assist them with career advancement.

At an organisational level, business leaders should conduct regular satisfaction surveys to identify critical issues in order to address them. Mapping these satisfaction levels over time should also provide confidence that critical talent is valued and, thus, less likely to be actively looking to leave.

Organisations should also identify high-performing procurement professionals suited to be placed in a fast-track talent management program that provides additional management and leadership development opportunities.
| Employee Value Proposition | Contribute to economic, sustainable and social development.  
|                           | See real-world outcomes from your work.  
|                           | Directly impact the value of service delivery. |
| Training                  | There are high staff turnover rates in the public sector, and in the absence of training, staff will be attracted to where opportunities exist. Structured training is critical to retaining good staff.  
|                           | Provide opportunities to network with like-minded peers. |
| Career Opportunities      | Motivated employees must experience growth opportunities and promotions to feel valued and to progress in their careers.  
|                           | Promote working the value proposition of working in public procurement, particularly to young people, i.e. environmental and social responsibility.  
|                           | Actively promote opportunities as procurement employees are generally unaware of what these might be. |
| Flexibility               | Allowing for flexibility is a key way to retain staff. Employees are happier in their jobs when they can achieve a work-life balance.  
|                           | Consider rotational programs.  
|                           | Offer stability within government. |
| Awards and Recognition    | Staff members are more likely to stay if they feel like their work is appreciated and they are acknowledged for doing a good job. Introduce a reward and recognition program, e.g. a yearly jurisdictional award ceremony.  
|                           | Empower procurement employees  
|                           | Promote recognition opportunities to staff; these may include awards and non-financial benefits, such as scholarships and professional development opportunities  
|                           | Encourage a culture of recognition by senior managers and within teams.  
|                           | Monitor staff opinion trends via surveys. |
### 9 PROCUREMENT CAPABILITY CHECKLIST

Table 8: Procurement Capability Checklist

<table>
<thead>
<tr>
<th>Step</th>
<th>Checklist</th>
</tr>
</thead>
</table>
| 1    | Understand the existing environment:  
  + government priorities  
  + organisational objectives  
  + change drivers |
| 2    | Agree whole-of-government centre-led allocation of responsibilities. |
| 3    | Establish Organisational Procurement Authority and provide appropriate policy, tools and templates, as well as professionalisation initiatives. |
| 4    | Identify appropriate Procurement Competencies and related training and development opportunities. |
| 5    | Recruit against agreed Procurement Competencies. |
| 6    | Provide work and learning opportunities based on the agreed professionalisation initiatives, notably the Career Management Framework. |
| 7    | Constantly assess workforce satisfaction and tailor working conditions and opportunities to individual need. |
| 8    | Commit to a program of continuous improvement. |
| 9    | Establish networks with thought leadership bodies, such as professional associations and peak procurement associations. |
| 10   | Establish agreed approaches to resource capability development at a whole-of-government level. |
| 11   | Enable access to relevant technical skills and ‘soft’ skills development. |
| 12   | Approach leaders who can motivate and inspire staff to connect to continuing professional development. |
| 13   | Establish accessible communities of practice to allow knowledge sharing. |
| 14   | Establish networking opportunities to share best practice outcomes. |
| 15   | Establish mechanisms to recognise great outcomes. |
| 16   | Provide opportunities to broaden exposure to diverse business areas. |