BUILDING CAPABILITY
to improve government procurement practice
Building Capability to improve State Government procurement practice

Improving the level of strategic procurement skills across the South Australian Government is an important imperative for the State Procurement Board. Investment in procurement capability development contributes to:

- Agency efficiency
- Integration and consistent good practice across functions
- Influencing Agency spend
- Improved resource usage
- Improved outcomes for Government and the broader community
- Better staff retention rates
- More attractive career pathways
- Improved customer service and advice
- A more flexible and multi-skilled workforce
- Higher standards of accountability and transparency.

Building capable Agency procurement practitioners is an on-going process of training, review and reflection, and learning by doing. A capability development model that has gained acceptance in recent years is the 70:20:10 model. It is about re-thinking and re-aligning the learning and development focus and effort. Its originators, Morgan McCall, Robert Eichinger and Michael Lombardo said that successful managers learn:

- 70% from real life and on-the-job experiences, tasks and problem solving
- 20% from feedback and working with and observing role models, and
- 10% from courses and reading.

The 70:20:10 approach highlights that in addition to formal learning, the greater focus should be placed on experiential and collaborative learning (on the job learning): in other words a more holistic approach to learning and development. The Board promotes the creation of good learning environments for procurement practitioners by emphasising learning by doing rather than learning by knowing; and shifting from learning about ‘what’ to learning how to manage ‘how’, ‘why’, and ‘what if’. 
The State Procurement Act 2004 calls for South Australian Government agencies to work towards:

- Obtaining value for money
- Providing for ethical and fair treatment
- Ensuring probity, accountability and transparency in procurement operations.

The State Procurement Board recognises the importance of working with agencies to implement a shared approach to procurement capability development in a strategic and consistent learning and development framework. The Board’s Capability Development Program recognises the 70:20:10 philosophy in which 70% of learning is experiential, 20% is relationship based and 10% is formal.

The Board believes that by working with agencies to raise awareness of the importance of ‘on the job’ learning and partnerships between learners and supervisors, individuals exposed to the Board’s Capability Development Program will take more responsibility for their own learning, productivity and career enhancement.

The program works in partnership with agencies to develop relevant courses, provide quality training, and encourage experiential learning at the workplace. Formal and targeted training can provide a more thorough understanding of procurement imperatives and commercial acumen so that procurement staff have improved interaction with the market and can deliver commercially-focused procurement. However, follow up at the workplace is essential for this new knowledge to be embedded. Supervisors report that the 70:20:10 approach gives their staff the skills to develop and share new skills and knowledge with their team. Rather than upskilling one person, a training course becomes a source of new knowledge to be shared at the workplace.

“Real learning and capability-building occurs not as a series of events, but over time through a series of processes – through experience, through taking the opportunity to practice, through working and conversing with others in new ways, and through having the time to reflect on behavioural changes.”

(Jennings & Wargnier)
The Benefits of Skilled Procurement Staff

Procurement is now seen as a strategic activity that enables government to respond to cost pressures and changing community service expectations by leveraging its spend more effectively. Consequently, procurement staff require a greater focus on the commercial and social aspects of procurement that go beyond the traditional process focus of the past. Conventional transaction-oriented purchasing may not deliver strategic procurement outcomes. Skilled procurement practitioners can negotiate improved performance and leverage cost reductions over the procurement lifecycle.

The Board facilitates training that ranges from targeted information sessions to formal qualifications, from Certificate IV in Government (Procurement and Contracting) to Masters in Management (Strategic Procurement). More than 130 qualifications have been obtained by agency procurement staff since 2010, many assisted by funding provided from or sourced by the Board.

There comes a time when transactional procurement delivers diminishing returns. To go beyond transactional procurement, professional procurement skills and expertise are required.

Masters in Management (Strategic Procurement)

Following collaboration with the Board, the University of South Australia developed a Masters in Management (Strategic Procurement) qualification. The Board encouraged uptake by making funding available for 10 part-scholarships for government staff nominated by their agency. The Masters in Management (Strategic Procurement) is open to both public and private sector professionals, and the qualification is formally accredited to full membership status (MCIPS) by the Chartered Institute of Procurement and Supply.

The Board continues to explore ways to support both formal and informal learning.

Focus on the 70

The 70:20:10 learning and development model is based on the principle that most learning (70%) is self directed job-related experience. It often takes place in unstructured work situations: at the desk, in the office, talking to customers. 70% of all learning is a direct response to the learner’s own needs.

Informal learning is the most powerful way of obtaining new knowledge because:

- We know what we need to learn
- We can see the results
- It is in context
- We can ask questions
- We learn better when we’re relaxed
- We can repeat the task until we get it right.
For the 70 element to be productive, managers and supervisors need to provide guidance so that the right things are learned. Practitioners can pick up good and bad techniques when learning on the job - so the process should be guided. Managers can help their staff gain the most from informal ‘on-the-job’ learning:

• Talk to your staff about learning on the job: give people permission to do it, but give them tips on keeping it focused and efficient.
• Model what you preach: demonstrate how to provide ‘bite sized chunks of learning’ in the way you provide information to your staff.
• Incorporate discussion of informal learning in your regular performance and development reviews.
• Seek out opportunities to improve coaching and leadership development skills for you and your staff.

Practitioners can assist their managers and colleagues by suggesting ways to improve informal on-the-job learning, for example:

• How new learning can be applied in real situations
• Using feedback to try a new approach to an old problem
• Increasing ‘span of control’ and decision making responsibilities
• Championing and/or managing changes
• Covering for others on leave
• Gaining exposure to other departments or roles
• Taking part in collaborative projects or working groups
• Undertaking stretch assignments
• Interacting with senior management
• Seeking out leadership activities
• Making cross functional connections.

Use 20 and 10 to sharpen up, top up and introduce new knowledge

20: Learn and develop through others

20% of learning comes from structured learning from others, through ‘developmental relationships’ such as coaching, mentoring, projects, work teams and external networks. These more structured processes have a clear purpose and can include:

• Structured work debriefs
• Reflective practices
• 360 feedback
• Assessments with feedback
• Structured mentoring and coaching
• Learning through teams/networks
• Targeted learning from external networks or contacts
• Professional or industry association involvement or active membership
• Facilitated group discussion
• Action Learning.

Managers should plan 20s with their staff: help them to understand the outcomes that they are seeking, how the learning process works, and what learning environment works best for them - and involve them in the design of structured learning activities. The Board’s Capability Development Program engages supervisors and agency Heads of Procurement in strategies to support staff to learn from others.
10 - Learn and develop through structured courses

With a good learning environment in place, your staff are ready to capitalise on the 10, typically through

- Courses
- Workshops
- Seminars
- eLearning
- Professional qualifications/accreditation
- Certification
- Formal education, e.g. University, TAFE.

If you're providing a good 70 environment, you'll recognise when your staff need more structured input.

Capitalising on the 10: Formal training

Just because it’s only 10%, doesn’t mean it’s not important.

Formal training has an essential place in the 70:20:10 mix. It should be used to:

- Fill in knowledge gaps
- Introduce new knowledge that's not available in the workplace (e.g. new legislation or policy)
- Reinforce workplace learning (“yes, we’re doing it right”)
- Give staff experience of other agencies and approaches so that they understand the context and broader application of their knowledge
- Challenge and excite.

“I believe that by following the course concepts, we have made this process quite smooth, without the training I'm sure that our processes would not have been approved.”

The best learning is “just enough, just in time, and just for me”.

The Board’s Targeted Procurement Training Program uses this philosophy to develop short courses that are offered on a regular schedule so that staff can take advantage of learning when they need it.

Formal Pathways in the Capability Development Program

Targeted Procurement Training complements formal qualification pathways. The Board has contributed to the development of the following qualifications under the Australian Qualifications Framework (AQF):

- Masters in Management (Strategic Procurement)
- Advanced Diploma of Government (Procurement and Contracting)
- Diploma of Government (Procurement and Contracting)

Individual members of the professional association, CIPSA (Chartered Institute of Purchasing and Supply Australasia), can also gain globally recognised qualifications through that organisation.
Continuous Improvement

Continuous improvement in the Board’s Targeted Procurement Training is based on a rigorous three level longitudinal evaluation that captures participant learning, encourages reflection on the application of skills, engages supervisors and tests the degree to which the training has ‘made a difference’ in the workplace. In effect, it measures 10, 20 and 70.

The independent evaluation of the continuous improvement surveys concluded:

• “The survey analysis showed that the targeted training is high quality, relevant and generally of appropriate length and content.”
• “The three level evaluation method was well supported, and provided very useful feedback. The inclusion of supervisor feedback supported the 70:20:10 philosophy, and the use of focus groups with larger agencies provided an effective triangulation check that confirmed the quality and relevance of training design and content.”

Procurement in the South Australian Government

The South Australian Government spends over $4B per year on goods and services. It is critical that we get it right.

The State Procurement Board wants procurement staff across government to be skilled and have the knowledge to meet current and future demand, which will deliver the following benefits:

• Well managed learning and development ensures the right people with the right skills at the right time
• Effective procurement management generates efficiency, improves accountability and delivers value
• Staff place enormous value on professional development, so training improves staff retention.

To support agencies, managers and staff, the Board, in consultation with the Heads of Procurement, has produced the **Procurement Job Description Matrix** as the standard for requisite skills and knowledge across the public sector. The matrix provides guidance on relevant skillsets and qualifications for procurement roles within the SA public sector.

**70:20:10 is a partnership that delivers results.**

Learning and development is an integrated process that uses workplace learning, staff support and formal courses to enhance productivity and performance, and retain good staff.

*“Keeping up to date with procurement requirements has a positive impact on our business processes, they are now undertaken with more certainty and confidence.”*

Capable and strategic procurement delivers broader policy benefits through improved economic, social, environmental and regional outcomes.
FOR MORE INFORMATION
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