iSpec

INTEGRATED TECHNOLOGY PROCUREMENT
A new paradigm in CAPEX sourcing and implementation
Companies that make extensive use of technology in their business have realised that the old paradigm of Technology, Procurement and Project Management each working in their own cocoon is neither sustainable nor optimal.

The homogenisation of these 3 functions into an integrated unit through improved compliance better control and project cost reduction leads to enhanced performance and shorter lead times.

iSpec - a web-based Technology Sourcing and Implementation solution - can play a central role in this new approach.

iSpec integrates the entire process from concept through planning, design, tendering, bid evaluation, contract awarding, contract and project management to quality assurance, issue tracking and final delivery of technology projects.

It supports the new paradigm of this fully integrated business function. Of course many businesses may baulk at the idea of re-engineering their Technology, Procurement and Project Management structures into a single unit. Using iSpec obviates the need for re-structuring your business by simply integrating the processes through its technology and creating a seamless continuation of one function into the next thereby blurring the lines of separation and ensuring that all functions operate as an integrated unit without actual integration. This has been done before by ERP systems, where many separate functions have been integrated in a single solution. However most ERP systems were developed based on theoretical models for manufacturing - not for sourcing and implementing technology projects.

This is where iSpec's depth and integration make it infinitely more suited to these type of projects. It was developed around real world experience and is out of the box ready to deploy.

Of course it can integrate with other solutions such as ERP, financials, procurement etc. to provide a seamless business solution.

White paper by Arthur D Little on Shell's adoption of this methodology.
Technology

Managing technology procurement and implementation

Introducing and implementing technology into a business requires a mixture of knowledge distribution, change management, good collaboration, accountability, control, strict compliance with new procedures, specifications, implementation management and risk management. This will ensure the best possibility for a successful outcome, by reducing project costs and minimising errors.

Standardisation - specs. contracts. evaluations. standards

The advantages of standardisation is that it helps cut costs by lowering installation costs, reducing the need to maintain large spare parts inventories, and lowering maintenance costs and thus also allows a company to take advantage of economies of scale when purchasing equipment and spares. It helps improve the management and design with less customisation needed, enabling interchangeability of components, and provides practical application of expert knowledge enhancing operability and improving performance.

Key Features, Advantages, and Benefits of Standards Realise a direct return on investment by

- lowering installation and startup costs
- reducing need to maintain large spares inventories
- enabling interchangeability of components
- improving design with less "custom" effort
- increasing safety

Use of standards in industry

- improves communication
- provides practical application of expert knowledge
- represents years of experience and avoids necessity of starting each project from the ground up.

Standards help you achieve operational excellence by

- improving performance
- lowering maintenance Costs
- reducing downtime
- enhancing operability
- saving money
- reducing repetitive research.

Managing specs

iSpec makes managing your specifications, standards and procedures a cinch. The master library contains specifications that are either pre-approved and not subject to amendment without approval, or those that require “re-purposing” specific to the tender. Depending on the governance structures of each organisation, participants are allocated levels of authority to participate/contribute. These levels can be from limited contribution to selected documents to full access to all documents and the ability to amend/modify. Access and editing rights are governed by a comprehensive role and permission management system. As the master library is central the the process, all new technology, specifications and standards can be managed here.

The strength of the master library and template information is due to its “granularity”. In other words, each template or master “document” is managed at a “clause” level. Consequently, each clause, statement or requirement is a template in itself. This allows us to manage specifications at a detailed level and also assign specific items to various specialists who are to maintain and review them.

Unless any changes have been reviewed by the relevant specialist (owner), the entire document cannot be used to create a new tender.
Geographic dispersion of experts and resources
As a company’s subject matter experts are often in different geographical locations, it is often difficult and time-consuming to get their input into a project. iSpec allows one to assign subject matter experts to a project automatically not matter where they are and everyone can work concurrently on documents or specifications, therefor ensuring we always involve the experts and get the job done in a timely manner.

External consultants - technology suppliers
It is also possible to allow external consultants of technology suppliers to update their product specs online for our approval, thus obviating the necessity to enter this data each time a tender is published. Each vendor’s unique pre-approved specs are automatically included in each tender and the only issues requiring attention are therefor customisations/options and pricing.

Reviews
All specifications and other documents can be setup for regular review by the subject matter experts. iSpec then sends them notifications at the pre-determined intervals to ensure they are reviewed regularly in order to keep the current and relevant.

Common clauses
Documents can share common clauses meaning that different master templates that share information only require updating in a single document for all documents using that clause to be updated automatically.

Standard implementation methodologies
Master specifications and tender templates can also include standards for implementation and methodologies for projects ensuring consistency in the roll-out of technologies and projects.

Each master template can and should also contain standard methodologies and project management documents and plans relevant to the project type, for example:

1. Project Charter
2. Project Scope Statement
3. Project Management Plan
4. Risk Management Plan
5. Project Team Communication Plan
6. Project Plan (Statement of Work)
7. Milestone Schedule
8. Change Control Procedure

This way we don’t only request a proposal on technology and pricing from the vendor, but we lay the groundwork for a properly executed project and the standards and methodologies to follow to ensure project success.
Procurement

Compliance

Policy & Procedural Compliance is crucial to ensure employees are following proper protocols, with the goal of mitigating potential losses as a result of crime or administrative error.

GRC (Governance, Risk, Compliance) is a discipline that aims to synchronise information and activity across governance, risk management and compliance in order to create efficiency, enable more effective information sharing and reporting and avoid wasteful overlaps. While interpreted differently in various organisations, GRC typically encompasses activities such as corporate governance, enterprise risk management (ERM) and corporate compliance with applicable laws and regulations.

Organisations reach a size where coordinated control over governance, risk management and compliance (GRC) activities is required to operate effectively. Each of these three disciplines creates information of value to the other two. Each of the three GRC disciplines touch and impact the same technologies, people, processes and information in any organisation.

Where governance, risk management and compliance are managed independently from each other, the organisation will have substantial duplications of tasks. Overlapping and duplicated GRC activities negatively impact both (i) operational costs and (ii) GRC metrics. For example, each internal service might be audited and assessed by multiple groups on an annual basis, creating enormous cost and disconnected results.

A disconnected GRC approach will also manifest as an inability for the organisation to provide real-time GRC executive reports. Like a badly planned transport system, every individual route will operate, but the network will not have the qualities that allow them to work effectively together.

Due to the changes in technologies, the increases in data storage, market globalisation and increased regulation, the number of GRC related requirements that most organisations must sustain has become unmanageable if tackled in a traditional ‘silo’ approach.

iSpec’s in depth audit trail and work flow processes, ensure compliance and reduce risk. The internal messaging (e-mail) facility is a critical part of the GRC discipline. This feature has a number of significant benefits, including:

(i) All communication from the date tender is established in iSpec until contract award through final delivery, is controlled and contained within iSpec. This includes both internal emails between tender team members and external emails with the tenderers and external parties;

(ii) Compilation of documentation in the event that the agreement relies on the RFT and all prior representation;

(iii) Ease of access for tender evaluation, clarifications and negotiations;

(iv) Full traceability;

(v) Ease of audit and probity;

(vi) Ease of retrieval in the event of discovery or Official Information Act requests.
Project management

Continuity from sales team to implementation team

Many buyers think their job is done as soon as the agreement is signed, but without a proper handover to the post-procurement activity, serious problems can occur in the customer vendor relationship.

Throughout the buying process, the vendor will be creating expectations in the mind of the customer. These will greatly influence the customer experience when delivery and use occurs.

Part of the handover process from buying to post-sales is a detailed understanding of what has been purchased by the customer but, especially, what else has been promised or can be expected based on representations from sales and pre-sales activities.

Often the salesperson will embellish the product or services purchased to get the sale. This then creates a serious problem for post-sales who somehow have to live with unrealistic expectations or reset the customer’s expectations. Either way, the result is not going to be a happy one for the vendor and the customer.

Since this is not uncommon, part of the sale process needs to be documentation of what the customer has purchased and what they expect. This needs to be checked by sales management and, perhaps, by post-sales management to ensure that expectations can be met.

Once the sale moves into post-sale, a system also needs to track the sale or project through its various stages to ensure that expectations are fully met. In many cases this will be a process of product delivery and receipt confirmation. At other times, there could be an extensive services and product delivery project with multiple stages.

The key to customer satisfaction is for all parties to understand what is expected and how and when delivery will occur. The project needs to be tracked through its various stages to ensure that each stage is properly managed and signed off by the customer.

Problems which occur in the post-procurement period that can be tracked back to failures of the sales/procurement process should be used to refine the process as well as provide data to evaluate individual vendor performance.

Standardising the process of specification and evaluation is paramount to improving the procurement process for technology projects. iSpec's Master Library is the ideal tool for standardising and continuously improving these processes and specifications.

The practice of including the various project management principles as mentioned in the technology section earlier in each project/tender ensures that projects have a much higher probability of success and on-time delivery. Other aspects that iSpec manages include:

1. High level PM
2. Tracking progress
3. Variation orders
4. Contract management
5. Automated reminders for milestones and deliverables
6. Vendor performance tracking