

# Data Analytics: A Roadmap for Success

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NASPO recently invited members from Florida, Texas, and Virginia to participate in a [webinar](#) to share how their states are using the powerful tool of data analytics to improve procurement processes across the board. As Roz Ingram, Chief Procurement Officer of Florida, put it best, data analytics are “a roadmap for decisions.” Read on to learn what else was shared during the webinar, and how your office can use data analytics as a roadmap for success.

## Where Are We Going?

In the rapidly changing world of procurement, state procurement leaders are always looking for new ways to increase savings while not sacrificing efficiency or quality. Using operational performance metrics and data analytics to create a roadmap will lead procurement officials to the best values and solutions. Data points are collected and compiled, reviewed and scrutinized, and then used to drive decision making. Effective use of this data can lead to states saving time, resources, and money, increasing transparency, and procuring the best-suited products and services available.

## Drawing the Map

### What data should be tracked?

- Spend
- Price changes
- Preference awards (e.g. “SWAM”)
- Timelines (actual v projected)
- Risk factors
- Vendor/contractor performance

### How can data be collected?

- eProcurement systems
- Statewide online ordering systems
- Vendor/contractor reports
- Internet research
- Market tracking resources (IBISWorld)
- Specially designed systems

# Following the Path

Once the data has been collected and compiled, how can it be used to actually direct the steps of procurement officials in the right direction?

- **Greater Transparency** - Having all of the information in an easily digestible form can make it easier for states to share and communicate with the taxpayers, and with vendors. Virginia uses a robust eProcurement system, “eVA,” to track more than 650,000 purchase orders and 16,000 solicitations per year. The resulting data is then readily available to the public, legislators, and potential vendors, allowing everyone to benefit.
- **Increasing Negotiation Power** - Knowledge is power, and the state of Florida knows this. They compile data into Market Analysis and Procurement Strategy (MAPS) Reports that are used to drive decision making. Having solid statistics at your fingertips can increase negotiation power when at the table with vendors, and make the difference when getting the best deal for your state.
- **Measuring Performance** - Data points can be tracked over time to measure the performance of not only the procurement office, but the vendors and contractors. This will assist the state when determining what vendor relationships to maintain and what service expectations should be communicated to the vendors.
- **Predicting the Future** - States like Texas are looking at the data over time to help procurement officials predict what budget allocations will be needed, and ensure executive buy-in to secure adequate resources for future projects. Forecasting market trends can also help when identifying opportunities for strategic sourcing.
- **Proactive Purchasing** - Procurement can become a proactive process instead of reactionary when officials are given the tools and knowledge to consider the strategy of procuring needed goods and services as opposed to merely satisfying the demands triggered by individual requests. For example, analytics can be used to identify ways to “bundle” products and services into master agreements, saving time and money.
- **Cost-Savings** - Procurement officials armed with knowledge, tools, and foresight will make the best choices with taxpayer dollars. Virginia uses eVA to be able to track matching items across agencies and do a comparison, helping determine if money can be saved by using different vendors with better prices, and/or if buys can be consolidated. If followed by procurement officials, every roadmap drawn using data analytics, will lead to cost-savings for our states.

## Additional Resources

- [Data Analytics: What's in the Numbers?](#) - NASPO Webinar (2016)
  - Listen to and learn from NASPO state members from Texas, Virginia, and Florida regarding their states' efforts at using data analytics to improve procurement processes.
- Connaughton, Patrick, & Sawchuk, Christopher. (2014). Procurement Analytics in the Era of Big Data: What CPOs Need to Know. *Procurement Executive Insight*.
- [IBISWorld](#)
- Commonwealth of Virginia's [eVA Report and Resource Center](#)
- State of Florida's [Vendor Resources](#)
- State of Texas' [Vendor Performance Tracking System](#)