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SURVEY REPORT

TOPIC:

Building Collaborations The CPO-CIO Relationship Survey Report

Technology in Public Procurement Series

IN COLLABORATION WITH:

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Introduction

Purpose: The role played by information technologies (IT) in public procurement has increased dramatically in the past two decades. By most accounts the trend is expected to continue into the future. Selecting and implementing technology, however, is a trying and complex task for any agency. The success of any adoption process depends heavily on the relationship between internal stakeholders. Within this context, the relationship between an organization's Chief Procurement Officer (CPO) and Chief Information Officer (CIO) becomes of particular interest. This report provides the findings of recent research that evaluated some challenges and opportunities within the relationships between CPOs and CIOs.

Conducted by: NIGP: The Institute for Public Procurement, the Public Procurement Research Center (PPRC), and the Public Technology Institute (PTI).

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As the only technology organization created by and for cities and counties, PTI works with a core network of leading local officials — the PTI membership — to identify research opportunities, share solutions, recognize member achievements and address the many technology issues that impact local government. Please visit our website at www.pti.org.

Survey Funded by: NIGP, PTI and PPRC

Executive Summary

Agencies at all levels of government are currently grappling with difficulties in keeping up with administrative expectations within the context of reduced budgetary resources. When such stringent conditions appear, technology is often touted as the best, and sometimes the only, solution. Yet, the selection and implementation of any digital platform is a highly costly and risky endeavor. It is not uncommon for adoptions of information technologies (IT) to fail and lead to large financial waste.

NIGP, through the PPRC, and PTI conducted research that identified challenges and opportunities at the organizational level, specifically by focusing on the relationship between CPOs and CIOs. The research presented here, based on a national survey conducted in the fall/winter of 2012, identifies whether such relationships can be classified as efficient or strategic, and provides recommendations on how the CPO and the CIO can forge a more strategic working relationship.

The results of the survey, in which 377 local government professionals participated, suggest that 83% of the respondents believe that, within the context of their organization, the CPO-CIO relationship is either somewhat strategic or strategic. Approximately, 74% were satisfied with the existing relationship.

Taken together, these results are encouraging. However, as the detailed comments from the respondents suggest, there is room for improvement. Although the complexity of the topic and the methodological limitations of any study of this type make it difficult to reach any exacting generalizations, there are still multiple lessons and conclusions that can be drawn from these results.

The summary of the main recommendations derived from the analysis of the data are presented on the next page.

Overview & Background

Currently, information technologies (IT) are at the forefront of many governmental reform initiatives. By expert and scholarly accounts, governance transformation is often delineated with the realm of the technological capacities provided by digital platforms (Milakovich, 2012). The provision of public services can no longer be envisioned without some sort of IT being involved in the process. The case is often made that enterprise resource planning (ERP) systems, particularly e-procurement system or modules, are not a luxury but rather a requirement for public administration; digital platforms have indeed become a managerial necessity (Turban, Leidner, McLean & Wetherber, 2006).

Recent research has linked a number of possible positive outcomes, such as increased accountability and efficiency, with the use of technology for purposes of governance (Carrizales 2008; Dunleavy, Margetts, Bastow & Tinkler, 2006). Yet, due to the complexity of the area, far too often, many IT projects end up in failures that lead to financial waste. Strategically selecting a particular platform, in particular in the case of ERP systems, has been delineated by many as essential for the eventual success of any project (Feili, Mood, Youshanlouei & Sarabi, 2012). The selection process, however, hinges heavily on the relationship between internal stakeholders. The relationship between an organization's Chief Procurement Officer (CPO) and Chief Information Officer (CIO) is especially crucial since it serves as the axis around which strategic decisions regarding technology are conceptualized.

Findings, Recommendations and Conclusions

Responses and Findings

1. **General Demographics**

A total of 377 individuals representing cities and counties across the country responded to the survey. The categorical breakdown is as follows: CPOs (298), CIOs (50), and (26) other positions. Three individuals did not reveal their positions.

2. **The “Strategic-ness” of the CPO-CIO Relationship**

Approximately 53% of those who responded (197) believed the relationship between the CPO and the CIO in their organization is highly strategic, 30% (113) describe it as somewhat strategic, while 17% (62) believe that it is not strategic.

3. **What Needs to Change for the CPO-CIO Relationship to Become “ More Strategic”**

Those who found that the relationship between the CPO and CIO was not or only somewhat strategic were asked to provide a description of the approaches that can be taken to improve the condition. A total of 128 professionals voiced their opinions. Content analysis of their responses revealed the following top three suggestions:

- a. *Make collaboration/interaction/deliberation/communication organizational habits not just something that gets done when a need arises.*
- b. *The CPO should be educated in terms of technology and the CIO on the procurement process.*
- c. *Both the CPO and the CIO should be actively involved in long term strategic planning from the onset.*

4. **The “Effectiveness” of the CPO-CIO Relationship**

Approximately 74% (272) of the survey respondents indicated that the relationship between the CPO and the CIO was either effective or very effective. Within the remaining respondents, 20% (74) described the relationship as less than effective, while 6% (24) argued that it was ineffective.

5. **Levels of Satisfaction with the CPO-CIO Relationship**

When asked to evaluate their level of working satisfaction within the partnership, 74% (273) were either satisfied or very satisfied. Twenty percent (74) indicated that they were only somewhat dissatisfied, while 5% (20) indicated that they were highly dissatisfied.

6. **How to Restructure the Organization in order to Make the CPO-CIO Relationship Work**

The survey participants were asked to share their opinions in terms of how the organizational structures could be changed in order to improve the overall relationship between the CPO and the CIO. A total of 286 professional offered suggestions regarding what would be an appropriate restructuring approach. For those who indicated that some changes were in order, content analysis revealed the following most important themes:

- i. *Make both departments, procurement and information technology, “equal” in terms of organizational decisionmaking power.*
- ii. *Clearly define the roles for the CPO and the CIO.*
- iii. *Adapt structures that lead to more collaboration (e.g. centralize decisions when found appropriate).*

7. **A “Rough” Estimate of Possible Savings from eProcurement**

The professionals who participated in the survey were asked to attempt to quantify (in percent) the estimated savings as a result of adoption and use of eProcurement platforms. Based on the responses on average the savings were believed to be 21%.

Recommendations

1. Clearly define the organizational roles of the CPO and CIO and integrate them in the strategic planning process.
2. Ensure strategic planning, implementation and organizational procedures become established practices.
3. Increase the role of procurement and information technology departments within the organizational decisionmaking process.

There is an obvious need for education, in terms of the CPO increasing their understanding of IT and the CIO learning more about the procurement process.

Conclusions

This survey represents the first part of an extended effort to gauge and improve the effectiveness with which technology related decisions are being made by organizations. Keeping in mind that due to the large diversity of our membership any exacting conclusions should be avoided, the results are found to be rather encouraging. It can be argued that overall our current members are rather satisfied with the working relationships between the CPO and the CIO in their organizations. In general, the organizational structures are believed to be supportive of effective and strategic relationship.

The comments of our respondents, however, indicate that there is a lot of room for growth and improvement. The main drawbacks appear to be: (1) the “strategic” nature of the relationship is not permanent but motivated by one time needs and (2) procurement and information technology departments rarely participate on par with finance departments when significant organizational decisions are made.

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Acknowledgments

PTI recognizes our local government audience who first suggested that this benchmarking effort be pursued. As part of PTI's effort to promote thought-leadership on technology issues and practices that impact local governments, PTI partners with organizations like NIGP to highlight best practices and to create workable solutions to improve service delivery.

About the Authors and Contact Information

Tina M. Borger, CPPO, NIGP Research Director, joined NIGP in 2007 following a 31 year career in local public procurement management in Virginia, USA where she led an award-winning procurement department. Tina holds a Masters in Business Administration, and as Research Director, manages research projects and studies on public procurement issues and trends in the USA and Canada while working closely with the Public Procurement Research Center at Florida Atlantic University, Florida, USA. As Executive Director of Business Development, Tina identifies and works with key partners to help further NIGP's mission. She is based in Herndon, VA.

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Appendix: Method

Survey Method:	SurveyMonkey.com on-line survey
Invitation method:	E-mails through SurveyMonkey.com
Target Group:	Public sector agencies in the NIGP database
Email Invitations sent:	2,239 on October 5, 2012
Reminder Sent:	October 15, 2012
Survey Closed:	October 29, 2012
Number of Responses:	377(370 complete)