



STANDARD

Public procurement should understand its purpose in relation to the organization and constituency that it serves. The purpose should be clearly stated, in written format, through the development of a Mission, Vision, and Values statement that is specific to the procurement function (*See: Values & Guiding Principles*).¹

Procurement should then develop a strategic plan that aligns goals and objectives in accordance with the Mission, Vision and Values, while fulfilling the obligation to meet the needs of the organization and the public. The plan should be reviewed and/ or updated annually.

Definition

Strategic planning is the process of creating alignment and consistency of action that results in documents that establish the long-range objectives and overall strategy or course of action by which an organization fulfills its mission.

Strategic Procurement Planning (SP2) is the transformation of an organization's mission, goals, and objectives into measurable activities to be used to plan, budget, and manage the procurement function within the organization. The ultimate goal is to bring about positive change in organizational culture, systems, and operational processes.²

Element 1.1:

Mission Statement: Strategic procurement planning should begin with a Mission Statement. The Mission Statement should be:

- Specific to the procurement entity's purpose and role within the organization
- A short statement of the reasons for the existence of the procurement entity³ which should reflect the Values of Public Procurement.⁴

Element 1.2:

Vision Statement: Strategic procurement planning should include a Vision Statement. The Vision Statement should:

- Identify where the organization wants to be in the future.
- Develop possible improvement paths that may be linked to the goals.

Element 1.3:

Setting Goals: Strategic procurement planning should have clearly defined goals. The goals for public procurement will vary based on external and internal factors, and will change over time; thereby requiring constant monitoring, review, and revision as needed. At a minimum goals should be:

- Aligned with the goals of the organization that the procurement entity serves.
- Prioritized and aligned with the procurement entity's Vision, Mission, and Values.
- Expressed in a communication medium (i.e. written or electronic) that is available to applicable stakeholders.
- Prioritized and aligned to meet the expressed needs of the community, key stakeholders, and government.
- Designed proactively with the involvement of all levels and units of government⁵
- Referenced when making resource allocation decisions.
- Specific enough to define the necessary outcome, avoiding ambiguous language, so that the goal is easily clearly communicated, and makes sense to those inside and outside of the procurement organization.

Element 1.4:

Establishing Objectives: Once goals are prioritized, clear objectives should be established to aid in the attainment of the goal; considering all external and internal factors.⁶ Objectives should:⁷

- Result in the attainment of the goal upon completion.
- Be assigned to an individual or group for action.
- Have clearly defined time frames for accomplishment.
- Be measurable.
- Be tracked to monitor progress. (See Standard of Practice: Performance Management)
- Be specific.
- Be relevant.
- Be ambitious but achievable.

Background

The strategic planning process for procurement is divided into two parts. The first part is developing the strategic plan which allows the procurement department to align goals, programs, activities, and resources with the mission of the organization. The second part allows procurement to determine how it is going to accomplish the elements set forth in the strategic plan (*See Standard of Practice: Performance Management*). Ultimately, the goal of strategic procurement planning is to effectuate positive change in organizational culture, systems, and operational processes.

Without a strategic planning process, there will be miscorrelation between the procurement department's functions and the overarching needs of the organization.

¹ *The Values & Guiding Principles should be considered when creating the procurement entity's Value Statement. The Values Statement should define standards of behavior and reflect what the organization believes in.*

² National Institute of Governmental Purchasing, Inc. (2010). Public procurement dictionary of terms. Herndon, VA: NIGP.

³ National Institute of Governmental Purchasing, Inc. (2010). Public procurement dictionary of terms. Herndon, VA: NIGP.

⁴ National Institute of Governmental Purchasing, Inc. (2010). Values and guiding principles of public procurement. Herndon, VA: NIGP.

⁵ Government Finance Officers Association. (2000). Best practices in public budgeting: Practice 3.1. Retrieved from <http://www.gfoa.org/services/nacslb/>

⁶ Government Finance Officers Association. (2000). Best practices in public budgeting: Monitor, measure, and evaluate external factors. (Practice 11.4). Retrieved from <http://www.gfoa.org/services/nacslb/>

⁷ Doran, G. T. (1981). There's a S.M.A.R.T. way to write management's goals and objectives. *Management Review*, 70 (11), 35-36.