



## Gartner Approach Procurement Controls – Gap Analysis

### Step 1 — Document the Current State

#### Gartner Activities

- Conduct 1-hour kickoff meeting to:
  - Establish schedule and objectives
  - Present data collection request
  - Identify stakeholders and schedule interviews
- Collect and review Procurement control documentation
- Conduct up to 5, 1-hour interviews with Procurement stakeholders
- Conduct up to 6, 1-hour interviews with procurement team
- Present list of required data and collection lists and templates

#### Deliverables

- Project Schedule
- List of requested documentation
- Interview guide

### Step 2 — Compare to Leading Practices

#### Gartner Activities

- Select leading practices for comparison
- Conduct 2-hour workshop to present typical procurement skills and to direct a self-assessment of skills by State attendees
- Conduct 2-hour workshop to present typical Procurement timeline and collect State data for the timeline (activity and timing)
- Compare current Procurement control categories and key processes types to leading practice
- Conduct 2-hour presentation to confirm current state understanding
- Prepare Gap Analysis of Skills, Procurement timeline, and summary Procurement practices.

#### Deliverables

- Current State document

### Step 3 — Recommendations

#### Gartner Activities

- Finalize Gap Analysis
- Identify challenges to success in current Procurement approach
- Prepare recommendations to address Gaps in Procurement methods and typical practice
- Prepare high-level Roadmap to implement recommendations
- Present Recommendations and Roadmap

#### Deliverables

- Gap Analysis Report
  - Skills assessment and gaps (at organization level) based upon State self-assessment
  - Comparison of State procurement timeline to typical public sector timeline
  - Executive Presentation
- Recommendations and high-level roadmap
  - Timeline
  - Key Initiatives
  - Risks/Impediments and mitigation

October 4, 2017

Mr. Stu Davis  
Chief Information Officer and Assistant Director  
Ohio Department of Administrative Services  
30 West Broad Street  
39<sup>th</sup> floor  
Columbus, OH 43215

Dear Mr. Davis,

The following is the report of the Gartner engagement with the State of Ohio, Office of Information Technology (OIT) to rapidly review the processes and control structure of the OIT procurement office. During this engagement we reviewed organization mission, procedures, and operating model, to assess maturity levels on a summary basis, including an organization skills assessment and to compare to typical practice and recommend improvements.

### Summary

Gartner used multiple methods to gather the information needed to develop conclusions and formulate recommendations.

- Interviews were limited to DAS and were conducted with two main groups, key stakeholders in the OIT procurement practice and OIT procurement office analysts, supervisors and division head.
- Working sessions with the OIT procurement staff were utilized to facilitate an organizational skills assessment and organizational maturity level.
- A Facilitated working session was held to review common successful practices in public sector offices and to compare and **contract** [GE1] how OIT procurement operates currently.

Through these one-on-one interviews and group working sessions we have made a number of observations and recommendations **for corrective actions** [GE2] that will lead to significant improvement in the OIT procurement operating model, results and **institutionalization of standard an** [GE3] **repeatable processes for the organization** [GE4]. Gartner further believes that through the implementation of the resulting recommendations, **agency confidence, buy-in and partnership will significantly increase with the OIT Procurement office** [GE5].

The detailed observations and feedback are contained in detail within the attached report. There are however, several items of note that should be called out because of their importance to the **overall risk** [GE6] and opportunity for success of modernizing practices and improving the operations and control structures of the OIT procurement group.

**There exists a significant gap in the understanding of the role of procurement analysts- by the analysts themselves- and the actual mission of OIT Procurement as defined by original charter and agency leadership.** [GE7] **By far, this represents the largest single issue we have documented and has played a large role in the challenges faced by OIT, OIT procurement and aversion to a partnership by agencies with OIT procurement.** [GE8]

As is evidenced by the direct one-on-one, group interviews and workshops, the analysts report their role to be involved in the entire lifecycle of a project from ideation through go-live. However, the mission of OIT Procurement is to facilitate the procurement of services and following contract award, their role ends. [GE9] The observations in this report are not Gartner findings or opinion, but rather the words of the analysts and results of these interview and working sessions.

The misalignment in mission and role has developed over time. There has been a historically perceived lack of vendor management and oversight on certain projects. Given that, the analysts have attempted to step up and, in part, fill this role. The intentions were good, however this has led to the disconnect in understanding of roles and responsibilities as appropriate. [GE10]

With the new leadership of OIT Procurement focused on process improvement, cultural change and adherence to core mission. It should be noted that with a near unanimous voice, the analysts expressed a desire to improve service and capabilities and an openness to change. Gartner believes that while it will be difficult, with appropriate planning and support, OIT Procurement will be able to address the challenges to improve and institutionalize an updated mission and charter along with new and modern procurement methods while maintaining the appropriate control structures required in the public sector.

## Observations

- General observation from the Discovery process is that OIT Procurement is meeting objectives, but not in a sustainable manner. Interviews and self-assessments with OIT procurement analysts report a lack of repeatable process, inconsistent training and difficulty in staffing. As presented, this context cannot effectively support expected increases in IT Procurement demand from the State or allow OIT to manage IT Procurement requirements for emerging and rapidly changing technology. [GE11]
- Comparing interview and self-assessment results with the Senior Management's perspective shows a significant difference in view on the maturity of existing processes, HR management and the role of OIT in State-wide IT procurement. This disconnect indicates either a need for better communication and training for the Analysts to adopt existing processes or true deficiencies at the day-to-day operational level of OIT.
  - This disconnect is seen in Senior Management's reaction to the Analysts' responses to both Discovery questions and the Analysts observations and self-scoring for Procurement Maturity and Skills Maturity. Senior Management questions many of these observations and questions the Analysts' view of their roles, responsibilities and maturity
  - Senior Management notes that there is no formal accountability for Analysts objectives or ramifications for missing these objectives [GE12]
- The analysts' self-assessment workshops were candid and we note the analysts are highly aware of the lack of maturity at an enterprise level. There is a strong desire to improve performance individually as well as organizationally. This desire should be capitalized upon to improve overall organizational performance. However, the plan

must clearly communicate organizational and process boundaries for the OIT Procurement organization.

- There is a clear absence of standards and repeatable processes – at the enterprise level. Individual analysts complete assignments using their own “standard” practice. This lack of uniformity is a cause of delay and frustration with customers, stakeholders, leadership and the analysts themselves. [GE13]
- The analysts report a lack of training, knowledge of enterprise IT standards and view into the plans of the agencies they individually support. Much of the information they desire is readily available through the OIT website or in common reports. [GE14] This is a further indication of the overall communication breakdown. This is an issue that will need to be addressed during the implementation of the improvements roadmap.

As indicated throughout this report, there are significant challenges that must be addressed in order to reach a level of organizational maturity and skills that is acceptable moving forward. [GE15] The existing processes appear to have developed by a historical lack of communication and consistency in previous leadership direction. It was common to hear “this is the way we have always done it...” However, there was little or no policy or procedure that would indicate execution in a proper manner. [GE16]

To be clear, these gaps in understanding and execution are not the result of any malicious intent. They do appear to have been developed by the perceived lack of formal policy or process in the variety of areas discussed.

Gartner has recommended a set of initiatives that will address both the disconnect on Analyst competency and the improvement needed for OIT procurement to consistently meet the Procurement needs of the State. [GE17] Much of the work will entail a significant deviation from current practices [GE18]. We believe that the people within the organization are ready, willing and in most cases, anxious to embrace new and improved ways of doing business.



# Gartner

August 1, 2017

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Re: Ohio OIT Procurement Controls Analysis and Recommendations

Dear Mr. Davis

The following is the report of the Gartner engagement with the State of Ohio, Office of Information Technology (OIT) to rapidly review the processes and control structure of the OIT procurement office. During this engagement we reviewed organization mission, procedures, and operating model, to assess the OIT procurement organizational maturity level, including an organization skills assessment to compare to typical practice and recommend improvements.

## Summary

Gartner used multiple methods to gather the information needed to develop conclusions and formulate recommendations.

- Interviews were conducted with two main groups, key stakeholders in the OIT procurement process, OIT procurement office analysts, and DAS supervisors and division head.
- Working sessions with the OIT procurement staff to facilitate an organizational skills assessment and determine OIT analysts' organizational maturity level.
- A facilitated working session to review successful practices in public sector offices and to compare and contrast how OIT procurement operates currently.

Gartner has made a number of observations and have recommendations for process improvements that will lead to significant and ongoing improvement in the OIT procurement operating model. Through the implementation of these recommendations, the State should see results and maturation and improvements to existing standards as well as the institutionalization of common and repeatable processes. Gartner believes that through the implementation of these recommendations, there will be a resulting improved collaborative working relationship with partner agencies and confidence in OIT Procurement's ability to execute and support technology procurements.

## Gartner.

There is a gap in understanding of the role of procurement analysts- by several analysts interviewed- and the actual mission of OIT Procurement as defined by original charter and agency leadership. This misalignment in the understanding of roles represents what may be the most impactful challenge faced by OIT and OIT Procurement. Not having a common understanding and execution of roles and responsibilities creates challenges amongst all participants and stakeholders. There is a desire by OIT and OIT Procurement, leadership and analysts, to clearly define roles and responsibilities.

The observations contained within this report reflect direct quotes and information gathered throughout the interview process. These statements are not meant to be findings of fact, right or wrong, but rather anecdotal and evidentiary information gathered that is used to demonstrate the understanding of the stakeholders and to support our recommendations for the roadmap for overall improvements.

We do believe the analysts and other stakeholders were extremely forthcoming and self-aware of gaps, organizational and individual challenges throughout this process. Their cooperation throughout has helped Gartner to deliver meaningful and actionable recommendations for improvements to the control structure of OIT Procurement.

The observations and feedback are contained in detail within the attached report and recommendations. There are however, several items of note that should be called out because of their importance to the overall risk of not acting and opportunity for success of modernizing practices and improving the operations and control structures of the OIT procurement group. These include:

- Create a new mission statement for OIT Procurement
- Development of an organizational charter that will be the guiding principles going forward
- Development of standard processes and templates to be institutionalized and utilized by the all analysts and partner agencies to support the procurement process throughout the lifecycle with OIT Procurement
- Schedule of regular mandatory training sessions for analysts on best practices, State technology standards and for discussion and implementation of continually improving enterprise procurement support

As is evidenced by the direct one-on-one, group interviews and workshops, the OIT analysts report their role to be involved in the entire lifecycle of a project from ideation through go-live. However, some believe the mission of OIT Procurement is to facilitate the procurement of services and continue in an oversight or custodial roll following contract award. It must be noted that there are functions that must be performed post-award and throughout the life of the contract by OIT Procurement. These functions include varying levels of participation in:

- Contract preparation
- Contract amendments and change orders
- Contract assignment and delegations

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- Contract renewals and extensions
- Contract dispute resolution and settlements
- Contract compliance reviews and guidance
- Public record requests
- Post award debriefings
- Contract negotiations
- Contract suspension and termination

The misalignment in mission and role has been evolutionary and developed over time. There has been a historically *perceived* lack of vendor management and oversight on certain projects. Given that, the analysts have attempted to step up and, in part, fill this role. The intentions were good, however this has led to a disconnect in understanding of roles and responsibilities as appropriate. Part of the improvements plan must contain a clear set of trigger points for events that move issues from identification to escalation to supervisors or leadership for their action on rectifying the issues rather than the analysts.

OIT leadership has experienced frustration when analysts struggle to focus on the procurement and allow the agencies to focus on making the right business decisions for their own purpose and mission. OIT Analysts' attempts to support agencies has been viewed, in many cases, as being intrusive, questioning agency business decisions and slowing the procurement process.

The new leadership of OIT Procurement is focused on process improvement, cultural change and adherence to core mission. It should be noted that with a near unanimous voice, the analysts expressed a desire to improve service and capabilities and an openness to change. Gartner believes that while it will be difficult, with appropriate planning and support, OIT Procurement will be able to address the challenges to improve. Gartner's recommendation include building agency consensus on mission, create and institute a charter and build a roadmap enabling modern procurement methods to meet growing needs of technology innovations to support the State of Ohio, while maintaining the appropriate control structures required in the public sector.

## Observations

- General observation from the Discovery process is that OIT Procurement is meeting objectives, but will not scale with growing demands for technology. Interviews and self-assessments with OIT procurement analysts report a lack of repeatable process, inconsistent training and staffing levels. As presented, this context cannot effectively support expected increases in IT Procurement demand from the State or allow OIT to manage IT Procurement requirements for emerging and rapidly changing technology.
- Comparing interview and self-assessment results with the Senior Management's perspective shows a significant difference in view on the maturity of existing processes, HR management and the role of OIT in State-wide IT procurement.



This disconnect indicates either a need for better communication and training for the Analysts to adopt existing processes or true deficiencies at the day-to-day operational level of OIT.

- This disconnect is seen in Senior Management’s reaction to the Analysts’ responses to both Discovery questions and the Analysts observations and self-scoring for Procurement Maturity and Skills Maturity. Senior Management questions many of these observations and questions the Analysts’ view of their roles, responsibilities and maturity
- Senior Management notes that they perceive there is no formal accountability for Analysts objectives or ramifications for missing these objectives. It should be noted that delays are also caused by the agencies, business owners, or other stakeholders in the process. Anecdotally, during the interview process one agency sent a completed RFP to OIT Procurement and asked that it be released the following day. OIT Procurement had no prior knowledge of the project or RFP under development. When informed that a review had to take place prior to release the agency blamed OIT Procurement for a delay. The establishment of a system of reporting on the progress of procurements should be established that provides transparency into successes, issues and risks with all active procurements. This reporting system should provide transparency to the executive OIT leadership and is a first step to improved individual accountability in the system
- The analysts’ self-assessment workshops were candid and we note the analysts are highly aware of the lack of maturity at an enterprise level. There is a strong desire to improve performance individually as well as organizationally. This desire should be capitalized upon to improve overall organizational performance. However, the plan must clearly communicate organizational and process boundaries for the OIT Procurement organization.
- There are inconsistencies in standards and repeatable processes – at the enterprise level. Individual analysts complete assignments using their own “standard” practice. This lack of uniformity is a cause of delay and frustration with customers, stakeholders, leadership and the analysts themselves.
- The analysts report a lack of training, knowledge of enterprise IT standards and view into the plans of the agencies they individually support. Much of the information they desire is readily available through the OIT website or in common reports. This is a further indication of the overall communication breakdown. Training should be established for all analysts on a regular basis. This training should include sessions on best and/or successful practices in public sector

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procurements, details of ongoing State technology standards and requirements and open sessions on success stories with agencies. In addition to the analysts utilizing readily accessible sources of information, appropriate agency personnel must utilize the same sources of information to help better prepare their system and project requirements. This must become a collaborative process with agency business owners. Agencies must take an initial level of responsibility when creating initial requirements to fully engage with the acquisition analyst, or to bring forward plans that are in alignment with State technology standards.

- Analysts are not well informed in agency project roadmaps or the criticality and importance of projects. This information must be shared to better prepare analysts to support the procurement process in a timely and effective manner. Gartner believes that through the adoption of standard methods and approaches to support agencies a better and more transparent partnership will evolve between OIT Procurement and the agencies driving improved communications and planning among other benefits.

OIT Procurement regularly and successfully establishes, completes and maintains a number of master contracts. These contracts include:

- State Term Schedule
- Master Maintenance Agreement
- Multiple Award Contracts such as Deliverables Based Information Technology Services (DBITS)
- Master Cloud Services Agreement
- Master Services Agreement
- Master License Agreement
- Master Contracts established through the RFP or ITB process

However, as indicated throughout this report, there are challenges that must be addressed in order to reach a level of organizational maturity and skills that is acceptable moving forward and will better facilitate effective system procurements.

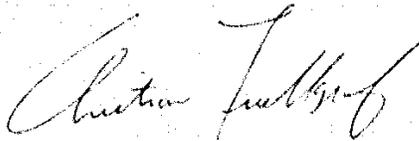
The existing processes appear to have developed over time through a lack of two way communication and overall consistency in previous leadership direction. It was common to hear “this is the way we have always done it...” or “we were told to do it this way...” However, there is historically little or no written policies or procedures that would indicate execution in a proper manner. This review is, in part, a recognition of the lack of written governance, policies and procedures and determining the roadmap and plan for improvements.

**Gartner.**

To be clear, these gaps in understanding and execution are not the result of any malicious intent. They do appear to have been developed by the perceived lack of formal policy or process in the variety of areas discussed.

Gartner has recommended a roadmap and associated timeline for a set of initiatives that will address the disconnect on analyst role and responsibilities. Gartner also recommends the establishment of a training schedule for analysts. It was evident through the self-assessment the desire of the analysts to increase knowledge and training on best practices to support improvements in organizational and individual competency and the improvement needed for OIT Procurement to consistently meet the buying needs of the State. Much of the work will entail new methods and approaches from current practices. We believe that the people within the organization are ready, willing and in most cases, anxious to embrace new and improved ways of doing business.

Sincerely,



Christian Fuellgraf  
Senior Managing Partner

Cc: Sophie Dryer, Gartner  
Kim Weatherford, Gartner

Attachment