



EUROPEAN PROCUREMENT BENCHMARKING REPORT

Limited Release

Introduction

Information Technology (IT) forms an integral part of almost every public and commercial organisations today. The amount of resources consumed for IT both in terms of money and effort has steadily increased and most projections indicate this trend will continue. But, the start of any IT project begins with the acquisition of technology in the form of products or services. The decisions made and the way in which technology is acquired can fundamentally change the value and benefit obtained from the purchasing organisation. The results can be used as a competitive advantage or to deliver best in class service to citizens, or they can create unrecoverable costs and significant business disruptions. The process of acquiring IT and understanding how organisations across Europe undertake such activities is the focus of this report.

Procurement of IT is an organisational process just like production or selling, which can be measured and improved. It is a discipline practised by thousands across Europe on a full or part-time basis, yet very little is understood about how different organisations undertake the various tasks involved in procuring IT. The PROBE Benchmarking Report is based on two important pillars. The first is a new ISO standard (Procurement Extensions to ISO-15504) for modelling and describing procurement processes. This provides a consistent and reliable framework that allows any procurement activity to be assessed and measured. The second pillar is a benchmark database of over 100 organisations from across Europe who have been assessed and whose data forms a benchmark for comparison and analysis of procurement practices.

This Report describes in great detail the current situation for procurement as a discipline that is essential to many organisations today. The Report analyses not only what is being done today, but how these tasks are being performed by examining the:

- level of formal documentation
- skills available to do the tasks
- degree of project planning and tracking
- level of quality achieved
- consistency of usage throughout an organisation
- attention placed on improvement

These along with other attributes are reported for each of 39 different processes commonly undertaken across Europe for IT procurement today.

In addition to understanding how tasks are performed this report also describes the results achieved in over 100 recent IT procurement projects. Summarised are project measurements concerning pricing, schedules, resources, budget overruns, supplier and user relationships and many others which provide important insights into the successes and challenges facing organisations today as they put new technology into operation.

The report shows where European organisations perform well, and identifies where improvements could result in substantial value in terms of savings in resources expended, project performance, and the benefits gained from the introduction of new information technology. Use it to learn where you stand and to motivate improvements in your own organisation.