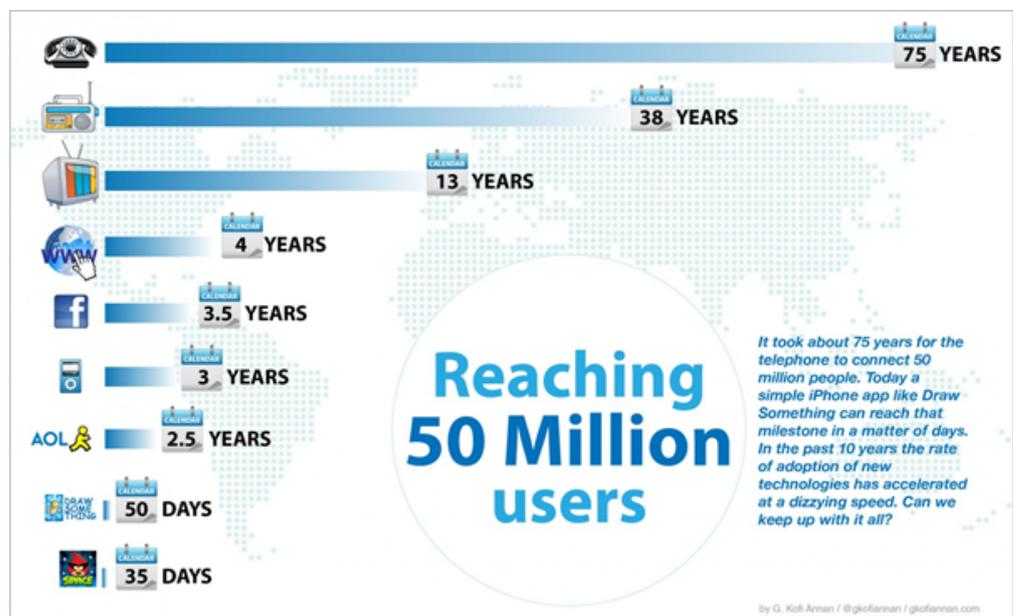# Purchasing at the Pace of Disruption

Living in today's advanced and fast-paced world, we are constantly hearing about AI, Bots, Cognitive Services, Blockchain, Cloud, Platforms, Apps and other rapid technology innovation disrupting businesses. What does this mean for my business, my department, for me, for my staff and colleagues. What do I pay attention to? How do I apply this technology to my business objectives? Who can help me? How does this new technology integrate with my older existing technology that I use to run my business? If I find an organisation that can help me, how do I know they have the skills to deliver on what they promise? These questions tend to face anyone looking at business solutions today.

To provide an idea of the pace of disruption please review this diagram on the speed of adoption for 50 million users.

Source: www.visual.ly/ community

75 YEARS

38 YEARS

13 YEARS

4 YEARS

3.5 YEARS

3 YEARS

AOL 2.5 YEARS

50 DAYS

35 DAYS

Reaching 50 Million users

It took about 75 years for the telephone to connect 50 million people. Today a simple iPhone app like Draw Something can reach that milestone in a matter of days. In the past 10 years the rate of adoption of new technologies has accelerated at a dizzying speed. Can we keep up with it all?

by G. Kofi Annan / @gkofiannan / gkofiannan.com

The telephone took 75 years for 50 million users, the TV 13 years and only 35 days for Angry Birds and being the father of young boys the adoption of the game Fortnite has been staggering, there are over 125 million users worldwide.

How do organisations purchase in this age of disruption? Solutions now can be very inexpensive. For example, if an Educational Institute was to utilise Azure Cognitive Services Content Moderator to read 1,000 student survey responses to check bad language or inappropriate content, then it would only cost $1.27 for the 1,000 transactions. The concept of a lengthy procurement with such an inexpensive solution would seem redundant.

Historically, all organisations would seek to purchase a technology solution by gathering a set of requirements, get internal approval of the requirements (which can take several iterations), seek a technology partner via a procurement process that would include a response document, demonstrations, clarifications, possibly more demonstrations, shortlist vendors, select a preferred vendor and negotiate a contract. Within the Government and Education sectors these processes are governed by strict probity and communication rules. Often the procurement process can be longer and more expensive than the solution that's being bought. It is essentially a Waterfall Project Management methodology for procurement. This procurement methodology no longer works. By the time this process is completed not only can the potential solutions change but the requirements themselves can also change and sometimes even the business objectives. Some Government and Education sector procurement cycles can take over 12 months to complete.

Think about the change that has occurred in technology within the past 12 months and you can understand how it would be impossible to define an accurate set of requirements within this context. The methodology for procurement is based on a 20-year-old technology whereby vendors would install their software on prescribed hardware, configure it over a period of time, test and go live.

Today large-scale business solutions can be enabled within minutes and people can start using them.

"It's now quicker to do it, than discuss how to do it or write 'it' down." Mr Ray Fleming, Higher Education Director at Microsoft Australia.

Click here for an example of a more agile procurement methodology. It is a large Education sector tender that was based on meeting business outcomes rather than a fixed set of requirements and had excellent results for the client and the vendors.

'1It's now quicker to do it, than discuss how to do it or write 'it' down."
-Mr Ray Fleming, Higher Education Director, Microsoft Australia

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So how do I purchase technology and select an implementation partner? How do I know that the solution can meet my immediate needs and grow to meet my future needs? How do I control the common use of technology platforms, so content and communications are consistent across my organisation?

"The people who need visibility on tendering had built an ad-hoc system gradually over 15-20 years, and got used to working in a particular way," says Doug Zuzic, Chief Information Officer at ADCO. "We wanted to import our tender pipeline into a working proof-of-concept, to show them what a new style of working would look like. If we could do this, we would have the support of everyone at the front end of the business."

Businesses need to change their procurement cycle to an Agile, proof of concept methodology. Selection of technology needs to be based on meeting business objectives not the percentage fit to a set of requirements that are months or years old. Define the desired business outcome and ask vendors to prove how they can address the business outcomes. Let the technology experts demonstrate how a business problem/objective can be met, who cares about the percentage fit to a set of requirements. Can my business objectives be met, will my staff use it, can the solution grow with my needs, can it be implemented within an agreed timeline at an agreed cost? If a vendor and implementation partner can meet these needs, then select them. I would suggest that even if an organisation paid 2 to 3 vendors to deliver a proof of concept to a business objective it would be cheaper than the traditional procurement cycle that many organisations still adopt. Think about the time spent by your staff on a traditional procurement cycle and the associated costs compared with defining what you want to achieve within the business and asking a set of vendors to prepare a proof of concept on how they would deliver the solution. The vendors would then come in with their solution and demonstrate the business solution. As a purchaser you get to see; a potential solution, the expertise of the vendor, the user interface, a better understanding of the platform and how it would be delivered. Without unnecessary costs you can then select your preferred vendor and immediately proceed with the implementation based on the proof of concept. It's a win-win situation for the purchaser and the vendor.

Next time you are looking to purchase technology think about changing your selection process to a business outcome, proof of concept methodology and experience the benefits.

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