



BEST PRACTICE PROCUREMENT IN A DEVELOPMENT ENVIRONMENT?

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SOME COMMON PRECEPTS OF BEST PRACTICE PROCUREMENT

- Engaging/tailored procurement approaches
- Incentivization/deterministic strategies
- Supplier Relationship Management
- Negotiation



PROBLEM AREAS

- Engaging/tailored procurement approaches
 - Two-way communications causes collusion, opens corruption
- Incentivization/deterministic strategies
 - Piecemeal approach
 - Pain/Gain difficult to apply
- Supplier Relationship Management
 - Distorts competition, creates unfair advantage
- Negotiation
 - Creates opportunities for collusion, corruption



COMPETITION FOR SUPPLIER TALENT

Supplier Preferencing

Account attractiveness	High	<p style="text-align: center;">Development</p> <p style="text-align: center;">Nurture client Expand business Seek new opportunities</p>	<p style="text-align: center;">Core</p> <p style="text-align: center;">Cosset Client Defend vigorously High service & response</p>
	Low	<p style="text-align: center;">Nuisance</p> <p style="text-align: center;">Give low attention Lose without pain</p>	<p style="text-align: center;">Exploitable</p> <p style="text-align: center;">Drive premium price Seek short term advantage Risk losing customer</p>
		Low	High

ARE YOU WINNING THE COMPETITION FOR TALENT?



- How do suppliers regard your business?
 - For us, World Bank, Client Countries, Client Agencies
- How much does the “NORM” shape thinking?
- How much do you really know about your key suppliers business/strategy towards you?
- Are you getting the right response?

CONCLUSIONS



- Immense opportunity for development partners to get more from their procurement
- Current “NORMS” make it difficult to apply best practice
- Procurement reform is critical to success
- Build upon good case studies, apply common best practice precepts, with controls
- Build confidence and change the “NORMS”

KEY MESSAGE:



**“TREMENDOUS OPPORTUNITIES FOR
CLIENTS TO GET MORE THROUGH
BETTER PROCUREMENT - TO DO THIS
THE “NORMS” NEED TO BE RESET”**
