



Ultimate Guide to IT Procurement

How to navigate the complex IT sourcing process in a way that drives organizational efficiencies and improves your bottom line.

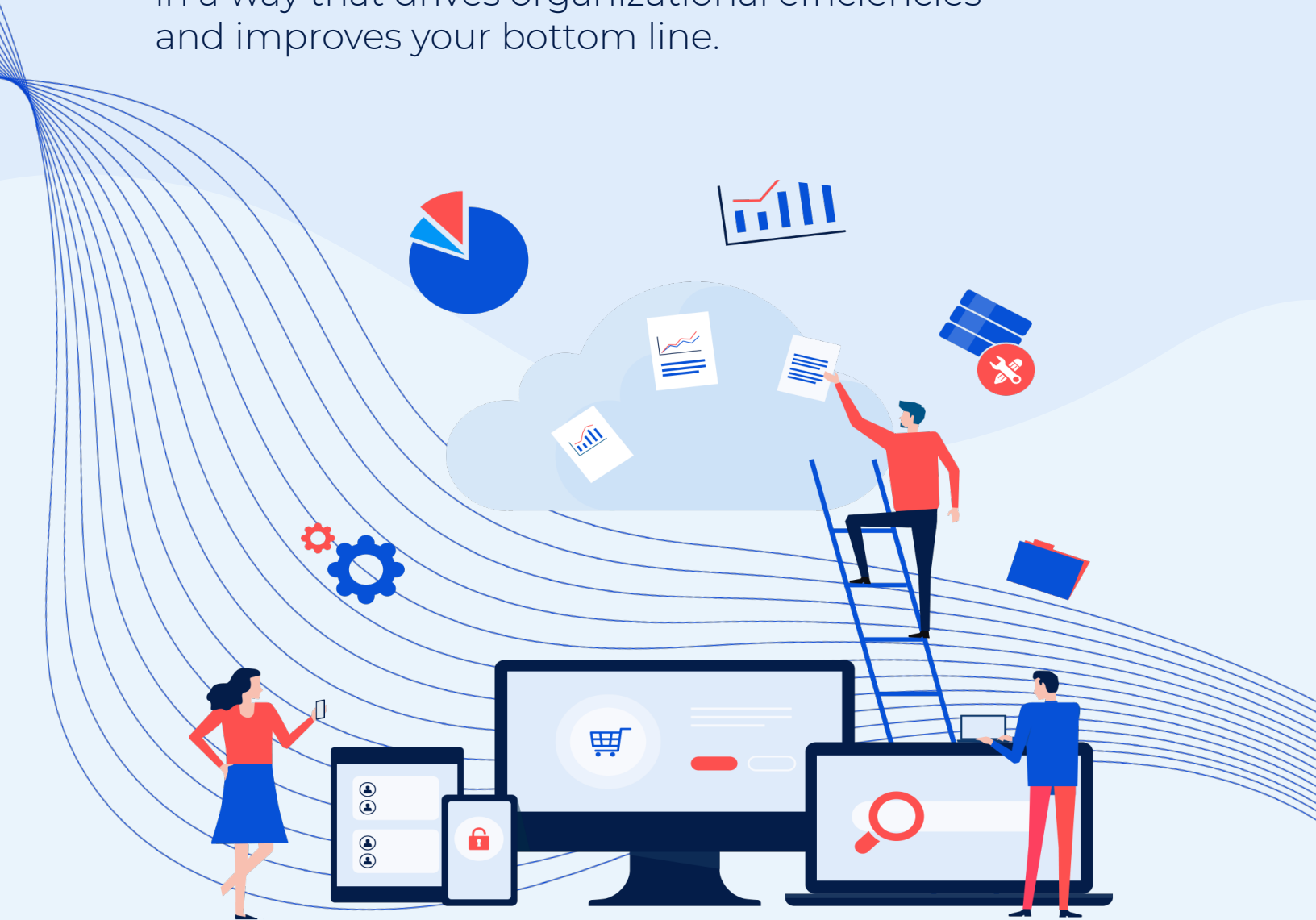




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Introduction to IT Procurement

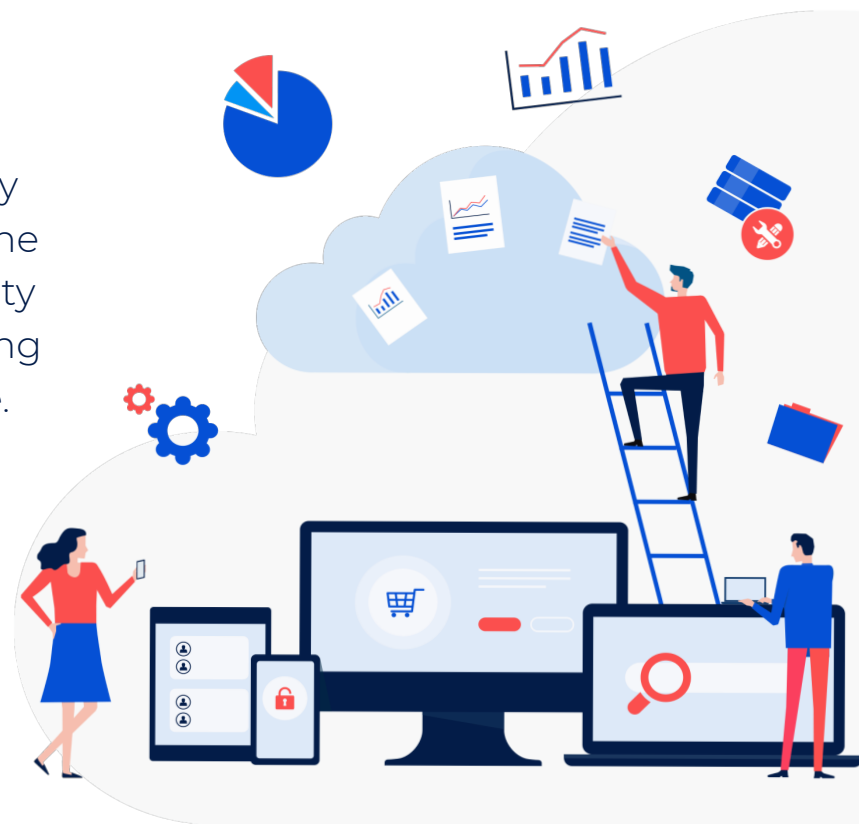
Procurement embodies purchasing across a wide range of categories. Depending on your procurement function, you may be sourcing everything from the direct materials for product production, down to the goods and services needed to keep office supplies in stock and the buildings maintained appropriately.

The procurement process involves strategy, research, negotiation, and implementation to ensure your company is running efficiently and cost-effectively.

These factors are especially crucial when it comes to procuring the right technology solutions for your business.

Given the volume of tech vendors and solutions available, IT procurement can quickly become overwhelming.

This guide is designed to help you navigate the complex process of searching for and comparing different technology providers, and implementing the right IT tools to drive productivity and efficiency without sacrificing your organization's bottom line.



What is IT Procurement?

IT Procurement is the process of researching, selecting, and implementing all of the technology solutions your organization needs to function. This includes everything from telephone lines, internet service providers and email capabilities, to cybersecurity, cloud services, software, and more.

The number of tech contracts and IT vendors that are needed to support your business can add up quickly, which can make this particular category difficult to manage.

Utilizing the right resources to efficiently manage this category of spend, along with all of the IT tools and software programs used by your organization on a daily basis, is key to ensuring you have the right solutions in place to be successful.

It will also help you be successful and make sure you're getting the most value from your IT spending.



Who Owns IT Procurement?

Thanks to a global pandemic and the evolution of the way organizations conduct business around the world, there's been a renewed focus on investing in the right technology tools to ensure business continuity and resilience.

IT spending is expected to reach \$4.4 trillion by the end of 2022 and is oftentimes within the top three largest spend categories for an organization.



It's not a matter of **if** IT spend should be managed, but **who** should be the one managing this significant portion of a company's budget.

Naturally, a CIO may deem that any technology purchase falls within the realm of responsibility of the IT department as they are the true technology experts.

As such, IT seems poised to take care of the entire IT procurement process, from identifying the technology needs of the organization and selecting which vendors to work with, to negotiating contracts and pricing, purchasing, implementation, renewals and support.

Procurement, however, makes a strong case for managing IT purchasing because sourcing professionals are the experts when it comes to managing and reducing costs, implementing best practices, and mitigating risk throughout the buying process.

Salesforce found that 86% of employees and executives cite lack of collaboration or ineffective communication for workplace failures.

That’s an alarming statistic so one thing is clear: improving the collaboration between the procurement and IT functions is crucial for all-around success.



How Can Procurement & IT Work Together?

Here are a few ways procurement professionals can proactively collaborate with their IT counterparts:

Understand goals and priorities

Find common ground by looking at and understanding the organization's overall goals and objectives from the beginning.

Learn how each product will be used

How will each IT tool be used? How will it impact the user's day-to-day activities? What is the user trying to achieve with a certain tool?

Focus on data

Factors to consider when purchasing IT range from supplier reputation and cost to support, reliability, fit-for purpose, and, most importantly, data.

Speak the IT language

Train your procurement team to gain a base understanding of IT language, along with the function's challenges, priorities, and ways of working.

Be the liaison between teams

Procurement can leverage its understanding of IT to communicate across teams and help make decisions.

Set expectations early and often

Have procurement be a part of IT's planning cycles with monthly or quarterly touch points and proactively show IT what the function is capable of.

Challenges Associated with IT Procurement

While a collaborative effort between the sourcing and IT teams should be made to manage IT spend and procurement, several other factors come into play when trying to get a grasp on this complex category.

Technology is ever-changing - and at a rapid rate. What could be considered the top product today could very well be outdated come tomorrow. It's impossible to have the most current or newest application implemented at all times.

Even if you are trying to install a new tech solution, there are oftentimes conflicts with legacy programs or other incompatibilities that prevent it from working properly.



Lack of visibility into spend and contract data also contribute to the difficulty of managing IT spend. Contracts that are set to auto-renew are often forgotten and price increases aren't addressed because there isn't an easy way to compare other options in the marketplace.



Wasteful IT spending accounts for approximately **25%** of costs, with some companies paying **30-40% more** than they should for services like cloud usage.

Overcome these challenges by taking inventory of your current IT solutions, collecting clean spend data, and understanding how all of the tech components work together at the beginning of the IT procurement process.

Also, bring in the appropriate colleagues from other departments to help compile the information you need, whether it's operations, finance and accounting, or sales, so you're armed with data you need before making IT purchasing decisions.

IT Procurement Best Practices

As you begin to navigate this category, some of the same strategic sourcing best practices can be used as a guide to IT procurement as well.

Thinking strategically involves planning for the long-term, making decisions based on data and the overall goals of the organization, building strong relationships, and more.

Here are some best practices to keep in mind when going through the IT procurement process:



1

Think long term

Organizations that don't invest in the short term risk not being around in the long term. Let your IT investments promote success, create long-term value, and develop a competitive advantage.

2

Align with business goals

Avoid making expensive IT spending mistakes by aligning with the organization's overall objectives. Stay aware of other major strategic plans in the business that will impact IT procurement or asset management.

3

Data driven decision making

Use clean spend data to identify cost savings opportunities and reduce risk. Analyzing data can also pinpoint technology gaps and allow you to plan for future IT purchases.

4

Nurture vendor relationships

Create long-term value with IT vendors by nurturing the relationships in a way that is mutually beneficial for everyone involved. This will improve quality of service and customer satisfaction and save money.

5

Minimize risk

Try to anticipate any liabilities before purchasing and implementation. Poor vendor selection or management can lead to quality issues and other contractual non-compliance.

6

Look beyond cost

Take into account the total cost of ownership to understand the long-term costs of a purchasing decision. Factor in ongoing system support, updates or upgrades, too.

Implementing an Effective IT Procurement Process

When it comes time to sourcing IT solutions for your business, here are some basic steps you can follow to ensure you're focusing on promoting and implementing an efficient process that aims to improve your overall bottom line.





Determine business needs

Identify IT needs, recognize budget constraints, and understand the priorities of the individuals or teams that will be utilizing each IT tool.

Complete market analysis

A market analysis will ensure your team understands the options available in terms of costs, challenges, and how the market is evolving.

Compile a supplier list

With market summary in hand, you're now equipped to put together a list of suitable suppliers for the IT solutions you need.

Produce tender documents

Provide shortlisted suppliers with detailed specifications like volume requirements, time scales, SLAs and include an outline of your budget.

Begin RFI, RFQ, or RFP process

You may wish to issue a request for information (RFI), request for quote (RFQ), or request for proposal (RFP) to your shortlisted suppliers.

Negotiate and award contract

Negotiate contract terms that serve both parties and address factors like costs, terms and conditions, key deliverables, break clauses, and KPIs.

Finalize purchase order

This should include a description of the IT components and/or services you are buying, volume requirements if applicable, time frames, and costs.

Process and complete payment

Your supplier of choice will provide you with an invoice that details the agreed-upon price and how you are required to pay them.

Integrate and implement

It's now time to set up your newest IT purchase. Roll it out to employees, train them on how to use it, refer to system requirements and best practices.

Review IT contracts and KPIs

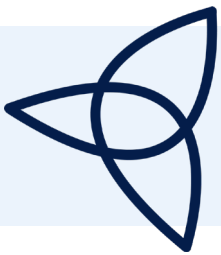
Review and revise your contracts when renewals approach to ensure your team is still getting the maximum value from IT products and services.



Your Personal Guide to IT Procurement

The IT procurement process can be complex and difficult to manage so why do it alone?

As a group purchasing organization, or GPO, Una becomes an instant extension of your procurement team offering industry insight, category expertise, contract management, and more.



Work with a GPO like Una to save an average of **20-35%** in various IT spend categories like mobility, cloud, connectivity, and security.

Partnering with a GPO allows you to continue delivering value in terms of cost savings, increased spend visibility, and deeper category knowledge. Una members have free access to an entire collection of technology vendors offering unprecedented savings on all of your IT needs.

Members can also access a state-of-the-art data insights platform designed to help guide you through the IT procurement process.

Identify technology savings, centralize your technology spend, and manage tech contracts within a single dashboard to prevent auto-renewals and overcharges from impacting your bottom line.

Create Value from Your IT Spend Categories

These days, skimping on technology spend isn't an option. Being able to obtain savings on the IT products and solutions you need to run your business is an incredible advantage.

And while the cost savings are key, the value a GPO unlocks in terms of effort and time saved during the IT procurement process is just as important.

Establish better overall IT contract management, eliminate shadow IT, easily compare system features and alternatives, and keep track of the data within your IT spend with Una's technology savings platform.

Request a free spend analysis to see how much you could be saving with Una.



Request a free spend analysis.

Compare your current pricing to the contracts and savings
available within Una's tech vendor portfolio.

[Learn more at www.una.com.](http://www.una.com)

