Managing the IT Procurement Process

Robert Heckman

An IT procurement process, formal or informal, exists in every organization that acquires information technology. As users of information systems increasingly find themselves in roles as customer of multiple technology vendors, this IT procurement process assumes greater management significance. In addition to hardware, operating system software, and telecommunications equipment and services — information resources traditionally acquired in the marketplace — organizations now turn to outside providers for many components of their application systems, application development and integration, and a broad variety of system management services. Yet despite this trend, there has to date been little, if any, research investigating the IT procurement process. While IS development activities are represented by at least 120 keywords in the keyword classification scheme for IS research literature (Barki et al., 1993), market-oriented strategies for information resource acquisition are represented by a single key phrase — "Outsourcing of IS."

Several studies of IT procurement issues have recently been commissioned by the Society for Information Management (SIM) Working Group on IT Procurement. These studies are an attempt to begin a systematic investigation of critical IT procurement issues. This chapter presents a model of the IT procurement process which was developed by the SIM Working Group to provide a framework for studying IT procurement. This model has provided the conceptual context for the Working Group’s empirical research projects, and a framework for organizing key issues and questions. The model represents IT procurement as consisting of six major processes. Contained within each major process is a series of sub-processes and a set of key questions.

Section 2 presents background material which provides a context for the development of the model. Section 3 describes the process used by the Working Group in developing the model. Section 4 describes the model in
detail, and Section 5 presents an analysis of key IT procurement management issues identified by the Working Group. The discussion in Section 6 includes recommendations and an example of how the model might be used to improve the management of the IT procurement function.

**BACKGROUND**

IT procurement is an interdisciplinary process, typically involving staff members from the IS organization, purchasing, legal, financial/treasury, and end users from all departments throughout the firm. This complex organization structure, the great number of different products and services available, and the speed with which new products are introduced to the marketplace make IT procurement an extremely intricate and volatile process.

Two relatively recent trends suggest that a disciplined, process-oriented framework might be needed to help us better understand and manage the complex IT procurement activity. The first trend is the evolution of the information resource acquisition process from an internal, unstructured, craft-like activity to a more structured, market-oriented discipline. The second trend is the recent expanded focus on business process analysis and design.

**Evolution of the Information Resource Acquisition Process**

Heckman and Sawyer (1996) have described an information resource (IR) acquisition model which characterizes the acquisition process using two dimensions: source and process. Exhibit 1 shows the model, which illustrates that an IR can be acquired from an internal (hierarchy) or external (market) source, and the acquisition process can be either structured or unstructured. Exhibit 1 also shows how the model can be used to illustrate the evolution of information resource acquisition in organizations over time.

The exhibit suggests that in the early years of computing, organizations developed many of their systems internally, using relatively unstructured processes. As experience with system development grew, more structured methods of analysis, design and programming were developed, and software construction began to evolve from a craft-like activity to an engineering discipline. As information technology price performance dramatically improved and microcomputers became available, the era of end user computing began. In this era, organizations tended to turn outward to the market to meet more of their information resource needs, but they did so with relatively little structure or discipline in the process. Finally, in the current era, organizations are recognizing the need to bring more order to their IR acquisition activities. As client server architectures become more complex and interconnected, the need for more disciplined management of the
procurement process will also grow. The IS literature has begun to indirectly address this need in debates about the appropriate management of IT outsourcing relationships (Lacity et al., 1995; McFarlan and Nolan, 1995).

One way to impose discipline or structure on a process is to develop a framework which allows the process to be analyzed and managed in a systematic way. An example of such a framework is the traditional systems development life cycle (SDLC). The SDLC framework allowed discipline to be introduced to the process of systems analysis and design, and laid the groundwork for the development of methodologies intended to improve reliability and productivity (Reifer, 1994; Thayer, 1988; Rook, 1986; Vaughn and Parkinson, 1994). It enabled not only the creation of structured analysis and design tools, but also made possible systems development approaches which transcend the traditional SDLC. It can be argued that the SDLC was an essential evolutionary step which made possible the more advanced approaches of rapid prototyping, object oriented analysis, joint application development (JAD), etc. The IT Procurement Process framework might provide a similar evolutionary function.

**Business Process Analysis and Design**

Business process analysis and redesign has become an important management tool for both American and global businesses. Davenport and Short define a business process as *a set of logically related tasks performed to achieve a defined business outcome*. Business processes are generally
independent of organizational structure, and this attribute has led to great interest in business process redesign (BPR). In BPR, important business processes are decomposed and reassembled in ways that are intended to be more efficient and effective. Techniques and principles for the analysis and design of business processes have been widely promulgated (e.g., Hammer 1990, Davenport and Short, 1990, Teng et al. 1994, Sampler and Short, 1994), however all have in common the necessity to identify, understand and measure the components or sub-processes which comprise a critical business process.

The process framework described below attempts to accomplish this objective in the IT procurement domain. It provides a comprehensive description of the processes and sub-processes which are involved in procuring IT products and services. By identifying and describing the process in detail, efforts to analyze measure and redesign IT procurement activities can begin from a firm foundation.

DEVELOPMENT OF THE FRAMEWORK

In January 1994, the Society for Information Management (SIM) Working Group on Information Technology Procurement was formed to exchange information on managing IT procurement, and to foster collaboration among the different professions participating in the IT procurement process. The IT Procurement Process Framework was developed by a twelve member subgroup comprised of senior IT procurement executives from large North American companies.

The task of developing the framework took place over the course of several meetings and lasted approximately one year. A modified nominal group process was used, in which individual members independently developed frameworks which described the IT procurement process as they understood it. In a series of several work sessions, these individual models were synthesized and combined to produce the six-process framework presented below. Once the six major procurement processes had been identified, a modified nominal group process was once again followed to elicit the subprocesses to be included under each major process. Finally, a nominal group process was once again used to elicit a set of key issues which the group felt presented managerial challenges in each of the six processes. The key issues were conceived of as the critical questions which must be successfully addressed to effectively manage each process. Thus they represent the most important issues faced by those executives responsible for the management of the IT procurement function.

The process framework and key issues were reviewed by the Working Group approximately one year later (Summer, 1996), and modifications to definitions, sub-processes and key issues were made at that time. The key
issue content analysis described below was conducted following the most recent Working Group review in early 1997.

THE IT PROCUREMENT FRAMEWORK: PROCESSES, SUB-PROCESSES, AND KEY ISSUES

The IT Procurement Process Framework provides a vehicle to systematically describe the processes and sub-processes involved in IT procurement. Exhibit III-2-2 illustrates six major processes in IT procurement activities. Each of these major processes consists of a number of sub-processes. Exhibits 3 through 8 list the sub-process included in each of the major processes. These tables also include the key issues identified by the Working Group.

Procurement activities can be divided into two distinct types of processes, deployment processes and management processes.

**Deployment processes** consist of activities which are performed (to a greater or lesser extent) each time an IT product or service is acquired. Each individual procurement can be thought of in terms of a life cycle which begins with requirements determination, proceeds through activities involved in the actual acquisition of a product or service, and is completed as the terms specified in the contract are fulfilled. Each IT product or service that is acquired has its own individual iteration of this deployment life cycle.

**Requirements determination** is the process of determining the business justification, requirements, specifications and approvals to proceed
**Definition**

The process of determining the business justification, requirements, specifications, and approvals to proceed with the procurement process.

**Subprocesses**

- Identify need
- Put together cross functional team and identify roles and responsibilities
- Continuously refine requirements and specifications in accordance with user needs
- Gather information regarding alternative solutions
- Perform cost-benefit analysis or other analytic technique to justify expenditure
- Evaluate alternative solutions (including build/buy, in-house/outsource, etc.) and associated risk and benefits
- Develop procurement plans which are integrated with project plans
- Gain approval for the expenditure.
- Develop preliminary negotiation strategies

**Key Issues**

- What are the important components of an appropriate procurement plan? [S]
- How much planning (front-end loading) is appropriate or necessary for different types of acquisitions (e.g., commodity purchases vs. complex, unique acquisitions)? [S]
- How should project teams be configured for different types of acquisitions (appropriate internal and/or external resources, project leader, etc.)? [IR]
- How should changes in scope, and changes in orders be handled? [P]
- What are the important cost vs. budget considerations? [F]
- What are the most effective methods of obtaining executive commitment? [E]
- Can requirements be separated from wants? [P]
- Should performance specifications and other outputs be captured for use in later phases such as quality management? [P]

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**Exhibit 3. Requirements determination.**

with the procurement process. It includes sub-processes such as organizing project teams, using cost-benefit or other analytic techniques to justify investments, defining alternatives, assessing relative risks and benefits defining specifications, and obtaining necessary approvals to proceed with the procurement process. (Exhibit 3.)
Definition

The process of evaluating and selecting appropriate suppliers and completing procurement arrangements for the required products and services.

Subprocesses

- Develop sourcing strategy including the short list of suitable suppliers
- Generate appropriate communication to suppliers (RFP, RFQ, etc.) including financing alternatives
- Analyze and evaluate supplier responses and proposals
- Plan formal negotiation strategy
- Negotiate contract
- Review contract terms and conditions
- Award contract and execute documents
- Identify value added from the negotiation using appropriate metrics

Key Issues

- Is there support of corporate purchasing programs, policies, and guidelines (which can be based on technology, financing, accounting, competitive impacts, social impacts, etc.)? [E]
- What tools optimize the procurement process? [P]
  EDI
  Autofax
  Procurement Cards
- What processes in acquisition phase can be eliminated, automated or minimized? [P]
- Is it wise to be outsourcing all or part of the procurement process? [IR]
- What are the appropriate roles of users, legal, purchasing, and IS in the procurement process? [IR]

Exhibit 4. Acquisition.

**Acquisition** is the process of evaluating and selecting appropriate suppliers and completing procurement arrangements for the required products and services. It includes identification of sourcing alternatives, generating communications (such as RFPs and RFQs) to suppliers, evaluating supplier proposals, and negotiating contracts with suppliers. (Exhibit 4.)

**Contract fulfillment** is the process of managing and coordinating all activities involved in fulfilling contract requirements. It includes expediting of orders, acceptance of products or services, installation of systems, contract administration, management of post-installation services such as warranty and maintenance, and disposal of obsolete assets. (Exhibit 5.)
Definition
The process of managing and coordinating all activities involved in fulfilling contract requirements.

Subprocesses
- Expedite orders and facilitate required changes
- Receive material and supplies, update databases, and reconcile discrepancies
- Acceptance of Hardware, Software, or services
- Deliver materials and services as required, either direct or to drop-off points
- Handle returns
- Installation of Hardware, Software, or services
- Contract administration
- Process invoices and issue payment to suppliers
- Resolve payment problems
- Manage post-installation services (e.g., warranty, maintenance, etc.)
- Resolve financial status and physical disposal of excess or obsolete assets
- Maintain quality records

Key Issues
- What are some provisions for early termination and/or renewals? [L]
- What are the best methods for assessing vendor strategies for ongoing maintenance costs? [ER]
- What interaction between various internal departments aids the processes? [IR]

Exhibit 5. Contract fulfillment.

Management processes consist of those activities involved in the overall governance of IT procurement. These activities are not specific to any particular procurement event, but rather are generalized across all such events. Three general classes of IT procurement management processes are Supplier Management, Asset Management, and Quality Management.

Supplier management is the process of optimizing customer-supplier relationships to add value to the business. It includes activities such as development of a supplier portfolio strategy, development of relationship strategies for key suppliers, assessing and influencing supplier performance, and managing communication with suppliers. (Exhibit 6.)
Definition

The process of optimizing customer-supplier relationships to add value to the business.

Subprocesses

- Categorize suppliers by value to the organization (e.g., volume, sole source, commodity, strategic alliance). Allocate resources to most important (key) suppliers.
- Develop and maintain a relationship strategy for each category of supplier.
- Establish and communicate performance expectations that are realistic & measurable.
- Monitor, measure, and assess vendor performance.
- Provide vendor feedback on performance metrics.
- Work with suppliers to continuously improve performance. Know when to say when.
- Continuously assess supplier qualifications against your requirements (existing and potential suppliers).
- Ensure relationship roles and responsibilities are well defined.
- Participate in industry/technology information sharing with key suppliers.

Key Issues

- How do you distinguish between transactional/tactical and strategic relationships? [ER]
- How can expectations on both sides be most effectively managed? Should relationships be based on people-to-people understandings or solely upon the contractual agreement (get it in writing)? What is the right balance? [ER]
- How can discretionary collaborative behavior — cooperation above and beyond the letter of the contract — be encouraged? Are true partnerships with vendors possible, or does it take too long? What defines a partnership? [ER]
- How should multiple vendor relationships be managed? [ER]
- How should communication networks (both internal and external) be structured to optimize effective information exchange? Where are the most important roles and contact points? [IR]
- How formal should a measurement system be? What kind of report card is effective? What are appropriate metrics for delivery and quality? [M]
- What is the best way to continuously assess the ability of a vendor to go forward with new technologies? [M]

Exhibit 6  Supplier management.
Key Issues (continued)

- What legal aspects of the relationship are of most concern (e.g., nondisclosure, affirmative action, intellectual property, etc.)? [L]
- What is the best way to keep current with IT vendor practices and trends? What role does maintaining “market knowledge” play in supplier management? [M]
- What is the optimal supplier-management strategy for a given environment? [S]
- How important is the development of master contract language? [L]
- In some sectors there is an increasing number of suppliers and technologies, while in others vendor consolidation is occurring. In what circumstances should the number of relationships be expanded or reduced? [ER]
- What are the best ways to get suppliers to buy into master agreements? [L]
- What are the best ways to continuously judge vendor financial stability? [M]
- Where is the supplier positioned in the product life cycle? [M]
- How should suppliers be categorized (e.g., strategic, key, new, etc.) in order to allow for prioritization of efforts? [M]
- What are the opportunities and concerns to watch for when one IT supplier is acquired by another? [M]

Exhibit 6. (continued)

Asset management is the process of optimizing the utilization of all IT assets throughout their entire life cycle in order to meet the needs of the business. It includes activities such as development of asset management strategies and policies, development and maintenance of asset management information systems, evaluation of the life cycle cost of IT asset ownership, and management of asset redeployment and disposal policies. (Exhibit 7.)

Quality management is the process of assuring continuous improvement in the IT procurement process and in all products and services acquired for IT purposes in an organization. It includes activities such as product testing, statistical process control, acceptance testing, quality reviews with suppliers and facility audits. (Exhibit 8.)

KEY IT PROCUREMENT MANAGEMENT ISSUES

Exhibits 3 through 8 contain 76 key IT procurement management issues identified by the members of the Working Group. These issues represent
Definition

The process of optimizing the utilization of all IT assets throughout their entire life cycle in order to meet the needs of the business.

Subprocesses

- Develop and maintain asset management strategies and policies. Identify and determine which assets to track. May include hardware, software licenses, and related services.
- Implement and maintain appropriate asset management databases, systems and tools.
- Develop a disciplined process to track and control Inventory to facilitate such things as budgeting, help desk, life-cycle management, software release distribution, capital accounting, compliance monitoring, configuration planning, procurement leverage, redeployment planning, change management, disaster recovery planning, software maintenance, warranty coverage, lease management, and agreement management.
- Identify the factors that make up the total lifecycle cost of ownership:

Key Issues

- What assets are included in IT asset management (e.g., data, human resources, consumables, courseware)? [F]
- How can Legal Department holdups be reduced? [P]
- What is the best way to communicate corporate-wide agreements? [IR]
- How should small ticket assets be handled? [P]
- How do you move from reactive to proactive contracting? [S]
- Are there ways of dealing with licenses that require counts of users? [L]
- What are the best ways of managing concurrent software licensing? [L]
- Can we be contracting for efficiency using national contracts for purchase, servicing, licensing? [P]
- How can we manage and track software as an asset? [F]
- How can the workload in software contracting be reduced? [P]
- Are there ways to encourage contract administration to be handled by the vendor? [P]
- Is it possible to simultaneously manage all three life cycles: technical, functional, and economical? [S]
- How do we become proactive in risk management? [S]
- What is the appropriate assignment of internal responsibilities (e.g., compliance)? [IR]
- Do you need to track all items? [P]

Exhibit 7. Asset management.
Key Issues (continued)

- How much control (a) can you afford? (b) do you need? (c) do you want? [F]
- What are the critical success factors for effective asset management? [S]
- What practices are most effective for the redeployment of assets? [P]
- Are there adequate systems available to track both hard and soft assets? Are there any integrated solutions (support, tracking, and contract management)? [P]
- What are the best ways to handle the rapid increase in volume and rapid changes in technology? [P]
- What is the appropriate reaction to dwindling centralized control of the desktop with non conformance to guidelines and procedures? [IR]
- Is there a true business understanding of the total cost of ownership over the entire life cycle of an asset? [F]
- What are the impacts on organizational structure? [IR]
- What kind of reporting is most effective? [P]
- How can one manage tax issues — indemnification, payments, insurance issues? [F]
- What issues should be considered in end of lease processes? [P]

Exhibit 7. (continued)

Definition

The process of assuring continuous improvement in all elements of the IT procurement framework.

Subprocesses

- Define and track meaningful process metrics on an ongoing basis.
- Conduct periodic quality reviews with suppliers.
  — Provide formal feedback to vendors on their performance.
  — Facilitate open and honest communication in the process.
- Collect and prioritize ideas for process improvement.
- Use formal quality improvement efforts involving the appropriate people.
  — Participants may include both internal resources and vendor personnel.
- Recognize and reward quality improvement results on an ongoing basis.
  — Recognize non-performance/unsatisfactory results
- Audit vendors’ facilities and capabilities.
- Conduct ongoing performance tests against agreed upon standards
  — e.g., acceptance test, stress test, regression test, etc.
- Utilize appropriate industry standards (e.g., ISO 900, SEI Capability Maturity)
- Periodically review vendors’ statistical process control data.

Exhibit 8. Quality management.
Key Issues

- What is the best way to drive supplier quality management systems? [ER]
- What is the appropriate mix of audits (supplier/site/regional, etc.) for quality and procedural conformance? [M]
- What is the importance of relating this process to the earliest stages of the requirement determination process? [P]
- What corrective actions are effective? [P]
- When and how is it appropriate to audit a supplier’s financials? [M]
- What is an effective way to audit material or services received? [M]
- What is the best way to build quality assurance into the process, as opposed to inspecting for quality after the fact? [P]
- What metrics are the most meaningful quantitative measures? [M]
- How to best measure qualitative information, such as client satisfaction? [M]
- When should you use surveys, and how can they be designed effectively? [M]
- How often should measurements be done? [M]
- How do you insure that the data you collect is valid, current and relevant? [M]
- What is the best medium and format to deliver the data to those who need it? [P]
- What are useful performance and quality metrics for the IT procurement function? [M]
- How to effectively recognize and reward quality improvement? [ER]
- When is it time to reengineer a process rather than just improve it? [P]
- How much communication between vendor and customer is needed to be effective? [ER]

the beliefs of these domain experts concerning the most serious challenges facing managers of the IT Procurement function. In order to better understand the key issues, a content analysis was performed to determine if there were a few main themes underlying these questions. The content analysis identified eight themes, which are shown in Exhibit 9, ranked according to the number of times each theme occurred in the key issue list. (Each theme in Exhibit 9 is labeled by a one or two letter code. These codes also appear in Exhibits 3 through 8 to indicate how each key issue was categorized.) The following themes were those which the rankings in Exhibit 9 suggest are most important to the senior procurement managers in the SIM Working Group.
Practicing IT procurement managers are most concerned with the issue of how to make the procurement process more efficient. The questions that reflect this theme address the use of automated tools such as EDI and procurement cards, reducing cycle time in contracting processes, development and use of asset tracking systems and other reporting systems, and the integration of subprocesses at early and later stages of the procurement life cycle. The emergence of process efficiency as the leading issue may indicate that procurement managers are under pressure to demonstrate the economic value of their organizational contribution, and thus follow the last decade’s broad management trend of rigorously managing costs.

**Process management, design, and efficiency.** Practicing IT procurement managers are most concerned with the issue of how to make the procurement process more efficient. The questions that reflect this theme address the use of automated tools such as EDI and procurement cards, reducing cycle time in contracting processes, development and use of asset tracking systems and other reporting systems, and the integration of subprocesses at early and later stages of the procurement life cycle. The emergence of process efficiency as the leading issue may indicate that procurement managers are under pressure to demonstrate the economic value of their organizational contribution, and thus follow the last decade’s broad management trend of rigorously managing costs.

**Measurement, assessment, evaluation.** The second most important theme concerns the search for reliable and valid ways to evaluate and assess performance. This search for useful assessment methods and measures is directed both at external suppliers and at the internal procurement process itself. The latter focus is consistent with the notion that procurement managers are looking for objective ways to assess and demonstrate their contribution. The focus on supplier assessment reflects an understanding that successful supplier relationships must be built on a foundation of high quality supplier performance.

**Internal and external relationships.** The third and forth most frequently cited themes deal with the issue of creating effective working relationships. The importance of such relationships is an outgrowth of the cross-functional nature of the IT procurement process within organizations, and the general transition from internal to external sources for information resource (IR) acquisition. Venkatraman and Loh (1994) characterize the IR acquisition process as having evolved from managing a portfolio of
technologies to managing a portfolio of relationships, and the results of this analysis suggest that practicing managers agree.

Other themes. The other issues which concern senior procurement managers are planning to develop an effective procurement strategy, legal problems, financial and total cost of ownership (TCO) concerns, and obtaining executive support for their activities.

DISCUSSION: A MANAGEMENT AGENDA FOR THE IT PROCUREMENT PROCESS

The process framework and key issues identified by the SIM IT Procurement Working Group suggest an agenda for future efforts to improve the management of the IT procurement process. The agenda contains five action items which may best be carried out through a collaboration between practicing IT procurement managers and academic researchers. The action items are:

1. Develop IT procurement performance metrics and use them to benchmark the IT procurement process
2. Clarify roles in the procurement process in order to build effective internal and external relationships
3. Use the procurement process framework as a tool to assist in re-engineering the IT procurement process
4. Use the framework as a guide for future research
5. Use the framework to structure IT procurement training and education

1. Develop IT procurement performance metrics and use them to benchmark the IT procurement process. Disciplined management of any process requires appropriate performance metrics, and members of the Working Group have noted that good metrics for the IT procurement process are in short supply. The process framework is currently providing structure to an effort by the Working Group to collect a rich set of performance metrics which can be used to raise the level of IT procurement management. In this effort, four classes of performance metrics have been identified:

Effectiveness metrics
Efficiency metrics
Quality metrics
Cycle time metrics

Closely related to the metrics development issue is the need felt by many procurement professionals to benchmark critical procurement processes. The framework provides a guide to the process selection activity in the benchmarking planning stage. For example, the framework has been used by several companies to identify supplier management and asset management sub-processes for benchmarking.
2. **Clarify roles in the procurement process in order to build effective internal and external relationships.** IT procurement will continue to be a cross-functional process which depends on the effective collaboration of many different organizational actors for success. Inside the customer organization, representatives of IS, Legal, Purchasing, Finance, and User departments must work together to buy, install, and use IT products and services. Partnerships and alliances with supplier and other organizations outside the boundaries of one’s own firm are more necessary than ever as long term outsourcing and consortia arrangements become more common. The key question is how these multifaceted relationships should be structured and managed.

Internally, organizational structures, roles, standards, policies and procedures must be developed which facilitate effective cooperation. Externally, contracts must be crafted which clarify expectations and responsibilities between the parties. Recent research, however, suggests that formal mechanisms are not always the best means to stimulate collaboration. The most useful forms of collaboration are often discretionary — that is they may be contributed or withheld without concern for formal reward or sanction (Heckman and Guskey, 1997). Formal job descriptions, procedures, and contracts will never cover all the eventualities which may arise in complex relationships. Therefore, managers must find the cultural and other mechanisms which create environments which elicit discretionary collaboration both internally and externally.

3. **Use the procurement process framework as a tool to assist in re-engineering the IT procurement process.** Another exciting use for the framework is to serve as the foundation for efforts to reengineer procurement processes. One firm analyzed the sub-processes involved in the requirements analysis and acquisition stages of the procurement life cycle in order to reduce procurement and contracting cycle time. Instead of looking at the deployment sub-processes as a linear sequence of activities, this innovative company used the framework to analyze and develop a compression strategy to reduce the cycle time in its IT contracting process by performing a number of sub-processes in parallel.

4. **Use the framework as a guide for future research.** The framework has been used by the SIM IT Procurement Working Group to identify topics of greatest interest for empirical research. For example, survey research investigating ACQUISITION (software contracting practices and contracting efficiency), ASSET MANAGEMENT (total life cycle cost of ownership and asset tracking systems), and SUPPLIER MANAGEMENT (supplier evaluation) has been recently completed. The key issues identified in the current paper can likewise be used to frame a research agenda which will have practical relevance to practitioners.
5. Use the framework to structure IT procurement training and education.

The framework has been used to provide the underlying structure for a university course covering IT Procurement. It also provides the basis for shorter practitioner workshops, and can be used by companies developing in-house training in IT procurement for users, technologists and procurement specialists.

This five item agenda provides a foundation for the professionalization of the IT procurement discipline. As the acquisition of information resources becomes more market-oriented and less a function of internal development, the role of the IT professional will necessarily change. The IT professional of the future will need fewer technology skills because these skills will be provided by external vendors which specialize in supplying them. The skills which will be critical to the IT organization of the future are those marketplace skills which will be found in IT Procurement organizations. The management agenda described in this chapter provides a first step toward the effective leadership of such organizations.

References