AVOIDING BUYER'S REMORSE

How to prevent procurement failure and deliver lasting value.

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BEST PRACTICE

Freedom to Learn

WHAT WE WILL COVER

- **Why traditional learning technology procurement practice FAILS**

- **The strategic value of open technology**

- **Procurement tips and guidance**

- **Downloadable resources to support future procurement**

FREEDOM

THE FOUR FREEDOMS

FREEDOM TO INNOVATE

FREEDOM TO SAVE

FREEDOM OF CHOICE

FREEDOM TO LEARN

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GLOBAL
SUBSCRIBER BASE

1700+
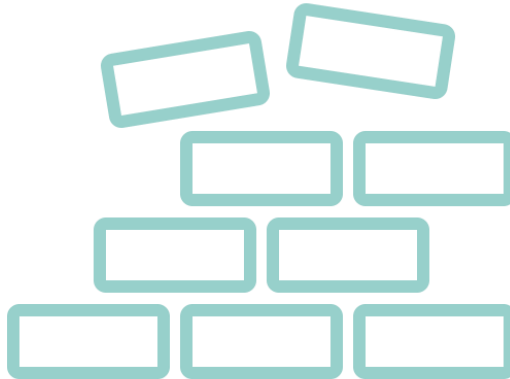ORGANISATIONS

14m+
USERS

PROCUREMENT EXPERIENCE IN ALL SECTORS

WHY DOES LEARNING TECHNOLOGY PROCUREMENT FAIL TODAY?

TYPICAL PROCUREMENT EXPERIENCE

RESEARCH

- **700+ options** – bewildering!

- Analyst reports

  - 20+ "market leaders"

- Ask your network

  - Advice likely to be "don't buy XX" rather than "we love YY"

TYPICAL PROCUREMENT EXPERIENCE

REQUIREMENTS GATHERING

- Build a feature request list

    - Include "everything & the kitchen sink" to "future proof"

- Send to vendors to complete RFI…then RFP…

    - Responses difficult to differentiate

TYPICAL PROCUREMENT EXPERIENCE

SELECTION

- Shortlist for presentation

    - short demos of features

    - little focus on implementation, support, managing change

- Decision based on features promised + price + discount

TYPICAL RESULT

- Implementation takes longer than forecast

- Business needs change before full launch

- New requirements = HIGH cost

- No strong engagement plan leads to low take up

TYPICAL RESULT

- Internal (and external) teams change – knowledge lost

- Hard to justify additional spend outside of existing contract

- Platform not delivering value to the business

- After 3-5 years lock-in, contract expires…

START AGAIN.

CONFUSION AND FRUSTRATION

- No clarity on how features, pricing models and contracting practices align to meet the needs of **your** organisation

- Many platforms are either too narrow, too broad, too expensive or too inflexible.

- Influenced by persuasive tactics and unsubstantiated hype leads to…

PROCUREMENT FAILURE.

UNEVEN PLAYING FIELD

- Complex documents are completed at the cost of the vendor…ultimately you

- Feature comparison "death match" – not aligned to real business needs

- Little time dedicated to shared discovery

- Engagement planning not considered

- Preparing for uncertainty – **AGILITY**

LEARNING NEEDS ARE CHANGING

STATUS QUO

- Learning 'just in case'
- Reactive, prescribed learning
- Generic solutions — one-size-fits-all
- Proprietary
- Vendor in control
- Invest and stagnate — stop and restart

NEW NORMAL

- Learning continuously 'just in time'
- Proactive, demand-led learning
- Differentiated solutions — mass specialisation
- Open
- Customer in control
- Invest & adapt — cumulative benefits

QUESTION:

HOW SHOULD
PROCUREMENT
PRACTICES RESPOND?

THE GLOBAL CHIEF PROCUREMENT OFFICER SURVEY 2018, DELOITTE

78%
COST REDUCTION

58%
NEW PRODUCTS/MARKET DEVELOPMENT

54%
MANAGING RISKS

Remain the top business strategies for procurement leaders

"A clear shift in procurement focus towards innovation and value requires an acceleration in the pace of change, especially in leadership, talent and innovation."

SOURCE:
https://www2.deloitte.com/uk/en/pages/operations/articles/cpo-survey.html

DELOITTE 2017 GLOBAL HUMAN CAPITAL TRENDS

"Many organisations continue to operate according to industrial age models that are 100 years old or more, **weighed down by legacy practices that must be confronted and discarded** before <u>true change</u> can take hold.

As organisations become more digital, they must redesign themselves to **move fast and adapt more quickly.**"

<u>ORGANISATIONS NEED TECHNOLOGY THAT IS OPEN, FLEXIBLE AND BUILT TO ABSORB CHANGE</u>

RETHINKING PROCUREMENT POLICY

*"Where there is no significant overall cost difference between open and non-open source products, open source will be selected on the basis of its additional inherent **flexibility**."*

Open Source, Open Standards and Re-Use: Government Action Plan
(UK Government, 2010)

PROCUREMENT TIPS

Business needs *will* change – focus on **flexibility** not features

Can you add new features when **your business needs them?**

Do you have a **choice of support** as your needs change?

PROCUREMENT TIPS

Do you have **continuity** should your technology vendor fail?

Open access to code facilitates **easy integration**

Total Cost of Ownership (TCO) is the key measure and should cater for short notice change

PROCUREMENT TIPS

Consider running a **paid-for discovery phase** with your shortlisted vendors

- Shared understanding of how each platform will meet your needs

- Detailed breakdown of all associated costs

- Executable project plan

- Prove the level of service and collaborative fit

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USEFUL RESOURCES

Why open technology is the strategic choice for today and tomorrow.

An editable template and guide for creating a comprehensive LMS RFP.

LINK:
freedoms.totaralearning.com

Available to download:

totara.community

MEET TOTARA THIS MAY!

May 2 – 3: Totara is sponsoring and a member from our team will be speaking at Learnapalooza in Seattle, Washington.

May 19 – 22: The Totara team and our Platinum Partners Remote-Learner, eThink Education, Lambda and GO1 will be attending ATD 2019 in Washington, DC.

Just look for the Totara Village booths at: 1121, 1119, 1123 and 1019.

Book a demo at ATD 2019 by searching for "Totara" and clicking "Add to Show" on the *ATD 2019 Map Your Show Plan.*

THANK YOU – FREE GUIDE

LINK:
https://www.totaralearning.com/resources/avoid-buyers-remorse-guide-buying-learning-technology

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