



# **LCRA IT/TELECOM FOCUSED VENDOR FORUM**

JIM RUIZ

TECHNOLOGY PROCUREMENT  
MANAGER

# Agenda

- Org Chart
- Technology Spend
- Supplier Diversity Spend
- Changes in Supply Chain/Procurement
- Supplier Diversity Challenge

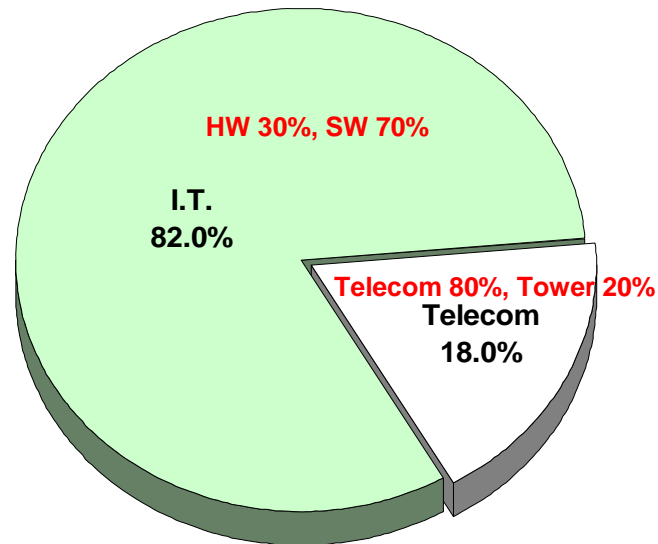
# TOTAL TECHNOLOGY SPEND

TECHNOLOGY PROCUREMENT

## SPEND BY PURCHASING METHODS

	Stand Alone P.O.	LTC	ProCard (LTC)	Direct Payments	Total LCRA Spend
I.T.	\$10,698,067	\$12,613,777	\$1,094,318	75,270	\$24,481,432
Telecom	\$401,975	\$4,462,688	\$516,057	-	\$5,380,720

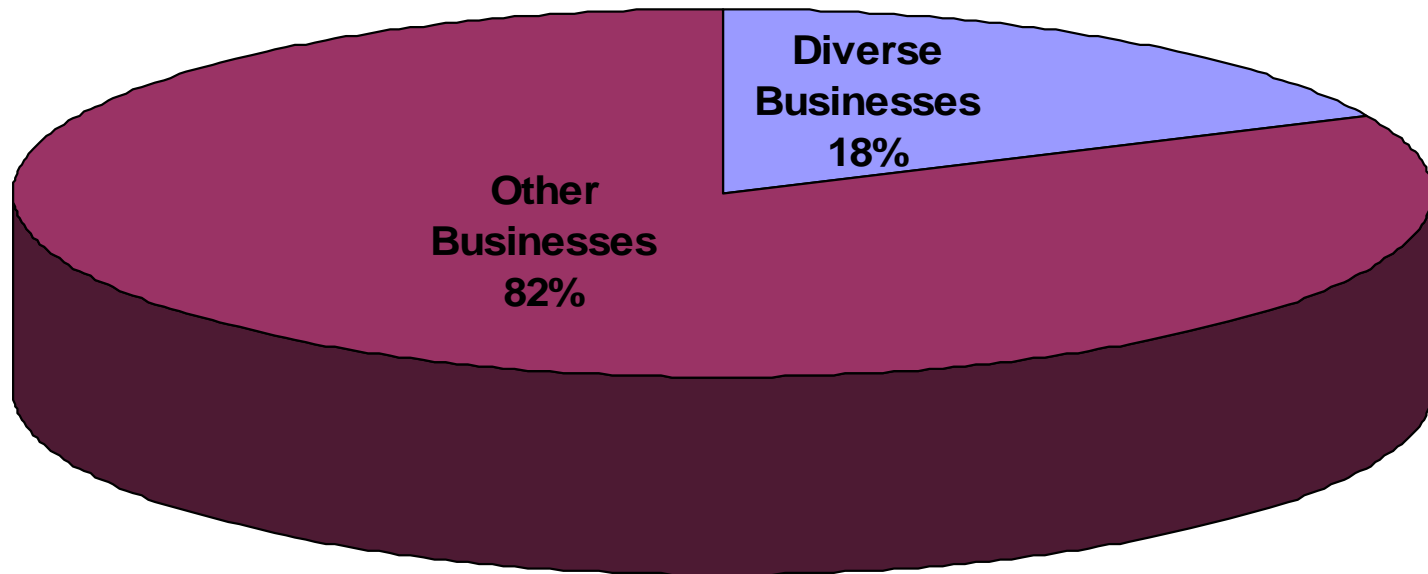
## SPEND DISTRIBUTION



Fiscal Year 2007 – LCRA’s Technology procurement spend totaled **\$29,862,152**

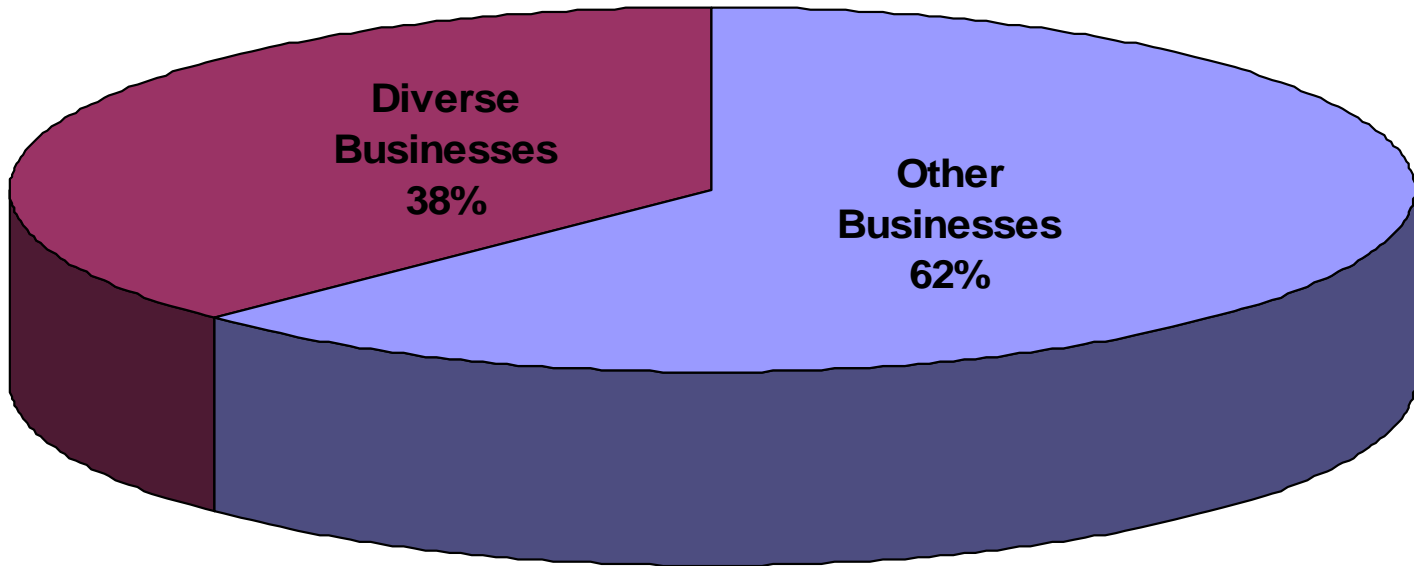
## Diverse Business Spend Distribution - Information Technology

2 out of top 10 suppliers are Diverse



## Diverse Business Spend Distribution - Telecommunications

2 out of top 10 suppliers are Diverse

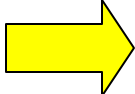


# Creating the Preferred Supply Chain Org.

- **GOAL: Best Practice Procurement Org. (2yr plan)**
- Why change?
  - Low Cost Leadership
    - *This is LCRA's mission*
    - *Increased Emphasis: New GM / Board*
    - *More accountability & Cost Savings*
  - Better leverage LCRA spend (*Supply Chain too tactical to do this*)
  - Too many suppliers, too many contracts
  - Better contracts for the LCRA stakeholders
  - We exist in a global economy
  - For competitive advantage

**BUY VALUE, SAVE MONEY, MITIGATE RISK**

How are we changing?:

**Tactical**  **Strategic**

**Talent**

**Strategic Sourcing Process**

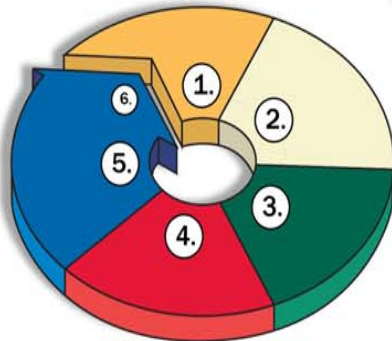
# OVERVIEW: STRATEGIC SOURCING PROCESS

Strategic Sourcing is a procurement-led process that continuously improves the purchasing power of a company through the consistent use of specific tools and activities that clarify the internal business requirements and leverage the supply base.

## OVERVIEW: PROCURE-TO-PAY PROCESS

### PROCURE-TO-PAY PROCESS CONSIDERATIONS

- ① Budget
- ② Cost Estimate
- ③ Vendor Registration and Approval
- ④ Purchase Requisition  
Purchase Order Creation and Dispatch  
Purchase Order Administration
- ⑤ Change Order  
Matched Exception  
Invoice Approval  
Invoice Payment
- ⑥ Trend Analysis



☀ **EFFECTIVE Collaboration Makes This Possible!** ☀

### STRATEGIC SOURCING PROCESS CONSIDERATIONS

- ① **PROCESS INITIATION**
  - What is the opportunity?
  - What procurement is in and out of scope regarding the opportunity?
  - How will we operate as a team?
- ② **SITUATION ANALYSIS**

**INTERNAL**

  - What are the current practices within LCRA regarding this opportunity?
  - What are the business requirements regarding this opportunity going forward?
  - What are the business needs versus wants?

**EXTERNAL**

  - What are the market dynamics regarding this opportunity?
  - How does the LCRA opportunity match the market?
- ③ **STRATEGY CREATION**
  - What are the sourcing options?
  - How do we evaluate and make decisions based on these options?
  - What is the sourcing strategy after analysis of these options?
- ④ **STRATEGY IMPLEMENTATION**
  - What are the implementation steps?
  - Who is responsible for implementing the steps?
  - Evaluation
  - Contract Negotiation
  - Conform Contract
  - Approvals
  - Contract Execution
- ⑤ **SUPPLIER MANAGEMENT**
  - How do we administer contracts to hold vendors accountable to contract terms and conditions?
  - How do we drive more value from the supplier relationship?
  - How do we reduce our cost of total ownership?
  - How can we improve corporate responsibility?

# What does this mean for you?

- LCRA Technology Supplier Diversity challenge: maintain numbers in new procurement environment
- New opportunities
- First suppliers to get Strategic Sourcing Process debrief
- Get your Vendor Record up-to-date and correct (NIGP Codes) - [http://www.lcra.org/about/doing\\_business/index.html](http://www.lcra.org/about/doing_business/index.html)
- YOU can start driving down LCRA TCO, reduce transaction costs, reduce inventory costs, improve service levels, improve quality, etc