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# **Federal Contracting**

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## **Senior Leaders Should Use Leading Companies' Key Practices to Improve Performance (GAO-21-491)**

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## Research Questions

- What are the key practices procurement leaders at leading companies use to improve the performance of their procurement organizations?
- To what extent do procurement leaders at selected federal agencies use those same practices?

# Scope and Methodology

## Companies

- AT&T
- ExxonMobil
- Facebook
- General Electric (Aviation)
- Kroger
- Procter & Gamble
- Raytheon Technologies

## Professional Associations

- The National Contract Management Association
- The Institute for Supply Management
- The American Productivity & Quality Center
- World Commerce & Contracting

## Academic Institutions

- Georgetown University
- University of Virginia
- Howard University
- Penn State University
- Naval Postgraduate School

## Federal Agencies



Air Force



Army



Navy



Department of  
Homeland Security



National Aeronautics  
and Space Association



Department of  
Veterans Affairs

# Company Practices

Procurement leaders generally used three key practices to improve organizational performance

## Outcome-oriented metrics

Procurement leaders emphasized the importance of four types of metrics:

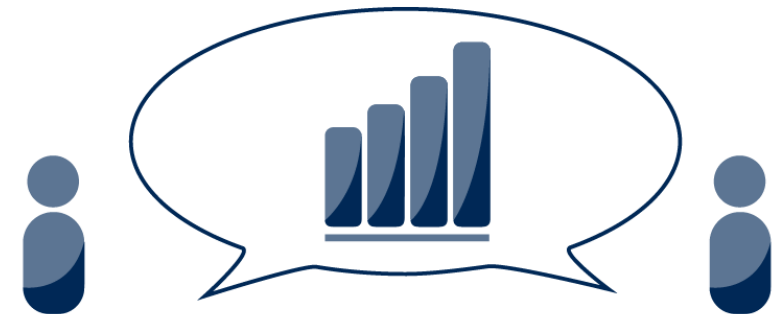
- (1) cost savings/avoidance,
- (2) timeliness of deliveries,
- (3) quality of deliverables, and
- (4) end-user satisfaction



Procurement leaders link performance metrics to strategic goals



Procurement leaders collaborate with internal stakeholders, particularly end users, when developing performance metrics



Procurement leaders use outcome-oriented performance metrics to manage their organizations



Source: GAO analysis of private sector companies' procurement practices. | GAO-21-491

# Agency Practices

Procurement leaders did not consistently use leading companies' three key practices


























## Outcome-oriented metrics

**Air Force:** Limited use overall

- Cost savings/avoidance: Used
- Timeliness: In progress
- Quality: Not used
- End-user satisfaction: Not used

**Army:** In-progress for all

**Navy:** Not used for all

Private sector practices	Air Force	Army	Navy	DHS	NASA	VA
Procurement leaders link performance metrics to strategic goals 						
Procurement leaders collaborate with internal stakeholders, particularly end users, when developing performance metrics 						
Procurement leaders use outcome-oriented performance metrics to manage their organizations 						
 Used  Limited use  In progress  Not used						

## Recommendations

- Procurement leaders should collaborate with end users to develop performance metrics for procurement organizations
- Procurement leaders should use outcome-oriented performance metrics to measure (a) cost savings/avoidance, (b) timeliness of deliveries, (c) quality of deliverables, and (d) end-user satisfaction