

BOOK REVIEW

Planning, Scheduling and Requirement Analysis. By Connie Hinson and Clifford McCue, Herndon, VA: National Institute of Governmental Purchasing, 2004, ISBN 1-932315-02-0, hardbound, 202 pages, \$85.00.

Planning, Scheduling and Requirement Analysis by Hinson and McCue is one of the books in the National Institute of Governmental Purchasing's (NIGP) LEAP Program. This text places the practice of public procurement at the heart of organizational decision making and provides the reader with an excellent overview of public strategic planning and budgeting in the context of procurement.

The first chapter provides the basic argument put forth in the book, which is that the procurement professionals within an organization should be involved in organizational decision making, in the organizational strategic planning process, and in the process to develop the budget. To support that argument Hinson and McCue develop a public procurement process model which shows that the procurement planning process and the strategic planning process are inextricably intertwined. The proposed model expands the traditional procurement cycle offered by the National Institute of Governmental Purchasing (NIGP), the updated Chartered Institute of Chartering and Supply (CIPS) model of the procurement cycle, and the integrative systems model proposed by Thai (2001). The model proposed by Hinson and McCue is designated the "*strategic procurement planning model or the SP² model.*"

The first assumption of the SP² model is that for the procurement process to be successful, the procurement team must participate in the development of the organization's strategic plan. Rationale for this

assumption is that the environmental scan and stakeholder analysis provided by the procurement team contributes to the development of organizational and programmatic goals and objectives that are grounded in the reality of what is possible given the constraints of the procurement environment and the political reality in which the organization operates. Hinson and McCue argue that the inclusion of the procurement team in organizational planning improves the quality of the goals, objectives, and strategies that are established by the organization.

The second assumption of the SP² model is that procurement is a continuous process for allocating organizational resources. In the model, **procurement planning** begins the process by analyzing the environment and assessing the strengths, weaknesses, opportunities and threats of the procurement process along with the expectations of the key stakeholders. **Procurement formalization** follows with the development of goals and objectives for the organization and the development of procurement strategies to achieve those goals and objectives based on the constraints identified in the environmental scan of the planning process. The **procurement implementation** phase of the process focuses on putting the strategies into practice. Structure development is utilized here to create or modify the procurement system, along with process considerations to control the system, and behavioral strategies to address the interpersonal interactions of all stakeholders in the process. **Procurement evaluation** provides feedback to the system and may start the process again or force the system to adapt if the strategies selected and implemented are not performing at the level identified in the planning phase of the process.

In chapter two Hinson and McCue define strategic planning as a set of concepts and tools used to by an organization to assess where it is, decide where it wants to go, and make plans to get there. The importance of procurement professionals understanding this process is stressed, and an overview of the strategic planning process in the public sector is provided. The authors identify and define the common steps in strategic planning: beginning with the decision to plan and the establishment of a planning team; then conducting an assessment of the organizational strengths and weaknesses and the opportunities and threats from the external environment and conducting a stakeholder analysis; reassessing the mission and values of the organization; articulating goals and objectives to meet the mission; developing strategies that are compatible with the values and with the budget developed to reach each of the goals;

implementing the plan; establishing performance measures; monitoring the implementation; and evaluating the plan, providing feedback, and making modifications.

The development of a strategic procurement plan or (SP²) is the heart of the model developed by Hinson and McCue, and chapter three is devoted to discussing the process in detail. The SP² process should be based on the organizational strategic planning process, and the steps of the process are similar. Planning is the first step of the process examining the mission and values of the procurement cycle along with developing a vision of the organization's future. Formalization follows with the identification and prioritization of strategic issues for which goals, objectives, and strategies are developed. Tools such as supply positioning and the development of a procurement profile help to understand departmental procurement capacities and to project procurement expenditures. Implementation with the development of performance measurements and monitoring are the next steps in the SP² process followed by evaluation. The authors provide strategic planning process tools and procurement tools to accomplish each step in the SP² process.

In chapter four Hinson and McCue provide an overview of the many facets of the public budgeting process linking resource allocation decisions to the SP² process and encouraging procurement professionals to take an active role in the budget process. The similarity of processes is emphasized with both the budget process and the SP² process utilizing the steps of planning, formalization, implementation, and evaluation. In addition, the political perspective on the budget as a tool to frame public policy debate is stressed to link the budget to the strategic planning process.

Reinforcement of the need for procurement professionals to participate in the planning and the budgetary processes is made in chapter five by focusing on requirement determination as the foundation for the selection of the best purchasing methods. By ensuring that procurement professionals have staff or advisory roles in the budgetary and planning processes, they are able to forecast more accurate costs and determine more realistic schedules for upcoming projects and projects.

Specifications are one of the most important tools in the procurement process, and in chapter six a detailed discussion of specification management is provided. Two goals should govern the development of

specifications according to Hinson and McCue. The first goal is to meet the needs of the user, and to do this the procurement professional should be proactive by being involved in the organization's planning and budgeting processes. This leads to specifications that meet the second goal, which is to save the jurisdiction money, to provide for the delivery of good or services by the needed date, and to insure the integrity of the process demonstrated by openness, fairness, and competition.

In chapter seven Hinson and McCue discuss pricing strategies and focus on price analysis, cost analysis, and life-cycle costing to maximize value and to evaluate the procurement process. According to the authors these pricing strategies have been underutilized by most procurement professionals due to time constraints, because they have not involved in the organizational planning and budgeting decision making. A detailed discussion of each of the pricing strategies is provided to assist the procurement professional in utilizing these valuable procurement tools.

In the conclusion Hinson and McCue review the public strategic planning process, and they recommend that in procurement it should occur in two phases. The first phase focuses on the involvement of the procurement professional in developing the organization's strategic plan and budget. In phase two, the procurement team should develop a strategic plan for procurement utilizing traditional procurement tools that will support the organization's strategic plan.

This text achieves the goal of making a case for the procurement professional being involved in organizational decision making during the strategic planning and budgeting processes. It provides an excellent overview of strategic planning and budgeting in the public sector and provides credible reasons for the procurement professional to become involved in the planning and budgeting functions of the organization.

Where Hinson and McCue do fall short is in making a case for their strategic procurement model or the SP² process. This model is a systems approach to procurement with planning, formalization, implementation, and evaluation stages, which is well developed and discussed. However, after the initial discussion of the model the subsequent chapters rarely refer to the model again. In chapter six there is an extensive discussion of specification management, but the link to the proposed SP² process is not really made. In chapter seven the evaluation component of procurement is discussed in reference to pricing strategies, but this discussion is not related to the proposed SP² model. Finally, in the

conclusion the proposed model is not mentioned at all, and the authors lose the opportunity to reinforce the link between their proposed SP² model and strategic planning and budgeting.

However, in the final analysis Hinson and McCue provide something for both the practitioner and the academic reflecting the author's backgrounds. The text serves to advance both the academic and the professional debate in the procurement field.

For the procurement professional this text offers an excellent overview of the strategic planning process and the budgeting process, which can be very helpful in integrating an understanding of those processes into the procurement process. The review of the under utilized procurement tools of specifications and pricing strategies can aid procurement professionals in strategically applying these tools to the procurement process.

For future academic writing in this area, Hinson and McCue with their SP² model expand the role of the procurement professional into the realms of organizational planning and budgeting. Procurement is given a prominent role within the organization in this view, but as always additional research regarding the application of this model to the field of procurement is needed.

REFERENCES

- Thai, K. V. (2001). "Public Procurement Re-Examined." *Journal of Public Procurement*, 1(1): 9-50.

Reviewed by Mary Ann Feldheim, Ph.D., Associate Professor
Department of Public Administration
University of Central Florida