

**Kevin Minor:** 0:04

Oh hey, hello podcast listener. Yeah, you come over here and welcome to the NASPO Pulse podcast. We are your go-to source for all things state procurement. I'm your host, Kevin Minor, and I'm Josh Dakota. And we are thrilled to bring you another episode of In-Depth Discussions with expert insights on the latest trends and topics in public procurement. Josh, what is it today, my friend.

**Josh Descoteaux:** 0:37

It is a good day to discuss procurement with you, Kevin.

**Kevin Minor:** 0:41

It is, and it's just a good day to talk to you in general.

**Josh Descoteaux:** 0:43

Josh.

**Kevin Minor:** 0:44

Today we are talking Josh, with Jared Ambrosier, who is the Chief Procurement Officer for the state of Michigan. And Josh, not only is he the CPO for MI, the great, pure state of Michigan, he's also an MSU graduate from the supply chain program, and we love MSU here at NASPO.

**Josh Descoteaux:** 1:04

And Kevin, he's the chair of the executive council.

**Kevin Minor:** 1:07

Ah, I could not forget that. And today, Josh, we're going to be covering with Jared their Gold Cronin Award for 2022 for competitive proof of concept process. He's going to tell us all about that. We're also going to talk with Jared about his the Office culture and how his experience in procurement has affected his theory and views on leadership.

**Josh Descoteaux:** 1:33

Yeah, Kevin, and we're also going to talk about how he recruits and you had mentioned that he has a deep connection with Michigan State. So we talked to him about what he has done with the relationship with Michigan State, what he looks for in new graduates and how he develops the culture in his office. And then we talked to him about the procurement code, what Michigan State has done to look into their statutes and develop policies that are more modern, more efficient and will go forward with a very good foundation of how they operate.

**Kevin Minor:** 2:07

That's right, Josh, and we actually cover so much and we have such a great conversation with Jared that we're going to split this up into two parts. So make sure that you look out for episode two of our conversation with Jared. That will be coming out shortly. Bonus A bonus, the bonus episode. Throwing you a bonus. That was terrible. That was so bad, that was really bad. But that's not all. We've got even more exciting episodes in store for you guys in the coming week. So make sure that you subscribe to the NASPO Pulse podcast on Spotify, apple, google or wherever you get your podcasts. Make sure you leave us a comment or a review, make sure you email us at pulsenaspoorg or send Josh or I an email. We'd be more than happy to talk to you, but for now, sit back, relax and let's take the pulse Absolutely.

**Jared Ambrosier:** 3:06

Jared, how are you doing today? I'm doing good, thank you. Thanks for having me.

**Kevin Minor:** 3:11

Absolutely. Thank you for taking the time out of your busy schedule to join us this morning. Jared, you are the chief procurement officer for the state of Michigan and we haven't really had a chance to talk to you on the Pulse before. So, before we get started, can you just give us a little bit of your background, how you got into procurement and how you got into the role of Chief Procurement Officer?

**Jared Ambrosier:** 3:35

Sure, yeah, that's a great question. One of the things that I think is unique about me in comparison to a lot of Chief Procurement Officers is that my entire career has been procurement. I graduated from Michigan State in 2010 with a degree in supply chain management and right away went right into procurement. So I started in the private sector on the manufacturing side and I loved it. It was a great experience, but I outgrew my role and I loved it. It was a great experience, but I outgrew my role, and so after a few years of that, I jumped over to a buyer role within the Department of Military and Veterans Affairs for the state of Michigan. First foray into public procurement and so definitely learned a lot. A transactional role, you know, issuing purchase orders, helping the National Guard, all those types of things. And then when the state started their procurement transformation efforts, we started doing a lot of statewide collaboration and category teams and that got me exposure to our central procurement office and so I was on a few of those category teams and then they invited me down to interview for a commodities manager position and I got the job and my career kind of took off from there.

**Jared Ambrosier:** 4:58

Circumstances of like luck and timing and departures, of luck and timing and departures. And so I quickly moved from being a manager to a director, to our enterprise sourcing director role, which is the role that's really responsible for all the operational sourcing needs of the state. And then COVID hit and I took over all procurement responsibilities related to COVID and so back into transactional procurement. And you know my office, the central procurement office for the state, does no transactional procurement and so we took an entire team. We flipped their roles from being, you know, contract managers and solicitation managers to your buy-in PPE, and so I led that effort with a group of about 10 people from my office and it really got me a lot of exposure to the front office, the director's office, within our department.

**Jared Ambrosier:** 6:02

And so when Jim Colangelo, our previous CPO, stepped down, you know I interviewed for the CPO role and, you know, got it. I think I was kind of a shoo-in with my experience and relationships that I had built and I've been in that role for almost two years now. So it's been, you know, a great kind of ride and I've held pretty much every possible role. So I was an agency buyer so I understand that transactional nature and then I moved into management at Central Procurement, every level of sourcing management before becoming CPO. So I have a very good understanding of kind of the whole process, from PO generation all the way through running an RFP to managing a team of people doing an RFP, to being more strategic and looking at the entire enterprise.

**Kevin Minor:** 7:04

Jared, how do you think that, being in all those roles that and uniquely starting in municipal and state government, how do you think that's affected your leadership style now?

**Jared Ambrosier:** 7:18

Yeah, I think sometimes I struggle with the idea of, like, I need to let my staff do it, you know, because I know how to do it so sometimes you're just like, oh, I'm just going to do it.

**Jared Ambrosier:** 7:28

No, no, I can't do it. I have to step back. It's their, you know their job. But I think it allows me to ask some very specific questions on, like why are we doing it that way? Have we thought about, like this what do you think the impact of this is going to be? That is a leadership style that one of my former bosses had of like always asking very detailed questions, not necessarily knowing the answers. Right. You're not asking that like leading questions. You're

just asking specific questions and can staff, you know, drive into what you're, you know, trying to get at. And so I think that is probably the biggest difference is that, like, when I ask a question about an RFP, it's because it's probably something that I experienced previously and I understand, you know what that impact may be on the agency or on the supplier with how we're structuring that specific portion.

**Kevin Minor:** 8:30

Josh, as a procurement professional yourself. What does that mean to you as a procurement nerd yourself?

**Josh Descoteaux:** 8:37

what does that mean to you as a fellow nerd?

**Josh Descoteaux:** 8:39

Jared, what you really touched on was the transactional procurement piece, which I started in state government and then I actually went to the University of Kentucky and so I was actually doing that transactional procurement piece as well, so originating the POs, making sure that the goods receipts were there and in the system when we accepted the materials, and then going forward with, when COVID hit, really buying that PPE, looking for swabs every which way and tracking down where the swabs were coming from and tracking down where the businesses were coming from. I saw some cul-de-sacs in some residential neighborhoods where there were big business entities that were there. So I think that what you were saying really resonates with me is that it's not just the solicitation really resonates with me is that it's not just the solicitation, it's not just the evaluation and award, but it is the whole acquisition process. That I think really benefits. What questions that you know to ask, and then just all of those details that come along with every piece of the process. And knowing that holistically, yeah, absolutely.

**Jared Ambrosier:** 9:40

Sometimes it can be a double edged sword, right? Sometimes you just don't want to know about those details. But I think if you take a holistic view on things and try to have a customer-focused perspective, you need to consider some of those transactional pieces in your sourcing process.

**Kevin Minor:** 10:00

Absolutely, absolutely no-transcript. Can you tell us just a little bit more about how that was developed?

**Jared Ambrosier:** 10:24

Yeah, so it started with a problem, right Like many ideas do as most solutions do.

**Kevin Minor:** 10:31

right yeah.

**Jared Ambrosier:** 10:32

So we had the problem that IT, our centralized IT within the state, was entering into pilots with suppliers without procurement's involvement and then coming to us after those pilots and saying, hey, we did this pilot with ABC Company and it was awesome and it's a great product and we want to move forward with a contract. Well, the state didn't have a mechanism to contract for that right. We have a competitive solicitation requirement. Just the fact that you did a trial with this company doesn't meet that competitive solicitation requirement. And so we thought about you know how could we flip this a little bit? How could we get in front of these and turn them into competitive engagements of these and turn them into competitive engagements? So what the competitive proof of concept is is it's a solicitation type for us within the state of Michigan where we put out a solicitation just like an RFP that says you know the state of Michigan, you know agency XYZ is looking to enter into a competitive proof of concept, aka a pilot for x? Um, if you are interested in participating, you know, please submit your information. And it runs like a regular rfp where we ask questions and we get answers. We score them um. So then once we score um, we do a best value award and we choose one or many companies to then enter into a pilot with and it's, you

know, anywhere from like a 30 to a six, 30 day to a six month pilot process, and we're going to give the criteria up front of how we're going to evaluate that pilot.

**Jared Ambrosier:** 12:19

And so we enter into the pilot you know the agency IT, they get to work, they start trialing the product and then at the end we then evaluate it and if we determine it's successful, we can then convert that pilot into a full-blown contract.

**Jared Ambrosier:** 12:37

It allows us to partner with our IT department much better. You know they always want to try new things, right? They want to be on the cutting edge while still meeting our legal requirement. And it speeds up that contracting process because now we don't have to go out for a full RFP. We can just kind of flip that pilot into a contract that now not only that state agency but other state agencies could use as well. We've expanded it to not just IT. It fits IT the best, just because IT is cutting edge. Right, you're always having companies that want to do these types of pilots, but we've done it in other spaces as well, with commodities and services, and so it's really just a way for us to, you know, try, before we buy, see if it's going to work for the state and then, if it does work, contract and move forward.

**Kevin Minor:** 13:34

So okay, and I understand the general concept, but maybe you'll explain it to me like I'm a five-year-old really quick. How is this benefiting end user agency? A five-year-old really quick.

**Jared Ambrosier:** 13:44

How is this benefiting end user agency, the end user right? They might have an idea to say like, hey, we see this product out there.

**Jared Ambrosier:** 13:54

We think it's great but we're not sure that it's really a long-term fit for us. We don't want to put an investment of, you know, \$250,000, half a million dollars, what have you. We want to try it out and so this really allows us to do that trial period right, maybe we do. You know, a 60 day, a 90 day pilot, and you know, at no cost to the state. And then we make a decision. You know we've we consider it successful to do a pilot and at the end of the pilot say we're not moving forward to a contract. You know we saved money in that instance. We didn't waste everyone's time contracting long term. They didn't have to do the upfront investment. That is still a successful pilot. You know the pilot ended without a contract, but we piloted it, we were able to evaluate and we were able to move on. We've had that occur in a couple situations. The vast majority of them have resulted in contracts. But for the ones that haven't, that's okay too.

**Josh Descoteaux:** 14:53

That's really neat. That's mitigating the risk of entering into a contract where you might be kind of tied into the solution that you thought that you needed and then it quickly changes what is expected and then what you're getting out of it, especially in the IT space.

**Jared Ambrosier:** 15:09

Absolutely right. So much of procurement is risk mitigation, whether terms and conditions or service level agreements or what have you right, it's all about risk mitigation. This allows us to mitigate the entire project. You know you cut ties at the end. You know maybe you have a small fee \$10,000 or something right to just pay for the time, but you're not doing a full implementation, so you're not. Your risk is really low and the potential for success is high, and so it's kind of a, you know, low risk high reward situation, which is what we're all looking for.

**Josh Descoteaux:** 15:51

And then also with this too, you you get to know the suppliers, and they might not be a good fit for what is specifically asked for in that at that time, but then you always have that kind of relationship that you built with that pilot where you could maybe utilize, you know, that relationship in the future, or at least know that those options are out there that you didn't know before.

**Jared Ambrosier:** 16:08

Right, sometimes we see other states doing in IT, especially different programs. Maybe it's an app for connecting people on food benefits to farmer markets. You know people on food benefits to farmer markets, right, like, yeah, you know something kind of unique where you're like, okay, we're not really doing that in michigan, but I can see where it'd be applicable. Maybe we want to try this app out. Um, you can do a pilot instead of just having to, you know, stand up funding and get a budget request in and everything. Right, like, let's try it out before we even go to the legislature with this idea that we have or it's a. Hey, we have a new product that we're launching.

**Jared Ambrosier:** 16:51

You know, previously you were on, you know, model A and we're launching. You know A123, right, and you're like, well, we really love A. Our entire infrastructure is set up on this and it works for us. We're not looking to upgrade, well, but maybe we want to try it at one facility. Right, so you run the pilot, you check it out. Yeah, you know what this does work for us. You know it has more efficiencies. The cost point is right, we're going to move forward. We're going to roll it out, you know, to the entire enterprise now. So you can think of a lot of kind of applicable ways to hit this, depending on your needs. It's just kind of being creative in that solicitation method.

**Kevin Minor:** 17:36

Sure, and speeding up the process too. We, you know, we all know that state government speed isn't always warp right Set to warp, and so just especially when speed and IT go hand in hand. So I mean, you're constantly updating and by the time you have a solicitation ready, you could be on the fourth or fifth generation or iteration of a product. Do you ever find that the suppliers have issue with that, or are they usually pretty susceptible to this?

**Jared Ambrosier:** 18:06

So generally the suppliers view it favorably. There's always going to be concerns around hey, we've done like three prod pilots and none of them have converted and we value each of those at like, let's say, \$50,000. So now we're out \$150,000. But I think generally they like the idea that they don't have to go through a 10 month solicitation process to get a contract that then just gets canceled six months in, right, like that's. The piece of the speed is that you're, you're, you're fast to fail, right, if the pilot fails, you're done at 30 days or 90 days and you can move on, as opposed to a traditional RFP that's going to take you, you know, probably a year to get the contract in place. And now you're, you're three months in and you're like man, this really isn't working. But if I cancel it now, I have to go back out for RFP, right, and now I'm 10 months behind the eight ball again, I'm just going to stick it out, right, and then you're just not getting to a good, a good win at the end of the day.

**Josh Descoteaux:** 19:22

And part of that risk mitigation too, is if you are dealing with an emerging market or a technology that you don't necessarily know much about. There's so much stress in that traditional RFP process that you're trying to find out and know what you don't know and trying to get every piece of idea or mitigating risks that could happen and you don't necessarily know how to write it. And then you award it and then there are change orders and, like you said, it fails or you were just spending more money in those change orders with things that you didn't foresee. So I see the value in this method where it is kind of catching that before you're even kind of committed of the speed that you need to be able to move.

**Jared Ambrosier:** 20:14

When you look at like cyber security and, um, like antivirus, right, five years ago we were still all buying, you know, norton security, whatever, right a product. Um, then we we see microsoft kind of shift into like microsoft essentials

and now we have cyber security like built into your Windows environment. Okay, so you see that shift already in a short window. And now we're starting to see this idea of like, you know, active managed security, right, and like trustless security. If you had done an RFP and a contract for each one of those iterations, right, you're, you're, you're behind the eight by the time, your contracts in place and implemented, you're already looking at the next thing and so being able to try it, right, so maybe you're using Microsoft Essentials and you hear about trustless and this managed security environment.

**Jared Ambrosier:** 21:10

Hey, maybe we could pilot this. You know, maybe we can try this, maybe we can try this out while we have Microsoft Essentials, already Microsoft's doing our baseline security. Let's try this out, let's see is this the future? Is this a fit for us? And you can run things simultaneously? You can manage your budget a little bit better, you can plan a little bit better by kind of running these pilots as the needs arise and as some of these ideas come to the table that you think may be beneficial, but you're not 100% sure that's where the industry is going long term Try before you buy.

**Kevin Minor:** 21:50

Try before you buy, exactly.

**Jared Ambrosier:** 21:52

I like I do that with cheese yeah right, whole foods, you get the little sample there's so many different kinds.

**Kevin Minor:** 22:01

Yeah, well, I also like the. Uh, I also like the concept of fast to fail, um, or first, you said first to fail or fast fail. I really like that, and if it's such a, if it didn't sound so negative, if just somebody that you didn't know we were talking about, I think it'd be an awesome title for it too. You know, Michigan fast to fail because it makes so much sense, but it sounds terrible if you don't explain that whole thing. But I side note great t-shirt, Josh, write that down.

**Josh Descoteaux:** 22:33

Well, Jared, there's a lot of cool things going on in your office, a lot of dynamic, innovative kinds of things that you have been managing. Could you talk to us more about the exciting things that are going on?

**Jared Ambrosier:** 22:41

Yeah, sure. So within our office, we're always looking to improve, right, going back a few years, you know, governing named us number one procurement office. That's great, but that was 2019. That was four years ago, right? So how do we, how do we continue to innovate, how do we continue to, you know, be at the forefront, and a big part of that is putting out where we want to go. So you know, me and my team, my leadership team we look at 18 months and we say, hey, in the next 18 months, where do we want to go? What improvements do we need to make? What new ideas do we have? How can we continue to get better?

**Jared Ambrosier:** 23:32

I am of the opinion that if you're not getting better, you're getting worse, because everyone else is catching up to you, and so we're constantly kind of pushing the envelope. So we are rolling out training constantly. You know my training program, my training development program, is awesome. They do an awesome job putting out, you know, great content, and so we've gone from having um, what we call achievement in Michigan procurement one, to now having a, one B, to having um, uh, an, it a module, to having a P card module, um, a program manager training. Wow, we are rolling out what we're calling ramp up, so with which will be a hands on. How do I get through the operational stuff as I start as a, as a you know sourcing professional? I have like the big training that's around like policy and rules, and but how do I do a change notice, you know how do I write an award recommendation. You know those hands-on like quick and dirty, like I need to know this so I can do my job today. Um, not the big picture items, and so we're rolling that out in the next year.

**Jared Ambrosier:** 24:47

Um, when we look at supplier relations, we're growing that program. We are starting to do business reviews with companies in a formal way. We've always met with our suppliers, but it's always been informal. It's been the buyer, maybe one of the agency customers, and that's really it. Now we're doing top with with me and other directors and they're bringing in their directors and we're talking about you know how'd the last year go? How did your contract going? How can we improve? You know how can we source this better? Um, so, supplier relations, just blowing up.

**Jared Ambrosier:** 25:28

Um, in our on our sourcing, we're continuing our shift into category management and strategic sourcing. About five years ago we transitioned from being a very transactional, tactical office. I get a request in, I process the request, I move on to the next one. We've moved to being more strategic, to having plans out multiple years with what RFPs are coming and we're tracking planned projects versus non-planned projects. How do we take that next step? How do we ensure that everything we buy has a strategy attached to it? How do we align contracts together to say, hey, we've already bought something that's 85% the same here. How do we make this work? How do we group these together? So category management's a big lift for us.

**Jared Ambrosier:** 26:21

We're taking some shots with potentially making some legislative changes. Those are in the works. We're still talking through it to open up our procurement code works. We're still talking through it to open up our procurement code. What else we are looking at?

**Jared Ambrosier:** 26:38

How do we elevate our staff? How do we say, as a buyer within central procurement, you're different than a buyer at an agency, right? You're not issuing a purchase order, and how can we align our HR rules to recognize that differently? So those are all things that are on our vision, right. And we put champions behind the vision and they're tasked with kind of driving these ideas forward. They're not goals, they're a roadmap, right? So if you don't get it done in Q1 and you said you were going to get it done in Q1, that's cool. Work on it in Q2, right, it's just to make sure that everyone's on the same page, as like, this is how we are going to improve, this is how we are going to continuously innovate, and this is where we are going to continuously innovate, um, and this is where we are going to try to get to in the next year and a half I like the idea of um champions.

**Kevin Minor:** 27:40

Is that kind of how you get buy-in from from your staff and the people in your office?

**Jared Ambrosier:** 27:46

sort of um, so the champions are still director level staff, so they're still still, you know, senior leadership, but whereas, like I have a director of sourcing and my enterprise sourcing director the person that the position that I previously held she is responsible for Improving competition Right or improving competition right so it's not necessarily directly sourcing related right it has kind of this like cross team approach and all the champions have things that cross teams, and so that's why we focused on champions, as opposed to saying, like you own this, because in some cases it's not their direct responsibility, they aren't the ones driving the idea forward. It needs to be a manager in a different area or it needs to be staff in a different area. The champions there to you know what roadblocks do you have? How can I? How can I help? How can I assist? Not necessarily doing it, just making sure it gets done.

**Kevin Minor:** 28:58

When you know, we touched on your theory, we touched on how you view leadership a little bit and your experiences that have kind of formed your leadership style. Can you just elaborate? Can you just expand on that just a little bit more for us?

**Jared Ambrosier:** 29:13

Yeah, you know I this was a question that I really thought hard about. It's a big question. You know what is your leadership style and you know, thinking back, I've worked for some really good leaders in my career.

**Kevin Minor:** 29:27

Ah, cliffhanger. We love those here at the Pulse. Make sure to stay tuned for part two of this episode, where we get to hear Jared's answer to my question about leadership, and much, much more. Make sure to catch us on Apple Podcasts, spotify, google, wherever you get your podcast, give us a comment, give us a rating. It'll help us out a lot. Either way, thank you so much for listening. I'm Kevin Miner and I'm Josh Dakota. Until next time, you.