

Julia McIlroy: 0:04

Hi everyone and welcome to NASPO's Pulse, the podcast that focuses on current topics in public procurement. I'm your host, Julia McIlroy. Today's guests are Jared Ambrosier and Will Camp from the state of Michigan. Jared is the chief procurement officer and Will is the manager of supplier relations. We'll be discussing procurement and continuous improvement. Hi, Jared and Will, welcome to Pulse.

Jared Ambrosier: 0:29

Hey good to be here. Thanks for having us today.

Julia McIlroy: 0:33

Thanks for joining me, so I'd love to hear about your backgrounds, your professional lives and what led you to public procurement. Jared, let's start with you.

Jared Ambrosier: 0:41

Sure. So I am a procurement guy at heart. Procurement has been my entire career. I have a degree from Michigan State in supply chain management. I focused on purchasing and procurement during my time at MSU, during my degree track, and then I went to the private sector in manufacturing. When I worked for a small manufacturer custom job shop, hands on, learned a ton and from there I took a role with the state of Michigan supporting the National Guard and the Department of Military and Veterans Affairs, and so, the story goes, ended up moving down to central procurement after a few years to be a manager and then worked my way up through the management team fairly quickly, became the enterprise sourcing director a couple of years before COVID and so then kind of led all sourcing activities during the pandemic and the pandemic response and then, coming out of the pandemic, was named the chief procurement officer and I've held that role for a few years now.

Will Camp: 1:49

As for me, procurement wasn't quite in my blood, the same way that it was for Jared. I started out, I went to the University of Michigan, I started in engineering.

Julia McIlroy: 2:00

I ended up in political science.

Will Camp: 2:02

I came out. I went to law school at Michigan State and then I was in private practice as an attorney doing union-side labor law for a couple years for the state teachers union. And

then after a while I discovered that I really didn't love litigation and I liked contracts more. So I moved to the state. I was a buyer for two years. I moved up to do protests and some audit work all within central procurement and then after that I was moved into the newly made role of supplier relationship management manager and I have been there ever since. I've been with the state 10 years now.

Julia McIlroy: 2:42

Great. Thank you guys. So much. So interesting, unique backgrounds. Kind of like everyone in purchasing right, we all sort of end up here through different and unique paths. So today we're discussing continuous improvement. So to some continuous improvement can sound like a buzzword, but what does it look like day-to-day in Michigan State Procurement Office?

Jared Ambrosier: 3:12

So it does sound like a buzzword and I don't think that's necessarily the wrong way to look at it.

Jared Ambrosier: 3:17

In Michigan we have taken an iterative approach to things, in that we truly are looking to constantly improve. We have formal measures around this through an annual visioning plan that we put that me and my directors put together on sort of a rolling 12 to 18 months. That looks at what do we want to do, what are our stretch goals, how do we want to achieve them, how do we want to continue to push in the office? That's the formal side of it. But then we have a lot of informal things like lean process improvements and different teams that'll get together throughout the year, or just the idea of, hey, we could do that or we could do this. We do a lot of work in the training space, both with kind of in-house training, but we do external training as well and I think, coming out of those external trainings we often are tasked with, what are you going to do with this right? How do you take this training, how do you implement it? And that sort of naturally drives various initiatives throughout the office.

Will Camp: 4:27

When I started 10 years ago, we were in the midst of maybe the second procurement transformation I kind of think I heard lower of a previous one and we worked through that and then we've kind of come through continuous improvement and now it feels like we're almost past that as well. Like Jared said, we're always working on something, we're always refining things, and it's not always something big. It's improving a single process, you know, creating an online form where people can fill it out digitally and submit it to us directly. So we're working on being able to track those things and better understand kind of

throughput and you know where where our pain points in the process are. So we're very much in that continuous improvement, yeah, but now we're we're not doing it for the sake of improvement, we're doing it to make our, to make our lives and our jobs better.

Jared Ambrosier: 5:25

Yeah, there, there isn't a finish line, there isn't an end that we're trying to get to. Um, this is just how the office operates, in that we are um, okay, we got done with that, what's next? Um, or we got done with that, okay, how can we tweak what we just did, um right and make it? You know, maybe it's in phases where we take phase one and we do, we take steps one, two, three, but we know that phase two is going to be coming a little bit later and that's going to be steps three, four and five, and then we're going to do something completely different.

Jared Ambrosier: 5:58

We've kind of created a backbone of technology in the office around a project management system, and that's been a process that we've been undergoing for a few years. But because of that, because it's a homegrown system, we are constantly looking to add things or change things in that system, and so I think that really drives the culture of like. We have kind of like, like a backlog of items that are need to get through right, and maybe it's not now but maybe it's in two years, and so those are kind of some of again, those formal items of improvement we're all, and then we have these little projects that kind of fit in where they can to continue to drive us forward.

Julia McIlroy: 6:40

And so what's the process for someone on your staff to be able to come to either one of you and say, hey, I was considering this task that we do and I think that it's an opportunity for some improvement. Is that part of your yearly visioning plan or what's your approach there?

Jared Ambrosier: 6:59

That's every day right, not that people are coming to us every day, but the opportunity is there every day. We don't do a call for improvements or a call for projects. We like if someone has an idea, bring it to the table, let's talk about it. Where can we fit it in the? The visioning, like I said, it's rolling. So we meet every quarter and but annually we kind of refresh it recorder and but annually we kind of refresh it. So you know, those directors, um of which I have what six, five um they write, we all come together together and we review that and we say for our areas, these are the things that we want to, you know, elevate, bring to the table, improve. They may be improvements, they may be new initiatives, they might

be, you know, completely stripping something down and rebuilding it, and they all kind of take different shapes and flavors and sizes.

Julia McIlroy: 7:51

And what was the catalyst to begin the process of the initial transformation?

Jared Ambrosier: 7:58

It was executive office direction direction. So when I say top down, from the very top, from the governor's office, we want to transform procurement and brought in consultants to kind of help set that direction and I think that helped us get going. But I actually think we gained most momentum when we took it on ourselves and we were no longer focused on this structured roadmap of 138 items or 155 items, when we more so structured on where do we want to go, what do we want to be known for. That's really when I think it started to take off.

Julia McIlroy: 8:36

That's great. And when did that begin?

Jared Ambrosier: 8:39

The executive transformation was 2012, 2013, somewhere around there over a decade ago, right, and that was a multi-year in itself. I would say we're in this post-transformation stage over the last eight years, would you say Will.

Will Camp: 8:57

Yeah, I think we did that transformation for a long time and then we started to pivot to all right, we've got our process, we have our procedure. What does our culture look like? And pivoting from directly kind of sourcing focus to the customer service side and how do we pivot to that? And, you know, better serve our agency customers, better work with our vendors and kind of culturally shift towards this innovative spirit and being comfortable with never being done and sitting in that space and letting the change come out of what we needed and what we felt, versus this top direction.

Jared Ambrosier: 9:45

I'm sure you've heard the term like boil the ocean, right, and I really think that the transformation effort really was a boil the ocean exercise and that's exhausting, not only for leadership but for staff as well. Right, you're that like you're changing everything and I'm like not only is it continuous, but it's across the board, right, and I would say our approach now is much more of a simmer. We're not going to let it go flat, but we don't need the rolling boil,

we just need that constant low simmer. You're refining your sauce at this point. Just let it simmer low and slow, let it go. It doesn't mean we're stopping, we're just not looking to transform again, if that makes sense.

Julia McIlroy: 10:29

No, absolutely. Spoken as a true chef, I think that it's not. You're not baking a cake that has a start and a finish, but instead it's a constant simmer that you occasionally have to stir a little bit to make sure it's behaving properly.

Jared Ambrosier: 10:46

Yeah, you have to give a little bit of direction, a little bit of adjustments, but generally it's let's have 10 to 15 projects going at all different times at different levels of complexity and effort and let's just continue to improve. And it's okay if we wanted to be done by July and it's September. We're a little behind, that's okay. It's not the end of the world. We're still able to do our core responsibilities. None of these initiatives are preventing us from putting contracts out to bid or evaluating our vendors or what have you. These are just things that they can take their time. And so if we have spikes in workload that all of a sudden we get super busy in our quote unquote day-to-day or our core business functions, maybe some of those special projects take a backseat until we can kind of get our feet back under us again and then we can pick them back up or deviate a little bit more effort towards them.

Julia McIlroy: 11:49

You mentioned culture, so how do you build a culture of innovation and improvement in a space that's governed by strict policies and procedures?

Will Camp: 11:58

Jared will have a more direct answer than me. My kind of initial thought was we've always somehow our office has happened to have a bunch of lawyers in it who've come out of practice and we like the government life. So we really enjoy reading the rules and finding the creative opportunities and the ways to work within our statutes to pay attention to who's submitting. Cronin's, Jared and I both read them. We read every submission every year afterwards just because we want to know what people are doing out there. So we like to look outward. What's private industry doing? Are the feds doing something interesting that we need to take a look at? We kind of keep an open mind about what are the new ways people doing things in the procurement space.

Jared Ambrosier: 12:49

I think a big part of it, too, is keeping people equipped, and what I mean by that is that this does not need to be a top-down approach. I do not need to be the one coming up with all the ideas. I'm not the smartest person in the room, right? We have a team full of very capable, intelligent people, so how do we equip them to feel comfortable to think outside the box, right? So our operating statute, our public act, is pretty. It's pretty good for, for from a procurement stance, it is a good public act. We there are some things we would change, but generally I don't have a lot of problems with it, and the core tenet of it is that you must competitively bid. That's really what it boils down to. At the end of the day, that's what it boils down to. So, with that in mind, as long as we competitively bid, we have a lot of options on the table for how we source.

Jared Ambrosier: 13:50

For how we source, last spring we did an innovation day where we spent half the day and everyone was to come up with some innovative ideas to pitch, and then the staff kind of determined which ones they liked, and then there was like almost like a sharp take presentation of like we think we should like. These are the top three ideas that we want to try, and one is kind of one hasn't really gotten its feet under yet. One of them is like and then two of them were very similar, so we combined them. So, basically, we came up with two ideas. One we haven't really gotten our feet under us with. The other one has been like yeah, let's go.

Jared Ambrosier: 14:26

We have a charter, we have a team, we're developing towards what we want to get to, and so it's putting people in spaces that it's okay to come up with new ideas, it's okay to challenge the way we've always done it. And you know, now sometimes people will bring things to me and say like I think we should do this or I don't think we need to do this step anymore, and you're like well, you know, either politically, like we can't make that change, or you know that's something the executive office really cares about, right, like sometimes you have to say like I understand where you're coming from, yes, that would save us some time, that would make us more productive, more efficient, but we still have to do it. Thanks for the idea, though, right, and kind of just moving on. So I think part of it is part of developing a culture of innovation is ensuring that everyone is an innovator, not just the CPO or the director or whoever.

Julia McIlroy: 15:25

I think that's a really great point. That well, number one, it sounds like a fantastic idea Innovation day, bringing your entire staff together and doing this exercise and then having essentially like a shark tank pitch. Then everyone knows that they have the opportunity to

pitch to the CPO and to management right and then seeing their idea in action. I think that's great. So can you tell me about a time that you, either through data or end user feedback it, led your team to rethink or revise a procurement approach?

Jared Ambrosier: 16:05

So, yeah, I have a kind of a broad one here.

Jared Ambrosier: 16:07

When we shifted towards a more customer service mindset in the office, we started doing net promoter scores and we started surveying our customers, our business areas, at the completion of a sourcing event and at the time our customer satisfaction scores were pretty low and we kind of hypothesized that the scores were low due to time to contract, that it was taking too long to contract and that is why people were frustrated and so if we fixed time to contract, our scores would go up.

Jared Ambrosier: 17:07

And as we started to receive the formal feedback in the form of surveys and we analyzed that feedback around poor customer service, poor communication, lack of transparency, the idea that the business area didn't know what was next or who was responsible for what was going on I use the analogy of, like we were tossing the ball around right, I have the ball, now it's your turn to have the ball, now it's Will's turn to have the ball. It was hard for them to follow the process and so we focused a lot on ensuring that we are holding people's hand through the process so that they know where we are in the process, what stage we're in, what's next, who's responsible for it Procurement never tosses the ball away. Procurement carries the ball from group to group, to group to group now, and in doing so we saw our customer service scores drastically increase and stay high.

Will Camp: 18:00

Yeah, I know our NPS is wildly outstrips a lot of you know some of the best, I think Apple or some of the big companies that get really, really high scores. We kind of sit up or above them, which is impressive. All just from. People want to know. Please answer our question. This has been sitting, what's going on? And now we're just more transparent about what the process is, and we've also done a lot with agencies helping to. You know we do it every day. They don't always, so this is what the process entails and some of that explanation from the front end. You know this has to go to this approval committee. That is a month turnaround because you know they're kind of a black hole and so we'll let you know when it starts we'll let you know when it comes out.

Will Camp: 18:50

You know, but in that period don't expect to hear from me because there's nothing to hear. So as long as people know when to expect something or when not to, yeah, we've seen satisfaction really go really sore.

Julia McIlroy: 19:05

So what advice would you give to other state procurement leaders trying to make improvements last over the long term?

Jared Ambrosier: 19:13

So I think a big part of it is you need to develop buy-in with staff, and part of that is the improvements can't just be for one person, right? They can't be improvements that are just for me, right. Well, like, I would really like this, so I'm going to make everybody else go through all this effort to do this thing. For me, they need to be improvements that help, like the quality of work or the quality of life of the staff member. And, yeah, there's going to be special projects or pet projects of mine, right, that are probably going to provide the most value to me or my directors, but that can't be everyone.

Jared Ambrosier: 19:50

You kind of have to have this wholesale approach of like, hey, we're improving training and we're improving onboarding and we're improving some dashboards, and like, we're going to look at the process and we're going to involve you in looking at the process, and so I think when you get to that level of innovation, it has to be comprehensive, so across the board, willing to look at everything, and inclusive, where you bring people in. Maybe you have the idea, but then you let other people drive the idea, right? Like, hey, I have this idea, but I'm not really sure how I want it to work? Can you guys figure out, like, how do we get to the end goal? I don't care, as long as we get to the end goal. You guys figure out the steps along the way.

Will Camp: 20:31

Yeah, it's all buy-in and maybe it's the millennial in me I always want to know the why. I don't have to agree with it, but if I understand the direction we're moving and why we're going there, that's fine. And then you know you'd want someone like me in the office to, you know, promote whatever we're doing or at least be enthused about it to help push it along. Because the only way anything sticks around is buy-in. If we all kind of say, yeah, we know you're doing this, but it doesn't really make any sense and everybody is only going through the motions, it will fall away.

Julia McIlroy: 21:10

You know it'll go less and less, and suddenly we're not doing that anymore and you know what happened to that process.

Will Camp: 21:16

So yeah, buy-in, that's the only thing.

Julia McIlroy: 21:20

That's the key to sustaining any project right.

Jared Ambrosier: 21:25

Yeah, and it's again we go back to there isn't a finish line, right, so there isn't an end. There's this constant review of maybe we're going to do something and we're going to think it's this great idea, and then six months we're like, man, this sucks. Why are we doing this? Okay, let's look at it. Why is it bad? What do we need to change about it? Is it the whole thing? Is it just one component of it, right? So again, that continuous iteration. But going back to that like giving ownership in how we get there, Like I had an idea recently for some proactively engaging on some of our contracts and like to monitor them, monitor performance proactively, and before we had issues, I took that to Will and I said, hey, Will, there's this group of contracts that I want us to start proactively manage. Can you go talk to these two people about that and figure out how we're going to do that? And so all I gave was the end of I want us to proactively manage these contracts.

Julia McIlroy: 22:19

Oh, I like that approach, will. Although I'm not a millennial, I do ask your why? Question in a similar way, and that is, what problem are we trying to solve? And then go backwards from there.

Will Camp: 22:33

Exactly, and once we've solved that problem, five, six years down the road, things that we did to fix a problem, a certain form, we created this. We're beyond that. So willingness to look back and say this thing that we all remember when we started doing it's no longer serving us, so let's change it or let's get rid of it, because we've built, you know, control elsewhere that this was otherwise managing, control elsewhere that this was otherwise managing. So it is sometimes not only putting your idea out and kind of getting it in place, but also willingness to say, and now it's outdated and that's okay, Like let's kill it and let's move on and we're now on the precipice of a new challenge called AI.

Julia McIlroy: 23:19

Right. So things that we did five years ago, we'll have the opportunity to look at and say how can we do it better, more efficiently, by better, with AI. So, lastly, I'd love to hear from both of you on your most unique, memorable or strange procurement, Jared. Let's start with you so it's hard to pinpoint one.

Jared Ambrosier: 23:44

When I go and I talk with students, I often play a game of like try to pick something that we don't buy at the state of Michigan, which is very difficult to do. So I think most memorable will be COVID. For the rest of my life, sourcing things for COVID will be the most memorable. One of the more fun ones, though when I was the commodities manager, one of my team members purchased a helicopter for the state police a custom-built helicopter and when it was delivered, we got to go for a ride, which was pretty fun. State police took us out for a ride and we flew around the Lansing area for about an hour or so, which was pretty fun. State police took us out for a ride and we we uh flew around the Lansing area for about an hour or so, which was which was cool.

Julia McIlroy: 24:27

That sounds super cool. I have never purchased a helicopter, but when you brought up COVID, I was responsible, just as you were, to acquire lots of hand sanitizer. That was before, actually, the university. We received approval from the FDA to create our own, but before that happened, I needed to buy a bunch of hand sanitizer. I found a supplier that could send it to us very quickly and when they arrived, the hand sanitizer which was in liquid form came in think of like barbecue lighter fluid cans. Form came in think of like barbecue lighter fluid cans, but they were plastic and yeah, so that was quite interesting. We even had a faculty member who said I wonder if I could light this on fire which you can, by the way, and it also says it's highly flammable on the side but I guess, because it looked like a barbecue lighter fluid can, they decided to test it out Anyhow. How about you Will?

Will Camp: 25:26

I wasn't directly involved but somehow I came across it. We purchased horse urine testing, which my mind then went a dozen directions. We were going agriculture. So the state of Michigan used to have a horse racing track and the gaming control board had to ensure there wasn't doping if there was sports betting going on. So we had to test the horses to make sure they weren't on drugs. So that's always kind of my go-to. This is a weird thing and Jared's question is good what don't we buy? And I think the best two answers students probably give you, if they're clever are like nuclear weapons and missiles, like there are certain things that we just don't do.

Jared Ambrosier: 26:08

Yeah, I generally like carve out like military stuff is a kind of an off limits and then like we don't buy like manufacturer, you know things like raw materials for manufacturing. Besides that, let's try to stump me. It's a tough one.

Julia McIlroy: 26:24

So no nuclear weapons, which is probably a good thing.

Jared Ambrosier: 26:27

No uranium, no radioactive, yeah.

Julia McIlroy: 26:31

You'd have some explaining to do if you issued a PO for some uranium. Someone would be knocking on your door. Well, both very interesting procurements. As you said, we buy like millions of ones, right? So we buy a something, and it might be a lot of a something, and then we go on to the next project. So, which is the great part about procurement Always interesting. Jared and Will, thanks again for joining me today. I appreciate it Absolutely. It was fun, thank you.

Will Camp: 27:02

Happy to be here.

Julia McIlroy: 27:03

And to our friends and colleagues in public procurement remember we work in the sunshine. Bye for now.