

Industrial Products and Services Category Overview

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IP&S Category Overview

- Category Management Overview
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 - Version 1.0
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Category Management Overview

- Category Management is an on-going process to improve oversight and management of commonly purchased goods and services (approximately \$430B).
- The Government has adopted this practice in an effort to act more like a single enterprise rather than disparate buying units.
- Category Management involves:
 - Identifying core areas of spend,
 - Collectively developing heightened levels of expertise,
 - Leveraging shared best practices, and
 - Providing acquisition, supply and demand management solutions.
- Category Management enables the Government to eliminate redundancies, increase efficiency, and deliver more value and savings from the government's acquisition programs.

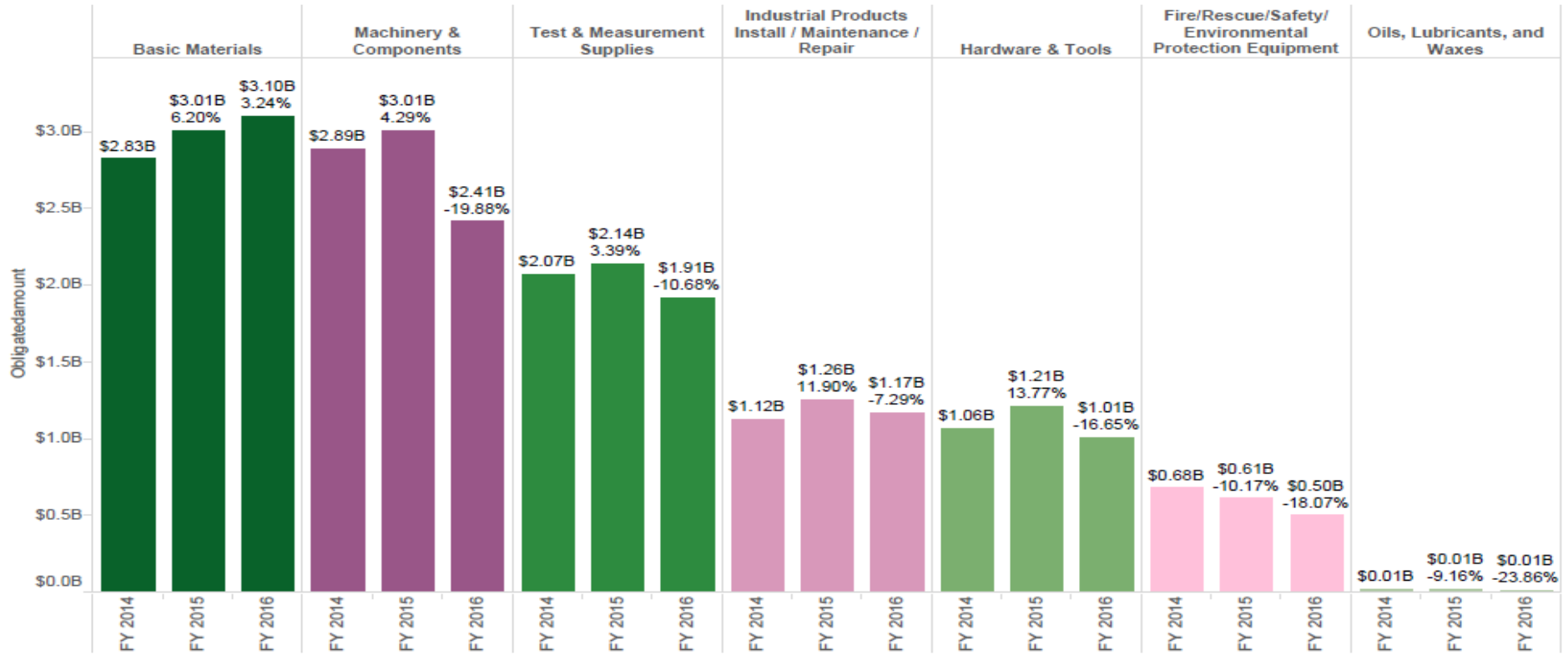
The Government-Wide Category Structure

Government Categories 1-10 with FY 2016 Spend \$287.56B



1. Information Technology	2. Professional Services	3. Security and Protection	4. Facilities & Construction	5. Industrial Products & Services
1.1 IT Software	2.1 Business Administration Services	3.1 Security Animals & Related Services	4.1 Construction Related Materials	5.1 Machinery & Components
1.2 IT Hardware	2.2 Legal Services	3.2 Security Systems	4.2 Construction Related Services	5.2 Fire/Rescue/Safety/Environmental Protection Equipment
1.3 IT Consulting	2.3 Management Advisory Svcs (excl. R&D)	3.3 Security Services	4.3 Facility Related Materials	5.3 Hardware & Tools
1.4 IT Security	2.4 Marketing and Distribution		4.4 Facility Related Services	5.4 Test & Measurement Supplies
1.5 IT Outsourcing	2.5 Public Relations and Professional Communications Services		4.5 Facilities Purchase & Lease	5.5 Industrial Products Install/Maintenance/Repair/ and Rebuild
1.6 Telecommunications	2.6 Real Estate Services			5.6 Basic Materials
	2.7 Trade Policy and Services			5.7 Oils, Lubricants, and Waxes
	2.8 Technical & Engineering Svcs (non-IT)			
	2.9 Financial Services			
	2.10 Social Services			
6. Office Management	7. Transportation and Logistics Services	8. Travel & Lodging	9. Human Capital	10. Medical
6.1 Office Management Products	7.1 Package Delivery & Packaging	8.1 Passenger Travel	9.1 Specialized Educational Services	10. Drugs and Pharmaceutical Products
6.2 Office Management Services	7.2 Logistics Support Services	8.2 Lodging	9.2 Vocational Training	10. Medical Equipment & Accessories & Supplies
6.3 Furniture	7.3 Transportation of Things	8.3 Travel Agent & Misc. Services	9.3 Human Resources Services	10. Healthcare Services
	7.4 Motor Vehicles (non-combat)			
	7.5 Transportation Equipment			
	7.6 Fuels			

Industrial Products & Services Category Obligations by Subcategory FY14-16



Federal Government Goals for Category Management

The Federal Government has the following goals for category management:

1. **Increase spend under management** through better interagency collaboration and understanding of user requirements, market dynamics, and purchasing patterns
2. **Reduce contract duplication** through adoption of shared solutions for common products/services
3. **Generate volume savings and administrative savings** from leveraged buying power better use of procurement resources
4. **Enhance data transparency** to improve contracts and performance against priorities such as small business goals and sustainability
5. **Boost innovation** through improved interagency and supplier partnership
6. **Increase efficiency and effectiveness** through improved supplier performance, better buying decisions, and supply chain cost savings

Benefits of Category Management for Industry

1. **Refined requirements and more consistent behavior across Government.** Category management implies a sharing of best practices, increased collaboration with suppliers, and an alignment of buying behavior across agencies. Our efforts should lead to marked improvements in more accurately defining our requirements and in acting more as a single enterprise rather than disparate buying units.
2. **Reduced burdens on our suppliers and marketplace.** Fragmentation and duplication in government buying leads directly to waste and large overhead costs on the part of our industry partners. Category Management should enable the government to improve relationships
3. **Opportunity to boost innovation.** By removing barriers to doing business with the Government and aligning our focus on key markets and industries, we should improve our ability to acquire and utilize innovative solutions.
4. **Better data and increased transparency.** Improving the quality of our data analytics will help the government make better, more informed buying decisions. In parallel, the Government will be as transparent as possible with the information we have to build a foundation of trust and a collaborative spirit with our suppliers.

IP&S Category Management & Small Business

- For all businesses, a key to success in a category-management environment is to provide focused, specialized knowledge and skills to clearly distinguish the companies that have unique expertise in particular category market segments. Companies that are successful at doing this will see category management as a great opportunity.
- The government is committed to meeting/exceeding small-business goals based on standards set by SBA for Federal agencies. Each category strategy includes small business targets, plans and actions.

Small businesses are very important to the IP&S Category!

Supplier Relationship Management (SRM)

- We are continuing to develop our capabilities and refine our focus in this area.
- Currently, developing a Supplier Advisory Council for the IP&S category, which will include small business partners.
- IP&S Team members have objectives to visit supplier sites.
- Effective two-way communications with suppliers will be a priority.

Industrial Products & Services Plan

IP&S Version 1.0 Plan Summary

- Focus on three subcategories - MRO/IMRR, Fire/Safety/Rescue and Test & Measurement
- Develop foundation for effective relationships with suppliers
- Generate visits to Acquisition Gateway
- Achieve “Best In Class” designations for JanSan and MRO FSSI contracts

Industrial Products and Services Category 1.0 CMLC Update

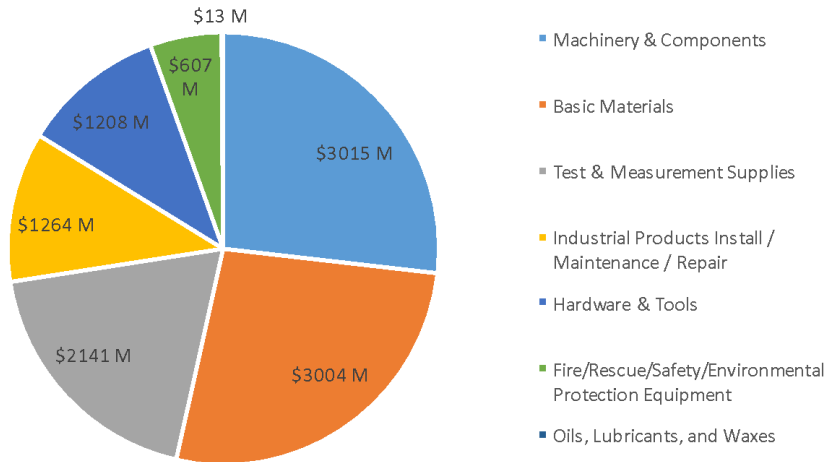
Subcategories	Key Initiative Target for CY16	Target Status Description	
<ul style="list-style-type: none"> • Test and Measurement Supplies • Industrial Products Install/Maintenance/Repair (IMRR) • Fire/Rescue/Safety/Environmental Protection Equipment (FRSE) 	<ol style="list-style-type: none"> 1. Acquisition gateway goal: 200 purposeful visits 2. Initiate outreach to top spend suppliers 3. Expand government-to-government (G2G) requisition process (AAC/FEDSTRIP) utilization 4. Achieve best-in-class (BIC) designation for MRO and JanSan FSSI contracts 	<ol style="list-style-type: none"> 1. 260 purposeful visits through October 2016 2. 20 supplier outreach calls conducted through August 3. Pilot locations identified for expansion of G2G requisition process (VA in Temple, TX and top spenders on MRO and JanSan) 4. BIC determination for MRO and JanSan FSSI completed October 2016 	



Overview

Industrial Products FY15 Spend (\$M)

Total Category FY15 Spend: \$11.25B



Observations

The team has identified opportunities related to:

- Supplier Engagement
- Demand Management
- Small Business Utilization
- Best-in-Class Designation
- Government-to-Government (G2G) Requisition
- Spend Under Management (SUM)
- Best Practices
- Contract Consolidation

IP&S Category Plan Version 2.0 Summary – Current as of February 2017

- Broaden focus to include exploring opportunities in some of the larger spend subcategories, such as: Machinery & Components, Basic Materials and Hardware & Tools.
- Evaluate additional agency contracts for “Best-in-Class” designation (GSA and other).
- Work with agencies and suppliers to reduce contract duplication and expand government-wide contracts.
- Continue to develop improved relationships with suppliers.
- Ensure small business objectives are achieved.

Anticipated Category Management Supplier Impacts

- Better communications with government.
- Reduced administrative costs.
- Mutual focus on better satisfying customers.
- Better alignment between suppliers and government.

Questions?

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