

Why Your Agency Needs an Online Marketplace Strategy



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Executive Summary

The online experience has completely changed the way we shop. But, thanks to new legislation, it's changing the way government agencies view procurement. And just in time.

Today's agencies need fast, effective procurement strategies. Leaders are under pressure to eliminate delays, increase productivity, drive innovation, and improve user experience at every government touch point. However, public agency procurement processes must also ensure that buying complies with a variety of regulations, meets agency purchasing guidelines, and controls costs and spending. Online marketplaces are quickly becoming a leading solution, balancing the need for a great buying experience with the ability to manage costs and compliance at every step.

Here's a closer look at what public sector leaders and contracting officers need to know about online marketplaces and how to develop a strategy to digitize your procurement efforts.

What Is an Online Marketplace? How Can It Help Your Agency?

Online marketplaces have received increased attention in government circles in the last year. As the [Federal News Network](#) notes, "In the 2018 National Defense Authorization Act (NDAA), Congress gave the General Services Administration (GSA) a mandate to experiment with procuring through online marketplaces to promote competition, expedite procurement, and ensure reasonable pricing. An online marketplace hosts diverse suppliers, and competition exists by virtue of having multiple offers for a given product. For government buyers in particular, an online marketplace can provide cost-effective features such as workflow approvals, tax exemptions from state taxes, and tools to document adequate competition."

Building on the success of marketplaces provided by contracts such as the NASA SEWP initiative, the latest regulations create an opportunity for public agencies to rethink the way they purchase technology, applications, and even support services. An online procurement marketplace often includes:

- A curated catalog featuring approved vendors, suppliers, and products
- Automated on-contract pricing to align with regulatory and budget guidelines
- An optimized user experience with the option to search by category and other factors
- Ability to customize the buying experience to unique needs
- Supplemental tools, such as automated procurement approvals and assisted-sales tools

From a user perspective, online marketplaces offer a familiar online shopping experience. Today's buyers want purchasing solutions to meet their personalized needs, even in the workplace. With an online procurement marketplace, users can browse curated catalogs of approved products and services, compare prices from approved vendors, and digitize the approvals and review process from end to end.

On the workflow side, contracting departments can ensure that purchases are made on-contract and with approved suppliers, go through the necessary approvals process, and help control spending and costs for transparent and responsible taxpayer spending. In addition, better reporting tools and data management help public agency leaders understand their procurement activities and support timely, data-driven decision making.

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Technology: The Next Frontier for Online Marketplaces?

Technology modernization is a hot topic for agency leaders. Congress has allocated millions to federal IT modernization, while agencies invest in technology reskilling. Across the government, organizations are moving their workloads to the cloud, investing in cyber security, and upgrading their networks and other core infrastructure. As a result, agencies need smarter strategies and platforms to identify the right hardware, software, and service providers for their needs. Online marketplaces simplify technology purchases in several key ways.

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Explore the Full Range of Available Technology Solutions

Today's buyers are empowered and want to do their research before consulting sales. Online marketplaces provide buyers with the opportunity to explore different types of technologies and applications on the market before deciding to make a purchase, request a quote, or speak with a consultant. They offer a range of features buyers can consult, including:

- **Descriptions, features, and data:** Review background and product data, learn more about the latest features, and evaluate different hardware or software products.
- **User reviews:** Read user reviews and get unbiased opinions on how technologies perform.
- **Comparison tools:** Compare and contrast different options to see what best meets your needs.
- **Buyer education resources:** Learn from marketplace educational resources about what to look for when buying apps or specific types of technology.
- **Request for quote:** Submit a request for quote, outlining your needs, and receive insights into the cost for a purchase that's customized to your needs.

As agencies accelerate their technology purchases, it's important that contracting officers have control over crucial aspects of the process.

Limit Buying to Preferred Suppliers

Often, purchases can only be made from approved suppliers or partners—and specific hardware or software selections may be limited by regulatory, budget, or agency considerations. With an online marketplace, it's possible to develop a curated catalog that features your preferred suppliers, brands, and models for greater compliance across the agency.

Move to the Cloud in a Streamlined Format

Increasingly, agencies are moving core workloads to the cloud. Initiatives like the Department of Defense's JEDI program have made headlines in recent months, and that's just the tip of the cloud-focused iceberg. Choosing the right cloud solution or application for your needs takes time and research. Having a cloud marketplace strategy helps agencies save money, focus on the solutions that are right for their needs, and upgrade their applications in a cost-effective way.

[As one expert notes](#), "One of the biggest advantages of this model is that it lets you shop around for different applications instead of settling for a complete software package, which often includes unnecessary apps and services. This really takes cost-effectiveness to a whole new level."

Customization and cost-effectiveness can help you make the most of the cloud—and working with a marketplace can help your agency capture those benefits.

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Embrace Self-service Capabilities, Automate Approvals, and Leverage Assisted Sales

As agency buyers focus on technology modernization, making smart decisions can take significant time and research. However, the right tools and workflows can speed that up. As [Gartner](#) writes, "Software (and increasingly, added value services) purchases become frictionless. While there may still be budget limits, approved buyers and suppliers, etc. within tech buyer organizations, the time and effort between decision and provisioning will decrease significantly."

Marketplaces offer self-service support for comparing apps, making purchases, consolidating bills, and even managing users. The approvals process can be digitized—and even automated in some cases—to speed up procurement. Assisted sales solutions help buyers make the right decision, whether they need access to educational materials or want a customized consultation. By relying on technology for the right level of engagement at each touch point, online marketplaces help agencies strategically improve their technology acquisitions while improving the buying experience for employees, managers, and contracting officers.

Getting the Most Out of Your Agency Marketplace Strategy

Taking your procurement plans digital can have a big impact on your agency's buying process—and this is especially true as you navigate technology upgrades. From improving the user experience to keeping tighter budget compliance, a marketplace offers a procurement solution. Having a strategy in place can help your team make the most of an online marketplace. Here are tips to consider as you develop a marketplace strategy:

Train Your Team to Leverage Self-service

Today's agency employees' shopping expectations have been shaped by the Amazon-like experience available in nearly every aspect of their personal lives. However, shifting to a self-service procurement model in the workplace can require a mindset change. Increase your agency's success by investing in training. Take time to educate your team on the availability of an online marketplace. Focus on different core functionalities, such as search or available support tools. Empowering your employees to take their purchasing online—and showing them how to succeed—is a key step in updating your agency's procurement process.



Enterprise Business Resiliency Planning: The Time Is Now

Creating an Easy-to-Navigate Experience

Utilizing an online marketplace is a smart way to streamline procurement, and it also helps improve your team's experience. What features should you ensure a marketplace has to bring that simplicity to the table? In many ways, agencies can look to replicate today's best-practice digital shopping experiences. Simple features such as segmenting catalogs by category, enabling keyword search, and displaying the on-contract price for software and hardware can help buyers find what they need and help inform smarter purchasing decisions.

Make the Most of Assisted-Sales Tools

One of the benefits of an online marketplace is that your team can requisition the products they need, or get quotes quickly and easily. However, not every purchase is simple. For example, if your agency's IT director is selecting a cloud-based application to facilitate better collaboration and file sharing, you may have several questions. What solutions offer the features you need? Which collaboration software suites meet security guidelines? Are there compatibility issues with your legacy technology? On complex purchases, your buyers don't have to go it alone.

Online marketplaces offer a variety of assisted-sales tools. These can range from educational materials, videos, and FAQ solutions to hands-on support. With assisted sales, a self-service shopper can connect with help to resolve a technology issue, get more details on a product, or have a more in-depth consultation with a knowledgeable provider. Some online marketplaces even offer specialized support on complying with federal programs or provide account management services with individuals who understand your agency's unique needs.

Use a Marketplace to Drive Tighter Compliance

Whether you're purchasing under a federal contract like SEWP or working directly with a vendor, vetting the content in your marketplace can help your contracting officer and financial teams ensure compliance. An online marketplace can offer a curated digital catalog that's been customized for your agency. It's possible to specify the suppliers, brands, and products your agency has approved, eliminating the risk of out-of-scope purchases and streamlining compliance with regulatory and budget guidelines. By establishing the catalog buyers see from the beginning, online marketplaces help eliminate confusion, focus your agency on the right resources, and support compliance throughout the buying process.

Streamline Your Approvals Process

The approvals process can be the source of lengthy delays when agencies are moving forward with purchases. Online marketplaces help agencies streamline this process, and bringing your approvals online can help eliminate painful workflow bottlenecks. Start by outlining a policy where approvals are needed. When a request for quote is submitted or a buyer would like to go forward with a purchase, transactions that need approval can be directed to the appropriate manager or department for review and approval. If there are questions or concerns, those can be flagged and alternative solutions or more data sought. By streamlining procurement approvals in a digital format, you reduce the administrative burden on your team while offering a fast and efficient process from end to end.

Take Advantage of Data

Moving to an online procurement model also offers reporting advantages. As [FedScoop](#) notes, “Thanks to the emergence of online marketplaces, more detailed spend data such as prices paid, small business spending and delivery times, are available to government agencies via detailed analytics tools. Agencies can now see exactly which businesses they are purchasing from, how much they are spending through small businesses, and what products they purchase most frequently to identify opportunities for volume purchasing.”

With online marketplaces, it's easier to collect and share data on every aspect of the procurement process. Whether you're looking for the latest reports on your spending by category or want to understand how your agency stacks up against best practices in working with preferred vendors like veterans or women-owned businesses, online marketplaces can provide you with stronger data and reporting support. Explore how tapping into this data can help create stronger procurement strategies over time.

Conclusion:

Online marketplaces are making it easier to access the products, services, and solutions your agency needs to thrive. By embracing this emerging trend in public sector procurement, your agency can improve the buying experience, strengthen compliance and cost savings, and drive innovation. Making the most of emerging dynamic procurement opportunities starts with having a clear strategy in place. Determine how online marketplaces can support your agency's long-term goals, including federal IT modernization, and get started today.

» To learn more about our services available to support your online marketplace strategy, contact an Account Manager today.

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