6^{th} Annual Policy Evolution Conference

Best practice research analysis and research procurement

Emanuel Kalafatelis, Managing Partner, Research New Zealand, Tuesday 17 March 2009

To be honest, I almost didn't make it today. As providers of research and evaluation services to the public sector, we've been dealing with the fall out from an uncanny coincidence of events – the recession, a change of government and a government trying to manage the recession. Practically, we've been trying our best to help our clients respond to changes that they've been asked to make to their programmes, although in the extreme, we've also been reacting to the fact that in many cases their programmes have been abruptly pulled.

It's been an anxious and extremely challenging period since the beginning of the year and as everyone knows, we're not out of the woods yet. There are and there will be job losses and some companies might simply go out of business. And those remaining in the public sector might well find that their roles have changed or their job refocused.

However, I'm convinced that some positive things will come out of all of this. While it might appear that some are blindly slashing at anything and everything that moves in an attempt to cut costs by 10 percent, or even as much as 50% as I have recently heard, others are taking a real bird's eye view perhaps for the very first time and critically reviewing what they have been working on. In the long run, this can only lead to improved "public good" and a greater return on the taxpayer's dollar.

When we look back on 2009, in a year or two's time, I hope we'll be able to say it was a period during which not only global financial markets took a corrective turn, but so did public policy.

Correctly assessing published literature

It is in this new world of greater effectiveness that using the experiences of the past will be very important. Too often we have seen our public sector clients perhaps unnecessarily re-inventing the wheel. Yes, there may be factors that are unique to New Zealand or the communities they are working in, and while it is clearly important to take these into account, the learnings from others are also of importance.

In today's technological world, where information is literally available at our fingertips, there is simply no excuse if you don't review this information. However, we find that it helps to set a few 'rules' first, including:

- Setting the scope of the review or search for information.

- Deciding whether you'll only accept information about formally evaluated programmes.

- Setting some limits around the currency of the information you're prepared to examine.

- And setting some limits around where or from which jurisdictions the information will be sourced from. Australia, Canada, the UK or English-speaking countries generally, or non-English speaking as well.

Aside from the useful information that this process of review can provide, we also find that the references in the back of the research literature enable you to identify subject-matter experts with whom you can have an intelligent, albeit formal email conversation. This is important in that it enables you to partly overcome probably the one major flaw in all of this which is that the published information which is typically available is not necessarily the most current information available.

In fact, once a dialogue has been established we often find that these people have more valuable things to say, especially around 'what really works'. You see, the published information is not only sometimes dated, but it is often sanitised.

So it is important that you get hold of this anecdotal information because this often holds the real nuggets. And incidentally, this is different again from what is commonly referred to as 'grey' or unpublished literature.

Reviewing research programmes

Today, I've also been asked to talk to you about two other things: best practice procurement and the importance of regularly reviewing research programmes. I think the latter is a no brainer because literally nothing stands still these days. Commercial organisations are forever reviewing their goals and targets and I know this is the case with public sector organisations. The challenge is to make the time available to do this and involve senior management in the process.

Best practice procurement

I would like to spend the remaining time I've got talking about procurement processes. Let me begin by telling you about my credentials to talk about this topic. I have been in the research and evaluation business for well over 30 years now, mostly on the provider side, with a little time also on the client side. For the last 15 years, I have been providing research and evaluation services to public sector clients.

I am currently a full member of the Market Research Society (MRSNZ) and the Australasian Evaluation Society (AES), and in the past, have held various positions on the MRSNZ national committee. Also in the past, I have been the New Zealand representative of perhaps the most well-known professional research society in the world, the European Society for Opinion and Marketing Research (ESOMAR).

In the last 5 years, I have become increasingly uncomfortable with public sector procurement practice. You might say that he's just saying that because he's lost a few major tenders, but to be honest, it has more to do with getting a 'win-win' situation happening for all parties.

If providers are to feel confident with public sector procurement practice, they must feel confident that the time and effort they put into preparing a response to a brief is well worth it and they will get a fair hearing. And for their part, the client must be assured that the process enables them to identify the most capable provider for the job.

At the moment and speaking for my colleagues in the provider community generally (with whom we regularly consult), we have little confidence in the current system. And I'm not sure that clients are necessarily happy either, given the amount of litigation that appears to go on.

So what do I think needs to change?

1. First and foremost, in an ideal world, the public sector would need to develop a relational approach to dealing with providers and step away from the current transactional approach. This would mean that providers have an ongoing relationship with the organisation concerned and particularly with the actual users of the research, rather than via a third party who may be more interested in process.

   What happens at present is that a brief is posted on GETS, you can't meet the client to openly discuss their project, you can email questions, but the answers to these are provided to all other interested parties in the interest of "fairness" and "transparency", despite the fact that the original question you might have asked had been related to a competitively sensitive idea.

So what actually happens is that we often don't ask questions and what this means is that we're shooting a little in the dark. This is an important point, because not all briefs are as well written, as they should be. If we do ask questions, we ask them right at the last moment, just days before the response is due, so that nobody can really respond by changing their proposal based on the answer provided. This simply can't be good for anyone.

2. This brings me to my next point. Some briefs are well written and have intelligently thought through the issue at hand, but many are not well written and a few are so superficial it's just ridiculously funny. In these cases, it is not uncommon to find the brief consisting of 90 percent 'indicative contract' and just 10 percent 'real brief'. We have made a ruling that we will just not bother with these ones.

3. Nearly always briefs ask for 'organisational information', but the issue I have with this is that the same organisational information is asked for, over and over again, by the same organisation. You would think that these organisations would have some central depository where this information can be stored, updated as it changes and made available to those who want to know.

4. Some briefs are prescriptive. They might invite providers to outline different approaches, but given the lack of ability to openly discuss the brief with the client in the first instance, to be quite honest an alternative approach can never really be that well developed. Plus, there is always the nagging feeling that you might be at risk by putting an entirely different idea out there.

5. Believe it or not, some briefs for research and evaluation are prepared by people lacking experience in research and evaluation. They might be 'text book' researchers, having done 101 research at university, but they have absolutely no practical experience whatsoever. The same people assess the responses received and even some times involve panels of other people from other disciplines. Now I think the panel approach is good, as long as panel members fully appreciate what perspective they bring to the decision making and stick to that.

6. Until recently, the public service has also suffered from what I call the 'contractor' phenomenon. This is when you get an almost endless stream of short-term contractors who are given responsibility for research and evaluation projects they have absolutely no history with, and have no institutional knowledge or any appreciation of the experience of those who might. With their short-term perspective, of only 3-6 months or less, it's all care and no responsibility.

7. It costs organisations like mine the equivalent of $10,000 on average to put together a reasonable proposal in response to a major brief. That's the value of the time that you would otherwise be spending on current project work or servicing your existing clients. Given the competition that's out there, you're lucky if you even get short-listed for one in every three or five you write.

   Getting short-listed often means turning up to a meeting to be literally eyeballed and asked two or three questions, often designed to trip you up. Ideally, the aim should be to have a constructive conversation, but this is usually the exception rather than the rule.

   Recently, we attended one of these meetings and had no more than 10 minutes to present. There was even a 'time-keeper', so that no one provider could turn around later and say that someone else had more time than they did!

8. The worst of it is when you get a 'Dear John' letter of about 2-3 lines which says you have been unsuccessful. How can you improve with this type of feedback? And how do you think this feels when you have just spent $10,000 of your company's well-earned money putting in a serious proposal?

   Some organisations invite you to ask for feedback, but nine times out of 10, it's pretty superficial when it comes. In some cases, it is clear from the feedback that your proposal hasn't even really been read. And often the feedback is long in coming. Six months ago I asked for feedback from one public sector organisation and I'm still waiting for that now.

Summary

In a nutshell, the current government procurement practice isn't working for the provider community and I wouldn't be surprised if it's also not working for the public sector. Last year, we met with one of the larger public sector agencies who recognised that there were serious issues. There was an honest and frank discussion about what needed to change, but nothing has and in the current environment, I don't really think anything substantive will.

Buying research and evaluation services isn't like buying toilet paper and soap. Also, if you get to pass go, let's not forget that the contractual arrangements are such that the project is often stalled because of the amount of paper work that needs to be completed upfront.

In my opinion, the public sector would be well-advised to take a leaf out of the private sector's book where constructive working relationships abound, clients know about individual organisation's abilities, closed rather than open tenders are the norm, and experience is valued above what appears on paper to be a 'good' answer to the brief or a 'good' deal.