

## Strategy

# Strategy and actions for the use of electronic business processes and electronic procurement in the public sector

A follow-up to eNorway 2009 – the digital leap



## *Foreword*

The public sector purchases goods and services for almost NOK 240 billion each year (approximately 15 per cent of GDP). Of this sum, the pure operations related purchases amount to approximately NOK 110 billion. It is important therefore that public sector entities organise and execute their procurement activities in an effective manner.

The real challenge lies, however, not in starting to use electronic marketplaces and solutions for electronic procurement, but in change processes and change management. A countless number of more or less defined routines must be both changed and not least improved.

The use of electronic business processes and electronic procurement in the public sector means that the costs of procurement will be reduced and the quality level will be raised.

Resources made available will help public sector entities to concentrate on their primary tasks to a greater degree.

I believe that the introduction of electronic procurement in the public

sector will play a role in strengthening the competitiveness of small and medium-sized companies.

Improving public sector procurement processes can give Norwegian industry and suppliers greater opportunities for survival in the open markets of the future.

The introduction of electronic procurement is for me a very important element of the modernisation process as it means more resources will be available with which to make everyday life easier for most people, and also security for the welfare of tomorrow.

Norway is relatively far advanced with regard to IT investments and IT infrastructure, but in the public sector we have not always been good enough at exploiting the benefit potential that is there to be found.

As the Minister of Modernisation, I wish to change this.

Oslo, October 2005

Morten A. Meyer  
*Minister of Modernisation*

## Table of Contents

|  |           |
|--|-----------|
| <b>1. Background</b>   | <b>1</b>  |
| <b>2. Goals and strategy</b>   | <b>1</b>  |
| <b>3. Public sector procurement and electronic business processes from a modernisation perspective</b>       | <b>2</b>  |
| <b>4. Status of the use of electronic procurement and electronic business processes in the public sector</b> | <b>2</b>  |
| <b>5. Benefit potential</b>  | <b>3</b>  |
| <b>6. Focus areas</b>  | <b>5</b>  |
| a. Regulations   | 5         |
| b. Financial incentives  | 6         |
| c. Standardisation   | 6         |
| d. IT solutions  | 7         |
| e. Information dissemination and competence development  | 8         |
| f. Organisation and strategy   | 8         |
| g. Knowledge and measurements  | 9         |
| <b>7. Key performance indicators</b>   | <b>10</b> |
| <b>Appendix – List of actions with key performance indicators (version 1.0 per 30/09/2005)</b>               | <b>1</b>  |
| Regulations  | 1         |
| Finance 2  |           |
| Standardisation  | 2         |
| IT solutions   | 3         |
| Information dissemination and competence development   | 4         |
| Organisation and strategy  | 5         |
| Knowledge and measurements   | 6         |

## 1. Background

Public sector purchases of goods and services used in service production and daily operations amount to approximately NOK 110 billion each year. In addition to this comes procurement in public sector commercial activities, for households receiving government subsidies and direct investments, bringing the annual figure for public sector procurement to around NOK 240 billion (approximately 15 per cent of GDP)<sup>1</sup> Furthermore, additional resources are used in handling the various elements of the procurement process.

A major prerequisite for effective competition in respect of public sector contracts is that public sector entities conduct themselves as a professional and demanding customer, and that public sector procurement operations are efficient throughout the whole value chain. By means of its procurement, the public sector shall also stimulate increased innovation and competitiveness among its suppliers.

The competence of suppliers, healthy competition among suppliers and flexible procurement processes are key factors for establishing efficient competition with regard to public sector procurement. This presupposes among other things that the supply chains are viewed in context, that knowledge exists about how the public sector procurement regulations work, and that initiatives that ensure the greatest possible competition for public sector contracts are evaluated on an ongoing basis. The rules and regulations shall give small and medium-sized companies equal opportunities to compete for public sector contracts on a par with major suppliers.

On the basis of new procurement regulations, eNorway 2009, and recommendations from the Nordic e-commerce strategy adopted by the Nordic Council of Ministers in 2004, the Ministry of Modernisation has drawn up a strategy for the introduction of electronic business processes and electronic procurement in the field of public sector procurement. In addition, a quite extensive list of actions has also been compiled in order to implement the strategy.

## 2. Goals and strategy

There are definite advantages to making electronic procurement in the public sector into a common national initiative. Experience from different line of businesses and other countries can be shared more easily, and the public sector and business community together can share the costs of developing the solutions. By means of compatible solutions and common standards, suppliers can be sure that their investments in IT solutions can be used in commercial activities with all public sector entities as well as private sector customers.

The aim of the Ministry of Modernisation, as stated in section 2.4 of eNorway 2009 (p. 20), is that:

- In the course of 2007, all public sector entities shall have objectives, strategy and plans in place for their procurement that include the use of electronic processes.
- In the course of 2009, 25 % of the volume of public sector operations related purchases shall be procured in full or in part by use of electronic processes for interaction with business and industry.

---

<sup>1</sup> Source: Statistics Norway, [www.ssb.no/emner/12/01/offinnkj/](http://www.ssb.no/emner/12/01/offinnkj/)

The strategy to achieve this includes the following:

1. New regulatory framework conditions (new Act and regulations concerning public sector procurement, new financial management regulations).
2. Reduced risks and costs (introduction of digital signatures and e-invoices).
3. Increased focus on standardisation, competence development, change management and profit realisation.

### **3. Public sector procurement and electronic business processes from a modernisation perspective**

The cornerstones of the modernisation effort are user guidance, streamlining and simplification. In relation to the increased use of electronic business processes in the public sector, there are three areas that are particularly important:

- **Implementation of eNorway 2009.** In this respect, the public sector has both an implementation and a driving role. The public sector shall promote the development and use of ICT-based products and services in society, and assist Norwegian companies to gain the necessary competence to be able to utilise the opportunities connected with use of information technology.
- **Competition policy.** The public sector is a major purchaser and can therefore influence competition in the market. It is the tax payers who ultimately have to pay the bill when the market does not work.
- **A simplified Norway.** The foundation shall be provided for simplified commercial activities between public sector purchasers and the supplier market through the use of new electronic procurement processes. It is also important in this area to monitor developments made by our nearest neighbours, among other things by participating in the implementation of the Nordic e-commerce strategy.

As a significant purchaser on the one hand and a supplier of public services on the other, the public sector is an important part of our national wealth creation. This is connected to the European and global markets through the regulations of the EEA and WTO agreements concerning public sector procurement. The aim of the Ministry of Modernisation is to ensure that Norway remains at the forefront of this field, both in a European and a global context.

### **4. Status of the use of electronic procurement and electronic business processes in the public sector**

Electronic business processes cover among other things the flow of information, goods and payments in the whole procurement process.

The strategy prioritises the flow of information. In this area the public sector has special demands associated with regulatory procedural requirements, and the advantage in using electronic procurement will be greatest in this respect. Electronic information flow also provides the public sector with new opportunities in relation to utilising advanced warehouse and logistics solutions, and for using new payment methods where traditional invoices are of lesser importance. What is crucial is that the individual public authority itself evaluates how it can utilise these opportunities. The Ministry of Modernisation will provide for the exchange of information and coordination across administration levels and sector borders.

The European Union's new procurement directives shall be implemented in the countries concerned by 31 January, 2006. In Norway, this will be done by revising the Act governing Public Sector Procurement and all attached regulations.

With the new body of rules and regulations in place, it will be possible to support all stages of the public sector procurement processes with various electronic means. The main stages in public sector procurement are illustrated in figure 1 below.

These activities constitute the value chain for public sector procurement.



Figure 1: The value chain for public sector procurement.

In early 2005 the international consultancy firm Rambøll Management concluded in a report that covered all the 25 EU countries plus Norway and Iceland that Norway is among the best in Europe in the two main areas that have so far been in focus. These are electronic notification of competitive tenders (Doffin) and electronic ordering (Ehandel.no – The Norwegian Electronic Public Procurement Portal):

- Doffin (Database for public sector procurement) is currently used for announcing procurement notices in the public sector in accordance with the procurement rules and Norway's international obligations. Easily available information about the procurement needs in the public sector make it easier for business and industry to see the market opportunities and to compete for these contracts.
- Ehandel.no is currently used for purchasing goods and services that are part of the service production and daily operations of public sector entities. There are considerable efficiency benefits to be gained from implementing this type of procurement electronically. Money or time saved in this work allows more resources to be used in other politically important areas.

Rambøll recommends in an extension of the report that Norway should give priority in the future to a commitment to electronic invoice handling and electronic publication of tenders, as it is here that the benefit potential is greatest in relation to the need to invest resources.

## 5. Benefit potential

Introduction of electronic procurement and electronic business processes in the public sector is an important element of the modernisation work in the public sector, and shall contribute to achieving efficiency benefits through:

- Better procurement: Price benefits through increased loyalty to agreements entered into and a better basis for entering into new agreements.
- Simpler procurement: Less administration and less time used through more efficient and more streamlined routines.
- More effective procurement: Less errors and improved control through electronic traceability.

The Ministry of Modernisation wants public sector entities to organise and execute their procurement activities in such a way that they utilise the change

and benefit potential that lies in using electronic business processes. It is important to achieve changes that can quickly result in financial benefits, and that can contribute to the efficient use of community resources. This shall contribute in turn to realisation of efficiency gains in both the public and private sectors, among other things by means of:

- Increased loyalty to procurement procedures, which gives direct and quantifiable savings.
- Increased quality in the whole procurement process, which leads to better use of resources.
- More efficient and streamlined routines, which leads to better control and less time used on administration.
- Less errors, which gives reduced costs.
- Improved information about what is being purchased, which leads to better contracts.

As stated previously, national electronic services associated with notification and ordering have already been established through Doffin and Ehandel.no.

Beyond this, the status and objectives can be expressed as follows:

| <b>Procurement activity</b>   | <b>Status 2005</b>   | <b>Objectives 2009</b>   |
|---|--|--|
| Electronic submission and publication of notifications in Doffin and TED. | <ul style="list-style-type: none"> <li>• 100 % over threshold value.</li> <li>• Not used much below threshold values.</li> </ul>   | <ul style="list-style-type: none"> <li>• Maintain 100 % above threshold value.</li> <li>• 100 % in "mini-Doffin"</li> </ul>  |
| Electronic publication of tenders.  | <ul style="list-style-type: none"> <li>• Varied, up to each individual contracting authority</li> <li>• Not part of the services offering in Doffin.</li> </ul>  | <ul style="list-style-type: none"> <li>• Introduced as a main rule.</li> <li>• Offer of cost-free publication in Doffin.</li> </ul>  |
| Electronic submission and receipt of tenders.                             | <ul style="list-style-type: none"> <li>• Only used as a supplement to submission on paper.</li> <li>• Lack of good security mechanisms.</li> </ul>   | <ul style="list-style-type: none"> <li>• Introduced as a main rule.</li> <li>• Appropriate security mechanisms in place.</li> </ul>  |
| Electronic evaluation and award of contracts.                             | <ul style="list-style-type: none"> <li>• Not used much.</li> <li>• Lacks integrated solutions for publication, submission and evaluation.</li> </ul>   | <ul style="list-style-type: none"> <li>• Introduced as a main rule.</li> <li>• Total solutions for publication, submission and evaluation in use.</li> </ul>   |
| Electronic ordering.  | <ul style="list-style-type: none"> <li>• Less than 1 % of operations-related order volume is electronic.</li> <li>• Few public sector entities have procurement solutions organised for electronic business with suppliers.</li> </ul> | <ul style="list-style-type: none"> <li>• 25 % of operations-related order volume is electronic.</li> <li>• 50 % of public sector entities have procurement solutions organised for electronic business with suppliers.</li> </ul>  |
| Electronic invoicing.   | <ul style="list-style-type: none"> <li>• Sporadic use, main focus on scanning paper invoices.</li> <li>• Small percentage of electronic invoices to / from public sector entities.</li> </ul>  | <ul style="list-style-type: none"> <li>• All public sector entities shall be able to receive and process invoices electronically.</li> <li>• All public sector entities shall offer electronic invoices to their users.</li> </ul> |

In relation to the implementation of new initiatives, priority is given to setting a public authority focus on electronic invoice handling. Experience from entities that have already started with this shows that these achieve financial gains, quicker processing times, better control and increased user satisfaction, at the same time as the use of resources in connection with invoice processing is reduced.

The Ministry of Modernisation has therefore started to make preparations for the possible introduction of a requirement that all public sector entities shall be able to take receipt of and process incoming invoices electronically in the course of 2008, and that all public sector entities that issue invoices shall be able to offer businesses and citizens the opportunity to receive these in electronic format.

However, a unilateral focus on electronic invoice processing is not sufficient. The full benefits of electronic business processes will only be achieved by having control of the processes that create the payment claims. For this reason, priority is also given to an additional commitment to electronic order handling by focusing on a greater spread and use of procurement solutions designed for electronic business with suppliers. Ehandel.no shall be developed further and is expected to be an important tool in this respect.

Priority is allocated in the process up to award of the contract on further development of the service offering in Doffin, by among other things organising for the publication of tenders. In this way, it will be easier for business and industry to take part in competitive tenders for public sector contracts. Furthermore, Doffin shall also be organised for simple notification of procurement contracts below the national threshold values ("mini-Doffin"), so that it will be easier for business and industry to compete also for this type of contracts.

In the other process up to award of the contract, it is expected that electronic information flow will be the norm, and that total solutions for electronic publication, submission and evaluation will gradually begin to be used by the most professional procurement bodies in the public sector when the national security portal begins to provide access to good security solutions.

## **6. Focus areas**

On the basis of the strategy, the Ministry of Modernisation will implement a number of targeted actions within seven focus areas during the period 2006–2009.

These are:

### **a. Regulations**

A flexible body of rules that accepts and provides incentives for using electronic business documents is a precondition for electronically-based procurement processes. By means of the amended Act concerning Public Sector Procurement and attached regulations that will come into force on 1 January 2006, Norway has laid the foundation for public sector procurement to be carried out electronically to a greater extent than has previously been the case. European harmonisation of the regulations concerning public sector procurement also open up for increased international competition to the benefit of both suppliers and purchasers. Much has been done to promote the use of electronic procurement through the work that has been carried out in revising, among other things, national and local government financial management regulations, accounting rules and the body of rules governing public sector procurement. It may however be necessary to make changes and clarifications to these and other rules in the future as well. It will therefore be an ongoing task to assess whether the total effect of the body of rules of significance to the public sector's procurement and financial management provides sufficient opportunities and incentives for streamlining through the use of electronic procurement.

It may also be necessary to introduce new forms of regulation. In Denmark, for example, there is an Act governing electronic invoicing. This came into force on 1 February 2005, and has resulted in significant growth in the use of electronic invoices.

The Ministry of Modernisation (MOD), in cooperation with the Norwegian Association of Local and Regional Authorities (KS) and Norwegian business and industry, will implement the following initiatives in the regulatory field:

- Require the introduction of electronic order handling systems (procurement systems) in the government / public sector.
- Prepare the basis for using electronic invoices in the public sector.
- Prepare the basis for the electronic publication of tenders in connection with all types of public sector procurement.

#### **b. Financial incentives**

There will always be many reasons why change can take longer than expected and this is also true in relation to the use of electronic procurement, but whether the use of financial incentives can be a decisive tool in order to attain set objectives within the given deadlines must be carefully evaluated. In principle, financial means can be provided in the form of initiatives where desired behaviour is rewarded, or where undesired behaviour is punished. A mix of "carrot" and "stick" often gives the best results, but the specific initiatives must be able to be adjusted as experience of their consequences is gained.

The basic assumption is that there are sufficient financial benefits to be gained from starting to use electronic procurement and electronic business processes that public sector entities and their suppliers should themselves find that it is beneficial to make the necessary investments in order to be able to realise the benefits. As a main rule, therefore, it should be sufficient to draw the parties' attention to the benefit potential and how this can be realised. Experience from the start-up of Ehandel.no shows however that such an approach by itself is not sufficient to achieve the desired change in behaviour quickly enough among public sector entities and their suppliers.

MOD, in cooperation with KS and business and industry, will implement the following initiatives in the financial field:

- Ehandel.no establishes a new web-based "information bank" for the public and private sectors in respect of how the benefit potential realised through electronic procurement can best be realised.

#### **c. Standardisation**

The situation with many different and incompatible standards for electronic procurement systems constitutes a financial burden, especially for smaller suppliers. This can act as a barrier to participation in public sector procurement processes, and lead to inferior agreements for public sector entities. By adopting common standards for electronic procurement and e-commerce solutions, the suppliers' uncertainty concerning the choice of their own IT solutions is reduced, and the total investment necessary in order to be

able to participate in electronically based procurement processes is also reduced. Both purchasers and suppliers will achieve major benefits from the development and/or implementation of common standards.

On a European level, numerous activities have been started with the aim of achieving standardisation, including close cooperation with international standardisation bodies. It will therefore be a priority task to be able to maintain Norwegian participation in various international forums associated with the use of electronic means in connection with public sector procurement.

MOD, in cooperation with NorStella, Standards Norway and Eforum among others, will implement the following initiatives in the standardisation field:

- Contribute to international standardisation efforts of significance for the introduction of electronic business processes in the public sector.
- Ensure that Norway implements international standards.
- Further develop the concept of standard collaboration protocol agreements.

#### **d. IT solutions**

Preparing the basis for electronic invoice processing has high priority, and one of the initiatives is therefore that all public sector entities shall be able to receive and process invoices electronically by 2009. Expansion of the functionality in Doffin to also include opportunities for publishing tenders is another field that has high priority. The solutions and/or service offering that will be set up to realise these priority objectives must function in such a way that smaller suppliers do not have any problems in supplying the public sector.

In relation to electronic ordering, Ehandel.no is a leading service offering in the public sector. The aim is to expand the functionality and range of services in this offering in order to pave the way for total solutions for publication, submission and evaluation of tenders.

Experience gained with Ehandel.no, and use of a private company as the operator of this, will be evaluated before the end of this contract period. The Ministry of Modernisation will continue to support the use of electronic marketplace solutions in Norway on the assumption that the market for marketplace services is still in the development stage, and that with time, various tools can be used to secure the public sector and their suppliers cost-effective and technologically-simple access to good and well-functioning e-procurement solutions. In order to achieve the greatest possible support for the service offerings, it is important that the benefits and costs of participation in electronic marketplaces are divided in such a way that gives benefits for both purchasers and suppliers.

User-friendliness is also important in order to increase the use of electronic procurement. Assessments of user-friendliness and evaluations of functionality shall ensure that institutions and entities at different levels of maturity can use the various portal solutions and service offerings.

MOD, in cooperation with the Ministry of Finance (FIN), the Ministry of Trade and Industry (NHD), KS and industry organisations, will implement the following initiatives in the IT solutions field:

- Establish solutions or service offering for electronic invoice handling for the public sector and its suppliers.
- Expand the functionality and service offering for notification and

- publication of tenders in Doffin and “mini-doffin”.
- Expand the functionality and service offering in Ehandel.no with a focus on total solutions for publication, submission and evaluation of tenders.
- Employ business models and solutions architecture in order to ensure that the public sector and its suppliers simply and cost-effectively attain access to solutions for electronic ordering.
- Evaluate the user-friendliness of the national portal(s) for public sector procurement based on both general criteria (navigational principles, design, language etc.) and an evaluation of functionality.

**e. Information dissemination and competence development**

There is no doubt that there is a lack of awareness about the benefits of electronic procurement in many public sector entities and private companies. The Ministry of Modernisation therefore sees a significant need to build up the necessary competence environments for disseminating experience and knowledge concerning electronic business processes and electronic procurement. This will require an information campaign directed at public sector purchasers and their suppliers. The means to achieve this could be a combination of several communication channels and methods, for example by means of the internet, paper-based publications, network campaigns, conferences, seminars, information meetings, advertising etc. The initiatives can be in the form of information, guidance and tools, and comparison (benchmarking) of the public sector’s efforts in the areas of publication and reward of achievements. Such a “naming and shaming” in conjunction with guidance and other tools has been shown to be effective in other areas, and is continuing to make inroads in Europe.

The content of the information campaign shall include marketing of the potential and idea behind the introduction of electronic business processes, disseminating knowledge about new regulations, disseminating information about possible solutions, public sector services, tools and competence programmes in the area, including descriptions of best practice in business processes (tasks, sequences, roles, IT support and IT integration).

MOD, in cooperation with KS and business and industry, will implement the following initiatives in the information dissemination and competence development field:

- Establish a national portal offering guidance and tools for better, simpler and more secure public sector procurement.
- Contribute to specific activities for developing knowledge and competence about electronic procurement, including security requirements, specifically aimed at SMEs.
- Establish cooperation forums with academic environments and other third-party interests for exchanging knowledge and experience of work with public sector procurement and electronic business processes.

**f. Organisation and strategy**

Experience from the establishment of Ehandel.no shows that one of the main challenges in using electronic business processes is associated with organisational development and change management. There is too little willingness and ability to implement the changes and to develop the competence that is necessary. When this is not given priority, effective implementation and the necessary procurement volume will be lacking, and

thereby the opportunity to achieve benefits. Behaviour must be changed both at management level and among the individual employees in order to achieve quantifiable results.

The starting point for public sector entities that wish to participate in the efficiency benefits to be gained from electronic procurement is therefore that they must be willing to do something about their procurement activities and the way in which this is organised.

Mastering the role of the orderer, knowledge of the supplier markets and well-developed and updated supply strategies are crucial for successful procurement. It is expected that a new body of rules will also lead to increased regional cooperation in the supply and procurement area, and to improved competence in this professional field. The use of electronic procurement and a general professionalisation of public sector purchasers also places demands on business and industry as suppliers. They must therefore be given better information and training in how they can function as suppliers to the public sector in general, and how they shall be able to be electronic suppliers specifically. Experience from the IKON project in the Agder counties, among others, shows that such activities can with advantage be organised regionally with participation from business and industry, public sector purchasers, trade organisations and the public sector implementation apparatus. This ensures proximity to the users and paves the way for competition between the regions to offer the best possible framework conditions for business development.

MOD, in cooperation with KS and business and industry, will implement the following initiatives in the organisation and strategy field:

- Require that all public sector entities have goals, strategies and plans for their procurement that includes the use of electronic processes.
- Further develop guidance material for the introduction of electronic procurement in public sector entities with a focus on change management.
- Offer coaching for project managers who have the responsibility for introducing electronic procurement in public sector entities.
- Lay the foundations for regional supplier development campaigns with a focus on public sector procurement and the use of electronic means.

#### **g. Knowledge and measurements**

One of the main challenges today is to obtain knowledge of the extent of public sector procurement and how these purchases affect the economy. This knowledge can be improved by monitoring the development of public sector procurement (national and international) and by participating in comparative studies. Today, the data basis associated with public sector procurement is inadequate, among other deficiencies there is little knowledge of what is being purchased in the public sector and how this is purchased. There is no information about the significance of public sector procurement for Norwegian suppliers, and it is unclear how much of public sector procurement is subject to competitive tendering. Nor is it possible to give overall figures for the use of electronic procurement processes or the use of solutions for electronic ordering by means of markets, internet shops or other channels. One task will be to clarify the need for better information about public sector procurement. Another will be to arrange for the collection and analysis of such information.

Greater availability of facts concerning procurement and the use of electronic business processes in the public sector will be a prerequisite for effective monitoring of the strategy. It is equally important that better measurements

and greater knowledge increase awareness of the significance of public sector procurement as a business policy tool.

MOD, in cooperation with FIN, Statistics Norway (SSB) and academic environments, will implement the following initiatives in the knowledge and measurement field:

- Stipulate requirements in respect to public sector entities' reporting of their own procurement and the use of electronic means.
- Establish routines for the regular gathering and analysis of procurement and the use of electronic means in the public sector.
- Prepare the way for research into procurement and the use of electronic means in the public sector.

## **7. Key performance indicators**

A list of actions with key performance indicators has been compiled for each of the seven focus areas and the initiatives under these. The list is attached as an appendix to this document, and continual development of this during the period is presupposed, with regard among other things to resource allocation. Close cooperation between public sector entities, trade organisations, academia and business and industry is presupposed in order to be able to realise these actions.

## Appendix – List of actions with key performance indicators (version 1.0 per 30/09/2005)

The form below provides an overview of the initiatives for monitoring the strategy. Each initiative is divided into four categories:

1. The key performance indicators by which the initiative's performance shall be evaluated.
2. Who is responsible for the initiative, and who will be invited to participate. The Ministry of Modernisation (MOD) as the superior authority is responsible for the plan of action mentioned first for each initiative, as it is the Ministry of Modernisation's responsibility to start up and manage each initiative, including involving other relevant parties.
3. Who the initiative concerns: national government (N), county municipality (C), municipality (M) or supplier (S)
4. Deadline for the initiative (date stated or ongoing, if the initiative is a continual process or a task that shall be repeated at regular intervals).

| Regulations |  | Key performance indicators (KPI)   | Responsible body | Target group |   |   |   | Deadline   |
|-------------|--|--|------------------|--------------|---|---|---|------------|
| Action      |  |  |                  | N            | C | M | S |            |
| 1.          | Requirement of electronic invoices in the public sector                                      | <ul style="list-style-type: none"> <li>• Change of rules implemented in respect of the requirement to be able to receive and process invoices electronically.</li> <li>• Change of rules implemented in respect of the obligation to be able to offer electronic invoices.</li> <li>• Statistics of transactions and volume that are effected electronically.</li> </ul>                                   | MOD, FIN         | ✓            |   |   |   | 01-06-2007 |
| 2.          | Requirement of advance approval of orders and implementation of budget disposition accounts. | <ul style="list-style-type: none"> <li>• Change of rules that stipulate that execution of the authority to commit budget funds in the national government sector shall as the norm be documented in advance of the authority incurring a payment obligation.</li> <li>• Change of rules that stipulate that all government entities shall keep an overview of all payment obligations incurred.</li> </ul> | MOD, FIN         | ✓            |   |   |   | 01-01-2008 |
| 3.          | Requirement of electronic publication of tenders   | <ul style="list-style-type: none"> <li>• Change of rules implemented in respect to the requirement for publication of tenders for purchases over the threshold value.</li> <li>• Statistics of the percentage of tender publications by electronic means.</li> </ul>   | MOD              | ✓            | ✓ | ✓ |   | 01-01-2006 |

| Finance         |   | Key performance indicators (KPI)  | Responsible  | Target group |   |   |   | Deadline   |
|-----------------|---|---|--|--------------|---|---|---|------------|
| Action          |   |   |  | N            | C | M | S |            |
| 4.              | In connection with the establishment of an electronic service offering within the value chain for public sector procurement, it shall always be evaluated whether, and if relevant how, the use of financial incentives can be a decisive means to achieve the objectives of establishing the service offering. | <ul style="list-style-type: none"> <li>• Methods for studying incentives established, participation from FIN, KS and users.</li> <li>• Incentives considered, and recommendations for setting up incentive schemes drawn up as part of the work on a new service offering.</li> <li>• Expected and realised efficiency gains in the public sector in association with electronic procurement.</li> <li>• Statistics of transactions and volumes within electronic procurement.</li> <li>• Calculation models for potential benefits from e-commerce both for private and public sector organisations</li> </ul> | MOD  | ✓            | ✓ | ✓ | ✓ | 01-01-2007 |
| Standardisation |   | Key performance indicators (KPI)  | Responsible  | Target group |   |   |   | Deadline   |
| Action          |   |   |  | N            | C | M | S |            |
| 5.              | Contribute to national and international standardisation work of significance for the introduction of electronic business processes in the public sector.   | <ul style="list-style-type: none"> <li>• Participation in relevant national forums.</li> <li>• Participation in relevant international forums.</li> </ul>   | MOD, KS, Standards Norway, NorStella, trade organisations, operators | ✓            |   |   |   | Ongoing    |
| 6.              | Work for the use of international standards in Norway.  | <ul style="list-style-type: none"> <li>• Selection and publication of national recommended standard for all processes in respect to electronic procurement.</li> <li>• Measure the use of international standards in connection with electronic procurement in Norway.</li> </ul>   | MOD, KS, Standards Norway, NorStella, trade organisations, operators | ✓            | ✓ | ✓ | ✓ | Ongoing    |

| 7.           | Further develop the concept for standard commercial agreements  | <ul style="list-style-type: none"> <li>Evaluate the need for commercial agreements in all phases of the value chain.</li> <li>Contribute when required to the introduction of standard collaboration protocol agreements.</li> </ul>  | MOD, KS, Standards Norway, NorStella, trade organisations, operators | ✓            | ✓ | ✓ | ✓ | 1/1/07 - Ongoing |
|--------------|---|---|--|--------------|---|---|---|------------------|
| IT solutions |   | Key performance indicators (KPI)  | Responsible  | Target group |   |   |   | Deadline         |
| Action       | N   |   |  | C            | M | S |   |                  |
| 8.           | Establish solutions and/or service offering for electronic invoice processing for the public sector and its suppliers.                      | <ul style="list-style-type: none"> <li>Evaluate business model in order to be able offer services for electronic invoice processing.</li> <li>Draw up a specification of requirements.</li> <li>Evaluate possible solutions.</li> <li>Establish solution / service offering.</li> <li>Gather statistics of user satisfaction.</li> <li>Gather data on macroeconomic savings / costs.</li> </ul> | MOD, FIN, KS, trade organisations and operators                      | ✓            | ✓ | ✓ | ✓ | 01-01-2008       |
| 9.           | Expand functionality and service offering for notification and publication of tenders in Doffin.  | <ul style="list-style-type: none"> <li>Systematically gather and evaluate requirements.</li> <li>Draw up specifications of requirements.</li> <li>Evaluate possible solutions.</li> <li>Establish solution / service offering.</li> <li>Gather statistics of user satisfaction.</li> <li>Gather data on macroeconomic savings / costs</li> </ul>  | MOD, KS, trade organisations and operators                           | ✓            | ✓ | ✓ | ✓ | 01-01-2007       |
| 10.          | Expand functionality and service offering in Ehandel with a focus on total solutions for publication, submission and evaluation of tenders. | <ul style="list-style-type: none"> <li>Systematically gather and evaluate requirements.</li> <li>Draw up specifications of requirements.</li> <li>Evaluate possible solutions.</li> <li>Establish solution / service offering.</li> <li>Gather statistics of user satisfaction.</li> <li>Gather data on macroeconomic savings / costs</li> </ul>  | MOD, KS, trade organisations and operators                           | ✓            | ✓ | ✓ | ✓ | 01-01-2007       |

|   |   |   |  |                     |          |          |          |                 |
|---|---|---|--|---------------------|----------|----------|----------|-----------------|
| 11.   | Business models and solutions architecture shall be evaluated in order to ensure simple and cost-effective access to solutions for electronic ordering for the public sector and its suppliers. | <ul style="list-style-type: none"> <li>Evaluate the business model that will be used for Ehandel and present recommendations for further business models.</li> <li>Gather statistics of user satisfaction.</li> <li>Gather data on macroeconomic costs</li> </ul>               | MOD, KS, trade organisations and operators | ✓                   | ✓        | ✓        | ✓        | 01-01-2007      |
| 12.   | Carry out annual user satisfaction evaluations of the national portal(s) for public sector procurement  | <ul style="list-style-type: none"> <li>Systematic gathering and processing of requirements.</li> <li>Implement changes as required and in accordance with macroeconomic assessments.</li> <li>Gather statistics on user satisfaction.</li> </ul>                                | MOD  | ✓                   | ✓        | ✓        |          | Ongoing, annual |
| <b>Information dissemination and competence development</b> |   | <b>Key performance indicators (KPI)</b>   | <b>Responsible</b>                         | <b>Target group</b> |          |          |          | <b>Deadline</b> |
| <b>Action</b>   |   |   |  | <b>N</b>            | <b>C</b> | <b>M</b> | <b>S</b> |                 |
| 13.   | Establish a national portal with guidelines and tools for better, simpler and more secure public sector procurement.  | <ul style="list-style-type: none"> <li>Draw up specification of requirements</li> <li>Evaluate possible solutions and organisation</li> <li>Establish content and launch the portal</li> <li>Gather statistics of user satisfaction.</li> <li>Gather user statistics</li> </ul> | MOD  | ✓                   | ✓        | ✓        | ✓        | 01-01-2008      |
| 14.   | Contribute to specific activities for developing knowledge and competence about electronic procurement, including security requirements, specifically organised for SME.                        | <ul style="list-style-type: none"> <li>Assess requirements</li> <li>Identify cooperation partners</li> <li>Establish an activity plan</li> <li>Implement initiatives</li> </ul>   | MOD, trade organisations and operators     |                     |          |          | ✓        | Ongoing         |

|                                  |  |   |  |                     |          |          |          |                 |
|----------------------------------|--|---|--|---------------------|----------|----------|----------|-----------------|
| 15.                              | Establish permanent cooperation forums, academic environments and other third-party interests connected to public sector procurement and electronic procurement. | <ul style="list-style-type: none"> <li>Assess requirements</li> <li>Identify cooperation partners</li> <li>Establish a communication plan</li> <li>Implement initiative</li> </ul>                    | MOD, trade organisations, colleges and universities  | ✓                   | ✓        | ✓        | ✓        | Ongoing         |
| <b>Organisation and strategy</b> |  | <b>Key performance indicators (KPI)</b>   | <b>Responsible</b>                                   | <b>Target group</b> |          |          |          | <b>Deadline</b> |
| <b>Action</b>                    |  |   |  | <b>N</b>            | <b>C</b> | <b>M</b> | <b>S</b> |                 |
| 16.                              | Require that all public sector entities have objectives, strategy and plans for their procurement that includes the use of electronic processes.                 | <ul style="list-style-type: none"> <li>Create templates / guidelines for procurement policy</li> <li>Implement initiatives</li> <li>Gather statistics about the use of procurement policy.</li> </ul> | MOD, KS  | ✓                   | ✓        | ✓        |          | 01-03-2006      |
| 17.                              | Further develop guideline material for the introduction of electronic procurement in public sector entities with the focus on change management.                 | <ul style="list-style-type: none"> <li>Draw up requirement analysis</li> <li>Identify initiative opportunities</li> <li>Implement initiative</li> </ul>   | MOD  | ✓                   | ✓        | ✓        |          | 01-01-2008      |
| 18.                              | Offer "coaching" for project managers with responsibility for the introduction of electronic procurement in public sector entities                               | <ul style="list-style-type: none"> <li>Draw up requirement analysis</li> <li>Identify initiative opportunities</li> <li>Implement initiative</li> </ul>   | MOD, KS  | ✓                   | ✓        | ✓        |          | 01-01-2008      |
| 19.                              | Provide the basis for regional supplier development input with a focus on public sector procurement and use of electronic tools.                                 | <ul style="list-style-type: none"> <li>Draw up requirement analysis</li> <li>Identify initiative opportunities</li> <li>Implement initiative</li> </ul>   | MOD, NHD, KS, Innovation Norway, Trade organisations | ✓                   | ✓        | ✓        | ✓        | Ongoing         |

| Knowledge and measurements |   | Key performance indicators (KPI)  | Responsible   | Target group |   |   |   | Deadline   |
|----------------------------|---|---|---|--------------|---|---|---|------------|
| Action                     |   |   |   | N            | C | M | S |            |
| 20.                        | Establish requirements in respect to public sector entities' reporting of their own procurement and the use of electronic tools.              | <ul style="list-style-type: none"> <li>Evaluate information requirements</li> </ul>   | MOD, FIN, Ministry of Local Government and Regional Development | ✓            | ✓ | ✓ |   | 01-01-2007 |
| 21.                        | Establish routines for regular gathering and analysis of information concerning procurement and use of electronic tools in the public sector. | <ul style="list-style-type: none"> <li>Evaluate possible sources of information</li> <li>Evaluate methods for gathering information</li> </ul>                      | MOD, FIN, Standards Norway                                      | ✓            | ✓ | ✓ |   | 01-01-2007 |
| 22.                        | Provide the basis for research on procurement and the use of electronic tools in the public sector.   | <ul style="list-style-type: none"> <li>Evaluate possible initiative</li> <li>Implement initiative</li> <li>Disseminate gathered and analysed information</li> </ul> | MOD, Standards Norway, colleges and universities                | ✓            | ✓ | ✓ | ✓ | 01-01-2007 |