

## **PICSE survey**

(PICSE: Procurement Innovation for Cloud services in Europe)

To ensure that Europe reaps the benefits of the shift to cloud computing, there is the need to focus on new ways of procuring cloud based services.

The PICSE Procurer's Platform will give access to a unique repository of information supporting the move from outright purchase to 'pay-per-usage' made possible by the arrival of cloud computing.

The goal of this survey is to collect information useful to identify challenges that exist in cloud procurement and produce a report on cloud procurement barriers.

All answers are anonymous and will be used for collection of input and statistical conclusions only that will serve the goal of this survey.

Please help us identify those barriers and get access to the 'Procurement Barriers Report' that will help you address obstacles of procuring cloud services.

### **General:**

Your organization:

- a) Central Government (cabinet, ministry)
- b) Decentralized government (regions, provinces, city, municipality)
- c) Research Institute/ University
- d) Government agency
- e) Cloud Customer (private company)
- f) Cloud Service Provider
- g) Policy Group
- h) Funding Agency (EC, etc.)
- g) Other, please specify

Your role:

- a) Procurement Officer
- b) IT Architect
- c) Legal Officer
- d) Financial Controller
- e) Project Manager
- f) Service Manager
- g) Policy Officer
- h) CEO
- i) Consultant/advisor
- j) Researcher / Academic
- k) Other, please specify

**Question 1:**

What are the essential requirements in the procurement of cloud services?

- a) Contractual transparency (terms of conditions)
- b) Confidentiality (e.g. IPR management)
- c) Transparency in the supply chain (performance on quality of service, reliability of supply, etc.)
- d) SLA Monitoring
- e) Liability
- f) Flexibility of the internal procurement process
- g) Service benchmarking (sufficient information about providers and their services)
- h) Open Standards for procurement
- i) None of the above
- j) All of the above
- h) Other, please specify

**Question 2:**

Did you ever procure cloud services?

- a) Yes
- b) No

**Question 3:**

What are the main reasons for your organisation to buy (or consider to buy) cloud services?

- a) Financial: lower TOC (Total Cost of Ownership)
- b) Financial: lower fixed cost
- c) Shorter procurement process
- d) Shorter service provisioning process
- e) Pay as go self service model
- f) The expertise of the CSP
- g) Gives to my company operational flexibility
- h) Other (please specify)

**Question 4:**

Do you use any procurement best practices/standards? Please specify which ones and if they are general or specific to your business sector (e.g. Scientific community)?

(Open question)

**Question 5:**

Please briefly describe your procurement process:

(Open question)

**Question 6:**

In your opinion which of the statements below are relevant to cloud service procurement:

- a) Shortage of skills among procurers
- b) Absence of formal training of procurers
- c) Lack of sufficient procurement expertise involving innovation
- d) Unclear internal requirements definition
- e) Lack of engagement between procurers and suppliers
- f) The market of contracts brokers is still not mature enough
- g) The market of technical brokers is still not mature enough
- h) Cloud marketplace are still not sufficiently developed
- i) Cloud marketplaces make the procurement of cloud services more effective and efficient
- j) Cloud brokers make the procurement of cloud services more effective and efficient
- k) Cloud brokerage might introduce new risks
- l) Joint procurement process (e.g. organisation with similar needs joint procuring cloud services) are a useful tool to increase the bargaining power of the customer
- m) The joint procurement process is not an efficient and effective solution
- n) Current procurement best practices do not require any cloud adaptation
- o) Current procurement best practices need to be reviewed to facilitate cloud adoption
- p) There is a lack of decision making support solution
- q) Cloud service certification facilitate service procurement

**Question 7:**

Which are the barriers / problems that you have faced in procuring cloud services?

- a) Standard terms and conditions
- b) Unbalanced negotiation power between CSP and Customer
- c) The service cannot be customised according to the customer needs
- d) The number of services available / offered is limited
- e) The services I would need to buy are still immature
- f) Lack of confidentiality assurance in IPR management
- g) The procurements process becomes cumbersome.
- h) Our internal procurement capabilities / processes are difficult to adapt to the cloud computing procurement model
- i) Difficult to define requirements
- j) Lack of information about the service during the selection phase
- k) Lack remedies and limitation of liability
- l) SLAs are not clear, well defined and comparable

- m) Privacy policies are not clear, well defined and comparable
- n) Stringent legal and regulatory requirements
- o) Lack of service interoperability
- p) Unclear cost model (difficult to understand the real cost/benefit of adopting cloud services)c)
- q) All the above
- r) Other than above. Please specify.

**Question 8:**

What are your concerns (perceived risks and barriers) in procuring cloud service (please note that the proposed options are examples of both barriers to the procurement officers and to the manager/staff member that needs to use the service):

- a) Lack of information about the service during the selection phase
- b) Lack of CSPs transparency, e.g. information asymmetry between CSP and customer
- c) Lack of information security assurance
- d) The need to procure from several CSPs might make the service orchestration difficult
- e) Increased dependence on CSPs and vendor lock in
- f) Loss of control over the ICT infrastructure / data
- g) Difficult to obtain good proposal in RfP and tenders.
- h) Increased complexity and overhead in the procurement process (The overall costs generated by the procurement process would increase)
- i) None of the above
- j) Other. Please specify

**Question 9:**

As a current user of cloud services, what are your main concerns? What would improve the services you are buying?

- a) Privacy
- b) Control over data
- c) Governance (existence of the appropriate organizational structures, processes, and controls)
- d) Service availability
- e) Service Level Agreements
- f) Data confidentiality
- g) Compliance complexity
- h) Service Interoperability
- i) Service composability
- j) Definition and attribution of responsibilities
- k) Definition and attribution of liabilities
- l) Other. Please specify

**Question 10:**

Please rank the following procurement approaches from 1 to 4, where 1 is the approach that best fit your need and 4 the least.

Please provide also rationale of your selection

- a) Restricted procurement procedure
- b) Open procurement procedure (e.g. Public tender and RFP)
- c) Public marketplace
- d) Public brokers

**Question 11:**

What do you consider as barriers / current limitation in restricted procurement procedure?

- a) Procurement process is time consuming
- b) High tendering and evaluation costs
- c) Number of providers invited to tender might not ensure genuine competition
- d) Lack of transparency in procurement process
- e) Lack of competition leads to higher prices and less investment in innovation
- f) Non-stimulative for private sector innovation
- g) Inability to influence standards through procurement
- h) Other, please specify

**Question 12:**

What do you consider as barriers / current limitation of open procurement procedure?

- a) Procurement process is time consuming
- b) High tendering and evaluation costs
- c) Exact specifications have to be ready at the start of the procurement process
- d) Dealing with uncompetitive and low quality bids
- e) Enlarged market for certain services makes public procurement unmanageable
- f) Non-stimulative for private sector innovation
- g) Other, please specify

**Question 13:**

What do you consider as barriers / current limitation of cloud marketplace?

- a) Cloud marketplace are still not sufficiently developed (the service offered are limited in number and scope)
- b) My requirements are not completely satisfied by the marketplace requirements
- c) I don't have mechanism to understand if I can manage the risk of buying cloud services from a marketplace

- d) Disables full and open competitive selection and negotiation process
- e) Loss of control through the service supply chain
- f) Lack of transparency in procurement process (e.g. the service / provider selection process is not clear).
- g) Lack of control over personal data
- h) Other, please specify

**Question 14:**

What do you consider as barriers / current limitations of cloud brokerage?

- a) I'm not familiar with the concept of cloud broker
- b) The market of brokers is still not mature enough
- c) Disables full and open competitive selection and negotiation process
- d) More expensive than buying services directly (The save of resources in the procurement process is lower than of the cost of intermediation)
- e) Loss of control over service (e.g. performance, security)
- f) Loss of control through the service supply chain
- g) Lack of transparency in procurement process
- h) Lack of control over personal data
- i) Loss of control over aggregation and customization of services
- j) Service arbitrage is inefficient
- k) Other, please specify

**Question 15:**

How do you continuously improve your internal procurement process?

0 Not at all 1 Partially 2 Medium 3 Good Correspondence 4 Full Correspondence

- a) Conduction of customers' satisfaction surveys
- b) Corrective actions taken based on customer's feedback and reported back to customers
- c) Procurement staff understand the essential needs of the customer's needs
- d) Documented procurement instructions manual made internally available to the customers
- e) Regularly scheduled reports provided to customers that provides current and accurate status of the procurement platform they're in use
- f) Documented annual business plan developed with department staff input and aligned with vision and mission of the procurement department
- g) Existence of strategic plan supported by executive management and support by the allocation of resources such as budget, training opportunities etc.
- h) Documented formal business continuity plan in case of business disruption
- i) Defined and documented procurement accountability and authority
- j) Procurement department staff receive adequate training in the areas of customer service, "soft skills", tools based skills

- k) Automated third-party system exists to manage contracts, from the point of intake, through negotiation and to report retention.
- l) 1% or less of contracts executed result in contract dispute within the 12-month period following contract execution.
- m) Prospective vendors are qualified using a formal automated process
- n) Vendor's performance is objectively measured using pre-defined metrics.
- o) Cost avoidance/cost savings defined, measured, annual goal approved by management and goal met.
- p) Other, please specify

**Question 16:**

What kind of innovation would you like to see in cloud procurement?  
(Open question)

**Question 17:**

Are you aware of the following innovative procurement actions?

- a) Pre-Commercial Procurement
- b) Public Procurement of Innovation
- c) Joint procurement actions
- d) I'm aware of them
- e) I do not consider them innovative solutions
- f) Other (Please specify)

**Question 18:**

Does any of the innovative procurement options mentioned in Q17 meet your needs?

- a) Pre-Commercial Procurement YES / NO – please specify
- b) Public Procurement of Innovation YES / NO – please specify
- c) Joint procurement actions YES / NO – please specify
- d) Other please specify

**Question 19:**

The EC offers a PCP/PPI co-funded model for research procurement activities. Have you already considered this model? Do you plan to use this model in the future? If yes please provide details

**Question 20:**

What cloud deployment model would best meet your needs?

- a) private cloud
- b) public cloud
- c) community cloud
- d) hybrid cloud
- e) other (Please specify)