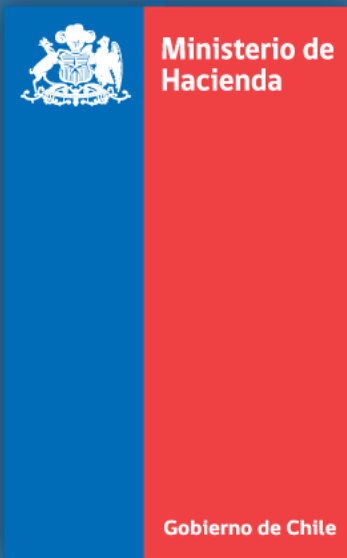




Business Model Public Procurement in Chile



Market Place | Main Figures 2011

M500 Business Opportunities

M1.650 Purchaser Orders

M100 Suppliers

M15 Suppliers Officers

M2.000 Visitors per month

6 Bids Per Process

900 Agencies



Four Basic Questions

How are **operations structured**?

How much does it **cost**?

How much is **public**?

How are operations **financed**?

ChileCompra's Model | **Basic Definitions**

Doing business in the public market is
FREE for suppliers and contracting
agencies.

The service is provided by CHILECOMPRA, a
public agency, which is financed through the
national budget.

The supplier registry can be operated by a **PRIVATE
COMPANY**

Original Approach 2003 – '08 | One operator + transactions

ChileCompra

Advanced
training

Policy &
regulation

E-catalogue

1 contract and payments based on transactions

SLA

Services Contracted with the operator

Support &
basic training

Hardware

Software

Operation

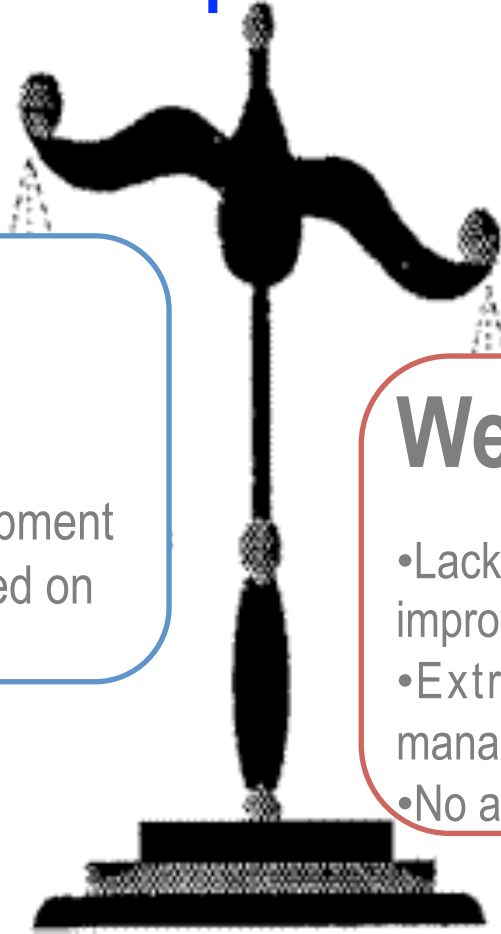
Original Approach | One operator + transactions

Strengths

- Operator focused on software and IT development
- Public Services focused on policy.

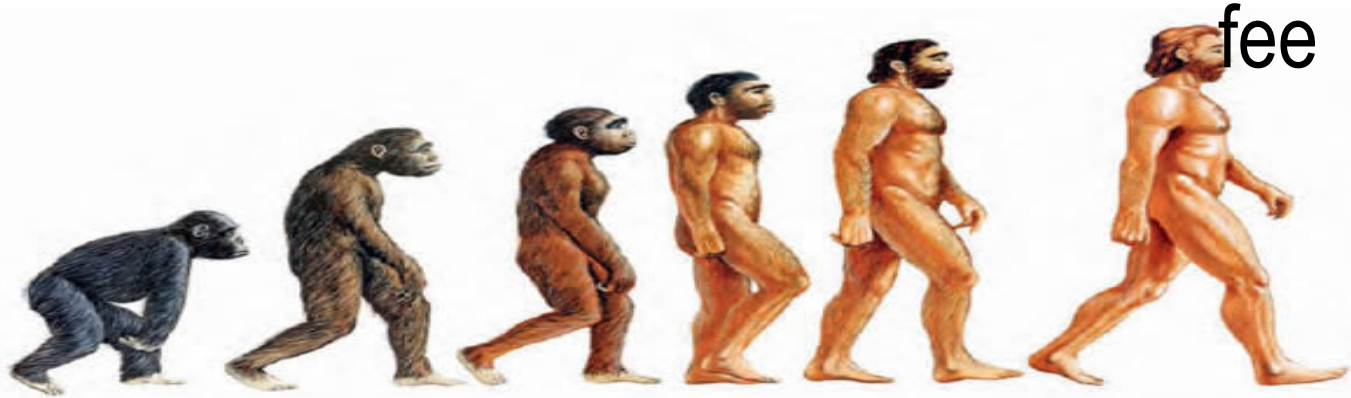
Weaknesses

- Lack of willingness to make software improvements
- Extremely expensive contract management
- No aligned public and private goals.



One operator
+
transactions

Multiple
operators +
fixed monthly
fee



Two years transition

Current Approach

ChileCompra (in house)

Advanced &
Basic training

Policy &
regulation

E-catalogue

Software

Operation

Multiple (5) contracts and providers and fixed costs. SLA agreements regulate the contracts

Outsourced services (private)

Support
Contact center

Datacenter

Complementary
software

Current Approach | **Multiple operators with fixed fees**



Strengths

- Procurement policy is better backed up by operations
- Flexibility for permanent service and applications improvement.

Weaknesses

- Public sector focuses on policy + software development.
- In-house development requires a larger and more complex public agency.

Current Model | **Multiple Operator**

MUS 60 Support
200 Hardware

Both approaches are cost-equivalent

250

Original Model | **One operator**

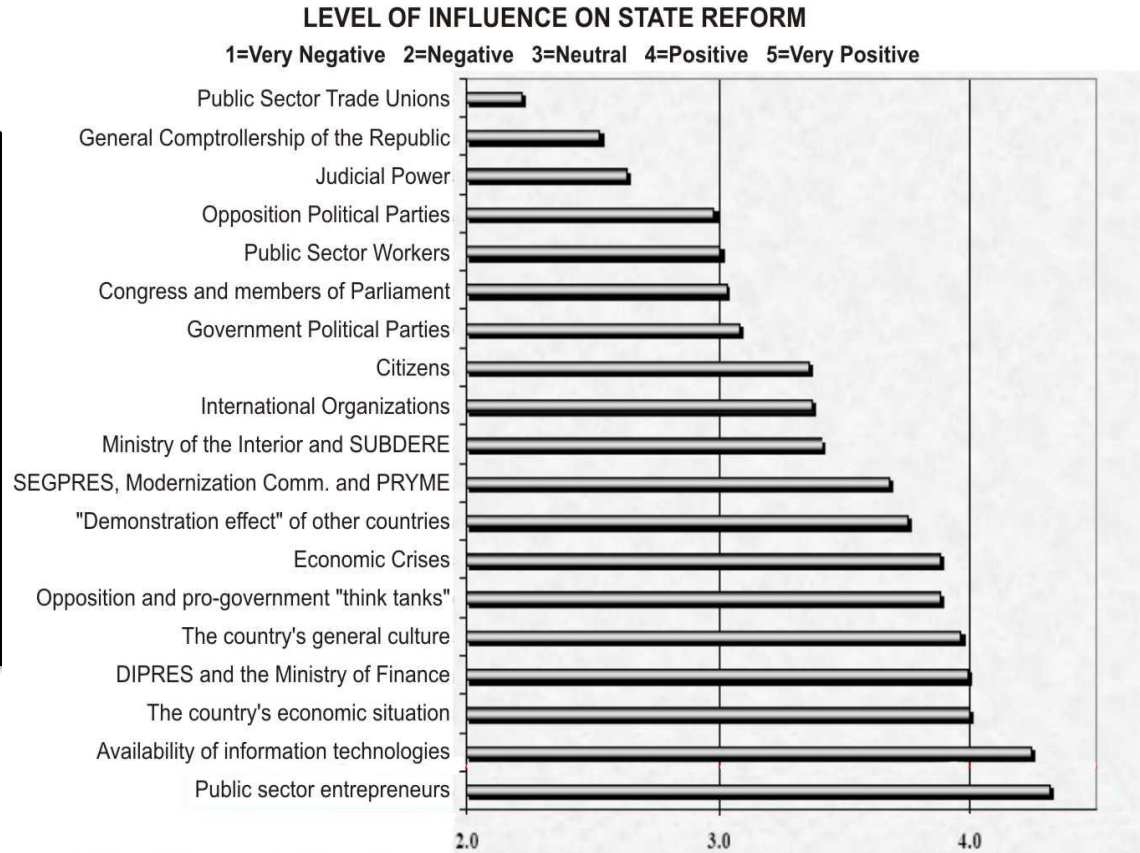
A Successful exception | The official registry

- Fully Operated by a **private** company.
- Monitorable **Sla's** agreement.
- **Strongly** aligned goals.
- **Long term** strategy.

Talking about the system ...

Lessons learned

Leadership
is
Critical



Waissbluth, 2006, "La Reforma del Estado en Chile 1990-2005"

Lessons learned | **Key SLA Agreements**

**Operation
Back Up, safe,
easy to access.**

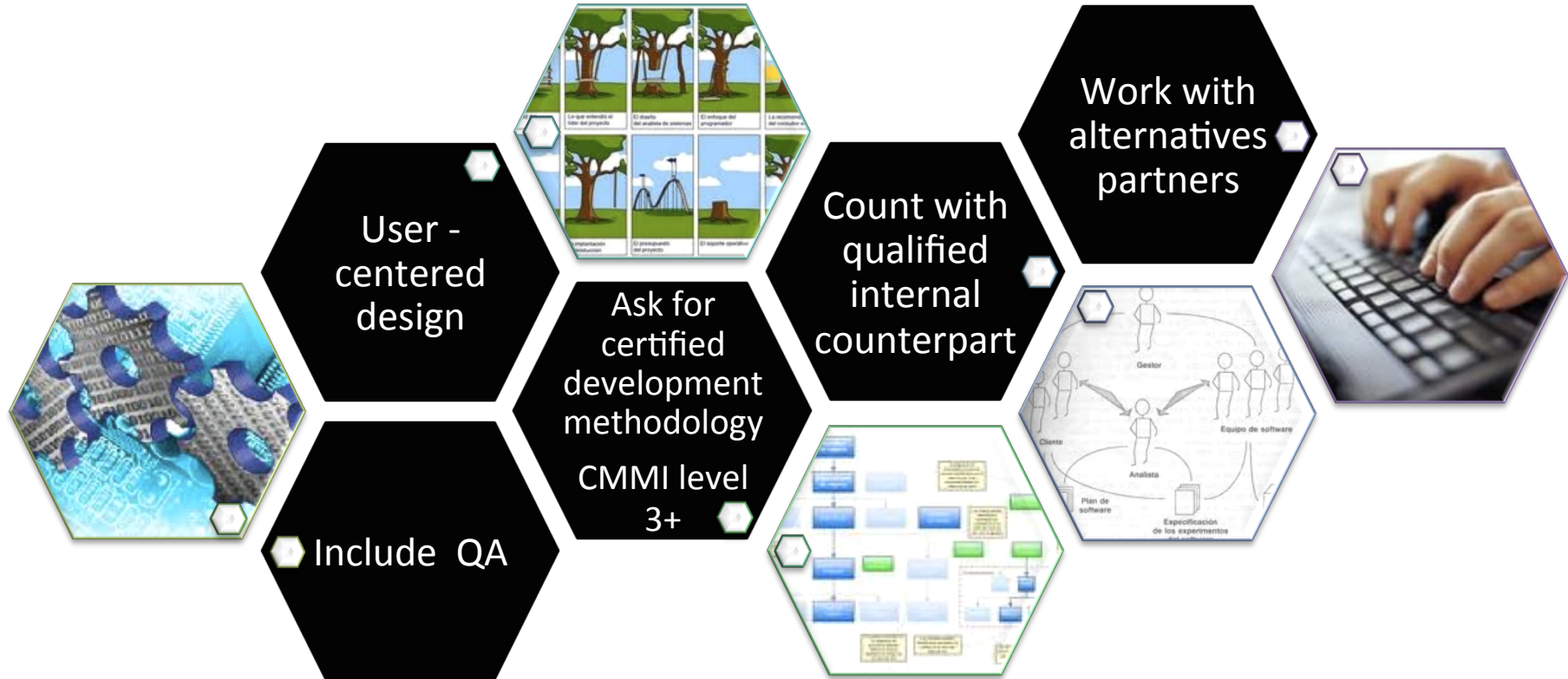


**Up-time – Considering
Global, working hours and
critical process.**



**Response time defined by
range in platform critical
uses.**

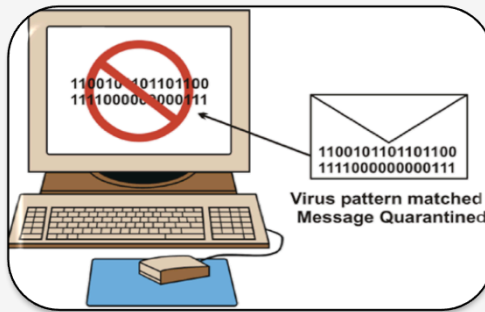
Lessons learned | Software development



Learned lessons | Control



Reinforce
internal
Control



Include
external
auditories



Monitoring

As a Conclusion

The original model allowed us to learn how to deal with multiple strategic suppliers. The new model gives more flexibility to take the platform to the next level..the **Ecosystem**.

Thanksi