Masterprogram
MBA Public Management

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June 1st, 2017
Who we are...
What we do...

In depth research on current trends in (public) procurement

- Increasing focus on strategic public procurement
- Increasing concerns on economic viability
- Increasing consideration of life cycle management and cost aspects.
- Increasing demand on digitalization of procurement activities.
- Increasing demand on implementing procurement principles such as transparency, data security/protection, compliance, etc.
- Increasing demand on solving complex / wicked problems (with procurement involvement).
Overall public expenditure quota in Europe.

When examining public expenditure quotas throughout Europe it becomes apparent how important it is to manage public budgets.

- The public expenditure quota describes the ratio of total public expenditure to the gross domestic product.
- The expected public expenditure quota in Germany is approx. 44% for the coming years.
- GDP for the year 2016 is estimated at EUR 3,132.67 billion.
- A public expenditure rate of 44% corresponds to total government expenditure of EUR 1,378.37 billion.

Source: www.destatis.de; 27.04.2017
Estimates on public procurement expenditures in GER.

~25% of total government expenditures in GER are spend through public procurement activities.

- A public expenditure rate of 44% corresponds to total government expenditure of EUR 1,378.37 billion.
- A yearly sum of EUR 350 bn in public procurement expenditures equals ~25% of total government expenditure in GER.

Source: Own estimation based on a large scale survey.
What if…

…we could increase efficiency in public procurement spending by x-%?

<table>
<thead>
<tr>
<th>Efficiency increase in %</th>
<th>Savings in EUR bn.</th>
<th>X-% savings in public procurement spent would allow..</th>
</tr>
</thead>
</table>
| 0,5                      | 1,75               | **Renewable Energy Share in Cost:**  
  …to reduce „renewable energy share in cost“ for private households by 25%  
  (2013, cost estimated at EUR ~1.75 bn.) |
| 2,0                      | 7                  | **Foreign aid:**  
  …to double the budget for foreign aid and economic cooperation  
  (2016, cost estimated at EUR ~7.4 bn.) |
| 2,5                      | 8,75               | **Taxes**  
  …to reduce turnover tax by 1%  
  (2015, cost estimated at EUR ~8.5 bn.) |
| 3,5                      | 12,25              | **Expenses for Research and Education:**  
  …to increase the budget for research and education of federal, regional and local authorities by 10%  
  (2013, cost estimated at EUR ~12 bn.) |
| 4,5                      | 15,75              | **Taxes:**  
  ….to abandon solidarity surcharge  
  (2015, cost estimated at EUR 16 bn.) |
| 6                        | 21                 | **Refugee relief:**  
  …to cover the projected costs of refugee aid in 2016  
  (2016, cost estimated at EUR ~22 bn.) |
Directive 2014/24/EU and strategic public procurement.

Even though strategic public procurement is mentioned explicitly in 2014/24/EU it leaves the reader unclear with the scope and tasks of strategic public procurement.

2014/24/EU, p. 94/72 clause (47):

“…Public authorities should make the **best strategic use of public procurement to spur innovation**. Buying innovative products, works and services plays a key role in improving the efficiency and quality of public services while addressing major societal challenges. It contributes to achieving best value for public money as well as **wider economic, environmental and societal benefits** in terms of generating new ideas, translating them into innovative products and services and thus promoting sustainable economic growth.”

2014/24/EU, p. 94/89 clause (123):

“In order to fully exploit the potential of public procurement to achieve the objectives of the Europe 2020 strategy for smart, sustainable and inclusive growth, environmental, social and innovation procurement will also have to play its part. **It is therefore important to obtain an overview of the developments in the field of strategic procurement so as to take an informed view on the general trends** at the overall level in that area. Any already prepared, appropriate reports can of course be used in this context also.”

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Best strategic use of public procurement to achieve wider benefits and thus sustainable economic growth?

Obtain an overview of the developments in the field of (private-sector) strategic procurement so as to take an informed view of best practices in procurement?

Two challenging tasks, and there are some more challenges to cope with!

Source: Directive 2014/24/EU.
Conformity to public procurement law.

A great challenge to public procurement professionals is the steadily growing density of public sector regulation.

- Supranational guidelines, regulations and recommendations
- Ministerial (functional) guidelines, regulations and recommendations
- Laws, Regulations, and Norms
- Court decisions
- National guidelines, regulations and recommendations
- Regional (state) guidelines, regulations and recommendations
A great challenge to public procurement professionals is the steadily growing density of public sector regulation.

GPA
Richtlinie 2014/24/EU
Richtlinie 2014/25/EU
Richtlinie 2014/23/EU

Common Procurement Vocabulary
VO EG Nr. 213/2008
VO EG 2195/2002

Laws, Regulations, and Norms
> §§ 800

court decisions

e.g. defense specific procurement guidelines

State-specific Guidelines (in German Language):
- Tarifreue- und Mindestlohngesetz für öff. Aufträge in B.-W.
- Berliner Ausschreibungs- und Vergabegesetz
- Brandenburgisches Gesetz über Mindestanforderungen für die Vergabe von öffentlichen Aufträgen
- Bremisches Gesetz zur Sicherung von Tarifreue, Sozialstandards und Wettbewerb bei öffentlicher Auftragsvergabe
- Hamburgisches Vergabegesetz
- Hessisches Vergabegesetz
- Gesetz über die Vergabe öffentlicher Aufträge in M.-V.
- Niedersächsisches Landesvergabegesetz
- Gesetz über die Sicherung von Tarifreue und Sozialstandards sowie fairen Wettbewerb bei der Vergabe öffentl. Aufträge in Nordrhein-Westfalen
- Landesgesetz zur Schaffung tariffreuerechtlicher Regelungen
- Gesetz über die Vergabe öffentlicher Aufträge und zur Sicherung von Sozialstandards und Tarifreue im Saarland
- Gesetz über die Vergabe öffentlicher Aufträge im Freistaat Sachsen vom 14. Februar 2013
- Gesetz über die Vergabe öffentl. Aufträge in Sachsen-Anhalt
- Tarifreue- und Vergabegesetz Schleswig-Holstein
- Thüringer Gesetz über die Vergabe öffentlicher Aufträge
Overview: Public Management Tasks.

The fulfillment of public tasks varies from state to state. In a simple way, public tasks arise from political objectives, which in turn are derived from public interest.
Changes in the public sector.

- Increasing public-sector debt restricts opportunities for politicians to actively shape public service landscape.
- Traditional financing and budgeting methods seem to be inappropriate for a modern public administration.
- Increased demands on authorities through new tasks (such as PPP projects, cooperation with business).
- Critical public (citizens) demands efficient and effective management of public institutions / authorities.

Need for highly qualified personnel with focus on public controlling & public procurement.
The majority of the procurement personnel is not explicitly trained for public procurement & controlling purposes!

Which educational background do you have as an employee of the public procurement function? (453 responses, multiple responses possible)

- Graduate degree in public administration: 56 (12%)
- Apprenticeship in public administration: 68 (15%)
- Commercial apprenticeship: 42 (9%)
- Graduate degree in technical sciences: 90 (20%)
- Technical apprenticeship: 42 (9%)
- Business apprenticeship: 49 (11%)
- Graduate degree in business: 20 (4%) + 11 (2%)
- Legal apprenticeship: 11 (2%)
- Others: 11 (2%)

Are the employees working in procurement explicitly trained to cover this function in your institution? (308 responses)

- Yes: 96 (31%)
- No: 212 (69%)

Resources: Training of procurement personnel
Professionalization of public management.

- Current competencies
- Future competencies

- Business Case Development/Calculation
- Business management know-how
- Strategic controlling competencies
- Technical competencies (on systems level)
- Technical competencies (on module / component level)
- Legal competencies
- Budgeting

Required increase in competencies

Increasing demand for specific training

Public Administration Know-how

Technical Know-how
The growing need for trained and qualifies experts in public management requires an adequate master program with specialized content.
Interest groups.

The developed MBA in Public Management targets a variety of potential interest groups.

Potential experts that require training

- Management personnel of national, regional and local public authorities
- Management personnel of different service-branches of the armed forces
- Management personnel on the supplier side
- Business consultants in the public service area

Need for trained and qualified experts
Master of Public Management.

The MBA PM Program follows a sequence of four phases in handles 15 different modules with 26 single courses in total.

<table>
<thead>
<tr>
<th>Phase I: Basics in Business Administration</th>
<th>Phase II: Basics Politics and Public Administration</th>
<th>Phase III: Specialization in Public Procurement &amp; Public Controlling</th>
<th>Phase IV: Finalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starter Workshop (2 courses)</td>
<td>Organisation (2 courses)</td>
<td>Public Procurement (2 courses)</td>
<td>Master thesis</td>
</tr>
<tr>
<td>Politics and Law (2 courses)</td>
<td>National regimes and Administration (2 courses)</td>
<td>Public Procurement Law (2 courses)</td>
<td></td>
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<tr>
<td>Economics (2 courses)</td>
<td>Public Management (2 courses)</td>
<td>Economic viability public management (2 courses)</td>
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<tr>
<td>Management (2 courses)</td>
<td>Excursion (field trip)</td>
<td>Seminar in public management</td>
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<tr>
<td>Finance (2 courses)</td>
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<tr>
<td>8 Month</td>
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| 8 Month                                   |                                                  |                                                               |                        |
| 8 Month                                   |                                                  |                                                               |                        |
| 8 Month                                   |                                                  |                                                               |                        |
| 6 Month                                   |                                                  |                                                               |                        |
Example of a module.

- **Classroom Learning (attendance period)**
  - Form Thursday to Friday (Class 1: organisation management)

- **Distance Learning**
  - From Friday to Saturday (Class 2: process management)

- **Exam**
  - Exam including the content of class 1 + 2 (90min)
Phase I: Basic Business Administration Principles.

| I.1  | Organisation (6 ECTS) | I.1.1 Organisation (Prof. Dr. Kaiser) | I.1.2 Processmanagement (Prof. Dr. Kern) |
| I.2  | Economics (6 ECTS)    | I.2.1 Micro-Economics (Prof. Dr. Schaffer) | I.2.2 Macro-Economics (Prof. Dr. Stadtmann) |
| I.3  | Management (6 ECTS)   | I.3.1 Strategic Management (Dr. Vallaster) | I.3.2 Human Resources (Witthauer) |
| I.4  | Finance (6 ECTS)      | I.4.1 Capital expenditure budgeting (Prof. Dr. Schüler) | I.4.2 Costing/Accounting & Controlling (Prof. Dr. Hirsch) |
## Phase II: Basics in Politics and Administration

<table>
<thead>
<tr>
<th>II.1</th>
<th>National regimes and Administration (6 ECTS)</th>
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<tbody>
<tr>
<td></td>
<td>II.1.1 Theories of national regimes (Prof. Dr. Lüddecke)</td>
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<tr>
<td></td>
<td>II.1.2 Administrative Law (Prof. Dr. Groh)</td>
</tr>
<tr>
<td>II.2</td>
<td>Politics and Law (6 ECTS)</td>
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<tr>
<td></td>
<td>II.2.1 Political Systems (Prof. Dr. Münch)</td>
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<td>II.2.2 International law (Prof. Dr. Khan)</td>
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<tr>
<td>II.3</td>
<td>Public Management (6 ECTS)</td>
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<tr>
<td></td>
<td>II.3.1 Public administration (Prof. Dr. Thaler)</td>
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<tr>
<td></td>
<td>II.3.2 Management of public tasks (Prof. Dr. Thaler)</td>
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<tr>
<td>II.4</td>
<td>Exkursion (6 ECTS)</td>
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<tr>
<td></td>
<td>II.4 Exkursion</td>
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</tbody>
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## Phase III: Specialization in Pub. Proc. OR Controlling

| III.C1 | Public Controlling  
<table>
<thead>
<tr>
<th></th>
<th>(6 ECTS)</th>
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</thead>
</table>
| III.C.1.1 | Controlling & Controllership  
|         | (Prof. Dr. Hirsch) |
| III.C.1.2 | Performance measurement in public authorities  
|         | (Prof. Dr. Hirsch) |
| III.C2 | Planing and Controlling in public authorities  
|        | (6 ECTS) |
| III.C.2.1 | Planing and Controlling Instruments  
|          | (Prof. Dr. Hirsch) |
| III.C.2.2 | Public Budgets / Budgeting Process  
|          | (Prof. Dr. Hirsch) |
| III.P1 | Public Procurement Management  
|        | (6 ECTS) |
| III.P.1.1 | Public Procurement Process  
|           | (Prof. Dr. Eßig) |
| III.P.1.2 | Strategic Public Procurement  
|           | (Prof. Dr. Eßig) |
| III.P2 | Public Procurement Law  
|        | (6 ECTS) |
| III.P.2.1 | European procurement law  
|           | (Prof. Dr. Burgi) |
| III.P.2.2 | National procurement law  
|           | (Prof. Dr. Burgi) |
| III.3 | Economic viability in public management  
|        | (6 ECTS) |
| III.3.1 | Budget Law  
|         | (Rapp) |
| III.3.2 | Economic viability analysis  
|         | (Prof. Dr. Schüler) |
| III.4 | Seminar Public Management  
|        | (6 ECTS) |
| III.4 | Seminar Public Management |
Phase IV: Master thesis
## Studyplan MBA PM.

<table>
<thead>
<tr>
<th>Kursmodule</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>AMSJD</td>
<td>JFMAJSD</td>
<td>JFMAJSD</td>
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<tr>
<td>I.1 Organisation</td>
<td>18.05.2017 - 20.05.2017</td>
<td>29.06.2017</td>
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<tr>
<td>I.4 Finance</td>
<td>12.10.2017 - 14.10.2017</td>
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<td>11.01.2018</td>
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<tr>
<td>II.1 National regimes and admin</td>
<td>11.01.2018 - 13.01.2018</td>
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<td>22.02.2018</td>
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<td>II.3 Public Management</td>
<td>12.04.2018 - 14.04.2018</td>
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<td>11.06.2018</td>
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<tr>
<td>II.4 Exkursion</td>
<td>11.06.2018 - 15.06.2018</td>
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<tr>
<td>III.C1 Public Controlling</td>
<td>20.09.2018 - 22.09.2018</td>
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<td>08.11.2018</td>
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<tr>
<td>III.P1 Public Procurement</td>
<td>20.09.2018 - 22.09.2018</td>
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<td>08.11.2018</td>
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<tr>
<td>III.C2 Planning and Budgeting</td>
<td>08.11.2018 - 10.11.2018</td>
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<td>10.01.2019</td>
</tr>
<tr>
<td>III.P2 Public Procurement law</td>
<td>08.11.2018 - 10.11.2018</td>
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<td>10.01.2019</td>
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<tr>
<td>III.3 Economic viability</td>
<td>10.01.2019 - 12.01.2019</td>
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<td>25.02.2019</td>
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<tr>
<td>III.4 Seminar</td>
<td>25.02.2019 - 27.02.2019</td>
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<tr>
<td>Masterarbeit</td>
<td>Ab Feb 2019</td>
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</table>

- **Classroom**
- **Distance Learning**
- **Exam**