



EUROPEAN CLUSTER
COLLABORATION PLATFORM

Innovation procurement: How to best match demands and solutions

Summary



EU Clusters Talks
13 September 2023, 8:30 – 9:45 CET An initiative of the European Union





Innovation procurement: How to best match demands and solutions

The European Cluster Collaboration Platform organised this EU Clusters Talk on 13 September 2023, 8:30 – 9:45 CET, to discuss how to bring together the demand-side needs and the development of new products or services by innovative suppliers and to learn from the experience of the projects BRINC, InnoBuyers, and Procure4Health.

Agenda of the meeting

Moderation: Zivile Kropaite

1. News from the European Cluster Collaboration Platform
Nina Hoppmann, team member, European Cluster Collaboration Platform
2. Innovation Procurement
Anita Poort, Innovation procurement policy officer, DG GROW, European Commission
3. Panel debate
Carlos Larrañeta Gómez-Caminero, Project Coordinator, Public Procurement Innovation Office, Regional Government of Andalusia
Joan Juul, Project Manager, CLEAN – Environmental Cluster Denmark
Jorge González, Director, TICBIOMED
4. Funding opportunities
Nina Hoppmann, team member of the European Cluster Collaboration Platform

Key messages

- There is a change in the conception of public procurement being a bureaucratic formality to serving as a strategic tool to foster sustainability and resilience.
- Innovation procurement should be approached as a demand-driven co-creation process.
- With the help of the market, buyers should define a desired outcome, but leave the creativity for the solution to the innovative companies.
- We need a gradual cultural shift in public authorities to break down silos and explore creative and innovative opportunities.
- Clusters can act as intermediaries to connect public buyers and SMEs.
- Clusters can provide insights into the state of the art and up-and-coming solutions in the market and use its network to search for solutions across borders.



1. News from the European Cluster Collaboration Platform

Nina Hoppmann, team member, European Cluster Collaboration Platform

After the introduction by moderator Jennifer Baker, the following news item were presented:

1. European Commission [adopted a proposal](#) to facilitate cross-border activities of non-profit associations in the EU.
2. You can apply to [GREEN ASSIST](#) to receive expert advice to make investments greener
3. Invitation to join [upcoming “Clusters meet Regions” events](#) in Bulgaria, France, Czech Republic, Germany, Romania, and Poland
4. In-person EU Clusters Talk [“Clusters meet Regions: An #EUClustersTalk on clusters as drivers of regional economic transition”](#) at the EU Regions Week in Brussels on 12 October 2023, 11:30 – 13:00 CET
5. Invitation to attend the [EU Industry Days](#) in Málaga, Spain, on 4-6 October 2023

2. Innovation Procurement

Anita Poort, Innovation procurement policy officer, DG GROW, European Commission

Anita Poort explained the evolving view of public procurement. In the past, public procurement was often relegated to a mere bureaucratic formality. However, in recent times, its role has been reconceived as a key instrument for strategically influencing the direction of the EU's internal market. She said that the focus is not just on traditional procurement but also on **fostering sustainability, resilience, and modernisation** in alignment with the EU's broader policy objectives.

Among the toolkit to attract innovators, innovation, and buy-ins, **“innovation partnerships”** are of particular importance. Instead of treating research and procurement as distinct phases, the innovation partnership allows for a combined approach. This collaborative venture between buyers and suppliers means that a product or solution can be researched, developed, and then procured without the need for separate processes or contracts. Anita Poort explained that the significance of this approach is backed by data, which tracks larger contracts that exceed specific financial thresholds. The data reveals a notable increase of the adoption of the innovation partnership methodology.

Recognising the challenges faced by SMEs and start-ups in navigating public standards, the Commission has launched a [survey](#) to understand the hurdles these businesses face and to gather feedback on potential solutions to make the procurement process more accessible.

Additionally, she presented the [Public Buyers Community Platform](#), an open digital space for public buyers, suppliers, and researchers to collaborate and exchange knowledge. Given the diversity and complexity of procurement across the EU, this platform seeks to centralise information, tools, and resources, making it easier for public buyers and suppliers to **collaborate and share insights**.



3. Panel debate

The panelists presented their projects that offer new approaches to innovation procurement and discussed the main challenges to match demands and solutions as well as the role of clusters in the process.

Carlos Larrañeta Gómez-Caminero highlighted the existing interest in this topic but recognised that there seems to be a **gap in knowledge**. He gave a short overview of the innovation procurement journey based on the “Procure4Health” project, which seeks to increase the adoption of the procurement of innovation tool in healthcare services across Europe. He explained that the classic approach involves innovators foreseeing a problem and developing a solution before seeking a market. In contrast, the procurement of innovation tool begins with **demand defining the need**. He outlined the four-phase journey, which are exploration and initiation (phase 1), procurement path and process (building) (phase 2), innovation procurement and collaborative development (phase 3), and deployment and impact (phase 4).

Joan Juul introduced the “BRINC” initiative, which is aimed at brokering cross-border innovation through clusters. Its objective is to link innovative ecosystems to SMEs and public buyers, using **clusters as intermediaries**. Furthermore, the project fosters a professional network of public buyers and facilitate knowledge sharing and capacity building. This will include developing training sessions for SMEs, intermediaries, and public buyers. Currently, while there is substantial interest in the project, there is a challenge in getting buyers to commit financially.

Jorge Gonzalez presented the “InnoBuyer” project and emphasised the importance of **demand-driven co-creation projects**. In “InnoBuyer”, challenges are posed by public organisations and innovative SMEs propose solutions. The SME and the public organisation then co-create a solution collaboratively, rather than maintaining a simple supplier-customer dynamic. If the co-created solution is successful, legal experts provide support in the procurement process. This structure provides a simpler entry point for participants to understand the process and challenges.

Discussing the point of financial commitment and decision processes, Anita Poort shared that the actual challenge is the authorities' reluctance to **restructure their internal organisation** to facilitate innovation. Many authorities' budgets are organised in silos, while innovation requires breaking these silos down to explore different business cases and opportunities. Good public managers recognise the benefits and are willing to take risks for the public's benefit. However, the decision to innovate should come from higher levels in the organisation to be effective. Carlos Larrañeta Gómez-Caminero agreed that the main obstacle is the **lack of an innovation culture and management support at higher levels** in public services. The emphasis should be on fostering an innovation culture within public services, as there are sufficient funds available for this purpose. Jorge Gonzalez suggested a pedagogical approach for a **gradual cultural shift**, showcasing successful stories to demonstrate the benefits of these innovative procurement strategies.

Talking about how to better match demands and solutions, the panellists highlighted the importance of being flexible and creative in specifying the needs during procurement. Instead of being overly prescriptive, public buyers could **focus on the desired outcome**. This approach provides room for innovative solutions to be considered, broadening the spectrum of potential answers and promoting creativity and innovation. In addition, the process of identifying needs shouldn't be done in isolation.



It requires collaboration between **various stakeholders**. Before even formalising needs, these can be presented to the broader innovation ecosystem, including companies, universities, and research centres. This collaborative approach ensures a more holistic perspective. Jorge Gonzalez suggested combining this bottom-up approach with a top-down strategy to secure the top management's buy-in.

Clusters can support the open market consultation as they are familiar with what SMEs and start-ups can bring to the table. They can help to gain **insights into the state of the art and up-and-coming solutions in the market**. Joan Juul agreed that clusters are perfect intermediaries between SMEs and the demand side because of their connection to the market, the engagement with educational institutions, and their international network. They can extend a need or solution across borders, broadening the scope of innovation. This ensures that solutions aren't confined to local ecosystems but can reach a **more extensive network across Europe** or even globally. In addition, clusters often possess expertise in facilitating workshops and brainstorming sessions. Using methodologies like design thinking, they can help public buyers and organisations to refine and better understand their actual needs.

Closing the panel discussion, the speakers encouraged to **take the first steps** into innovation procurement by informing oneself through the different projects, platforms, and their events. Innovation procurement should be seen as a co-creation process, in which clusters can help facilitate the connections between the public buyers and the market.

4. Funding opportunities

Nina Hoppmann, team member of the European Cluster Collaboration Platform

Closing the EU Clusters Talk, Nina Hoppmann shared the following examples of funding opportunities:

1. [Demand-led innovation through public procurement](#); opening date 27 June 2024
2. [Open grounds for pre-commercial procurement of innovative security technologies](#); deadline 23 November 2023
3. [Accelerating uptake through open proposals for advanced SME innovation](#); deadline 23 November 2023
4. Opportunities for SMEs: Calls from Euroclusters; published on [European Cluster Collaboration Platform](#)
5. Invitation to come to [upcoming C2Labs](#) in Slovenia and Lithuania to work on project proposals