

PRE-COMMERCIAL PROCUREMENT OF INNOVATION

A MISSING LINK IN THE EUROPEAN INNOVATION CYCLE

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Ljubljana, September 2012

Approaches in "procedures" introduced by the Public Procurement Directives

- Functional or Performance Based Specifications
- **Competitive dialogue**: the procedure was not designed to tackle technological uncertainties of purchasing yet-to-be-proven technologies. It has proven very useful to tackle financial and legal uncertainties due to organizational complexity of big projects (e.g. big ICT infrastructure deployment projects)
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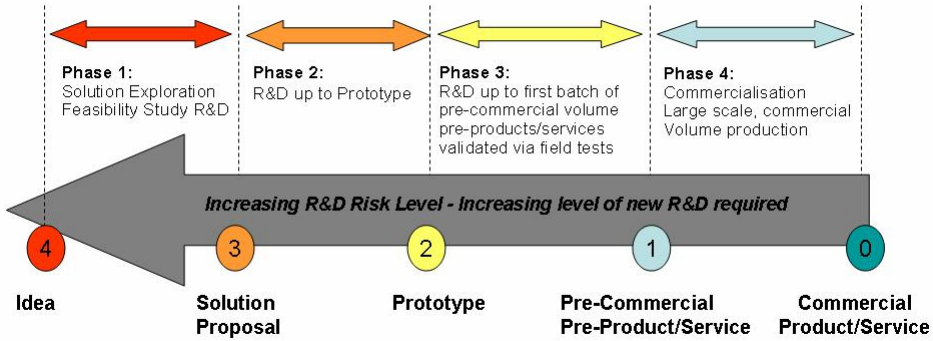
Why are Innovative Procurement and State Aid instruments alone not enough?

The more intensive research a project still requires, the more difficult it is to objectively compare competitive offers purely on the basis of written (**functional specifications**) or, exceptionally, oral explanation (**competitive dialogue**). You need to compare working prototypes, validate how new designs work in real field tests etc.

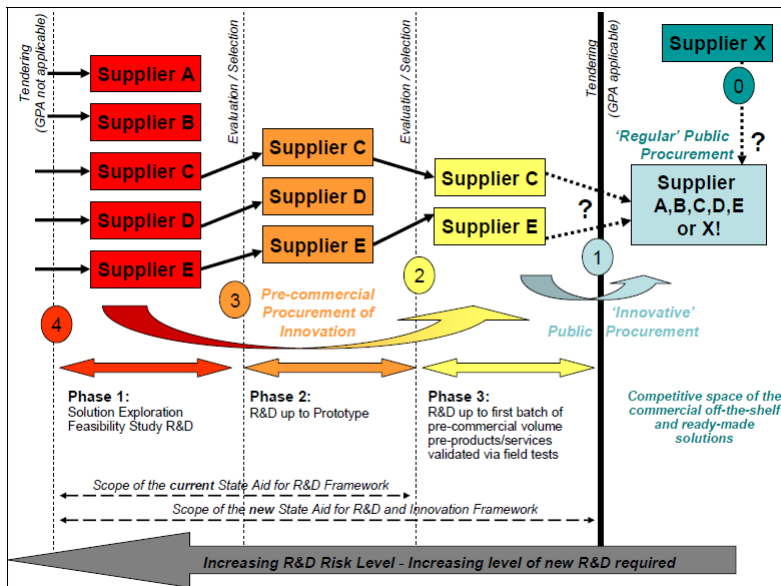
What is Pre-commercial Procurement of Innovation?

A technological product innovation is the implementation/commercialisation of a product with improved performance characteristics such as to deliver objectively new or improved services to the consumer. Pre-commercial Procurement refers to the procurement of Technological Innovation up to and including a first pre-commercial volume batch of products and/or services validated via field tests.

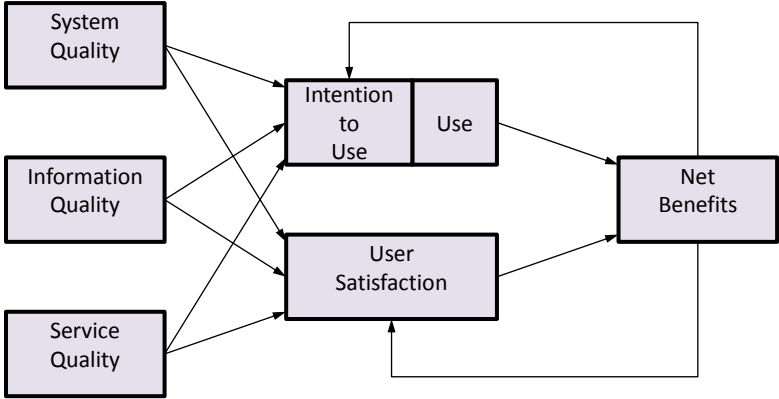
Typical Research and Innovation life cycle to transform a new idea into a commercial product or service



Pre-commercial Procurement of Innovation: A phased shared risk/shared benefit approach



IS Implementation: Dimensions of Success



DeLone in McLean, 2003