



The Role of SMEs in Public Procurement in the UK

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Today?

- Why should the Public Sector (PS) work with SMEs?
- UK Government initiatives on:
 - SME friendly Policy
 - A new Portal
 - Innovation



Why are SMEs good for PP

- Fast
- Flexible
- Hungry
- Less bureaucracy
- Innovative
- Offer VFM
- Often deal with top person
- Local
- Prospects to grow
- Reactive
- Likely to employ more staff



And why are they not used more?

- Riskier
- Poor sales people who cannot articulate the USP of the product or service
- Do not understand what drives PP
- Inertia – procurers stay with the old tried and tested
- Government desire to drive costs down = more aggregated contracts



UK Initiative 1– 25% to SMEs

- Aim: 25% of all public contracts to go to SMEs
- All small contract awards over £500 to be itemised on the “Spotlight on spend” website
- More “Lots” within ITTs
- Do away with PQQs for contracts <£100,000
- Started as a goal now it’s a “like to have”
- Not sure if its 25% of spend or number
- Contracts are being aggregated and won by one big company
- No PQQ means more time spent on ITT



Brave new Portal - Contract finder

- All government contracts over £15,000 go here
- Free to use
- E mail alerts
- Linked to Compete For the Olympic opportunity site
- Many PS will not use
- Why? They have spent time and money on their own
- Currently 15 – 20 large portals
- Only 10% of small contracts appear on Contract finder



Innovation

- Innovation Launch Pad
- Competition from Cabinet Office
- 341 submitted 9 chosen to present
- Judged by civil servants
- No idea what they won
- 1 comment on site – asking why no-one knew about it
- Most Innovations were software and already being used
- No new dates



Innovation (2)

- SBRI Small Business Research Initiative (based on USA Version)
- Technology Strategy Board
- Provide money and opportunities
- Part of EU Pre CP
- Work with Gov dept to ID challenges
- Launch competitions
- Fund short term development contracts
- 2 pronged approach
- Start with feasibility then product dev
- 8 success stories



Conclusion

- Trying hard to help SMEs
- Lots still to do

- Thanks
- Richard Hall

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