



**BIAC** THE VOICE OF  
BUSINESS AT THE OECD

# **Innovation Procurement and SME support**

*THE CASE FOR MORE INCLUSIVE INNOVATION PROCUREMENT*

# SMEs' LEADING ROLE IN THE ECONOMY

## SMEs on the Business Stage

- ❑ >95% of firms across the world (99% in OECD countries, 99.8% in the EU)
- ❑ 60% of private sector employment
- ❑ 85% of global employment growth (2002-2010), 75% in emerging markets
- ❑ 52% of global Gross Value Added
- ❑ 51% of GDP in High income countries, 16-33% of GDP in Low income countries

## Public Expenditure

- ❑ 14% of EU GDP, 2016, 19% in 2014 (2.406 Bill. EUR)
- ❑ Largely subject to public procurement
- ❑ SMEs' share:
  - Nr of contracts: 56% (domestic) & 54% (EU) (2009-2011)
  - Value: 29% domestic procurement, 22% cross-border procurement

**95% SMEs = +/-55% of PP**  
**→ Opportunity**

# SMES IN PUBLIC PROCUREMENT PROCESSES

- **Large contract volumes / Framework agreements**
- **Disproportionate technical and financial criteria**
- **Over-emphasis on price Insufficient access to information and opportunities**
- **Little dialogue with procurers and feedback**
- **Lack of time to prepare bids**
- **Excessive administration burden**
- **Late payments, risks of non-payments**
- **Track record requirements**
- **Insufficient focus on PPI and PCP**
- **Being the first on a market**

Reasonable  
payment  
conditions

More attainable  
contract size

More  
proportionate  
technical and  
financial  
requirements

Limited track  
records

More PPI and  
PCP



Emphasis on  
quality,  
flexibility,  
lifecycle

Alleviating the  
administrative  
burden

Reasonable  
deadlines to  
complete bids

Better access to  
information



# Thank You!

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