



SME NEEDS ANALYSIS IN PUBLIC PROCUREMENT

Final Report

Written by t33 Srl
February 2021



Internal Market,
Industry,
Entrepreneurship
and SMEs

EUROPEAN COMMISSION

Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs
Directorate C — Investment
Unit C.2 — Public Procurement

Contact: Katharina Knapton-Vierlich

E-mail: GROW-C2@ec.europa.eu

*European Commission
B-1049 Brussels*

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Manuscript completed in February 2021

Written by Pietro Celotti, Michele Alessandrini, Alessandro Valenza, Clarissa Amichetti (t33) and Javier Fábregas, with contributions from Cristina Stronati and Paola Le Moglie (t33, public procurement practitioners), Alessandro Lucchetti (legal expert), Lorenzo Palego (t33, national expert for Italy), Jacqueline Brouwer (Reeleaf, national expert for the Netherlands), Jacek Kotrasinski and Tomasz Sokół (EPSEC, national experts for Poland), Liliana Lucaciu and Alexandra Baciú (LIDEEA, national experts for Romania), and Ulf Johansson (AdASTRA, national expert for Sweden). Language review by Timothy Wills.

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PDF	ISBN 978-92-76-38214-0	doi: 10.2873/86199	ET-09-21-178-EN-N
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Luxembourg: Publications Office of the European Union, 2021

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Table of Contents

ABBREVIATIONS	7
EXECUTIVE SUMMARY	8
INTRODUCTION	12
1. THE METHODOLOGY	13
1.1. Overview	13
1.2. Information collection	15
1.2.1. Quiz.....	15
1.2.2. Webinars rationale and structure.....	16
1.2.3. Story selection and development.....	18
1.3. Information analysis and formulation of actions	19
2. EXPLORING SMEs: ‘QUIZ’ RESULTS	22
2.1. Enterprise experience with PP	22
2.2. Knowledge of PP.....	23
2.2.1. Knowledge of PP principles	23
2.2.2. Knowledge of PP opportunities.....	25
2.3. Summary of findings.....	28
3. MEETING SMEs, ASSOCIATIONS AND PUBLIC PROCURERS: RESULTS FROM THE WEBINARS	35
3.1. General SME barriers with PP	35
3.2. Screening opportunities: TED	38
3.2.1. Barriers.....	39
3.2.2. Proposals for improvement.....	42
3.3. Selection criteria: dealing with requirements	44
3.3.1. Barriers.....	44
3.3.2. Proposals for improvement.....	46
3.4. SMEs in PP: competitors or partners?	48
3.4.1. Barriers.....	49
3.4.2. Proposals for improvement.....	50
4. TELLING SME EXPERIENCES: STORIES AND KEY MESSAGES	52
4.1. Overview of SME characteristics	52
4.2. Barriers and solutions.....	54
4.2.1. Barriers.....	54
4.2.2. Proposals for improvement.....	57
4.3. The stories	60

4.3.1. Italy	60
4.3.2. The Netherlands.....	70
4.3.3. Poland.....	78
4.3.4. Romania.....	90
4.3.5. Sweden	97
5. IMPROVING SME ACCESS TO PP.....	115
5.1. Alignment with EC action	117
5.2. Key messages and narratives	117
5.3. Actions to improve SME access to PP	129
5.3.1. Digital tools and communication	132
5.3.2. Guidance and support for SMEs and public procurers.....	136
5.3.3. Better implementation of PP directives principles	141
6. CONCLUSIONS AND SUBSEQUENT RESEARCH.....	143
6.1. Conclusions	143
6.2. Subsequent research	144
Annex A - Quiz figures by enterprise categories	145
Annex B - The ‘quiz’.....	150
Annex C – Questionnaires used in the training sessions.....	155
Annex D – Public procurers and SME associations involved in the interactive sessions and in the study circles.....	158

ABBREVIATIONS

Abbreviation	Full name
CPV	Common Procurement Vocabulary
DIH	Digital Innovation Hubs
EEN	European Enterprise Network
EC	European Commission
ESPD	European Single Procurement Document
GDPR	General Data Protection Regulation
ICT	Information and communication technology
IoT	Internet of Things
KPIs	Key Performance Indicators
NACE	Nomenclature statistique des activités économiques dans la Communauté européenne (Statistical Classification of Economic Activities in the European Community)
PP	Public Procurement
SEDIA	Single Electronic Data Interchange Area website
SME	Micro, Small and Medium-Sized Enterprise
TED	Tenders Electronic Daily platform
ToR	Terms of Reference

EXECUTIVE SUMMARY

Background

Public procurement (PP) accounts for around 14 % of the EU's GDP, but despite new SME-friendly provisions introduced by the 2014 Directives, SME participation in PP is still limited compared to their role in Member State national economies. Several barriers pose difficulties to SMEs participating and winning tenders.

Easier access to PP markets can help SMEs unlock their potential with a positive impact on growth and, especially in a time of crisis, on economic recovery. Being a public sector supplier with long-term contract commitments may be a shield against recession. Moreover, as subcontractors of larger firms in PP, SMEs could increase business opportunities, while the certainty of being paid may reduce cash flow volatility and other risks. Finally, a strong involvement of SMEs in PP allows contracting authorities to considerably broaden their potential supplier base and benefit from more competition for public contracts.

The objective of the project is to **identify support actions reducing barriers for SMEs and communicate the opportunities offered by PP, to ultimately improve their participation in PP**. The results can contribute to policy making and offer additional tools and channels to better communicate market opportunities and measures already facilitating SME participation in PP. Furthermore, this project can serve as a pilot for more extensive work around the issue.

Methodological approach

Barriers limiting SME participation in PP have been widely analysed in the literature, both quantitatively and qualitatively, though two aspects remain less covered.

The first is a more specific understanding of how particular types of SMEs are discouraged from participating in PP. It appears necessary to investigate factors such as **size** (especially microenterprises), **age** (especially recently established enterprises), **sector** (distinguishing manufacturing, services and construction) and **performance** (positive vs low or negative growth), as different types of SME could face different barriers.

The second aspect concerns **information and communication mechanisms**. Inefficient access to information can result in limited access to PP. Unclear communication of opportunities to 'do business' with the public sector can strengthen this result. Some barriers that hinder SME involvement in public tendering could be lowered by improving specific forms of communication.

To answer these two gaps, it was necessary to design and apply **three innovative methodological tools** to extract information **through 'disguised observation'** of enterprises that are not necessarily aware of their difficulties in accessing PP. The three methodological tools were a quiz, training sessions complemented with both interactive sessions and study circles, and stories.

This also ensured a qualitative review of SME access to PP from several points of view, including the most fragile actors (microenterprises, recently established enterprises, traditional sector enterprises and enterprises with negative growth).

The focus was on **five EU Member States**: Italy, the Netherlands, Poland, Romania and Sweden. This ensured a balance of geography, EU accession, population and economic size, as well as diverse national approaches to PP.

For a broad picture of difficulties in accessing PP, a **quiz** was directly sent to a broad selection of SMEs. Far from being a self-assessment tool, the quiz invited enterprises to measure their knowledge of PP from a 'game perspective'. Reviewing the answers to 'theoretical' questions on PP, the researchers obtained information on SMEs' level of PP knowledge. Based on 371 responses,

PP experiences and approaches were analysed by enterprise size, age, sector, performance and Member State to highlight potential barriers affecting particular types of enterprise.

In order to observe enterprises while dealing with PP aspects, a second innovative solution was successfully used. PP **training sessions** for SMEs included practical exercises that gave the opportunity to observe their use of Tender Electronic Daily database (TED) and their approach to selection criteria in a tender document. This was used to investigate how barriers hamper SMEs when they face PP issues. There was also **direct interaction between SMEs and public procurers** in a series of **interactive sessions** in the five Member States with structured dialogue between the parties, especially at local and regional level. In addition, SME associations and selected public procurers discussed the findings at national level in dedicated **study circles**. There was strong interaction between 55 SMEs, 19 public procurers and 15 SME associations despite restrictions on face-to-face meetings due the Covid-19 emergency. As foreseen when the data collection methodology had to be revised (Spring 2020), the online modality enabled more powerful ways to observe SMEs doing exercises on PP as well as interacting with public procurers and SME associations. This resulted in more detailed information on barriers and potential solutions.

Finally, 16 **stories** were selected to demonstrate successful and unsuccessful SME experiences with PP across the five Member States. Developed through interviews with SME representatives, they highlight key challenges to exploit PP opportunities and detail how enterprises deal with PP. The stories also helped generate key messages to assist potential communication activities encouraging SME participation in PP.

Triangulation of the information from the different sources (quiz, training sessions, interactive sessions, study circles, stories) enabled the project team to understand **barriers** to access PP and identify **what SMEs need**, while taking into account public procurer and SME association requirements.

Key findings

Thanks to this innovative approach, the project provides **granular information on difficulties in accessing PP met by particular types of SME:**

- There is strong evidence that smaller enterprises, in particular micro enterprises, face more constraints to accessing PP than medium enterprises. They also show a greater lack of knowledge of PP principles and opportunities (for instance, knowledge of TED among micro enterprises is very limited). Micro companies are less interested than larger enterprises in participating in future procedures.
- Start-ups and young companies have the lowest participation rate of the enterprise categories and know TED less, which is not surprising. However, they also have one of the highest success rates, indicating good potential. Compared to mature companies, their knowledge of PP principles is slightly lower. Start-ups and young companies still fail to perceive PP as a key opportunity to grow and expand their business.
- Enterprises with negative growth have substantial problems in accessing PP. These have the lowest success rate, the least interest to participate in future and the most evident lack of knowledge of PP principles. They seem much less attracted by PP and do not perceive it as an opportunity to react to their difficulties.
- Sectors play an important role. For instance, manufacturing enterprises participated less in PP but show much more interest in participating in the future. Services and manufacturing companies display a similar knowledge of PP principles. Construction companies, which have the highest participation rate, know TED less, since they tend to use local authority websites and Google. Low knowledge-intensive service enterprises face more difficulties in accessing PP. These have a very low participation rate and less success. More surprisingly, high knowledge-intensive service sector enterprises often perceive PP as complicated.

The project also provides a **picture of barriers for SMEs to access PP**. Four barriers appear to hamper SMEs in all phases, i.e. screening opportunities, verifying selection criteria, formulating the offer and being awarded the contract:

- Low trust in PP and public procurers, who are perceived as far from market reality for SMEs and who may pay late.
- High administrative burden, as PP is a long-term commitment and a learning process that requires significant resources not always available to SMEs.
- Cultural obstacles hamper collaboration between companies, implying that entrepreneurs need to gain mutual trust before doing business, including creating consortia.
- Linguistic barriers and tender documentation differences prevent SMEs from accessing PP in other Member States.
- More specifically, the use of digital platforms appears fundamental for screening opportunities. SMEs find TED hard to use, limiting its potential, especially for 'beginners'. Poor user-friendliness of PP digital platforms in general, including at national level, is a significant barrier for enterprises with lower digital literacy.

More specific barriers, such as those related to PP criteria, are analysed in detail based on feedback from SMEs and their associations. Selection criteria are often difficult or impossible to meet for SMEs. For them, these are not always reasonably linked with the necessity to select a suitable provider. Award criteria often appear to be poorly formulated. For SMEs, they do not always capture information on the best proposed solution or prepare the ground for key performance indicators covering contract implementation. Furthermore, price still appears to play a dominant role which is a disadvantage for SMEs, especially micro enterprises, lacking economies of scale.

Proposed policy actions

The project reveals that SMEs expect **more efficient tools** to improve their capacity to screen PP opportunities, for both **EU and national digital platforms**. Therefore, digital tools should be improved starting with TED, which is under the direct responsibility of the European Commission. This includes a more user-centred approach to navigate the platform. Better quality information and interoperability with national PP platforms would also increase the visibility and use of TED. This would encourage SMEs to screen opportunities in non-national public markets. Furthermore, new **communication actions** could encourage more SME access to PP. At the same time **stronger support for digitalisation and upskilling** is needed by SMEs in traditional sectors, as they risk being excluded by the technological shift.

Another finding of the project is that **more dialogue between SMEs and public procurers** could increase SME trust in PP. SMEs could gain better knowledge of PP principles while public procurers could benefit by collecting information to design more balanced criteria and reduce administrative burden. Furthermore, SMEs are aware that **lower national barriers** would enable them to better exploit the EU single market.

More **guidance and support for SMEs** is also needed. This implies strong partnerships between national agencies responsible for PP, public services for SMEs and business associations within Member States. For instance, SMEs need support to identify partners, reach sufficient mutual trust, and create consortia that can compete in PP. More specifically, enterprises with low digital literacy should be trained and enabled to use online PP platforms. Enterprises with good PP potential should be supported to explore other Member State markets. Possible financial problems reducing access to PP could be addressed by involving financial intermediaries.

In addition, a **more regular and systematic approach to capacity building** would enable public procurers – especially those at local and regional level - to improve their practices. They should be empowered to formulate and use selection criteria that are more consistent with procurement needs. This should be based on better market knowledge, which includes consideration of smaller local

enterprises. Price only criterion should be used by public procurers only in exceptional cases. For instance, more quality-oriented PP, with more balanced and result-oriented award criteria, could create more opportunities for start-ups and young companies which have high potential but lack requirements such as a track record of contracts. Finally, more flexible payment schemes and defined payment schedules would reduce cash flow volatility, which is a persistent problem for SMEs.

The project revealed that **simplification and standardisation of PP practices** is still needed. Standard models to enable shorter and more consistent tender documents could reduce administrative burden for both SMEs and public procurers. These could help public procurers focus on consistency with procurement needs and define more appropriate selection and award criteria.

The project has formulated **10 possible policy interventions**. These answer needs expressed by SMEs and require the mobilisation of several actors following a multilevel governance approach. This would involve different levels of government (EU, national, regional/ local) and different types of stakeholders (public sector, business associations, private players). The national level is fundamental when a policy intervention concerns improvements in implementation of the PP directives principles. The regional/ local level is key to ensure increased capacity for smaller public procurers. Business associations and private players should play a prominent role in policy interventions aimed at increasing SME capacities (i.e. access to digital platforms) or changing SME attitudes (i.e. willingness to create consortia). The European Commission is involved in all interventions. In some cases (i.e. improvement of TED) the European Commission has full capacity to take action, in others (i.e. communication) success depends on coordination with other levels of government.

Subsequent research

As this project is a pilot, further steps for future research or extension of the analysis beyond the five Member States may include:

- Covering all EU Member States with a **qualitative approach**. The pandemic prompted a more efficient and innovative methodology for the study. This could be used to extend data collection to cover the remaining 22 Member States, consolidating the results of the project;
- Adopting a **quantitative approach**, such as a recurrent survey of SME access to PP and analysis of procedures awarded, based on information in TED and national databases;
- An **EU level capacity-building platform**, following the example of *fi-compass*. Based on interventions for ‘Guidance and support for SMEs and public procurers’, the EC could look at creating a platform for PP advisory services.

INTRODUCTION

This document is the final report for the project on 'SME needs analysis in public procurement' and is structured as follows:

Chapter 1 presents the methodology for collecting and analysing information and describes the data collection process. This includes methods such as an online 'quiz', training sessions with SMEs, interactive webinars with SMEs and public procurers, study circle webinars with SMEs, public procurers and SME associations as well as stories.

Chapter 2 collects and analyses the results from the online 'quiz' of selected SMEs in the five EU Member States covered by the project - Italy, the Netherlands, Poland, Romania and Sweden. There were 371 replies to the 11 questions. Categorising SMEs by their size, turnover growth, year of creation and sectors, the chapter outlines SME experiences with public procurement (PP), their intention to participate in future procurement procedures, as well as their knowledge of PP principles and opportunities.

Chapter 3 shows the results of the 15 SME training sessions, five interactive sessions, and five study circles. These involved 55 SMEs, 19 public procurers and 15 SME associations across the five Member States. Results are grouped by barriers SMEs have in accessing PP and potential solutions to these.

Chapter 4 is dedicated to stories and key messages based on the experiences of 16 SMEs. As in the previous chapter, these SME experiences are displayed in terms of barriers and solutions.

Chapter 5 starts by summarising barriers identified in the previous three chapters. These are translated into ways to improve SME access to PP (i.e. what SMEs need). Narratives and messages for potential communication activities are proposed, together with target groups and channels of communication linked to the EU strategic framework. The chapter concludes by offering policy actions to improve SME access to PP.

Chapter 6 presents conclusions and proposes next steps.

The report also includes:

- Annex A: quiz analysis tables by enterprise category;
- Annex B: quiz questions;
- Annex C: training sessions questionnaires;
- Annex D: public procurers and SME associations involved in the interactive sessions and study circles in the five Member States.

1. THE METHODOLOGY

The methodology for the present report was developed by the project team and adapted in agreement with the European Commission given changed circumstances from the Covid19 emergency. National experts organised and coordinated activities in their country and SMEs associations supported the team in selecting and contacting enterprises.

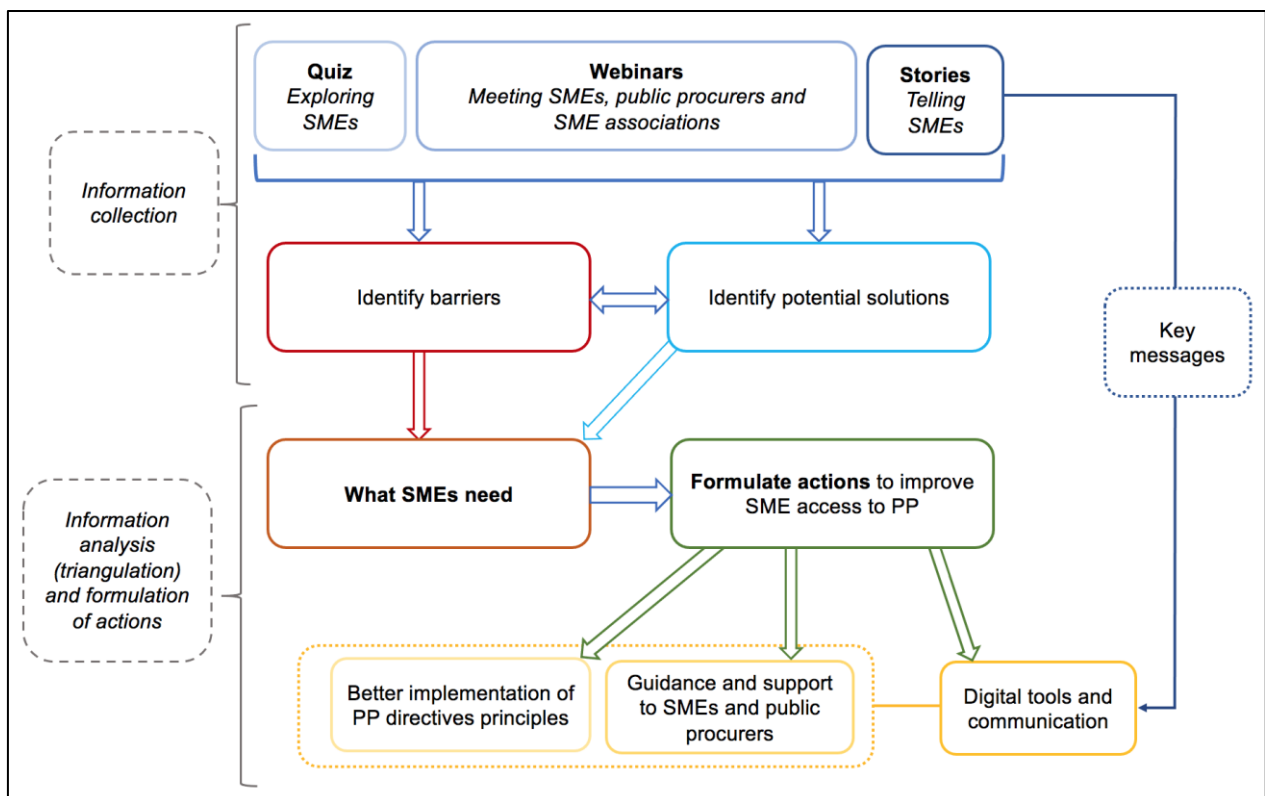
An overview of the methodological approach is followed by details of the tools used to collect the information (a quiz, plus training, interactive sessions and study circles conducted as webinars and the stories). It also details the criteria used to analyse SME barriers in accessing PP and form potential remedial actions.

1.1. Overview

This report was developed in three phases (Figure 1 Methodology overviewFigure 1):

- information collection;
- analysis (i.e. triangulation);
- formulation of actions.

Figure 1 Methodology overview



Information collection involved a quiz, webinars and stories, which all capture information at increasing levels of detail:

- The **quiz** allowed an initial exploration into SME barriers in accessing PP, discerning respondent knowledge about PP opportunities and key principles. The quiz also offered a

glance into potential solutions. Sent to selected SMEs across five EU Member States (see Box 1.1 for details), it included a section about enterprise size, year of creation, sector, and turnover growth. Assessing answers by enterprise categories also facilitated a preliminary analysis of the problems.

- The **webinars** involved SMEs, even if through the web, to further investigate their barriers in accessing PP and exploiting market opportunities. A dialogue among SMEs with pre-agreed exercises on TED and selection criteria enabled participants to explain their barriers more accurately and share potential solutions. In all five Member States training sessions with SMEs were integrated with additional interactive web sessions that also involved public procurers. In addition, study circles with SMEs, public procurers and SME associations elicited further information on barriers and solutions and considered the points of view of different stakeholders.
- The **stories** tell successful and unsuccessful SME experiences with PP across the five Member States. Developed through interviews with SME representatives, they highlight key challenges in exploiting PP opportunities and detail how enterprises deal with PP. The stories helped generate key messages to assist potential communication activities encouraging SMEs to participate in PP.

The outcome of each tool is a list of barriers and potential solutions.

Box 1: Sample selection

This project is based on five EU Member States: Italy, the Netherlands, Poland, Romania, and Sweden. The SME sample ensured a balance in terms of geography, EU accession, population, economic size, as well as performance in their approach to PP (see Figure 2).

Selecting SMEs for the quiz first considered the sector of activity, as specialisation can influence participation in public tenders. SMEs in traditional sectors may be more reluctant to actively search for PP opportunities compared to SMEs in sectors with more technological developments and innovation which require investment, new markets and innovative tools to compete. Sector affiliation may influence a firm's strategic orientation to analysing and responding to market information¹. A strong market orientation can positively influence SME capacity to compete with larger firms and to select the most productive resource combinations. This implies more interest in finding new opportunities and markets as well as acquiring information on public sector tenders and submitting bids for these.

Figure 2 PP in EU Member States, overall performance



Source: reproduced from European Commission (2019), Single Market Scoreboard - PP, reporting period 01/2018-12/2018, p.3.

¹ Tammi T., Saastamoinen J. and H. Reijonen (2014), Market orientation and SMEs' activity in public sector procurement participation, Journal of Public Procurement, Vol.14(14), pp.304-327.

To guarantee a sectoral balance, opentender.eu² was used to identify, by country, the top ten Common Procurement Vocabulary (CPV) sectors by number of tenders in 2017-2019³. This ensures choosing SMEs in sectors with more PP opportunities. CPV sectors were converted into NACE manufacturing, construction and service codes⁴. Service sectors were then further categorised in terms of knowledge-intensity⁵.

The sectors were then used to select SMEs in each country to potentially respond to the quiz. SME associations across the five Member States were involved by national experts to provide contact details. The associations were also asked to identify SMEs based on their size and year of creation and to promote the quiz on their communication channels. The size of enterprises is important since problems can differ for micro, small or medium-sized enterprises within the SME group.

1.2. Information collection

1.2.1. Quiz

The aim of the ‘quiz’ was to collect information on SME knowledge of PP. 371 enterprises completed the quiz across five Member States, Italy (65), the Netherlands (73), Poland (100), Romania (101) and Sweden (32).

There were 11 questions about PP and a section on the enterprise size, year of creation, average turnover growth in the last three years and sector of activity (see Annex B for additional details). Excluding question 1, about past participation and/or intention to participate in PP in the future, each correct answer had a score of up to 3 points, for a potential total score of 30 points. Some questions had more than one correct answer with scores between 1 and 3.

The questions are grouped into three categories: past experience with PP and intention to participate in future, knowledge of key PP principles and knowledge of PP opportunities.

There is a balance in the size of enterprises that completed the quiz (Table 1). The largest share (58.5%) was micro enterprises (between 1 and 9 employees⁶), 23.5% were small and 15.1% medium. This mirrors the ratios in the European economy. More than one fifth of the respondents are start-ups and young companies, i.e. created after 2016⁷. Moreover, nearly 22% experienced negative turnover growth in the previous three years, 37.5% moderate growth (of less than 10%), 26.7% medium growth (i.e. between 10% and 20%), and 13.5% saw sustained growth of over 20%.

15.6% of respondents operate in manufacturing, 14.3% in construction, and 67.4% in services⁸. Under the Eurostat classification of sectors based on technological content and/or knowledge

² This website provides information on tenders in the last ten years both above and below EU thresholds (through TED and national statistics respectively), by country and sector, according to the CPV. The database offers data by volume and by number of tenders.

³ By 2017 all five Member States had transposed the 2014 EU Directive on PP into national laws. Sweden was the last in the group, in December 2016.

⁴ Based on the correspondence table between the revised CPV and NACE in Valoris (2004), ‘Interoperability of CPV coding system in Electronic Public Procurement’.

⁵ Based on Eurostat indicators on High-tech industry and Knowledge-intensive services.

⁶ European Commission (2016), *User guide to the SME definition*.

⁷ According to the European Start-up Network ‘A start-up is an independent organisation, which is younger than five years and is aimed at creating, improving and expanding a scalable, innovative, technology-enabled product with high and rapid growth’. See <https://europeanstartupnetwork.eu/vision>

⁸ Eurostat (2008), *NACE Rev.2 - Statistical classification of economic activities in the European Community*.

intensity⁹, 43.2% of the service enterprises belong to a *low knowledge-intensive* sector¹⁰, 43% to a *medium knowledge-intensive* sector¹¹, and 16% to a *high knowledge-intensive* sector¹².

These categories are matched with the quiz answers to assess differences across the categories in PP experience and knowledge, as displayed in Chapter 2.

Table 1 Sample overview

Respondent Categories		Number of respondents	%
Size (number of employees)	Micro (1-9)	217	58.5
	Small (10-49)	87	23.5
	Medium (50-249)	56	15.1
	n/a	11	2.9
Year of creation	After 2016 (i.e. start-ups and young companies)	79	21.3
	Before 2016	286	77.1
	n/a	6	1.6
Average turnover growth in the last three years	Negative	81	21.8
	Moderate (less than 10%)	139	37.5
	Medium (10% to 20%)	99	26.7
	Sustained (more than 20%)	50	13.5
	n/a	2	0.5
Sector (Technological content and knowledge intensity)	Manufacturing	58	15.6
	Services, of which*:	250	67.4
	<i>Low knowledge-intensive</i>	74	29.6
	<i>Medium knowledge-intensive</i>	108	43.2
	<i>High knowledge-intensive</i>	40	16.0
	<i>n/a</i>	28	11.2
	Construction	53	14.3
n/a	10	2.7	

*Classification based on Eurostat indicators on High-tech industry and Knowledge – intensive services according to NACE Rev.2.

1.2.2. Webinars rationale and structure

The Covid19 health emergency and consequent lockdown measures across all EU Member States from March 2020 led the core project team to revise and redefine the approach and tools for the SME training sessions.

The former methodology envisaged in-presence seminars of 15 to 20 SMEs, to capture the barriers and problems of looking for PP opportunities, particularly in TED. As face-to-face seminars were not

⁹ Eurostat indicators on High-tech industry and Knowledge-intensive services, Annex 3 – High-tech aggregation by NACE Rev.2: https://ec.europa.eu/eurostat/cache/metadata/en/htec_esms.htm

¹⁰ According to NACE rev.2: E - Water supply, sewerage, waste management and remediation activities, G - Wholesale and retail trade, H -Transportation and storage, L -Real estate activities.

¹¹ According to NACE rev.2: K - Financial and insurance activities, M - Professional, scientific and technical activities, N - Administrative and support service activities, O - Public administration and defence, P – Education, Q - Human health and social work activities, R - Arts, entertainment and recreation.

¹² According to NACE rev.2: J - Information and communication.

feasible, at the beginning of April the core team, supported by the national experts, elaborated an online approach among other solutions proposed, opting for an online platform (Kaltura)¹³.

The core project team envisaged an average of three training sessions (webinars) in each country, with four SMEs in each. This allowed national experts to smoothly manage participants and to deepen the debate on specific aspects when needed. Supported by SME associations, the national experts identified and invited SMEs whose sectors of activity were determined as described in Box 1.1. The goal was to organise each training session including SMEs in similar fields. This was also foreseen for the second exercise on selection criteria, where team experts gave the companies a Call for Tender and Terms of Reference (ToR) tailored to the companies' features and interests. However, for organisational reasons that emerged during the training sessions, sectors are not consistent across all Member States.

Moreover, national experts looked to form heterogeneous groups of companies. This included mixing local and regional focused enterprises with more national and international companies, and those with extensive PP experience mixing with limited experience companies. The aim was to assess different perceptions on key PP-related topics and see how more and less experienced SMEs handle new business opportunities in the public market.

The training session structure included:

1. How SMEs look for and screen opportunities in TED;
2. How they deal with the application process and requirements.

During the session, national experts used structured grids to collect answers, opinions and comments.

Each session started with participants presenting their past and/or current experience in PP. Afterwards, the participants split into (virtual) breakout rooms for the exercises. In the first exercise, SMEs were asked to explore the TED platform. The national experts recorded¹⁴ their screens and audio to better analyse how they used TED. For this, data protection agreements were signed with each company. In the second exercise, national experts gave participants tender documents and a partially prefilled grid to identify and assess the tender selection criteria. SMEs were asked to identify the requirements (legal/regulatory, economic/financial, and technical/professional) in the tender and assess the documentation required to prove that the company complied with them. They were then asked to complete the partially prefilled grid.

After each exercise, the SMEs were asked to answer an online questionnaire to collect immediate and neutral feedback (see Annex C). After each questionnaire, a round table debate with national experts asked SMEs to comment and formulate opinions on positive and negative aspects of the TED database as well as potential improvements. Participants also indicated challenges in identifying tender documentation requirements and whether there was room for improvement. In a final round table SMEs debated establishing partnerships with other companies to facilitate access to PP.

The training sessions were integrated in each country with an interactive session between SMEs and public procurers and a study circle involving SMEs, SME associations and public procurers (see Annex D for the participants). These sessions helped deepen understanding of selection and award criteria, and screening of PP opportunities with a focus on national tender databases. For SMEs and SME associations this was an occasion to directly debate and question public procurers and for these to answer from the public administration point of view.

¹³ Participants gather in a single 'room', to replicate a face-to-face seminar, where they can introduce themselves and moderators can conduct the debate. This platform allows national experts to divide participants into separate (breakout) rooms for the exercises and to record their screens while performing the first exercise.

¹⁴ Previously agreed with each SME.

Table 2 Participants in training sessions, interactive sessions and study circles

Member State	Type of event	Participants
Italy	4 Training sessions with SMEs	15 SMEs
	1 Interactive session	4 SMEs, 2 public procurers
	1 Study circle	3 SME associations, 3 public procurers
The Netherlands	2 Training sessions with SMEs	6 SMEs
	1 Interactive session	4 SMEs, 1 independent procurement expert, 2 public procurers
	1 Study circle	4 SME associations, 4 public procurers
Poland	3 Training sessions with SMEs	12 SMEs
	1 Interactive session	4 SMEs, 2 public procurers
	1 Study circle	3 SME associations, 3 public procurers
Romania	3 Training sessions with SMEs	11 SMEs
	1 Interactive session	4 SMEs, 2 public procurers
	1 Study circle	4 SMEs associations, 2 public procurers
Sweden	3 Training sessions with SMEs	11 SMEs
	1 Interactive session	3 SMEs, 3 SME associations, 3 public procurers (interactive session and study circle in the same day)
	1 Study circle	
Total	<ul style="list-style-type: none"> • 15 Training sessions with SMEs • 5 Interactive sessions • 5 Study circles 	<ul style="list-style-type: none"> • 55 (single) SMEs; • 19 (single) public procurers (see Annex D for detail); • 15 (single) SME associations (see Annex D for detail).

1.2.3. Story selection and development

The purpose of the stories is to:

- detail direct SME experiences - successful or not - with PP, highlighting difficulties, barriers, solutions and expectations;
- formulate key messages for possible communication actions to increase SME participation in PP.

There are 16 stories from SMEs in the five Member States. SMEs 'telling their story' were selected from those who participated in the quiz, attended the webinars or were suggested by the SME associations. The team conducted direct interviews and collected material from the SMEs to ensure a factual base.

The team developed stories driven by people rather than a neutral third-party narrative. SMEs are less likely to engage with messages and stories based purely on documented evidence. The messages were drafted to be close to day-to-day reality. To achieve this, the team adopted a 'first-hand' testimonial editorial line, where the interviewee leads the narrative, and statements are expressed using quotes.

By giving the floor and leading role to SMEs, the team ensure the stories bring valuable testimonials and individual contributions. Beyond any key message and more often between the lines, the stories could help SMEs facing similar difficulties when participating in PP. To get even closer to the target audience, the team adopted an open-mind creative process - also capturing emotional aspects - for the story development and key message drafting.

1.3. Information analysis and formulation of actions

The analysis is based on triangulating the information collected through the different activities of the project. Triangulation does not necessarily cross-validate qualitative data but rather captures different dimensions of the same phenomenon. These dimensions, applied to SME barriers in accessing PP, are:

- *what* category of companies sees a particular barrier;
- *when*, i.e. at what phase of the PP process (Screening opportunities; Verifying selection criteria; Offer formulation; Awarding);
- *why* there is a barrier, i.e. internal (e.g. SMEs lack dedicated PP staff) or external (e.g. public procurers lack knowledge of market realities).

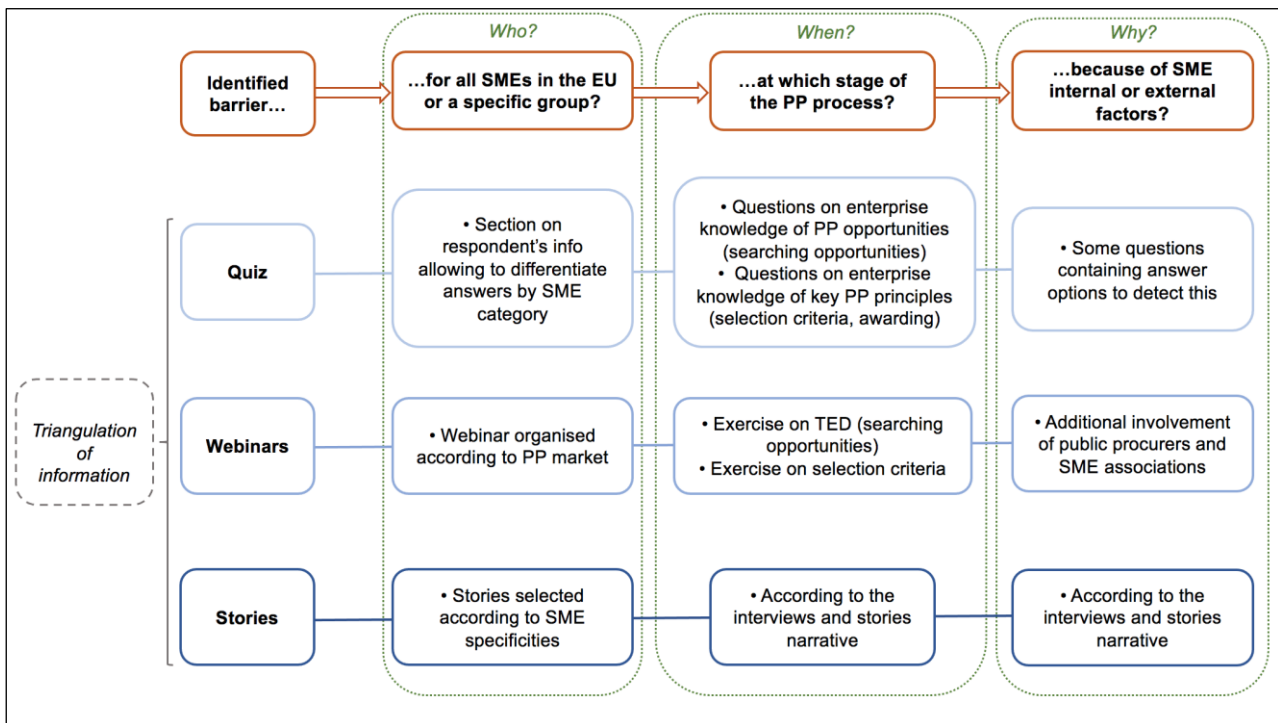
The quiz, webinars and stories captured these dimensions to a different extent (

Figure 3) and provided information on potential solutions feeding the formulation of actions to ease SME access to PP.

The methodological tools are designed to help determine the dimensions of each barrier (and potential solutions):

- The quiz collected information on respondent size, sector, year of creation and turnover growth. This enables analysis of answers - and therefore barriers - by SME category. In addition, answers on knowledge of PP opportunities and selection criteria highlighted internal and external factors determining the barriers.
- The SME training sessions were followed by online questionnaires and a structured dialogue with the national expert to extract additional information. Additional sessions with public procurers and SME associations provided complementary information on internal and external factors.
- The stories take into account the size and sector of SMEs. They were based on interviews to investigate SME experiences with PP including challenges and whether these depend on internal factors or not.

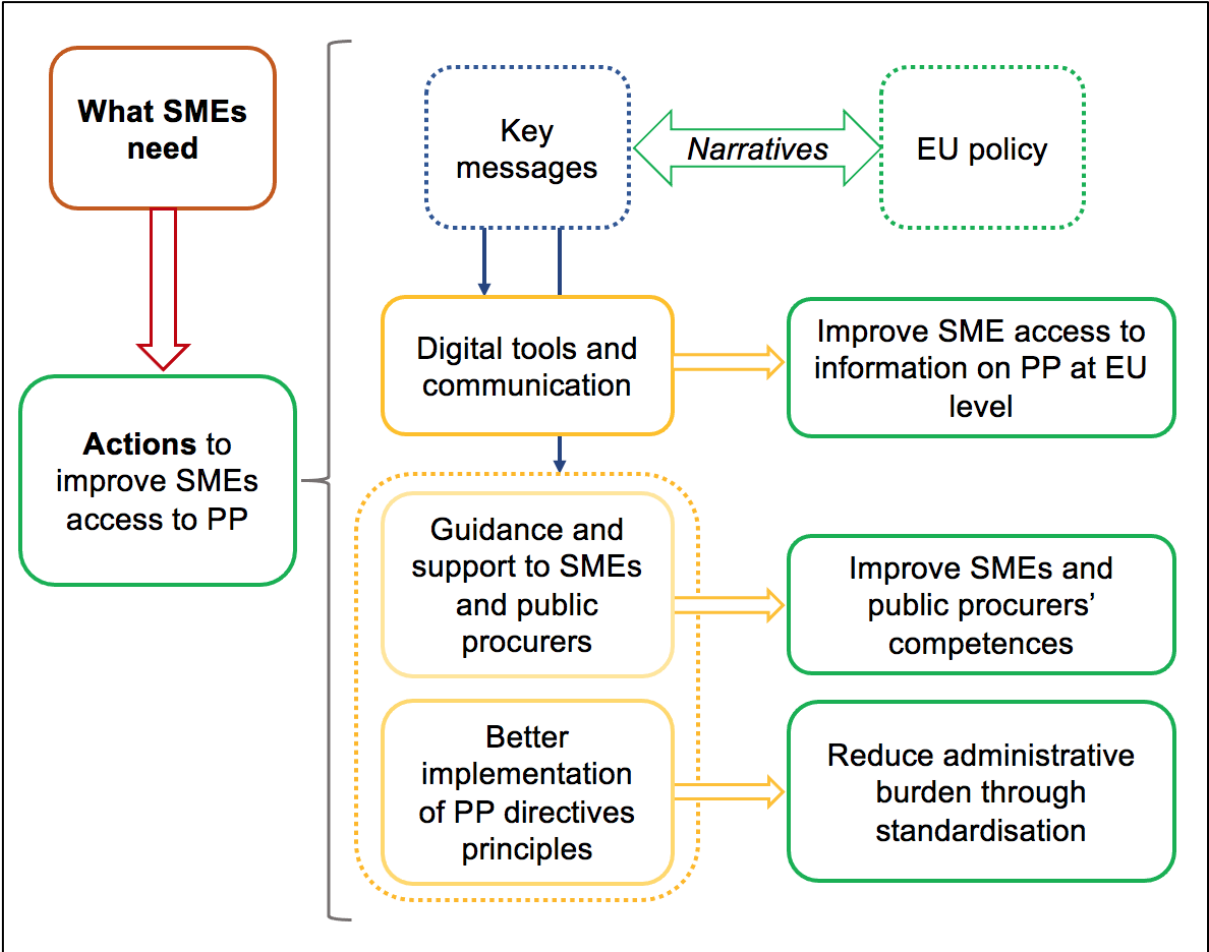
Figure 3 Triangulation of information for the analysis of barriers



Barriers highlighted by the quiz were further reviewed during the interactive sessions enabling SMEs and public procurers to identify potential solutions. At this stage the team started to define **what can increase SME participation in PP** (i.e. what SMEs need). Such elements were further consolidated in the study circles involving also SME associations. Finally, the team formulated **actions** that mirror the needs analysis. The actions are articulated in 10 interventions based on:

- Digital tools and communication;
- Guidance and support to SMEs and public procurers;
- Better implementation of PP directive principles.

Figure 4 Actions to improve SME access to PP



2. EXPLORING SMEs: 'QUIZ' RESULTS

This chapter presents results from the 'quiz'. The first section illustrates results according to respondents' experience with PP and intention to participate in future procedures (section 2.1). The second section presents the results in terms of knowledge of PP, divided into PP principles (sub-section 2.2.1) and opportunities (sub-section 2.2.2).

2.1. Enterprise experience with PP

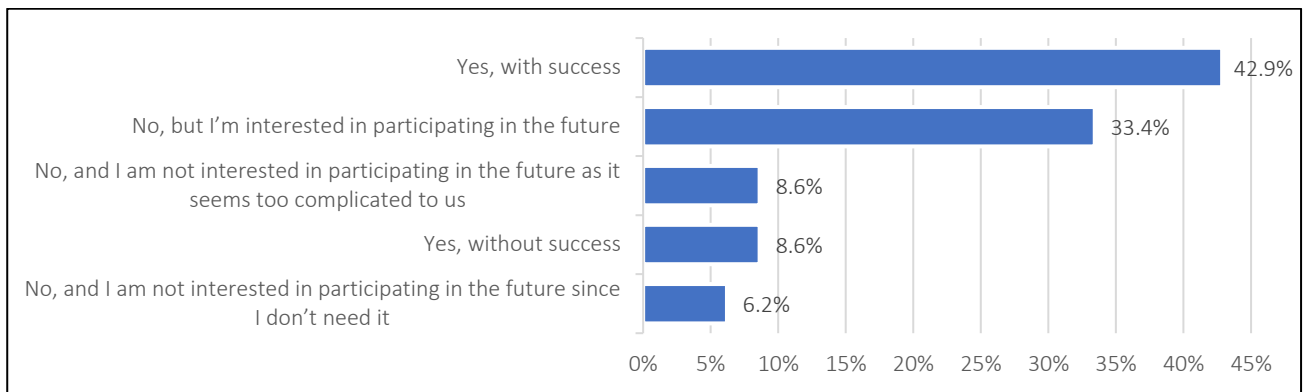
The first quiz question concerns the experience of respondents with PP and their intention to participate in the future (Figure 5). 51.5% of respondents (i.e. 191 enterprises) had participated in PP, of these 16.8% (32) had no success. So **nearly half the respondents had not participated in PP**. More than one third of respondents (nearly 70% with no experience) are interested in participating in the future. Among those who express no intention to participate in the future, **most see PP as too complicated**.

Micro enterprises have the lowest rate of participation, with 44.7% against 57.5% for small and 69.6% for medium-sized companies. However, micro enterprises had a slightly higher success rate with 82.5% of 97 that participated with respect to small (80%, while for medium is at 89.7%). Two-thirds of small and medium enterprises do not intend to participate in the future because it is seen as too complicated, while for micro enterprises this percentage is lower (57.5%). Micro enterprises also have the lowest rate of those interested in participating in the future (66.4% or 79 of the 119 enterprises not participating in the past, versus 75.7% of small and 82.4% for medium-sized SMEs).

There are interesting results from comparing start-ups and young companies (created after 2016) and mature enterprises. Nearly 60% of mature enterprises participated in PP (166 of 286), of which 81.9% were successful. This significantly decreases with **start-ups and young companies, where only 29.1% had experience of PP (23 of 79), but 91.3% with success**. For the majority of start-ups and young companies (69%) with no participation in the past and no interest to participate in the future (11 of 16), PP is not needed for their business, while the majority of mature companies see PP as too complicated (27 of 38). However, **start-ups and young companies are slightly more interested in participating in PP in future (71.4% versus 68.1%)**.

Enterprises with sustained growth (i.e. more than 20% on average in the past three years) **had the highest participation in PP (32 of 50 respondents, i.e. 64%) with the highest success rate at 90.6%**. Interestingly, of those with no experience, the majority (6 out of 7) see PP as complex, which is the main reason for not participating in the future. **Those with negative growth had the lowest success rate (23.3% of the 43 that participated)**. Moreover, this category also has the least interest to participate in the future (16 of 37 that did not participate in the past).

PP participation is lower for manufacturing enterprises compared to construction and service companies (43.1% or 25 of 58 respondents, against 60.4% - 129 of 250 - and 51.6% - 32 of 53 - respectively). Manufacturing companies also think that PP is too complicated. The success rate is higher among construction companies. Moreover, participation is **higher among high knowledge-intensive enterprises, 60% (24 of 40) against 39.2% for low knowledge-intensive sectors (29 of 74)**. Those in low knowledge-intensive sectors are also less successful (nearly 28%) but those without past experience are also more inclined to participate in future.

Figure 5 Have you ever participated/are you participating in PP procedures?

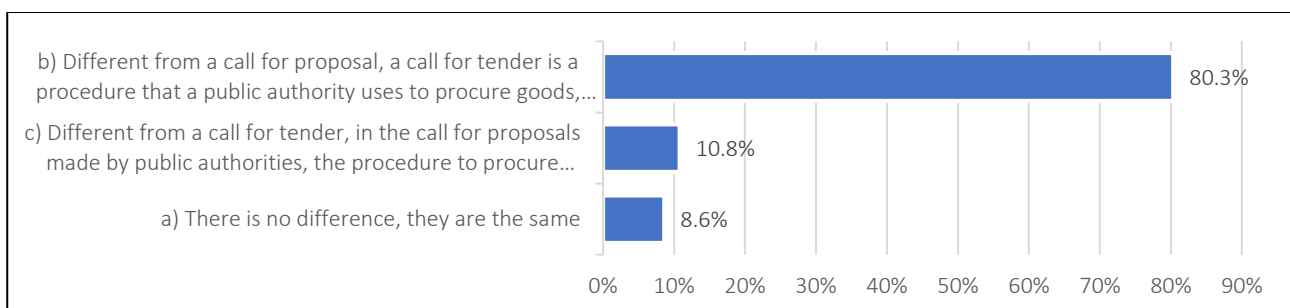
Based on question 1 of the quiz. NA: 0.3%.

2.2. Knowledge of PP

This section summarises enterprise knowledge of PP in relation to questions 2 to 11 in the quiz. Five questions relate to PP principles (sub-section 2.2.1) and the other five concern PP opportunities (section 2.2.2).

2.2.1. Knowledge of PP principles

The large majority of respondents (298 or 80%) indicated the correct answer 'b' to question 2 (Figure 6) showing they **understand the difference between a call for tender and a call for proposal**. This share is higher for medium than for small and micro enterprises. It is slightly lower for start-ups and young companies than for mature enterprises, lower for enterprises with negative growth and for service-related enterprises, especially those operating in high knowledge-intensive sectors.

Figure 6 Is there any difference between a call for tender and a call for proposal?

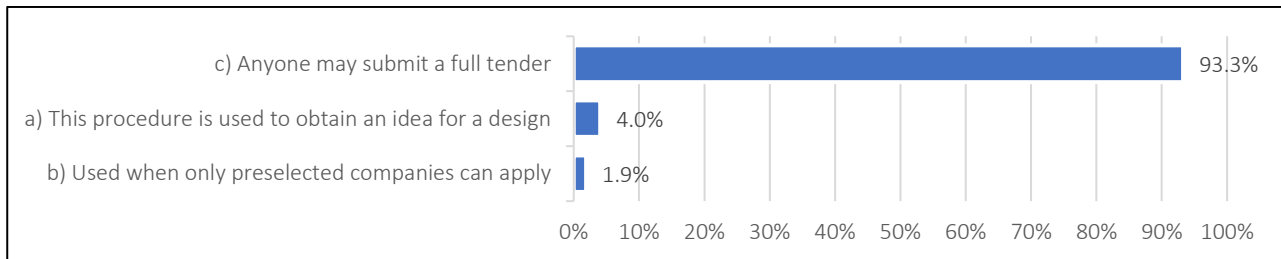
Based on question 2 of the quiz. NA: 0.3%.

Respondents also show good knowledge of the definition of an open procedure, with 93.3% (346) indicating the correct answer 'c' (Figure 7). The percentage is lower for micro enterprises than other SMEs, for mature enterprises, enterprises with negative growth, as well as for construction enterprises and those in low knowledge-intensive sectors.

For the definition of a restricted procedure (Figure 8) though, **most respondents (227) gave a wrong answer** ('a' or 'c'). This was more by small enterprises than other SMEs, start-ups and young

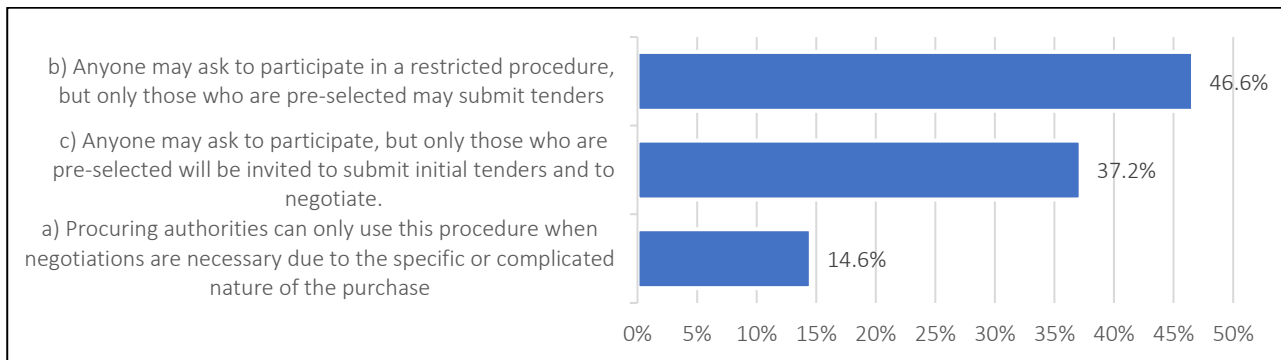
companies, enterprises with medium growth, service enterprises and in particular those in low knowledge-intensive service sectors.

Figure 7 What is an open procedure?



Based on question 6 of the quiz. NA: 0.8%.

Figure 8 What is a restricted procedure?

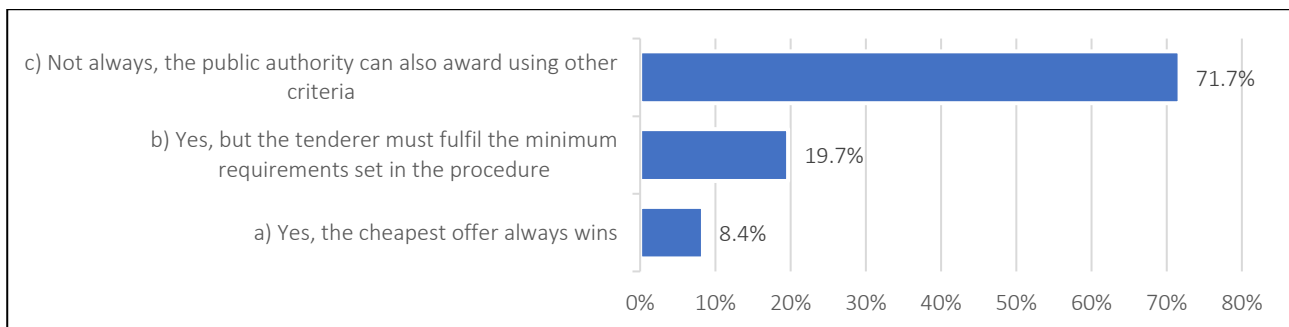


Based on question 7 of the quiz. NA: 1.6%.

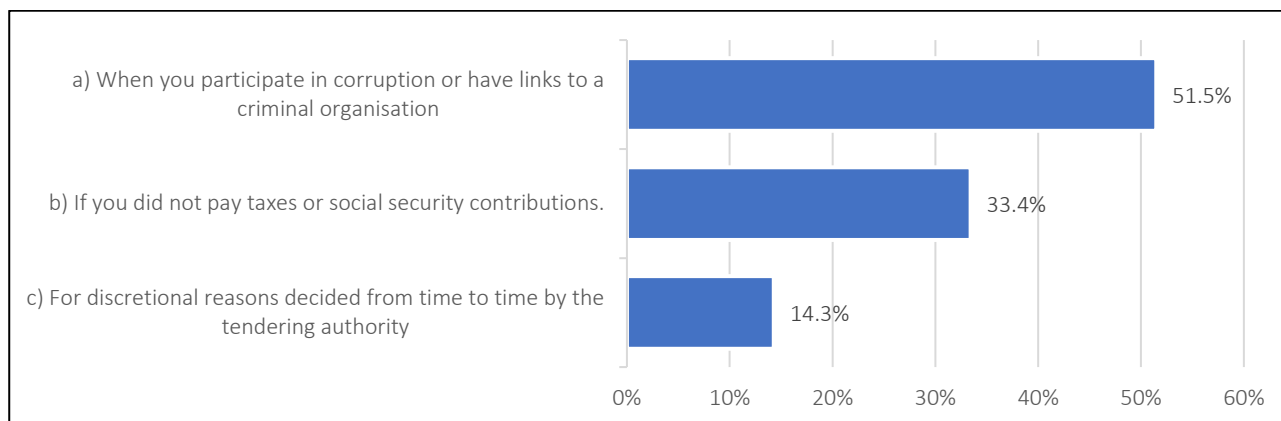
The last two questions concern the award phase. **For a contract always being awarded on the lowest price** (Figure 9), **most respondents gave a correct answer** ('c' scoring 3, or 'b' scoring 2). 8.4% (31 respondents) selected the wrong answer 'a', and this was higher for micro enterprises and start-ups and young companies, and especially for enterprises with negative growth, construction enterprises, and service companies in low knowledge-intensive sectors.

For exclusion criteria (Figure 10), **respondents seem to be less informed**, with 14.3% (53 respondents) indicating the wrong answer 'c'. This was higher for small enterprises compared to other SMEs, mature companies and enterprises with medium growth, manufacturing enterprises and service companies in high knowledge-intensive sectors.

Figure 9 The contract is always awarded on the basis of the lowest price



Based on question 10 of the quiz. NA: 0.3%.

Figure 10 When can you be excluded in a tender procedure?

Based on question 11 of the quiz. NA: 0.8%.

Comparing SMEs with experience in PP to those without in replying to particular questions:

- The share of enterprises understanding the difference between a call for tender and a call for proposal is 87% for SMEs with experience in PP compared to 73% for SMEs without.
- For the open procedure the results are very similar, 92% for SMEs with experience in PP and 95% for SMEs without.
- For the restricted procedure, the share is 50% for SMEs with experience in PP and 44% for SMEs without.
- The share of enterprises answering that a contract is always awarded on the basis of the lowest price is 3% for SMEs with experience in PP compared to 14% for SMEs without.

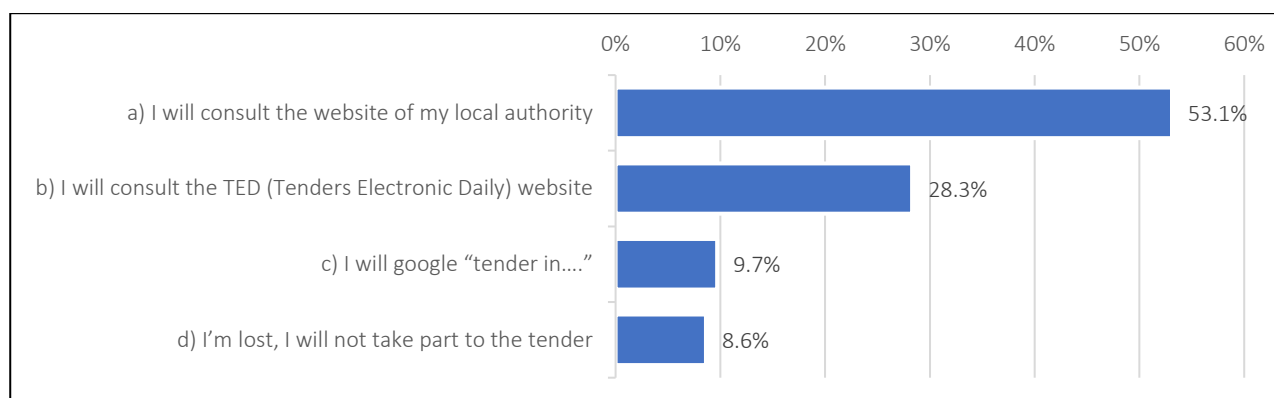
Therefore, **SMEs that have participated in PP show a better knowledge of PP principles.**

2.2.2. Knowledge of PP opportunities

The second group of questions assesses how aware enterprises are of PP opportunities and which communication channels they use to acquire information.

Most respondents (53.1%) consult their local authority website to check for information concerning tenders over the EU thresholds (Figure 11). **TED is known by 28.3% of respondents** (105), nearly 10% of enterprises use Google and nearly 9% prefer to not take part in tenders. The use of TED among micro enterprises decreases to 24% of respondents (52 of 217), the lowest compared to small and medium enterprises, 31% (27 of 87) and 39.3% (22 of 56) respectively. Micro enterprises consult local authority websites more (59.4%). There are also differences across enterprise ages. While more than 31% of mature enterprises know TED (89 of 286), this decreases to 19% for start-ups and young companies (15 of 79) which prefer to consult local authority websites (67.1%). TED is known less by enterprises with negative growth and more by manufacturing enterprises than service enterprises and, in particular, construction companies (34.5% against 29.2% and 17% respectively). Construction companies prefer to use local authority websites (64.2%). TED is also mainly known by medium knowledge-intensity enterprises (34.3%), especially compared to low knowledge-intensity enterprises (21.6%) which use Google (13.5%) or local authority websites (58.1%) more.

Figure 11 You become aware of a tender of more than 250 000 EUR to provide public services awarded by your local public authority. You don't have all the information and specification of the tender. What can you do?

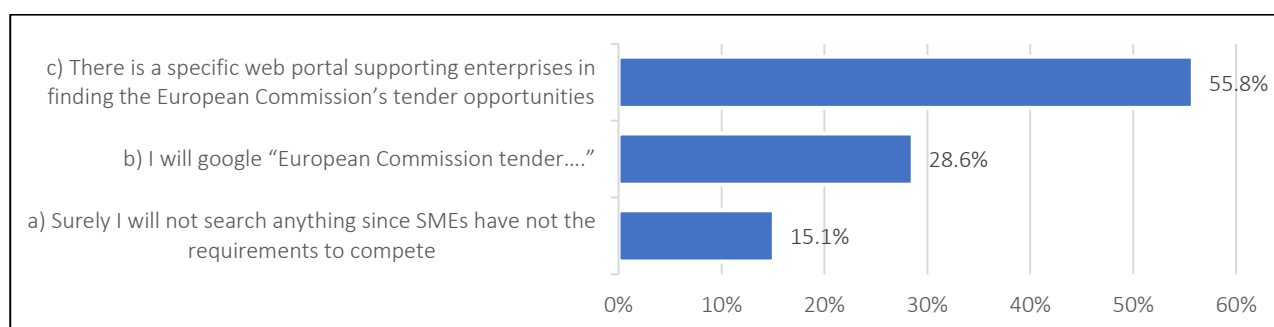


Based on question 3 of the quiz. NA: 0.3%.

The fourth question refers to opportunities in tenders managed by the EC. This tested whether respondents are aware of a specific EC website (i.e. the Single Electronic Data Interchange Area website, SEDIA). Most enterprises were aware of this (Figure 12) but more than one fourth prefer to check on Google and 15.1% think that SMEs do not have the requirements to participate. The website is less known by small enterprises, mature companies, enterprises with negative growth, construction enterprises and among service enterprises by those in high knowledge-intensive sectors. High knowledge-intensive enterprises have a high percentage (30% or 12 of 40) thinking that SMEs do not have the requirements to participate.

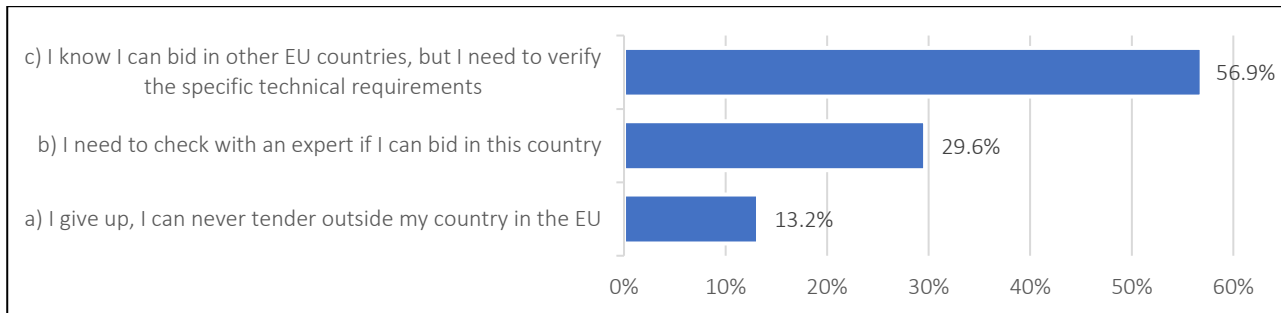
For opportunities in tenders in another EU country, the majority of respondents (211) are aware they can apply and that they need to check the specific technical requirements (Figure 13). However, **13.2% think they cannot exploit such opportunities and another 29.6% prefer to check with an expert if they can bid in the EU**. The share of respondents aware they can bid in other EU countries is higher among medium-sized companies. Nearly one third of the 217 micro enterprises require support from an expert. There is little difference between start-ups/ young companies and mature enterprises in thinking that bidding in other EU countries is not possible, 12.7% and 13.6% respectively. Nearly one third of the 79 start-ups/ young companies need expert support. More respondents who think this opportunity cannot be exploited were from enterprises with negative growth (14.8% of the 81 respondents). Less construction than service and manufacturing enterprises know they can bid in other EU countries. 27.5% (i.e. 11 of 40) of high knowledge-intensive service enterprises think they cannot bid in another EU country.

Figure 12 You become aware that the European Commission purchases services connected directly to your business. What do you do to find opportunities for your business?



Based on question 4 of the quiz. NA: 0.5%.

Figure 13 There is a tender in another EU country and the subject of the tender is related to a sector where you have a strong comparative advantage. Moreover, the price is very attractive. How do you approach it?

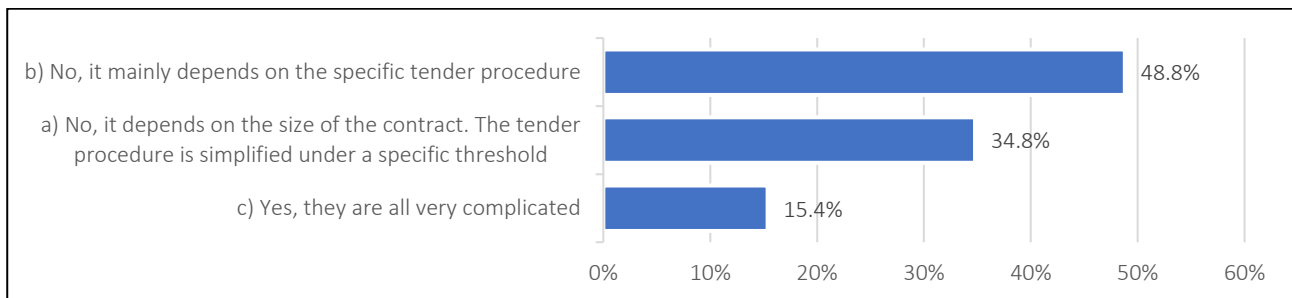


Based on question 5 of the quiz. NA: 0.5%.

For the workload required to submit an offer, the large majority of respondents know it mainly depends on the specific tender procedure or the size of the contract with a simplified procedure (Figure 14). However, 15.4% (57 respondents) think that all tenders are very complicated. This percentage is lower for micro enterprises than for other SMEs and mature companies but particularly high for enterprises with negative growth (23.5%, 19 of 81), manufacturing enterprises (20.7%, 12 of 58) and high knowledge-intensive service enterprises (20%, 8 of 40).

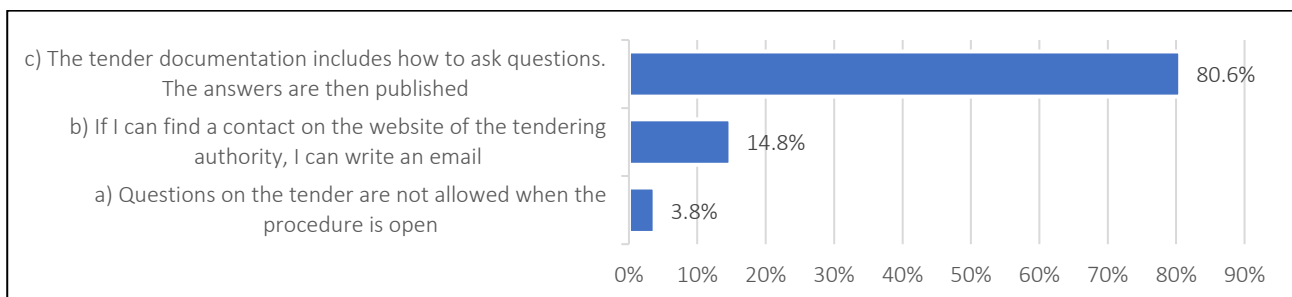
When applicants need clarification on the tender procedure, **most respondents (80.6%) know how to submit questions and that the answers are published (Figure 15).** Nearly 15% of respondents prefer to write an email to the local authority if the contact is available on its website. This increases to 17.2% for small enterprises, 21.5% for start-ups/ young companies, 23.5% for enterprises with negative growth, and, among service enterprises, to 24.3% of those in low knowledge-intensity sectors (18 of 74).

Figure 14 Do all tenders involve the same workload to submit an offer?



Based on question 8 of the quiz. NA: 1.1%.

Figure 15 During the tender procedure, what you can do if you need clarification?



Based on question 9 of the quiz. NA: 0.8%.

Comparing SMEs with experience in PP to those without

- TED is known by 37% of SMEs with experience of PP, compared to 19% of SMEs without it.
- 10% of SMEs with experience in PP think they cannot bid in another Member State compared to 16% of SMEs without experience; 13% and 17% respectively think that SMEs do not have the requirements to participate in tenders managed by the EC.
- For 7% of SMEs with experience in PP all tenders are very complicated and this percentage increases to 24% of SMEs without experience.

SMEs that have participated in PP show a better knowledge of how to find PP opportunities in other Member States. Those with no experience have a significant perception that PP implies a high burden.

2.3. Summary of findings

To summarise, the analysis of the quiz answers reveals the following:

- **PP experience:**
 - nearly half of respondents did not participate in PP in the past (48.5%);
 - among those that participated, the success rate is high (83.2%);
 - most enterprises with no experience intend to participate in the future (69.3%);
 - 58.2% of those not interested in participating in the future see PP as too complicated.
- **PP principles:**
 - respondents have less knowledge of restricted procedure (51.8%), and know less the difference between call for tenders/call for proposals (19.4%);
 - 14.3% of respondents do not know which exclusion criteria can be applied;
 - SMEs with experience show a better knowledge of PP principles.
- **PP opportunities:**
 - knowledge of TED is limited (28.3%) but increases for SMEs with experience in PP (37%);
 - most respondents prefer to use the local authority website to find opportunities (53.1%);
 - Google is widely used to research opportunities (28,6% find a tender managed by the EC);
 - a significant share of respondents (29.6%) need support from an expert to tender in another EU country and 13.1% think it is not possible to participate in PP abroad (higher among SMEs with no experience of PP).

By enterprise category¹⁵, the following results can be summarised:

- **Size of enterprises:**

Smaller enterprises, in particular micro enterprises, seem to face more constraints in accessing PP than medium-sized enterprises. Other than having a much higher

¹⁵ See also Table 14, Table 15, Table 17 Table 18 in Annex A.

participation rate (69.6% against 44.7% for micro and 57.5% for small), medium-sized enterprises are also more successful (89.7% against 82.5% for micro and 82% for small). Micro companies had also the lowest participation in the past (44.7%) and **the least interest to participate in the future** (66.4% against 75.7% of small and 82.4% of medium).

Such problems for smaller companies can be linked to a lack of knowledge of PP principles, particularly of exclusion criteria and the distinction between a call for tender/call for proposal.

Problems may also arise due to a lack of knowledge of PP opportunities. **Knowledge of TED among micro enterprises is very low** (24%) compared to medium (31%) and small enterprises (39.3%). **Micro enterprises prefer to use local authorities' websites to search for tenders above EU thresholds** and require more support from an expert to understand if it is possible to bid in another EU country. Small companies use Google more than micro and medium companies do.

Food for thought

The quiz highlights that micro enterprises face more obstacles in participating in PP and exploiting opportunities offered by the EU market. They are also less interested in participating in future procedures compared to larger enterprises, which indicates that more effort would be needed to encourage them. Focusing on sectors and segments of growing micro enterprises would concentrate the policy action. However, a more advanced and intense use of the current legislative framework to facilitate access of smaller enterprises to PP would positively affect micro enterprises.

Table 3 Results of the quiz by enterprise size

<i>Which category of SMEs has...</i>		
Experience	<i>...the lowest participation in the past?</i>	Micro enterprises
	<i>...the lowest successful rate?</i>	Small enterprises
	<i>...the highest perception that PP is too complicated?</i>	Small enterprises
	<i>...the lowest interest in participating in the future?</i>	Micro enterprises
PP principles	<i>...the lowest knowledge of PP principles?</i>	Small enterprises
PP opportunities	<i>...the lowest knowledge of TED?</i>	Micro enterprises
	<i>...the highest use of Google?</i>	Small enterprises
	<i>...the highest use of local authority website?</i>	Micro enterprises
	<i>...the highest need for expert support</i>	Micro enterprises

	...the highest perception that SMEs cannot compete in an EC tender?	Small enterprises
	...the highest perception that SMEs cannot compete abroad?	Small enterprises
	...the highest perception that all tenders are complicated?	Medium enterprises

Source: based on Table 14 in Annex A.

- **Year of creation:**

Start-ups and young companies have the lowest participation among all enterprise categories (29.1%), which is not surprising. However, they also **have one of the highest success rates** (91.3%). Moreover, **start-ups and young companies more often declared that PP is not needed for their business** (68.8%).

Compared to mature companies, **their knowledge of PP principles is slightly lower** and many of them think that the cheapest offer always wins.

Knowledge of TED is particularly low among start-ups and young companies (19%). They largely prefer to use local authority websites. Moreover, with respect to mature companies, they need more support from an expert for tenders abroad.

Food for thought

Start-ups and young companies appear not to perceive PP as a key opportunity to grow and expand their business. They know TED to a lesser extent. Moreover, it can be hard for them to identify procedures where the selection criteria do not pose a barrier to recently founded enterprises. However, start-ups and young companies also have a higher success rate when they participate in PP, indicating good potential. Since recently founded enterprises often have a higher aptitude for innovation, promoting their participation in PP can be strategic.

Table 4 Results of the quiz by enterprise year of creation

Which category of SMEs has...		
Experience	...the lowest participation in the past?	Start-ups and young companies
	...the lowest successful rate?	Mature SMEs
	...the highest perception that PP is too complicated?	Mature SMEs
	...the lowest interest in participating in the future?	Mature SMEs
PP principles	...the lowest knowledge of PP principles?	Start-ups and young companies
	...the lowest knowledge of TED?	Start-ups and young companies

PP opportunities	...the highest use of Google?	Mature SMEs
	...the highest use of local authority website?	Start-ups and young companies
	...the highest need for expert support	Start-ups and young companies
	...the highest perception that SMEs cannot compete in an EC tender?	Mature SMEs
	...the highest perception that SMEs cannot compete abroad?	Mature SMEs
	...the highest perception that all tenders are complicated?	Start-ups and young companies

Source: based on Table 15 in Annex A.

- **Growth:**

Enterprises with negative growth have substantial problems in accessing PP. More specifically, although they do not have the lowest rate of participation, **they have the lowest success rate (76.7%)**. Furthermore, **they show the least interest to participate in future (56.8%)**. Enterprises with sustained growth have been most successful in the past (90.6%).

The difficulties of enterprises with negative growth are also mirrored in their lack of knowledge of PP principles. For instance, this category shows the highest share of those that think the cheapest price always wins (17.3%).

More of these enterprises think that SMEs cannot participate outside their respective countries. They tend to use Google more and their knowledge of TED is more limited. **A significant number of them also think that all tenders are complicated (23.5%)**.

Food for thought

SMEs facing growth difficulties seem to be much less attracted by PP, some because of unsuccessful experiences, others because they do not fully know PP principles and opportunities. It seems they do not perceive PP as an opportunity. This category of enterprises is expanding due to the economic effects of the pandemic, so SMEs facing growth difficulties may show less (and decreasing) interest in PP due to a demanding administrative and technical bidding process. On the other hand, they may consider PP as a more secure business opportunity (and recovery) to be pursued with more energy. Trust in PP will play a key role in determining this choice, together with a progressive reduction of administrative burden.

Table 5 Results of the quiz by enterprise growth

Which category of SMEs has...		
Experience	...the lowest participation in the past?	SMEs with medium growth
	...the lowest successful rate?	SMEs with negative growth
	...the highest perception that PP is too complicated?	SMEs with high growth
	...the lowest interest in participating in the future?	SMEs with negative growth
PP principles	...the lowest knowledge of PP principles?	SMEs with negative growth
PP opportunities	...the lowest knowledge of TED?	SMEs with negative growth
	...the highest use of Google?	SMEs with negative growth
	...the highest use of local authority website?	SMEs with moderate growth
	...the highest need for expert support	SMEs with moderate growth
	...the highest perception that SMEs cannot compete in an EC tender?	SMEs with high growth
	...the highest perception that SMEs cannot compete abroad?	SMEs with negative growth
	...the highest perception that all tenders are complicated?	SMEs with negative growth

Source: based on Table 17 in Annex A.

- **Sector:**

Manufacturing enterprises participated less in PP (43.1%), compared to service (51.6%) and construction companies (60.4%), but have a much higher interest in participating in the future.

Manufacturing enterprises participated less in PP (43.1%), compared to service (51.6%) and construction companies (60.4%). Construction companies are those that know TED less (17%), since they tend to use local authority websites and Google more. Manufacturing enterprises need the support of an expert to tender in another EU country more than other enterprises (34.5%). A larger share of construction enterprises considers participating in PP in another EU Member State as not possible (17%).

However, a closer look into the service sector reveals that **low knowledge-intensive enterprises** face more problems in accessing PP. They **have a very low participation rate (39.2%) and lower success rate (72.4%)**. These are however more inclined to participate in PP in the future. Moreover, **low knowledge-intensive enterprises know less about TED (21.6%) and use more traditional communication channels (Google and local authority website). They also need more the support from an expert.**

There are also interesting results concerning enterprises operating in **high knowledge-intensive sectors**. Many of them **perceive PP as complicated (20%)**.

Moreover, they have the highest rate of respondents giving a wrong definition of call for tender/call for proposal (30%) and of exclusion criteria (22.5) and many of them think that SMEs cannot compete in an EC tender (30%) or in another EU country (27.5%).

Food for thought

Enterprises operating in high knowledge-intensive sectors (i.e. mainly ICT) have good potential for serving public administration and therefore citizens. Special efforts to establish a dialogue with them should promote their participation in PP despite administrative difficulties that can be overcome by companies with high levels of competence.

Table 6 Results of the quiz by enterprise sector

<i>Which category of SMEs has...</i>			
Experience	<i>...the lowest participation in the past?</i>	SMEs in manufacturing	SMEs in low knowledge-intensive services
	<i>...the lowest successful rate?</i>	SMEs in services	SMEs in low knowledge-intensive services
	<i>...the highest perception that PP is too complicated?</i>	SMEs in manufacturing	SMEs in high knowledge-intensive services
	<i>...the lowest interest in participating in the future?</i>	SMEs in services	SMEs in high knowledge-intensive services
PP principles	<i>...the lowest knowledge of PP principles?</i>	SMEs in manufacturing and services	SMEs in high knowledge-intensive services
PP opportunities	<i>...the lowest knowledge of TED?</i>	SMEs in construction	SMEs in low knowledge-intensive services
	<i>...the highest use of Google?</i>	SMEs in construction	SMEs in low knowledge-intensive services
	<i>...the highest use of local authority website?</i>	SMEs in construction	SMEs in low knowledge-intensive services
	<i>...the highest need for expert support?</i>	SMEs in manufacturing	SMEs in low knowledge-intensive services

SME NEEDS ANALYSIS IN PUBLIC PROCUREMENT

	<i>...the highest perception that SMEs cannot compete in an EC tender?</i>	SMEs in manufacturing	SMEs in high knowledge-intensive services
	<i>...the highest perception that SMEs cannot compete abroad?</i>	SMEs in construction	SMEs in high knowledge-intensive services
	<i>...the highest perception that all tenders are complicated?</i>	SMEs in manufacturing	SMEs in low knowledge-intensive services

Source: based on Table 17 and Table 18 in Annex A.

3. MEETING SMEs, ASSOCIATIONS AND PUBLIC PROCURERS: RESULTS FROM THE WEBINARS

Chapter 3 is dedicated to the results of interactions with SMEs, public procurers and SME associations in the five Member States covered by the project. These involved:

- 15 webinar training sessions where national experts could observe 55 SMEs doing exercises on PP, register navigation on TED, collect questionnaires and have structured dialogues;
- Five interactive sessions (a webinar per Member State) where SMEs and public procurers discussed PP;
- Five study circles (a webinar per Member State) where evidence from the previous sessions were validated and proposals for specific actions made.

As displayed in Table 2, 55 SMEs participated in the training sessions, 19 public procurers and 15 SME associations also contributed to the project.

The first section summarises barriers SMEs have faced with PP. These were collected at the beginning of each training session when participants were asked to introduce themselves and their experiences with PP. The following two sections of this chapter illustrate barriers and proposed solutions collected during the exercises on TED (screening opportunities) and selection criteria (dealing with requirements). The chapter concludes with the results of the round tables at the end of each training session where participants discussed barriers and potential solutions to enhance collaboration among SMEs for PP.

3.1. General SME barriers with PP

SMEs have different levels of **experience**. Several SMEs had never participated in PP before. Some of those with experience focused on local/regional/national tenders and a few had participated at EU or international level. Some SMEs have mainly public clients, so PP is part of their daily business. Other SMEs participated in PP mainly as sub-contractors. Finally, some participants know PP from experience in another company.

The **main barriers** discussed briefly during participant presentations are:

- **Low trust in PP and public procurers**
 - *Key points from SME training sessions*

Low trust was discussed especially in Italy (by participants in the construction sector and in health and social services) and Romania. In Italy, SMEs are mainly concerned by the **awarding phase**, as **price** appears to be the main criterion, which does not enable smaller enterprises to express their strengths. In Romania there are serious concerns about **implementation**. The course of public contracts is considered hard to predict and **delays in payments** are expected. Frequent delays in payments mean PP is seen as a threat for the financial health of SMEs.
 - *Key points from the interactive sessions and study circles*

During the study circles in **Romania** and in **Italy**, SME associations stated that many SMEs, especially in **construction**, can access public business opportunities but have little interest. They consider their portfolio of (private) clients as sufficient and are confident that they have enough business opportunities. For PP, they consider that the **entire process of application and implementation of a public contract is not efficient**. Therefore, the benefits of working with public clients are less attractive than the

private market. Moreover, during the interactive session in **Romania** it was underlined that the **limited professional capabilities of public procurers** negatively affect the quality of tender documentation and the evaluation process. One public procurer explained that PP staff sometimes do not have enough, or any, professional competence in the activity. Therefore, specific training programmes are necessary, depending on the needs of each institution. Training in PP, financed by non-reimbursable funds would be considered very useful for public authorities, but in Romania these have been substantially reduced since the previous programming period (2007-2013).

- **Unreachable criteria**

- Key points from SME training sessions

Selection criteria were indicated as an obstacle by several SMEs in most of the Member States. Smaller companies, especially in the private sector, tend to have many low value contracts, which are not considered as a reference in the tender procedures. Furthermore, **Italian companies dealing with environmental services** agreed that the specificity required to show technical and professional capacity sometimes appears excessive. This often excludes smaller companies that have the technical capacity, without a perfect portfolio of contracts. In **Sweden, framework contracts** are seen as an obstacle to SME participation. For recently founded companies (start-ups/ young companies), access to PP was seen as impossible, especially for tenders above a threshold and published on TED.

Opportunities **on TED appear more suitable for bigger players than SMEs**. The difficulty of accessing 'international' procedures was mentioned in **Romania**, in association with the idea that SMEs can participate only as subcontractors. In **Poland** it was stressed that a company wanting to participate in TED tenders needs significant human and financial resources. More specifically, it often seems impossible to tender in other Member States without a local partner.

- Key points from the interactive sessions and study circles

During the study circle in **Italy**, the association of cooperative enterprises noted there is no added value on TED for their associates. Participation in large tenders, especially if outside the region, is unfeasible for companies offering health and social work services whose **quality strongly depends on their local knowledge**. Furthermore, it is believed that only big and well-structured companies can participate in PP in another Member State. In the construction sector, an SME association expressed doubts that selection criteria capture the appropriate information for technical and professional capacity. Larger companies tend to be 'empty boxes', whereas smaller companies offer better labour contracts and have better workplace safety conditions. These elements, in their view, are not considered when selection criteria are set.

The **Polish** interactive session confirmed significant difficulties for smaller companies to compete outside the national market, not only to meet selection criteria, but also because they lack internal capacity. According to a survey by an SME association, only 2% of SMEs declared they have PP departments. The conclusion was that **only larger and well-structured enterprises can compete in international PP markets**.

A technical remark emerged in the study circle in the **Netherlands**, where an SME association underlined that there is a big difference in national criteria - and related problems - with respect to international ones. The first put much more emphasis on certificates which are difficult to get for smaller companies, while in international PP the quality requirements are often too restrictive.

- **Price over quality/ Unbalanced criteria**

- Key points from SME training sessions

Several SMEs underlined that **it is difficult for smaller companies to be competitive when price is the only criterion**. SMEs have limited cost advantages and can better express their strengths when interpreting local needs and developing targeted solutions is key. These aspects were emphasised in the webinars in **Italy**. In **Sweden** it was noted that contract periods should be extended because it is more difficult for a smaller company to concentrate the effort needed into a short time.

- Key points from the interactive sessions and study circles

In **Italy**, during the interactive session, a public procurer noted the necessity to speed up the public spending process (particularly in 2020 and probably in 2021 due to the significant public resources to be spent due to the Covid19 crisis). This risks wider adoption of price-only criterion to award contracts. The public administration is managing significant public financial resources to respond to the Covid19 crisis and support the recovery of local economies. The public procurer mentioned that price-only criterion could significantly accelerate public procurers in evaluating technical and economic offers, hastening the awarding process. On the other hand, **price only criterion would reduce the capacity of public administration to buy in a sound way**. Such a risk is also perceived in **Romania** by local public procurers. Finally, it was recognised that the capacity to assess quality is still an issue for several public procurers. In **Poland** a public procurer observed that price is the main bottleneck for SMEs but, at the same time, the decisive factor to win a tender. Therefore, SMEs perceive that the chances to win a tender are very low.

- **High administrative burden**

- Key points from SME training sessions

SMEs from all Member States found difficulties with PP technicalities. Participation in PP requires a lot of time and employees, not only to search for business opportunities but also for administration in the following phases. **Romanian** SMEs appear especially burdened by PP procedures. The multiple procedures in national legislation require more effort for SMEs to understand them. Moreover, appeals lead to blockages in the procedure, generating delays and additional burden. With PP in other Member States, Romanian SMEs express the concern that further barriers could arise because of specific national legislation. SMEs from the five countries noticed that participation in tenders in other Member States adds **significant linguistic difficulties** that require adequate resources.

- Key points from the interactive sessions and study circles

Consistent with the emphasis of Romanian SMEs on high administrative burden, the study circle in **Romania** provided several examples. An SME association stressed that young entrepreneurs find PP procedures in the national system to be difficult, as there are various blocks to accessing them, including electronic signature. For **SMEs without experience of PP procedures, documentation tends to be very difficult at first sight**. Some are open to external help, but some cannot afford this and they lose time understanding how to meet the criteria and provide documentation. Another SME association stressed that requests for clarification from contracting authorities (with submitted offers) are sometimes exaggerated and the response time is very short. Time is also problematic in the evaluation process and the period from submitting offers to awarding contracts is too long. It is understandable that some blockages are caused by external factors, such as appeals, but sometimes SMEs find it hard to understand why contracting authorities prolong the award phase.

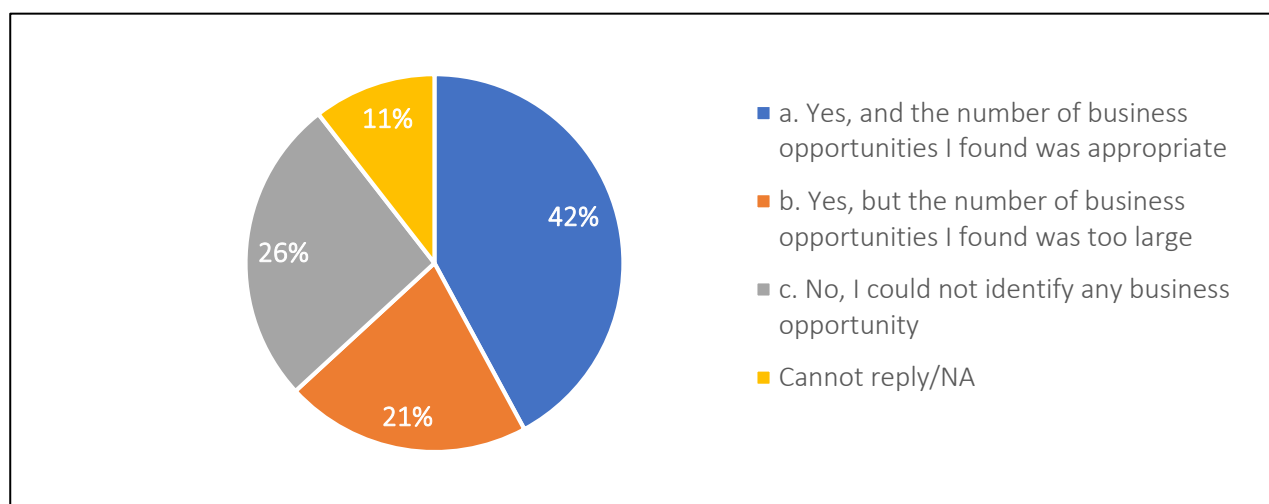
In the study circle in the **Netherlands**, SME associations underlined that applying for tenders is a complex and time-consuming process. The European Single Procurement Document (ESPD) is too technical and discourages participation. Furthermore, criteria may not clearly match the scope of the contract. Some Dutch public procurers pointed out that their administrative burden is high. For instance, multiple 'Question and Answer' rounds are very time consuming. In **Italy**, an SME association observed that companies often need to 'hire' a new employee to make regular use of TED, which demonstrates how participation in PP can be burdensome.

3.2. Screening opportunities: TED

For most participants **it was the first time they had used TED**. Even though some already had experience of PP and some with national PP databases, few had used TED before.

After completing the exercise, 42% of the SMEs had found an appropriate number of business opportunities, showing the database's potential (Figure 16). 26% of participants, however, were not able to find interesting opportunities, whereas 21% found an excessive number.

Figure 16 Were you able to find business opportunities thanks to the selected search criteria?



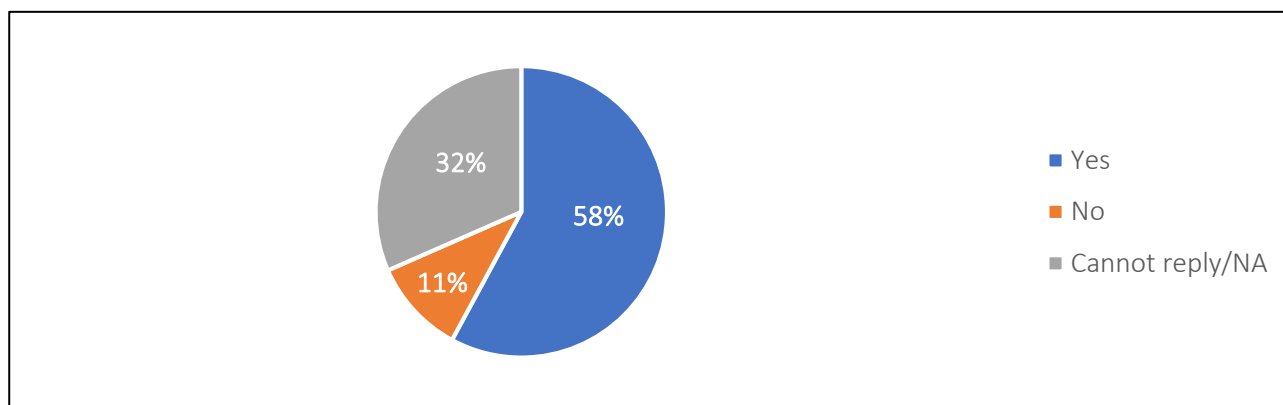
Source: based on question 3, Questionnaire post TED exercise, Annex C.

Analysis of responses (see Annex C) and especially interaction with companies during the training sessions and following exchanges with public procurers and SME associations highlighted that:

- PP opportunities published on TED (above the threshold) are rarely interesting for smaller companies and are more suitable for medium-sized companies;
- SMEs appear focused on their national markets which implies a focus on national PP databases;
- The added value of a (free) tool to search opportunities across the EU and beyond is recognised but SMEs are aware that exploring foreign markets is an ambitious step (mainly because of language barriers, need to establish partnerships, etc.);
- The opportunity to access historical information on awarded contracts, competitors and potential partners is understood as an advantage of public transparency;

- There is a generic interest in using TED in the future (58%, Figure 17), but SMEs did not show interest in creating or improving their own profile on TED. This confirms that such a tool, even if appreciated, is not considered immediately useful to identify business opportunities.

Figure 17 Are you considering using this database to find business opportunities in the future?



Source: based on question 6, Questionnaire post TED exercise, Annex C.

Barriers and some proposals for improvement are analysed in the following paragraphs.

3.2.1. Barriers

Most of the SMEs faced barriers in using the platform during the exercise. More specifically:

- **Poor usability of TED: too many filters/redundancies at first glance**
 - Almost all SMEs observed that there are many filters. Some recognised redundancies, others found filters too restrictive or even misleading. Several users saw TED as a tool more for public procurers than SMEs, with significant room for improvement in usability. 62% of the SMEs searched for information by text, while 54% used the CPV filter (see box below). Place of performance appears to be another important filter, used by 42% of the SMEs. In short, the basic search criteria appear to be 'what is bought' and 'where it is bought', plus the possibility to search by text. The search per business opportunity had just been reorganised when the training sessions started, with aggregation of 'Planning', 'Competition' and 'Result'. However, few SMEs made use of this key filter.

The use of TED was registered during the training sessions and detailed elements are illustrated in the box below.

Insights from observing SMEs using TED

- During the 15 to 30 minute exercises, participants made an average of 4 searches.
- Most (47 of 55) used the 'advanced search'.
- Four fifths of participants looked for opportunities in the active tender notices, while one fifth used the 'all notices' or 'current OJ S issue' options.
- In Italy and Poland, just two participants – one per country - used English, four in Romania, six in Sweden and four in the Netherlands. Other participants preferred searching and reading in their national language.
- 11 SMEs selected the tender documentation language. Seven were Italian companies, out of which six selected only their mother tongue, while one also selected English. Of the two Romanian companies that chose the language, one picked up English and the other Romanian. The other two SMEs – one from Sweden and the other from the Netherlands - selected only English to look for business opportunities.
- The 'text' filter was a primary tool used by 34 of 55 (62%). For 'business opportunities', 12 of the 55 used the 'competition' filter, even though it was not so clear to them, as they generally clicked the '?' underneath to better understand the meaning.
- 20 participants used the '?' button near each filter, on average 3 times to verify filter descriptions.
- The CPV codes filter was also used a lot (54% of participants), with the exception of Sweden and the Netherlands, where SMEs used the text filter instead. 23 chose the place of performance filter to select where they would like to find business opportunities. Just nine participants chose the currency filter, even though Sweden, Poland and Romania do not have the Euro as their national currency.
- The filter 'type of procedure' was selected mainly by Italian (nine) and Romanian (six) SMEs, and one Swedish company, but it was not of primary importance for them.
- For timing, i.e. deadline for submission and requests for documents, a tiny number of SMEs picked up the timing filters (between one and five users for each option). No participant selected the filter on publication of the tender in the Supplement of the Official Journal.
- 15 SMEs selected the buyer country (only one in Sweden), while the other 'buyer' filters were used by few participants. Eight SMEs – of which six were Italian – selected the 'General opportunities' filter in the legal basis section.
- Participants from all five countries concluded the first search in 10-15 minutes, with some exceptions. One SME in Romania took about 25 minutes to reach the results page for the first time, and two in Italy took about 30 minutes. From the second search on they took more time. They read the filter descriptions more carefully and selected filters more attentively. Furthermore, they refined the search by modifying key words or choosing more selective CPV codes.
- 41 participants reached the final page with a list of tenders, normally having refined the search several times.
- Finally, 12 – half of them from Italy - directed the search to public procurer websites, to look for more information on opportunities identified through TED. A highlight box. Add important information here

- **Poor usability of TED: unclear terminology/ use of text filter**

- Key points from SME training sessions

The challenge of many filters is mirrored by the difficulties in understanding terminology for several SMEs. Filters are specific because they correspond to technical concepts such as tender procedures (Competitive dialogue, Competitive procedure with negotiation, Concession award procedure, etc.). Several SMEs considered such filters too restrictive because they did not understand the terms, even in their own language. There were specific problems in identifying CPV codes. SMEs do not know this categorisation and sometimes fail to identify their own sector.

One problem with CPV codes may be related to CPV digit numbering following NACE Rev.1 . For instance, Construction starts from 45 in both nomenclatures. But the current version of NACE is Rev.2, where Construction is covered by division 41-43 . Another example is IT services, CPV code 72 in NACE Rev.1 but 62 in NACE Rev.2.

Other difficulties arose in using the text search tool. Writing a two-word phrase brings separate results for the two words. The system does not recognise the words as just one expression. Finally, contract values are sometimes displayed in the official currency of the bidder country. Since interest in a tender depends on the contract value, non-Euro currencies are not easily noticeable with a first search.

- Key points from the interactive sessions and study circles

The study circles confirmed the difficulties using CPV categories, which are not known by companies and raised the issue of the relationship with NACE codes. Some procurers also noted this burden, as uploading tenders in TED and complying with the terminology can be complex.

- **Linguistic barriers/ document accessibility**

- Key points from SME training sessions

The recognised added value of TED, i.e. the possibility to identify business opportunities in other Member States, corresponds with a major barrier for SME participation in the EU public market. In all countries covered by the project SMEs came across 'interesting' opportunities abroad and immediately realised they did not have the capacity required. For instance, in **Poland** participants found open tender procedures in Croatia, Greece and Slovakia related to their business but declared it impossible to access translated documents, at least in English. Other Polish participants did not find the direct link between TED and the public procurer website where the tender documents were expected to be available. Specific points on the linguistic issue emerged in **Romania**, where SMEs showed more interest in accessing foreign markets than in countries such as Sweden and the Netherlands. Most Romanian participants considered that only procedures in an 'international' language, such as English, should be published on TED. The reason for such a radical point is that, in the absence of native experts, the interest in PP opportunities in other Member States is low. They explained that it is a waste of time to look for a procedure in another language if a company does not have the capacity to perform the service or to execute the work. They revealed the tendency to participate only in procedures that involve documents in Romanian and English. It was also underlined that the database is very useful for identifying opportunities, but once the contract is won, other barriers arise with legislation in each country and the different stages of contract implementation. Similar problems were identified in **Italy**, where even English appeared not to be a common working language for SMEs, and also in the

Netherlands. Finally, in **Sweden** it was observed that, even when TED helps identify opportunities, it appears ‘impossible’ to compete with companies in their own domestic market.

The SME training sessions confirmed that using national languages in tender procedures limits SME access to PP across the single market. Without reliable networks making native experts available, SMEs tend to consider the language barrier as impossible to be overcome.

- Key points from the interactive sessions and study circles

The study circles confirmed the SME difficulties. The **Polish** interactive session highlighted that a lack of notice description translation is an obstacle to SME participation. The difficulty of finding full tender documentation on a procurer's website was stressed in the interactive session and in the study circle. In **Romania** it was commented that publication of information only in English would not be an optimal solution. In the **Netherlands** it was observed that tender documents in national languages create a barrier not only because all official languages cannot be known, but also because legal terminology is not consistent across the EU. This poses a major problem for EU integration in this field. In the **Italian** study circle this point was not discussed, because generally only medium-sized or large companies with a well organised bidding department and a reliable network of partners were thought able to access tenders outside the country.

3.2.2. Proposals for improvement

From the round table after the TED exercise, participants proposed solutions to improve the use of TED including:

- **TED clarity**

- Key points from SME training sessions

- *Italy.* To make TED more user-friendly, improve filter clarity and reduce the number.
- *The Netherlands.* TED is perceived as not user-friendly. Add an explanation of how filters work, since the more these filters are used, the less results TED provides.
- *Poland.* Clarify how to use CPV codes and choose the proper one. Introduce filters to look for tenders by smaller territorial units.
- *Romania.* A classification of opportunities by NACE code would be helpful. After selecting the activity field, with consulting services for example, customise the search by displaying specific filters (for each activity field).
- *Sweden.* The search process should be refined, as the database seems designed to fulfil legal requirements rather than be user friendly. A general improvement of the interface (i.e. the search button is too small) would encourage use. However, competent users find information on TED and improvement would facilitate inexperienced users more. A version of TED ‘for beginners’ was proposed. It could start with sector (the current CPV filter) then propose filters in sequence.

- **Guide to TED16**

¹⁶ The training sessions with SMEs were conducted before publication of the new ‘Help’ page on the TED platform (<https://ted.europa.eu/TED/misc/helpPage.do?helpPageId=search>). When the observations were formulated by the SMEs, the Help page was different and not available in all EU official languages.

- Key points from SME training sessions
 - *Italy*. Provide a guide for using TED. Being only in English, the ‘Help’ page was not usable by SMEs in the training session.
 - *The Netherlands*. Publish a TED tutorial on YouTube in all official languages¹⁷.
 - *Poland*. Although the system is good, it is too complex and a guide on how to use it and apply the filters could be very useful.
 - *Romania*. For new platform users an automatic guide with search tips would be useful.
 - *Sweden*. Guiding the user through the search process is fundamental as the multiple-choice options lead to a ‘chaos of information’.
- Key points from the interactive sessions and study circles

The necessity of a guide in all languages was stressed in the **Netherlands** and **Romania**, with special regard to inexperienced SMEs using search criteria.
- **New functionalities in the platform**
 - Key points from SME training sessions
 - *Italy*. Given that start-ups and young companies rarely find opportunities on TED, create a path allowing companies with a limited portfolio of contracts to fulfil selection criteria.
 - *The Netherlands*. Introduce a ‘solicited / offered’ section for small businesses or those missing certain expertise to meet and team up for a tender. Also a ‘partner-search’ to look for specific partners/expertise.
 - *Romania*. Introducing a Euro conversion function would be helpful when contracts are in non-Euro currencies. Highlight PP procedures depending on their location.
 - Key points from the interactive sessions and study circles

During the interactive session in **Poland**, the idea to add a functionality allowing enterprises to find partners i.e. potential consortium members in other Member States emerged. One public procurer during the study circle proposed introducing a geolocation search option so, for instance, entrepreneurs near the border can easily identify opportunities in neighbouring territories. In the **Netherlands** the same idea to create a tool for SMEs from different Member States to interact and possibly form partnerships was suggested. Also TED could host a profile-based cooperation platform for government/SME exchange and one public procurer also suggested creating a calendar for SMEs to see upcoming contracts. In **Sweden** it was proposed to add a filter to select procedures divided into lots, as these may be more accessible for SMEs¹⁸.
- **Better presentation of documentation**
 - Key points from SME training sessions
 - *Italy*. Improve the presentation of tender documentation by introducing an English translation of all tender contract notices with links to tender documentation, bypassing the public procurer home page.

¹⁷ A tutorial was published in July 2020 on YouTube by the Publication Office of the European Union (<https://www.youtube.com/watch?v=dCQnAp8Xzu0&t=6s>). It is available only in English and could not be accessed directly from the TED website in November 2020.

¹⁸ The training sessions with SMEs were conducted after delivery of the new TED ‘Advanced search’ page in summer 2020, where the function ‘Division into lots’ was eliminated.

- *Poland*. Translate the documentation into English at least. Moreover, a direct link from TED to public procurer web pages with published tender documents.
- *Romania*. Make all tender documents available in English, not only the titles of the sections but also the full information. One suggested a button which immediately translates each procedure (like *Google Translate*), where searchers encounter linguistic problems. It would be helpful if published procedures contain only one type of contract (such as goods, services or works), so different filter categories within the same contract are not needed.
- *Sweden*. Lessen the linguistic barriers, as SMEs have very limited knowledge of other EU national languages.
- *Key points from the interactive sessions and study circles*

The sessions generally confirmed the necessity for full translation of notices into all EU national languages, or at least into English. In **Italy**, direct access to public procurer web pages with full tender documentation was suggested. In **Sweden**, where expectations of easy navigation are higher, 'making sure that TED fulfils all regulations' should change to 'making sure that TED is user friendly'. This would entail a total makeover of the interface along with innovative solutions to deal with language issues.

- **Improve TED visibility**

- *Key points from SME training sessions*
 - *The Netherlands*. Better advertise TED services, for instance advertisements in LinkedIn or other social media, so businesses are more likely to find TED opportunities.
 - *Romania*. Develop advertising campaigns to make TED better known by SMEs.
- *Key points from the interactive sessions and study circles*

During the study circle in **Romania**, an SME association highlighted that measures are needed to promote existing tools to facilitate SME access to public business as well as specific training on their use, for example easily understood tutorials. Possibly promote and conduct courses and webinars on using TED. One public procurer added that it would be useful to increase the visibility of TED benefits for SMEs through various communication channels. In the **Netherlands** and **Poland**, increasing the interplay between national PP platforms and TED would be extremely beneficial for TED visibility, as SMEs primarily use national tools. Incorporate national platform functions into TED to make it a priority tool for SMEs, rather than an additional, rarely accessed database.

3.3. Selection criteria: dealing with requirements

The second exercise in the SME training sessions aimed at generating discussion on complying with selection criteria, the difficulties and constraints of requirements for SMEs, and potential solutions for such barriers.

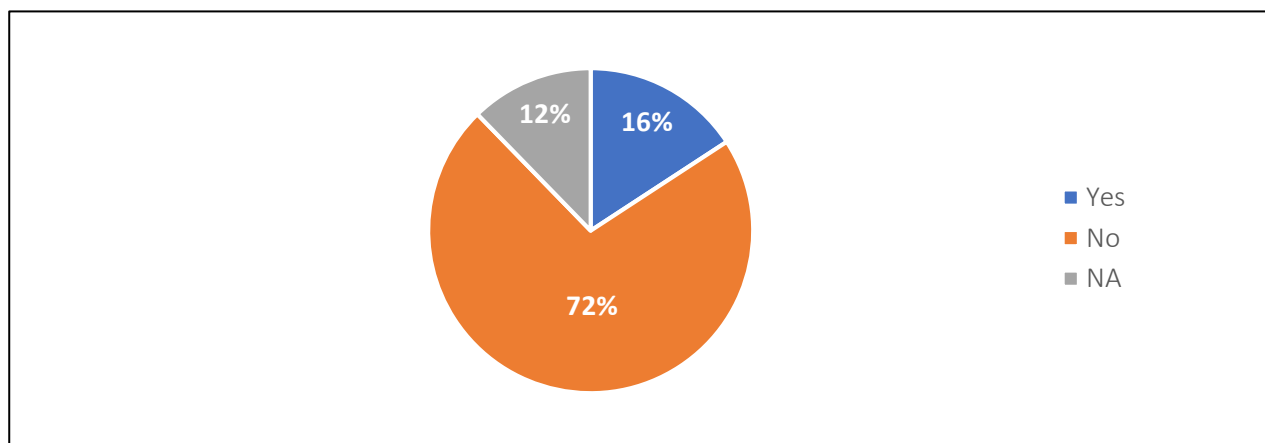
3.3.1. Barriers

During the exercise, participants underlined the following:

- **Assessing selection criteria**
 - *Key points from SME training sessions*

Participants showed a very good capacity (72%) to understand if their company had the requirements necessary to tender according to the exercise procedures. However, several participants needed to dedicate energy and time to do this task.

Figure 18 Did you have problems to understand whether your company has got the requirements that would allow it to apply for the tender?



Source: based on question 3, Questionnaire post Selection Criteria exercise, Annex C.

- Key points from the interactive sessions and study circles

In almost all sessions the tender documentation length and use of legal terminology was emphasised as an obstacle to participation at all levels. The SME associations see room for simplification.

For the selection criteria, specific points were raised. During the interactive session in **Poland** requirements mean that tenders better suit bigger companies. It is difficult for small enterprises to compete. In the study circle, one public procurer added that in smaller tenders, requirements should be kept to a minimum. The study circle in the **Netherlands** noted that certifications make it hard for SMEs to participate, whereas selection criteria in 'international' tenders are often disproportionate and difficult to understand with respect to the scope of the tender.

In some sessions the robustness and consistency of selection criteria was questioned. For instance, during the study circle in **Romania** one SME association underlined that requirements are not always clear, especially when they relate to experience of the team. This was confirmed in **Sweden**, where it was underlined that selection (and award) criteria are often outdated and/or contain irrelevant criteria (for the tender). Such extensive and/or irrelevant criteria are an effective barrier to participation for many SMEs.

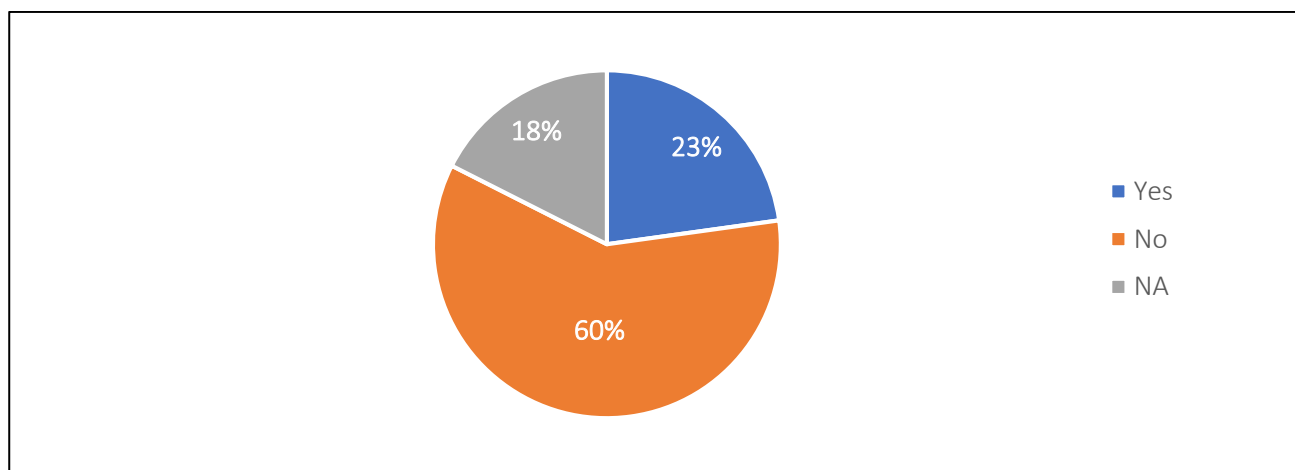
In the **Italy** interactive session one SME noted that public procurers sometimes require a minimum turnover of the company for a specific work requested, but the SME may not have that turnover in that niche (and for the indicated period of time). This is a clear advantage for larger companies with a wider portfolio of contracts. However, during the session it was agreed that lacking such requirements does not necessarily imply a poor technical capacity for the SME. For public procurers it seems easier to adopt restrictive technical criteria which favour larger companies. It was underlined that criteria requiring previous large contracts are an obstacle for smaller companies, especially those with experience in the private sector where contracts tend to be smaller.

- Difficulties in providing evidence of requirements

- Key points from SME training sessions

Participants showed a good capacity (60%) to understand if their company could provide evidence of the requirements. Some companies in **Italy** and **Poland** declared problems in understanding which documentation to provide to prove that they fulfil the tender requirements. This mainly concerned technical and professional criteria. In Italy, the necessity to own a certificate to tender for works above certain thresholds (the 'SOA') does not pose problems of understanding but is criticised by small construction companies as a burden.

Figure 19 Have you met difficulties to understand how your company can provide evidence of the requirements?



Source: based on question 6, Questionnaire post Selection Criteria exercise, Annex C.

- Key points from the interactive sessions and study circles

The problems to prove technical and professional requirements were intensively discussed in the interactive session in **Italy**. A medium-sized enterprise offering environmental services and solutions underlined the problems of providing certificates of concluded contracts, especially in foreign countries. Foreign clients cannot always translate those documents in a short period of time. Another SME highlighted that participating in PP in another EU country means translating all the documentation, with an additional administrative burden (and cost) for SMEs. Public procurers in the interactive session noted that the rationale behind strict technical and professional requirements is to decrease the number of companies participating in the tender. However, they also agreed that decreasing the number of tenderers does not necessarily mean increasing the quality of the proposals.

In the **Netherlands** there was a focus on the ESPD. During the study circle, an SME association pointed out that the ESPD is too open to interpretation (e.g. concerning subcontractors/third parties) and the conditions for providing certificates, declarations, etc. are often unclear because of complicated legal terms. ESPD wording appears too technical and discourages participation. A public procurer stated that procurers are not satisfied with the ESPD since it is not user-friendly.

3.3.2. Proposals for improvement

- Tender standardisation/simplification

- Key points from SME training sessions

In some countries SMEs were very proactive. Participants in the training sessions in **Poland** commented that public procurers should use one template for the tender specifications. There are too many criteria, so simplification and unification of tender documentation is needed. For instance, public procurers should ask for company self-declarations instead of certificates. In **Romania**, where administrative burden is a concern, better organisation of information in the tender documents is very important. The standardisation and simplification of documentation could help identify selection criteria more simply. Imposing a standard model for tender documentation, complying with contracting authority needs, was proposed to facilitate access to public procedures. Interestingly, standardising national PP documents with EU level ones was proposed in **Sweden**.

- Key points from the interactive sessions and study circles

In **Poland** the interactive session confirmed proposals from the training sessions, for simplification and unification of tender documentation, such as using a template for common tenders. The study circle in **Romania** dedicated a lot of attention to this. An SME association underlined that not all information should be repeated in all procedure documents. This would help SMEs to identify the selection criteria. Public procurers noted that a national PP database would help both contracting authorities and tenderers. In the interactive session in the **Netherlands** it was proposed to include more targeted information in the tender documents, providing answers to 'standard' questions that are repeatedly asked in certain sectors. In addition, since filling ESPD is burdensome, one SME association proposed creating an EU-wide register for SMEs to be filled only the first time they participate in a tendering process. After that, the SME should be responsible for updating the register.

- Upskilling of SMEs

- Key points from SME training sessions

SMEs in the five Member States declared that more internal capacity would be necessary to deal effectively with PP complexity, starting from screening potential opportunities. However, given their limited capacity to invest they almost all expressed the impossibility of hiring new administrative employees and in several cases the difficulty to provide structured and comprehensive training paths for their personnel. Smaller enterprises with a lot of private sector business have difficulty in making such investments. For expansion into other public markets accessible through TED, it is clear to SMEs that significant investment in human resources would be needed. Support from external consultants was considered by only a few. This depends not only on a reluctance to disburse resources, but also because an external professional lacking full information on the company is unlikely to effectively contribute to the commercial process. Support from SME associations was thought a good solution in **Sweden**, where one association was also crucial during this project. In Sweden SME associations are also expected to lobby for legislation and procedures in line with the local context. This shows that the role of SME associations is well understood by the companies. In the **Netherlands** some participants considered support from SME associations useful to analyse tender documents and to organise networking events. There were lower expectations in **Poland** and especially in **Romania** and **Italy**, where none of the participants would use SME association support. As the low investment capacity of individual SMEs requires joint efforts to improve capacities for PP, increasing SME association services appears necessary, especially in countries where the weaknesses are more evident. In parallel, it seems that not all SME associations have the potential to develop such innovative services.

- Better dialogue between SMEs and public procurers

- Key points from SME training sessions

In general, interaction between SMEs and public procurers was seen as only happening during the tender procedure, i.e. written requests to public procurers on doubts, mainly related to selection criteria. In **Sweden**, SMEs would like more open dialogue between SME associations and public procurers to support SMEs in dealing with selection and awarding criteria. Some SMEs also highlighted the need to increase public procurer competence through training. Once trained, they are expected to be able to buy more innovative and cheaper solutions, benefitting citizens.

- Key points from the interactive sessions and study circles

During the interactive session in **Italy** it was stressed that the public procurer evaluation committee is key to the evaluation and award process. Staff in these committees should therefore have a good knowledge of regional/local public administration needs, if relevant. The territorial, economic and social context should be known by bidders as well as public procurers. Such a match would highlight SME strong points, making them more competitive.

During the interactive session in the **Netherlands** an SME association suggested offering prior information, for instance by putting a procurement calendar on public procurer websites to help SMEs prepare. All participants proposed a mandatory, sufficient timespan between the last questions and answers and the deadline for tenders. One public procurer revealed that they actively facilitate tenderers by having consultation rounds for big construction contracts to collect input as well as improve transparency. Criteria might be adjusted afterwards. This was presented as a good practice, as all parties seem to benefit and this practice could be applied to other contracts. Another public procurer highlighted that setting the right criteria, without burdening SMEs anymore but attracting the right quality and level of innovation, is currently important for the national government. Innovative procurement with early dialogue or draft procurement to get feedback from potential tenderers is seen as a good way to enhance procurement quality and set better criteria.

Finally, in **Sweden** the SME suggestion of providing training to public procurers was confirmed by the stakeholders. Most participants in the interactive session and study circle underlined that public procurers often lack specific knowledge and are not updated on developments. Many do not know the opportunities provided by legislation and therefore fail to take advantage of these, including holding pre-procurement information meetings for upcoming tenders, or open dialogue with providers without a specific procurement coming up. The opportunity to hold pre-procurement information meetings was encouraged. However, when some public procurers started an open dialogue in accordance with legislation, they were criticised by local media for corruptive behaviour. This happened in Sweden where such sensitivity is lower than in other Member States and reveals that open dialogue between SMEs and public procurers is still not fully understood across the EU.

3.4. SMEs in PP: competitors or partners?

The final section of each training session with SMEs concluded in a round table about creating potential partnerships with other companies to facilitate access to PP.

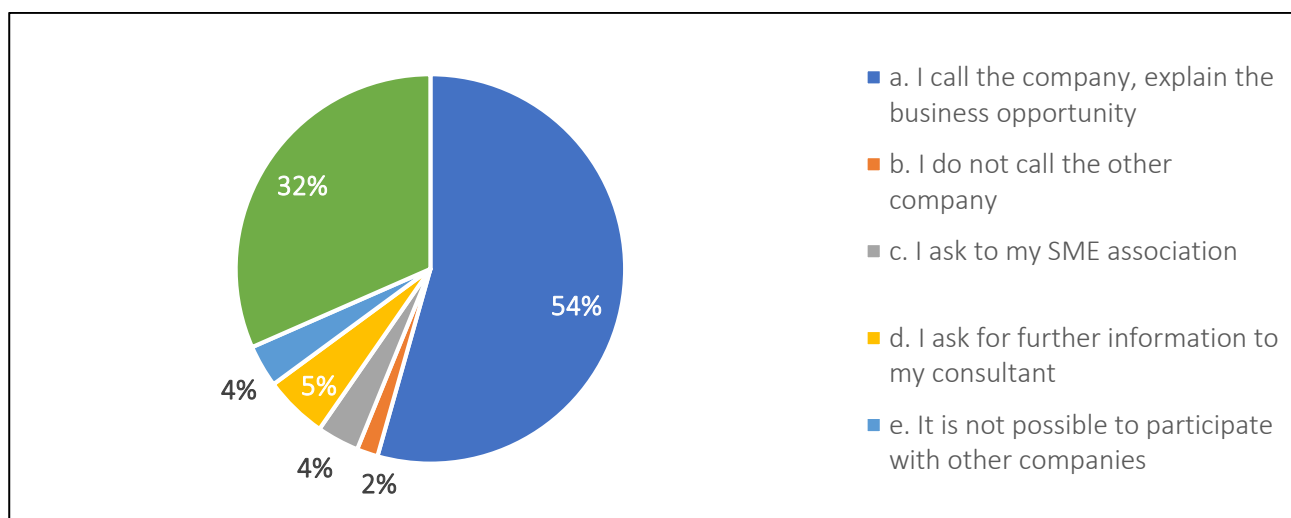
3.4.1. Barriers

The first part of the round table concentrated on barriers hampering the creation of consortia.

- Key points from SME training sessions

The idea of teaming up with other SMEs differed between Member States. More than half the participants would contact a company to complement a tender. However, one third of participants could not reply, showing that this option is unusual for many participants. Support from associations in identifying suitable business partners for PP is expected to be very limited.

Figure 20 In case you know that another company disposes of some of the necessary requirements needed to apply for the tender that your company misses, how would you react?



Source: based on question 8, Questionnaire post Selection Criteria exercise, Annex C.

Specificities in Member States are illustrated below.

- *Italy.* Most participants had experience of tendering in partnership with other SMEs. Some however, especially in the construction sector, underlined that the ability to team up is declining and differs from region to region. **Most SMEs agreed that it is not easy to create a consortium and that personal relationships between company owners are of fundamental importance.** Since human relationship is pivotal for people to collaborate in a friendly climate, SMEs prefer working with well-known enterprises. Word-of-mouth, personal contacts and relationships appear to be the most appropriate channels to look for new partners. This approach was expected given the modest size of the enterprises involved in the training sessions.
- *The Netherlands.* Only one participant had participated in a consortium. SMEs would team up but **confidentiality is a barrier.** Moreover, the **risk of losing reputation if the partnership does not work** was highlighted.
- *Romania.* Most participants had cooperation experience, but it was also stressed that **reluctance towards partnerships in all areas must be changed.**
- *Poland.* **Willingness to cooperate appeared particularly low.** No participant was willing to team up with other companies, except one SME which could establish a collaboration for tenders outside Poland. Two participants did not know they could bid with other companies.

- *Sweden*. One company had established a consortium with a larger member to fulfil selection criteria and another SME sometimes teams up with a company in China to exploit foreign markets. It was mentioned **that personal trust and confidentiality are crucial for successful collaboration**.

- *Key points from the interactive sessions and study circles*

SME associations highlighted several difficulties for SMEs in cooperating for PP. In **Italy** a stable consortium of medium-sized building installation companies was established to ensure regular participation in national PP. Direct technical support from the association enabled the consortium to initially provide a bid manager. Despite some - even important - contracts, the consortium is going to expire as there is decreasing interest in PP from the consortium members. However, this shows that **associations can facilitate cooperative practices among their affiliates**.

In the **Netherlands** interactive session it was reported that new consortia members must sometimes **show a track record of successful cooperation, which is an additional burden**. Similar requests are even made with sub-contracting, so involving sub-contractors is unduly complicated. An SME association underlined that cooperation is discouraged since the legal status of partnership is sometimes impossible for SMEs to define.

During the study circle in **Poland** it was highlighted that there is **a lack of knowledge and experience on how to create partnerships**. Moreover, for new SMEs **without PP experience, identifying potential partners seems difficult** without a prior professional relationship. One SME association underlined the fear of partner reliability, including the **risk of competition or takeover by the partner**.

During the study circle in **Romania** it was stated that openness to **partnership is sometimes a necessity** among SMEs as they do not have the capacity to participate individually, especially for high-value contracts and international procedures. This seems to confirm that SMEs do not recognise the added value of joining forces.

In **Sweden** it was highlighted that it is hard for SMEs to find partners since they often see other companies as competitors. Moreover, **SMEs often lack PP knowledge including the possibility to establish consortia**.

3.4.2. Proposals for improvement

Collaboration is a key factor to improve SME participation in PP. However, SME associations and public procurers were limited in their ability to improve interaction between SMEs. When a professional and personal network is not sufficient – including for a partner in another Member State – it seems that SMEs are not in a good position to identify potential partners.

SME expectations of support from associations is extremely low, and they tend to see the public sector more as a counterpart imposing burdens than providing solutions to their most difficult problem. Such a market failure begs an answer through public policy.

Elements from the stakeholders were organised into the following points, which are expanded in chapter 5 to include actions to improve SME access to PP.

- **More collaboration with other SMEs**

- *Key points from the interactive sessions and study circles*

The study circle in the **Netherlands** raised a fundamental point. The earlier a tender publication, the better for forming consortia, as companies have more chance to establish, or refresh contacts and exchange information. Once again, making use of

existing legislative provisions creates the best conditions for SMEs to participate and compete.

In the study circle in **Romania** emphasis was put on possible policy actions. Contacts between SMEs interested in PP - in a region or sector - could be facilitated, so parties can meet, gain trust and develop professional relationships, leading to partnerships. Moreover, exchanges of PP experience in SME associations can enhance SME capacity and willingness to team-up.

In **Sweden** it was highlighted that support from SME associations and a joint, comprehensive portal would help to identify new business partners. One public procurer underlined that SMEs lack knowledge of the opportunities under the legislation. It is currently planning a national conference to better inform Swedish SMEs of possibilities under the legislation. During the interactive session in **Italy** a local public procurer expressed the importance of encouraging smaller enterprises to rely on other entities when they do not satisfy the selection criteria, making the best use of existing relationships with larger players, if possible.

4. TELLING SME EXPERIENCES: STORIES AND KEY MESSAGES

Chapter 4 illustrates 16 stories. The first section details key SME characteristics, the second covers barriers and solutions adopted by SMEs in dealing with PP. The full stories are in the third section.

4.1. Overview of SME characteristics

The SMEs telling their stories are of different sizes and come from different sectors. There are six micro, six small, and four medium-sized enterprises. Three were founded in the last five years. A fourth recently established company results from the merger of three small enterprises.

The six micro enterprises are:

- **Save Plastics**, a 30-year-old, Dutch micro family business transforming low-grade plastic waste into urban and civil engineering solutions, giving new life to refuse that otherwise has to be burned with a bad impact on the environment.
- From Poland, **Tomcat.Arch.Design** is an architecture and design company, founded in 2008 and employing five people. It also works with more than 25 independent civil, structural, electrical and sanitary engineers, architects, designers, visual artists, and consultants. The company has participated in PP from its creation, being a subcontractor then partner in consortia and finally leading bids.
- Three service-related micro enterprises are from Romania. **Smart Consulting** is a civil engineering company created in 2004 offering construction design, architecture and building work, energy audit and certification for buildings, site and technical management and technical consulting for public and private projects. 90% of their activity is linked to PP and contract services for public authorities, mainly municipalities. Another micro enterprise is **Addwise**, a Romanian consulting company founded in 2013 offering training and capacity building services to public administrations. It also provides advice to companies willing to participate in PP or receive funding from national and European funding programmes.
- From Sweden, **Base10** is a micro enterprise created in 2017 that provides co-working space and community services to tech start-ups in Uppsala. **Upplands Hiss** is a young Swedish SME created in 2016 that installs and maintains elevators.

The six small enterprises are:

- **Tech4Care**, an innovative Italian SME founded in 2015 that uses highly advanced scientific knowledge in new healthcare products, services and good practices based on mobile health, artificial intelligence, virtual reality and the Internet-of-Things (IoT). From Italy there is also **Dinets**, a cutting-edge ICT SME created in 2000, providing IT solutions and service system integration. The company focuses on communication and collaboration, data centres, cloud computing, networking, security, and mobile computing. It also implements IoT, Mobile Computing, Big Data & Analytics solutions with fully exploitable process automation and resource streamlining.
- **Uchacz land and road works** is a Polish company providing tree felling, land preparation, excavation and related services, including machinery and equipment rental. Nowadays the group is active in national transport, petrol supply and stations, concrete production, construction, building, land preparation and road works. For land and road works, 80% of their contracts are through PP. **Max Produkcja-Dystrybucja** is a distribution and sweet production firm in Poland. The founders, a married couple, started to work in food distribution and sales in 1990.

- **ChromoGenics** is a small Swedish company offering electrochromic solar-control glass solutions, established in 2003 by top researchers at Uppsala University. **Jobbet**, created in 2003, is a web-based recruitment platform based in Uppsala and was the first on-line platform for recruitment in Sweden. It offers services for private companies and public authorities, including ministries, regional governments, and municipalities.

The four medium-sized enterprises are:

- **Polo9**, an Italian medium-sized enterprise, created in 2018 by merging three small companies. It has experience of the social economy and social working, offering services in re-education, addiction recovery, ex-convict reinsertion, support for female victims of violence and social integration through work services.
- **Groenendijk Bedrijfskleding** is a workwear SME in the Netherlands set up in 1997, adopting best quality standards in the whole production lifecycle. This covers from selecting fabrics to the end of product life, including social aspects, fair trade and employment dignity as well as environmental aspects such as fabric recycling and avoiding harmful chemicals.
- **Biomed Lublin** was established in Poland in 1999 after a split of the former state-owned Biomed, originally created in 1944. Nowadays it employs 230 people and produces an extensive range of high demand medical products including prescription drugs, products and reagents.
- **Svensk Dos** is a Swedish SME founded in 2011 by four pharmacists when the state monopoly was lifted, packaging medicine doses in special disposable bags primarily for the elderly.

Table 7 SMEs key features

MEMBER STATE	NAME	SIZE	YEAR	SECTOR OF ACTIVITY	RELATED CPV SECTOR
Italy	Tech4Care	Small	2015	High knowledge-intensive service	33. Medical equipment, pharmaceuticals and personal care products
	Polo9	Medium	2018	Medium knowledge-intensive service	85. Health and social work services
	Dinets	Small	2000	High knowledge-intensive service	72. IT services: consulting, software development, internet and support
Netherlands	Save Plastics	Micro	1990	Medium knowledge-intensive service	90. Sewage, refuse, cleaning, and environmental services
	Groenendijk Bedrijfskleding	Medium	1997	Manufacturing	19. Leather and textile fabrics, plastic and rubber materials
Poland	Uchacz	Small	1970	Construction	45. Construction
	Max Produkcja-Dystrybucja	Small	1990	Manufacturing/ Low knowledge-intensive service	15. Food, beverages, tobacco, and related products

	Tomcat.Arch.Design	Micro	2008	Medium knowledge-intensive service	71. Architectural, construction, engineering, and inspection services
	Biomed Lublin	Medium	1999	Manufacturing	33. Medical equipment, pharmaceuticals, and personal care products
Romania	Smart Consulting	Micro	2004	Medium knowledge-intensive service	71. Architectural, construction, engineering, and inspection services
	Addwise	Micro	2013	Medium knowledge-intensive service	79. Business services: law, marketing, consulting, recruitment, printing, and security
Sweden	ChromoGenics	Small	2003	Construction/High knowledge-intensive service	44. Construction structures and materials 45. Construction
	Upplands Hiss	Micro	2016	Construction/Low knowledge-intensive service	50. Repair and maintenance services
	Svensk Dos	Medium	2011	Low knowledge-intensive service	33. Medical equipment, pharmaceuticals, and personal care products
	Base10	Micro	2017	Medium knowledge-intensive service	79. Business services: law, marketing, consulting, recruitment, printing, and security
	Jobbet	Small	2003	Medium knowledge-intensive service	79. Business services: law, marketing, consulting, recruitment, printing, and security

4.2. Barriers and solutions

4.2.1. Barriers

As emerged from the interviews, SMEs in the stories experienced different problems in approaching PP. These have been identified in the previous chapter and can be categorised as follows:

- **Low trust in PP and public procurers**

In Italy *Dinets* considers the regional PP markets very hard and thinks that officials are reluctant to work with regional companies, preferring to work with companies from big cities like Milan or Rome. Moreover, according to the company, some **public authorities tend not to pay on time, which can be problematic for SMEs** that need healthy cashflow and income. *Dinets* targets only public operators which ensure payment on time, only applying as leading contractor in tenders issued by

those procurers. When the company finds an interesting call published by less trusted authority, it contacts bigger companies proposing itself as a subcontractor, even when the tender is divided into lots.

For *Groenendijk Bedrijfskleding* in the Netherlands, the **lack of experience of public operators in preparing PP in line with the SME niche evolution** can limit market opportunities.

For *Addwise*, **Romanian authorities do not pay on time which is an added difficulty**. This leads to economic uncertainty, since SMEs sometimes must provide services for nine months or even a year, with no payment in return. For *Smart Consulting* in Romania there is a lack of transparency on public contracts since **municipalities often propose restricted formulas based on direct contacts**. SMEs can be systematically left out when they have no contacts inside the system. This is partially due to the financial threshold (part of the legal procedure for public institutions to publish a tender on the public online system) which appears too high for the company. In these circumstances, municipalities prefer to keep under this threshold so they can deal directly with their local contacts, limiting opportunities for potential competitors.

For the Swedish company *Upplands Hiss*, procurers **lack understanding of the required services**, since they do not seem to understand the market and the real needs. Similarly, for *Svensk Dos*, **procurers and public authorities often lack full insight into complex and diversified business**. For *Jobbet*, PP buyers are supposed to listen to the market, so service suppliers should know what to expect in a call for tenders. But the company believes that listening by public authorities is rare. **Most of the time procurement officers just take elements from previous calls to prepare new calls**. Moreover, the SME underlines that, for **framework contract models**, national public authorities are generally more competent in dealing with tender preparation and contract follow-up applying these models. **Municipalities and small administrations struggle to deal with these models, because they need capacity for preparation and follow-up**.

- **Unreachable criteria**

In Italy, for *Tech4Care*, as stated before, a lack of opportunities is related to **the absence of PP specifically for start-ups**. For the company, Italy is implementing policy measures that mainstream innovation procurement and despite some good practices at regional level there is no structured national policy for innovation procurement. PP in Italy therefore is not so attractive for a start-up in the health sector which needs to invest a lot of resources just in screening the national market. Also, publication of these opportunities seems to be dispersed and unclear in the MEPA (the electronic platform for Italian Public Authority tendering). For *Polo9*, the **local market tends to adopt tailor-made opportunities in favour of bigger players**. The problem is that contracts for social working and social inclusion are like any other contract, economically driven. Other formulas such as co-planning or convention frameworks that can offer more opportunities to local competitors are rarely adopted by public procurers.

For *Dinets* one problem is the lack of inclination to collaborate with companies from the same region, reducing opportunities for SMEs, and the capacity to compete at EU and international level. The Italian market is made up of SMEs and **SMEs can compete with bigger companies in public markets and exploit opportunities only when joining forces**.

In the Netherlands *Groenendijk Bedrijfskleding* grew quickly and tried to bid for **PP in other EU countries**. The public sector, however, **seemed to only use national providers**, especially for security and defence. This limits the opportunities for SMEs to explore market opportunities abroad. For *Biomed Lublin* in Poland the key issue is that **national laws can be overprotective**, since they request pharma products be registered for sale in the country. SMEs are systematically excluded from PP offers when they try to bid abroad. Moreover, in countries where the authorities allow non-registered companies to participate in PP, as in Hungary, public operators are reluctant to award contracts to companies from abroad. Depending on the product, **SMEs face tough competition from much bigger producers** who can reach both practitioners and procurers to push for their own products.

For *Uchacz* in Poland, big competitors usually target big construction and road works tenders, because they can supply large quantities. **But with the Covid19 crisis**, most works have been suspended, and **there are much less opportunities in the public sector**. Because they need to place their products, **big firms now compete in local markets as well**, and this could be dangerous for SMEs such as *Uchacz*. For *Tomcat.Arch.Design* in Poland participating in large projects for major procurers such as national and regional authorities or big cities would be a great opportunity to expand. But it thinks that a **young SME can acquire experience in PP by participating in small calls, issued by local authorities** to create a portfolio of projects. Local procurers often act on behalf of their communities, they are much closer to the daily work during project implementation and are usually responsive to new ideas and SME creativity. Moreover, calls for tenders for small projects are usually less dependent on the selection criteria, and most of the time big companies are not interested in bidding, so SMEs have some chances and less competition.

ChromoGenics in Sweden started to find new opportunities when officials working on tenders began to introduce other criteria, including sustainability and environmental impact. The company changed its strategy towards PP, giving intensive pre-procurement presentations, thinking that sooner or later public officials would change their mind. It presented **long-term economic scenarios, highlighting energy savings, durability and costs that were not considered when officials were preparing public tenders**. Similarly, *Base10* started to find new opportunities when tenders included key performance indicators to be reported every year. The company believes that **more innovative tenders could bring more opportunities for SMEs**, but they are normally very classical and bureaucratic, with a lot of reporting and administration. Also *Svensk Dos* strongly believes in the **benefits of more result-oriented innovative tenders**.

- **Price over quality/ Unbalanced criteria**

Award criteria are perceived as problematic by several companies, especially when they favour price over quality. For example, companies working in social services such as *Polo9* in Italy feel **award criteria based on price tend to favour large national cooperatives** because of economies of scale. This decreases the opportunities for smaller local cooperatives, which lose competitiveness. For *Dinets* the main problem **relates to different PP requirements in Italian regions** that could be better coordinated or standardised.

For *Groenendijk Bedrijfskleding* in the Netherlands, **increasing diversification and new quality standards in specific market segments are not taken into account by procurers**, so opportunities decrease for the company.

Similarly, when *Max Produkcja-Dystrybucja* in Poland participated in its first tenders there were few competitors and none were manufacturing their products, just assembling. **Competitors started to offer lower quality products or lower quantities to propose better prices and the company started to lose contracts**. The situation reversed only when public procurers were convinced to consider the importance of quality.

Smart Consulting thinks that **the contract value in calls is often too low, far from the real cost of the work and the services they demand**. Public authorities have tight budgets for contracts, and they try to spend this well. But, in the company's view, this is not an excuse to propose prices that cannot cover costs, so companies propose unrealistic offers. Similarly, for *Addwise* one problem with PP in the consulting sector is that **tender requests are far from reflecting real needs**. For example, in the tender specifications, public procurers often request training on very general aspects of project and programme implementation, monitoring and evaluation. Then when a company wins the contract, the request is much more demanding than initially planned. This can mean more people to be trained or a wider range of topics to be covered. Moreover, Romanian tenders on training for public administration appear inspired by EU technical assistance tenders, which are based on expertise and specific knowledge recruitment. But most of the time tenders related to training services request extremely specific profiles so the services can be expensive and not affordable. For the company, the problem is that procurers and tender writers are not really connected to the services or departments requesting the training.

For *Tomcat.Arch.Design* in Poland the market for architecture and design services is wide but, at the same time, highly specific. Start-ups and young SMEs often face serious barriers to access PP opportunities. These mainly relate to selection criteria. **Public authorities request previous experience and a track record of service delivery.** These criteria concern the company, not its people and their achievements or professional record before being part of the company, so they hinder growth for many talented professionals and their new businesses. Moreover, it is stressed that unsuitable award criteria can encourage unreliable or short-sighted tenderers offering unrealistically low prices.

For the Swedish company *Upplands Hiss*, **public procurers are not willing to change their methods of tender writing** (overemphasis on price and turnover that excludes SMEs). They are missing service improvement since they do not promote innovative solutions and they discourage entrepreneurship. Similarly, for *Svensk Dos*, **tenders do not focus on results, but more on the legal, bureaucratic suitability of companies.** For them, result-oriented tenders would be more beneficial. For *ChromoGenics*, the PP market is less attractive when **public authorities do not consider the long-term benefits of local economic development more seriously**, including advantageous criteria instead of only the best price.

- **High administrative burden**

In Italy *Tech4Care* finds that **administrative requirements for PP contracts sometimes create too much burden and discourage start-up participation.** PP seems to be, according to the SME, a non-fit for start-ups since Italian public authorities do not always grant the flexibility that a research start-up needs to survive. Start-ups need to grow quickly with a quick return on investment and this looks impossible with public authorities, which sometimes are not very responsive on payments. **The complexity of tender requirements prevents innovative SMEs from participating in PP.** For *Dinets* **tender assignment is too long for an SME and procurers often request more documentation between announcing the award and contract signature.** The company has three people fully involved in looking for tenders and preparing technical documentation, so participating in PP requires a lot of work and administrative effort. For the SME the workload is even higher since each region in Italy asks for different documents and references, which is time consuming. **A lack of common rules for application and selection criteria significantly increases administrative burden.** Moreover, the company believes that **language is a major barrier to accessing PP in other Member States.**

For *Save Plastics* in the Netherlands it is clear that PP is not a one-shot adventure, **it is a much longer commitment and a learning process that requires capacity, means, time and the right allies.**

For *Smart Consulting* in Romania, **local, regional and national authority databases are not integrated.** Sometimes a company needs to go to many different places to get a document, which is time consuming. Working with the public sector in Romania can be extremely hard as **there is a lot of bureaucracy** and companies do not want to spend their time on paperwork.

Similarly, for *Upplands Hiss* in Sweden, **preparing a tender is time consuming and the company does not have the resources to work on it full time, unlike big companies.** A specific problem is mentioned by *Jobbet*, as public authorities in Sweden seem not fully aware of GDPR constraints. Since the company offers recruitment services, it adapts to every new regulation, including personal data protection. But in every call for tenders in which it participates, it seems that **burdens on companies managing personal data are just not considered.** GDPR compliance is a must, but implies internal costs that are obviously affect the final price.

4.2.2. Proposals for improvement

The enterprises in the stories have adopted different solutions to overcome the above-mentioned problems, which can be grouped as follows:

- **Upskilling of SMEs**

To comply with problems in accessing PP, *Tech4Care* in Italy **has developed a bid team of up to six people** (out of 15 employees) to share responsibilities internally from the screening phase. Since PP is strategic for the company, all managers are involved in this process. Similarly, *Biomed Lublin* in Poland has a dedicated team for tender preparation including a legal department, using different platforms covering the Polish market. It also scans for opportunities in EU countries via the TED platform. Since the general description is in English but specifications are in the national language, the company **employs people speaking different languages**, especially where it has a market share or has delivered products.

Groenendijk Bedrijfskleding in the Netherlands, lacked experience and had few contacts, preventing expansion, so it **hired a new employee dedicated full time to PP**.

In Poland, *Uchacz* **diversified using PP to complement its main business activity**. The company thinks that the public sector is a secure business and authorities pay promptly, but the Covid19 situation means procurers are facing more competition and propose lower prices. Even though the SME is one of the few companies providing specific services, in recent calls for tenders the number of competitors has increased from 2 or 3 to 10 or 12. But land and road works is just one branch of the company, bringing 10% to 15% of revenue and is the only branch working almost 100% on PP opportunities. *Max Produkcja-Dystrybucja*, **in addition to a quality strategy, fined-tuned its corporate social responsibility policies to those of big, state-owned companies**, adding quality products for free to create value added in their offers.

ChromoGenics **changed its strategy towards PP** by aligning it to the political vision of Sweden, for a fully circular, green economy. So, it started presenting solutions in line with national policy on environmental and economic sustainability to compete in the PP market.

- **Better dialogue between SMEs and public procurers**

In Italy, *Polo9* believes that **co-planning or convention frameworks are the best fit for social working and social inclusion**, since services offered by a cooperative are strictly related to the territorial workforce and social impact needs. So, a long-term territorial strategic approach and PP in line with the strategy can increase opportunities for local SMEs with more knowledge of territorial needs. Moreover, **in co-planning the budget is fixed**, so price is not the most important aspect and **this opens a door for smaller operators to bring better results**.

Smart Consulting believes that PP in Romania has slowly improved in the last two years. The company tried 'to get the contracting authority closer to reality' when they won a contract. In particular, they informed the client about the real costs of on-site management, technical equipment requirements and many other things that are becoming more and more expensive. *Addwise*, which offers training and capacity building services also to public administrations, stresses **the importance of methodology and quality beyond price**, to be consistent with project implementation. For the company, procurers need to connect internally, to **understand the needs of departments requesting the training**, to write calls that make sense. This can only be done if the public authorities have a long-term vision and programme their training needs accordingly.

Max Produkcja-Dystrybucja in Poland emphasises the importance of quality, quantity, presentation and the variety of products. When competitors started to present lower quality products or quantities to offer better prices, the company made additional efforts. It prepared the best quality products, making huge efforts on presentation, variety, quantity and most importantly, it proposed the same price as competitors, making exceptionally low profits. Since this strategy worked, the SME **insisted on talking to procurers to improve tendering by including quality aspects**. This improved the award criteria by requesting higher quality products in subsequent tenders. Now that procurers are more demanding, the SME is less afraid of competitors with dumping strategies.

Swensk Dos in Sweden thinks that before launching a tender, **public procurers could contact companies to gain a better understanding of the market**. The company contacted procurers who

then improved their tender quality. The SME strongly believes that when preparing tenders, procurement officers consulting with entrepreneurs from the other side of the process would produce much smarter tenders. **It is a win-win when entrepreneurs interact with procurers in the early stages of tender preparation.**

- **More collaboration with other SMEs**

Dinets in Italy had a first experience in PP linked to EU funding and participated as a subcontractor in three projects funded by the European Regional Development Fund in the Apulia region. **It won because the company joined forces with other SMEs**, sharing the administrative burden. The company also thinks that **SME associations** could support SMEs to participate in PP more by organising training on tender preparation or finding business opportunities. They **could encourage SMEs to build consortia and join forces to reduce costs and increase technical capacity**. In the Netherlands, *SavePlastics* **won two local tenders together with two consultancy companies**. In the second it also involved a university to present an innovative solution for a circular economy project. **Collaboration was key** also for *Groenendijk Bedrijfskleding* in international projects on research for cleaner production and the circular economy.

Uchacz in Poland **started to participate in PP by working with construction and transport partners and clients** who were active in the public sector. In the beginning, the strategy was to provide services as a subcontractor. Having done this, it gained experience as well as reputation. Similarly, *Tomcat.Arch.Design* thinks that **cooperating with well-established companies in consortia is a great experience** and allows SMEs to participate in larger projects. Participating in calls for tenders, start-ups and young companies **can build a reputation in the market, getting credibility and a track record of successful deliveries**. In the beginning, the company was not eligible, so it needed to propose services as subcontractors to other companies with PP experience.

For *Addwise* in Romania **strategic alliances with companies that can provide services for other lots in the tender are very important**.

- **Exploring the EU market and beyond**

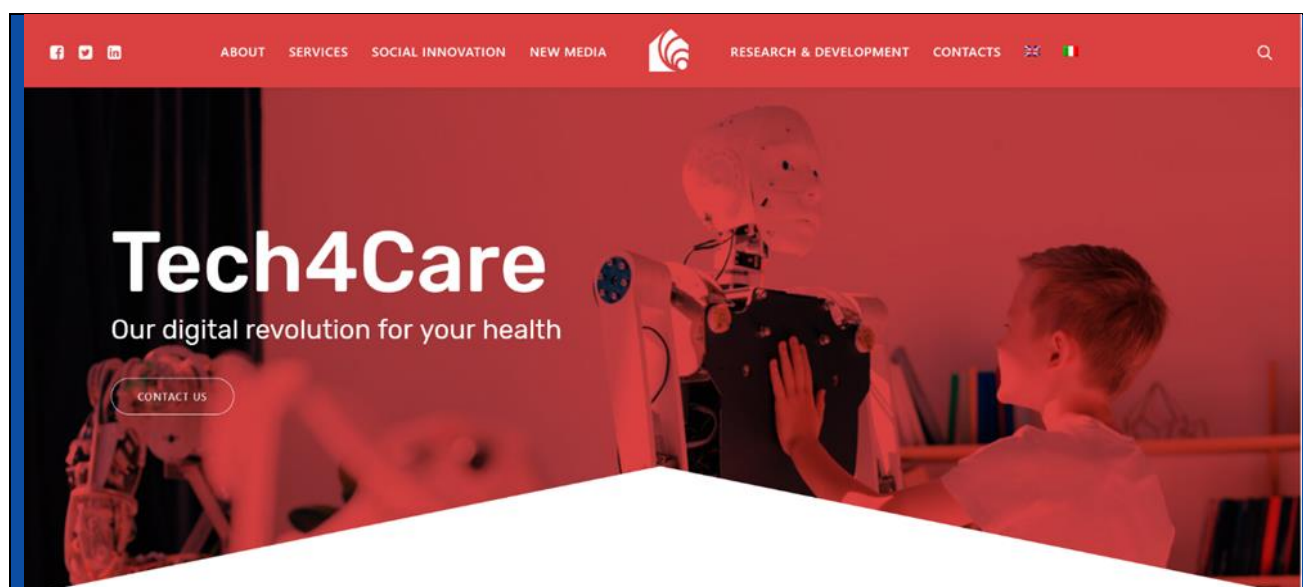
Since the Italian context did not provide ad-hoc solutions to support innovative start-up expansion, *Tech4Care* decided to directly explore the EU market. **By using TED the company found opportunities** in Spain, France and Sweden. Today 95% of its market activity is outside Italy in seven Member States and abroad. All these opportunities have been created through PP with the support of the EU, following the same process of publication, selection and awarding. Also for *Biomed Lublin* in Poland, TED, although it takes time to get used to it, provided the company with a clear picture of opportunities across the EU.

Save Plastics in the Netherlands found **access to the EU market starting from a local tender**, which opened the road to PP. The company now also operates in Africa. Its vision is starting to become real, although in a very unexpected way thanks to PP and EU funding.

4.3. The stories

4.3.1. Italy

4.3.1.1. Tech4Care



Description			
Company	Tech4Care	Created in	2015
City	Falconara Marittima (Marche Region)	Size	Small (15 employees)
Sector (CPV)	33. Medical equipment, pharmaceuticals and personal care products	Website	www.tech4care.it/
Features			
Phase(s)	Screening opportunities		
Difficulties	Lack of trust in PP Few opportunities Too much burden		
Solutions	EU Market through EU Tenders Bid Team up to 6 people		
Communication			
Potential Key Message 1	Innovative start-ups have difficulties in finding opportunities and bidding in national and regional PP, but they are still interested in it. To complement the national offer, they can also exploit the EU single market opportunities using platforms such as TED.		
Potential Key Message 2	Common PP rules in the EU are facilitating innovative start-ups to get access to PP and pre-procurement opportunities in other countries, increasing the business opportunities and giving them a real chance to grow.		

Executive summary

Tech4Care is an innovative Italian SME that uses highly advanced scientific knowledge in new healthcare products, services and good practices based on mobile health, artificial intelligence, virtual reality and the Internet-of-Things (IoT). Their success in national, regional and local PP in Italy has been limited, but they have had success in other EU countries through EU PP and research networks. This is their story.

Walking along with the Family

Jorge made more steps than yesterday. He took off the virtual reality (VR) glasses he was wearing and smiled to Lola, his daughter. This is working! - Jorge said. Lola was so happy!

Jorge is 76 years old and has a chronic disease which is slowly but inexorably damaging his nerves producing chronic pain. Consequently, he has serious motor problems, making it very difficult for him to take normal steps during his long days at home. Knowing this chronic disease has a huge impact on his life and on the life of his entire family, he wondered if he could never walk again.

Recently Jorge began losing this fear and started mastering his bodily movements. This is thanks to a high-tech solution providing real time data, helping him to predict pain and move correctly.

The solution is in its experimental development phase in a hospital in Córdoba (Spain), close to his village. He needs to put on a VR device, but this is not so hard. Lola is monitoring his movements and the evolution of the exercises in an app on her tablet. She can feel more helpful to her beloved father than ever before. Now Jorge is walking along with his family again.

Solutions from abroad, but not for locals?

Jorge's walking at home is today possible thanks to a healthcare family-sensitive solution from Tech4Care, an Italian innovative SME based in Falconara Marittima. They are implementing this in three European hospitals in Córdoba (Spain), Paris (France) and Uppsala (Sweden).

Tech4Care has 15 employees and is currently working in seven EU countries as well as others such as Turkey. Its core business is to develop, test and market solutions based on mobile health, artificial intelligence, VR and IoT, allowing patients to advance their treatments with the help of their own family and considering their *actual* situation.

'Chronic pain patients often have a long medical history and have been treated in many clinical units before reaching the pain unit. That implies lots of information that needs to be gathered by the pain unit to optimise the first visit' says Sara, the Tech4Care business developer. 'Having the information in a structured way ahead of the visit gives the physician more time to focus the interview and optimise the analysis of the patient's situation'.

In her opinion, 'pain management is one of the most neglected aspects of health care, and the fact that it is inadequately managed means costs and losses for the whole system'.

Surprisingly, people with chronic diseases in the Italian region where Tech4Care is based have less chances than Jorge in Córdoba to benefit from similar experimental trials. How is that possible? And why is the Italian health system, apparently, not as involved in applying innovative solutions such as those proposed by Tech4Care as other countries?

PP, an obstacle race for innovative start-ups?

'Italy is implementing a mix of policy measures that are mainstreaming innovation procurement', said Sara. 'There are some good practices at regional level, but there is no national structured policy for innovation procurement. This could include financial incentives, targets and monitoring systems countrywide', she concludes.

From Sara's experience, PP in Italy is not 'so attractive'. She thinks that a start-up company in the health sector 'needs to invest a lot of resources just in screening the Italian market, and the publication of these opportunities seems to be too dispersed and not very clear in the MEPA' (the electronic platform for Italian Public Authority tendering).

On the top of that, she also finds that administrative requirements to get PP contracts are sometimes 'too much burden' and discourage any 'start-up fresh mind to go for it'. PP seems to be, in her opinion, a non-fit for start-ups: 'Italian public authorities do not always grant the flexibility that a research start-up needs to survive', she said. 'We need to grow up quickly, to have a quick return on the investments and this looks like impossible with public authorities, which sometimes are not very responsive on payments'.

The EU single market, an opportunity for start-ups and innovative SMEs

Tech4Care found opportunities such as the VR they are developing in Spain, France and Sweden through TED, the EU PP digital platform. TED is totally open and free of charge. In TED anyone can find PP opportunities at EU level, but also at national, regional or even local levels, since public authorities are obliged to publish tenders above certain thresholds.

Finding opportunities in TED also requires screening. But searching TED can bring a clear overview of opportunities at all geographical levels and for very specific sectors.

To be successful in opportunities published in TED and other EU research platforms, Tech4Care decided to share responsibilities internally when bidding for PP, and this from the screening phase. 'We are up to 6 people (of 15 in the whole company!) working on procurement screening and preparing tenders: you need to dedicate resources to it', says Sara. Since this is strategic for the company, all managers are involved in the process.

'We decided very quickly to look at the EU market since we had contacts in other countries from research projects and networks, which are all operating at EU level. And most of the information is accessible on-line' explains Sara. 'But we didn't know this was bringing us to work so directly at local or regional level in another country'. She encourages other start-ups to adopt a similar approach.

Today, 95% of Tech4Care market activity is outside Italy in 7 EU Member States and abroad. All these opportunities have been created through PP, with the support of the EU, following the same process of publication, selection and awarding.

After their success abroad, Sara and her colleagues have been trying to encourage local and regional authorities to invest in similar solutions through PP to support research companies and help people in their own region. They found some interest in their counterparts, and maybe soon real opportunities will follow.

Sara profoundly regrets the current state because she knows patients that could benefit from the solutions her company is developing for patients like Jorge in other countries. But she is also aware that these solutions could be soon available for the whole EU, which is obviously a good thing. And she encourages other innovative start-ups to take a closer look at the EU market and follow TED publications regularly.

4.3.1.2. Polo9



Description			
Company	Polo9	Created in	2018 (merging three cooperatives established in 1981, 1994 and 1996)
City	Ancona (Marche Region)	Size	Medium (307 employees but with turnover falling under medium company)
Sector (CPV)	85. Health and social work services	Website	www.polo9.org/
Features			
Phase(s)	Verifying selection criteria Awarding		
Difficulties	Tailor-made opportunities for bigger and local players in PP (exclusion criteria, proximity of facilities, etc.) Price over quality		
Solutions	Co-planning and framework conventions to plan PP opportunities for social inclusion		
Communication			
Potential Key Message 1	For social working and social inclusion, low price driven tenders can put local and regional operators at risk, encouraging bigger operators coming from other regions that may ignore the specificity of the communities in the area.		
Potential Key Message 2	There are possibilities beyond traditional tendering and contract services. Co-planning and framework conventions could work with local and regional social inclusion operators.		

Executive summary

Polo9 is an Italian cooperative based in Ancona (Marche region) formed from the merger of three social enterprises. Polo9 has a solid experience in the social economy and social working, offering services in re-education, addiction recovery, ex-convict reinsertion, support for female victims of violence and social integration. The enterprise has community houses for collective living where they offer training, coaching, support and other services to individuals at risk of social exclusion. Polo9 is also keen on research and innovation, working for both private and public sectors. Although they have been relatively successful in PP, they think that public authorities prefer big contracts with big cooperatives from other regions for a lower price, which could be put local and regional operators at risk in their own markets. This is their story.

The turn of a friendly card

Didier is sitting on a wood bench in the waiting room of an old industrial building close to Ancona, an ancient port city on the Adriatic and in the Italian Marche region. He is extremely nervous, but he is making huge efforts to be quiet, keeping his deep feelings inside. From time to time he still feels the fear and desolation of the night he left his village in the Ivory Coast. He remembers kissing his little sister, knowing that it could be the very last time he sees her. That same day, Didier had been playing cards with his best friends, losing every hand. 'Don't worry, Didier, there is always a moment when you get the turn of a friendly card', his friends laughed. Back to the waiting room in Ancona, Didier wants to cry.

A 50-year old Italian man comes into the room. 'Didier?'- he asks. 'Yes, it is me', he replies in a very acceptable Italian. 'Congratulations, you can start working next Monday. Please bring protection shoes, you will need them. Do not forget the shoes'. 'I will not miss this. Strong shoes', he says. Visibly moved, Didier shakes the hand of the man and runs out of building. He starts crying, but this time with a big smile in his face. He just got the turn of a friendly card.

Didier (a fake name to protect his identity) arrived in Lampedusa in very poor health on 31 May 2017. He was dehydrated, after a long, extremely dangerous journey in an illegal boat, coming from somewhere between Libya and Tunisia. 'I had nothing with me' – he explains. 'But I was really lucky. I got the chance to be included in a migrant hosting project, others did not. They gave me a place to sleep with other boys, they took care about me. They taught me Italian, and some months later they gave me the possibility of training to become a welder. It was hard to learn, I was a little bit lost. Then, I received a visit from Paola, with the project *Con...tatto* as the company's tutor. She invited me to work in another community centre. Paola found me a new opportunity with an apprentice contract. And today I was accepted! Now I will have a salary and I can go ahead with my life.' Didier says. 'And I will be sending part of my earnings to my little sister', he says more proudly this time.

Transforming fragility into strength

Con...tatto (in Italian both 'Contact' and 'With tact') is one of the most successful worker reintegration projects in Marche. It is run by Polo9, a social enterprise formed from three social reintegration cooperatives established in 1981, 1994 and 1996. Polo9's perspective is to change and to connect services between people and territories, in a mutual exchange allowing both to grow and to develop. Polo9 transforms fragility into strength by promoting changes and encouraging a supportive and inclusive community.

Polo9 has a lot of experience helping people who have seen social harassment, conviction, drug addiction, gender violence and unbelievably bad living conditions. Since 2017, they have received more and more young people like Didier from the Ivory Coast and other African countries.

Polo9 has four therapeutic communities, where they provide food, sleeping places, and sanitation. They psychologically support people to overcome difficulties in their lives. But most importantly, they teach them to work, and work every day. Anyone who is accepted into community must work.

Targeting public sector to grow

Polo9 is well known in the Marche region. They strongly believe in training and upskilling, as well as social insertion, having also hired beneficiaries of their services. 'This is one of the things that makes Polo9 different from other cooperatives, we are almost the only one hiring beneficiaries', says Gabriella Noto, Polo9 bid manager. 'But this message doesn't seem important enough to public authorities, since this kind of inclusion has never been a criterion in the tenders we have participated in'.

Since merging the three cooperatives, Polo9 changed their strategy towards PP. They dedicate internal resources to PP calls, including Gabriella and her colleague Stefano Ialenti, Polo9's R&D coordinator. 'Polo9 has traditionally worked on contracts and concessions, in partnership with associations and operators. But since we are growing significantly, we know we can be a great player for public authorities in the region, and that we can also work outside Marche', explains Gabriella. But apparently, this new strategy is not working as they imagined when they adopted it. Why not?

The risk of falling in aggressive pricing

Large national and regional competitors had a clear impact on smaller regional and local markets. A primary reason is the final price: 'Very recently, we lost a concession contract in a retirement house. We managed the previous contract, which was renewed due to Covid19. After that, the municipality issued a new call for tenders, we were obviously well placed to have the contract awarded. But we lost the contract also because another competitor, from another region, proposed a price 20% cheaper.'

This price difference seems to be due to the size of the cooperative. 'We cannot compete with much bigger cooperatives; they have a €100 million turnover and can be much more aggressive on price just to get the contract', says Stefano. 'They propose their tested and well-known methodologies to other territories but using a local workforce. By doing this, smaller local cooperatives lose attractiveness and competitiveness. In the end we are at risk, we could lose our traditional market.' says Stefano.

'Public authorities are tempted to fix lower prices in their next calls, and we could be systematically out. Paradoxically, this is breaking the relationship between public authorities and the territory', says Stefano. 'Project managers in bigger cooperatives are not local people, they do not know the local staff very well, so the strong connections between managers and workers are damaged. For bigger cooperatives, workers are just employees, they are not considered as members of the cooperative, and the values and mission could get lost. In these conditions, the social worker is even less protected, weakening social cooperation', explains Stefano.

There is room for improvement and for innovative solutions

Both Gabriella and Stefano are convinced that there is room for improvement in PP. They think that public authorities could change their perspective in a win-win scenario.

'The real problem is that contracts for social working and social inclusion are seen as any other contract, economically driven. Public authorities could change this perspective by proposing other formulas such as co-planning or convention frameworks', says Gabriella. 'From our point of view, co-planning is the best fit for social working and social inclusion, because services offered by a cooperative are strictly related to the territorial needs, in terms of work force and social impact. So, it is much better to have a long-term territorial strategic approach and PP in line with the strategy'. 'The other great advantage of co-planning is that the budget is fixed, and therefore price is not the most important aspect, opening a door for smaller operators and offers that will bring better results', says Gabriella.

Polo9 is committed to discuss the situation for cooperatives in the region with public authorities, and to jointly find innovative solutions that could better match reality. In the meantime, they have

unconditional supporters such as Didier, who is still committed to work with Polo9 in the therapeutic house where he got a new opportunity in life.

4.3.1.3. Dinets

Description			
Company	Dinets	Created in	2000
City	Ancona (Marche Region)	Size	Small (44 employees)
Sector (CPV)	72. IT services: consulting, software development, internet and support	Website	https://www.dinets.it/
Features			
Phase(s)	Screening opportunities Awarding		
Difficulties	Asymmetries in regional PP, different requirements, eligibility criteria and other aspects that could be coordinated or standardised Payment uncertainty, payment schedule periods are too long for SMEs Too much burden for every type of PP Public digital platforms on PP inefficiencies Language and specific administrative burden as barriers to access EU / Member State PP Lack of joint vision among companies in the same region		
Solutions	Proposing services as subcontractor to avoid payment problems Building alliances with bigger companies Targeting public operators trusted for payment		
Communication			
Potential Message 1	Key	SMEs could benefit from savings on tender preparation costs if bidding within consortia. Business associations could support more SMEs, preparing them to participate in PP, by providing training and help in screening opportunities.	
Potential Message 2	Key	Language and administrative burden are serious obstacles for SMEs to participate in PP in other Member States.	

Executive summary

Founded in 2000, Dinets is a cutting-edge, Italian, ICT SME based in Ancona. They provide IT solutions and service system integration, focusing on communication and collaboration, data centres, cloud computing, networking, security, and mobile computing. Dinets a top Italian company implementing the Internet of Things, Mobile Computing, Big Data & Analytics solutions with fully exploitable process automation and resource streamlining. They have developed several applications and solutions which are extensively used in e-health and e-government at national, regional and local levels and target the public sector, which makes up 75% of their turnover. As with many other companies, they started participating in PP as subcontractors, and after some successful bids they won some calls as the leading company. They were remarkably successful at local and national level, but meet difficulties in regional and EU calls for tenders. This is their story.

High-tech medical patient handling

Gianluca is waiting for the ambulance service that will take him to the hospital to get his regular treatment. When the driver arrives, he helps Gianluca to get settled. Gianluca take a tablet, fills in the online application and sends a request, which is automatically handled at the hospital. 21 minutes later, on their arrival, everything is ready for Gianluca. A nurse is waiting with another tablet in her hands. She checks him in on the system. At the daily low-emergency services room, Gianluca is seen immediately by a doctor, who has all his history on the screen. Just one hour later, Gianluca is back home, checking his medical history with his daughter, accessing a platform through the internet.

This high-tech patient handling system was developed by Dinets, a top Italian company implementing the Internet of Things, Mobile Computing, Big Data & Analytics solutions with fully exploitable process automation and resource streamlining.

‘We are proud of our MediaWeb platform, it took us many years to develop’, says Andrea Annini, Dinets’ General Administrator. ‘The platform is a unique interface to handle any patient-related issue, including keeping track of patient medical records and health cards, managing documents such as privacy statements, admission and discharge forms, booking visits and checking test results through hospital systems, reserving meals, video-consulting with hospital staff and/or between physicians and hospital wards or attending Holy Mass at the hospital chapel by clicking a dedicated link. Everything!’, explains Andrea proudly.

Not successful at home, successful in other regions

‘For more than 15 years we have been providing these kinds of IT solutions for the public sector through PP opportunities. But to our regret, we had no success in our own city (Ancona) nor our region (Marche). I really think that Marche regional authorities are reluctant to work with regional companies’, explains Andrea.

‘Regional PP markets can be hard, we know that. But we were successful in other regions such as Apulia, Emilia Romagna, Lombardia and Lazio. And we have great penetration at national level. The solutions we provide are top quality, I do not see why the place where the company is established should have an influence on awarding the contract. But this is just one of the many difficulties SME experience when participating in PP’, says Andrea.

Timely payments, a real problem for SMEs

‘The tender assignment takes too long for SMEs. Procurers often request more documentation between announcing the award and contract signature. This means more time and more work for no real value, and you cannot avoid this long process if you are targeting the public sector’, complains Andrea.

‘On the other hand, some public authorities sometimes do not pay on time, and this can be problematic for SMEs, which need to have healthy cash-flow and income. This is another good

reason to participate in tenders as subcontractors. We know that big companies have sufficient resources, so they will pay their subcontractors on time. It is safer', explains Andrea.

'We have a lot of experience with PP and we know which public authorities pay on time. We use the leading contractor formula only in tenders issued by those procurers. When we find an interesting call published by another authority less trusted for payments, we contact bigger companies and propose ourselves as subcontractors, even when the tender is divided into lots', says Andrea.

Digital platforms on PP need to improve

'We try hard to follow all PP opportunities in the ICT sector, which are a lot. We are registered on the online Italian national tender system (MEPA), and in regional platforms where all these calls are published. Because we are in the ICT sector, we have a professional point of view on the performance of these public platforms. For example, the MEPA system does not alert you to all new tenders, and does not invite you to bid either. In some tenders, you receive a notification when you have been invited, but in others you need to check if you can apply. It is always up to you to verify whether there is any interesting business opportunity for your company', says Andrea.

'If you want to receive tender notifications and alerts, then you need to register on a paid platform, and indeed we have. These are more business-oriented solutions, but they just reuse public data. They bring little added value, these services could already be included in the MEPA system', explains Andrea.

'Both free and paid platforms require regular updates on the documentation. There are 3 people in our bidding department looking for tenders and preparing the technical documentation and believe me, this is a lot of work!', complains Andrea. 'This is even more true when you take a deeper look into specific requirements. Each region is asking for different documents and references, this is time consuming and could be better coordinated. To have common rules for applications and selection criteria will be helpful', thinks Andrea.

EU opportunities in PP if joining forces

'In fact, our first experiences in PP were linked to EU funding. We participated a temporary joint ventures forces, we shared the administrative costs and were very complementary. For SMEs, EU PP is even more difficult, not only because of the linguistic barriers and the administrative burden, you need to join forces to be competitive', explains Andrea.

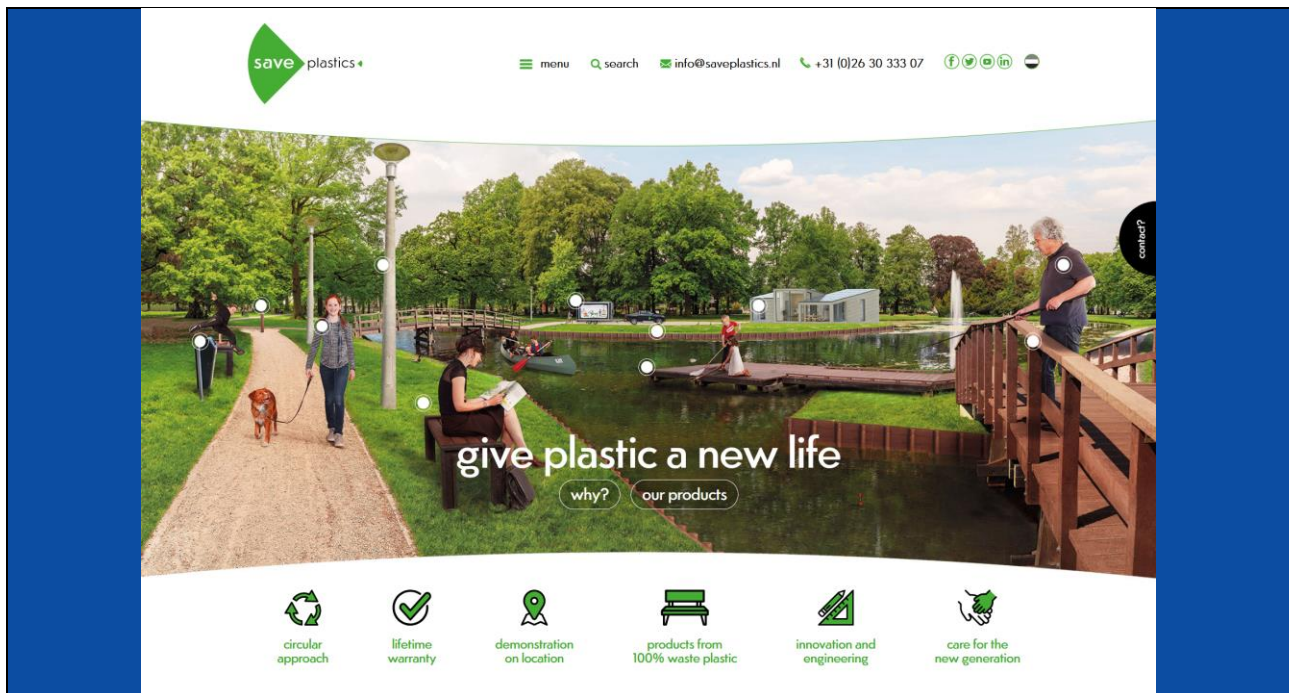
'We thought we could find companies with this vision of joining forces in regional business associations, but it has not been the case. We are a member of Confindustria Marche, but despite this, we did not find SMEs to collaborate in our region. Regional SMEs are not inclined to cooperate, as they prefer to bid alone. They pretend they can do everything, even in the ICT sector, where you really need other companies' services to be successful. So, there should be no doubt about participating together in PP', says a disappointed Andrea.

'These associations could support more SMEs to participate in PP. They could organise specific training on tender preparation, or try to bring business opportunities, they have contacts with procurers', says Andrea.

'Authorities could encourage SMEs to build consortia, to join forces, this could reduce costs and increase technical capacities. The Italian market is made up of SMEs, but they are not competitive in international arenas. Only when joining forces can SMEs face up to bigger companies in big public markets. And from the side of procurers, I think they should look more into the value added of local businesses before awarding to companies from other regions', says Andrea.

4.3.2. The Netherlands

4.3.2.1. Save Plastics



Description			
Company:	Save Plastics	Created in	1990
City	Arnhem (Gelderland)	Size	Micro (6 employees)
Sector (CPV)	90. Sewage, refuse, cleaning, and environmental services	Website	www.saveplastics.nl/
Features			
Phase(s)	Screening opportunities		
Difficulties	Lack of experience in dealing with PP Administrative language, excess burden		
Solutions	Access to EU Market through national tenders (include Interreg possibilities on the local tender) Alliance with innovation consultancy company specialised in PP tender preparation		
Communication			
Potential Key Message 1	SMEs can grow when participating in PP, given common needs in some sectors. Finding cross-border national/regional solutions including EU programmes in local and regional tenders related to key strategic EU policies.		
Potential Key Message 2	Targeting public authorities can be fruitful especially in the medium to long term: one route to success is to build strong links with companies that have experience in PP tendering, able to face administration burden and fit the specific requirements.		

Executive summary

Save Plastics is a 30-year-old family business, based in the small city of Almere, the Netherlands. They transform low-grade plastic waste into urban and civil engineering solutions, giving new life to refuse that otherwise has to be burned, with a bad impact on the environment. The business recently grew thanks to PP, combined with EU grants. This is their story.

A vision of a world of reused plastic

Bram is looking out of one of the big windows in his new house, which he recently moved into with his family. Outside is green and calm, you can feel nature around. This view is part of Bram's vision -his dream- of a cleaner, more sustainable Netherlands and, why not, a much better world. He called this new house *Save Home*.

Bram made his own house by using low-grade plastic refuse, which nobody knows what to do with when it comes to recycling centres. It ends up in a high temperature burning chamber, with a very bad impact on the environment.

Bram Peters was achieving his dream while working in his own small company with 6 employees, [Save Plastics](#). This continues the work his father started 30 years ago, creating moulds for low-grade plastics, transforming them in something useful and durable. For the last 10 years, Bram was able to go much further than his father, developing the first public lamppost 100% made of waste plastic, as well as park benches and picnic stations, small bridges, water retaining walls and the first fully self-sufficient movable home. This is made with local plastic waste and is where he is living now.

'The world wants to be plastic free, but nobody is taking care of all these billions of tons that are thrown into our rivers, seas or simply released into the air when they are finally burnt. I see the world reusing the plastics we don't want anymore and giving them another life.', Bram says. 'I want to help my country to become a better place to live. This is my vision.'

Growing thanks to PP

For more than 20 years, Save Plastics was providing B2B solutions, most of the time with local and regional businesses. Capacity was limited since they were only producing the moulds, outsourcing production to a bigger plastic producer in Germany. But Bram had larger ambitions: he wanted to move to B2C, growing quickly with his own full production line, not depending on industrial partners.

One day, he heard that the city of Almere was presenting a plan to become fully Circular in 2030. The city wanted to create a 'plastic recycling factory', to address the ban on shipping plastic waste to Asia and taking responsibility locally. This was an opportunity! Bram contacted the city to present his products as well as talk about his production plant plans and his own 'plastic world' vision.

'I organised a boat trip for the city officials, since 90% of our products are outdoor furniture or solutions that can be seen in rivers and in parks close by. They loved the products, especially the idea of producing them for the city. But they explained that to have these products, the municipality had to launch an official tender. At that time, I was confused: what is a tender? I was thinking of chicken tenders! I did not understand what they were really talking about' says Bram smiling.

The City of Almere launched the tender some months later in 2018, inviting Save Plastics to take part, along with many other well-known plastic recycling companies. When he received the documentation, Bram was shocked: 'Do I have the time and the capacity to go for it? Is this really worthwhile?' he says. 'The tender was also for specific issues on innovation that were simply out of my scope'. He was very sceptical about participating, but since the city showed a lot of interest in his products during the boat trip, he finally decided to go for it.

Bram was spending his own holidays preparing a proposal when, sometime later, he met somebody from an innovation consultancy company, [Partners for innovation](#), that was also interested in the tender. They told him that his proposal was going to be rejected since it did not reply to the technical specifications.

‘That was really frustrating. For me, all that administrative jargon was hard to understand, I was just preparing a great proposal to reuse plastic waste and start delivering the products as soon as possible.’ After some talks, both companies decided to go for the together as a consortium tender. ‘This was a great decision, I do not regret it at all’, he confesses. ‘We were even a little bit scared when we knew that our industrial partner in Germany didn’t want to participate in the tender, and even more when we knew that big players were also participating in consortiums with big consultancy firms.’, says Bram.

A new world of opportunities with EU funds

At the opening session, despite the feeling that he could be *out of the game*, Bram was somehow having a lot of fun: ‘All the big companies were there, these people were looking at me thinking: who is this guy? But it was even funnier when we got the contract!’, he laughs.

Save Plastics quickly started to work on creating the plant and planning the production of 10 pilot projects, as agreed in the proposal. The company was growing quickly and suddenly becoming a real player. ‘Winning the tender in the summer of 2018 opened other doors for me. I gained a new reputation and visibility with it’.

The big move was yet to come, within the tender there was also the possibility for the company to ask, together with the municipality, for an Interreg grant to promote innovative green projects. This could ensure more funding for the plant whilst making production available for any local and regional player, creating synergies and ensuring fund blending.

‘At the very beginning I didn’t even see that paragraph’ Bram admits. But when he was contacted by [Reeleaf](#), a consultancy company specialised in EU green funds including Interreg that was also supporting the municipality of Almere with this EU programme, he saw the opportunity to finance his plant and to grow even faster. ‘That was amazing: already awarded a project and suddenly having the possibility of a new one’, says Bram.

The production line on hold

With the help of Reeleaf, Save Plastics and the Manchester Metropolitan University (in partnership with other parties) presented a circular economy project, [TRANSFORM-CE](#). They finally got the grant in 2019. This was great news for the plant, which will be operational by the end of 2020. ‘Fully operational? Not exactly’ – Bram says. ‘Surprisingly, although the plant is going to be there soon, neither the municipalities, the province nor the region have yet ordered any product, which was the goal.’. How was this possible?

‘To make the Plant profitable, the City of Almere was committed to buy products made of low-grade plastics collected in the wider Almere area. It was their intention to sell these products to other public entities, such as the water board and municipalities in the province of Flevoland. They were even committed to show the products at the national trade fair, Floriade, to be held in Almere in 2022.’, explains Bram.

‘But when we came to visit the public authorities to promote the products, they said they cannot work with plastics, even recycled ones. The regulations are strict, promoting concrete and steel. They said they could review the regulations to see if they can buy some products. At least they liked them’, Bram says.

Going international

In parallel, Bram was able to produce his dream *Save Home* plastic house. The City of Almere shows the house as an innovative achievement in its race to become fully circular by 2030, attracting interest from international players.

‘Right now, we have agreements to start producing modular projects for Africa’, he says proudly. ‘And we have also been contacted for other interesting public sector projects, with PP. But I am still

willing to develop this more extensively in my own city, my region, and my country. Somehow it is a pity that we are on hold here' he says.

Back in his dream plastic house, Bram is proudly looking through the window again. His vision is finally starting to become real, although in a very unexpected way thanks to PP and EU funding.

For those who want to try PP and be successful, he is clear in his advice: 'PP is not a one-shot adventure, it is a much longer commitment and a learning process. If you do not have the capacity, the means, the time, the experience, you need to find the right allies to get into it. Otherwise you risk losing your holidays on something useless'.

4.3.2.2. Groenendijk Bedrijfskleding



Description			
Company	Groenendijk Bedrijfskleding	Created in	1997
City	Woerden (Utrecht province)	Size	Medium (200 employees)
Sector (CPV)	19. Leather and textile fabrics, plastic and rubber materials	Website	www.groenendijkbedrijfskleding.nl/
Features			
Phase(s)	Awarding		
Difficulties	Lack of experience for public operators preparing PP Not enough expertise and few contacts Increasing diversification and new quality standards		
Solutions	Permanent exchange with potential public sector clients In-house specialisation in PP tender preparation Cross-border and international cooperation on research for cleaner production, developing the circular economy		
Communication			
Potential Key Message 1	PP is a catalyser for social and environmental engagement when it includes criteria on social inclusion, social impact, health and environmental issues or the circular economy.		
Potential Key Message 2	It is important to encourage local and regional authorities to use PP to promote the local economy and SME participation.		

Executive summary

Groenendijk Bedrijfskleding is a leading workwear SME, based in Woerden since 1997. From the beginning, the owners have been keen to keep the best quality standards in the whole production life-cycle (from selecting fabrics to the end of product life). These include social aspects such as gender equality, fair trade and employment dignity in the production centres as well as environmental aspects such as fabric recycling and not using harmful chemicals. They have been able to do this with PP, where price is not the only factor and tenders can include social and environmental criteria. The company today has a turnover of €35 million, some 200 employees and production agreements for every continent, although their main market remains The Netherlands. This is their story.

Saving lives of those who work saving lives

Anna is surrounded by a huge fire. She is in shock and her 7-year old brain cannot provide her with a clear idea of what is happening. She is crying, shouting, holding tightly, extremely tightly, to her teddy bear. In a second, she sees an astronaut coming, or maybe an alien? The figure immediately takes her into his strong arms, covering her under his deep, deep coat. Just a few seconds later, Anna is looking at her feet, she recognises her balcony. There is smoke everywhere, she cannot open her eyes and she cannot breathe. After that, the darkness, she has lost consciousness. 16 hours later, Anna wakes up in a hospital room painted pink. Her parents are close to her bed, smiling, but mom is crying a lot. Anna is safe and will recover soon from third degree burns, but she could have died just few hours ago.

Anna was lucky to be saved by a brave fireman wearing one of the most sophisticated firefighter jackets in the world. It is made of fire protection and retardant fabrics, able to repel toxic abrasive elements. It is deeply impermeable but breathable, keeping the body much cooler inside than the outside. It includes reflective patches that can be seen in thick smoke and it is almost unbreakable: 8 layers of life-saving materials. This special equipment is one of the top technical products of Groenendijk Bedrijfskleding, a market leading Dutch SME.

'We produce a wide range of technical workwear such as firefighter gear. We work hard on satisfying specific client requests. We are now producing a specific uniform for the customs authorities which includes more than 60 specific items', says Jaap Groeneweg, the company's general manager. 'We are doing well as we are really worried about functionality and, of course, workers' lives.

But these are not the only lives the gear is saving. The company is strongly committed to the fight against poverty, applying a strict code of conduct in its production centres all over the world. This is in cooperation with [Anfori BSCI](#), a global association for open and sustainable trade, which audits most of the providers. Since 2018, the company has worked in Ghana with [Ethical Apparel Africa](#) on improving the quality of employment conditions (including protecting children from exploitation, as well as engaging women and men to work with dignity). Production is introducing new elements with no negative environmental or health impact.

The company is also committed to society much closer to home, in the Netherlands. Groenendijk hires employees with difficulties to get into the labour market. It works in partnership with [Ferm Werk](#), an NGO specialised in social return and the long-term unemployed. Groenendijk 's office and distribution centre are next to Ferm Werk's facilities, making it easy to collaborate. They started to work together by employing people in logistics, delivering orders, returns, checking goods, replenishing articles and similar tasks.

In 2019, the collaboration with Ferm Werk was extended to catering, cleaning, technical services and landscaping. In addition, Groenendijk is in partnership with schools in the area, offering training for students to work in the warehouse. And these are just a couple of examples of Groenendijk's social commitment.

Caring about environmental impact, trying to get circular

In addition to social issues the company also addresses environmental concerns. 'Dealing with the environment starts with thinking about how clothing is made. We strive for production methods that are effective, but that also respect the environment. In these times, it is hard to choose fabrics, paints and finishes from suppliers that do not use chemicals which could have a harmful effect on health or the environment. We have an increasingly clear picture of such suppliers', says Jaap.

The company's vision on the environment goes even further. Most recently, the company has focused on finding ways to have full circular economy production. 'To recycle some high-protection synthetic materials is extremely complicated, especially after exposure or intensive use. So we are participating in an EU co-funded Interreg project, [CircTex](#), where we are all looking at innovative solutions to recycle parts and fabrics and to close the circle. Many public tenders ask for circular production. This is technically difficult, but we think it is not impossible. We are working hard on it.', explains Jaap.

PP, the catalyser for Social and Environmental engagement

'All this is possible thanks to PP. Other markets demand quality, but clients are looking mainly at the final price, they do not take into consideration social return or environmental issues if they are not obliged to by law or regulation', explains Jaap. 'Close to 70% of our business is in PP, and we are very happy about that, since this enables us to still do what we do for people, here and abroad.'

The door to deploy Corporate Social Responsibility activities was less open years ago, at the very beginning of the first PP opportunities for workwear. 'I guess tendering for workwear was new and has evolved a lot with time. It was a learning process for public authorities, as it was for us when we started to seriously target public tenders in 2007' says Jaap.

'I was hired to look at those opportunities. Although we were quite successful from the beginning, we did not have a clue how to do it. We just tried and tried, since we were convinced that this was our market. Both parties were quite new to it, there was no real culture of PP at that time, but now we can see it everywhere', reflects Jaap.

'Nowadays we see a lot of small tenders (i.e. below thresholds) launched by public operators, and the number of small competitors has increased as well: now you can face 10 or even 15 competitors in a local tender. These are obviously small companies that cannot compete with us on what we do in social or environmental aspects, but they can be competitive on price for simple requests', Jaap says. 'For some recent local PP, we decided to not submit an offer'.

New strategy towards PP

What is their strategy now that other competitors are coming into the field? 'We are much more focused on big tenders, more complex ones, where you need to invest and innovate. Like the fireman workwear', explains Jaap. 'This has been a big challenge for us. We moved from bidding for every opportunity, always thinking about providing whatever the client needed, to a more strategic approach. The goal is to produce and deliver top-quality more innovative products, with full respect for the environment whilst trying to contribute to society as well.'

Since it grew quickly, the company has tried to bid for PP in other EU countries, but the public sector seems to be 'attached to national providers, especially in sectors related to security and defence', says Jaap. For opportunities in international PP, Jaap needs more time to understand it better. 'We are doing so many things that we haven't had enough time to explore international tendering, but the Interreg experience is positive and has changed the way we look at this'.

For those who want to get into PP, Jaap is clear: 'the key to success is working hard, asking many questions to find what is really on their mind. But you must be ready to be on your own, because there is little interaction with the client. We should have more meetings, specially on the technical side, to talk about what is possible and where the real issues are for producing such tailor-made products, we are not magicians!'. Maybe not, but in the meantime, they have been successful in

making workers' lives better and safer whilst caring about social and environmental issues. And, most importantly, Anna is still alive.

4.3.3. Poland

4.3.3.1. Uchacz

Description			
Company	Uchacz	Created in	1970
City	Tymbark (Lesser Poland region)	Size	Small (30 employees)
Sector (CPV)	45. Construction work	Website	www.uchacz.com
Features			
Phase(s):	Verifying selection criteria Awarding		
Difficulties	Lack of experience in dealing with PP Lack of references (at the very beginning)		
Solutions	Searching alliances with successful operators dealing with PP Diversify business activities using PP to complement main business activity		
Communication			
Potential Key Message 1	SME can successfully diversify activities.		
Potential Key Message 2	PP contracts are better structured, with little room for unexpected demands during implementation.		

Executive summary

Uchacz land and road works is a Polish company providing tree felling, land preparation, excavation and related services including renting machinery and equipment. The company is part (branch) of a family owned group (Uchacz group) that started in the transports sector in the 70s. The activities cover national transport, petrol supply and stations, concrete production, construction, building, land preparation and road works. For land and road works, 80% of their contracts are through PP. The company started as a service provider for State Forest National Forest Holding (Lasy Państwowe), specifically land works in natural areas. The company makes up 10 to 15% of the group revenue, contributing to the group's stability and expansion. This is their story.

Big fish in a domestic fishbowl

Piotr, the official for public works at the Mszana Dolna municipality services, is just opening the offers they received on a call to acquire 200 m³ of concrete for renovation works at the municipal library. He is surprised to find an offer from CEMEX, the biggest concrete producer in the world and the offer fits the price they are looking for. 'I do not understand, this is like having Coca-Cola offer to provide soft-drinks at the mayors' Christmas party', thinks Piotr. But the offer is there, among another 10, and must be considered as any other.

'This is one of the effects of the pandemic', explains Janusz Uchacz, general manager of concrete production and raw material supply at the Uchacz group.' Big firms such as CEMEX usually target big construction and road work tenders because they can supply big quantities. But with the crisis, most works have been suspended, and there are much less opportunities in the public sector. Because they need to place their product, big firms are now competing in local markets, even under the official threshold to launch an open tender, as in this one. 'This is understandable, although it could be risky for an SME such as us. In the end, a big fish in a domestic fishbowl will be tempted to eat the small fish around', says Janusz.

'In our case, we are pretty much on the safe side. We provide services to the State Water Holding Polish Waters, in a specific niche for land works in natural areas. But, even if we are one of the few companies providing these services, in recent calls for tenders, the number of competitors has increased considerably, from 2 or 3 up to 10 or 12', says Janusz.

'The land and road works branch is just one branch of the group. It brings between 10% and 15% of the annual group revenue. And it is the only branch working almost 100% on PP opportunities', says Janusz proudly.

'In fact, we launched the land and road works branch because it made a lot of sense to the group at that moment. We were delivering heavy materials to construction and road projects, starting to produce and deliver concrete and we had contacts with machinery providers. Therefore, we were ready to support some of our construction clients by renting machinery and delivering concrete to local works. We have always been keen on diversifying, but only if the new business was deeply connected to existing ones', explains Janusz.

PP as a mean to get business, not a target

'We did not target PP as such, we just saw the opportunity to expand the business by renting machines that we were able to lease', says Janusz. 'But of course, all these contracts were supposed to provide services to local, regional, and national public authorities, and therefore the opportunities were mainly in PP. We thought that this was just something we could learn, working closer with our construction partners and transport clients, who were really active in the public sector', explains Janusz.

'At the beginning our strategy was to provide services as subcontractors, we knew we could provide the service quickly and our partners appreciated that. After participating as subcontractors in some calls for tenders, we gained a reputation in the market. Everybody was suddenly aware that we had

new machines, expensive ones, and that we delivered quality services. And that was good news', says Janusz.

'Because we leased the machines, at some point we thought we didn't need to wait for other companies to call us to be part of their offers. We had complementary services to offer in construction and concrete. We tried to bid directly, targeting small tenders in places we already worked, and we were successful', explains Janusz.

'Some years later, we tried a longer shot. We saw an opportunity to provide machines for land works in natural areas published by the SF National Forest Holding and we got the contract. After that, we won more and more of their contracts for that kind of service, and they remain our main customer.'

No problems in PP but the future is uncertain

'We do not have real problems with PP. We are a qualified subcontractor, thanks to these first tenders, and therefore legal issues are not a problem. The public sector is a secure business, authorities are good on payments, although with the crisis it is getting harder on the price side. Procurers are discovering there is more competition, and they can propose lower prices. But we are pretty confident that this is temporary, some companies will disappear, and we will face less competition in the future', says Janusz.

'What I personally like a lot in PP is that the model is clear and stable, it is a secure sector. Calls are usually very clear on the services to be provided, and there are few surprises during implementation. Once you get used to the administrative rules and procedures you can propose your services calculating costs and expenses in advance, and you know that there will be no surprises during implementation', says Janusz.

'On the other hand, there is some uncertainty about future business. I am optimistic, but my brothers are a little pessimistic. Due to the Covid19 crisis, this year there was less business activity, in both the public and private sectors. And there are consequences to that. In the public sector, local and regional authorities will collect less money coming from taxes, affecting their future budgets', explains Janusz.

'We think that 2021 will bring fewer PP opportunities than 2018 or 2017, for example. But if the private sector is stagnating, then the problem could be even worse in future. In this context, I am quite happy to have contracts with a national public operator such as the State Water Holding Polish Waters. They have budgets for 4- or 5-years, they do not work on a yearly basis and this is somehow reassuring for us', explains Janusz.

Keeping business alive

'In this branch of the group we employ some 30 people, and we are working hard to keep all these jobs in place. If, as the government said, some money will be injected in local and regional bodies to boost the economy, this will be helpful. More money means more PP opportunities and that is really what could relaunch the business. We need and we are willing to work', says Janusz.

'The sad reality is that because of the crisis companies, regardless of their size, are struggling to keep business alive. Each one of us is trying to find the best way. Some companies are proposing no margin prices to ensure a cashflow and pay their own liabilities, leasing operations and employee costs. Others are penetrating any market, because they cannot switch off their production lines', explains Janusz.

'We would like to avoid big fish in our local fishbowls, that's for sure. But honestly we would be even happier if smaller desperate competitors that can break the market with extremely low prices were not taking part in these calls and local opportunities. I really hope this will not last, otherwise the whole market could be in danger, but I am still positive that this will not happen', says Janusz smiling.

4.3.3.2. Max Produkcja -Dystrybucja

MAX
Sweets Producer and Distributor

THE COMPANY OFFER OWN BRAND SPECIALS EU GRANTS CONTACT

SPRAWDŹ NASZ
ŚWIĄTECZNY
KATALOG

AGA brand

Sweets are our passion.
Through hard work, we have gained a strong position on the market.
Tradition and experience - it speaks for itself. Our production
plant has been operating since 1960.

Fast contact

+48 (18) 26 80 103
+48 604 783 724
firma@maxslodycze.pl

Description			
Company	Max Produkcja - Dystrybucja	Created in	2002
City	Mszana Dolna (Malopolska region)	Size	Small (40 employees)
Sector (CPV)	15. Food, beverages, tobacco, and related products	Website	http://maxslodycze.pl
Features			
Phase(s)	Screening opportunities Verifying selection criteria Awarding		
Difficulties	Lack of experience in dealing with PP Competitors		
Solutions	Quality and less margin to win bids, with extra efforts on CSR Permanent exchange with procurers to boost quality criteria		
Communication			
Potential Key Message 1	PP can offer opportunities in many different sectors, SMEs should explore the possibilities using existing digital platforms and tools.		
Potential Key Message 2	Quality and social impact can be key aspects for public procurers. SMEs need to show quality standards and meet procurers to offer the best quality products and services matching the needs of procurement beneficiaries.		

Executive summary

Max Produkcja-Dystrybucja is the leading Polish firm for sweets production and distribution. The company founders, a married couple, started to work in food distribution and sales in 1990. In 2002 they created their own distribution company specialised in distributing sweets, with a van and a small warehouse. In 2012, they saw the opportunity to buy a family owned sweets and chocolate manufacturer and they launched Max Produkcja-Dystrybucja. Since then, the company increased its participation in PP, winning a lot of contracts by providing top quality products, restricting profit margins, and aligning their CSR policies to those of their clients. This is their story.

A very special Christmas basket in Covid19 times

Gosia is playing with other children at the Municipality Communal Social Welfare Centre in Krakow. She has been there every day since June 2018. Now she is happier than ever, although she is still a bit scared every evening going to her father's place. Her mother died last year and her father has been unemployed for a long time. He has big problems. The family is poor, and before she started to go to the centre, life was a real nightmare for this 6-year-old. They have moved every year to new places, always dark and cold, sharing one small room, sometimes even with other people. The social services promised to provide a new place for both Gosia and her father to live, but this has not happened yet. While waiting for this, she thinks of the little things that make children happy: sweets, candy, chocolate! As Christmas is approaching, she is hoping that this year, at the Centre, she will again get a Christmas basket full of sweets and chocolates. She cannot wait!

'Oh, she will get a huge surprise this year, believe me!' says Marek Worwa, MAX Produkcja-Dystrybucja sweets warehouse owner. 'Christmas baskets are our speciality. We are proud to provide these baskets to state-owned companies, public bodies, civil servant unions, many other public institutions, and private companies. Some of these send Christmas baskets to orphan children and families in difficulty, such as Gosia's. In these baskets, we include some extra products for free, the best ones we have. Nowadays they call this 'Corporate Social Responsibility', but for us this means much more than words', explains Marek proudly.

Starting from scratch to become the market leader

Marek knows the sector very well. Today, his company is leading the Polish sweet market in both production and distribution. And he did it from scratch. Marek started working in food distribution in 1990 when distribution of non-fresh food products in Poland included all types of products. And he thought there was room for more specific distribution of sweets and chocolates.

'In 2002, after more than 10 years in the food distribution business, my wife and I started this adventure with a just a van and a small warehouse. We created a new brand and launched a new company together. We were convinced that specific distribution of sweets and chocolates could work. Sweets, candy, and chocolates were delivered to a lot of selling points that were not really linked with classical non-fresh food products such as pasta or rice, for example. We worked extremely hard, from 5 a.m. to 10 p.m., with no weekend breaks. But we grew quickly!' explains Marek.

In 2006, they bought their first warehouse with the company's headquarters and 5 years later, they took over a production plant that produced sweets. This was a huge step for them, adding the production challenge to distribution. In the early years they were awfully busy improving production. Once the factory was running closer to their plans, they started delegating its management and focused on getting new clients. 'We started to explore both private and public markets, keeping open minded. And we found a few small opportunities in PP', says Marek.

'Our first win was with the federation of national police stations. They launched a request to provide 500 Christmas packages of sweet and chocolate assortments. They were incredibly happy with the quality of the products and we were very happy with the price. Then, we registered with a digital service that scans PP opportunities per sector. We started to bid for similar contracts and won most of them, that was clearly a new business opportunity for us', explains Marek. 'In 2014, for example,

we won a tender of the mining national company, providing around 4,000 packs for 100,000 euros. That is a lot of Christmas packs!', says Marek laughing.

A quality strategy to win

'In the first tenders there were only 2 or 3 competitors, none of them manufactured their products, just assembling others' products in a basket. Since we were winning a lot of contracts, competitors started to offer lower quality products or lower quantities to propose better prices. When we were offering chocolate bars of 100 grams, they proposed 70 grams. And we started to lose some contracts we had won in previous years', explains Marek.

'We talked to the client, insisting on the importance of quality, quantity, presentation, variety, everything. They were receptive because everyone would like a great Christmas basket. But at the same time, they were not willing to make substantial efforts to contact procurers and write tenders together: who cares about tendering for Christmas baskets, when it is just an extra for the employees?', says Marek.

'We were angry with that position. Christmas baskets can make families and children happy. You need to provide quality and fulfil expectations. So, we decided to change strategy. The next year, we prepared our best quality Christmas baskets ever, making huge efforts on presentation, variety and quantities, but most importantly, we proposed the same price as other competitors, making exceptionally low profit margins. And it worked. Clients were much more satisfied, workers were sending thanks to company managers, talking about the nice Christmas baskets. In exchange, we insisted on talking to procurers to improve their tendering by including quality aspects, and they accepted. Procurers did improve, requesting more demanding quality criteria in the next tender', explains Marek proudly.

'This was a clear win for us. Competitors were making huge margins on their Christmas baskets, but since the price was so competitive, it was not worth for them making extra efforts to beat us. We were really the best offer by far at any time. Maybe not always on price, but on the product quality for sure. Now that procurers are more demanding, we are less afraid of competitors with dumping strategies. We propose added value as well including products made nationally, an aspect that public authorities can appreciate too', says Marek.

CSR policies fine-tuning

'In addition to the quality strategy, and since we knew that some of the baskets were for children in orphanages, we fine-tuned our CSR policies to those of big companies, adding some quality products for free with the idea to create value added in our offers. We think they appreciate this as well, and we are proud that children are receiving support from our clients and some of our products as well', says proudly Marek.

'This year I am a bit more worried. With Covid19 restrictions, the open session with other competitors planned will not take place. And we could be losing some opportunities. But I guess they will appreciate all the efforts that we are planning for this dramatic year. If Gosia and children from very poor families get a Christmas basket from a competitor this year, we have a plan B, since our CSR policy does not just depend on the contracts, we will do other things on our own' says Marek.

'If I can give some advice to other SMEs on PP, I strongly recommend they search intensively for opportunities, they could be surprised. And then, I urge them to go for quality, and to openly talk to procurers on the importance of getting quality at the right price. When I face a new client in the public sector, I try to explain him the importance of product and service quality because this is public money, they should be more conscious of that', says Marek.

4.3.3.3. Tomcat.Arch.Design

Description			
Company	Tomcat.Arch.Design	Created in	2008
Country	Warsaw (Mazovia Region)	Size	Micro (5 employees)
Sector (CPV)	71. Architectural, construction, engineering, and inspection services	Website	www.tomcatarchdesign.com
Features			
Phase(s):	Verifying selection criteria Awarding		
Difficulties	No previous professional track to bid in PP Lowest price National regulations hinder new EU markets		
Solutions	Alliances with experienced companies in consortia Targeting local procurement and small bids to build reputation		
Communication			
Potential Key Message 1	SME can build a market reputation participating in PP. Join more experienced companies in consortia or bid for small tenders in local PP.		
Potential Key Message 2	Local procurers are more sensitive to community issues and social impact and more involved in PP projects they launch.		

Executive summary

Tomcat.Arch.Design is a Polish architecture and design company, founded in 2008 by a well-known Polish architect, Tomasz Olszewski. He had broad professional experience working with large renowned construction companies. In recent years, the company has realised projects both for private and public operators. The company employs 5 people, but works with more than 25 independent civil, structural, electrical and sanitary engineers, architects, designers, visual artists, and consultants. The company has participated in PP from its creation, being subcontractor then partner in consortia and finally leading some bids. Tomcat.Arch.Design is committed to the EU green and circular economy, but in their opinion, procurement based on lowest price makes this unachievable. The company unsuccessfully looked at PP in other EU Members States, but technical and legal barriers hindered the company from being competitive. This is their story.

Training to be world champions

Grzegorz, Kacper and Szymon are happy. They just won the bronze medal at the European Canoe Slalom championships, celebrated in Prague (Czech Republic) under strict sanitary measures due to Covid19. Now they want more, the Canoe world cup is on their target. This is a well-deserved result after years of training, a lot of travelling and considerable cost. They have struggled to find a proper place to train for years, but soon this could change. In 2015, the city of Warsaw launched a call to build a new aquatic sports centre - Przystan Warszawa. The original idea was to transform an old, deteriorated park into something much different, better, and useful. Here the three champions could train intensively every day, keeping closer to their families in Poland. The project was awarded to Tomcat.Arch.Design.

‘This is the kind of project that we love to do, we strongly believe in this one’, says Tomasz Olszewski, Tomcat.Arch.Design owner and head architect. ‘The aquatic centre fits perfectly with the idea of a circular economy. Recovering local abandoned areas, relaunching the local economy, creating new jobs and developing greener infrastructures, it is a win-win project for both the city and citizens’, says Tomasz proudly.

PP, a pathway to gain market credibility and grow

The path to getting such a contract was not simple. ‘For an SME, to be successful in PP is a real challenge. It does not come immediately, even if you think your company is ready for it’, says Tomasz.

‘The market for architecture and design professional services is relatively wide, but at the same time, highly specific. Start-ups and young SMEs often face serious barriers to access PP opportunities. These are mainly related to eligibility criteria. Public authorities request previous experience and a track record of successful service delivery in previous contracts. The thing is that the criteria concern the company, not its people and their achievements or professional record before being part of the company. So, you can be the best architect in Europe, but when you create your own company, you are less eligible. This is an obstacle hindering growth for many talented professionals and their new businesses’, explains Tomasz.

‘But if you do it differently, PP is one of the best ways for an SME to penetrate the market. Participating in calls for tenders, start-ups and young companies can build a reputation in the market, getting credibility and a track record of successful deliveries. Since in the beginning they are not eligible, they need to propose their services as subcontractors to other companies with successful experience in dealing with PP. After winning some bids, you can try for smaller contracts’, explains Tomasz. ‘Calls for tenders for small projects are usually less dependent on the eligibility criteria, and most of the time big companies are not interested in bidding. So you have some chances and less competition. That’s the right strategy’ says Tomasz.

The company has grown thanks to its commercial activities. But PP contributed to this growth by building a reputation in the call. They took part in tenders for architectural services launched by public institutions. Earlier, they were subcontractors or co-participants in architectural competitions.

In 2010 they won a conceptual architectural competition for a big area of Czerniakowski port and its surroundings. This became an important step which opened the opportunity for the company to be awarded the Przystan Warszawa aquatic sports centre contract in Warsaw. Later, the company managed to win other contracts, creating additional market history.

‘Cooperating with well-established companies in consortia is a great experience, you can participate in large projects for major procurers such as national and regional authorities or big cities. But you can acquire much richer experience by participating in small calls, issued by local authorities. Local procurers act often on behalf of their communities and are much closer to the daily work during project implementation. Also, they are usually responsive to new ideas and SME creativity. They are looking to generate significant value-added for their community, and that’s always a challenge’, says Tomasz.

Lowest-price rule, a clear obstacle to growth

‘Competition in PP can be also be hard. Procurers used to apply the ‘best price’ rule, giving little room for innovation and top-quality products, which are usually more expensive’, explains Tomasz.

‘Some years ago, this was the only rule in calls for tenders in our sector. There was a time when there were a lot of competitors fighting for survival. To get contracts, tenderers reduced their prices, keeping margins to a minimum, seriously affecting their income. In these circumstances, to grow is a dream, you are just worried about keeping the business alive’, complains Tomasz.

‘The best-price rule with possibly high fines for design mistakes or late delivery prevented many SMEs from participating in PP. Even worse, it encouraged unreliable or short-sighted tenderers offering unrealistically low prices. This had many consequences. Some projects were not completed, others were finished with extremely low quality. The rule was and still is harming both parties, the public authorities as clients and the reliable tenderers, which were simply excluded’, explains Tomasz.

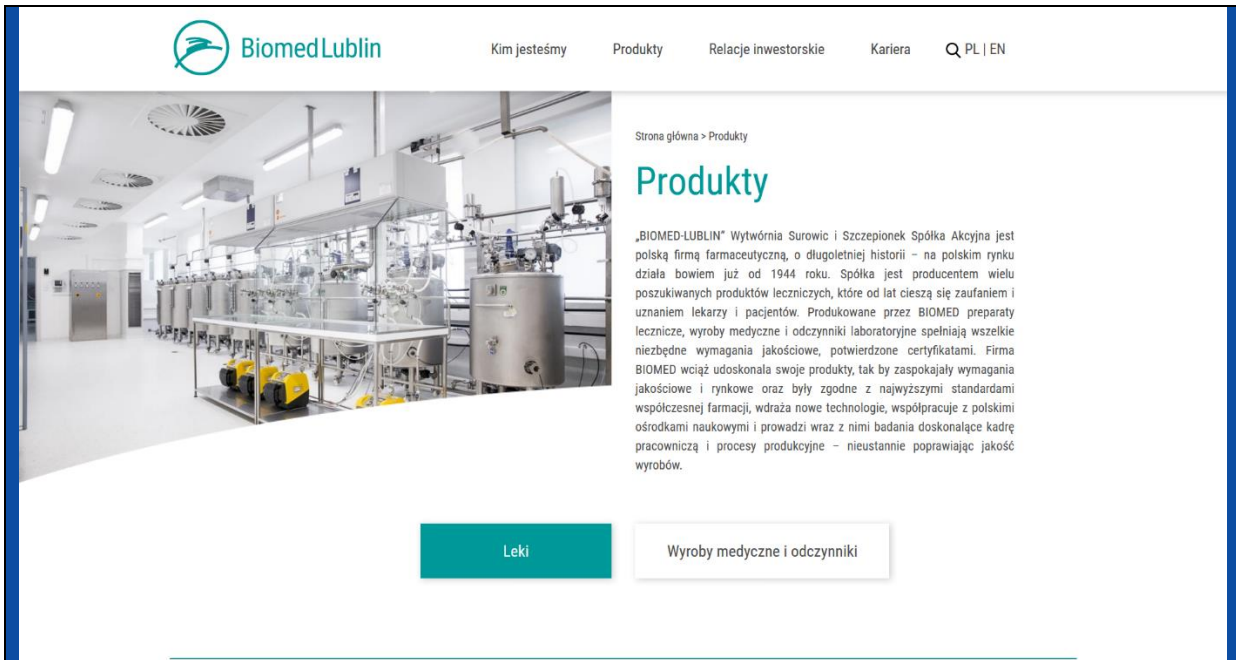
Circular and greener economy, only in competitions, but not in tenders

‘At Tomcat Arch Design we are open minded. We strongly believe in the social impact of architecture and the benefits of circular and greener economies. We include all these aspects in our proposals. We believe they are important for public authorities, and communities. Despite being important in the architectural competitions public authorities include these aspects far more rarely in their tenders, which are still mainly price driven’, says Tomasz.

Since these principles seem to be the same in other EU countries, we are also looking at opportunities in other EU Member States. But for an SME providing architectural and design services, to work abroad requires exceptional devotion and a network of international partners. We know it well as we have been working with our friends abroad and are now preparing for more international cooperation (commercial, but not PP that is).

Architectural design is highly regulated, national laws are well developed, including very specific standards, techniques and certifications, differing a lot from country to country, even within the European Union. To work in another EU member state is highly burdensome and costly. It requires a local architectural partner as well as legal and linguistic interpreters. Therefore, for an SME like ours, it makes little economic sense to participate in PP in those markets’, explains Tomasz.

4.3.3.4. Biomed Lublin



Description			
Company:	Biomed Lublin	Created in	1999
City:	Lublin (Lubelskie Region)	Size	Medium (230 employees)
Sector (CPV):	33. Medical equipment, pharmaceuticals, and personal care products	Website	www.biomedlublin.com/pl/
Features			
Phase(s):	Verifying selection criteria Awarding		
Difficulties	National regulations hinder entry into other EU markets Different procurement rules per country		
Solutions	Alliances with registered distributors as subcontractor provider		
Communication			
Potential Key Message 1	SMEs can expand their markets, building common strategies for production and distribution.		
Potential Key Message 2	Overprotective policies are a serious barrier to developing the EU internal market, making it hard for SMEs to do cross-border PP.		

Executive summary

BIOMED LUBLIN is a Polish biotech company established in 1999 after a split of the former state-owned BIOMED, originally created in 1944. Nowadays BIOMED LUBLIN employs 230 people and produces an extensive range of high demand medical products including prescription drugs, products and reagents. Among those, BIOMED LUBLIN is the unique official producer of the BCG-10 anti-tuberculosis vaccine, mandatory in Poland for new-born children within 24 hours of birth. BIOMED LUBLIN regularly provides this vaccine to the entire national health system, ordered by national health authorities through yearly contracts in PP calls. The company works closely with universities, research centres and medical authorities to develop new products and conduct clinical research. To fully exploit market opportunities, the company invests in R&D and aims to increase its production capacity, expanding to international markets (both within and outside the EU). The company relies on carefully selected commercial partners as foreign operators to cope with market challenges and legal restrictions. This is their story.

Targeting the Polish stream to lead the market

Anna is enjoying for her very first contact with Maciej, her new-born son. The journey to give birth was incredibly exhausting, but she has still some strength to smile and caress Maciej. He is so calm and beautiful! The doctor is coming into the room. He is explaining to Anna that Maciej will receive an anti-tuberculosis vaccine. He takes the delicate arm of Maciej, who closes his eyes when the little needle pricks him. 'Very good, Maciej, well done!' says the doctor. 'He is really strong, he didn't cry at all, you should be proud of your son', says the nurse smiling at Anna, who is just holding back her tears.

This is a common daily scene in every hospital in Poland. By law, every new-born must have the antituberculosis vaccine, which is produced by BIOMED LUBLIN. This Polish pharmaceutical SME produces an extensive range of high demand medical products including prescription drugs, products and reagents.

'BIOMED LUBLIN is the official producer of the BCG-10 anti-tuberculosis in Poland. Every year there is an open competition tender issued by the health ministry for this vaccine. And since we are the only laboratory in the country producing the Polish BCG vaccine, our offer wins the contract', explains Magdalena Kowalska, BIOMED LUBLIN Business Unit Manager-Export. 'There is no room for price negotiation depending on quantities, but most of the time the budget is reasonable and we can make some profit', says Magdalena.

BIOMED LUBLIN has a huge experience of PP in Poland. There are three independent Biomed companies in three cities in Poland. Only one of them is still a state-owned company. The three branches are not real competitors since each of them sells quite different products. Apart from the antituberculosis vaccine, in which the company holds 100% of the national market, they compete with other national and international pharmaceutical companies for more market share in prescription drugs.

Overprotective national regulation is a barrier to SME market expansion

'At the national level we are fine. But exports are another story', explains Magdalena 'The real issue about pharma exports is that national laws can be overprotective. This is a very strategic sector, you are dealing with the health of your population, public authorities are very often too conservative, claiming that they want to avoid risks. For that reason, they request pharma companies register their products in the country in order to offer them in PP, explains Magdalena.

'What we do is to find a distributor in the country that we want to export to. In some countries, they accept that you sell a product that is not registered but only when there is a shortage of competitive products in this market. But mostly if you are not registered, you are systematically excluded from PP offers. In countries where the authorities allow non-registered companies to participate in PP, like in Hungary, public operators are reluctant to award contracts to companies from abroad', complains Magdalena.

BIOMED LUBLIN has expanded its markets quite a lot in recent years and increased their production capacity. For products sold by prescription such as Distreptaza, which is used in gynaecology to treat pelvic inflammatory disease, adhesions after abdominal surgical procedures and haemorrhoids, the company signed a B2B contract with one distributor including 10 new countries both within the EU and abroad.

‘In all these countries we need to sell the products only after obtaining registration certificates and only to registered distributors if we want them to be sold in pharmacies. That is fine. But then, there is a hidden problem, this kind of product is only given by prescription. So, if the doctor does not prescribe the product, it will not be sold. Some practitioners are eager to prescribe new pharmaceutical products that are more effective than ones which are produced there or have been in their national market for decades, but others are not. We always ask our partners to do their best to promote the product among practitioners, this is how this works’.

Hard competition facing big pharmaceutical producers

‘Depending on the product we must face tough competition from much bigger producers, who can reach both practitioners and procurers and will push for their own products. It is not easy to compete with them, however we are successful since small pharmaceutical producers often specialise in niche products that just a small number of manufacturers worldwide can produce’, says Magdalena.

‘This has been the case, for example, with a medicine that we tried to sell in public hospitals. The call for tender requested providing the medicine, with legal requirements and technical specifications, but they also requested a special apparatus to administer the medicine. We knew that our product was cheaper for hospitals but we do not produce the set and the competitor does. In such circumstances, we could not even make an offer, because the set was only produced by our direct competitor, so we were excluded’, explains Magdalena.

‘On the other hand, it is understandable that hospitals want to keep the same product for chronic treatment to ensure therapy continuity. It is not a simple thing, we know that. But for specific medicines that are just administered once, or for a short period of time, you could use new ones as well’, says Magdalena.

A dedicated team for tendering connected to the legal department

‘PP is important to BIOMED LUBLIN. We have a dedicated team for tender preparation, using different platforms covering the Polish market. We also scan for opportunities within EU countries via the TED platform. It takes time to get used to it, but it provides you with a clear picture of opportunities in our sectors across the European Union’, explains Magdalena.

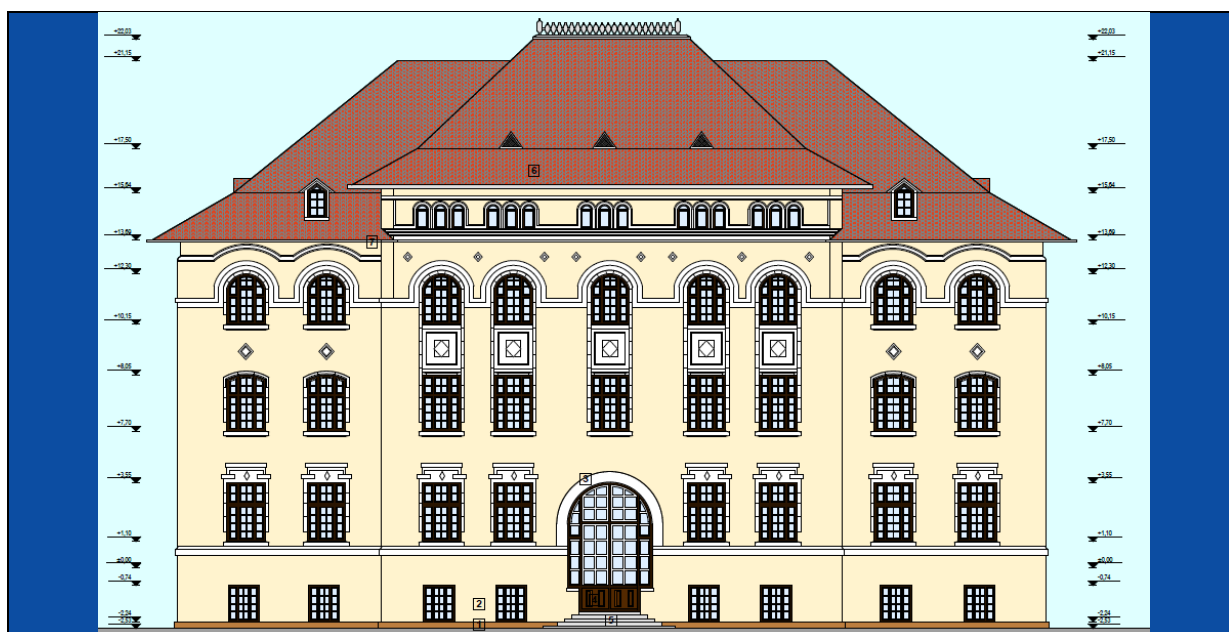
‘Once we decide we want to bid in a specific call for tenders, our legal department checks the specific legal requirements. They review the exclusion criteria for each tender we want to bid for’ says Magdalena.

‘For tenders published in TED, the general description is available in English. But when you go deeper into the tender you find the specifications in the national language of the country. For that reason, we employ people that speak different languages, especially those where we have already a market share or we have been delivering our products’, explains Magdalena.

‘But we are still an SME, and there are a lot of opportunities in PP that seem to privilege big operators, that’s a pity’, says Magdalena. ‘For some tenders, you really need to have a huge production capacity. The authorities could divide these contracts into smaller lots to increase competition, giving room to SMEs such as BIOMED LUBLIN to propose their offers. This will certainly bring better final prices with the same or even better quality products, making serious savings for public authorities’, says Magdalena.

4.3.4. Romania

4.3.4.1. Smart Consulting



Description			
Company	Smart Consulting	Created in	2004
City	Deva (West Region)	City	Micro (4 employees)
Sector (CPV)	71. Architectural, construction, engineering, and inspection services	Website	NA
Features			
Phase(s)	Screening opportunities Awarding		
Difficulties	Lack of transparency on PP (hidden by high threshold) Lack of equal treatment from public authorities Administrative burden, lack of coordination in public databases		
Solutions	Externalised legal advice Permanent exchange with potential clients in the public sector		
Communication			
Potential Key Message 1	PP contracts can be a more secure business for SMEs than private sector ones. But authorities need to be strict and fair during tenders following regulations to ensure equal treatment.		
Potential Key Message 2	The high threshold of PP makes it difficult for SMEs to access these opportunities. Lower than market prices can lead to speculation and forced contract conditions, hindering SME competitiveness, and putting quality at risk.		

Executive summary

Smart Consulting is a Romanian civil engineering company offering construction design, architecture and building work; energy audit and certification for buildings; site and technical management; and technical consulting for public and private projects. In 2012 they changed strategy and started targeting the public sector. Today 90% of their activity is linked to PP and contract services for public authorities, mainly municipalities. However, although the company's technical expertise is in short supply, they struggle to find opportunities since the PP threshold is very high and information on potential opportunities is not entirely transparent. This is their story.

Keeping alive architectural heritage, but not only

Today is a great day in Sibiu. The sun is shining, showing all the beauty of the splendid Saxon architectural legacy in this old Romanian city at the heart of Transylvania. Adrian is wearing a brand-new suit for the occasion. The city mayor will inaugurate a renovated 120-year-old building which he and his father have worked on for almost three years. Suddenly, the alarm goes off and Adrian wakes up. The inauguration will take place in 2 years' time, now it's time to work!

Adrian Bodea is a civil engineer who followed in his father's footsteps to work on projects such as renovations in Sibiu. 'There is so much work to do, so many things that can be improved in this country, so when I finished my studies I decided to stay and continue working with my father. And he is incredibly happy because I did not leave the country', says Adrian smiling.

In 2012 Adrian joined the company his father had created in 2004. Since it started, the company has completed some 50 projects with on-site construction management, infrastructure renovation and many more. 'I think we already did 16 buildings, but the rehabilitation of this building in Sibiu is the most beautiful project we have worked on. I like the fact that we are breathing new life into our architectural heritage, which is rich but needs renovation. I love my country, and this is the kind of project that connects you with it', says Adrian proudly.

Making direct contracts with local providers could affect quality

'We are willing to do more projects like this one, but the problem is that we are not informed of the opportunities', explains Adrian. 'In our sector, there is a lack of transparency on public contracts. Municipalities often propose restricted formulas based on direct contract arrangements, and you can be systematically left out if you do not have contacts inside the system', complains Adrian.

'This is partially because the financial threshold, part of the legal procedure that requires public institutions to publish a tender on the public on-line system, is too high. In these circumstances, municipalities prefer to keep under this threshold so they can deal directly with their local contacts. And, even if it is legal, this opens a door for political interests and other kinds of influence as well', explains Adrian.

This situation is also closing the door on better quality services, damaging competitiveness in the market. 'In the end, quality is at risk. I am quite sure that our company could provide better quality services than some of the companies they are working with. But since the contracts are allocated directly, it seems that quality is not what matters, is not so important', says Adrian.

PP, a more secure business?

From the very beginning, Adrian was very keen to work with the public sector because he thinks it can bring more stability. 'When I joined the company, I said to my father that we should work much more with public authorities. Romania joined the European Union and there are many more opportunities in the public sector than in the private sector', he explains.

'The big advantage of working with public authorities is that you know that in the end you will get paid, and this is not always the case in the private sector, the risk is higher. Even more, if you win a

public contract and you deliver work, then if this is unpaid, you can go to the legal system, and hopefully you will get what was agreed to be paid'.

Adrian talks this way because recently his company took legal action against a municipality over unpaid bills after the service won the tender and was delivered. 'We strongly believe in equal treatment of all parties within contracts. When you are late on the service, you must pay penalties every month. But when the work is done, you must be paid. Otherwise, the contract conditions are abusive. Of course, to go to the legal system is your 'last call', nobody wants to go there. Going for justice is a bit traumatic and you know you will face extra costs for the lawyer's services, but at least you are fighting for your rights. This is a huge difference between the private and public sectors. When a company that has disappeared or was declared bankrupt has not paid you, it is almost impossible to claim your money and to recover all of it', says Adrian.

Administrative burden and unrealistic prices

For Adrian it seems clear that working for the public sector in Romania is a more secure business. But from his point of view, there are still a lot of obstacles. 'Working with the public sector can be extremely hard, you need to be very patient. There is a lot of bureaucracy and companies do not want to spend their time on paperwork nor to invest in it', explains Adrian. 'We are coordinators, managers, and we subcontract most of the services required. And the subcontractors are happy to leave the administrative matters to us', says Adrian.

Furthermore, he does not understand why local, regional and national authorities are not more integrated. 'Sometimes you need to go to 5 different places to get a document, this is time consuming and could be solved with a common shared data base. We want of course to follow the rules, to be checked legally and formally, but they could make the process much easier'.

To add to the bureaucratic burden and lack of integrated data, Adrian thinks that in his sector public contracts are not priced correctly. 'Most of the time, the contract value in the calls is too low, far from the real cost of the work and the services they demand', complains Adrian.

'In trying get the authorities closer to reality, when we won a contract, we wanted to teach the client about the real costs of on-site management and the services we coordinate. This requires top technical equipment and many other things that are becoming more and more expensive. But unfortunately, this seems to have no effect if we consider the current contract opportunities they are proposing', says Adrian with a shrug of resignation.

'In Romania, public authorities have tight budgets for contracts, and they try to spend this well. But this is not an excuse to propose prices that cannot cover costs, pushing companies to propose unrealistic offers', says Adrian.

'Some competitors try to get low-priced contracts at the very beginning of the year, and then they try to negotiate extensions or amendments to the contract. This is why at the end of the year we are sometimes the only company making an offer in some calls. From our point of view, the strategy of getting under-priced contracts to try to get more money afterwards is too risky, but most importantly, it has a terrible collateral effect: public authorities will decrease prices because they still receive offers that fit with their low budgets. But in the end they will pay more, and quality will be compromised'.

On the other hand, Adrian thinks that PP in Romania is improving. 'In the last 2 years, we saw many more opportunities in PP for SMEs in quite different sectors. There is improvement also on the paperwork, and administrations are getting more and more digital', says Adrian. 'And I will be pleased if somehow the renovated buildings such as in Sibiu can inspire officials to improve even more and faster!', says Adrian smiling.

4.3.4.2. Addwise

Description			
Company	Addwise	Created in	2013
City	Bucharest (Central Region)	Size	Micro (7 employees)
Sector (CPV)	79. Business services: law, marketing, consulting, recruitment, printing, and security	Website	http://addwise.eu/
Features			
Phase(s)	Verifying selection criteria		
Difficulties	<p>Difference between real needs and what is requested in tenders</p> <p>Tender evaluations not considering methodology, focusing on price and profiles (experts)</p> <p>Administration payments after services</p>		
Solutions	<p>Interaction with public authorities during implementation</p> <p>Transfer know-how from EU experience into national PP to focus on quality</p> <p>Strategic alliances with companies that can provide services for other lots in the tender</p>		
Communication			
Potential Key Message 1	PP should be based on full understanding of public administration needs. This means the procurement department must analyse the specific needs of departments/services requiring the tender. This analysis should be the basis for the quality criteria, including methodological aspects when needed.		
Potential Key Message 2	Public contracting formulas should include advance and flexible intermediate payments to increase SME participation in PP.		

Executive summary

Addwise is a Romanian consulting company offering training and capacity building services to public administrations. They also provide advice to companies willing to participate in PP or receive funding from national and European funding programmes. But most calls for tenders they are bidding for are far from the real needs, making implementation a nightmare. Although the company internally supports central, regional and local administrations on programme ex-ante analysis, preparation, implementation, monitoring and evaluation, they are struggling to change procurers' mentality to prepare tenders to better reflect the real needs. This is their story.

Extra demands in contract implementation

'We expect 40 people at the training session. We are interested in ROM (result-oriented monitoring). Can you do that?', says Corina, the interface at the Ministry of Employment in Bucharest, on the phone. 'I will check if this is possible and get back to you with an answer as soon as possible', answers Alina, the project coordinator at Addwise. After the call, Alina explains to us: 'This is a typical extra demand, going far beyond what is in the initial contract. And we must face similar situations in almost every project we run with public administration', says Alina.

Alina Pitulice has been dealing with this kind of issue since 2006, long before launching Addwise with some colleagues in 2013. 'One of the main problems with PP in our sector is that tender requests are far from reflecting the real training needs of the administration. In the tender specifications, they are just requesting training for 20 or 30 people on very general aspects of project and programme implementation, monitoring, and evaluation. But once you win the contract and you meet the services or the department that will get the training, they want much more than what was planned initially', complains Alina.

'We were hoping for a big improvement when they announced the new PP law in 2016, but things didn't change as much in practice as we expected, explains Alina. 'When the law came into force we saw some changes in training services tenders. They were proposing to split some tenders into lots, making a distinction between logistics and training, which was a good thing. But they did not change anything on selection criteria', explains Alina.

'Before 2016 price was the main criteria, the cheapest offer won. Of course, beneficiaries were complaining all the time. After 2016, they introduced expert evaluation as the main criteria for the technical offer, but they kept a cap on the low prices, which still count for 40% of the offer evaluation. In 2017, the market became extremely aggressive. Some companies proposed up to 50% discount on their offers, trying to survive by keeping a contract portfolio, says Alina.

EU technical assistance cooperation model only partially transferred

'Romanian tenders on training for public administration are clearly inspired by EU technical assistance tenders, which are based on expertise and specific-knowledge recruitment. But most of the time training tenders request extremely specific profiles so the services can be expensive.'

The company founders worked with EU technical assistance projects before, as Romanian partners for other external operators. So, at Addwise they know the model and how to identify and recruit the right experts very well. But, apparently, they struggle to find experts when providing services to public authorities through national PP much more than with EU funded ones.

'When the project is EU funded, the budget seems to be higher and consequently you can pay better fees to experts. In national PP opportunities, budgets are lower and you struggle to find the right expert since fees are less competitive, and the work is in the end even harder for them or they give up. Then the work is done by in-house staff to deliver the services', explains Alina. 'Any expert would like a better fee and to participate in an EU funded project rather than a national one,' confirms Alina.

From Addwise's point of view, the fact that the Romanian model does not include advanced payments is an added difficulty for the business. 'In the EU Technical Assistance cooperation model, once you sign a contract you receive an advance payment, which immediately helps you to

compensate the efforts of offer preparation and gives you economic health to hire and pay experts', explains Alina.

'But in the Romanian model, you do not have such advances, being very dependent on final approval from the services or department receiving the services. This opens a door for economic uncertainty, since you are supposed to provide these services sometimes for 9 months or even a year, with no payment in return. This is a difficult model for such SMEs as Addwise, we can hardly adopt long-term risk investment policies', explains Alina.

Every time we do our best to fulfil the needs, making serious efforts to keep within the budget. And even if we don't, beneficiaries have the last word, since payments are linked to deliverable validation. So, somehow, however willing we are, we are obliged to stay within the budget', says Alina.

'In these circumstances, any big project with public administration could put the whole business at risk. This model also increases stress among experts, consultants and colleagues, and early on can become an issue of complaint and discussion with beneficiaries as well, creating a bad atmosphere', explains Alina.

Methodologies are important, but procurers do not consider them as such

As a partial solution to the need for expert recruitment at lower prices, Addwise has some in-house expertise, but this strategy cannot cover all the needs. 'For price distortion, and the fact that we need to provide in-house resources permanently, methodology is especially important from our point of view. It allows us to keep service quality using a unique approach, replicating models that we know can work. But here, again, PP is not helpful. Tenders are evaluated 40% on price and 60% on the expert profiles, giving 'zero' room for methodology. Any competitor with no knowledge of training sector needs could win, and this is very unfair', explains Alina.

Addwise is trying to pass this message on during project implementation. Experts are always prompting clients on the definition of criteria for the services to be provided, and how tenders and programmes can be drafted based on strong and clear methodologies.

'Without methodology you can have very inconsistent training. The funny thing is that we are training public national, regional and even local authorities on the importance of consistency in project implementation, monitoring and evaluation, but this seems to have no final effect on procurers. This could also be because procurers, the tender writers, are not really connected to the services or departments requesting the training, as we see in the difference between services requested and those to be implemented', says Alina.

Political influence stresses public procurers

Another reason why procurers may be drafting tenders with no real correlation to the needs, not requesting methodologies, could be that they are severely influenced by the political agenda. 'In Romania, when a decision-maker announces new measures to be adopted in the short term, procurers need to prepare, publish and award tenders very quickly' explains Alina. 'So, procurers propose tenders that match the minimum legal requirements, but which are not well documented or well prepared'.

'Political influence in PP is also very visible when elections are approaching: the publication of national public funded tenders decreases seriously, and only EU and other international offers are published on the national platform'.

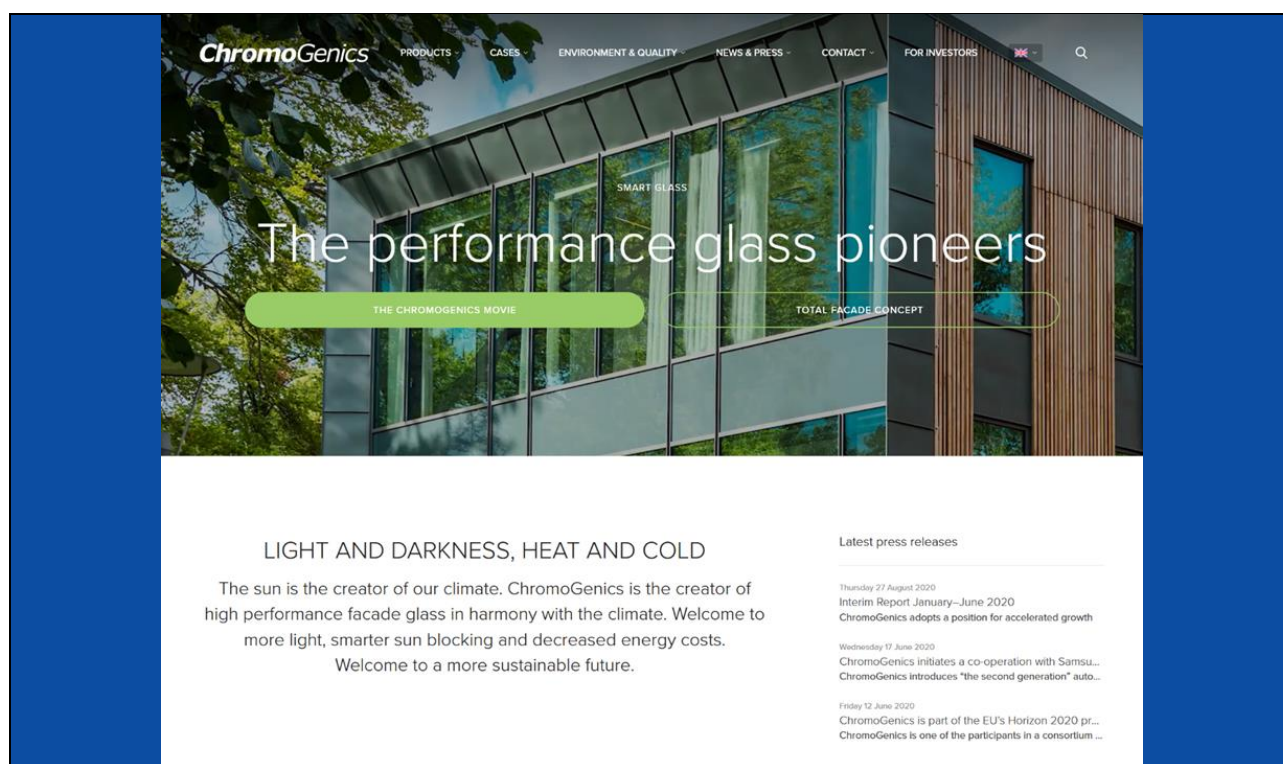
Ideas to improve PP

'I think that PP could easily improve by introducing some changes', says Alina. 'Since procurers seem very familiar with the EU technical assistance model, they could introduce more technical selection criteria, targeting methodologies, and propose advance payments as well'.

‘Already with these changes you could have much better proposals. But, most importantly, what they really need is to connect internally, to make the procurers understand the real needs of their colleagues in the departments requesting the services, to write calls that make sense. And this can only be done if the public authorities deploy a long-term vision and programme their training needs accordingly’ says Alina. ‘But until this happens, I need to find a quick solution to Corina see if we can provide her with the ROM training their people need’, says Alina smiling.

4.3.5. Sweden

4.3.5.1. ChromoGenics



Description			
Company	ChromoGenics	Created in	2003
City	Uppsala (Central Region)	Size	Small (15 employees)
Sector (CPV)	44. Construction structures and materials	Website	https://www.chromogenics.com/
Features			
Phase(s)	Verifying selection criteria Awarding		
Difficulties	Price versus quality Lack of long-term vision and return on the investment (including local economy development, circular economy, and sustainability)		
Solutions	Intensive pre-procurement to explain long-term benefits including energy savings, greener economy, and job creation Fine-tuning strategy to national environmental and economic policies		
Communication			
Potential Key Message 1	PP can consolidate local companies and boost innovative SME development by introducing quality criteria for a green and sustainable economy to compensate for higher prices.		
Potential Key Message 2	Public Private Partnership can be efficient if public operators include this quality approach in PP. SME can fine-tune their strategy to the long-term political vision to get credibility with procurers considering the return on investments.		

Executive summary

ChromoGenics is a leading Swedish SME offering electrochromic solar-control glass solutions. Established in 2003 by top researchers at Uppsala university, the company struggled at the very beginning to win contracts through PP and sell their innovative products. Calls for tenders were mainly price-driven and ChromoGenics products were more expensive than traditional solutions. The company changed strategy by aligning their model to the national political vision of greener, sustainable, and national production. They also started to make pre-procurement presentations to procurers and decision-makers to explain the long-term benefits of their products. This is their story.

Capturing sunlight to keep pupils warm

Ebba and her brother Nils are sitting at the brand-new school atrium in Gothenburg (Sweden). This is their first day of school and everybody was told to be in the atrium for the years' opening speech. They can feel the weak sunlight coming through the big glass walls around the atrium keeping them warm. This is not just a feeling, it is real. The atrium windows include electrochromic glass which captures 90% of sunlight radiation to maintain a comfortable indoor climate. At the same time this lowers energy consumption and the environmental footprint.

This technological solution, *ConverLight dynamic glass*, is provided by [ChromoGenics](#), a Swedish company based in Uppsala founded by material science researchers from the University of Uppsala in 2003. 'The [Svartedalsskolan](#) project in Gothenburg is just one of the projects we have already done for public authorities in our region. We are bringing ecological solutions that are sustainable and boost local business development', says Anders Pettersson, Sales and Customer Relations director at ChromoGenics proudly.

'You can of course find much cheaper insulated glass solutions, but when installing those you are not thinking circular, you are just thinking of insulation from a minimal energy loss perspective', explains Anders. 'We propose something completely new, a performance glass ensuring insulation but also temperature regulation, more light and shade, as well as energy production. In the end, these new aspects are real savings', explains Anders.

Aligning to national and EU policies and changing procurers' minds

'ChromoGenics would like to have its glass installed in every new school in Sweden and in many other public buildings as well, because it makes sense', says Johnny D. Engfeldt, the technical product manager at ChromoGenics. 'We obviously tried to win some contracts in PP from the very beginning of our commercialisation in 2015. We are researchers, so we think of every possible use and there are a lot of public buildings (new or to be renovated) that need efficient, big glass surfaces to meet building requirements. For example airports, stations, university facilities and schools', explains Johnny.

'But to be honest, although it was clear to us that our products were the best for public buildings, we lost a lot of bids when we tried at the beginning. There can be a greater initial investment with our product than for traditional solutions, and in the public sector price is a particularly important point, sometimes the most important one', says Anders.

After those unsuccessful trials, ChromoGenics changed their strategy towards PP. 'We decided to move forward by doing intensive pre-procurement presentations, thinking that sooner or later public officials could change their mind ', says Johnny. 'We worked hard on also presenting long-term economic scenarios, considering energy savings, durability, and many other costs that were not considered when officials were preparing public tenders', says Johnny.

'But most importantly, we tried to align to the political vision. We understood Sweden is willing to have a fully circular, green economy. So, we started presenting our solutions in line with national politics on the environment and economic sustainability', explains Johnny.

ChromoGenics strategy was also aligned to the most recent EU policies. Buildings are responsible for about 40% of EU energy consumption, and 36% of greenhouse gas emissions from energy. The

European Commission published its [Renovation Wave Strategy](#) on 14 October to improve the energy performance of buildings. A leading action proposed in the strategy is linked to ChromoGenics' strategy: expanding the market for sustainable construction products and services, including the integration of new materials and nature-based solutions.

Job creation, a key aspect for any public authority

The European Commission foresees that by 2030, 35 million buildings could be renovated and up to 160 000 additional green jobs created in the construction sector. And local job creation was another major factor that ChromoGenics highlighted when presenting their solutions. 'Our aim is to produce all our materials locally, creating jobs and boosting the local economy, which of course is also bringing taxes, sustainability and independence', explains Anders. 'It is easy to fall into the best price temptation, paying less for other solutions, but then you are importing materials, so you are not developing your own economy. This is the main reason we convinced investors to create a new factory in Uppsala, which will be fully operational by the end of 2021.'

Consequently, public authorities started to consider the long-term benefits of this local economy development approach more seriously. They started to include very advantageous criteria instead of only best price ratings, allowing ChromoGenics to win PP bids in the region. 'After this pre-procurement work, we caught the attention of top officials and decision makers. And it worked, they were listening to us.', says Johnny. 'Officials working on tenders started to introduce other criteria, including sustainability and environmental impact. So, finally, we found some room to win some public contracts and target PP more intensively', explains Johnny.

A B2B approach to PP?

ChromoGenics was created under a B2B approach since glass is just part of complex construction projects. The company is facing public sector opportunities with the same spirit, trying to establish agreements with national public construction companies. They also know that Public Private Partnerships can be fruitful, since their own investment model is based on the same formula, including with big companies such as Volvo for the car industry and public funding for research and innovation.

'We know that in Sweden the state is the biggest building owner, and the biggest construction works promoter. And we want to be in partnership with them. PP can also be used to find the right formula for B2B, especially in this sector', says Anders.

'Yes, the state is one of our main targets, but not the only one', adds Johnny. 'We have been exploring other markets outside of Sweden, internationally. We have sold some products in the Nordic countries, and gotten inquiries from all over the world, including the US and China, from the building sector, transport sector, etc. So, the market is huge. And what we have seen is that their approach is similar to the Swedish market in the sense of the 'best-price' approach and lack of a long-term and holistic view of their investments. This makes us confident that there is a natural place for products like ours world-wide. Of course, you have more challenges and competition in new markets like the US, but we believe that our business model of finding strong partners will be a key factor in reaching new markets. This is a long-term process that has just started', explains Johnny.

'We have also looked into EU markets. One of the approaches has been collaborating with EU partners in pilot projects, to better understand their realities and their markets', explains Johnny. 'We are part of the [Switch2Save](#) research project, funded by the EU H2020 programme, and we are learning a lot from our partners in Belgium, the Czech Republic, Greece and Germany. We are all committed to explore and develop electrochromic and thermochromic windows and glass façades to control the radiation energy transfer. This can drastically reduce energy demand for heating and air conditioning in large buildings', says Johnny.

'We discovered that every country has different building needs, and we are thinking of how to get products that could fit to these needs. But for the moment we are not targeting PP outside Sweden, at least not until the factory is in place. And we are proud that at least in Sweden children like Ebba

and Nils are already benefiting from our innovative solutions, which are a reality thanks to more strategic and conscious PP', agreed Anders and Johnny.

4.3.5.2. Upplands Hiss

Description			
Company	Upplands Hiss	Created in	2016
City	Uppsala (Central Region)	Size	Micro (8 employees)
Sector (CPV)	50. Repair and maintenance services	Website	http://www.upplandshiss.se/
Features			
Phase(s)	Verifying selection criteria Offer formulation Awarding		
Difficulties	Criteria exclude SMEs in PP Lack of understanding of the real value of services requested Resilience and resistance to change within public authorities		
Solutions	Contacts with procurers to improve procurement documentation and tender preparation		
Communication			
Potential Key Message 1	Selection criteria based on economic conditions such as turnover can seriously affect new SME participation in PP.		
Potential Key Message 2	Procurers need to review tender writing to adapt to new market realities and needs. Regular contact with operators contributes to more effective PP.		

Executive summary

Upplands Hiss is a young Swedish SME that installs and maintains elevators. Established in 2016 by experienced elevator technicians, Upplands Hiss targeted PP from the very beginning but failed to win tenders as selection criteria systematically excluded them. The company decided to go to court and appeal the tenders. They won. Although there were some improvements, procurers were still reluctant to change their tender specifications, benefiting bigger companies. This is their story.

Hard exclusion criteria in public tenders

'Today we are lucky! Right now, just as we are talking about the national tender platform, I see there is a new call that could be interesting for us. And this time it seems that criteria are mainly technical and do not exclude small operators', says Magnus Andersson, one of the Upplands Hiss company founders. 'Quite honestly this is incredibly good news, we did not expect that, after all what we have been through', says Magnus.

Magnus has been installing, repairing and maintaining elevators since 1989. He worked for the biggest companies in Sweden and knows almost every secret of any elevator from any manufacturer. 'When we (me and my colleagues) created the company in 2016, we had more than a century of technical knowledge and field experience between us. It was clear for us that there was room for big improvements in the quality of services provided by other companies in the sector', declares Magnus.

They were confident that, with their experience and profound know-how, they could be awarded services contracts with both private and public operators quite easily. But when they started to look for PP opportunities, to their surprise they found themselves excluded. 'Tenders were requesting huge turnover from past years, and our company was recently created', explains Magnus. 'We could of course provide the services as requested, but because of the turnover requirement we were excluded even before presenting any offer'.

This happened in every public tender they found for this kind of service. It was so unfair in their eyes that they decided to appeal some of the tenders in court, including some with contracts awarded and already running. And they won. The justice's decision had its impact. After this legal win, procurers changed the turnover requests in the tenders. They were also obliged to stop some contracts and relaunch the procedure. So, apparently, good news for Upplands Hiss, this time they were expecting to have more chances.

But in the relaunched tenders, procurers introduced new criteria, such as a much higher number of items to be maintained or repaired. Consequently, the tenders requested greater capacity from the companies. 'This was excluding not only new, but any SME from bidding. You cannot systematically exclude operators just because you have been working with other big companies in the past', says Magnus.

'Zero-euro' hourly fee for regular services

On the other hand, Magnus thinks that procurers have a clear lack of understanding of the services to be provided. 'They are not professional. Or at least they do not seem to understand the market and the real needs. They are trying to get the lowest price, but their calculation grid is considering hourly fees for what they consider 'regular services', which are not the ones you need. Since they allow you to propose your own fees for 'special services', we submitted some offers including a 'zero-euro' hourly fee for regular services and higher hourly fees for special services. And we won!' says Magnus.

Procurers were so shocked that they thought this was a mistake. 'Are you sure about the regular services fee? ', they asked Magnus. 'Of course, we were!' says Magnus excited. 'They could not believe us. We had several calls and meetings with them because they wanted to understand how was this possible', explains Magnus.

'I told them that their calculation grid was wrong, that to request turnover from past years meant nothing compared to guarantees and that the technical documentation was very outdated. I even

helped one public procurer to write a new tender with other criteria, closer to reality both for services and price! When the tender was launched, there was much more competition. In the end the public authority got a final price cheaper than under the old formulas. I know it because we submitted an offer says Magnus.

Big likes big

The effort Magnus made supporting a local procurer from Stockholm unfortunately did not change tender writing for every public authority in Sweden. 'It looks like public authorities do not like to go small on this kind of services: big likes big', says Magnus.

'They want just to have one contract for all the services needed in different buildings, in different cities and regions, even from different manufacturers. To have just one contract means much less work for them', explains Magnus. 'And even knowing that they are preparing just one big tender, they are not making any effort, they just replicate the tender that was issued last time or few years ago', says Magnus.

In his opinion, this is the reason why public authorities are now proposing framework services contracts more often, including 100 or more items in different buildings and places. 'In these framework contracts, they do not allow subcontracting either. Honestly, this is too much, sometimes I think they really do not care about SMEs, we are an obstacle for them. To deal with a framework contract is less bureaucratic work, and they just need to have one interface, one contact person for one contract, rather than 4 or 5 of them and deal with different contracts', complains Magnus.

The number of lots included in tenders for elevator services and maintenance has decreased in recent years: 'before there were 10 lots, each one covering a specific area or region: now with frameworks they are simply taking out the division into lots, demanding just that the service provider is installed everywhere (or almost). And this obviously points to big companies, we are just covering two or three cities and one region', says Magnus.

There is a need to change the procurers' mentality to improve competitiveness

In his opinion, with such framework contracts, procurers are missing service improvement, they do not promote more innovative solutions and they discourage entrepreneurship. 'The funny thing about all this is that they think they are going cheaper, but in the local market they are just paying much more for the services they really need', says Magnus.

'What is sad is that, because of this mentality, and because we know that public procurers are not willing to change their old methods of tender writing, every call for tenders encourages us to find mistakes on the technical part, to identify any contradictory point that could open a door to play with the price as we did with the 'zero-euro' hourly cost', rather than to focus on the quality of the services requested', says Magnus.

'Preparing a tender is time consuming. We do not have the resources to work on this full time, as do the big companies. Most of the time, we face tender preparation almost as a moral obligation rather than a business opportunity.

'Procurers need to change their mentality. Every year, as any other good citizen, I am paying my taxes and I would like to see that public authorities are looking for the best quality services and the best price in any public contract – the economically most favourable offer. And as a citizen, I would not like to be trapped more than 5 hours in a public institution elevator just because some officials prefer to have less work and prepared a tender under a framework contract formula for elevator maintenance', complains Magnus. 'I really hope this will change soon in the future, otherwise I might have to recommend you take the stairs instead of the elevator in a public building before you are trapped for the whole weekend', says Magnus with some sarcasm.

4.3.5.3. Svensk Dos

Description			
Company	Svensk Dos	Created in	2011
City	Uppsala (Central Region)	Size	Medium (75 employees)
Sector (CPV)	33. Medical equipment, pharmaceuticals, and personal care products	Website	https://www.svenskdos.se/
Features			
Phase(s)	Verifying selection criteria Offer formulations Awarding		
Difficulties	Moving from a monopoly to open competition, with no tendering experience of procurers and operators Information leaks that could affect tenders		
Solutions	Risky bet on future investment Flexible business model		
Communication			
Potential Key Message 1	Interaction between procurers and SMEs on tender preparation can contribute to smarter procurement.		
Potential Key Message 2	More result-oriented tenders could prompt innovative proposals to boost local production and SME growth.		



Hem Om Svensk Dos Patient Vård Utlämningsställen Sortiment Bipacksedlar Leverans



Bipacksedlar

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- Ansök om Apotekskonto - online
- Ansök om Apotekskonto - blankett
- Autogiroanmälan- blanketter
- Hur vi hanterar dina personuppgifter
- Avvikelseanmälan

Nyheter

- [2020-10-26] Ny restsituation Beviplex forte
- [2020-10-22] Dosleveranser vid Jul & Nyår
- [2020-10-13] Uppdatering Theralen tablett 5 mg- Permanent upphörande av tillhandahållande
- [2020-10-12] Restsituation Fluoxetin ratiopharm, löslig tablett

Executive summary

Svensk Dos is a Swedish company packaging medicine doses in special disposable bags primarily for the elderly in Sweden. The company was founded in 2011 by 4 pharmacists when the state monopoly was lifted. They saw an opportunity to provide better quality, much cheaper products with a new factory. They found support to establish a factory that was conditional on winning tenders. They won three regional tenders and started to build the factory. But a competitor (also a newcomer to the business) appealed some of the contracts, openly declaring a legal war on Svensk Dos. Despite the costly legal battles, and even losing some of the initial contracts, within five years Svensk Dos launched the new factory. This ensured production and delivery of the dispensing bags, at a profit and with 40€ million savings for the region of Skåne in the first year. The company's high growth caused a gap in staff for human resources, IT and other areas which were urgently needed at that time. Therefore, in 2016 the owners decided to sell the company. Today the company has more than 50% of the market for the dispensing bags and is a leading firm in the sector. This is the love and hate story of Svensk Dos with PP up to the moment of selling the company.

The war of the medicine bags

Karin is going to the pharmacy to retrieve her regular medicine dispensing bags. The bags contain a specific mix of medicines prescribed by the doctor, with a label listing the medicines and their proportion as well as her details. The bags are financed by the Swedish government and Karin does not think about their cost, or that behind these apparently simple bags a legal battle was raging.

In 2007, Sweden decided to lift the monopoly on pharmaceutical production and distribution held by the national state-owned company [Apoteket](#), which still exists. National authorities gave two years for competitors to set up and compete on the new open public market. The Swedish Ministry of Public Health launched calls for tenders for various services through PP. These grouped dose dispensing into seven clusters covering different regions and cantons (the Sweden health system is divided into 21 cantons).

'I remember this moment as if it were yesterday. We were a small group of just four pharmacists, one close to retirement, one in his forties, and another of my age. I was only 28 years old!', says Kristofer Klerfalk, one of the [Svensk Dos](#) founders. 'We decided to bid for these services ourselves because we thought we had all the key knowledge of production and distribution. Some people thought we were going crazy. The former monopoly had a huge grip on the market, that was basically David versus Goliath. Now that I look back at this, I think it was a rather risky and bold move', laughs Kristofer.

The four friends created a new company, Svensk Dos, and immediately bid for some of the first tenders. 'When we saw the tenders published, we were somewhat disappointed. The tenders had gaps that were open for complaints and were more or less based on the lowest price rule', explains Kristofer.

The founders of Svensk Dos brainstormed a new strategy to win at least some of the next tenders. And took a completely new approach that slashed the price.

'They were under shock. In the new offers, we were reducing the price of the dose dispensing service by 97% and 100%, concentrating the benefits on sales margins of the pharmaceutical products instead of on bag production and delivery. Nobody could offer a lower price. That was really disruptive', says Kristofer proudly.

Investors commitment to build a new factory

97% discount on the price! How was this possible? 'Our idea was to build our own dose dispensing factory, making money on the sales margin of the medicines, reducing costs for the regions enormously compared to the previous supplier. But we had no money to do this, and it only made sense to build the factory if we got the contracts. Our strategy was totally linked to being awarded

the services contract. We did everything that was in our hands to convince investors to trust us and to bet on the factory project. In the end we found investors that issued financing commitment letters to launch the factory if Svensk Dos got the contracts', explains Kristofer.

Svensk Dos was awarded three contracts in the first wave. They immediately went to banks and investors (including ALMI, the State-owned business developer) to build the factory, with new machines, new IT and a completely new set-up. But in the meantime, just after the awards, a losing private competitor (Apotekstjänst) claimed that Svensk Dos did not have the financial solvency to fulfil these contracts and appealed the decision on one contract.

The State cancelled the tender and decided to relaunch the calls, reviewing the wording and including new criteria. Svensk Dos bid again and won the tender. The competitor claimed again on this new contract, this time on legal formalities of the tender and finally, after two years of legal confrontation, court appeals and high lawyers' costs, Svensk Dos lost the contract. 'The sad part of the story is that the competitor was gaining market share just by complaining and slowing the process, not by winning the tenders', says Kristofer.

'Procurers and public authorities often lack full insight into the complex and diversified business. If you comply with tender criteria selection, how is it possible that companies can appeal on the wording after it is awarded? This should be possible before presenting offers, not after you participated. I think the procurement system needs to evolve to avoid cases such as this. If every losing competitor complains on the selection criteria after the award, then the State will be permanently cancelling and relaunching tenders, no public contract could run', complains Kristofer.

'From the positive side, I must admit that we did gain a lot of tender knowledge from these legal battles. Procurers were worried. We talked to procurement officers saying that, before launching a tender, they could contact companies to gain a better understanding of the market. And they listened to us. I was personally giving some input to procurers and I have to admit they did improve their tender writing a lot after that. We continued to bid and win some of them, others we lost. That is life', explains Kristofer.

'If only when preparing tenders, procurement officers consult with entrepreneurs that have been on the other side of the process, then they could produce much smarter tenders. It is always a win-win when entrepreneurs interact with procurers in the early stages of tender preparation', explains Kristofer.

'Thankfully, we built our business model on the 2 other contracts we won initially. The factory was quickly operational and started to produce promptly. We grew quickly, acquiring up to 30% of the Swedish market share in less than five years. In February 2016 we decided to sell the company, because it became really hard to manage the growth and continue with the investments needed. In addition, we did not have a real HR department, nor dedicated IT, and things that only big companies have. Oriola Corporation, a big Nordic pharma group, acquired Svensk Dos. And I was happy with that decision', says Kristofer.

Result-oriented PP?

'Procurers should take advantage of lessons learnt in the legal battle of the Swedish dose dispensing market. Tenders should focus much more on results, and much less on the legal, bureaucratic suitability of the companies', says Kristofer.

'I believe in the benefits of more result-oriented innovative tenders. For example, in some rural areas of Sweden, we have a high prevalence of metabolic syndrome (increased blood pressure, high blood sugar, excess body fat around the waist, and abnormal cholesterol or triglyceride levels). This is caused by unhealthy food, lack of exercise, smoking, and alcohol. Consequently, diabetes is a growing problem in some regions. Regional health authorities could issue a tender to reduce diabetes in their specific region by 2% in four years. Companies could propose very different ways to achieve this result. A big part of the payment should be linked to achieving targets. In my opinion, this could bring in innovative approaches, more efficiency, money savings and better results', says Kristofer.

'In any case, I am proud that we took a disruptive business model with Svensk Dos. This way elder Swedes such as Karin have medicine bags which take much less of their yearly taxes, and I know they are still in good hands as well', says Kristofer.

4.3.5.4. BASE 10

OUR NEW SPACE

BASE10 is located in the brand new flagship building "Juvelen" located right on Uppsala Centralstation - 30 minutes from Stockholm by train. BASE10 is the beating heart of the Uppsala startup scene and features private rooms, hotdesks, event space and meeting rooms all available via our [membership plans](#).

[READ ABOUT THE MOVE](#)

Description			
Company	BASE10	Created in	2017
City	Uppsala (Central Region)	Size	Micro (1 employee)
Sector (CPV)	79. Business services: law, marketing, consulting, recruitment, printing, and security	Website	https://base10.com/
Features			
Phase(s)	Verifying selection criteria Offer formulation Awarding		
Difficulties	Model not fully adapted for start-ups, with limited time for self-sustainability		
Solutions	Integrate competitors in implementation Explore alternative funding sources by using the same scheme		
Communication			
Potential Key Message 1	Supporting start-ups and high-tech SMEs through PP is a long-term investment for cities and regions. They should target value added services to be more successful.		
Potential Key Message 2	Open dialogue between public procurers and potential providers prepares the ground for better understanding the needs, facilitates advanced quality criteria and specific KPI for implementation.		

Executive summary

BASE10 is a recently created Swedish SME providing a co-working space and community services to tech start-ups in Uppsala. BASE10 was created with the support of the municipality and the region by transforming a pilot initiative into a PP opportunity. BASE10 has successfully attracted start-ups which were in or around Stockholm, with the idea of bringing the tech-community together. Uppsala region is historically a highly innovative area where very successful IT companies such as Klarna and Skype have their roots. Start-up visionaries Kristofer Klerfalk and Jason Dainter have an incredible track record of proposing disruptive ideas to transform PP into something completely new. BASE10 exists thanks to their motivation. This is its story.

Value added for start-ups

Today at [BASE10](#), a co-working space in Uppsala (Sweden), Folke is in his dedicated office working hard on a new idea. He recently graduated in machine learning from Uppsala University and is using drones, software machine learning and artificial intelligence for close-up forest control. Forestry is important for Sweden, but he has no money to go into that business. In a coffee break he meets the Chairman of BASE10, Kristof Klerfalk, who offers him advice on how to get funding and key contacts that could support his idea. This is real value added for a start-up.

Such a scene is common in BASE10, a coworking space for start-ups that Kristofer Klerfalk and Jason Dainter launched in Uppsala in 2016. 'I am based in Uppsala. I'm running companies, doing board work for non-profit organisations and giving free mentoring to start-ups in the Uppsala area, I love this city!', explains Kristofer.

'By the end of 2016, I noticed there was no Tech Hub in the city. Most of the start-ups in Uppsala were scattered around or commuting to the hubs in Stockholm. We saw a huge opportunity to bring together new companies and repatriate some high-techs that started in Uppsala, such as Klarna, MySQL, InkClub, Skype...we have a history of brilliant tech minds with roots here', explains Kristofer.

'Then I talked to some friends, who were enthusiastic about creating a co-working space for start-ups. We found an empty old building, got a particularly good lease, and started to fill the 1 000 m² with start-ups', says Kristofer.

'Once the project was launched, we immediately started to look for a better place. The first building needed a lot of work and we got in touch with officials at the municipality and the region. Uppsala is a small city, with easy access to officials and decision makers. In a bigger city, before reaching a decision-maker or a procurer, you need to first pass seven layers of gatekeepers and you can be unsuccessful at these intermediate levels', explains Kristofer.

Support from procurers and officials through PP

'After our successful launch, local officials welcomed the idea of a new co-working space for start-ups. Putting Uppsala onto the tech start-up map, benefiting the whole city and high-tech environment. The University is an especially important actor in Uppsala, and the co-working space could also keep students in the city after their studies. Retain talent and create jobs, a win-win scenario', says Kristofer.

A few months later, the municipality and the region together issued a tender to support a new co-working space in Uppsala for four years. 'The tender was launched, we bid for it and we won. It is true, we didn't offer the most competitive offer in terms of price, but we had the best points for quality and former experience, explains Kristofer.

'Most of the selection criteria related to the co-working space business model and the start-up world. They requested, for example, proven experience of organising events for start-ups and for women in the tech sector, of managing co-working spaces or hubs for tech companies, etc.', explains Kristofer.

Looking for self-sustainability

On being awarded the tender, in 2019 BASE10 moved into a brand-new eco-friendly building. Close to the central station, in the heart of the city were 1 200 m² over three floors ready to host start-ups. The tender was for 4 years, hoping that the co-working space will be full and self-sustainable by the end of this period. 'It could have been the case, but the Covid19 crisis seriously impacted the business. One floor is supposed to be rented for conferences, events, networking sessions, seminars. We had a full agenda with events every day, but with the pandemic we were obliged to cancel.', explains Kristofer.

'Maybe we are not going to be self-sustainable after the four year period as foreseen. But you can already see a huge return on the investment, because we have new companies in Uppsala, we are creating jobs. We became a nursery for new tech companies in the city. Our approach is to provide 'neonatal business services', new born companies have no money and the rent at BASE10 is really low. We don't want to be just another office hotel', argues Kristofer proudly.

'Thanks to PP, new companies coming to BASE10 pay a low rent, and soon hopefully they can even pay nothing if they are just starting their business and apply for a scholarship we are trying to set up. This is great example of how the public sector can support and boost business creation.

'In return, and even if this was not included in the tender, we provide coaching and advice for start-ups pro-bono. I coached at least 10 new companies last year, this is how I pay back the help I got when I started my first business. Some of the advice is just pre-guidance before going to an incubator or other help organisations which, by the way, are also in BASE10', says Kristofer smiling.

'We are trying to help the start-up movement thrive by providing real support. If somebody is unsuccessful with one idea or business, he can integrate another team or other people in another project, because we ensure fluent internal communication. And the results are quite good to be honest', says Kristofer.

'These aspects are important and could have been included in the tender. In any case, we will be happy if the region and the municipality issue another tender for the co-working space after the four years. But just in case this support does not come, or is lower than the first one, we are exploring other possibilities. We are looking for philanthropist contributions and are in talks with the University, to see if they can cover costs in the co-working space. We are applying the same model as in the tender, because it is working well', says Kristofer.

KPIs to meet to get paid

The tender for the co-working space was innovative as well. 'We have some key performance indicators (KPIs) to be reported every year: number of start-ups and age, number of events organised on tech and other matters, etc. On meeting these KPIs, BASE10 gets money from the procurer', explains Kristofer. 'And, from former experience in PP in my life, this is not always the case, tenders are very classical and bureaucratic, with a lot of reporting and administration', says Kristofer.

'I believe in the benefits of more innovative tenders, which seek an outcome or at least results that indicate real progress or service achievement. I think this is the future of PP, and this can be applied in almost every sector. Ticking KPIs is not enough. The public sector could have a better return on investment', says Kristofer. 'But if the KPI formula gives results and in the end opportunities to people like Folke, then this is much better than nothing', says Kristofer.

4.3.5.5. Jobbet.se

The screenshot shows the Jobbet.se website interface. At the top, there are navigation links: Pågående rekryteringar, Avslutade rekryteringar, Rekryteringstjänster, Kalender, Press/PR, Om oss, and Arbetsökande. A 'Logga in' button is in the top right. The main content area features a large image of a meeting and two statistics: 53533 Aktivt arbetsökande (with a 'För arbetsgivare' button) and 187 Pågående rekryteringar (with a 'Registrera ditt CV' button). Below this, there are sections for 'PÅGÅENDE REKRYTERINGAR' and 'REKRYTERINGSTJÄNSTER'. The 'PÅGÅENDE REKRYTERINGAR' section lists two job listings: one for 'Markförhandlare' in Roslagsvatten, Stockholm, and another for 'Produktionsplanerare till Nyhléns Hugosons' in Nyhléns Hugosons Chark AB, Norrbotten. The 'REKRYTERINGSTJÄNSTER' section lists services like Rekrytering, Search / Headhunting, Platsannonsering och Sociala media, and Rekryteringscenter.

Description			
Company	Jobbet.se	Created in	2003
City	Uppsala (Central Region)	Size	Small (10 employee)
Sector (CPV)	33. Medical equipment, pharmaceuticals, and personal care products	Website	https://jobbet.se/
Features			
Phase(s)	Verifying selection criteria Offer formulation Awarding		
Difficulties	Tenders do not request recruitment management, focusing on high profiles of consultants instead of company capacity Framework contract models imply too much administration for both SME and small public authorities Procurers do not adapt tenders to new GDPR regulation, which could affect the final price offered by compliant companies		
Solutions	Interact with procurers explaining difficulties in implementation Long-term agreements with top consultants Betting for digital solutions		
Communication			
Potential Key Message 1	Procedures need to comply with latest regulations such as GDPR.		
Potential Key Message 2	Both SMEs and small public operators do not have the capacity to deal with complex contract formulas and therefore struggle to get good results.		

Executive summary

Jobbet.se is a web-based recruitment platform based in Uppsala (Sweden). Created in 2002, it was the first online recruitment platform in Sweden. They offer services for private companies and public authorities, including ministries, regional governments and municipalities. They have extensive experience participating in PP, having targeted public sector from the outset. Since the GDPR regulation entered into force, the company claims that PP has not adapted properly to the new legal framework. This opens the door to competitors that are not GDPR compliant and therefore offer low prices, recruiting independent consultants and avoiding responsibility for data protection at company level, unlike Jobbet.se. This is their story.

The advantages of hitting first

Agnes is listening carefully to Sofie Skaränger, CEO at Jobbet.se, who is today's speaker at the Information Technology Centre in the University of Uppsala. Sofie is talking about labour market possibilities and the importance of preparing a great CV. Agnes was not aware that, with her Masters in UX/I design that she should get in 2 years' time, she could get a job in a Ministry. But now this makes sense, they also need to design forms, websites and other e-administration tools that have to be user friendly. Thanks to the inspiring speech, Agnes now has a slightly different vision of the world as a big interactive job market. After her day at the university, she runs home to prepare her very first CV and post it on Jobbet.se to see how this works. Exciting, yes, but also challenging!

[Jobbet.se](#) is the leading online recruitment platform in Sweden and the first to offer an online solution, launching their site in 2003. 'At that time some clients got excited, but others not at all. Companies and most public authorities didn't have a website and were not ready to understand the capacity of a digital service', says Sofie Skaränger, Jobbet.se CEO. 'But hitting first, you can have serious advantages over competitors. We grew quickly, and this allowed us to participate in PP very early', says Sofie.

'We have huge experience in offering services to public administration. They do not have enough professional resources to organise national recruitment, potentially addressing thousands of candidates. So they launch calls for tenders to subcontract recruitment services. We were the main supplier of recruitment services to the Swedish Transport Administration for 5 years, between 2012 and 2017. We have also been providing recruitment services to the Region of Uppsala since 2011, and our agreement extends to 2022' explains Sofie.

In addition to these national and regional contracts, Jobbet.se has also been awarded contracts in local procurement, delivering recruitment services to smaller municipalities, counties, regional structures, and government agencies.

'We are permanently scanning PP looking for new opportunities. Since we are a digital-driven company, we are very used to online PP platforms', explains Sofie. 'In Sweden, you can easily follow the procurement market through digital platforms such as [Kommersannon](#)s or [Tendsign](#). But these do not work as well as they could, there is a lot of room for improvement', says Sofie.

Listening to the market

'In the PP system, buyers are supposed to listen to the market, so service suppliers should know what to expect in a call for tenders. But honestly, I think that this listening from public authorities is rare. Most of the time procurement officers just take the elements from previous calls to prepare new calls. Consequently, changes in profiles could be forgotten', says Sofie.

'When it comes to the selection criteria, recruitment tenders request quite different things about the company and the consultants that are going to do the job. The exclusion and selection criteria target wealthy companies, having no problems with taxes and liabilities, and to ensure they have many years of experience in recruiting. From my point of view, these requests are logical and a must for a public buyer as they deal with public money. But usually they forget the most important thing, they

do not request any proof or methodology of how the company is going to administer and manage the recruitment', explains Sofie.

'For the selection criteria on consultants that will do the recruitment, the story is similar. Tenders usually request they hold diplomas relevant, that they have at least 3 years professional experience in recruitment and up to 10 years for managerial recruitment, and that they have certifications on test tools. Fine. But then, for each consultant, they must have carried out at least 10 recruitments in the last 2 years per position, and in some sectors, such as ICT, which are relatively new in the market, this is simply not possible', says Sofie.

'Procurers could find other ways for recruitment companies show their capacity and prove their experience instead of requesting overly high standards for consultant profiles. Since they are independent experts, some consultants have worked for different employers. They can have great professional experience in a specific niche, but a consultant cannot individually respond to a call for tender. Ultimately, it is the company that signs the contract and is responsible for ensuring a service is delivered with experienced staff', says Sofie.

GDPR compliance

'I think that public authorities in Sweden are not fully aware of the real constraints of the GDPR', says Sofie. 'We have been offering recruitment services in Sweden for almost 20 years now. Of course we adapt to every new piece of regulation, including personal data protection. But in every call for tenders where we are participating, it seems that burdens on companies managing personal data are just not considered. This for me is very shocking. We are dealing with a huge amount of personal data, it is our job', explains Sofie.

'Since May 2018, when GDPR entered into force in Sweden, there are high demands on companies about handling personal data. This really affects our business. Logically, tenders should ask companies about their capacity to deal with GDPR and how are proposed to safely handle personal data, and this is not the case. For any recruitment company, GDPR compliance is a must, but implies internal costs that obviously affect the price you can propose in a tender', complains Sofie.

'Procurers are looking more into the past experiences of companies rather than the needs ahead. How can they be sure if a company meets the legal requirements if they are not requesting GDPR compliance?' asks Sofie.

Cascade framework contracts, a good formula for big administration

'For recruitment services, public operators usually propose cascade framework contracts that include an 'allotment list'. They rank companies on their proposals, with number 1 the best quality at the lowest price. Usually the company ranked number 1 on the list gets business. But there is still a possibility for the client to call lower ranked companies if the number 1 cannot undertake the assignment. The cascade framework ensures service provision, although in some cases no company could undertake the assignment', explains Sofie.

'However, some public operators choose another formula which is to sign framework contracts with three or more pre-selected operators. Under this formula, each call is launched as restricted competition among pre-selected contractors. Each new tender relaunches competition, there is no rank list. Therefore, companies submit their proposals and again include the references for each assignment', explains Sofie.

'This second format creates problems for service suppliers. References are valuable for companies, and procurers should not request those all the time. If your company is pre-selected, this means it passed the first filter. We cannot understand why the procurer is asking us to do this job again and again, updating the references for each tender when you are already preselected. This is too much work!', complains Sofie.

'This second formula is frequently used for relaunching and reopening unfruitful tenders. But maybe the real reason that no company was tendering is that the price was too low, or the request required

extra efforts that are not worth it for the company. Procurers could fix a minimum threshold to allow tender relaunching, e.g. 50,000 euros', proposes Sofie.

'There are framework contract models on recruitment everywhere at national, regional and local levels. But, from our experience, national public authorities are generally more competent in dealing with both tender preparation and contract follow-up applying these models. Municipalities and small administrations struggle to deal with these because they request a certain capacity for preparation and follow-up. After all, at local level you trade with local recruitment companies and people you already know, these contracts include too much administrative burden for both parties', says Sofie.

'The framework contract model gives little room for service suppliers to appeal against a tender, since they argue that your company has been included on the lists, like saying that you have been awarded. But issues such as being GDPR compliant could affect the final price. We are encouraging students such as Agnes to post their CV looking for opportunities in public bodies, explaining clearly that they have nothing to fear about this, because their personal data will be saved. Procurers need to deal with these issues if they want to keep on the data protection track', concludes Sofie.

5. IMPROVING SME ACCESS TO PP

This chapter analyses the information collected and illustrated in chapters 2, 3, and 4 with the tables below summarising the results. The first table shows **10 barriers** hindering SME access to PP identified during the project, when they occur and how they were identified.

Table 8 Barriers: source of information

Barriers	PP phase	Quiz	Italy		Netherlands		Poland		Romania		Sweden	
			Webinars	Stories	Webinars	Stories	Webinars	Stories	Webinars	Stories	Webinars	Stories
Low trust in PP and public procurers	All		x	x		x			x	x		x
High administrative burden	All	x	x	x	x	x	x		x	x	x	x
Obstacles hampering collaboration/ consortia	All		x		x		x		x		x	
Linguistic barriers/ Tender documentation accessibility	All		x	x	x		x	x	x		x	
Unreachable criteria	Screening opportunities / Verifying selection criteria		x	x	x	x	x	x	x	x	x	x
Price over quality/ Unbalanced criteria	Offer formulation / Awarding		x	x		x	x	x	x		x	
Poor usability of digital platforms	Screening opportunities		x		x		x		x		x	
Difficulties in providing evidence of selection criteria	Awarding		x	x	x	x	x	x	x	x	x	x
Lack of time/ internal resources	Screening opportunities / Offer formulation	x	x						x			
Low knowledge of PP principles	Screening opportunities/ Verifying selection criteria	x										

The second table illustrates **12 needs** of SMEs to overcome the barriers. The needs emerged in the interactive sessions between SMEs and public procurers and were consolidated in the study circles with SME associations and public procurers. The needs were further analysed and synthesised by the project team, as shown in the table below. These form the basis for actions illustrated in the following sections.

Table 9 From barriers to needs

Needs	Barriers									
	Low trust in PP and public procurers	High administrative burden	Obstacles hampering collaboration/consortia	Linguistic barriers/ Tender documentation accessibility	Unreachable criteria	Price over quality/ Unbalanced criteria	Poor usability of digital platforms	Difficulties in providing evidence of selection criteria	Lack of time/ internal resources	Low knowledge of PP principles
More dialogue between public procurers and SMEs	x	x			x	x				x
More EU single market, less national barriers		x	x			x		x		
More support/ advice from public authorities to participate in PP	x		x						x	x
More support from SME associations			x		x				x	x
Selection criteria more consistent with procurement needs		x			x			x		
More efficient tools to access PP opportunities (TED + national platforms)				x			x		x	
Public procurers to have more knowledge of market including local companies	x				x	x				
Simpler rules		x						x		
More flexible payment schemes, on-time payments	x	x								

More support for digitalisation and upskilling of SMEs in traditional sectors				x			x			
More quality oriented PP (versus price only criterion)	x					x				
More PP opportunities for start-ups					x					

In section 5.1 the proposals are put into context by highlighting the EU policy framework. In section 5.2, narratives and key messages for possible EU communication actions are proposed, together with target groups and communication channels. Finally, section 5.3 offers policy actions to improve SME access to PP.

5.1. Alignment with EC action

2020 has been marked by the Covid19 crisis and required the EC to adapt its strategy for the Multiannual Financial Framework 2021-2027. A huge effort to support EU citizens and businesses to recover from the crisis impact is on-going. The EU's long-term budget coupled with NextGenerationEU, the temporary instrument designed to boost the recovery, will be the largest stimulus package ever financed through the EU budget. A total of €1.8 trillion will help post-Covid19 rebuilding with the aim of having a greener, more digital, and more resilient Europe.

The EU response to the Covid19 crisis includes a multitude of measures from liquidity measures to support through instruments such as the Enterprise Europe Network (EEN) to mitigate the effects on SMEs. In addition, the EC is advancing and adapting measures under the new SME strategy to cushion the impact of the crisis, including working with Member States on cutting red tape and enforcing the Late Payment Directive.

The new SME strategy¹⁹ underlines untapped opportunities for PP in the single market for SMEs, including start-ups who find it hard to compete in public tenders, and identifies two challenges:

- The public sector is relatively risk-averse, and frequently lacks the skills to encourage innovation.
- Operators and SMEs find public tendering complex or unsuitable.

To address these challenges, the EC will call on Member States and their contracting authorities to use the flexibility offered by the EU's new procurement framework as well as digital platforms to stimulate innovative solutions from SMEs along with cross-border access to PP contracts.

This project also aims to support the EC in its communication towards European SMEs. Key messages and narratives found during project implementation are linked to actions and instruments targeting SMEs.

5.2. Key messages and narratives

The key messages and narratives proposed in this section are inspired by the statement: 'The EU Single Market opens more opportunities for business to grow'.

¹⁹ European Commission, COM(2020) 103 final, 'An SME Strategy for a sustainable and digital Europe', 10 March 2020.

The project team has drafted 18 key messages based on issues identified from the survey, webinars and stories.

10 messages could support EC communication encouraging SME participation in PP (Table 10). These target SMEs and mainly combine possibilities offered by PP with advice on potential strategies for SMEs.

In addition, **eight messages could help communication with public procurers** (Table 11). These messages arise from SME testimonials and opinions expressed in the stories, and occasionally from the training sessions, interactive sessions and study circles.

12 narratives are also proposed (Table 12) with a link to:

- A specific need identified in the project (Table 9);
- Potential EC actions where the narrative could be used to communicate with the target groups;
- Several key messages, with details of the main target, actors that could help disseminate the messages and communication channels.

Table 10 Key messages to encourage SME participation in PP

Covered issues	#	Key messages
Consortia	1	SMEs can build market reputation by participating in PP. They can start by joining more experienced companies in consortia or bid for small tenders in local PP.
	2	Targeting PP opportunities can be fruitful, especially in the medium to long term. Build links with companies that have PP experience in public procurement tendering, including the administration burden and meeting specific requirements.
	3	SMEs could save on tender costs if bidding within consortia. In consortia SMEs can share costs such as tender preparation, they can share human and technical resources, and therefore mitigate risks during implementation.
Business strategy	4	To be more successful in PP, SMEs can develop complementary services, diversifying and enabling them to grow.
Business opportunities and growth	5	PP can be more secure for SMEs than the private sector. However, authorities need to be strict and fair during tenders, following regulations to ensure equal treatment.
	6	Public authorities have similar needs in some sectors and services. SMEs can grow when participating in cross-border national/regional PP, including EU programmes.
	7	PP can offer opportunities in many sectors. SMEs should explore using digital platforms and tools. SMEs can get access to training in digitalization through business associations.
	8	PP contracts are usually well structured, with little room for unexpected demands during implementation.
Start-ups	9	Innovative start-ups are interested in PP, but sometimes national opportunities are limited. The EU single market provides opportunities abroad, which can be explored using platforms such as TED.
Social impact	10	Social impact is a key aspect for public procurers. SMEs should promote their capacity to generate positive social impact at local level to be more successful in PP. They could try to meet public procurers to make sure that they understand this value added.

Table 11 Key messages for public procurers

Covered issues	#	Key messages
Dialogue	11	Open dialogue between public procurers and potential providers helps SMEs to better understand procurers' needs, and helps procurers to set quality criteria that are closer to the market reality in tenders.
Barriers	12	Overprotective policies make it hard for SMEs to do cross border PP and are a serious barrier to developing the EU internal market.
Local economies	13	PP can consolidate local economies and boost innovative SME development by introducing quality criteria encouraging a green and sustainable economy.
Policy alignment	14	PP is a strategic tool for public authorities to develop national, regional, and local policies. SMEs can fine-tune their business strategy to long-term political visions (greener Europe, more digital) to get credibility with procurers.
PP Strategy	15	PP needs to be based on longer-term strategies, with clear and stable procedures, looking for more sustainable and consistent economic growth and business development.
Social inclusion	16	PP can catalyse social and environmental engagement when it includes criteria on social inclusion, social impact, health and environmental issues or the circular economy.
Start-ups	17	Supporting start-ups and high-tech SMEs through PP is a long-term investment for cities and regions. They should target value added services to be more successful.
GDPR compliance	18	Procurers need to be coherent with the latest regulation, such as GDPR, and adapt their tenders.

Table 12 Needs, narratives, EC actions and key messages

Needs	Narratives	EC actions related	Key messages				
			to SMEs n°	to public procurers n°	Main SME target(s)	Actor(s) involved	Preferred channel(s)
More dialogue between procurers and SMEs	1. SMEs in Europe need more interaction with public procurers. This will enrich procurers' market knowledge helping them to better target services, with more opportunities for SMEs. In return, SMEs can better understand procurer needs and limitations, preparing better offers. The EC should encourage national, regional and local public procurers to organise open discussion sessions with SMEs and support common instruments to boost interaction. SME associations could bring value added by hosting these sessions.	EC actions to reinforce SME Envoys Network to strengthen the link between the EU and national levels on SME policy. EEN reinforcement and support. COSME programme.	10	11	•SMEs with PP experience	•Member States •Public procurers •SME associations •EC •SME Envoys Network and Ambassadors	•Face-to-face: meetings, seminars •Digital: on-line support, help services
More EU single market, less national barriers	2. SMEs face serious difficulties when participating in other Member State procurement markets. There are still too many differences between national PP procedures. This is a key limitation to cross-border business. SMEs will get more opportunities across Europe by joining forces with partners.	NextGenerationEU. EC actions to support partnerships in border regions and to remove administrative barriers. Tender Electronic Daily (TED).	6 9	12	•SMEs in general •SMEs active in cross-border activities •SMEs ready to export and	•EC •SME Associations •EEN	•Face-to-face: outreach and networking events •Digital: on-line support, e-

SME NEEDS ANALYSIS IN PUBLIC PROCUREMENT

Needs	Narratives	EC actions related	Key messages				
			to SMEs n°	to public procurers n°	Main SME target(s)	Actor(s) involved	Preferred channel(s)
					expand their business quickly		mail alerts, newsletters
More support and advice from public authorities to participate in PP	3. SMEs do not feel that national authorities provide enough guidance, advice or support to participate in PP. The new EU SME Strategy will connect support structures, so SMEs have advice nearby, including support on understanding PP opportunities and how the public sector engages services. This support also benefits public procurers, so the EC should encourage public procurers and public administrations to provide advice on their own systems. The EC could reinforce the capacities of EEN and its members.	NextGenerationEU. EC actions to support EEN, Digital Innovation Hubs (DIHs), Start-up Europe and others to ensure seamless support and advice, including with national, regional and local authorities and support structures. EC actions encouraging the creation of regulatory sandboxes (at Member State level).	7	11 17 18	<ul style="list-style-type: none"> •SMEs with no experience in PP •SMEs in traditional sectors 	<ul style="list-style-type: none"> •EC •EEN •Digital Innovation Hubs • Public procurers 	<ul style="list-style-type: none"> •Face-to-face: outreach events, seminars, workshops
More support from SME associations	4. SMEs need more support from SME associations to be informed, coached, and involved in PP. SMEs can approach associations and request them to be more active. SME associations should provide more support to SMEs on understanding PP and encouraging participation. Associations can also recruit SMEs because of their interest in new business opportunities in PP and reinforce their	EC actions to reinforce EEN capacities. EC actions with regional bodies to enhance regional and local services interconnectivity. ESIF.	1 2 3 7	17	<ul style="list-style-type: none"> •SMEs with no experience in PP •SMEs with potential to provide services to public administration 	<ul style="list-style-type: none"> •EC •SME associations 	<ul style="list-style-type: none"> •Face-to-face: networking events, workshops •Digital: websites, portals, e-mail alerts

SME NEEDS ANALYSIS IN PUBLIC PROCUREMENT

Needs	Narratives	EC actions related	Key messages				
			to SMEs n°	to public procurers n°	Main SME target(s)	Actor(s) involved	Preferred channel(s)
	links to public authorities by putting the parties in contact.						•Publications: handbooks, manuals
Selection criteria more consistent with procurement needs	5. SMEs consider that selection criteria are very demanding, target bigger companies and are made for companies already very experienced in PP. SMEs need to know that demanding selection criteria are sometimes the best guarantee for public administration in the selection process, but the EU new regulatory framework on PP proposes solutions to reduce these barriers. Dividing tenders into lots will allow more SMEs to participate in PP, but this is not enough. Economic and professional capacity criteria should be lower. The EC will work with Member States and public procurers to avoid misleading interpretations that could exclude SMEs.	EU's new procurement framework. NextGenerationEU. EU SME Strategy. EU Industrial Strategy. ESIF.	5 8	13 14	•Start-ups and young companies •Micro and small enterprises	•EC • National Authorities •Regional Authorities •Local Authorities •Intellectual Property Rights centres	•Face-to-face: workshops, trainings •Digital: websites, portals, e-mail alerts •Publications: handbooks, manuals

SME NEEDS ANALYSIS IN PUBLIC PROCUREMENT

Needs	Narratives	EC actions related	Key messages				
			to SMEs n°	to public procurers n°	Main SME target(s)	Actor(s) involved	Preferred channel(s)
Public procurers to have more knowledge of markets including local companies	6. SMEs complain about public procurer's lack of market knowledge including prices and new quality standards. In a regulated framework where no competitive advantages are given to any enterprise, SMEs can approach national, regional and local public procurers to present their services and products outside PP tender preparation. This can inform public procurers of potential needs and improve their tender writing. Public procurers need to consult SMEs more often. The EC will boost procurer and SME dialogue, fostering recommendations of the 'Small Business Act' to consult stakeholders, including SME organisations , prior to making any legislative or administrative proposals that can impact businesses.	Upskilling Europe. Small Business Act. EU SME Envoy.	4 5	13 14 15	•SMEs in general •Local and regional SMEs	•EC •Regional procurers •Local procurers •SME Associations	•Face-to-face: workshops, trainings •Digital: websites, portals, e-mail alerts •Publications: handbooks, manuals
More efficient tools to access PP opportunities (TED + national platforms)	7. Most SMEs screen PP opportunities in local, regional and national digital platforms. The EU digital platform (TED) is less used. Such digital platforms are not user friendly enough to encourage SME participation, proposing very static access to data. The EU is engaged to improve digital access to PP across Europe. SMEs will soon benefit	NextGenerationEU. EC actions to support Single Digital Gateway implementation in an SME-friendly way. EC actions to encourage MS on developing One-stop-shops.	7 9		•SMEs in general •Start-ups and young companies •SMEs active in cross-border activities	•EC •Member States •Regional Authorities	•Digital: on-line support, e-mail alerts

SME NEEDS ANALYSIS IN PUBLIC PROCUREMENT

Needs	Narratives	EC actions related	Key messages				
			to SMEs n°	to public procurers n°	Main SME target(s)	Actor(s) involved	Preferred channel(s)
	from the on-going digitalisation of public administration services in all Member States and new cross-border procurement.	EU's new procurement framework to enhance opportunities for SMEs including digital tools and platforms to step up cross border procurement. Tender Electronic Daily (TED).			•SMEs ready to export and expand their business quickly		
Simpler rules	8. SMEs complain that PP regulatory framework is too hard to understand. Some SMEs need external legal and other professional services to participate in PP. The EU already simplified the regulatory framework. Despite efforts at EU level to reduce it, administrative burden remains a great obstacle for SMEs to participate in PP. The EU continues to encourage Member States to reduce administrative burden in PP. Simplified formulas are now possible thanks to digitalisation and SMEs need support more than ever to reduce costs. In the transition, SMEs will get more support from the EEN and EU SME Envoys to get advice on PP as well.	EU's new procurement framework. NextGenerationEU. EU SME Strategy. EU Industrial Strategy. ESIF.	5	12	•SMEs in general	•EC •Member States •Regional Authorities • EEN •EU SME Envoy •SME associations	•Face-to-face: outreach and networking events, workshops, trainings, •Digital: on-line support, e-mail alerts •Publications: guides, handbooks, manuals
More flexible payment	9. SMEs consider PP as a secure business but claim that payments are very rigid, creating cashflow problems. Moreover,	NextGenerationEU.	5 8	11	•SMEs in general	•EC	•Digital: websites, portals, on-line

SME NEEDS ANALYSIS IN PUBLIC PROCUREMENT

Needs	Narratives	EC actions related	Key messages				
			to SMEs n°	to public procurers n°	Main SME target(s)	Actor(s) involved	Preferred channel(s)
schemes, on-time payments	payment delays can put SMEs at risk. There is a need to explore new payment formulas in PP to encourage SME participation. These could include advanced and intermediate payments. PP has the advantage of legality and more secure payments in the longer term. The EU supports businesses to fight late payments (Late Payment Directive) and is exploring alternative mediation solutions specifically for SMEs.	EC actions to support Member States in enforcing the Late Payment Directive. EC actions exploring resolution/mediation mechanisms for SMEs.			<ul style="list-style-type: none"> •SMEs with negative or low growth •SMEs in countries and regions where the need is urgent 	•Member States	support, e-mail alerts
More support for digitalisation and upskilling of SMEs in traditional sectors	10. Many SMEs are not ready for digitalisation. SMEs will get more support from the EU to digitalise and upskill their workforce. The EC can help SMEs in these two important aspects by both direct action and funding through the European Structural and Investment Funds.	EC 'digital volunteers' programme. Digital Crash Courses for SME employees. Skills Agenda for Europe updates, including a dedicated component for SMEs. ESIF.	7 9		<ul style="list-style-type: none"> •SMEs in traditional sectors 'upgrade' (manufacturing, lower knowledge-intensive services sectors, construction) •SMEs that need upskilling •SMEs in rural areas 	<ul style="list-style-type: none"> •EC •National authorities •Regional authorities •Local authorities •SME associations 	<ul style="list-style-type: none"> •Face-to-face: meetings, workshops •Digital: websites, on-line support •Publications: guides, handbooks •National, regional, and local media

SME NEEDS ANALYSIS IN PUBLIC PROCUREMENT

Needs	Narratives	EC actions related	Key messages				
			to SMEs n°	to public procurers n°	Main SME target(s)	Actor(s) involved	Preferred channel(s)
					•SMEs that urgently need to digitalise		
More quality oriented PP (versus best price formula)	11. Lowest price criterion is still an issue for SMEs. It is hard to compete with bigger companies, which can propose lower prices. The EU aims to support SMEs to find quality-oriented PP opportunities. PP is clearly moving towards quality to retain SME talent and maintain jobs, although this may take some time. The EC is encouraging national, regional and local public procurers to introduce best quality/price criteria, as in the 2014 Directive and when necessary upskilling public procurers. Orientation towards quality includes 'green' requirements. SMEs that can comply have a clear advantage. The EU will support SMEs to get aligned by providing more advice.	NextGenerationEU. EU's new procurement framework. EU SME Strategy. Small Business Act.	10	13 14 15 16	•SMEs providing top quality services and products •Start-ups and young companies	•EC •Member States •Public procurers	•Face-to-face: meetings, outreach events •Digital: newsletters, e-mail alerts
More PP opportunities for start-ups	12. EU start-ups are expecting more PP opportunities for their specific niches. Support for European start-ups needs to be local to avoid migration or dispersion. SME start-ups can approach DIHs, the EEN or SME associations for support on any	EC actions supporting EU Start-up Nations Standard. EC actions to support EEN and DIH.	9	17	•Start-ups •SMEs in high knowledge-intensive service sectors	•EC •National authorities	•Face-to-face: meetings, trainings

SME NEEDS ANALYSIS IN PUBLIC PROCUREMENT

Needs	Narratives	EC actions related	Key messages				
			to SMEs n°	to public procurers n°	Main SME target(s)	Actor(s) involved	Preferred channel(s)
	<p>opportunity at any level (EU, national, regional, local). The EC needs to identify stakeholders and new tech trends in local ecosystems. There are more opportunities for SMEs in PP than ever before, and this will increase in the coming years. Start-ups should be encouraged to register in platforms and be approached at local level.</p>	<p>NextGenerationEU. EU SME Strategy.</p>			<ul style="list-style-type: none"> •SMEs in high-tech/ advanced manufacturing •Local incubators •Innovation stakeholders 	<ul style="list-style-type: none"> •Regional authorities •Local authorities •DIH •EEN •SME associations 	<ul style="list-style-type: none"> •Digital: websites and portals •National, regional, and local media • R&I channels: EC R&I portals and specific publications

5.3. Actions to improve SME access to PP

In this section, **five actions including 10 interventions** to meet the needs detailed at the beginning of this chapter are described. They belong to three dimensions, clearly linked to the EC strategic framework:

- Digital tools and communication:
 - *Action 1: Improving TED;*
 - *Action 2: EU Communication actions.*
- Guidance and support for SMEs and public procurers:
 - *Action 3: Capacity building programme;*
 - *Action 4: Reducing financial barriers to PP.*
- Better implementation of PP directives principles:
 - *Action 5: Simplification and standardisation of PP practices.*

Action 1: Improving TED, includes three different interventions:

- ✓ *1.1: Improving TED usability;*
- ✓ *1.2: Improving and expanding the quality of TED information;*
- ✓ *1.3: Making TED accessible from additional channels.*

This action refers to tools to access PP opportunities and the single market as well as to lower national barriers and the digitalisation and upskilling of SMEs in traditional sectors. This action is largely under the control of the European Commission, which manages TED directly, but also implies possible partnerships with SME associations and national public authorities to increase and facilitate use of the platform by SMEs.

Action 2: EU Communication actions foresees one type of intervention (*2.1: Developing communication actions*). This is based on narratives that are well aligned with the SME strategic framework and key messages directed at both SMEs and public procurers. This action reaches a wide range of target groups. It also envisages the mobilisation of several actors in Member States.

Action 3: Capacity building programme, includes four interventions:

- ✓ *4.1: Improving SME capacity to use online PP platforms;*
- ✓ *4.2: Supporting SMEs to explore other Member State PP markets;*
- ✓ *4.3: Improving the capacity of public procurers to formulate and use balanced selection criteria and more suitable award criteria;*
- ✓ *4.4: Regular exchanges between public procurers and SMEs at regional and local level.*

This action mainly answers the need for more dialogue between SMEs and public procurers. It should also improve the competences of public procurers with better knowledge of the market, more quality oriented criteria, more favourable payment schemes for enterprises and more accessible tender procedures for start-ups. This action should be developed together with national authorities, SME associations and other actors.

Action 4: Reducing financial barriers to PP is based on one intervention (*4.1: Financial instrument reducing financial obstacles*) and helps reduce costs for SMEs to participate in PP, which are a significant barrier in some Member States.

Finally, **Action 5: Simplification and standardisation of PP practices** is based on only one intervention (*5.1: Standard models to issue shorter and more consistent tender documents*) contributing to better implementation of PP directive principles. The need for simpler rules is directly addressed through *Standard models to issue shorter and more consistent tender documents*,

reducing administrative burden for both SMEs and public procurers. Public procurers should be enabled to use the model to focus on consistency with their own procurement needs, defining the most appropriate and specific selection and award criteria. This action implies strong partnerships between European Commission and national authorities in Member States.

The table below shows relationships between single interventions and needs.

Table 13 From needs to interventions

Dimensions/ Interventions	Needs											
	More dialogue between public procurers and SMEs	More EU single market, less national barriers	More support/ advice from Public Authorities to participate in	More support from SME associations	Selection criteria more consistent with procurement needs	More efficient tools to access PP opportunities (TED +	Public procurers to have more knowledge of market including local companies operating	Simpler rules	More flexible payment schemes and defined, on-time	More support for digitalisation and upskilling of SMEs in	More quality oriented PP (versus price only criterion)	More PP opportunities for start-ups
Digital tools and communication												
1.1 Improving TED usability		x		x		x				x		
1.2 Improving and expanding the quality of TED information		x	x			x				x		
1.3 Making TED accessible from additional channels		x				x				x		
2.1 Developing communication actions	x	x	x	x	x	x	x	x	x	x	x	x
Guidance and support for SMEs and public procurers												

SME NEEDS ANALYSIS IN PUBLIC PROCUREMENT

3.1 Improving SME capacity to use online PP platforms			x	x						x		
3.2 Supporting SMEs to explore other Member State PP markets		x	x									
3.3 Improving the capacity of public procurers to formulate and use balanced selection criteria and more suitable award criteria	x				x		x	x	x		x	x
3.4 Regular exchanges between public procurers and SMEs at regional and local level	x						x		x		x	x
4.1 Financial instrument reducing financial obstacles				x								
Better implementation of PP Directives principles												
5.1 Standard models to issue shorter and more consistent tender documents					x			x			x	

In subsequent tables each intervention is described and detailed in terms of needs addressed, targets and actors involved.

5.3.1. Digital tools and communication

Action 1	Improving TED
Intervention 1.1	Improving TED usability
Description	<p>Improving the guide²⁰ to TED in a very focused way. The ‘Text’ search tool was used by 60% of SMEs in the training sessions. It is not clear how to search by text combining strings and characters. The pop-up help (clicking on ‘?’ near a filter) recommends using quotes, question marks and asterisks. However, the Help page recommends using characters and ‘and’ to combine search words. Consistency is needed. The guide should be also integrated with video tutorials in all EU official languages showing the basic navigation paths.</p> <p>Establishing a TED Helpdesk in all EU official languages. This could be through a chat function, email exchange and/or a call-in service. A full multilingual service is key given the language barriers for SMEs.</p> <p>Reviewing platform functions from a user perspective, in particular:</p> <p>The ‘Search’ function should be more visible than ‘Browse by’. Under ‘Browse by’ the ‘Buyer’ filter should include all types listed under the ‘Type of buyer’ filter. The most relevant public procurers for SMEs should appear first (Utilities entity, Regional and local authorities, Regional and local agencies, National and federal agencies, Ministries and any other national or federal authority).</p> <p>Add a new ‘Basic search’ (currently TED only includes ‘Advanced search’ and ‘Expert search’, suggesting it is a tool for experienced users). Based on use by more than 50 SMEs in the five countries covered by the project, the basic search filters should be:</p> <ul style="list-style-type: none"> - ‘Search scope’ (‘Active notice’ filter used by 73% of SMEs in the webinars, while only three used ‘Current OJS issue’, and seven ‘All notices’, of which five also used ‘Active notice’); - ‘Text’ (used by 60% of SMEs); - ‘Business opportunities’ (‘Planning’ was used by 14%, ‘Competition’ by 21%), excluding ‘More options’; - ‘Subject matter of the contract’ – currently ‘CPV’ (used by 53%); - ‘Subject matter of the contract’ – ‘Type of contracts’ (used by 27%); - ‘Subject matter of the contract’ – ‘Place of performance’ (used by 41%). <p>Perhaps reintroduce the filter ‘Division in lots’, which was eliminated in the last TED interface reorganisation.</p> <p>Add a tool converting prices into Euros.</p> <p>Most of the SMEs encountered difficulties in interpreting CPV codes. Perhaps complement CPV with NACE codes to search by sector. For public procurers, documents are based on CPV codes so conversion into NACE should be automatic. This would help SMEs to use TED and reduce the perception that it is designed from a bureaucratic perspective. For transparency, include CPV-NACE code conversion tables in the guide.</p>

²⁰ <https://ted.europa.eu/TED/misc/helpPage.do?helpPagelId=home>

	An additional filter could be added to label the SME friendly procedures to help SME to easily identify the tenders suitable for them. These include lower value tenders and those requiring less evidence of previous contracts. Before delivery of any new navigation interface, SME user tests are recommended. This could address SME information needs.
Need(s) addressed	More efficient tools to access PP opportunities (TED + national platforms) More EU single market, less national barriers More support from SME associations More support for digitalisation and upskilling of SMEs in traditional sectors
Target(s)	Micro and small enterprises, start-ups and young companies in all Member States
Leading actor(s)	European Commission
Actor(s) involved	At least one SME association per Member State (for the Helpdesk) One public authority/ agency with competence on PP per Member State (for the Helpdesk) National public authorities /agencies of all Member States with PP competence (if the labelling system is implemented) SME associations in selected Member States (to test TED usability)

Action 1	Improving TED
Intervention 1.2	Improving and expanding the quality of TED information
Description	<p>Make the translation function for contract notices more visible and more usable (i.e. avoiding to receive the translation via email).</p> <p>Make tender documentation directly more accessible from TED to avoid forcing the user to separately access individual public procurer websites. This will also lessen linguistic barriers (i.e. losing time screening websites in foreign languages).</p> <p>A partner search tool on TED allowing SMEs to identify possible partners, especially in other Member States. On TED perhaps SMEs could advertise that they are searching for partners with specific features (specialisation, location, etc.) to jointly explore common PP business. This would be especially useful for SMEs using the 'Business opportunities – Planning' filter, also to access information on future market opportunities well in advance. Possible integration with EEN should be explored.</p> <p>Suggest services offered by the EEN point in the user's region if they need support to start PP at cross border or transnational level (see also Intervention 3.2).</p> <p>To include 'success stories' in all EU official languages of SMEs who developed their business thanks to above threshold PP contracts, not only at national scale (see Intervention 3.2).</p>

Need(s) addressed	More efficient tools to access PP opportunities (TED + national platforms) More support/ advice from public authorities to participate in PP More EU single market, less national barriers More support for digitalisation and upskilling of SMEs in traditional sectors
Target(s)	Micro and small enterprises, start-ups and young companies in all Member States
Leading actor(s)	European Commission
Actor(s) involved	National public authorities/ agencies of all Member States with PP competence (to ensure that tender documentation is directly accessible from the TED platform) EEN (for possible integration in the design and implementation of the partner search tool)

Action 1	Improving TED
Intervention 1.3	Making TED accessible from additional channels
Description	<p>Access to TED from any public national (or regional) platform for PP could improve.</p> <p>A feasible option would be a banner in all public national PP platforms, 'Access information on above threshold tenders across the EU'. The user could be directed to the TED home page in the national language.</p> <p>In parallel, TED should include banners promoting national/ regional platforms for PP, depending on the place of performance and language chosen by the user (clearly there will be some complexity with languages used in more than one Member State, such as German and French).</p> <p>More integration with national/ regional PP platforms could be tested. In principle, an SME accessing a national (or regional) platform should be driven to expand their search to a wider geographical area, if they are interested in above threshold business opportunities.</p> <p>A geolocalisation tool to find cross border or transnational opportunities could help companies looking for tenders in neighbourhood regions, districts and/or abroad (see also intervention 1.2). Additionally, TED could include a list - or a user-friendly map - of national and regional PP databases across the EU to facilitate screening opportunities in other Member States.</p>
Need(s) addressed	More efficient tools to access PP opportunities (TED + national platforms) More EU single market, less national barriers More support for digitalisation and upskilling of SMEs in traditional sectors
Target(s)	SMEs in all Member States
Leading actor(s)	European Commission

Actor(s) involved	National public authorities / agencies managing PP platforms at national and regional level (perhaps incremental with not all Member States covered at first) SME Envoys Network and Ambassadors
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Action 2	EU Communication actions
Intervention 2.1	Developing communication actions
Description	Develop communication actions promoting SME access to PP based on the narratives and key messages using channels presented in the previous section. Understanding national and regional contexts together with the use of national languages is key to the success of the communication actions. Involving national/regional institutional and economic stakeholders is a precondition for communication design, formulation and implementation.
Need(s) addressed	<ul style="list-style-type: none"> More dialogue between procurers and SMEs More EU single market, less national barriers More support/ advice from public authorities to participate in PP More support from SME associations Selection criteria more consistent with procurement needs More efficient tools to access PP opportunities (TED + national platforms) Public procurers to have more knowledge of market including local companies Simpler rules More flexible payment schemes, on-time payments More support for digitalisation and upskilling of SMEs in traditional sectors More quality oriented PP (versus best price formula) More PP opportunities for start-ups
Target(s)	<ul style="list-style-type: none"> SMEs in general SMEs with negative or low growth SMEs in countries and regions where this need is urgent Micro and small enterprises Start-ups and young companies SMEs with no experience of PP SMEs with potential to provide services to public authorities Innovative SMEs SMEs in risky industrial sectors (with negative or low growth, or lower knowledge-intensive service sectors) SMEs that need an 'upgrade' (manufacturing, lower knowledge-intensive service sectors, construction) SMEs in high knowledge-intensive service sectors

	<p>SMEs in high-tech/advanced manufacturing</p> <p>SMEs that need upskilling</p> <p>SMEs in rural areas</p> <p>SMEs that need to get digitalised urgently</p> <p>Local incubators</p> <p>Innovation stakeholders</p> <p>Regional procurers</p> <p>Local procurers</p>
Leading actor(s)	European Commission – in partnership with Member States
Actor(s) involved	<p>EEN</p> <p>Regional Authorities</p> <p>Local Authorities</p> <p>SME associations</p> <p>SME Envoys Network and Ambassadors</p> <p>InvestEU actors</p> <p>Private funds</p> <p>Philanthropic foundations and personalities</p>

5.3.2. Guidance and support for SMEs and public procurers

Action 3	Capacity building programme
Intervention 3.1	Improving SME capacity to use online PP platforms
Description	<p>Training SMEs lacking experience and/or capacity to use digital PP platforms effectively, at least where digital literacy is lower. This training should help less prepared enterprises (especially micro and small enterprises and start-ups and young companies) with their first digital access to PP opportunities. Such training should focus on using national, regional and local platforms, as such players are unlikely to compete in above threshold tenders. Trainers should belong to SME associations and training the trainers is a pre-condition.</p> <p>In parallel, an SME association could support enterprises in using the online platforms, as, due to company size or staff background, it may make outsourcing such an operation more efficient.</p> <p>Such an intervention implies a structured partnership with SME associations in Member States (e.g. Italy and Romania) where such a basic need exists.</p>
Need(s) addressed	<p>More support/ advice from public authorities to participate in PP</p> <p>More support from SME associations</p> <p>More support for digitalisation and upskilling of SMEs in traditional sectors</p>

Target(s)	<p>SMEs in countries and regions with lower digital literacy</p> <p>SMEs with negative or low growth</p> <p>Micro and small enterprises</p> <p>Start-ups and young companies</p> <p>SME with no experience in PP</p> <p>SMEs that need upskilling</p> <p>SMEs in rural areas</p> <p>SMEs that need to get digitalised urgently</p>
Leading actor(s)	SME associations in selected Member States
Actor(s) involved	<p>National public authorities/ agencies managing PP platforms at national and regional level in selected Member States</p> <p>European Commission</p> <p>EEN</p> <p>SME Envoys Network and Ambassadors</p> <p>SME associations</p>

Action 3	Capacity building
Intervention 3.2	Supporting SMEs to explore other Member State PP markets
Description	<p>Offering support and advice to SMEs willing to establish cooperation with non-national companies to better exploit the EU single market.</p> <p>Support and advice could be offered by EEN, which manages a dataset of companies willing to join forces in business, to participate in PP at EU level. SMEs have to be enabled to start internationalisation by establishing PP subcontracts with international consortia, to progressively acquire experience and references (see Intervention 1.2). Furthermore, SMEs willing to find EU/ international PP opportunities should be pushed to make full use of Article 63 of Directive 2014/24/EU, concerning 'Reliance on the capacities of other entities'.</p> <p>To encourage enterprises to establish cooperation with non-national companies, success stories (following those included in the present study and covering further EU Member States) can be prepared and distributed through TED (see Intervention 1.2), promotional tools such as 'The secrets of success'²¹ brochures, events such as those organised in the framework of the SME Week²². They could also feed content for the annual 'SME Assembly'.</p>

²¹ <https://op.europa.eu/en/publication-detail/-/publication/dd1c2503-5f37-11e9-9c52-01aa75ed71a1/language-en/format-PDF/source-95143553>

²² https://ec.europa.eu/growth/smes/sme-strategy/sme-week_en

Need(s) addressed	More support/ advice from public authorities to participate in PP More EU single market, less national barriers
Target(s)	SMEs with potential to provide services to public administration Innovative SMEs SMEs in high knowledge-intensive service sectors SMEs in high-tech/advanced manufacturing Start-ups
Leading actor(s)	EEN
Actor(s) involved	European Commission SME associations SME Envoys Network and Ambassadors

Action 3	Capacity building programme
Intervention 3.3	Improving the capacity of public procurers to formulate and use balanced selection criteria and more suitable award criteria
Description	<p>Support for regional and local public procurers (authorities, agencies, utilities) in all Member States. This includes providing tools and encouraging officers, practitioners and stakeholders to exchange information and practices through dedicated events, with training when necessary.</p> <p>Guidelines, manuals, case studies, factsheets should be in all EU official languages and indicate to public procurers that:</p> <ul style="list-style-type: none"> - excessively high technical and professional capacity criteria for contract value and specificity can be avoided without prejudicing selection of the provider; - targeted quality award criteria linked to the subject of the contract, considering methodological and technical aspects should be preferred. <p>A good starting point is the ProcurComp Toolbox²³, designed by the European Commission to support PP professionalisation and self-assessment for PP professionals. ProcurComp Toolbox also suggests how public administrations can upskill their PP teams, in particular, to ensure that quality criteria are properly applied when bids are evaluated. The toolbox also includes case studies focusing on some Member States. These materials should be available in all EU official languages, as not all public procurers are highly proficient in English.</p> <p>PP materials should be properly distributed to regional and local procurers. They should be accessible from an online library also containing all EC regulatory, policy and support documents concerning PP, as well as videos and tutorials. Systematic promotion through national/ regional events such as workshops</p>

23

https://ec.europa.eu/info/policies/public-procurement/support-tools-public-buyers/professionalisation-public-buyers/procurcompeu-european-competency-framework-public-procurement-professionals_en

	<p>should be also envisaged. Public procurers and SME associations could be involved, opening dialogue between businesses and public authorities on PP. For instance, each workshop could include sections where national and/or regional/ local public procurers exchange practices. Such events can also be organised by the European Commission following the example of <i>fi-compass</i>²⁴. These workshops across the EU have promoted best practices for using financial instruments under European Structural and Investment Funds.</p> <p>Technical training for tender evaluation committees should be provided by the Member States when needed. Training should focus on: (1) knowledge of the regulatory framework, especially on applying quality criteria; (2) evaluating bids in relation to the needs, also considering the specific regional or local dimension.</p>
Need(s) addressed	<p>More dialogue between public procurers and SMEs</p> <p>Simpler rules</p> <p>Selection criteria more consistent with procurement needs</p> <p>Public procurers to have more knowledge of market including local companies</p> <p>More quality oriented PP (versus best price formula)</p> <p>More PP opportunities for start-ups</p> <p>More flexible payment schemes, on-time payments</p>
Target(s)	Regional and local public procurers (authorities, agencies, utilities)
Leading actor(s)	European Commission in partnership with Member States
Actor(s) involved	<p>National and regional public authorities/ agencies of all Member States with competence on PP</p> <p>SME associations</p> <p>Networks of local public procurers (including local and regional authorities)</p> <p>SME Envoys Network and Ambassadors</p>

Action 3	Capacity building programme
Intervention 3.4	Regular exchanges between public procurers and SMEs at regional and local level
Description	<p>Develop more dialogue between public procurers and SMEs. Regular opportunities should be created to share approaches and experiences outside ongoing procurement.</p> <p>Early information about procurement plans should be provided more often. Informal and sector specific dialogue, where all potential providers are invited, would increase the understanding of roles and inform public procurers about sector specific developments.</p> <p>This kind of interaction is sensitive in several Member States (including where problems of corruption are lower), so such dialogue should be promoted in</p>

²⁴ <https://www.fi-compass.eu>

	partnership with national authorities and in compliance with the national legislation.
Need(s) addressed	<p>More dialogue between procurers and SMEs</p> <p>Public procurers to have more knowledge of market including local companies</p> <p>More flexible payment schemes, on-time payments</p> <p>More quality oriented PP (versus price only criterion)</p> <p>More PP opportunities for start-ups</p>
Target(s)	<p>SMEs with potential to provide services to public administration</p> <p>Innovative SMEs</p> <p>SMEs in high knowledge-intensive service sectors</p> <p>SMEs in high-tech/ advanced manufacturing</p> <p>Start-ups</p> <p>National public procurers</p> <p>Regional public procurers</p> <p>Local public procurers</p>
Leading actor(s)	National public authorities/ agencies with PP competence, possibly in all Member States
Actor(s) involved	<p>SME associations</p> <p>Networks of local public procurers (including local and regional authorities)</p> <p>SME Envoys Network and Ambassadors</p> <p>European Commission</p>

Action 4	Reducing financial barriers to PP
Intervention 4.1	Financial instrument reducing financial obstacles
Description	<p>As a general principle, national authorities should encourage public procurers to request deposits proportional to the contract value. The capacity building mechanism proposed under intervention 3.3 could be used to promote good practices. More regular dialogue between public procurers and SMEs proposed under intervention 3.4 could be the occasion for public procurers to understand the necessity to reduce this burden.</p> <p>Until this burden exists, financial instruments could help micro and small enterprises (including young companies and start-ups) cover the costs of tender procedures.</p> <p>This solution should be provided in Member States where SME participation is particularly hampered by financial barriers. For instance, in Poland the contracting authority may require a deposit of up to 3% of the contract value.</p>

	<p>A financial instrument to finance such deposits (and other tender costs, as specified below) may provide targeted and short-term loans or guarantees. After the tender is settled and the security deposit is returned, the SME would repay the loan or release the guarantee.</p> <p>Establishing and mainstreaming such a financial instrument would enable:</p> <ul style="list-style-type: none"> - increased access for micro and small companies to larger tenders; - reduce SME funding gap in their early stages (especially in their first two years); - free up SME cashflow while the tender is settled; - secure deposit financing, without involving multiple parties. <p>Loans could cover not only the deposit but also other procedural costs (e.g. obtaining certificates, translations, evaluations, expert opinions, preparation and delivery of samples, etc.), and possibly also pre-finance operations related to contract delivery.</p> <p>Such a financial instrument could be set up by SME associations and financial intermediaries with support from national authorities and the European Commission (including using EU funds).</p>
Need(s) addressed	More support from SME associations
Target(s)	Micro and small enterprises in Member States where this barrier exists Start-ups and young companies meeting this barrier
Leading actor(s)	SME associations with experience in setting up financial instruments for microenterprises and start-ups
Actor(s) involved	National authorities Financial intermediaries in the Member States European Commission

5.3.3. Better implementation of PP directives principles

Action 5	Simplification and standardisation of PP practices
Intervention 5.1	Standard models to issue shorter and more consistent tender documents
Description	<p>Create EU standard models for recurrent tenders and adapt them to each Member State. With standard models, tender documents tend to be shorter. More important, standardisation means information is presented in a recurrent way, reducing effort for SMEs in reading, analysing and assessing tender documents.</p> <p>This approach could be incremental, starting from the most basic cases. These standard models should be promoted to regional and local public procurers (authorities, agencies, utilities). A model endorsed by national authorities and the EC could be considered as a sound solution and recommended but not imposed. This would mitigate a 'defensive' approach that leads public procurers to elaborate criteria hampering SME access, such as excessive technical and professional</p>

	<p>capacity criteria. Standard models should also reduce the burden for local and regional public procurers, helping them prepare tenders.</p> <p>In some Member States standard models could <i>limit</i> the room for manoeuvre of public procurers in setting selection and award criteria consistent with specific procurement needs. This should be avoided with care. In the dialogue with national authorities/ agencies, the European Commission could promote standard models that create conditions for public procurers to translate what they need to buy and their knowledge of the market into a PP procedure.</p>
Need(s) addressed	<p>Selection criteria more consistent with procurement needs</p> <p>Simpler rules</p> <p>More quality oriented PP (versus best price formula)</p>
Target(s)	<p>SMEs in general</p> <p>Regional and local public procurers (authorities, agencies, utilities)</p>
Leading actor(s)	<p>National Public authorities / agencies of all Member States with PP competence in partnership with the European Commission</p>
Actor(s) involved	<p>Networks of local public procurers (including local and regional authorities)</p>

6. CONCLUSIONS AND SUBSEQUENT RESEARCH

6.1. Conclusions

The project has shown that **more regular dialogue between SMEs and public procurers** could reduce barriers hampering SME access to PP. These barriers include low trust in PP and public procurers, unbalanced award criteria, high administrative burden and limited knowledge of PP principles.

SMEs and public procurers normally interact only when a tendering procedure is running. The project suggests that dialogue at an earlier stage could benefit both parties. It should give public procurers a better understanding of the market and increase SME's familiarity with PP specificities. This still appears to be a sensitive issue given that public procurer relationships with SMEs tend to be considered as unfair practices affecting competition in the market. The project showed that this can be the case even in Member States with very little corruption. Such dialogue would have several dimensions and require multilevel governance. It should be promoted – not imposed - at different national scales for public procurers at all levels, with a focus on local authorities and smaller public procurers. Here interaction with local SMEs would be key to facilitating their access to PP.

The interaction with public procurers highlighted their awareness that several problems of SME access to PP depend on the transposition of EU PP Directives, including on administrative practices. Gold-plating at national level and low use of provisions facilitating SME access emerged from the dialogue with 55 SMEs, 15 SME associations and 19 public procurers in the five Member States. This seems to require a **more regular and systematic approach in developing capacity building actions, focusing on national and regional specificities**. The EC could look at creating a platform for advisory services on PP. This could follow the example of *fi-compass*²⁵ where the EIB provides advisory services on financial instruments. '*pp-compass*' could be a hub for advisory services directed at national authorities responsible for PP, as well as public procurers and SME associations across the EU. As in *fi-compass*, this platform could produce and collect material on PP such as guidelines, manuals, case studies and factsheets in different languages. Such materials could facilitate regional and local procurers in understanding that excessively high technical and professional capacity criteria (disproportionate with contract values and their specificity) can be avoided without prejudicing the selection of the provider. Further success stories could also cover all Member States. The platform could include a library with all EC regulatory documents concerning PP as well as a section for videos and tutorials. Such a platform should be fully integrated with the 'European SME Week' and feed content for the annual 'SME Assembly'. The possibility to organise blended workshops, with limited face-to-face options and extensive use of online solutions should mitigate costs.

An evident finding of the project is that **collaboration is key for SMEs to increase access to PP**. Even if SMEs are aware that joining forces would increase their capacity to fulfil selection criteria, they commonly find barriers in establishing new business relationships. Small entrepreneurs consider the human factor as crucial and tend not to establish relationships with companies that do not belong to their network. Such a cultural barrier can be overcome with targeted services for SMEs. Even if this does not fully meet all SME expectations, **support from SME associations and the public sector seems necessary** to increase the capacity to cooperate with new partnering companies. This is particularly true for international company relationships offering advantages to better exploit the EU single market. Public services, starting from those offered by the EEN, should be publicised to offer more systematic answers to SMEs looking to establish partnerships, increasing their capacity to participate in PP.

The project enabled in-depth investigations on the use of TED by SMEs. Compared to national digital tools, the added value of TED is the EU coverage, even though this may be less interesting for

²⁵ <https://www.fi-compass.eu>

smaller enterprises. **The SME use of TED shows there is significant room to improve the user friendliness** of this tool. For instance, linguistic problems are a major barrier for companies that do not operate on a cross-border or transnational basis. Concrete indications can be extracted by observing use of the platform, as in this project. This practice should continue to regularly review future changes to the platform. Furthermore, **greater integration with national/ regional PP platforms** could be experimented to increase the use and visibility of TED by national and local SMEs.

For communication activities to increase SME participation in PP, the project suggests **messages for both SMEs** (emphasising strong points and the potential of participating in PP) **and public procurers** (promoting PP practices facilitating SME access). The analysis also indicates that formulating and developing communication actions imply strong partnerships with the Member States and their public authorities as well as with SME associations and other players. Communication requires a profound knowledge of the targets, including their national contexts and linguistic specificities.

Finally, the project methodology had to be adapted as face-to-face meetings were impossible due to the Covid19 health emergency. The use of digital platforms was intensive and advanced, enabling sophisticated data collection methods. SMEs, SME associations and public procurers showed a good capacity to use these tools in a cooperative approach, especially when the team had to track their screens during the TED exercise. **This opens the door to more intense and innovative use of data collection methods in future studies.**

6.2. Subsequent research

The project produced findings that can be used as a basis for policy action. Furthermore, there are opportunities to fill gaps with further research, such as:

- **Covering all EU Member States with a similar qualitative approach.** The pandemic created the occasion to elaborate and experiment a more efficient methodology for this project. Data collection could be extended to the remaining 22 Member States, consolidating the results of the study. In particular, focus groups involving SMEs and public procurers should cover more Member States to investigate interaction between the two groups.
- **Integrating the qualitative approach by adopting a quantitative approach.**
 - Similar to the joint EC/EIB Survey on Access to Finance of Enterprises (SAFE) every six months (since 2009), a **recurrent survey on SME access to PP** could provide additional quantitative insights.
 - A recurrent (i.e. yearly) **analysis of awarded procedures based on information in TED** and national databases could highlight SME participation in other EU Member States. The analysis could be conducted across Member States (by buyer, by provider), sector of procurement (by CPV code), public procurer type, and company size.

Annex A - Quiz figures by enterprise categories

Table 14 Key results from the quiz by answer and enterprise category: enterprise size

Quiz answers		Of total enterprises	Size			
			Micro	Small	Medium	
PP experience	Participation in the past	51.5%	44.7%	57.5%	69.6%	
	<i>with success</i>	83.2%	82.5%	80.0%	89.7%	
	<i>without success</i>	16.8%	17.5%	20.0%	10.3%	
	No interest in participating in the future*	30.7%	33.6%	24.3%	17.6%	
	<i>because too complicated</i>	58.2%	57.5%	66.7%	66.7%	
	<i>because not needed</i>	41.8%	42.5%	33.3%	33.3%	
	Interest in participating in the future*	69.3%	66.4%	75.7%	82.4%	
Knowledge of PP principles	Wrong definition of a call for tender/for proposal	19.4%	18.9%	23.0%	14.3%	
	Wrong definition of open procedure	5.9%	6.5%	5.7%	3.6%	
	Wrong definition of restricted procedure	51.8%	51.6%	54.0%	50.0%	
	The cheapest offer always wins	8.4%	8.8%	8.0%	7.1%	
	Wrong knowledge of exclusion criteria	14.3%	14.3%	16.1%	8.9%	
Knowledge of PP opportunities	<i>Where to find a tender above EU thresholds</i>	On local authority website	53.1%	59.4%	42.5%	44.6%
		On TED	28.3%	24.0%	31.0%	39.3%
		On Google	9.7%	8.8%	13.8%	8.9%
		Get lost	8.6%	7.4%	12.6%	7.1%
	<i>Where to find a tender managed by the EC</i>	On a specific EC website	55.8%	59.4%	43.7%	58.9%
		On Google	28.6%	24.9%	36.8%	32.1%
		SMEs cannot compete	15.1%	15.2%	19.5%	7.1%
	<i>Tender in another EU country</i>	Check with an expert	29.6%	32.7%	28.7%	23.2%
		It is no possible	13.2%	12.9%	14.9%	12.5%
	<i>Tenders' workload</i>	All complicated	15.4%	12.0%	20.7%	21.4%
	<i>Tender procedure clarification</i>	Writing an email through website	14.8%	15.7%	17.2%	10.7%
		Questions not possible	3.8%	4.6%	3.4%	0.0%

Note: *= as % of those without participation in the past

Table 15 Key results from the quiz by answer and enterprise category: enterprise year of creation

Quiz answers		Of total enterprises	Year of creation		
			Start-ups and young companies	Mature	
PP experience	Participation in the past	51.5%	29.1%	58.0%	
	<i>with success</i>	83.2%	91.3%	81.9%	
	<i>without success</i>	16.8%	8.7%	18.1%	
	No interest in participating in the future*	30.7%	28.6%	31.9%	
	<i>because too complicated</i>	58.2%	31.3%	71.1%	
	<i>because not needed</i>	41.8%	68.8%	28.9%	
	Interest in participating in the future*	69.3%	71.4%	68.1%	
Knowledge of PP principles	Wrong definition of a call for tender/for proposal	19.4%	20.3%	19.2%	
	Wrong definition of open procedure	5.9%	5.1%	6.3%	
	Wrong definition of restricted procedure	51.8%	51.9%	51.4%	
	The cheapest offer always wins	8.4%	13.9%	7.0%	
	Wrong knowledge of exclusion criteria	14.3%	12.7%	15.0%	
Knowledge of PP opportunities	Where to find a tender above EU thresholds	On local authority website	53.1%	67.1%	48.6%
		On TED	28.3%	19.0%	31.1%
		On Google	9.7%	8.9%	10.1%
		Get lost	8.6%	3.8%	10.1%
	Where to find a tender managed by the EC	On a specific EC website	55.8%	67.1%	52.4%
		On Google	28.6%	21.5%	30.4%
		SMEs cannot compete	15.1%	10.1%	16.8%
	Tender in another EU country	Check with an expert	29.6%	32.9%	28.7%
		It is no possible	13.2%	12.7%	13.6%
	Tenders' workload	All complicated	15.4%	15.2%	15.7%
	Tender procedure clarification	Writing an email through website	14.8%	21.5%	13.3%
		Questions not possible	3.8%	2.5%	3.8%

Note: *= as % of those without participation in the past.

Table 16 Key results from the quiz by answer and enterprise category: enterprise average turnover growth in the last three years

Quiz answers		Of total enterprises	Average turnover growth in the last 3 years				
			<0%	0%< and <10%	10%< and <20%	>20%	
PP experience	Participation in the past	51.5%	53.1%	50.4%	46.5%	64.0%	
	<i>with success</i>	83.2%	76.7%	85.7%	80.4%	90.6%	
	<i>without success</i>	16.8%	23.3%	14.3%	19.6%	9.4%	
	No interest in participating in the future*	30.7%	43.2%	20.3%	32.1%	38.9%	
	<i>because too complicated</i>	58.2%	50.0%	57.1%	58.8%	85.7%	
	<i>because not needed</i>	41.8%	50.0%	42.9%	41.2%	14.3%	
	Interest in participating in the future*	69.3%	56.8%	79.7%	67.9%	61.1%	
Knowledge of PP principles	Wrong definition of a call for tender/for proposal	19.4%	23.5%	18.0%	21.2%	14.0%	
	Wrong definition of open procedure	5.9%	9.9%	5.8%	4.0%	4.0%	
	Wrong definition of restricted procedure	51.8%	45.7%	53.2%	55.6%	50.0%	
	The cheapest offer always wins	8.4%	17.3%	4.3%	8.1%	6.0%	
	Wrong knowledge of exclusion criteria	14.3%	14.8%	13.7%	15.2%	14.0%	
Knowledge of PP opportunities	Where to find a tender above EU thresholds	On local authority website	53.1%	48.1%	58.3%	53.5%	44.0%
		On TED	28.3%	27.2%	28.1%	28.3%	32.0%
		On Google	9.7%	16.0%	6.5%	7.1%	14.0%
		Get lost	8.6%	8.6%	7.2%	11.1%	8.0%
	Where to find a tender managed by the EC	On a specific EC website	55.8%	49.4%	56.8%	59.6%	54.0%
		On Google	28.6%	35.8%	27.3%	27.3%	24.0%
		SMEs cannot compete	15.1%	14.8%	15.1%	13.1%	20.0%
	Tender in another EU country	Check with an expert	29.6%	28.4%	33.1%	31.3%	20.0%
		It is no possible	13.2%	14.8%	14.4%	11.1%	12.0%
	Tenders' workload	All complicated	15.4%	23.5%	12.9%	14.1%	12.0%
	Tender procedure clarification	Writing an email through website	14.8%	23.5%	13.7%	12.1%	10.0%
Questions not possible		3.8%	2.5%	5.0%	5.1%	0.0%	

Note: *= as % of those without participation in the past.

Table 17 Key results from the quiz by answer and enterprise category: enterprise sector

Quiz answers		Of total enterprises	Sector			
			Manufact.	Services	Construction	
PP experience	Participation in the past	51.5%	43.1%	51.6%	60.4%	
	<i>with success</i>	83.2%	88.0%	79.8%	90.6%	
	<i>without success</i>	16.8%	12.0%	20.2%	9.4%	
	No interest in participating in the future*	30.7%	18.2%	33.3%	33.3%	
	<i>because too complicated</i>	58.2%	66.7%	60.0%	42.9%	
	<i>because not needed</i>	41.8%	33.3%	40.0%	57.1%	
	Interest in participating in the future*	69.3%	81.8%	66.7%	66.7%	
Knowledge of PP principles	Wrong definition of a call for tender/for proposal	19.4%	17.2%	20.8%	11.3%	
	Wrong definition of open procedure	5.9%	1.7%	6.4%	9.4%	
	Wrong definition of restricted procedure	51.8%	55.2%	52.4%	47.2%	
	The cheapest offer always wins	8.4%	3.4%	8.0%	13.2%	
	Wrong knowledge of exclusion criteria	14.3%	19.0%	16.0%	3.8%	
Knowledge of PP opportunities	Where to find a tender above EU thresholds	On local authority website	53.1%	41.4%	53.6%	64.2%
		On TED	28.3%	34.5%	29.2%	17.0%
		On Google	9.7%	8.6%	10.0%	9.4%
		Get lost	8.6%	15.5%	6.8%	9.4%
	Where to find a tender managed by the EC	On a specific EC website	55.8%	53.4%	57.6%	52.8%
		On Google	28.6%	29.3%	26.4%	34.0%
		SMEs cannot compete	15.1%	17.2%	15.2%	13.2%
	Tender in another EU country	Check with an expert	29.6%	34.5%	28.4%	28.3%
		It is no possible	13.2%	8.6%	13.6%	17.0%
	Tenders' workload	All complicated	15.4%	20.7%	14.0%	15.1%
	Tender procedure clarification	Writing an email through website	14.8%	15.5%	14.0%	17.0%
		Questions not possible	3.8%	5.2%	4.4%	0.0%

Note: *= as % of those without participation in the past.

Table 18 Key results from the quiz by answer and enterprise category: service knowledge-intensity

Quiz answers		Of total enterprises	Service sector knowledge-intensity			
			Low	Medium	High	
PP experience	Participation in the past	51.5%	39.2%	54.6%	60.0%	
	<i>with success</i>	83.2%	72.4%	79.7%	79.2%	
	<i>without success</i>	16.8%	27.6%	20.3%	20.8%	
	No interest in participating in the future*	30.7%	29.5%	34.7%	43.8%	
	<i>because too complicated</i>	58.2%	61.5%	52.9%	71.4%	
	<i>because not needed</i>	41.8%	38.5%	47.1%	28.6%	
	Interest in participating in the future*	69.3%	70.5%	65.3%	56.3%	
Knowledge of PP principles	Wrong definition of a call for tender/for proposal	19.4%	23.0%	13.0%	30.0%	
	Wrong definition of open procedure	5.9%	6.8%	2.8%	7.5%	
	Wrong definition of restricted procedure	51.8%	59.5%	46.3%	55.0%	
	The cheapest offer always wins	8.4%	14.9%	2.8%	7.5%	
	Wrong knowledge of exclusion criteria	14.3%	9.5%	18.5%	22.5%	
Knowledge of PP opportunities	<i>Where to find a tender above EU thresholds</i>	On local authority website	53.1%	58.1%	55.6%	40.0%
		On TED	28.3%	21.6%	34.3%	32.5%
		On Google	9.7%	13.5%	6.5%	10.0%
		Get lost	8.6%	6.8%	3.7%	15.0%
	<i>Where to find a tender managed by the EC</i>	On a specific EC website	55.8%	51.4%	61.1%	50.0%
		On Google	28.6%	39.2%	25.9%	17.5%
		SMEs cannot compete	15.1%	9.5%	12.0%	30.0%
	<i>Tender in another EU country</i>	Check with an expert	29.6%	36.5%	24.1%	20.0%
		It is no possible	13.2%	16.2%	6.5%	27.5%
	<i>Tenders' workload</i>	All complicated	15.4%	18.9%	7.4%	20.0%
<i>Tender procedure clarification</i>	Writing an email through website	14.8%	24.3%	8.3%	7.5%	
	Questions not possible	3.8%	5.4%	4.6%	2.5%	

Note: * = as % of those without participation in the past

Annex B - The 'quiz'

1) Have you ever participated/are you participating in PP procedures?

- Yes, with success
- Yes, without success
- No, but I'm interested in participating in the future
- No, and I am not interested in participating in the future as it seems too complicated to us
- No, and I am not interested in participating in the future since I don't need it

2) Is there any difference between a call for tender and a call for proposal?

- a) There is no difference, they are the same
- b) Different from a call for proposal, a call for tender is a procedure that a public authority uses to procure goods, services and works in exchange of a payment on an agreed price based on a public contract
- c) Different from a call for tender, in the call for proposals made by public authorities, the procedure to procure goods, service and works is without a competition

a) score: 0

b) score: 3

c) score: 0

3) You become aware of a tender of more than 250 000 EUR to provide public services awarded by your local public authority. You don't have all the information and specification of the tender. What can you do?

- a) I will consult the website of my local authority
- b) I will consult the TED (Tenders Electronic Daily) website
- c) I will google "tender in...."
- d) I'm lost, I will not take part to the tender

a) score: 2

b) score: 3

c) score: 1

d) score: 0

4) You become aware that the European Commission purchases services connected directly to your business. What do you do to find opportunities for your business?

- a) Surely I will not search anything since SMEs have not the requirements to compete
- b) I will google "European Commission tender...."

c) There is a specific web portal supporting enterprises in finding the European Commission's tender opportunities

a) score: 0

b) score: 2

c) score: 3

5) There is a tender in another EU country and the subject of the tender is related to a sector where you have a strong comparative advantage. Moreover, the price is very attractive. How do you approach it?

a) I give up, I can never tender outside my country in the EU

b) I need to check with an expert if I can bid in this country

c) I know I can bid in other EU countries, but I need to verify the specific technical requirements

a) score: 0

b) score: 2

c) score: 3

6) What is an open procedure?

a) This procedure is used to obtain an idea for a design

b) Used when only preselected companies can apply

c) Anyone may submit a full tender

a) score: 0

b) score: 0

c) score: 3

7) What is a restricted procedure?

a) Procuring authorities can only use this procedure when negotiations are necessary due to the specific or complicated nature of the purchase

b) Anyone may ask to participate in a restricted procedure, but only those who are pre-selected may submit tenders

c) Anyone may ask to participate, but only those who are pre-selected will be invited to submit initial tenders and to negotiate.

a) score: 0

b) score: 3

c) score: 0

8) Do all tenders involve the same workload to submit an offer?

a) No, it depends on the size of the contract. The tender procedure is simplified under a specific threshold

- b) No, it mainly depends on the specific tender procedure
- c) Yes, they are all very complicated

a) score: 3
b) score: 3
c) score: 0

9) During the tender procedure, what you can do if you need clarification?

- a) Questions on the tender are not allowed when the procedure is open
- b) If I can find a contact on the website of the tendering authority, I can write an email
- c) The tender documentation includes how to ask questions. The answers are then published

a) score: 0
b) score: 2
c) score: 3

10) The contract is always awarded on the basis of the lowest price

- a) Yes, the cheapest offer always wins
- b) Yes, but the tenderer must fulfil the minimum requirements set in the procedure
- c) Not always, the public authority can also award using other criteria
- d) No, never

a) score: 0
b) score: 2
c) score: 3
d) score: 0

11) When can you be excluded in a tender procedure?

- a) When you participate in corruption or have links to a criminal organisation
- b) If you did not pay taxes or social security contributions.
- c) For discretionary reasons decided from time to time by the tendering authority

a) score: 3
b) score: 2
c) score: 0

To conclude the Quiz, we need only few information about your company:

Year of creation*

- 2019
- 2018
- 2017

- 2016
- 2015
- 2014
- 2013
- 2012
- 2011
- Before 2011

Staff headcount

- 1 - 9
- 10 - 49
- 50 --249
- More than 250

Turnover

- 0 - 2 million €
- 2 - 10 million €
- 10 - 50 million €
- More than 50 million €

Average turnover trend in the last three years:

- Decreased
- Increased less than 10%
- Increased between 10% and 20%
- Increased more than 20%

In which sector (NACE rev 2) you are operating:

- A- Agriculture, forestry and fishing
- C - Manufacturing
- E - Water supply, sewerage, waste management and remediation activities
- F - Construction

- G - Wholesale and retail trade
- H - Transportation and storage (excl. H50 Water transport)
- I - Accommodation and food service activities
- J - Information and communication
- K - Financial and insurance activities
- M - Professional, scientific and technical activities
- N - Administrative and support service activities;
- Q - Human health and social work activities
- Other, please specify_____

Annex C – Questionnaires used in the training sessions

Questionnaire post TED exercise

- 1) Did you find words or sentences difficult to understand?
 - a. None
 - b. Yes, in some cases
 - c. Yes, in many cases so that I had problems to fill in the form
 - d. I cannot reply

- 2) Did you notice cases where there are redundancies in the fields to be filled in?
 - a. None
 - b. Yes, in some cases
 - c. Yes, in many cases so that I had problems to fill in the form
 - d. I cannot reply

- 3) Were you able to find business opportunities thanks to the selected search criteria?
 - a. Yes, and the number of business opportunities I found was appropriate
 - b. Yes, but the number of business opportunities I found was too large (contract notice, others)
 - c. No, I could not identify any business opportunity (contract notices, others)
 - d. I cannot reply

- 4) In case you chose answer b. in previous question, did you add more filters to better perform the search?
 - a. Yes
 - b. No
 - c. I cannot reply

- 5) Did the system allow you to identify business opportunities in different territorial areas other than your current market and / or outside your country?
 - a. Yes
 - b. No, although I would be interested in business opportunities in new territorial areas other than my current market and /or my country
 - c. No, but I am not interested in business opportunities in new territorial areas and / or abroad
 - d. I cannot reply

- 6) Are you considering using this database to find out business opportunities in the future?

- a. Yes
- b. No
- c. I cannot reply now, as I should discuss this with my colleagues

Questionnaire post Selection Criteria exercise

- 1) Were the documents difficult to read?
 - a. Yes
 - b. No

- 2) In case you chose answer a. to previous question, which are the main problems you met? *(multiple choice)*
 - a. Documents are too long and I need lot of time to read them
 - b. Documents are too complex and I cannot understand where to find out the information needed
 - c. In those documents language is too technical and not easy to interpret

- 3) Did you have problems to understand whether your company has got the requirements that would allow it to apply for the tender?
 - a. Yes
 - b. No

- 4) In case you chose answer a. to question 3, could you please indicate which of the following elements were the most difficult for you? *(multiple choice)*
 - a. Identification of the general and eligibility requirements
 - b. Identification of the economic and financial requirements
 - c. Identification of the technical and professional requirements

- 5) Have you met difficulties to understand how your company can provide evidence of the requirements?
 - a. Yes
 - b. No

- 6) In case you chose answer a. to question 5, could you please indicate for which of the following requirements you meet difficulties to understand how to provide evidence? *(multiple choice)*
 - a. General and eligibility requirements (subscription to Chamber of commerce, etc.)
 - b. Economic and financial requirements
 - c. Technical and professional requirements

- 7) In case it is not clear to you whether your company meets some or all the requirements needed (answer a. to question 3), what do you do?

- a. I decide to not participate to the tender
 - b. I ask my colleagues
 - c. I ask for further clarification to my consultant (i.e. accountant)
 - d. I ask for further clarification to my SMEs association
 - e. I write an email to the public procurer
 - f. I cannot reply
- 8) In case you know that another company disposes of some of the necessary requirements needed to apply for the tender that your company misses, how would you react?
- a. I call the company, explain the business opportunity and propose to participate jointly
 - b. I do not call the other company, as I do not want to participate in a tender with one of my potential competitors
 - c. I ask for further information to my consultant (i.e. accountant)
 - d. I ask for further clarification to my SMEs association
 - e. It is not possible to participate in a tender with another company, thus I abandon the idea
 - f. I cannot reply

Annex D – Public procurers and SME associations involved in the interactive sessions and in the study circles

	Italy		
	Name	Short description	website
SME associations	Confartigianato Ancona-Pesaro	The territorial representative structure of Confartigianato, the main association of artisans and small businesses in Italy	www.confartigianatoimprese.net
	Confindustria Marche-Nord	The territorial representative structure of Confindustria Italia, the main entrepreneurs and employers' association in Italy	www.confindustriamarchenord.it/public
	Confcooperative	The territorial representative structure of the Confederation of Italian Cooperatives	www.confcooperative.marche.it
Public procurers	Ancona Municipality	Local public administration (PP department)	www.comune.ancona.gov.it
	SUAM Marche	Regional public administration (regional purchasing body/single contracting authority of the Marche region)	suam.regione.marche.it
	Province of Ancona	Local public administration (PP department)	www.provincia.ancona.it
	Municipality of Jesi	Local public administration (PP department)	www.comune.jesi.an.it

	Netherlands		
	Name	Short description	Website
SME associations	MKB The Hague	Department of MKB The Netherlands, the largest advocate for small and medium-sized enterprises in The Hague	www.mkbdenhaag.nl
	Bridgehead	Private company specialised in tender support and trusted liaison for Dutch public organisations	www.bridgehead.nl

	BNA (Association of Dutch Architecture firms)	BNA, the Royal Institute of Dutch Architects, the sole professional association for Dutch architects	www.bna.nl
Public procurers	UBR-HIS (Ministry of the Interior)	Organization that purchases for six departments within the central government.	https://www.ubrijk.nl/service/his
	Province of Utrecht	Local public administration (PP department)	www.provincie-utrecht.nl
	Province of North Holland	Local public administration (PP department)	www.noord-holland.nl
	City of The Hague	Local public administration (PP department)	www.denhaag.nl
	Province of Overijssel	Local public administration (PP department)	www.overijssel.nl
Additional participants	Verdonck, Klooster & Associates	Procurement consultant	www.vka.nl
	PIANOo	The Dutch PP Expertise Centre, set up to professionalise procurement and tendering in all government departments	www.pianoo.nl/nl

	Poland		
	Name	Short description	website
SME associations	Fundacja Rozwoju Regionu Rabka (Rabka Region Development Foundation) - FRRR	Regional development foundation, dealing with entrepreneurship support programs, loan funds and supporting the local entrepreneurship and community	www.frrr.pl
	Tatrzańska Izba Gospodarcza (Tatra Chamber of Commerce) - TIG	Voluntary association of business entities associating companies from various industries, not only from the Podhale region	www.tig.zakopane.pl
	Izba Przedsiębiorców Branży Biurowo-Szkolnej (Chamber of	Nationwide organization of manufacturers, importers, distributors and dealers of stationery, office and school supplies, i.e. supply and service companies for business,	www.ipbbs.org.pl

	Entrepreneurs of the Office and School Industry) - IPBBS	education and science, health sector and government institutions	
Public procurers	Ministerstwo Funduszy i Polityki Regionalnej (Ministry of Development Funds and Regional Policy) - MFiPR	Government administration office providing services to the Minister of Development Funds and Regional Policy in the field of government administration and regional development	www.gov.pl/web/funds-regional-policy
	Polska Agencja Rozwoju Przedsiębiorczości (Polish Agency for Enterprise Development) - PARP	Agency responsible for creating a business-friendly environment in Poland and involved in the implementation of national and international programmes financed from the EU structural funds, state budget and multiannual programmes of the European Commission	www.en.parp.gov.pl
	Centrum Unijnych Projektów Transportowych (Centre for EU Transport Projects) - CUPT	Centre supporting beneficiaries in the preparation and implementation of investments financed by the European Funds (Multiannual Financial Framework 2007-2013 and 2014-2020) and the 'Connecting Europe Facility' (CEF) European Union Financial Instrument	www.cupt.gov.pl/en
	Municipality of Wojnicz	Local public organisation	www.wojnicz.pl
	Gorce National Park	National public organisation, national park	www.gorczański-park.pl

Romania			
	Name	Short description	Website
SME associations	Young Entrepreneurs Patronage in Romania (PTIR)	National association of young entrepreneurs	www.ptir.ro
	Construction Companies Patronage (PSC)	National association of constructions entrepreneurs	www.psc.ro

	General Union of Romanian Industrialists (U.G.I.R.) of West Region	National employer organisation	www.en.ugir.ro
Public procurers	Hunedoara City Hall	Local public administration	www.primariahunedoara.ro/ro
	Hunedoara County Council	Local public administration	www.cjhunedoara.ro
	Hunedoara Psychiatric Hospital	Public hospital structure	n/a

	Sweden		
	Name	Short description	website
SME associations	Företagarna	The largest SME business organisation in Sweden	www.foretagarna.se
	ALMEGA	Association of SMEs and large companies	www.almega.se
	Svenskt Näringsliv	Association of SMEs and large companies	www.svensktnaringsliv.se
Public procurers	Sveriges Kommuner och Regioner	The national organisation for local authorities and regions representing all local and regional public procurers	www.skr.se
	The Swedish Competition Authority	The supervisory body for all PP in Sweden	www.konkurrensverket.se

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Publications Office
of the European Union

doi: 10.2873/86199
ISBN 978-92-76-38214-0