

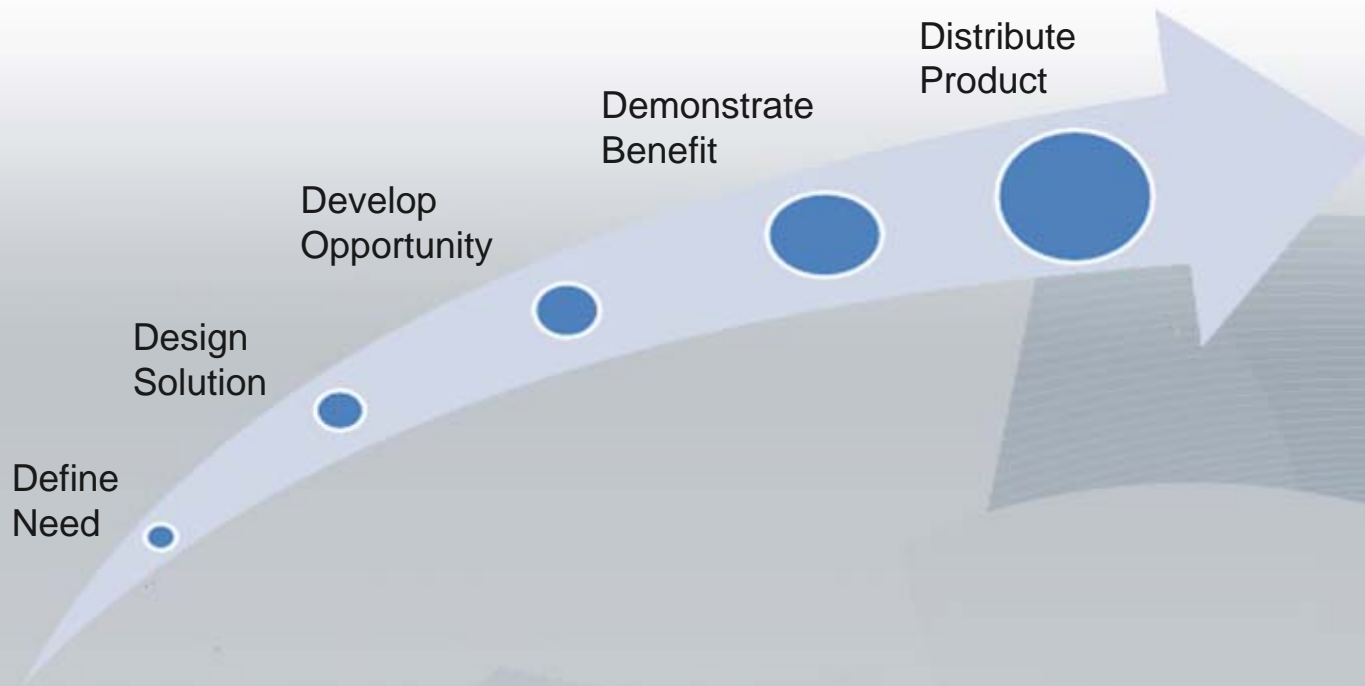
Procurement of Innovation

What is it that legislation should be supporting?

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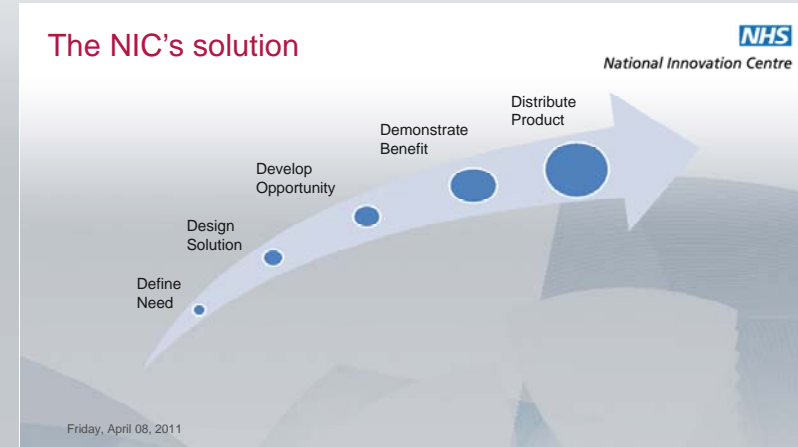
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The NIC's Innovation Management Framework



Benefits of a multi-stage approach

- Allows proportionate spend profile:
ie: small spend on front-end de-risking of R&D without commitment to large spend on volume production
- Avoids becoming 'locked-in' to any specific supplier for the whole life of the development - different skills at different stages
- Allows go/no-go decisions on project continuation - useful where several different approaches are being explored (eg: PCP)
- Puts you in control of rate of progress – speeds time to market



Possible Procurement Instruments vs Procurement Activity Stage



	Define	Design	Develop	Demonstrate	Distribute
PRIZES	★	★	★	★	
COMPETITIONS		★	★	★	★
GRANTS	★	★	★	★	★
SBRI		★	★		
COLLABORATIVES		★	★	★	★
AUCTION			★		★

Economic Benefits

Potential Value to NHS:

- The NIC has supported the development of innovations that would improve the quality of the patient experience and generate potentially significant cost savings to the NHS (**£236m**).

Value to the economy:

- The NIC supports innovators to develop innovative solutions to patient and staff needs. With the support of the NIC, a number of innovations have been able to attract significant funding (**£348m**).

- It's not about the specific vehicle used (eg: SBRI or PCP), it's about the outcome, ie: new product or service which is desired by public authority and delivered by the private sector
- Economic stimulation (new companies, new jobs ...) is almost as important, but for public authorities genuine procurements of current un-met or future anticipated needs must come first.
- Legislation must support the primary objective & *the management of the processes used to achieve it*
- Current R&D-related legislation allows adequate procurement of innovation
- the real issue is that “conventional” procurement officers do not realise or understand this

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