InnoHSupport
Supporting Innovation in Healthcare Public Procurement

Learning resource #8: Introducing Public Procurement of Innovation (PPI) for Suppliers

By experts Natalia Norambuena and Diana Cortés Rodríguez of the Science & Innovation Link Office (SILO).

Part 8 of the InnoHSupport learning resources series

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InnoHSupport learning resources

Public procurement is a powerful tool for driving innovation, but despite regulatory reforms and incentives, many healthcare systems across Europe struggle to adopt new solutions. InnoHSupport addresses these challenges by providing a structured framework and capacity-building resources that support the successful implementation of innovation procurement processes. Our mission is to create an inclusive, interconnected, and effective innovation ecosystem for healthcare procurement in Europe. We aim to empower healthcare procurers and suppliers by providing specialised advisory services and fostering a collaborative environment that bridges gaps, reduces barriers, and facilitates the adoption of innovative solutions.

To support our mission, we have developed 10 distinct InnoHSupport learning resources, all of which are freely accessible on the InnoHSupport AGORA platform (https://innohsupport.eu/agora/). This set of digital resources is relevant to all key stakeholder groups, with particular focus on purchasing and innovation experts as well as suppliers who are less experienced in healthcare innovation procurement. The resources introduce innovation procurement goals and processes and address implementation challenges through case studies and by exploring cultural barriers. They also include specific guidance on the procurement of R&D services (PCP), public procurement of innovative solutions (PPI), and open market consultations (OMCs). Of the 10 resources, seven are primarily tailored to buyers and three to suppliers. Nonetheless, because a comprehensive understanding of both perspectives is essential, we encourage both buyers and suppliers to explore all 10. While each resource can be used independently, a suggested reading order is provided on the final page of this report.

As part of our mission to create an inclusive, interconnected, and effective innovation ecosystem for healthcare procurement in Europe, we have not only developed our own resources but also established a platform that brings together existing resources from other projects. These can (freely) be accessed at: https://innohsupport.softr.app/.

Introduction to this learning resource

This learning resource highlights the insights of Natalia Norambuena, Senior Innovation Consultant at Science & Innovation Link Office (SILO), and Diana Cortés Rodríguez, Manager at SILO. Both are experts in providing training in procurement and innovation. In this learning resource, Natalia and Diana provide an introduction to Public Procurement Innovation projects for suppliers, providing an overview of the different phases and key recommendations, all specifically focused on suppliers.

The three main phases of the innovation procurement process

From the supplier's perspective, we usually consider three main phases in the innovation procurement process:

1. **Procurement planning**
2. **Contract execution**
3. **Post-project continuity**

In each of these phases, suppliers should adopt different strategies.

Phase 1: Procurement planning

"During the planning phase, suppliers should be commercially proactive."

This means reaching out to public organisations early on, informing them about your innovative solutions and capabilities. If you already have experience with PPI projects, it's good to highlight that, as it shows you understand how these processes work and the steps involved in co-developing solutions. Participation in Open Market Consultations (OMCs) is also strongly recommended. While it's not mandatory to take part in an OMC in order to respond to a future tender, it is highly advisable. This is a chance to provide feedback and technical insights, and indirectly influence the design of the tender in a way that could increase your chances of participating and winning. More information on OMCs is provided in our second learning resource for suppliers.

Before bidding, it's also critical that suppliers read the tender documents carefully. Even though tenders are often designed to be SME-friendly, suppliers must ensure they meet all the requirements. If needed, they should consider forming consortia or joint ventures to fulfill criteria they may not be able to meet alone.

Phase 2: Contract execution

During contract implementation, the focus should be on optimising delivery, managing costs, and maintaining open and frequent communication with the public buyer. These projects typically involve regular monitoring, not a "deliver and disappear" approach. Instead, it's a collaborative, two-way process. It's essential to maintain clear and open communication, as there is some flexibility available if certain aspects do not align exactly with the tender specifications. Suppliers should treat this phase as a team effort, even though there's a formal contract in place. Transparency and coordination are key to ensuring the project progresses smoothly.

Phase 3: Post-project continuity

After the project ends—especially in the case of PCP or PPI—it's essential to continue developing the solution and look for new tender opportunities to scale or further commercialise it. Another important aspect is IPR (intellectual property rights) management. In PCP, for instance, both benefits and risks are shared between the supplier and the buyer, meaning that the intellectual property rights and the results are also shared. So, suppliers can retain rights to develop and market those results further.

"Often this is an important yet often overlooked point: the process doesn't end with the project—it can lead to additional opportunities, markets, and growth."

Recommendations for suppliers

Recommendation 1: Internal assessment.

The first and most important step is conducting an internal assessment. This is essential for both public buyers and suppliers. You need to evaluate what you are capable of doing internally, both in terms of resources and expertise, and identify where you might need external support. If certain skills or capacities are lacking, it's crucial to hire external advisors or experts to guide the process effectively.

Recommendation 2: Engage experts.

In many organisations, it's common practice to engage external experts to help monitor the project and define tender specifications. This is important not only for quality control but also to ensure the cost-efficiency of the project. There are many funding opportunities and instruments available that can support these projects. While organisations usually need to allocate part of their own budget, external funding can significantly complement internal resources. These grants and co-financing options can make innovation procurement much more feasible.

Recommendation 3: Consider legal aspects

Another key point linked to internal assessment is the need to understand the legal framework of these instruments. Innovation procurement—particularly Pre-Commercial Procurement (PCP) and Public Procurement of Innovative solutions (PPI)—comes with specific legal obligations. It's essential that the regulatory documents and tender specifications are developed and reviewed by professionals who understand the nuances of these instruments. If that expertise isn't available internally, it's strongly advised to bring in external legal experts. These are not standard tenders; they have particular features that need to be properly addressed. For example, tenders must clearly regulate aspects such as IPR (Intellectual Property Rights) management and penalties. A well-informed legal and risk assessment will help ensure that the tender and your application are as robust as possible.

Recommendation 4: Monitor and evaluate continuously

Finally, ongoing evaluation and monitoring of the contract are fundamental. Unlike traditional procurement, innovation procurement typically involves frequent check-ins rather than just a final delivery. Additionally, gathering as much information, case studies, and lessons learned as possible is crucial for both current and future projects. Many initiatives have already been completed, and there's a wealth of existing knowledge to learn from. In this sense, different projects, such as InnoHSupport, can be a valuable resource for both newcomers and more experienced suppliers to avoid common pitfalls and improve outcomes.

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Explore our other learning resources

- **Learning resource #1:** Introducing Public Procurement of Innovation
- **Learning resource #2:** Well begun is half done: 5 Tips for Buyers on OMCs
- **Learning resource #3:** Recommendations for PPI.
- **Learning resource #4:** How to Plan — or Not Plan — a PCP Project.
- **Learning resource #5:** 5 questions & answers with Samira Bousseta.
- **Learning resource #6:** Key insights from the eCare-PCP project
- **Learning resource #7:** How to develop several PPI projects in a short period of time.
- **Learning resource #8: Introducing PPI Projects for suppliers.**
- **Learning resource #9:** Not just a formality—Why suppliers should engage in OMCs.
- **Learning resource #10:** Key Considerations for Suppliers Entering Healthcare Innovation Procurement.

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