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How pre-procurement market engagement influence innovation procurement outcomes

A cross-country survey on competitiveness, transformation, and technology sovereignty

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The potential of innovation procurement remains underused With a yearly amount of approximately €2 trillion, or 14%, of EU GDP, public procurement can be a powerful demand-side innovation policy **Pre-procurement market engagement can solve this problem** Several benefits from engagement with market parties before the start of the actual procurement process can be observed in the literature:

- instrument. It can...
- stimulate competition for economic welfare
- enhance transformation toward sustainability (Weber & Rohracher, \bullet 2012)
- increase a state's ability to act in a context of increasing global • technology-based competition (i.e., technology sovereignty, see Edler et al., 2023).

Policy problem: This potential remains underused. In public procurement, suppliers are too often selected based on vested interests or one-sided structural dependencies on non-EU countries, and innovative SMEs often find it hard to participate (Blind et al., 2020; Edler et al., 2023).

How do pre-procurement *market* engagement methods affect innovation **procurement** in the EU in terms of competitiveness, transformation, and technology sovereignty?

- Spot innovative technologies: if you do not know an innovative solution exists, you cannot buy it.
- Check the feasibility of the desired solution •
- Inform articulate needs and demand in the market (Rainville, 2021)
- Stimulate interactive learning (Rolfstam, 2009)
- Mitigate one-sided dependencies risk

Research gaps: There is no up-to-date overview of market engagement methods in use across Europe, and their implications on the innovation procurement process' outcomes (competitiveness, transformation, sovereignty), the latter which might not go hand in hand.

Method	Survey questionnaire	Table 1				
Sample	Procurement officials throughout the EU					
Unit of analysis	 Procurement projects above the EU threshold, throughout the entire EU That did some form of market engagement From 2016-now 					
Dissemination strategy	1. Scrape email addresses of relevant procurement authorities from EU and national tender platform					

2. Spread survey to sample that fulfils requirements above.

Pre-procurement				→ Procurement		→ Implementation →	Outcome
Preparation method	- Market engagement		Engagement result	Tender strategy	Selection & award	Concretize contract Contract	
User needs assessment	Market engagement strategv	Market engagement interaction	Attract more suppliers	Technical vs. functional specifications	Selection criteria	Procuring critical technologies	
Business case	Market sounding	Open vs. closed	Attract new suppliers	Division into lots	Number of suppliers selected	Procuring without one-sided structural dependencies	Technology sovereignty
Prior art analysis	Meet the buyer event	Level of interaction	Identify dependencies	Procedure (e.g. innovation partnetship)	Number of SMEs selected	Procuring innovative goods/services, creating lead markets	Competitiveness
Standards inventory	Share procurement plan	Type of market parties	Assess need feasibility	Award basis (LCC, LP, BPQR)	Award criteria	Procuring technologies supporting transitions	Transformation
National security assessment	Unsolicited proposals		Educate and build supplier trust		Contract value vs. expectation	Procuring efficiently	Value creation
[OTHER]	Market creation		Identify innovative		Country of selected suppliers		



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