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PUBLIC PROCUREMENT REGULATION

AN IMPEDIMENT

TO INNOVATION

BY

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BHOLD COMPANY

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# BHOLD COMPANY MARKET

BHOLD is a relatively small supplier of software for role based access control  
(enterprise wide authorization management)

Market:

1. Large organizations
2. Heterogeneous IT environment
3. Supervised (Stock market, National bank, health etc.)

BHOLD sells in the public sector

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# ABSTRACT

Competing with world's largest software vendors like IBM, BMC and CA.

BHOLD is generally seen as supplier of most advanced, innovative and matured software available.

Abstract:

A Small Specialized Supplier of goods,  
required by public organizations,

cheaper and significantly better than competition,  
large established generalists

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# PUBLIC SECTOR

European public sector strives  
to become the most dynamic innovative  
economy in the world.

Promote enduring employment  
based on leadership in knowledge

Key role for SME's

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# EXPERIENCE

*“PUBLIC PROCUREMENT REGULATION  
IS A SERIOUS IMPEDIMENT  
TO INNOVATION AND GROWTH”*

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# 1. Obscure pre-tender process

## Pre-tender account management

- very decisive
- relatively large effort
- long term planning
- based on existing relations

## safeguarding

- awareness of your solution
- part of requirements
- innovation taken into account

to understand and appreciate your proposal

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## 2. Defensive pre-selection criteria

### Quantitative

- 5 years annual accounts
- minimum revenue

Simply not available or too detrimental

### Qualitative

- ISO 9000
- Development-levels

Too expensive and invaluable

Partnering no solution!

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## 3. Workload

Often most important consideration to withdraw

- many days work
- incredible amounts of paper

## 4. Cross subsidizing

- software through consultancy
  - one project with another
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# WHAT'S LEFT?

## Risk for contracting authority

- R&D-project
  - No long term commitment
- Set aside standard pre-selection criteria
  - No advantage for decision maker

## Risk for supplier

- Accept treshold: < € 236.000
    - In practice an extreme discount-measure
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# WHAT'S NEEDED?

- An unfair chance
- Positive discrimination

For good reasons:

- innovation and SME's related
  - SME's provide enduring new employment
  - SME's try harder
  - Public sector can bear launching customership
  - US competitors do have an unfair chance
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