

DIGITAL WELL ‘DEMAND ACCELERATOR’

Vision and Aims	<ul style="list-style-type: none"> • Innovation is not limited by supply, but by demand • Public procurement can be a pivotal policy tool for driving knowledge uptake and innovation demand, crucial for green and digital transition. • To accelerate innovation, procurement must weigh scalability and market potential. However, existing intermediaries typically target specific market segments. A new intermediary, aligning with public procurement principles and partnering with the public sector, is crucial.
Target Audience	Direct target audience - Public sector; Indirect target audience - Companies
Key Features	<p>A Demand Accelerator is an intermediary serving as a pivotal link between public needs, policies, innovation, and business development. Despite representing over 14% of the GDP in the EU, the potential of public procurement to open markets for innovative products and services is significantly underutilized. Public procurement operates on five basic principles: non-discrimination, equal treatment, proportionality, transparency, and mutual recognition. Innovation extends beyond product creation—it involves market creation, generally transcending a single customer.</p> <p>To integrate scalability into innovation procurement, assessment criteria must evaluate needs, solutions, and suppliers based on broad market potential. Evaluators must focus beyond meeting the initial customer’s needs. The procurement process should inherently support scalability, equipping suppliers for growth and expansion beyond the first contract.</p> <p>However, the responsibility for ensuring scalability in procurement raises questions. It surpasses the public buyer's scope and expertise. Traditional intermediaries, like incubators and accelerators, often have a segmented focus and may have interests conflicting with the procurement principle of equal treatment. While they can assist companies in innovation procurement, their support cannot intrude into the procurement process.</p> <p>The optimal solution is a new intermediary role that bridges public needs and policies with innovation and business development, especially in SMEs. This intermediary, well-versed in innovation, entrepreneurship, and procurement, should understand the challenges within both SMEs and the public sector. It should operate collaboratively with traditional intermediaries and within the public procurement framework to maintain an unbiased approach, working parallelly with the public sector to fulfill unmet potentials.</p> <p>The design of innovation procurement processes in order to drive scalability need to be design based on the following principles:</p>

	<ol style="list-style-type: none"> 1. Ownership of intellectual assets belongs to the supplier 2. Continuous interaction and co-creation between customer and suppliers throughout the entire process - Interaction with the innovation in its various formats and stages of development creates new insights about needs, requirements, and solutions. 3. Retain potential 'winners', remove obvious 'losers'. The process is based on a series of competitive steps, where each step reduces uncertainties and risks and eliminates those suppliers that do not have the prerequisites to meet needs and requirements 4. Assess the solutions' potential for commercial scalability in the market throughout the whole process – it reduces the customer's lifecycle costs and increases the societal benefit of the innovation's 'value-in-use' 5. Business development and adaptation must be implemented at the customer's site to realize the value of the innovation in the operation <p>This practice has been successfully implemented in a complete innovation procurement by Karlstad Municipality, with the support of the DigitalWell Demand Accelerator, and has since been initiated in several other procurement processes across various municipalities in Sweden. Karlstad Municipality has also integrated this practice into its development and innovation plan. In the new "Demand Accelerator Sustainability" project, the process is evolved to further promote sustainability and circularity.</p>
Achievements & Learnings	<p>The initial procurement employing this method, orchestrated by this type of intermediary, yielded success. The collaboratively developed product has expanded to multiple municipalities and various training providers.</p> <p>The primary lesson learned is that, although the necessity of scaling is universally acknowledged for any innovation project, conventional innovation procurement doesn't inherently ensure scalability. However, when designed with scalability as a focal point, it was notably achieved.</p> <p>The secondary insight emphasizes the necessity for a paradigm shift within the public sector towards a discovery-driven approach, departing from a predominantly planning-driven mindset. Here, the intermediary assumes a crucial role in steering the public buyer through this transformative journey.</p>
Launch Date	2021-06-01 (ongoing)
Partners/Sponsors	Vinnova, Compare/DigitalWell Arena, WWF - World Wildlife Foundation, Karlstad Municipality,
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