Forum for Bio-Based Innovation in Public Procurement

Work package 2
BBPS Network Creation and Community Building

Deliverable No 2.2:
Stakeholder Interest Map

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1. Public Procurers’ Feedback

1.1. GENERAL INFORMATION

The InnProBio survey took place from 08.10.2015 to 09.12.2015. It aimed at assessing the main barriers and hurdles faced by public entities when procuring BBPS as well as the general level of information, awareness and experience existing between both producers of BBPS and public procurers. The overall task is part of the InnProBio project and was divided into two groups: procurers and companies; in order to best assess the question at hand.

This document refers to the public procurers’ survey under the above mentioned conditions. The following document summarises the answers to the survey’s questions which are, at times, given in written or graphic forms, based on whether the question was open ended or multiple choice.

The survey was broken down into 3 parts: Innovative Products, Bio-based Products and Services (BBPS), and the InnProBio project. It was accessible online, with the link being spread among previously selected potential stakeholders. The selection of stakeholders was done by each partner and the respective dissemination was done in accordance to that. The group of stakeholders involved in public procurement comprises approximately 10,000 contacts. To boost the number of responses, a selection of public procurers was contacted personally in November/December 2015.

In total, 166 public procurers participated from a varied array of countries. Although not all surveys included were completed, those that were deemed providing enough information to have an added value towards the research were also selected. In total, this means a response rate of 2.5%, which is very low and could already be indicative of low interest in the overall topic. However, this is only an assumption; other factors can have caused the low response rate, too.

The most represented nation was Poland, with 114 participants, followed by Germany with 34, The Netherlands with 3, Italy 2, and Austria, France, Georgia, Portugal, Spain, the UK, Belgium, Romania and Slovenia with one, each. 4 participants decided not to provide their country of origin. When cross checking the data per member state, the Polish subset stood out due to the high response rate. When separately analysed, the Polish respondent set follows the general trend set by the average answers, showing deviations to the rule only when on experience with BBPS, which Polish procurers seem to have less of than their German and Dutch counterpart. No other significant differences were detected.

40 participants chose to remain anonymous for the remainder of the General Information section. From those that provided their contact data (126), 28 agreed to being called back for a follow up interview.

The distribution of the enquired among organisation types is as follows:
42% of those who answered occupy the position of procurement officer, while 14% were heads of department and 8% in some kind of administrative position. Other positions also mentioned included research and development, coordinator and other internal administrative jobs (i.e. university employees).

**In which of the following categories does your procurement department purchase products or services?**

From these answers, it can be derived that the most relevant product groups for public procurement are construction and infrastructure; heat, electricity and lighting; ICT, office supplies and paper; as well as cleaning, hygiene and sanitary. These findings are fully in line with the findings of the research done in WP3 concerning the target categories for InnProBio (see D3.2), with the exception of heat, electricity and lighting, as these energy products are out of the InnProBio project scope.
1.2. INNOVATIVE PRODUCTS

Indicate how familiar your organisation is with the general concept of procurement of innovative products.

<table>
<thead>
<tr>
<th>Unaware of the concept</th>
<th>Aware of the concept, but not using it</th>
<th>Aware of the concept, using it on an ad-hoc basis</th>
<th>Aware of the concept, developing procurement policies</th>
<th>Aware of the concept, implemented procurement policies</th>
<th>No answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 %</td>
<td>48 %</td>
<td>10 %</td>
<td>6 %</td>
<td>6 %</td>
<td>0 %</td>
</tr>
</tbody>
</table>

Have you or your organisation procured innovative products? If yes, please indicate when have you last done so (in months)

A staggering 85% of the interviewed had never purchased an innovative product. The remaining 15% had had experiences with innovative products that were specified as diversely as being ‘in progress’ or ‘bio-based products in 2012’. From those 15%, 90% had purchased an innovative product in the last 6 months, and 64% in the last month. A minority of those indicated that the purchased innovative products were bio-based. These clearly shows that the experience with, and probably also awareness and knowledge of the procurement of innovative products is extremely low within the surveyed target group. It is not clear whether this is due to unfamiliarity with the overall process of Procurement of Innovation, or more specifically insecurity and lack of knowledge about the innovative products in question. Both could present hurdles. However, roundabout half of the respondent group indicated to get informed about innovative products in some way or another, which might mean that general awareness could be higher than actual experience, which seems likely.
What sources does your organisation use to get informed on innovative products?

![Bar chart showing source of information](chart.png)

OTHER: One indicated to consult FNR, while the 2 remaining ‘other’ do research on their own.

In your opinion, to what extent are internal clients/procurers in your organization inclined and willing to support innovative products?

<table>
<thead>
<tr>
<th>Not at all inclined, no support</th>
<th>Not very inclined nor willing</th>
<th>Somewhat inclined and willing</th>
<th>Very inclined and willing</th>
<th>Extremely inclined and willing</th>
<th>No answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 %</td>
<td>12 %</td>
<td>48 %</td>
<td>32 %</td>
<td>0 %</td>
<td>4 %</td>
</tr>
</tbody>
</table>

What advantages/hurdles can you identify that prevent/facilitate the procurement of innovative products and services? Please specify.

Overall levels of support for innovative products within their organisations was assessed to be mostly average to slightly positive by most respondents. The most commonly identified advantages included increased quality and sustainability of the products (x3), potentially resulting in them being more cost-effective (x3), resource saving (x2), and waste preventive (x2). Another major advantage is the increased speed with which innovative products penetrate the market (x3). Finally, the procurement of innovative products and services can lead to more innovation and research activities (x1). Finally, procurement can also stimulate regional value added by forest and agricultural products, as well as CO₂ reduction (x1, each).

Major disadvantages identified included the limited access to financial support (x4). Innovative products tend to be associated with higher costs thus financial pressure results in procurers opting for rather well-known or cheaper products (x4). Higher costs may make a return on investment
within the contract period difficult (x3). Another major hurdle identified by the participants was the lack of expertise or experience dealing with innovative products (x3). This can result in a lot of technical difficulties and misinformation (x2). Finally, legal hurdles and the lack of an adequate number of providers were also identified (x1, each).
1.3. BIO-BASED PRODUCTS AND SERVICES (BBPS)

Indicate how familiar you personally are with the term “bio-based product”

<table>
<thead>
<tr>
<th>Not familiar at all</th>
<th>Not very familiar</th>
<th>Somewhat familiar</th>
<th>Very familiar</th>
<th>No answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>34 %</td>
<td>32 %</td>
<td>23 %</td>
<td>10 %</td>
<td>1 %</td>
</tr>
</tbody>
</table>

Does your organization deal with innovative BBPS in its current activities?

<table>
<thead>
<tr>
<th>Yes, daily</th>
<th>Yes, weekly</th>
<th>Yes, every few months</th>
<th>Less than once a year (including on ad hoc basis or on a pilot basis)</th>
<th>No, never</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 %</td>
<td>6 %</td>
<td>16 %</td>
<td>20 %</td>
<td>55 %</td>
</tr>
</tbody>
</table>

Please list which uses and applications of innovative BBPS your organization is most familiar with

The applications of innovative BBPS that the enquired organisations are most familiar with are office supplies and paper (which is not an innovative material, but apparently well known), along with bio-based oils for vehicles. Surfactants and biofuels were also often mentioned by the participants. Less so, but still mentioned more than once were food and catering, furniture, packaging, heating (bio-based oils and fuels), clothing and insulation. One of InnProBio’s envisaged target categories, construction materials, was not mentioned, even though insulation is part of it. The results of the whole section clearly show a relevant lack of awareness of bio-based products within public entities, even though some bio-based products are known to them.
1.4. INNPROBIO

The following statements are about InnProBio and procurement of innovative BBPS. Indicate whether your organisation agrees or disagrees with these statements.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Agrees</th>
<th>Neutral</th>
<th>Disagrees</th>
<th>No Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>It is important to promote innovative BBPS.</td>
<td>57 %</td>
<td>40 %</td>
<td>3 %</td>
<td>0 %</td>
</tr>
<tr>
<td>Public procurement of innovation is a good tool to promote innovative BBPS.</td>
<td>50 %</td>
<td>45 %</td>
<td>4 %</td>
<td>0 %</td>
</tr>
<tr>
<td>Innovative BBPS are suited to contracting authorities’ needs and policies.</td>
<td>16 %</td>
<td>79 %</td>
<td>5 %</td>
<td>0 %</td>
</tr>
<tr>
<td>Procurement of innovative BBPS contributes to minimizing the demand of fossil fuels, improving energy security and reducing greenhouse gas emissions.</td>
<td>47 %</td>
<td>50 %</td>
<td>3 %</td>
<td>0 %</td>
</tr>
</tbody>
</table>
What kind of information about the progress of the InnProBio project would be of interest to your organisation?

- Information about upcoming events (85)
- Project newsletter (every six months) (49)
- Information on joint purchasing groups formation (22)
- Visit the disciplinary group on bio-based products and services in the Procurement Forum (20)
- Information on B2B and their application areas in public procurement (20)
- Tools to support procurement (20)
- Yes (11)
- No (80)

Does your organisation wish to become engaged with the InnProBio project?
In which way would you be interested to become engaged with the project?

Please use the space below to write down any comments or notes that you may have. If you think any aspects of procurement of innovation or procurement of innovative BBPS were not (sufficiently) covered, please let us know.

The participants mentioned that they would like to see more examples on BBPS available for procurement. This could be delivered via newsletters or ‘open day’ activities, and should include costs associated with the product along with comparable advantages. Calls were also made for more knowledge and education directed at procurers in the areas of innovative and green procurement. More support could also be provided to procurers who prefer products provided by smaller innovative companies, through grants or other reward systems.
1.5. CONCLUSIONS

A meagre 2.5% of addressed public procurers participated in the survey, which seems to indicate low interest in the overall topic of bio-based products in procurement, or, in other words, a low expected return on the time investment in such a survey. Keeping this general caveat in mind, hesitantly positive conclusions can be drawn from some of the results:

- A clear majority of respondents is either positive or neutral towards the statements that it is important to promote bio-based products, that public procurement of innovation is a useful tool to do so and that it would have positive environmental impacts. This means that there is potential to interest public procurement officials in bio-based products.

- However, an overwhelming majority is neutral towards the question whether bio-based products are suited for the needs of public procurement. This indicates a lack of knowledge about whether this statement is true or not, which is also underlined by the responses to the questions about bio-based products in the previous section. Combined with the positive results of the statements about BBPS’s advantages, however, this can mean that raising awareness of and providing information about bio-based products will be an important step towards the procurement of those products. Required information seems to include details on:
  - Fitness for purpose of BBPS
  - Costs of BBPS and their compared advantages
  - Market availability

The assessment presented in Deliverable D3.2 covers a lot of this information and will be the basis for information material and tools for public procurers.

- This is further confirmed by the responses indicating interest about the activities of InnProBio, i.e. market dialogues, training sessions, newsletters. It will be imperative to follow up with these contacts about the specified activities in order to involve them. A document including the respondents’ contacts and their indicated choices has already been disseminated to the relevant project partners for further use.
2. Companies’ Feedback (Producers of bio-based products)

2.1. GENERAL INFORMATION

The InnProBio survey took place from 08.10.2015 to 09.12.2015. It aimed at assessing the main barriers and hurdles faced by BBPS providers when trading with public entities as well as the general level of information, awareness and experience existing between both producers of BBPS and public procurers. The overall task is part of the InnProBio project and was divided into two groups: procurers and companies; in order to best assess the question at hand.

This document refers to the companies’ surveys under the above mentioned conditions. The following document summarises the answers to the survey’s questions which are, at times, given in written or graphic forms, based on whether the question was open ended or multiple choice.

The survey was broken down into 3 parts: Bio-based Products and Services (BBPS), Trading BBPS, and the InnProBio project. It was accessible online, with the link being spread among previously selected potential stakeholders. The selection of stakeholders was done by each partner and the respective dissemination was done in accordance to that. The group of stakeholders involved in producing and selling bio-based products comprises approximately 6000 contacts. To boost the number of responses, a selection of business stakeholders was sent personal reminders in late November/early December 2015.

In total, 51 companies participated from a varied array of countries. Although not all surveys included were completed, those that were deemed providing enough information to have an added value towards the research were also selected. In total, this means a response rate of below 1%.

The most represented nation was Germany, with 26 participants, followed by the Netherlands with 12, Belgium and China 3, Poland 2, Slovakia, Croatia, Latvia, Bangladesh and France with one, each.

Only 5 participants chose to remain anonymous. From those that provided their contact data (46), 22 agreed with being called back for a potential follow up interview. Such follow-up action might be carried out within the project, depending on the needs that will arise.

The size of companies was somewhat equally distributed with 31% of the participants representing companies with 1-9 employees, while 18% had between 10-49. Another 18% of contributors employed 50–250, whereas 23% had more than 250 employees.
One third (33%) of all participants had an annual turnover of less than €2 million. 30% ranged between €2 million and €50 million, and 18% more than €50 million. The remaining 19% chose not to answer the question.

Finally, with regards to the positions the respondents occupy within their respective companies, 40% were responsible for R&D, and 20% for Management. The remaining was divided between several positions, among which were sustainability, marketing/sales and production.
2.2. BIO-BASED PRODUCTS AND SERVICES (BBPS)

Please indicate how familiar your organisation is with the general concept of procurement of innovative products.

Indicate whether the following statements about public procurement of innovative BBPS apply to your company. We encourage you to concisely specify in what way the statements apply to your organisation.
How do you stay informed about new commercial opportunities with public entities, particularly relating to BBPS?

Other answers included: ‘I do not have a specific way of staying informed’, ‘visiting projects’, and ‘by working with organisations closely related to the topic’.
2.3. TRADING BBPS

Only 30% of the respondents answered positively to whether their company had traded bio-based products and services with a contracting authority in the past. Out of these, 70% indicated having done so in the last month, and 15% in the last 12 months. The remaining 15% have only traded BBPS more than a year ago.

The most identified hurdle by the companies when selling BBPS to public entities was the price of the products, which usually left them disadvantaged when competing with fossil fuel alternatives. Participants commented that other advantages (such as quality of the product or environmentally friendly characteristics) were not always taken into consideration for tendering decisions. Other hurdles identified include reduced availability when compared to non-BB competitors as well as lack of a clear legal support framework or a broad certification system that can reduce bureaucratic obstacles and focus on products and services with improved qualities and benefits for the entire lifecycle costs. Comments were also made on the lack of knowledge shown by procurers (in particular) and the public (in general). This tends to make sales difficult as procurers show interest but do not commit to buying. Suggestions were made towards rewarding procurers who choose bio-based products as it can create a level playing field with fossil-based products as well as facilitate long term cash flows.

What communication methods do you apply to inform public procurers of new innovative products and services?
Do you believe that the following communication and marketing tools are efficient in transmitting your message and promoting your products and services?

<table>
<thead>
<tr>
<th>Type of communication or marketing tool</th>
<th>Yes</th>
<th>No</th>
<th>Uncertain</th>
<th>No Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exhibition platforms (online)</td>
<td>38 %</td>
<td>9.5 %</td>
<td>47.5 %</td>
<td>5 %</td>
</tr>
<tr>
<td>Web-newsletters, emails or other webtools</td>
<td>50 %</td>
<td>14 %</td>
<td>31 %</td>
<td>5 %</td>
</tr>
<tr>
<td>Trade shows</td>
<td>64 %</td>
<td>7 %</td>
<td>24 %</td>
<td>5 %</td>
</tr>
<tr>
<td>Market dialogues</td>
<td>52 %</td>
<td>7 %</td>
<td>36 %</td>
<td>5 %</td>
</tr>
<tr>
<td>Common marketing material (flyers, booklets)</td>
<td>33 %</td>
<td>17 %</td>
<td>45 %</td>
<td>5 %</td>
</tr>
</tbody>
</table>

Please give some suggestions on what could be done to improve the communication (other tools)

The most repeated suggestion among participants was a need for better communication (x4) and information sharing between procurers and BBPS providers (x3). Trainings for procurers on BBPS (x3) labelling, requirements and specifications was also strongly suggested, alongside government support for initiatives that promote such products and services (x3), such as rewarding the users of bio-based products (x2). Forms of training suggested include dedicated journals, seminars and symposiums (x1; x3; x3). BBPS dedicated certifications (x2) and a special platform for SMEs in the field of bio-based products (x2) were also indicated to potentially help bridge the current disadvantage felt by providers. Clear quantitative tools that show eco-benefits of bio based products were also suggested (x2).

Other comments include an observation made that only when national governments support BBPS, can they become part of the economy (x1). The need for a stronger interaction between contracting parties and industry associations was indicated as capable of opening up new contacts and sales opportunities for smaller companies (e.g. open day) (x1). Alongside public procurers, participants also agreed that information should be passed on to architects, conservationists, and associations that may play a role in the selection of materials for their activities (x2).

What are the reasons/benefits you see in participating in public tenders?

The one benefit that was mentioned by nearly all participants is economically driven. BBPS providers believe that public procurement offers the possibility to increase their business by opening up or increasing market share in certain products and services. This aids in the long term planning of the firm’s financial health, as well as in the launching of new or less known products. Just over a third of the participants also identified public tenders as a possibility to increase the degree of relevance and reputation of the company and the solicited products. Finally, just over 10% of the participants point out sustainability and environmental friendliness as important factors for their participation in public tenders. Public procurers are believed to have the potential to increase the ‘green’ options in a
market segment and in the economy as a whole. Other reasons included the will to stay informed on competitors.

2.4. INNPROBIO

The following statements are about InnProBio and public procurement of innovative bio-based products and services (BBPS). Please indicate whether your organisation agrees or disagrees with these statements.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>No Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>It is important to promote innovative BBPS.</td>
<td>87 %</td>
<td>13 %</td>
<td>0 %</td>
<td>0 %</td>
</tr>
<tr>
<td>Public procurement of innovation is a good tool to promote innovative BBPS.</td>
<td>85 %</td>
<td>13 %</td>
<td>2 %</td>
<td>0 %</td>
</tr>
<tr>
<td>Innovative BBPS are suited to contracting authorities’ needs and policies.</td>
<td>72 %</td>
<td>23 %</td>
<td>5 %</td>
<td>0 %</td>
</tr>
<tr>
<td>Procurement of innovative BBPS contributes to minimising the demand of fossil fuels, improving energy security and reducing greenhouse gas emissions.</td>
<td>87 %</td>
<td>13 %</td>
<td>0 %</td>
<td>0 %</td>
</tr>
</tbody>
</table>
What kind of information about the progress of the InnProBio project would be of interest to your organisation?

Please use the space below to write down any comments or notes that you may have. If you think any aspects of procurement of innovation or procurement of innovative BBPS were not (sufficiently) covered, please let us know.

A strong emphasis was made on incentives for BBPS, may those be labels, the right criteria or rewards, financial incentives, among others. Some suggestions included subsidies resulting from the taxation of fossil based products. More awareness was also called for by several participants as being essential to increase market size.
2.5. CONCLUSIONS BUSINESSES

While the overall very low response rate of less than 1% seems to show generally low interest of bio-based producers in selling their products to public entities, the obtained results still give some ideas of what can be improved in the communication between companies and procurers. The low response rate could also be caused by low awareness of the possibilities of participating in public tenders by the producers or in expected high bureaucracy. Those answers given underline that those producers who are aware of the topic think that public procurement can be a good instrument to promote bio-based products and that it would have positive impacts.

The most repeated suggestion among participants was a need for there to be better communication and information sharing between procurers and BBPS providers. Trainings for procurers on BBPS labelling, requirements and specifications was also strongly suggested, alongside government support for initiatives that promote such products and services, such as rewarding the users of bio-based products. Forms of training suggested include dedicated journals, seminars and symposiums. BBPS dedicated certifications and a special platform for SMEs in the field of bio-based products were also indicated to potentially help bridge the current disadvantage felt by providers. Clear quantitative tools that show eco-benefits of bio based products were also suggested.

According to these replies it fits well that a high number of respondents also indicated their interest in being involved in follow-up activities of InnProBio. The relevant contacts have been compiled in a separate document and were already disseminated to the project partners in charge of the respective activities.
Contact

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