

1st EcoQUIP Innovation Procurement Workshop

16th September 2013
Oxford Spires Four Pillars Hotel, Oxford, UK

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Challenging times – a role for innovation

Rapid change, aging populations and increasing expectations

Financial and efficiency challenges

Increasing cost of energy and carbon

Progressively more demanding carbon reduction targets and environmental regulation.

The present is unsustainable – it costs too much and doesn't deliver what we want.

So we need new goods, services and ways of doing things that are cheaper, better and which solve multiple problems

Innovation is needed to enable healthcare services to adapt to changing circumstances and prepare for the future.



Innovation – its nature and its causes

Innovation – a way of meeting an unmet need that isn't being met by existing products or services

In some cases a new product or service seems to “create” the unmet need (who knew we needed smart phones or Costa coffee before they existed). This has created some great businesses and even more famous myths.

The desire to promote this type of innovation has led to support for pushing innovation from the **supply side** by eg – public funding of R&D,

Another, altogether more reliable, way to promote innovation is for those with the unmet need to realise it and then tell possible suppliers that they would buy it if it was available. Suppliers will then innovate and invest to met this unmet need.

This is the argument for **demand side** pull for innovation.

Demand side pull can be achieved by regulation or procurement – procurement is the most flexible way.

Supply chain management is the tool by which procurement achieves its aims

Supply Chain Competition – the benefit...



Conventional in-situ reinforced concrete

Conventional techniques are labour and materials intensive.

Structured plastic with conventional bedding

Lower cost solution with lower embodied carbon, but still requires bedding and surround to be craned into position.

34% cost saving

39% reduction in embodied carbon



Precast concrete

Precast concrete units provide a more cost effective solution than plastic for certain ground conditions.

28% cost saving

19% reduction in embodied carbon

(50% reduction with cement replacement)

Structured plastic in curved trench

A specially fabricated bucket enables a curved-bottom trench to be dug, making significant savings on imported bedding and surround materials.

38% cost saving

50% reduction in embodied carbon

(55% reduction with SMR)

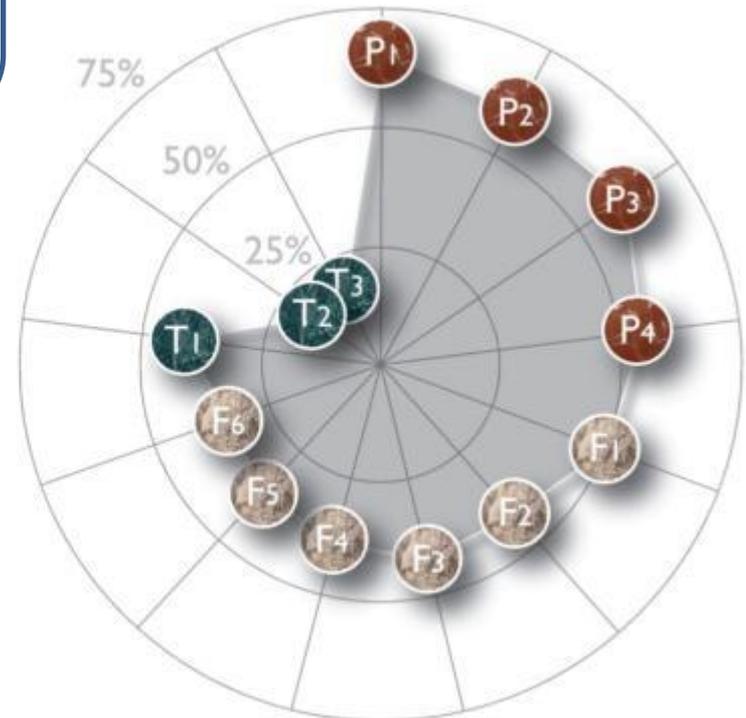


Barriers to low carbon innovation

Procurement practice appears to be the most important barrier

- P1 - Procurement practice for healthcare facilities is still biased towards initial capital investment cost rather than whole life costing
- P2 - Political targets to reduce CO₂ emissions from buildings are not yet translated into mandatory procurement criteria
- P3 - There is a lack of pre-procurement dialogue on low carbon options between buyers and the supply chain
- P4 - Procurement specifications do not explicitly encourage low carbon outcomes

- P** Procurement Barriers
- F** Funding Barriers
- T** Technology Barriers



Healthcare innovation

Healthcare organisations have **considerable (potential) power** to influence the supply chain and drive innovation. The Healthcare sector is ideal as a ‘lead market’ because a solution for one hospital is likely to be a solution for most hospitals.

Despite these advantages there is considerable dissatisfaction about the ability of Healthcare organisations to use supply chain management to harness the power of innovation to meet their goals.

The way we go about procuring this lies at the root of this dissatisfaction. There are many pressures to simply ask for the cheapest well proven product the market has to offer. This destroys the incentive for innovative suppliers to innovate – which is fine if we don’t need innovation..... But we do need innovation.

Later we shall hear of examples in which buyers articulating their unmet needs and supporting the supply chain to deliver has worked brilliantly well. But the question remains why are these examples not the norm?

The challenge facing this workshop is to find the right ways set free the potential of procurement to drive innovation

The Opportunity

It is a particularly opportune moment to explore the ways in which our buying decisions can help to create the world we want (rather than lock in the world we don't)

The EU Commission has been trying to promote the use of demand driven innovation but is struggling to find the most powerful ways forward.

It has supported programs such as Ecoquip in the hope that they can show the way forward for programs such as Horizon 2020, structural funds and regional development funds.

By coming together at his workshop to find ways to help ourselves we can also help the entire European economy become more innovative and more successful

Today's Agenda

13:30 Case Examples of Innovation Procurement in Action

Gaynor Whyles, EcoQUIP Project Coordinator, JERA Consulting, UK

Marcel Bot, Managing Director, IMS Medical, Netherlands

Marcin Kautsch, EcoQUIP Coordinator, Poland

14:15 Perspectives on innovation from the supply side

Andrew Smith, Head of Sales & Customer Relations, Eykona Medical Ltd, UK

Mehrdad Mahdjoubi, Founder and CEO, Orbital Systems, Sweden

Felipe Carrasco Torres, Technical Director, ATEVAL, Spain

COFFEE BREAK (15:00)

15:30 Background Research on Priorities and Opportunities for Innovation Procurement

Angus Hunter, EcoQUIP Project Manager, Optimat

16:00 Break-Out Groups

Discussion on potential Joint Actions

17:00 Panel Discussion on Priorities for Joint Action

Plenary discussion on Joint Actions

Panel Members: Juan Manuel Garrido Moreno (Spain); Marcin Kautsch (Poland); Joram Nauta (Netherlands); Ville Valovirta (Finland); Gaynor Whyles (UK)

17:45 Chairman's Conclusions
