ENGAGING SMES IN PUBLIC PROCUREMENT:
Tips to create an inclusive procurement ecosystem

Why it matters

Public organisations need to develop a strategic approach to how they spend public procurement money to achieve wider objectives in terms of sustainability, social inclusivity, and economic resilience. Engaging with SMES in public procurement plays a crucial role in making this change happen.

The issue

SMEs’ share of the market in public procurement is lower than their share of the economy.

The barriers

PUBLIC INSTITUTIONS

Low visibility and communication between public buyers and suppliers

SMEs

Lack of investment in skills and capacity

Low understanding of needs, challenges and ways of working between sectors

Potential for innovative solutions and wider contributions to positive social, economic and environmental impacts.

What public organisations can do to support SME Engagement

Internal actions:

Build internal skills and capacity through training and adequate resourcing of procurement activities to support your staff to progress practices and behavioirs.

Develop your knowledge of the supplier market by building supplier databases and undertaking surveys to understand local SMES.

Review public procurement processes and develop solutions to address SME barriers in accessing public procurement opportunities:

- Divide larger contracts down into smaller lots, where possible and appropriate.
- Assess pre-tender qualifications and check the requirements are proportionate in the value of the contract.
- Adapt tender documentation to your audience to ensure the information is clear and easily understandable to all suppliers.

External actions:

Support the delivery of training for SMEs on how to engage in public procurement, bid for tenders and deliver social value.

Provide suppliers with guidance materials on how to do business with your organisation and how to engage in public procurement.

Engage with the market through ‘meet the buyer’ events and/or networking events between larger companies and SMEs to help SMEs become part of wider supply chains.

Increase visibility of public procurement opportunities by identifying the best communication platforms to reach SMEs in different sectors (procurement portals, organisational websites, social media, newsletters, events, etc.).

Harness the role of business organisations as brokers to signpost information, raise awareness and increase engagement with potential suppliers.

Share case studies and good practices with other organisations / suppliers and evidence impact.

Measure your impact

Monitor SME engagement in your public procurement activities through contract monitoring and spend analysis, identify scope for improvement and progress practices further!

For more guidance, tools and recommendations on how to take your strategic procurement journey forward discover the Making Spend Matter Toolkit:

Visit: urbact.eu/makingspendmatter #MakingSpendMatter

Engaging SMEs in public procurement

SMEs account for an estimated 2 in 3 of all businesses in Europe are SMEs

SMEs + Public organisations need to develop a strategic approach to how they spend public procurement money to achieve wider objectives in terms of sustainability, social inclusivity, and economic resilience. Engaging with SMES in public procurement plays a crucial role in making this change happen.

The issue

SMEs’ share of the market in public procurement is lower than their share of the economy.

The barriers

PUBLIC INSTITUTIONS

Low visibility and communication between public buyers and suppliers

SMEs

Lack of investment in skills and capacity

Low understanding of needs, challenges and ways of working between sectors

Potential for innovative solutions and wider contributions to positive social, economic and environmental impacts.

What public organisations can do to support SME Engagement

Internal actions:

Build internal skills and capacity through training and adequate resourcing of procurement activities to support your staff to progress practices and behavioirs.

Develop your knowledge of the supplier market by building supplier databases and undertaking surveys to understand local SMES.

Review public procurement processes and develop solutions to address SME barriers in accessing public procurement opportunities:

- Divide larger contracts down into smaller lots, where possible and appropriate.
- Assess pre-tender qualifications and check the requirements are proportionate in the value of the contract.
- Adapt tender documentation to your audience to ensure the information is clear and easily understandable to all suppliers.

External actions:

Support the delivery of training for SMEs on how to engage in public procurement, bid for tenders and deliver social value.

Provide suppliers with guidance materials on how to do business with your organisation and how to engage in public procurement.

Engage with the market through ‘meet the buyer’ events and/or networking events between larger companies and SMEs to help SMEs become part of wider supply chains.

Increase visibility of public procurement opportunities by identifying the best communication platforms to reach SMEs in different sectors (procurement portals, organisational websites, social media, newsletters, events, etc.).

Harness the role of business organisations as brokers to signpost information, raise awareness and increase engagement with potential suppliers.

Share case studies and good practices with other organisations / suppliers and evidence impact.

Measure your impact

Monitor SME engagement in your public procurement activities through contract monitoring and spend analysis, identify scope for improvement and progress practices further!

For more guidance, tools and recommendations on how to take your strategic procurement journey forward discover the Making Spend Matter Toolkit:

Visit: urbact.eu/makingspendmatter #MakingSpendMatter

Engaging SMEs in public procurement

SMEs account for an estimated 2 in 3 of all businesses in Europe are SMEs

SMEs + Public organisations need to develop a strategic approach to how they spend public procurement money to achieve wider objectives in terms of sustainability, social inclusivity, and economic resilience. Engaging with SMES in public procurement plays a crucial role in making this change happen.

The issue

SMEs’ share of the market in public procurement is lower than their share of the economy.

The barriers

PUBLIC INSTITUTIONS

Low visibility and communication between public buyers and suppliers

SMEs

Lack of investment in skills and capacity

Low understanding of needs, challenges and ways of working between sectors

Potential for innovative solutions and wider contributions to positive social, economic and environmental impacts.

What public organisations can do to support SME Engagement

Internal actions:

Build internal skills and capacity through training and adequate resourcing of procurement activities to support your staff to progress practices and behavioirs.

Develop your knowledge of the supplier market by building supplier databases and undertaking surveys to understand local SMES.

Review public procurement processes and develop solutions to address SME barriers in accessing public procurement opportunities:

- Divide larger contracts down into smaller lots, where possible and appropriate.
- Assess pre-tender qualifications and check the requirements are proportionate in the value of the contract.
- Adapt tender documentation to your audience to ensure the information is clear and easily understandable to all suppliers.

External actions:

Support the delivery of training for SMEs on how to engage in public procurement, bid for tenders and deliver social value.

Provide suppliers with guidance materials on how to do business with your organisation and how to engage in public procurement.

Engage with the market through ‘meet the buyer’ events and/or networking events between larger companies and SMEs to help SMEs become part of wider supply chains.

Increase visibility of public procurement opportunities by identifying the best communication platforms to reach SMEs in different sectors (procurement portals, organisational websites, social media, newsletters, events, etc.).

Harness the role of business organisations as brokers to signpost information, raise awareness and increase engagement with potential suppliers.

Share case studies and good practices with other organisations / suppliers and evidence impact.

Measure your impact

Monitor SME engagement in your public procurement activities through contract monitoring and spend analysis, identify scope for improvement and progress practices further!

For more guidance, tools and recommendations on how to take your strategic procurement journey forward discover the Making Spend Matter Toolkit:

Visit: urbact.eu/makingspendmatter #MakingSpendMatter

Engaging SMEs in public procurement