

Glasgow's 5 Key Takeaways on Innovative Procurement

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Bax & Company is an innovation consultancy working on international solutions to global challenges in fields like climate adaptation, mobility, smart cities and energy efficiency.



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Innovative procurement is a much more flexible and open process compared to traditional procurement. Instead of buying a specific product or service the local authority is given an opportunity to discover new approaches. It's allowing them to have a greater influence on products and find solutions that are catered to solving particular challenges, but will it replace traditional procurement? Bax & Company is engaging with cities to hear their perspectives on innovative procurement in order to help them better manage this promising, but uncertain, process. They spoke to James Arnott, the Principal Officer in Development & Regeneration Services of Glasgow City Council (GCC) to hear about Glasgow's experience.

When it comes to tackling the city's social, economic, and environmental challenges, GCC has relied on the traditional procurement model: identifying the problem, outlining a solution, and seeking out relevant service providers. They had never before considered this new way of procuring, yet the process is proving to be highly educational.

*"We got involved in innovative procurement thanks to the **BE-GOOD** project; we didn't know what it was before joining this project. It ended up really helping us to see other local and regional authorities face the same issues and testing out different routes so we could decide what we needed to do ourselves."*

Breaking away from the traditional approach to problem-solving at a city level, GCC decided to focus on the challenge, rather than a predetermined solution. To avoid diving into the deep end alone, GCC reached out to Scotland-based tech accelerator, **CivTech**, to support them in this new challenge-driven way of working. CivTech follows an innovative procurement process, which matches public bodies with companies proposing to develop a solution.

The first challenge that GCC focused on was public transport. Glasgow was facing an issue many cities are familiar with: citizens only having limited access to public services. How could it better connect people to places and services? Through CivTech, nine solutions were proposed by different businesses to solve this challenge. To rate the solutions, GCC used a scorecard approach provided by the accelerator to analyse the solution itself, as well as the people and the business culture. The method included judging the innovativeness of the solution, the market size, international potential, and how cooperative the team is. Before trying innovative procurement, GCC would not have considered so many criteria and would

have likely opted for the cheapest and most convenient offer to their desired solution. **This new process helped GCC find the most promising solution provider.**

In the end, the winning solution was chosen because it went beyond the scope of the challenge to identify the bigger problem: the disconnect between the council and its citizens. Mydex, the Scottish Community Interest Company behind the idea, decided to focus on creating a dialogue between citizens and services, which incorporated improving public transportation and better understanding how it wasn't currently meeting citizens' needs.

“[Innovative procurement] has allowed us to shape the final product with our own input and input from potential users, which means we will get something that suits both our requirements...”

CivTech goes beyond matching the solution seeker with the solution provider; they also facilitate the relationship between them, and coach the successful candidates. CivTech helped GCC frame its needs to MyDex and prepared the SME to present their solution at a Demo Day to over 400 attendees from varying backgrounds. Both MyDex and GCC were tasked with attending entrepreneurial training sessions covering topics from growth hacking to storytelling. These workshops proved very useful to MyDex, but perhaps more surprisingly, GCC also benefited from the training. They developed a much clearer understanding of MyDex as an organisation, and ended up better able to define the outcome they were looking for from the collaboration. Although MyDex and GCC are still in the process of setting up the Included platform, James has shared GCC's main takeaways from its innovative procurement experience.

Glasgow City Council's 5 Main Takeaways:

1. No more 'solution mode.'

Focus on gaining a comprehensive understanding of each challenge, its context and people's perspectives is key to framing it well to the market and stimulating innovation.

“Move away from ‘solution mode’ and towards having a better understanding of what your problem is, focusing on the long-term impact. You have to understand the

problem you have, work with a solution provider and together get into a dialogue. We usually jump straight into solutions so now we have a very new way of working and the potential return is much better.”

2. Close collaboration with the solution provider is key.

Innovative procurement is an iterative process that requires several interactions with the solution providers to carefully co-develop the final solution.

“Thanks to CivTech’s training workshops we now have a much better idea of how SMEs are working and will hopefully have a far better final product because we are more involved in developing use cases. The traditional approach wouldn’t necessarily give us what we were looking for. We used to put out a brief and rarely engaged with the solution provider.”

3. Consider the long-term value of data.

Before deciding to publicize and use data, it is crucial to **evaluate whether such data can be reused** in other contexts and for other purposes in the future.

“Some of the solutions proposed to solve our challenge involved mapping car transport use with insurance company data. If we get this data, how would we use it to deliver our service better in the future? Mydex focused on communications, so we could open up and reach a much greater audience. The most innovative solution was the one with a totally new approach. Tackling communications around public services rather than tech support.”

4. Measure the solution’s impact.

The effectiveness and impact of innovative procurement need to be measured. How much better is this process and outcome compared to traditional procurement?

“If a process is new and innovative, it doesn’t necessarily mean it’s better. To be able to show that an approach is better, its impact needs to be measured. We are currently working with MyDex on an impact analysis. Evidence could include our success in engaging hard-to-reach people. The impact assessment is a very important aspect to consider from an early stage.”

5. Adopt an open-minded attitude.

Public authorities need time to familiarise themselves with innovative procurement and get into an iterative process with a solution provider.

“The mindset needed is so different, it takes a lot of time to adapt to the long-term process and the uncertainty surrounding the final outcome.”

Despite the feeling of uncertainty during the process, GCC has not been deterred from innovative procurement as they are now also participating in the next CivTech exercise, this time with a challenge based around climate change. The next immediate steps for GCC and Mydex are to design and develop two use cases. At the same time, work will continue with the technical build along with activities to ensure it is compatible with GCC processes and a benefits-tracking model will also be developed. In order to market the *Included* platform, full use will be made of the city’s social media platforms, as Glasgow has one of the largest Twitter followings of any local authority in the UK. This will run together with the engagement of community-based organisations to ensure that uptake is maximised.

If you’d like support in addressing your main urban challenges in an innovative way, [get in touch with the Bax & Company team](#).

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