

# Pre-Commercial Procurement of Health Innovation

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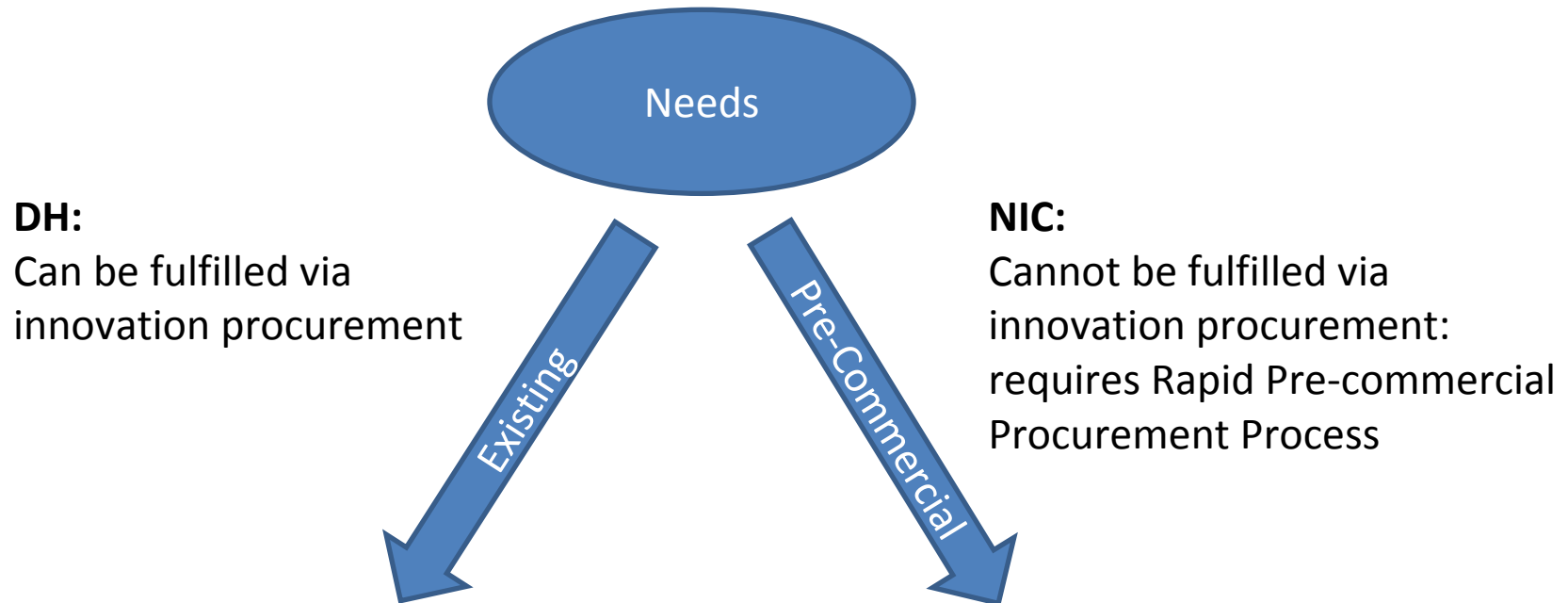
# Who we are

- Government Organisation
- Bridging the gap between demand (NHS) and supply (Academia & Industry)
- Focus on pre-commercial technological innovations
- Small Team (work through collaboration & online systems)

# What we do

- Develop Innovations for Unmet Needs
- Collaboration (National & International)
- Innovation Management Systems
  - Blended online and offline services
  - Tools for innovators (Supply –side)
  - Tools for clinicians, procurement official & managers (Demand-side)

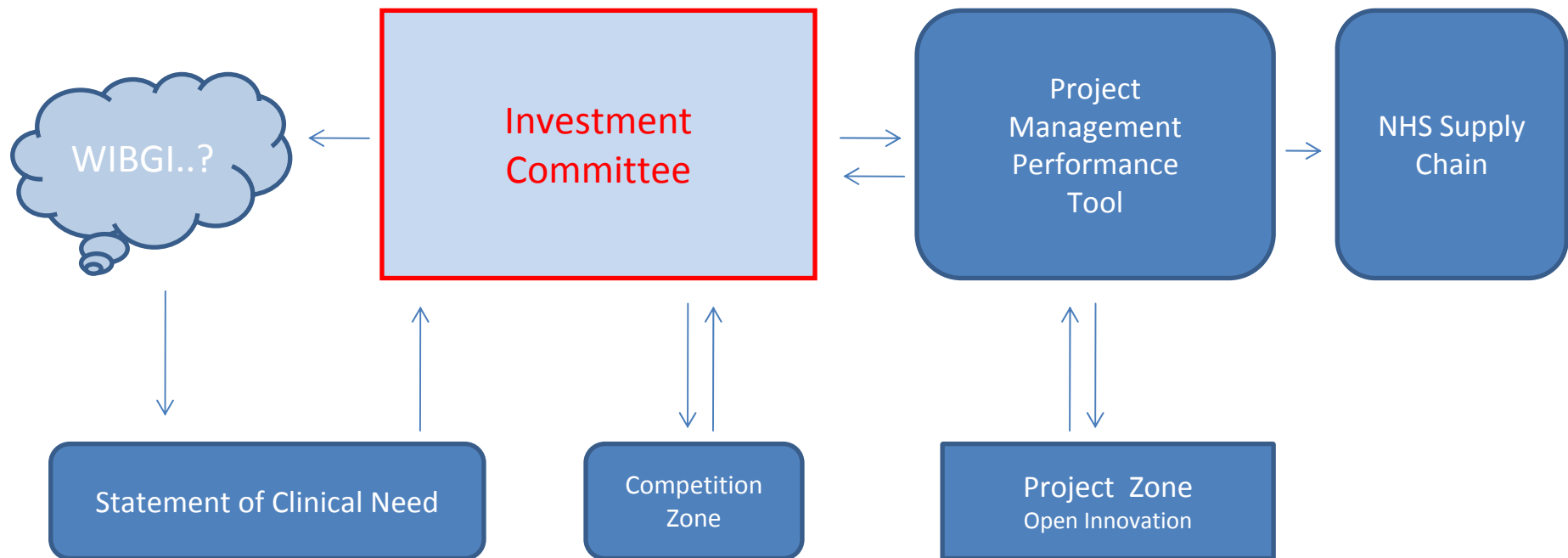
# DH Innovation Procurement Plan





# Basic Principles of Pre-commercial Procurement

- Clearly defined need
- Open, fair & transparent competition
- Award a contract to deliver R&D
- Fair return on investment to the commissioner (e.g. Royalties, Equity Stake)

# NIC Pre-commercial Procurement Model



 Web-based component  
 Manual component



In the NIC each of these steps are performance managed stage-gates with the potential for completely different suppliers to be used in each step. (Hence IP must be owned by the central Govt body to enable release at the right time).



	Define	Design	Develop	Demonstrate	Distribute
PRIZES	★	★	★	★	
COMPETITIONS		★	★	★	★
GRANTS	★	★	★	★	★
SBRI		★	★		
COLLABORATIVES		★	★	★	★
AUCTION			★		★

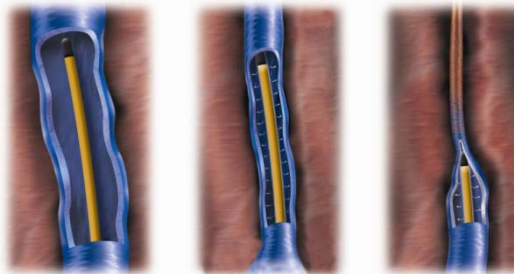
# Does this model work?



Potential £19m p.a. saving



£4,000 per HCAI avoided



Potential £17m p.a. saving



Potential £30m p.a. saving

# Economic Benefits

Financial Year 2009/10

## Value to the economy:

- The NIC supports SME's to develop innovative solutions to patient and staff needs. With the support of the NIC, a number of innovations have been able to attract significant funding (**£290m**).

## Potential Value to NHS:

- The NIC has supported the development of innovations that would improve the quality of the patient experience and generate potentially significant cost savings to the NHS (**£236m**).

# The Future

- **Roll out the process across UK Government**
- **Procurement to meet current economic requirements**
  - 'Frugal' Innovation (e.g. strip products to their essentials)
  - 'Guerrilla' Innovation (e.g. combine features to make new)
  - 'Just-in-time' supply-side mobilization
  - 'Open' Innovation (e.g. swarm collaboration through Project Zone)
- **Pan-European collaboration to meet common needs**
  - Pool experience, expertise and resources
  - Speed-up innovation development process
  - Develop and deliver innovations with greater impact
- **Infrastructure Enhancements**
  - Development of Linked Data capability

# THANK YOU!

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