

Strategic Public Procurement: A Lever for Social Entrepreneurship and Innovation

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Abstract : To inform government about how gender gaps in SME (small and medium-sized enterprise) contracting might be redressed, the research question was: What are the key obstacles to, and response strategies for, increasing the engagement of women business owners among SME suppliers to the government of Canada? Thirty-five interviews with senior policymakers, supplier diversity organization executives, and expert witnesses to the Canadian House of Commons, Standing Committee on Government Operations and Estimates. Qualitative data were conducted and analysed using N'Vivo 11 software. High order response categories included: (a) SME risk mitigation strategies, (b) SME procurement program design, and (c) performance measures. Primary obstacles cited were government red tape and long and complicated requests for proposals (RFPs). The majority of 'common' complaints occur when SMEs have questions about the federal procurement process. Witness responses included use of outcome-based rather than prescriptive procurement practices, more agile procurement, simplified RFPs, making payment within 30 days a procurement priority. Risk mitigation strategies included provision of procurement officers to assess risks and opportunities for businesses and development of more agile procurement procedures and processes. Recommendations to enhance program design included: improved definitional consistency of qualifiers and selection criteria, better co-ordination across agencies; clarification about how SME suppliers benefit from federal contracting; goal setting; specification of categories that are most suitable for women-owned businesses; and, increasing primary contractor awareness about the importance of subcontract relationships. Recommendations also included third-party certification of eligible firms and the need to enhance SMEs' financial literacy to reduce financial errors. Finally, there remains the need for clear and consistent pre-program statistics to establish baselines (by sector, issuing department) performance measures, targets based on percentage of contracts granted, value of contract, percentage of target employee (women, indigenous), and community benefits including hiring local employees. The study advances strategies to enhance federal procurement programs to facilitate socio-economic policy objectives.

Keywords : procurement, small business, policy, women

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