

# Fostering innovation through Big Science procurement

Sonia Utermann Fostering innovation through Big Science procurement





This is part of ATTRACT that has received funding from the European Union's Horizon 2020 Research and Innovation Programme under grant agreement No. 101004462.

**Legal Notice:** Neither the European Commission, nor any person acting on behalf of the Commission is responsible for the use, which might be made, of the following information. The views expressed in this thesis are those of the author and do not necessarily reflect those of the European Commission.

## **Sonia Utermann**

# Fostering innovation through Big Science procurement

Dr. rer. nat. Sonia Utermann
Fostering innovation through Big Science procurement
Submitted to the Wilhelm Büchner University 2020
Faculty of Industrial Engineering and Technology management for the Master of Business
Administration to Professor Dr. Ralf Isenmann
Revised and updated for publication in 2024

#### **Imprint**

#### © 2024 Steinbeis-Edition

All rights reserved. No part of this book may be reprinted, reproduced, or utilised in any form by any electronic, mechanical, or other means now known or hereafter invented, including photocopying, microfilming, and recording or in any information storage or retrieval system without written permission from the publisher.

Sonia Utermann

Fostering innovation through Big Science procurement

1st edition, 2024 | Steinbeis-Edition, Stuttgart ISBN 978-3-95663-303-4 | This book is also available as an e-book: ISBN 978-3-95663-304-1

Likewise Wilhelm Büchner University, master's thesis 2020

Layout: Steinbeis-Edition Cover picture: Sonia Utermann

Publishing house: Steinbeis-Edition | Steinbeis-Stiftung, Adornostraße 8, 70599 Stuttgart Production: Online-Druck GmbH & Co. KG, Eggertstraße 28, 33100 Paderborn

The platform provided by Steinbeis makes us a reliable partner for company startups and projects. We provide support to people and organizations, not only in science and academia, but also in business. Our aim is to leverage the know-how derived from research, development, consulting, and training projects and to transfer this knowledge into application – with a clear focus on entrepreneurial practice. Over 2,000 business enterprises have already been founded on the back of the Steinbeis platform. The outcome? A network spanning 5,200 experts in approximately 1,100 business enterprises – working on projects with more than 10,000 clients every year. Our network provides professional support to enterprises and employees in acquiring competence, thus securing success in the face of competition. Steinbeis-Edition publishes selected works mirroring the scope of the Steinbeis Network expertise.

227912-2024-04 | www.steinbeis-edition.de | edition@steinbeis.de

### **Abstract**

Big Science infrastructures represent a multi-billion Euro business domain that operates at the margins of what is technically possible. In the next five years, the 11 largest Big Science organisations in Europe plan to spend nearly €40 billion on innovative technologies (BSBF, 2022). Big Science has unique needs as well as the expertise to articulate these needs to potential suppliers. As such, Big Science is well positioned to act as a "lead user" (Von Hippel, 1986), driving innovation from the demand side.

This thesis looks at the innovation impact of Big Science procurement based on peer-reviewed studies and emerging best practice. Qualitative measures of innovation impact are presented, as well as the predictors that a Big Science procurement will result in a positive innovation outcome. The most important mechanisms by which Big Science can foster innovation through procurement are identified: articulating need, engaging with the market early, nurturing relationships, sharing knowledge, providing a consolidated market and mitigating development risk. Emerging best practice on how to exploit these mechanisms is presented. Finally, a roadmap for a comprehensive innovation impact study is presented, along with a critical tool for increasing the innovation impact of Big Science procurement: the Big Science Business Forum.

# **Contents**

In	trod	uction		9
1	The	histor	ry and definition(s) of Big Science	12
			cience: history of the term	
		_	cience is big money	
	1.3	Big sc	ience is complex and multidisciplinary	14
		_	cience has many stakeholders and complex mandates	
		_	cience has a big impact	
		_	cience is project-based	
		_	cience in this thesis	
		0	cience and knowledge transfer	
		_	Academic knowledge transfer	
			Public knowledge transfer	
			Technology transfer – technology push	
			Technology transfer: demand pull	
2	Αp	ortfoli	o of Big Science organisations	25
			ry source Big Science organisations	
			Facility for Antiproton and Ion Research in Europe (FAIR)	
			Grand Accélérateur National d'Ions Lourds (GANIL)	
			European X-ray Free Electron Laser (European XFEL)	
			International Thermonuclear Experimental Reactor (ITER)	
			European Spallation Source (ESS)	
	2.2		dary source Big Science organisation	
			ortfolio of Big Science organisations	
3	Big	Science	ce procurement	31
	_		Big Science procurement works	
			The legal framework of public procurement	
			Example procurement process: FAIR	
			Example procurement process: CERN	
			Competitive Dialogue	

	3.2	Procurement in kind	36		
		3.2.1 Fair return	37		
		3.2.2 Management of knowledge and innovation	38		
		3.2.3 Risk-sharing in innovation	39		
	3.3	Summary	40		
4	Em	pirical results: the effect of Big Science procurement			
	on i	on innovation			
	4.1	Advantages of supplying Big Science	41		
	4.2	Predictors of innovation potential	43		
		Procurement of innovation and the Big Science lifecycle			
	4.4	Methodology transfer	47		
5	Em	erging best practice: Big Science procurement of innovation	48		
	5.1	Primary sources: best practice and lessons learned	49		
		5.1.1 Measuring "best" practice	50		
		5.1.2 Negative procurement outcomes ("lessons learned")	51		
	5.2	Big Science can act as a lead user	52		
		5.2.1 Small quantities, unknown transferability	53		
		5.2.2 The case of the welding company	54		
		5.2.3 An aside: technology transfer programmes	54		
	5.3	Big Science can articulate a need	55		
	5.4	Big Science can mitigate development risks	56		
	5.5	Big Science can share knowledge	57		
		5.5.1 The case of the nano-thermometer	58		
	5.6	Big Science can nurture relationships	59		
		5.7.1 Engagement through procurement teams	60		
		5.7.2 Engagement through industry liaison	60		
	5.8	Big Science can provide a consolidated market			
		5.8.1 A positive example: the Netherlands	61		
		5.8.2 Why a consolidated Big Science market is needed	61		
		5.8.3 The Big Science Business Forum (BSBF)			
	5.9	Implementation of best practice measures			

6	Out	look		.64
	6.1	Roadi	map of a comprehensive analysis: the impact of Big Science	
		procurement on innovation		
		6.1.1	Open questions	65
		6.1.2	Measuring innovation impact	65
		6.1.3	Comparison of methodologies	66
		6.1.4	Suggested impact study methodology	68
	6.2 ATTRACT		RACT	69
	6.3	Big So	cience Business Forum (BSBF)	69
	6.4	4 Stimulating Big Science procurement of innovation in Germany		70
		6.4.1	Added value for Germany	71
		6.4.2	Unique advantages of Germany	73
Co	Conclusion			.74
Аp	pen	dix: In	formation sources and benchmarking	.77
Bi	bliog	graphy		.80

### Introduction

What is matter? Where did it come from? Some of the most fundamental questions that occupy human enquiry are addressed by Big Science: gargantuan pieces of scientific infrastructure that capture the imagination and defy belief; infrastructure like the accelerator complex at the European Laboratory for Particle Physics, CERN (figure 1).



Figure 1: The circle represents the Large Hadron Collider (LHC), one of the most complex and ambitious scientific experiment yet built. It has a circumference of some 26 km. The proposed Future Circular Collider at CERN, if built, will have a circumference of 100 km. Image by Maximilien Brice (CERN) – CERN Document Server, CC BY-SA 3.0, https://commons.wikimedia.org/w/index.php?curid=29027732.

How can we put a price on knowledge? In the scientific spirit, "the only legitimate yardstick for measuring the importance of a basic-science project is its impact on science itself" (Giudice, 2012). Nevertheless, Big Science projects like the proposed future Circular Collider (FCC) at CERN consume intellectual and financial resources to such a degree that it is reasonable – perhaps even imperative – to justify their existence in terms beyond the creation of mere knowledge. Gastrow and Oppelt warn of the "virtuous circle of capa-

Big Science infrastructures represent a multi-billion Euro business domain that operates at the margins of what is technically possible. In the next five years, the 11 largest Big Science organisations in Europe plan to spend nearly €40 billion on innovative technologies. Big Science has unique needs as well as the expertise to articulate these needs to industry. As such, Big Science is well positioned to drive innovation from the demand side. This book examines how this position can be exploited to multiply the innovation impact of Big Science beyond the standard mechanisms of technology transfer.

Qualitative measures of innovation impact are presented, as well as the predictors that a Big Science procurement will result in a positive innovation outcome. The most important mechanisms by which Big Science can foster innovation through procurement are identified: articulating need, engaging with the market early, nurturing relationships, sharing knowledge, providing a consolidated market and mitigating development risk.

Dr. rer. nat. Sonia Utermann works at the Steinbeis Transfer-Hub Berlin as international research and transfer manager. One of her research interests is the socio-economic impact of Big Science innovation. She was awarded her Ph.D. in physics at the Georg-August University in Göttingen, Germany. This thesis was inspired by her work at the time of writing at the Facility for Antiproton and Ion Research in Europe (FAIR).



