

Beyond pilots: Call to action to support adoption after successful piloting.

Rationale and context

1. *Pilots are a widespread collaboration format within innovation programmes.* Pilots help developers and potential customers to test innovation under real-world conditions. There are an increasing number of instruments (eg. RTD calls, cascade funding calls, or Pre-Commercial Procurement) that favour the setting up of pilots.
2. *Some pilots are successful.* Customers can assess by their own means that the piloted innovation truly improves their quality of service delivery and/or reduces costs within their own organization.
3. *There is a 'valley of death' after public funding ends.* Too many of these successful solutions developed within pilots fail -or take excessive time- to scale so that the innovation gets widely incorporated into the testing organization.

An example of pilot in the area of eHealth is the use of virtual reality to support patients with phobia(s) to overcome their anxiety. This is one actual pilot supported by TICBioMed under the [FICHe](#) project funded by the EC. The customer was a public regional Healthcare Provider. The pilot delivered successful outcomes in May 2016, but it has not been incorporated in the customer nor there are indications that this will happen in the future.

There are currently some instruments to support the transition between pilot and procurement, especially if the customer is a public entity (as the majority within the Health and Care market are):

- [Public Procurement of Innovation](#) (PPI) is not enough as it is hard to engage international consortiums, very much dependent on external ad-hoc funding and geared towards big-size projects.
- Within the health sector, [EIP AHA scaling up initiatives](#) have a relative influence on 3rd party decision makers and do not cover the whole spectrum of (Health) areas.

This Problem is not exclusive of the Health domain nor it happens only in a particular type of countries.

It tends to happen more when the customer is a big (public) organization, with siloed departments that are not well-connected. An Innovation unit or similar is the one that participates and assess success of the pilot. However, RTD calls do not fund the procurement of the piloted solution. Acquisition needs to be done by another unit, in charge of procuring solutions with the budget of the customer organization.

There is usually a lack of 'bridging strategy' that manages the hand over from the Innovation unit to the Procurement unit. There is typically no project (with a responsible person, a budget and a deadline) or well-defined process that manages this transition. The absence of this bridging project increases the chances that the successfully piloted innovation ends in a 'nobody's land' and the pilot finally does not get incorporated.

Another issue may be budgeting for incorporating the solution. In big organizations the budgets are done annually and the transition from one year to next year budget tends to slow-down the traction and effectively watering down the initial intention of purchasing the successful piloted innovation.



Problem statement

It is hard for successful pilots to scale and get implemented even in the customer organization that tested them.

Call to action:

What initiatives could be launched to effectively ease the transition between a successful pilot and its scalable implementation within the same organization?

Brainstorming of potential actions:

By financial entities supporting innovation (eg. BEI):

Probably the main issue with the customer budgeting to procure the solution it is not so much the amount of money required to acquire the innovation, but rather these:

- **Commitment.** As stated above, the Procurement unit typically has not directly involved in the pilot development. Therefore, they are usually not as excited about it as the Innovation unit and have not pre-allocated time, resources and stamina to deal with it.
- **Ownership.** There is no clear statement of who should be responsible to manage the procurement process.
- **Agility.** Procurement units tend to be very busy. However, if the pilot loses traction after the end of the pilot, chances are it will not happen. The first months are critical to nail the procurement, otherwise the momentum is lost and it will not happen.

As a result, there is no 'transition strategy' that helps to ease move from pilot to acquisition and scalation. The pilot was developed within an innovation project, but the Procurement unit has no similar project structure to make sure it delivers after a reasonable time.

Also, chances are that the budget for acquisitions is already allocated, so that procurement cannot be done in the short term. Postponing this decision usually means it is harder to get it funded when new annual budget is discussed.

Proposal: Set up an agile 'pilot-acquisition financial instrument' that customers could apply to so that eases them the transition between pilot and procurement.

Some characteristics:

- a. It could be similar to a loan to the customer, with an interest.
- b. To be repaid in several years. Ideally with a vesting period.
- c. With the only purpose to finance the acquisition of the piloted solution. Following public tender regulation (openness, transparency) if the customer is a public organization. This means other companies apart from the one that did the pilot can apply to the tender and win.
- d. Eligibility for the financial instrument could be limited to those customers that have been awarded a European public funding innovation project (first filter). National or regional calls could be also considered.
- e. For the due diligence of the financial request, the final evaluation report produced by the independent reviewers that positively assess the RTD project could be also be incorporated (second filter) or even considered as an eligibility criterion.
- f. Agility is critical. The application and resolution should not be very complicated nor lengthy, to maximize momentum after pilot end.



Its main advantage will be not only facilitating budget allocation, but rather that **it automatically creates a project within the customer organization**. The instrument necessarily forces the organization to have an owner in charge of making sure it fulfils its purpose before a deadline.

As a reference, total cost of ownership (TCO) of digital health innovations for a period of 4 years can be in the range of 300-500k€.

Again, this 'pilot acquisition financial instrument' does not need to be limited to (digital) health solutions, nor specific countries. This is a general problem!

By the Funding body (eg. the EC)

- Incorporate scalability as a requirement and/or winning-point criteria for evaluation of (EC) proposals involving pilots.
 - Indicate in the impact section of the call text that 'credible' customer commitment stated in the proposal will increase chances to win.
 - The call could ask for key indicators to establish that the pilot has been successful.
 - More importantly, explicitly state what would happen if there is success. Ideally who should indicate what actions will be taken (eg. acquisition of the solution) should be who has the responsibility to make those decisions. Which is usually not in the hands of the Innovation unit that submits the proposal.
 - Indications that the Innovation unit, the Procurement unit and/or the Top management and aware and agree on the committed statements regarding internal scalability of the successful pilot.
 - List the number of actions to be taken during pilot execution to gain internal buy-out once there are signs of successful outcomes.
 - The call does not even need to be prescriptive on the exact commitment: just indicate that the more credibly stated, the more chances to win.
 - In EC proposals that content can be requested for Section 2 of the template.
- Enforce it during evaluation
 - Instruct evaluators to consider this criteria in their assessment.
 - Recruit evaluators that are friendly to this concept.
- The EC is the reference for the other European funding agencies (national and local). If the EC starts the trend, others will follow.

By the Customer organization:

Innovation unit could:

- Regularly update the Procurement unit and/or the Top management about the advances of the pilot.
 - Reinforce the importance of the pilot for the organizations and why it is devoting resources in periodic email or in meetings, after a milestone or advancement has been achieved.
 - Leverage networking opportunities, like pilot consortium meetings, to create personal connections to the pilot and its stakeholders.
- Once there are clear signs that the pilot may be successful, start dealing with the transferring to the Procurement unit, in particular tackling budgeting issues.
- Establish mechanisms to connect and align with the related Procurement units and Top Management BEFORE committing to a research project that may require future procurement.



Top management could:

- Clearly indicate to the Innovation unit what kind of needs are priority to the organization, so that funding and pilots are searched in alignment with them. That should facilitate the sustainability by incorporating the piloted solutions within the organization.
- Create a culture of 'sustainability-first' regarding innovation.
- Support the alignment between the Innovation unit and the Procurement units to set up processes that manage the transition between them.
- Show clear political support to the scaling-up of successful innovation aligned with corporate priorities.
- Commit and allocate budget for the scaling up of successful piloted innovation.
- Set up measures to overcome the 'not-invented-here' potential reaction of Procurement units.
- Ask for periodic updates about how the measures in place are working and optimize when needed.

Procurement units could

- Set up an internal strategy that includes the setting up of processes, main contact point and budgeting allocation management to deal with request of procurements from the Innovation unit.
- Establish communication channels to get information about the planned research projects of the Innovation unit.
- Identify and share unmet needs/growth opportunities with the Innovation unit and/or Top management, candidates to be tackled by applying to public innovation funding.

The main challenge in the case of customers is that these changes rarely will happen spontaneously is how to systematically influence potential targets.

Some ideas include:

- Investigate and widely disseminate what can be learnt from the best. What are the best practices and lessons learnt from top performers. How they model, plan and execute pilots so they have higher survival rates than the others.
 - The [eHealth Adoption Awards](#) can be a starting point to identify champions in the area of health. For sure there are other initiatives.
- For the Health space: An idea suggested by one innovation unit manager in a Health organization was to give a twist to the eHealth Adoption Awards and make them a 2-phase initiative.
 - 1st phase: The Health or Care organization receives a prize for its successful pilot. A 'political' representative from the adopter organization, for example the regional minister of Healthcare, receives it in person (eg. in a ceremony in Brussels) and agrees/commits that the pilot will scale within the organization in a certain period of time.
 - 2nd phase: The Award organizers check that the pilot has really scaled before the deadline, and then a 'bigger prize' is handed to the organization. Maybe even at its own premises, so local press can echo it.

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Note: The above are just initial ideas. Some may not work as proposed but, probably, need improvement. However, at this stage, what is important is to bring attention to the problem and start identifying solutions for the short/medium/long term. TICBioMed believes that by explicitly verbalizing it and bring it to the table is the first step to start the ball rolling for improvement.



What is at stake:

It is not sensible that the only driving force of customer innovation is external funding, and that its benefits disappear as soon as public money runs out. Not incorporating an innovative solution that has proved successful during a pilot is an incoherence, since it deprives the population (patients and citizens) of benefiting from public money investment. Apart from the waste of taxpayer money and opportunity cost, this situation makes customer personnel sceptical about participating in future innovation activities.

Europeans have proven that they can be as innovative as anybody else in the world. Where Europe is not so successful (eg. vs the US) is in monetizing this capacity. The perversion of the actual innovation reward system is that some companies can do better financially by mastering public funding proposal writing than by truly pursuing business.

What 'true' companies need are first customer references that contribute to scale the business opportunity behind the innovation. That is their best funding source for economic success and job generation, and the reason they also launch their own pilots even without public funding. Companies prefer customers to grants, specially within their initial stages.

Also, it does not look 'smart' for the use of public money as a funder, that it only funds the first steps (the piloting) and does not follow-up on the successful ones. Best private investors reserve money for following-up investment on their best bets in subsequent rounds. Public funders could do the same without distorting the market, by facilitating agile access to funding that enables them to acquire the innovation in the short-term.

About the dimension of the Problem

The ultimate objective of this paper is to trigger a systemic change that will lower the barriers for the adoption of innovation, especially in EU markets where public entities dominate like Health, Education or Smart Cities. These entities have known limitations for the agile incorporation of innovation, so it makes sense to put the spotlight on how to facilitate it on them.

As a reference, in the 2017-18 draft Work Programme in the Societal Challenge Health there are 49 calls. Not all of them are related to innovation, some of them are fundamental research or between the two. However, there are calls that are close to market including PCP schemes. All these are likely candidates to face the Problem. Similar numbers can be identified in other Societal Challenges. And, of course, there is a replica at national and regional level, with their innovation support programmes. European initiatives like the [Innovation Radar](#) can probably provide more exhaustive data.

Besides, the European Commission is increasingly using cascade-funding approaches that usually turn out into triggering projects, this is the case of the [INNOSUP calls](#) (like the [Innolabs](#) project) or projects like inDemand (coordinated by TICBioMed, it will trigger 24 pilots in the area of eHealth in the next 3 years).

Finally, for the particular case of the Health and Care market, the current situation may lead to an era of disillusion after all the momentum the sector is currently enjoying. The European vendor side of the eHealth market has greatly evolved and matured in the last 5 years, partially due to facilitation technologies like mobile (mHealth), wearable devices or big data. If the demand side of the market does not keep pace, the sector may end tagged as 'no traction' by entrepreneurs, meaning future talent will choose other sectors to invest their time and passion. In the medium-long run not only eHealth business will suffer the consequences, but European patients and citizens will.



Problem naming:

As a further proof that this problem does not have the attention it deserves, the authors have struggled to find a good term to refer to it. It is not a 'trending' topic receiving explicit focus in sectoral conferences or publications.

There is a need to agree on a common term that is self-explanatory (and catchy!). The term should systematically be used to refer to this problem, for example to help to find references on the internet.

Below a brainstorming from our side:

- Beyond pilots (this is the code-name we currently use internally)
- Adoption
- Systemic pilot adoption
- Scaling (up)
- Pilot consolidation
- Pilot extension
- Pilot scalation
- Pilot adoption

Case study: European project FICHe

[FICHe](#) was an EU project (GA 632913) that ended in 2016. It challenged European SMEs to develop applications using Future Internet technology (FIWARE) for the Health market.

The project followed a funnel approach: from 308 entries, 80 were selected to propose a Business Plan. Out of them, 40 were asked to prepare a Concept. Finally, only 20 received support to test a Pilot in collaboration with customers in one of the three regional field labs located in Spain, Finland and The Netherlands.

7 companies tested their solutions in the same number of hospital departments belonging to the Regional Healthcare Provider of one of them. Out of the pilots, 5 turned out to deliver quite positive results for both companies and the healthcare organization.

However, once the funding was over, this Healthcare organization is struggling to scale the successful pilots into wide adoption. There is currently no culture, governance or incentives to internally scale the solutions, which likely result in the non-adoption of the innovations in the near future.

The project promoters are also concerned on how to engage with health professionals for a newly awarded EU co-creation project (a kind of demand-driven FICHe) that plans to implement 8 new pilots. After the FICHe experience, some of them may be refractory to invest time in future-less initiatives.

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