

## CONTEXT

BC tech companies need to be better positioned to access global export markets and customers to succeed. While there has been 37% growth in tech exports over the last 5 years, growing at 6.5% annually, the BC tech sector continues to lag in comparison to the national average in terms of exports and R&D. Tech accounts for only 5% of BC's total exports and in the Canadian ICT sector two-thirds of SMEs do not export. As the BC tech sector is predominantly comprised of small companies, there is a need to further boost market access and exports.

Small companies typically lack the scale and capability to successfully access markets and customers abroad. Ironically, BC tech companies have found it easier to access and sell to global markets than to customers and governments in Canada. Creating opportunities for small tech companies to sell to local customers is critical – especially in establishing reference customers that are essential when approaching new customer and market opportunities abroad.

Successfully improving the situation for BC tech companies requires more deliberate focus on fostering a home team advantage by the BC Government. Government procurement (including departments, agencies and crown corporations) represents a significant opportunity for technology companies and to grow and to expedite broader commercialization and exports to global markets.

The #BCTECH Strategy has started to outline steps to make it easier for tech companies to sell to the government and provincial agencies, by continuing to simplify and automate procurement processes via electronic and 2 page short-form RFP submissions for under \$250,000K; and providing information and resources to vendors. However, there is always room to do more to build procurement as a core competency and the following sections highlight some opportunities for further improvement.

## KEY CONSIDERATIONS

As outlined in the BC Tech Association's [4-Point Plan](#), the key to success for every tech company is to establish a strong base of reference customers to propel their early growth. Often this starts with local customers and in the case of BC, would necessarily include government and crown agency customers. Most BC tech companies, particularly small and mid-sized companies, have encountered significant challenges in trying to sell to the BC government. The challenges tend to arise from several key factors:

- 1. Practices geared to larger vendors.** Government procurements typically demand a level of sophistication on the part of vendors and suppliers in order to participate in the procurement process. This often involves experienced account teams, proposal development expertise, legal and administrative support - all of which represent time-intensive, complex and costly resources. While the short form RFP is a useful first step, participation even in small bids, is a significant undertaking for most companies. This challenge is further exacerbated by the reality that procurements tend to favour larger awards for reasons of economies of scale and scope, which further disadvantages small and mid-sized companies from participating in the bid opportunity.