Can you reveal what initially attracted you towards developing complex databases?

My basic education is in philosophy, this sparked my interest in data as a concept. It is the foundation of all decision making and no important decisions should be made – in an economy or government – without them being based on valid data. Data warehouses are the only place to access precise, prompt data quickly in a world that keeps becoming more complex all the time.

I’ve been an entrepreneur in a small company for years, and in this position I’ve had to face the rigid public procurement law – which regulates the purchasing by public sector bodies and certain utility sector bodies of contracts for goods, works or services – and how it prevents the competitiveness of SME companies. This made me act because I wanted to solve the problem; these things cannot be as hard as they are made to seem.

How did you use your extensive IT experience to come up with the idea of HankintaSampo (EasyProcurement)?

It is due to public procurement laws and rigid protocol that the current electronic systems on the market have followed the old fashioned way of working. After working for several years for a Finnish telecommunication company at the absolute apex of its development, with innovative people and top R&D functions, I realised that the current model needs to be blown up and completely built again from a totally new point of view, utilising the latest technologies to be customer friendly.

Does your database system build on previous procurement programs? Is it different in terms of transparency and integration?

Our system has been actualised with a completely new thinking model to the current systems in the market. We have described the whole procurement process directly into a database that ensures procurement can be done in a completely new and innovative way. There’s also a huge advantage in the fact that through the database we can combine and report data from other systems. This is a first for the field. Reporting through one interface brings transparency to, for example, public small procurements. Moreover, easy integration to other systems has been realised through open interfaces and ready-made modules.

How does the system work, and what are its main objectives?

The service is completely database driven. This has enabled us to build a modern, transparent, easy and quick market interface for procurement. As a matter of fact, it does not matter if the request for proposal (RFP) is for the public sector or the private sector, eg. business-to-business. The most important function is the database, into which we have saved all possible data of companies, procurers and RFPs. Around this, we built a revolutionary user interface that completely changes the old setup. On top of this, the service has open interfaces that enable easy integration to other systems.

In what way has working in partnership with other IT specialists impacted the development of this project?

We have had extremely strong expertise in designing the database right from the beginning; we have used the best knowledge available from different areas. For example, when creating the user interface, we selected a partner who has a proven track record in that area. In other words, we combined our own strong expertise with the experts of the modern interfaces in order to produce something perfect. We also signed a contract about deploying our service and future development needs with our international partner, CGI.

What is next for HankintaSampo?

Next we will launch the new interface. It will revolutionise procurement and, in many ways, automate it. Moreover, we have designed the new interface so that it can be utilised through a handheld device, such as a tablet, while being able to handle all big procurement tasks. Additionally, we are currently implementing a common database in which data from all different e-procurement tools can be brought together. Thanks to this innovation, our clients can for the first time easily dive deep into the data, see all essential information related to procurement and report on them.
The story of HankintaSampo, the first ever completely database driven procurement service developed by eKeiretsu Ltd, shows how the worth of small scale procurements has been passed over for too long.

PUBLIC PROCUREMENT ACCOUNTS for more than 16 per cent of Europe’s GDP. In Finland, the acquisition of public services, usually by the government or a local authority, are valued around €10 billion each year with small scale procurements responsible for around one-fifth of the total. Although this represents a sizeable chunk of the market in the EU, life could be easier for the companies bringing in the money. In its current form, the whole process of public procurement is discouragingly complex and unfavourable to SMEs in particular.

As of 2016, public procurement in the EU will for the most part have shifted to e-procurement in an effort to simplify the process, reduce waste and improve transaction outcomes by making procurement notices, access to tender documents and the submission of offers entirely electronic. Although public buyers who have already made the switch routinely report large savings between five and 20 per cent, the whole system is still based on old fashioned, rigid protocols that stifle the potential for competition. At eKeiretsu Ltd, a new paradigm for public procurement is taking shape that promises to simplify the process for everyone involved for better business decisions.

As an entrepreneur for the last 20 years, Petteri Vahla has gained invaluable insights into the market value of SMEs and the obstacles they face in securing public procurement contracts. Combined with considerable experience building big databases for clients such as Nokia and Nokia Siemens Network, he has identified and developed an easier way to facilitate the purchase of public services.

Under the umbrella of eKeiretsu Ltd and with funding from the Finnish Funding Agency for Innovation (Tekes) and the Centre for Economic Development, Transport and the Environment (ELY), in 2013, Vahla created the first version of the cloud-based database procurement tool, HankintaSampo.

DATA VACUUM

Buyers and suppliers of public services often find it difficult to access the information that is pertinent to a bid. A buyer working on a tender will need to know about potential suppliers and their expertise, and companies interested in small scale procurements need up-to-date information regarding open tenders. Without a simple means of acquiring this knowledge, the process of making and comparing offers becomes laborious and time consuming, resulting in unnecessary manual work, correspondence and missed opportunities. With somewhere between 200,000 and 400,000 small scale procurements put on the table every year in Finland, each costing between €5,000 and €10,000, missed opportunities can add up.

eKeiretsu Ltd’s procurement tool simplifies the process by allowing each step to take place directly within its service in an automated way. “For the first time, procurers and suppliers can have a dialogue and communicate with each other directly on an electronic platform,” Vahla explains. Developed in cooperation with municipal purchasing bodies and private businesses, a great effort has been spent in making the tool as easy for SMEs to use as possible, helping them to engage more with public proposals. It is flexible, does not need specific hardware installation or require maintenance and it is plug-and-play, meaning companies can use it instantly. All the data it collects is stored to improve the transparency of information, data analysis and the quality of each procurement, while ensuring visibility to all the similar small scale procurements in Finland too, affording greater levels of predictability, risk management and savings. It also helps to eliminate fraud.

To use HankintaSampo, a company simply needs to register, detail their particular services, and describe the products and skills relevant to the service area they want to provide for or in which they are interested in making an offer. When a procurement unit creates a tender to bid, it is sent electronically to the companies who can then make their offers using HankintaSampo. With all the desired information at the procurement unit’s fingertips they can make a well informed decision as to which provider suits them best. “In a way, we have first studied why
EKEIRETSU LTD

OBJECTIVES

• To optimise procurements and make it easier to publish good quality tenders
• To develop a fully databased system – HankintaSampo – in which all information about procurements is stored automatically for further usage and reporting

KEY COLLABORATORS

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PARTNERS

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FUNDING

Tekes – the Finnish Funding Agency for Innovation
ELY – Center for Economic Development, Transport and the Environment

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PETTERI VAHLA has been an entrepreneur for almost 20 years, in which time he has developed and created huge database systems for big multinational companies, such as Nokia and Nokia Siemens Network. His interests span disciplines, as he is motivated by finding new ways of thinking about old habits and changing them.

procurement is so hard and then made it easy for everyone,” Vahla states.

STARTING FROM SCRATCH

Unlike other electronic systems currently available, eKeiretsu Ltd have had to wipe the slate clean in order to overcome the traditional difficulties associated with public procurements. So ingrained is the rigmarole that a more straightforward way of doing things initially seems unlikely to some, as Vahla reports: “We have had to convince the procurers to believe that a complicated model really can be simplified and still comply with all the rules and regulations”.

In the city of Vantaa, a road test of HankintaSampo proved itself a useful tool in bringing together public purchasing bodies and entrepreneurs. Previously critical that businesses in Vantaa were being overlooked in procurement operations in their own city, HankintaSampo was utilised in cooperation between Vantaa Entrepreneurs, the city and eKeiretsu Ltd to increase transparency of its small purchases and build trust between the different parties. It has been such a success that the adoption of the tool has been entered into Vantaa’s 2014-16 viability programme.

SMALL SCALE SPEED

It has taken less than a year to develop the HankintaSampo procurement service, the first tool of its kind, and already eKeiretsu Ltd are in negotiations to introduce it elsewhere in the EU where public procurement legislation is more or less the same and the obligation to move toward electronic systems by 2016 ever present. These realities have been a guiding force behind the tool since its conception, as Vahla notes: “The service has been built from the beginning so that it can be easily implemented in other countries”. By expanding its user base across the EU, the service would increasingly simplify the process as more and more procurement data becomes easily retrievable for interested parties. Laying the groundwork for this continental roll out, plans are currently underway to allow the integration of procurements from external data sources, such as financial sources and open public data sources, into its own database for reporting purposes.

eKeiretsu Ltd may be small but plans for HankintaSampo are big. The promise it has shown already illustrates that the traditional way of handling public sector projects is beginning to look old fashioned and unnecessarily laborious. Emblematic of what the company is trying to achieve, Vahla’s company has led the way as a privately owned small business taking the risk to develop a large public sector project in an entirely new way. It is an example of how public sector projects do not have to be expensive, carried out on a large scale and are not only capable of being implemented by big corporations. Instead, SMEs can take them on in a swift, cost-efficient manner without being bogged down by slow project organisation.

EKEIRETSU’S NEW EMARKET

eKeiretsu Ltd is building the first real electronic market place for procurers and tenderers, where both parties can meet, network and do business virtually. This CGI-based platform, shown below, will seamlessly integrate with HankintaSampo’s other systems, and it will include dashboards with all the information users will require, from procurement to management.

HankintaSampo