14. Finland

14.1. SMEs in the national economy

In Finland, 99.3% of all employer firms were SMEs in 2014 (87 186 SMEs), employing 62.4% of the labour force. The vast majority of them (78.7%) were micro-enterprises with less than 10 employees, employing 19.5% of the employer firms’ total workforce.

Table 14.1. Firm distribution in Finland, 2014
(By firm size, percentage of all firms)

<table>
<thead>
<tr>
<th>Firm size (employees)</th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>All firms</td>
<td>87,767</td>
<td>100</td>
</tr>
<tr>
<td>SMEs (2-249)</td>
<td>87,186</td>
<td>99.3</td>
</tr>
<tr>
<td>Micro (2-9)</td>
<td>69,043</td>
<td>78.7</td>
</tr>
<tr>
<td>Small (10-49)</td>
<td>15,608</td>
<td>17.8</td>
</tr>
<tr>
<td>Medium (50-249)</td>
<td>2,535</td>
<td>2.9</td>
</tr>
</tbody>
</table>

Note: Data include all industries (excluding primary production sectors) and exclude non-employer firms. Source: (OECD, 2017[1]).

14.2. National policy framework to support SMEs in public procurement

Support for SMEs in public procurement is defined in public procurement policies and government programmes. While the law stipulates non-discrimination of economic operators, including in relation to their size, measures are in place to specifically facilitate SME access to public procurement markets. For instance, tenders are encouraged to be divided into lots, as stated in the Finnish Act on Public Procurement as well as in the central government’s Handbook on Public Procurement. In case the contracting authority decides not to divide the tender into lots, it must provide its reasoning for not doing so.

In Finland there are two national central purchasing bodies (CPBs) – Hansel, for central government organisations and their closely related entities, and KL-Kuntahankinnat, for those at the regional and local levels. In their procurement activities, the two CPBs take SMEs into careful consideration. In order to make information available on upcoming tender opportunities, Hansel provides it on its webpage on rolling basis 18 months beforehand. Hansel also provides central government agencies’ planned procurement procedures on its webpage in co-operation with the Ministry of Finance.

It is also part of the CPBs’ policies to arrange an information event to suppliers on the contents of the tender and how to prepare their tender. All interested parties can participate, and the event is organised some days after the call for tenders has been published nationally and in TED (Tender Electronic Daily – the European public procurement journal). It is often possible to join the event via videoconferencing. Furthermore, when setting minimum requirements for turnover and previous experience, Hansel sets them in relation to the value
of a typical individual contract concluded under a framework agreement, rather than to the
total value of the agreement.

14.3. Implementation mechanisms

Hansel works together with the Federation of Finnish Enterprises as well as many industry
associations when preparing and planning the tenders (before publishing any notices). It is
common practice to send the very first drafts of technical specifications to contracting
authorities and potential suppliers. Furthermore, guidance for suppliers on how to partake in public procurement opportunities of the CPBs is available online. General
training for suppliers on public procurement is often organised by private sector training
organisations (legal firms, specialised training organisations and industry associations).
These training sessions often include a speaker from Hansel, KL-Kuntahankinnat, or
procuring entities that may speak about CPB activities.

Hansel also actively engages with SMEs during the preparation phase, or before any notice
is published. It directly targets new innovative SMEs, or approaches them through industry
associations, in order to get “uninterested” SMEs to participate and engage with new,
energetic and innovative suppliers in the CPBs’ framework agreements.

14.4. Monitoring performance

Hansel has a management information system where all phases of the procurement
procedure are recorded. The project managers input the data into the system and their
managers approve the steps that have been taken. The system tracks the different sizes of
companies involved in the CPB framework agreements. Additionally, it tracks the
continuous financial performance of the suppliers, so that the users of framework
agreements can skip this step. Among others, the system checks whether suppliers have
paid their taxes, and if the supplier information “turns to red”, or irregularities are
identified, the responsible person at Hansel is alerted.

Notes

1 There are plans to merge Hansel and KL-Kuntahankinnat into one centralised purchasing entity.
The new entity will be able to serve all contracting authorities in Finland. The merger is subject to
parliament approval and passage of a new administrative law on centralised purchasing activities.
The new law is expected to be passed before 1 January 2019, the date the merger is due to take place.

2 Available at www.hansel.fi/hankintojen-asiantuntijapalvelut/valtion-kilpailutuskalenteri/. The
website also features notices on small-value procurement for which publication is not mandatory
but which the agencies have chosen to make public.

Reference

OECD (2017), Financing SMEs and Entrepreneurs 2017: An OECD Scoreboard,