

# RIS<sup>3</sup> review

# INNOVATION ECO-SYSTEM



# Enterprise Competitiveness "Sandwich" Theory

Niche

iApple

BMW/Audi

Dyson

Mass

Dell

Acer

Nokia

Opel

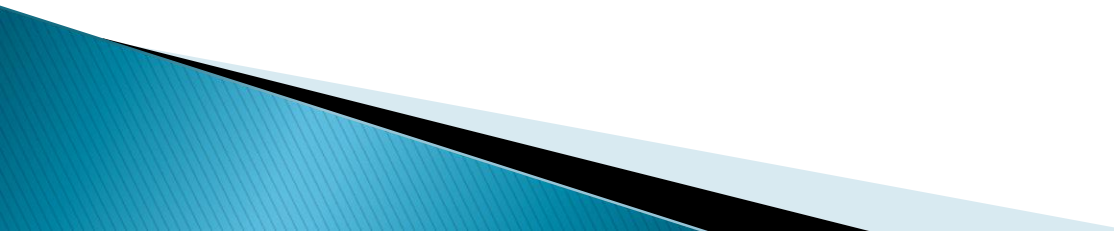
Peugeot/Citroën

Low Cost

Dacia

Easy Jet

Ryanair



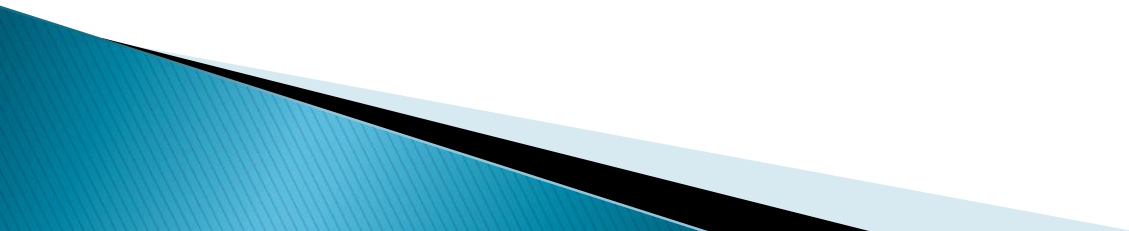
# 1. The RIS<sup>3</sup> strategy has to be based on an appropriate stakeholder involvement

## To be done:

- ▶ Involve all the key stakeholders

## How to do it:

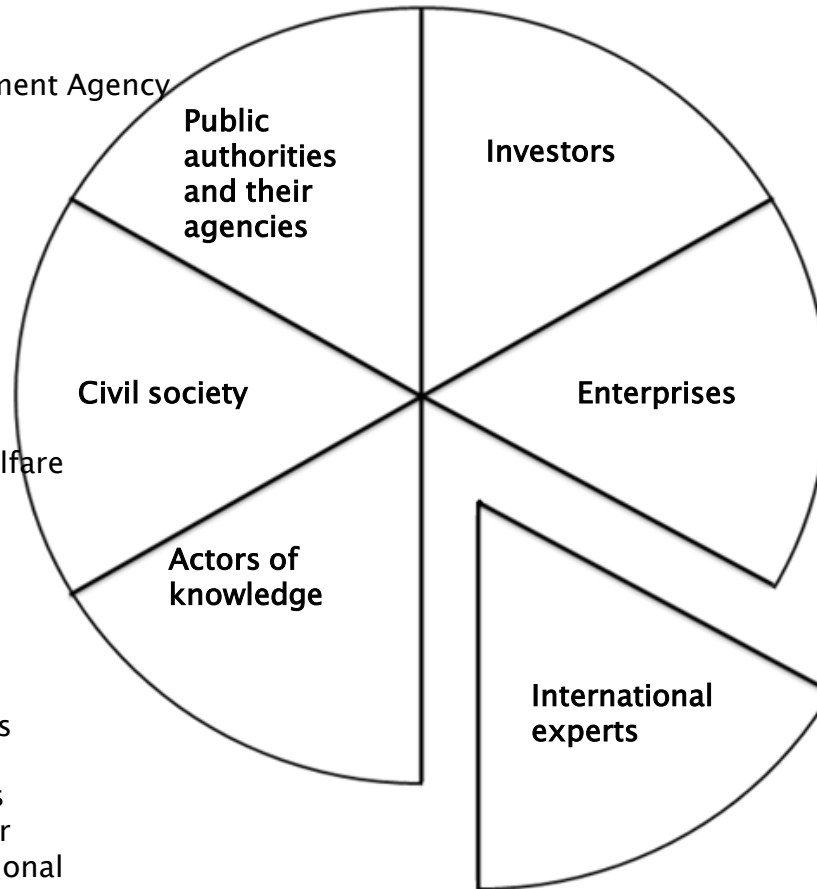
- ▶ Organise a series of consultations
- ▶ Avoid the syndrome “Hola, café para todos!!!”



# Governance for S<sup>3</sup>

- Regional Development Agency
- Regional Innovation Agency
- City
- Region
- Regional Energy/Environment Agency
- Public investment funds
- Industrial parks
- Incubators
- Regional Employment Agency

- Banks
- Business Angels
- Venture capitalists
- Seed fund
- Serial entrepreneurs
- Crowd funding
- Micro-credit
- Spin-off fund
- Corporate venturing
- Guarantees
- Export credit
- Investment readiness consultants
- Real estate developers

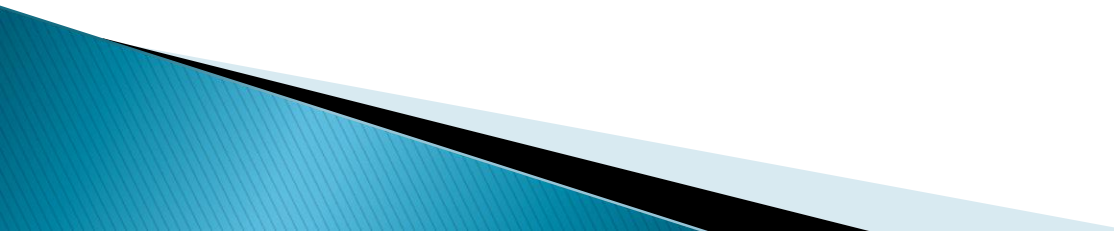


- Start-ups
- Multinationals
- Entrepreneurial growth companies (gazelles)
- Newly-developed companies
- Spin-outs and spin-offs of large businesses, research centres and universities
- Locally-rooted companies (micro-businesses and craft companies)
- Innovative businesses and companies leveraging RTD outcomes
- Companies in the process of being transferred
- Subcontractors
- Companies at risk of bankruptcy or engaged in a restructuring process
- Phoenix enterprises
- Social enterprises
- Enterprises engaged in a relocation and/or outsourcing process

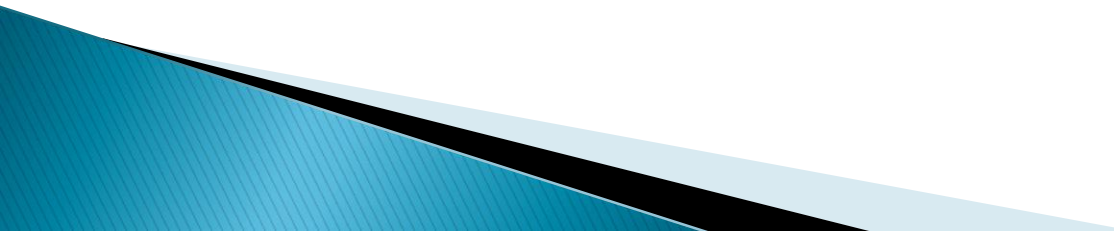
Source: EURADA

- Associations
- Qualified people
- Trade unions
- Political parties
- Regional banks
- Centres for public welfare
- Schools
- Universities
- Research centres
- Technology centres
- Technology parks
- TTOs & IPR centres
- Knowledge transfer
- Centre for professional education
- Observatory of professional qualifications
- Proof of concept advisors
- Consultants
- Living labs
- Cluster managers

- Peer reviewer
- Prospective
- Benchmark
- Regional offices abroad
- Expats
- FDI consultants

- ▶ Which institution is driving the innovation policy?
  - ▶ Which is the main entry point?
  - ▶ What are the links between the national and regional policies?
  - ▶ What are the policy coordination mechanisms?
  - ▶ Who is responsible for the intra-regional coordination?
  - ▶ Who is looking for new fields of development?
  - ▶ Who takes care of internationalisation?
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# How to recognize the entrepreneurial discovery process?

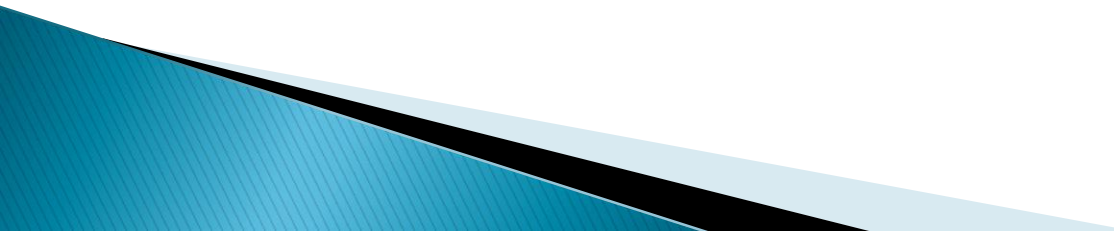
- Check how enterprises invest in
    - Offering next generation of technology products/services/solutions (e.g. robotics, nano, bio, advanced ICT, ...)
    - Enhancing their competitiveness in traditional sectors (use of KETs, outsourcing, nearshoring, ...)
    - Enhancing productivity in non-tradeable services
- ↓
- Accessing specialised professional services (seed capital, IPR, ...)
  - Identifying SMEs rewarding innovative staff members or purchasing non-technology innovative support services
- 

## 2. The RIS<sup>3</sup> strategy has to be «evidence-based»

### To be done:

- ▶ Verify/contribute to the analysis of the existing/emerging regional economic specialisation assets
- ▶ Ask all regional administrations to provide data

### How to do it:

- ▶ Ask to comment on the regional SWOT analysis
  - ▶ Review with enterprises the support service bottlenecks
  - ▶ Discuss the gaps in cluster policies, sectorial value chains and regional foresight
  - ▶ Assess the regional ability to work at cross-sectorial frontiers and to use key-enabling technologies (KETs)
- 



# Cross-sectorial technology platforms good practice

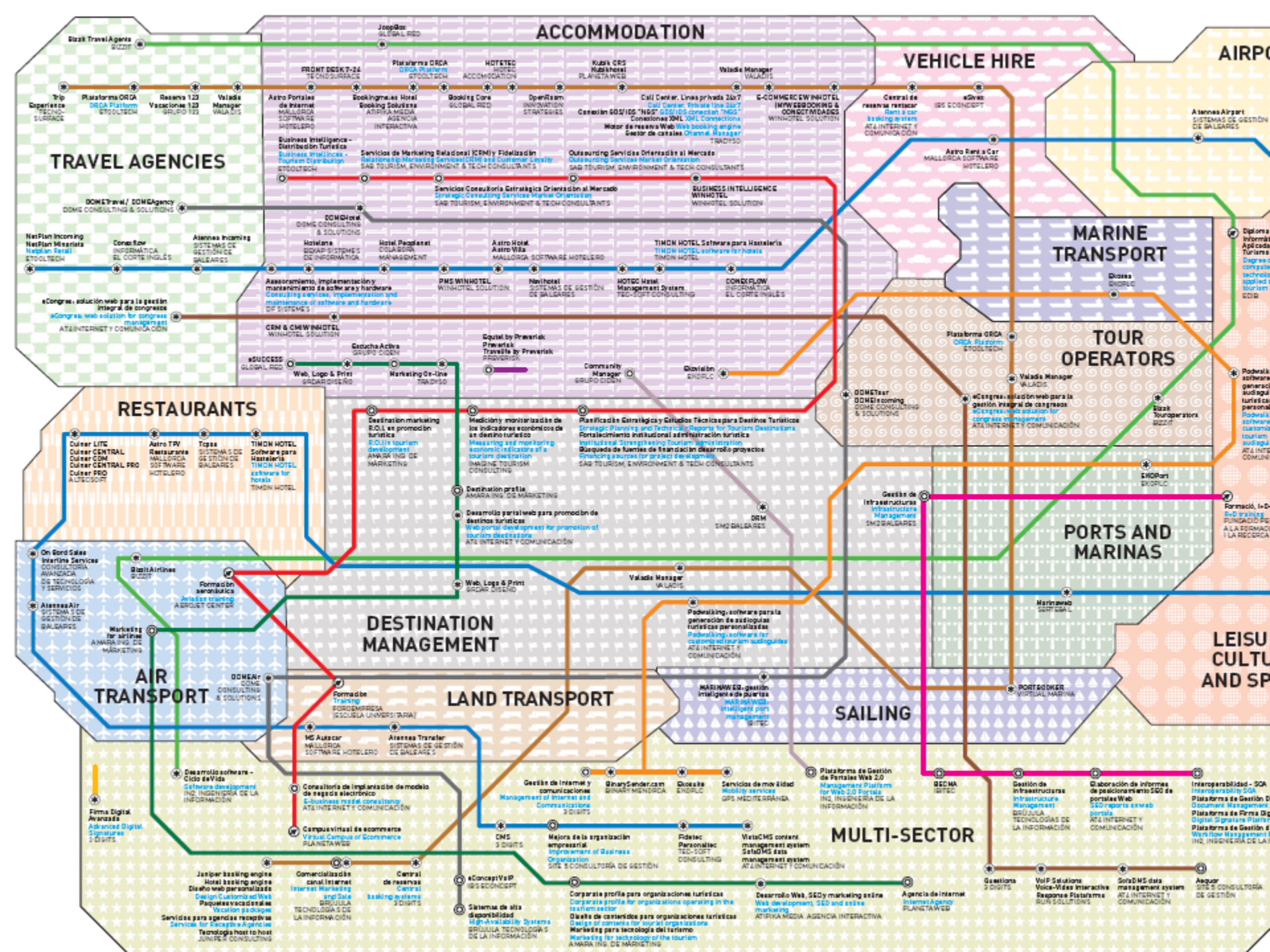
Field of Activity

BRANCHES	New Technologies									
	Biotechnology	Laser/Optics	Knowledge-based Systems	Microsystems Technology	New Materials	Chemistry	Medical Engineering	Energy/Environment	Traffic Engineering/Logistics	ICT
Automotive										
Electric										
Mechanical Engineering										
Nutrition										
Chemistry/Pharma										
Building Industry										
Plastics/Timber										
Ceramic										
Textiles										
Metal Processing										

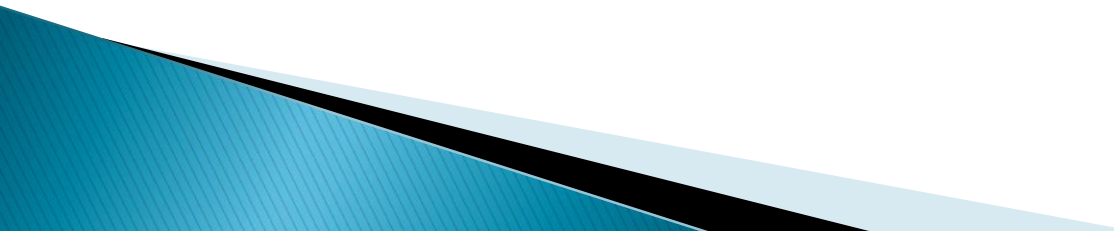
(The marked fields symbolise combinations of technologies and branches and change according to new tasks.)

## What about your region?

- Logistics/transport
- Agrofood
- Eco-innovation
- Tourism
- Water
- Alternative energies
- Astrophysics
- Ocean technology



# The main challenges


1. Ensure that public research capacities match with the local industry
  2. Ensure that public research results are exploited by local enterprises
  3. Support the emergence of gazelles
  4. Be attractive for additional private investment
  5. Ensure that human resources match the eco-fabric of the region
  6. Make available knowledge intensive support services
- 

### 3. RIS<sup>3</sup> focuses on innovation and knowledge-based development


#### To be done:

- ▶ Check if all types of innovation have been introduced in the strategy
- ▶ Check if all types of enterprises can benefit from this strategy

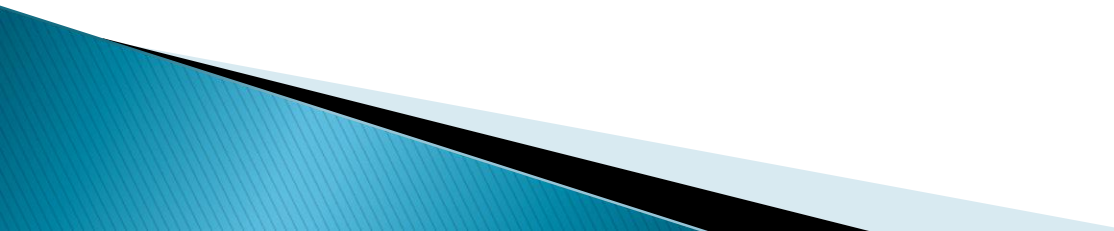
#### How to do it:

- ▶ Identify the forgotten needs/expectations/target groups
  - ▶ Assess the potential mismatch in the strategy (skills, competences, financial capacity, ...)
  - ▶ Discuss the potential market failures, the missing links in public support, and the lack of critical mass
- 

# SME typology

- Newly-developed companies
  - Spin-outs and spin-offs of large businesses, research centres and universities
  - Start-ups (less than five years in existence)
  - Locally-rooted companies (micro-businesses and craft companies)
  - Entrepreneurial growth companies
  - Globally born enterprises
  - Innovative businesses and companies leveraging RTD outcomes
  - Companies in the process of being transferred
  - Subcontractors
  - Companies at risk of bankruptcy
  - Phoenix enterprises
  - Multinationals
  - Social enterprises
- 

## Types of innovation

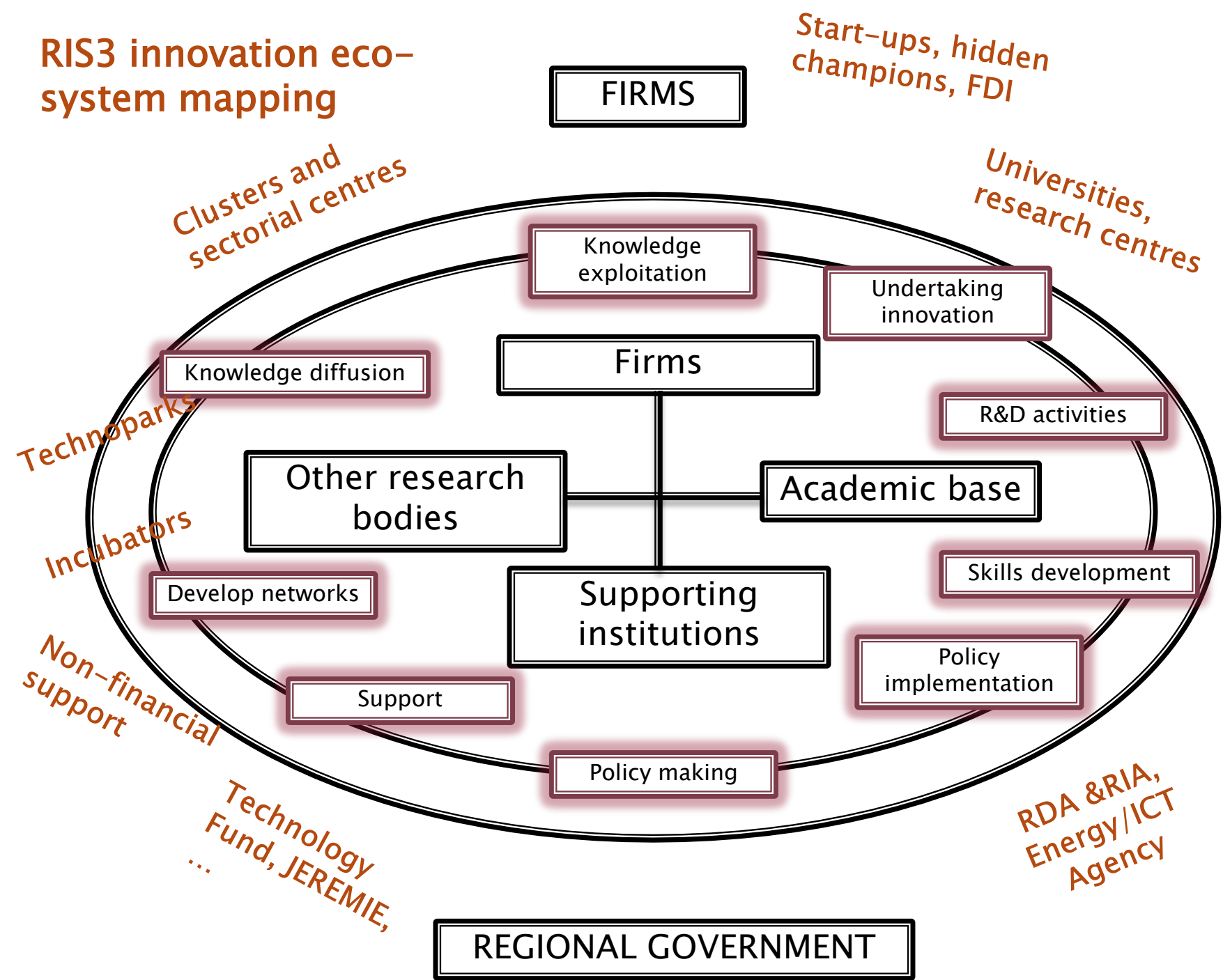
- ▶ New knowledge, competences, technologies
  - ▶ New products, technical solutions, production processes
  - ▶ New services
  - ▶ New designs or brands
  - ▶ New business operating models
  - ▶ New systems and networks
  - ▶ New life style ways
  - ▶ New working practices, organisations or management models
  - ▶ Public service realised in a new way
- 



How many forms of innovation are there in this business idea?



# RIS3 innovation eco-system mapping






## 4. RIS<sup>3</sup> needs a sound policy mix

### To be done:

- ▶ Review the effectiveness of the SME public support system

### How to do it:

- ▶ Eliminate the gaps in the innovation eco-system and in the financial and non-financial regional support service value chain
  - ▶ Balance the budget of the different elements of the strategy
- 

# The real demand for public support

- Market intelligence
- Access to finance
- Access to skills
- Access to networks

# Towards an eco-system of support services

Creating an  
innovation idea  
fabric

Forging  
innovation ability

Providing  
innovation  
support

Supporting access  
to finance

Providing market  
entry  
opportunities

- Business plan
- Innovation business plan competition
- Online training

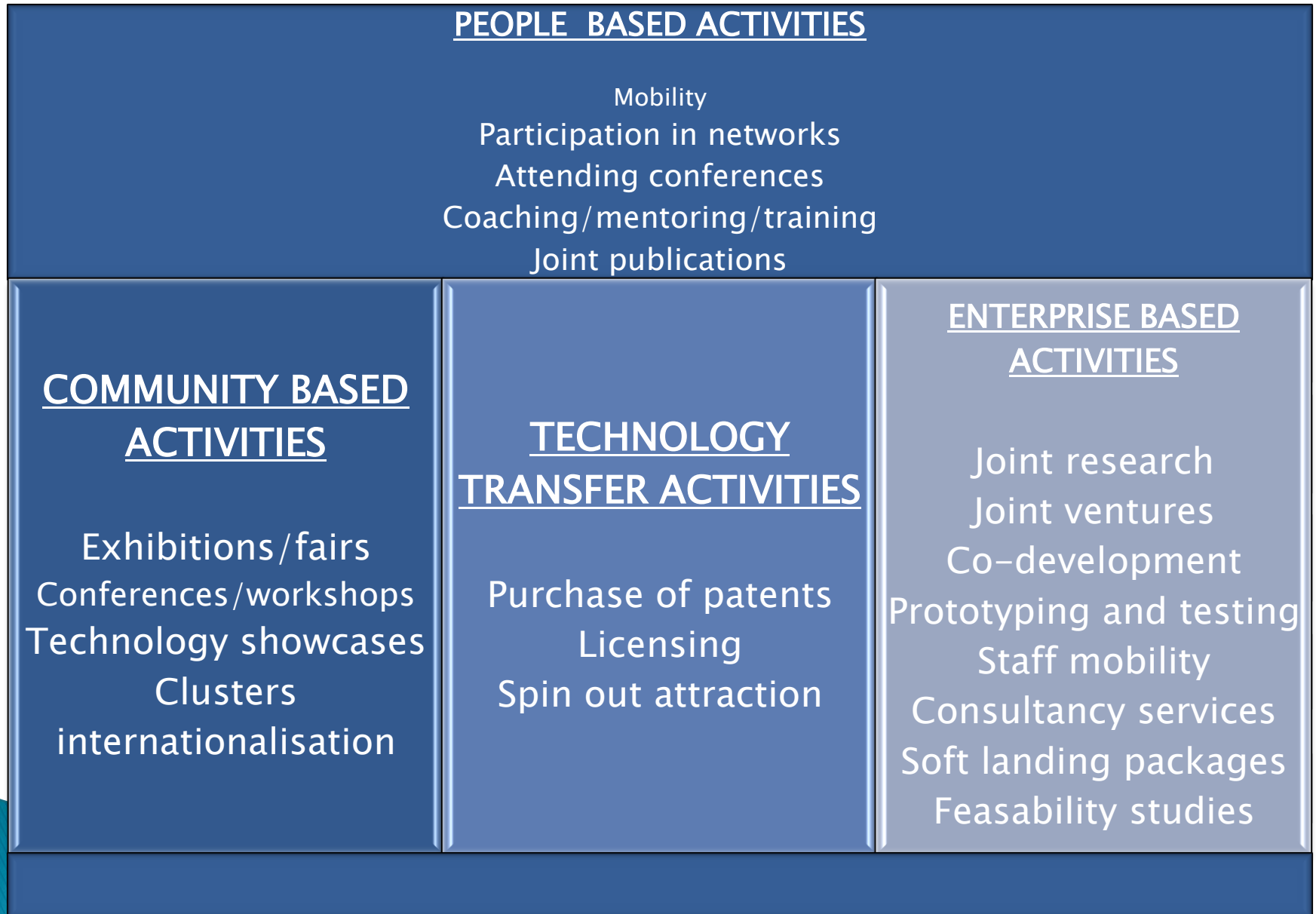
- Innovation training
- Tool kit/box
- Self-assessment
- Incubation
- Entrepreneur boot camp

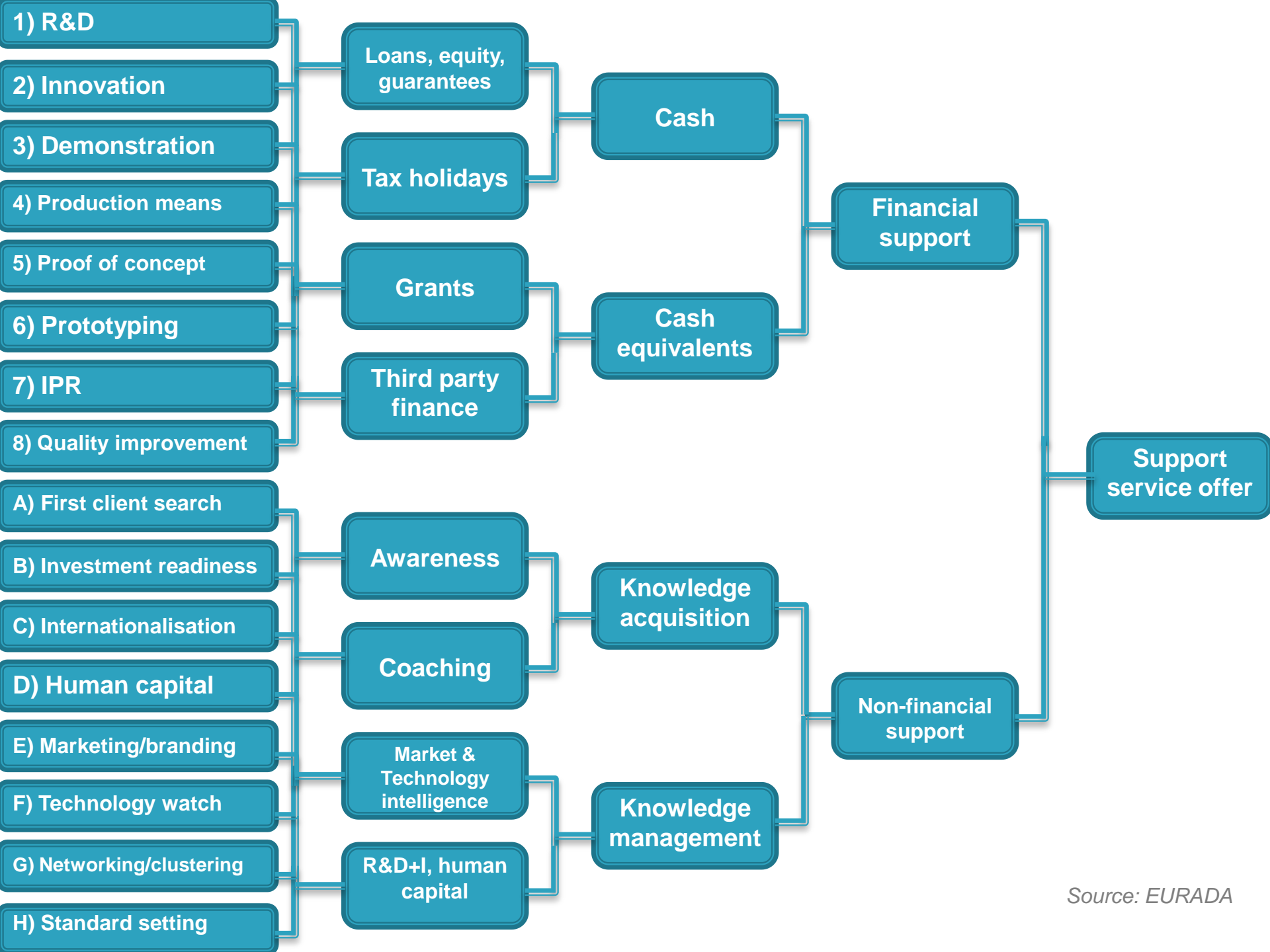
- Vouchers
- Business plan support programme
- IPR valorization
- Proof of concept
- Open innovation support

- Investment readiness
- Early stage finance
- Crowdfunding

- Soft landing
- First users PP
- Market matching / forum

# Knowledge flows from Region A to Region B





# REGIONAL FINANCIAL AND EQUITY VALUE CHAIN

## OFFER

Entrepreneur's own resources and re-investment capacities

Funding

### Grants

- Loans on trust
- Loans
- Micro-credits
- Reimbursable advance
- Proof of concept
- Guarantees
- Crowd funding
- Technology transfer
- Leasing
- Factoring
- Export credits

Equity

- FFF
- Business Angels
- Mezzanine
- Pre-seed
- Corporate venturing
- Venture capital
- University Spin-off
- Seed capital
- IPO

Benefit in kind

- Incubators
- Clusters
- Coworking space
- Enterprise hotels

## DEMAND

- Investment readiness
- Prize/sponsorship
- Proof of concept
- Technology transfer fund
- Risk Sharing Facilities

## PRE-REQUISITES

Risk taking investors:  
Private, public

Infrastructure:  
business angels, networks, incubators, etc.

Intermediaries:  
advice, investment readiness, tutorship, rating, assessment

Human capital:  
Professional fund managers, state aid experts

Taxation holidays:  
Business Angels, research activities, etc

## OFFER

**Entrepreneurs  
own skills and  
resources**

Infrastructure

Incubator, industrial estates, science parks,  
soft landing offices

Advise & audit

Business plan, innovation capacity, export readiness, IP  
protection & valorization, self assessment, regional  
intelligence, benchmarking, info days

Matchmaking,  
networking &  
clusters

Fairs, university/enterprise club, investment readiness,  
living labs, open innovation, meet the buyers &  
intercluster events

Knowledge & skills

Training, skills observatory, talent attraction, PhD  
outplacement, coaching, technology transfer

Product improvement

Prototyping, quality management, design, e-business,  
productivity improvement through ICT, R&D+I

## REGIONAL NON-FINANCIAL VALUE CHAIN

## DEMAND

Pre-commercial procurement

Market replication

Technology demonstration center

## PRE-REQUISITES

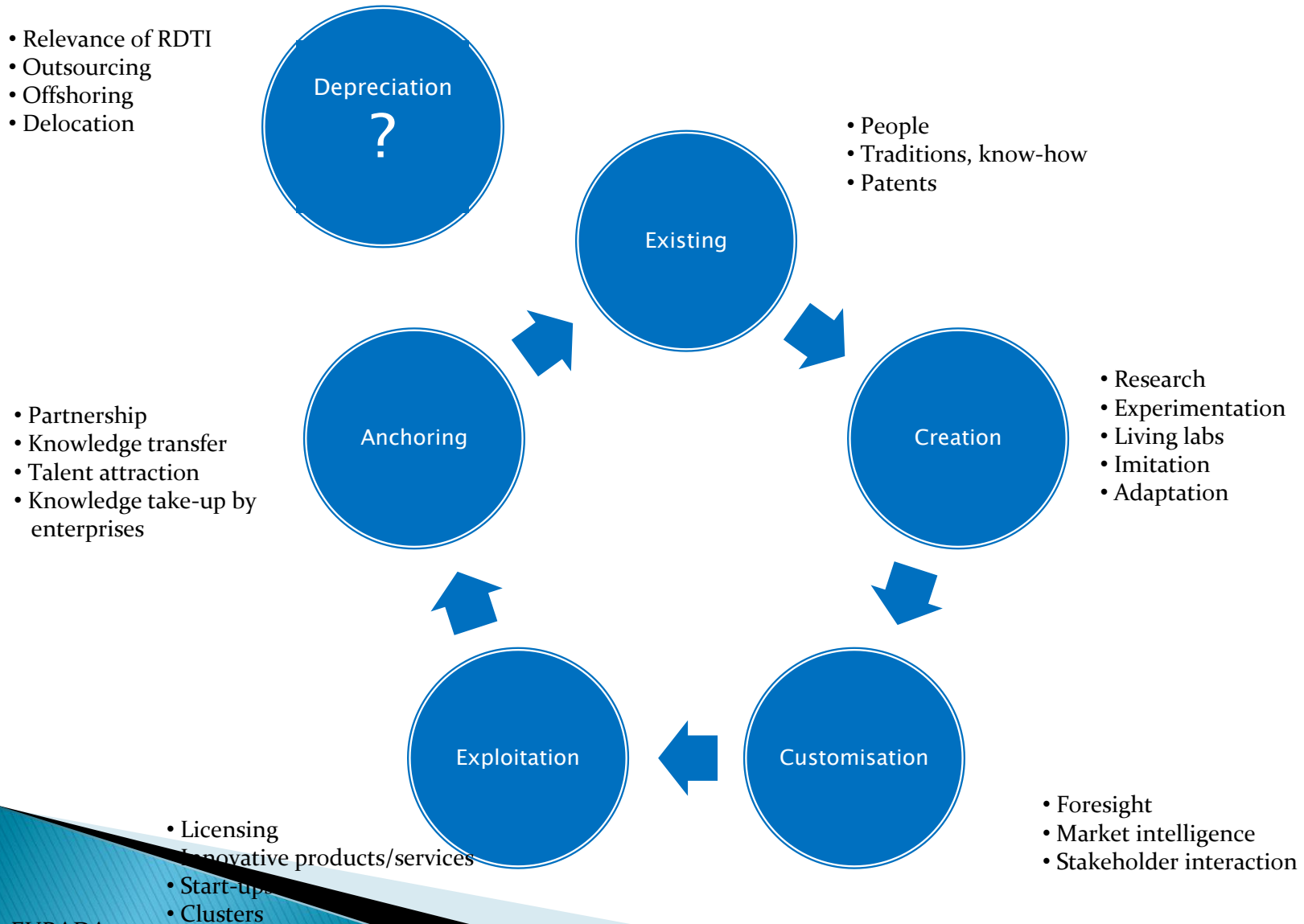
**Human capital:**  
Public & private  
qualified advisors

**Intermediaries:**  
No wrong door network

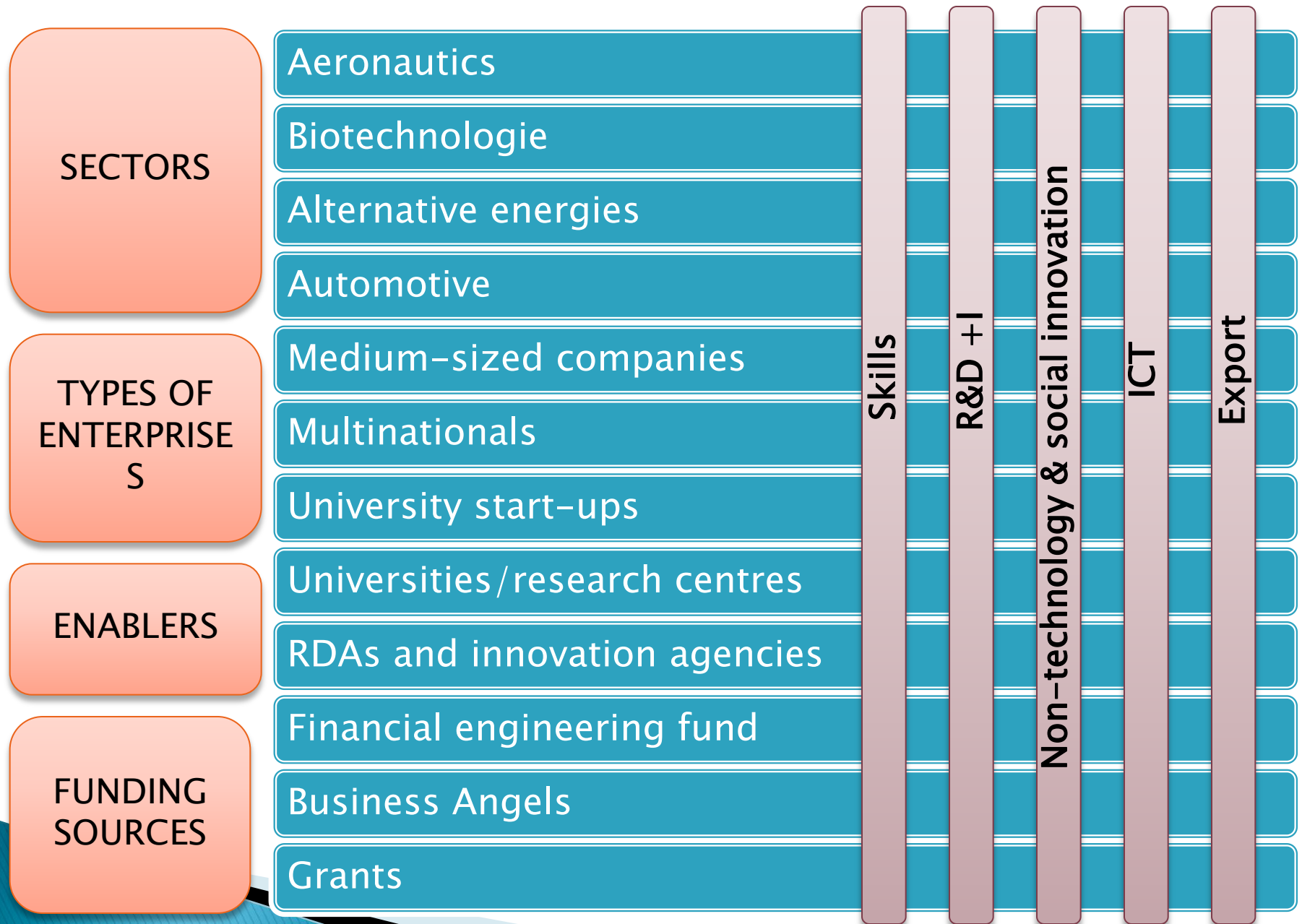
**Infrastructures:**  
tangible & intangibles

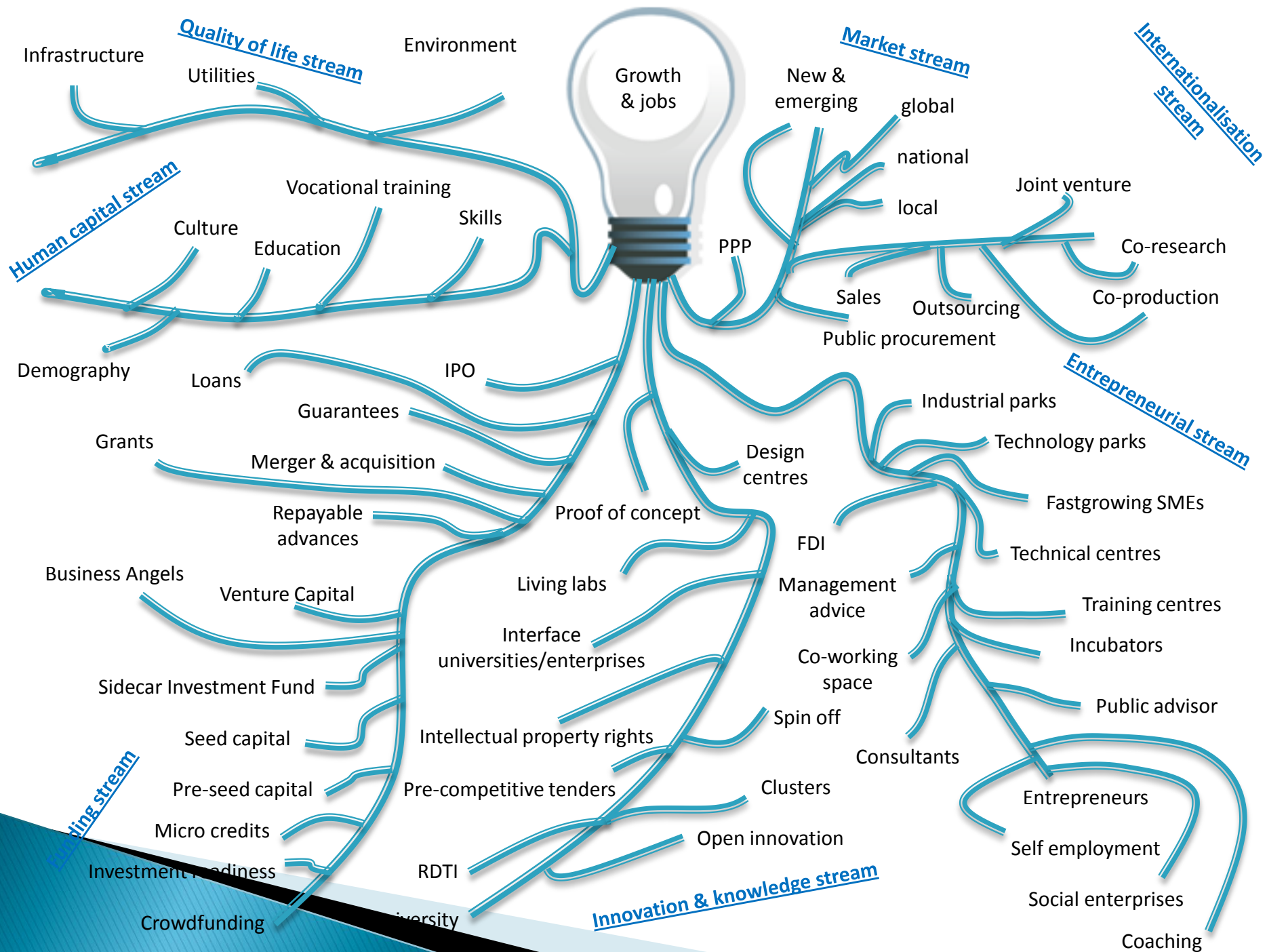
**Delivery schemes:**  
Vouchers  
Grants  
Equity  
Non-financial support

# Knowledge cycle in a region







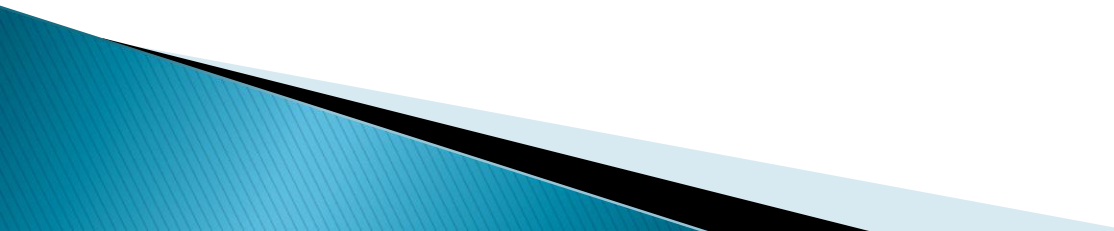


# 5. RIS<sup>3</sup> has to be outward looking

## To be done:

- ▶ Provide feedbacks on globalisation issues faced by regional enterprises
- ▶ Look for interregional cooperation opportunities: Navarra, Midi-Pyrénées, Catalonia, ...

## How to do it:

- ▶ Put in place a regional intelligence system and a knowledge flow management, as well as a support mechanism for knowledge absorption
  - ▶ Provide internationalisation support services
- 

# Identified Hotspots for 7 Emerging Industries in EU

- ▶ *Creative industries:*

Antwerp, Ile-de-France (Paris), Inner London

- ▶ *Eco industries:*

Upper Austria (Linz), Jihovychod (Brno), Etelä-Suomi (Helsinki)

- ▶ *Experience industries:*

Berlin, Attiki (Athens), Berkshire-Buckinghamshire-Oxfordshire

- ▶ *Maritime industries:*

Etelä-Suomi (Helsinki), Catalonia (Barcelona), Lisbon

- ▶ *Mobility industries:*

Yugozapaden (Sofia), Catalonia (Barcelona), Lombardi (Milan)

- ▶ *Mobile services:*

Mazowieckie (Warsaw), Stockholm, Inner London

- ▶ *Personalised medicine:*

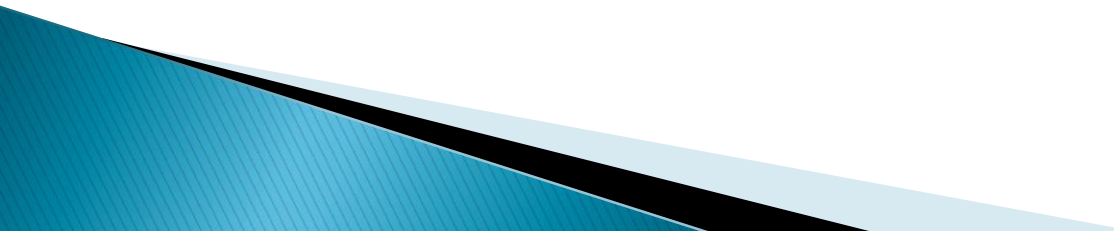
Oberbayern (Munich), Stockholm, Provence-Alpes-Côte-d'Azur

## 6. RIS<sup>3</sup> has to build synergies between the different EU national/sectorial policies

### To be done:

- ▶ Reinforce at regional level the inter-department/inter-agency cooperation culture

# Examples of support measures for SMEs' drafting of better Horizon 2020 proposals

- ▶ Awareness raising, information and advice to access Horizon 2020
  - ▶ Creation of sectoral or cross-sectorial interest groups,
  - ▶ Promotion of local academia-industry cooperation and their cross-border networking,
  - ▶ Advise and quick check of project ideas,
  - ▶ Aid for international partner search,
  - ▶ Grants for exploring project feasibility and validation of project ideas,
  - ▶ Use of specialised consultants.
  - ▶ Provision of training to potential project managers,
  - ▶ Support to ERA-Net projects on strategic topics. These projects are excellent springboards for regional actors' participation in FP7.
  - ▶ Provision of mentoring and coaching to EU project partners
- 

# 7. RIS<sup>3</sup> has to be evaluated

## To be done:

- ▶ Advise on the evaluation system and its indicators

## How to be done:

- ▶ Build a monitoring system and indicators

# From a generic innovation eco-system to a smart specialisation strategy

## Regional Smart Strategy “Stress Test”

### Regional input

#### Innovation generic support services

- R&D+I budget
- R&D+I infrastructure
- R&D+I human capital
- Entrepreneurship culture
- Administration agility
- Public procurement capacity and capability
- Triple helix / Pentahelix
- Incubators
- Science parks
- Cluster policy
- Equity finance scheme
- IPR support
- Regional marketing
- Regional intelligence (foresight, ...)
- Support for the use of enabling technologies
- Enterprise clubs
- Business retention scheme
- Basic support services

#### Place-based specific sector drivers

- Governance
- Private R&D+I expenditure
- HEI-SME clubs
- FDI investments
- Sectorial, research, training, technical centres
- TTO effectiveness
- Proof of concept scheme
- Number of researchers & students
- Added value support services
- Innovative public procurement
- Sectorial events
- Skills & talent needs
- Offer of vocational training
- Specialised incubator

### Regional output

#### Place-based evidence results

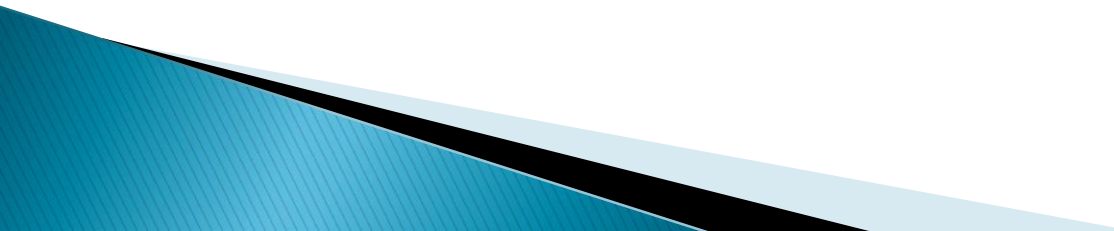
- Volume of early stage equity investments (volume in €)
- Start-ups (number)
- Sectorial champions/Gazelles (list of)
- Patents / Licences purchased (number)
- New jobs created (number)
- Talent attraction (number)
- Later stage equity investments & IPO (volume in €)
- Indirect jobs (number)
- Induced services

#### Innovation commercialisation results

- New products / services / solutions put on the market (number)
- Growth of the enterprise / cluster turnover (figures)
- Volume of export (trends)



# Conclusion: which pitfalls to avoid?

1. Gap between the offer and demand
  2. Transaction vs transformation
  3. Capital recruitment
  4. Organisation-centric
  5. Politically driven
  6. Short-term focus in long-term inflexible programming period
  7. Fuelled by grants
  8. Poor knowledge management
- 

EXISTENCE OF A

AVAILABILITY OF A

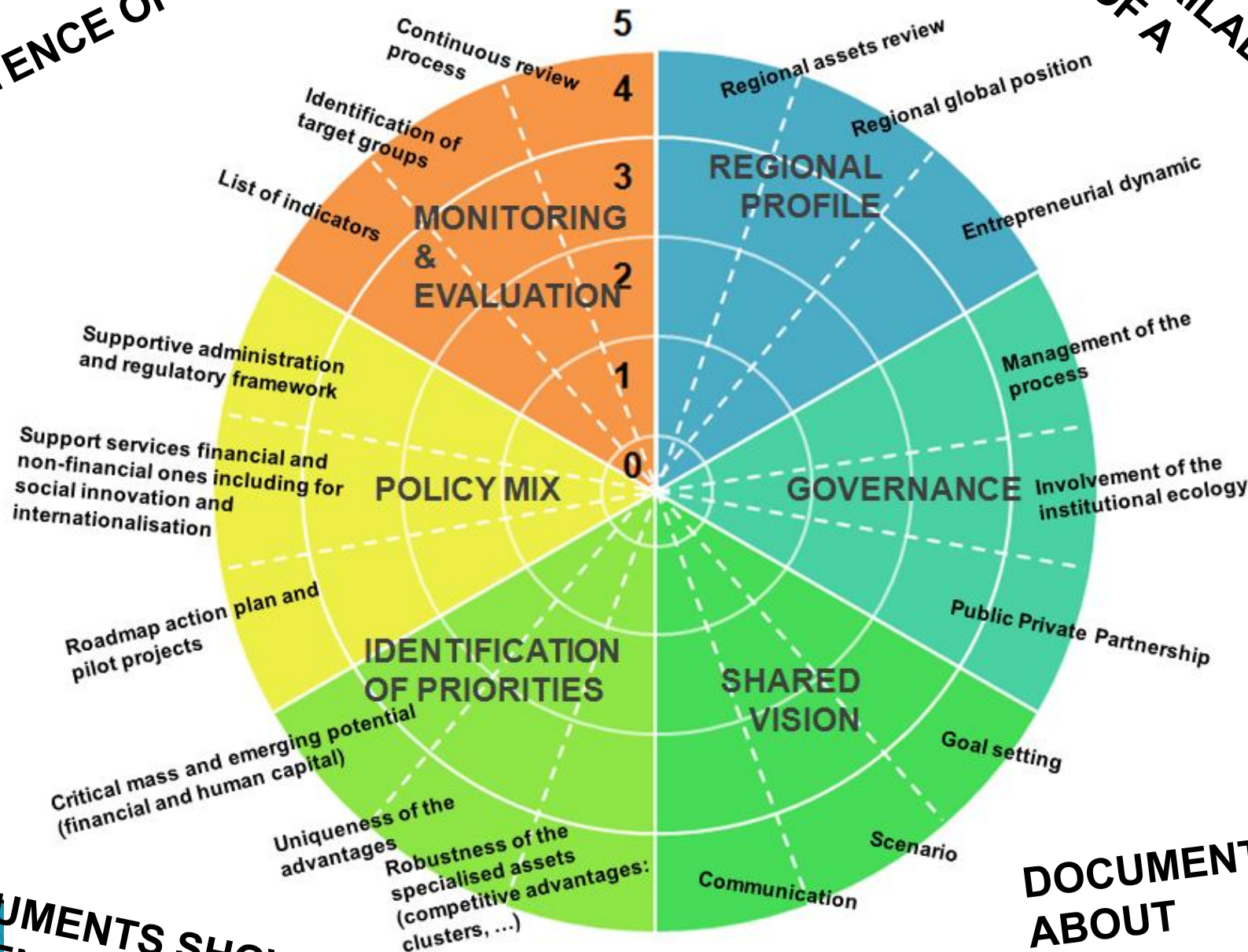
ASSESSMENT OF

AVAILABILITY OF A

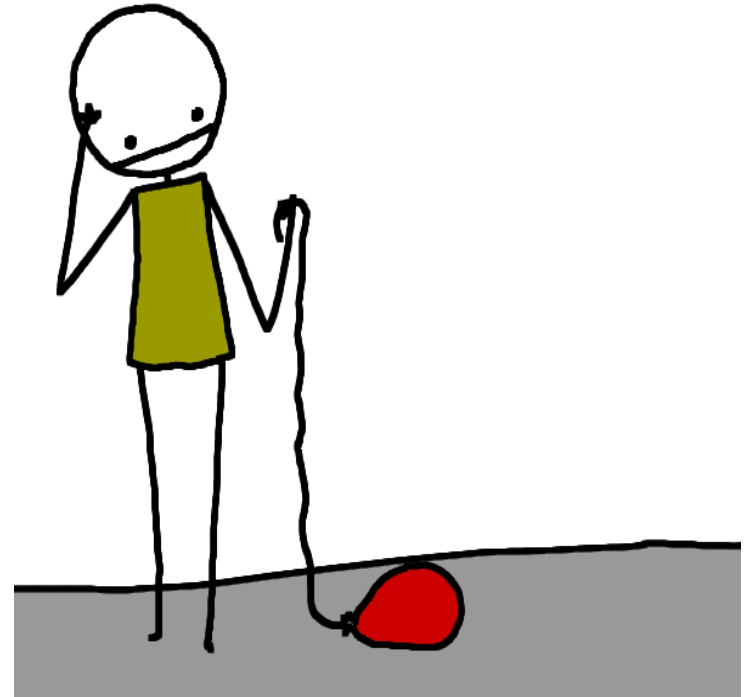
DOCUMENTS ABOUT

DOCUMENTS SHOWING EVIDENCE OF

Source: EURADA



My feeling as an S3 manager:  
I have to sell balloons in the cactus shop





**For more information:**

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**EURADA**

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