

Innovation Support Tools & Practices

Experiences from Baltic Sea
Region InnoReg Project

Strengthening Innovation Governance
in Baltic Non-metropolitan Regions
through Transnational Cooperation

BSTR

InnoReg

Contents

How to...

- ... support the innovation readiness of small and medium-sized enterprises
- ...enhance the number of innovation projects between companies and R&D providers

Innovation voucher models have been established by many European countries and regions to encourage first and small innovation activities of SMEs. Voucher models offer small scale grants, quick to get and easy to use, given with the aim of catalysing "first innovation activities" of SMEs.

In Brandenburg/Germany, more than 100 innovation projects between SMEs and R&D providers were initiated during the first year of implementation.

Innovation Voucher Models

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How to...

- ... make companies more competitive by involving users in the development of new products and services

Involvement of users and other stakeholders in the development of new services and products offers real added value for companies!

The living lab concept (living laboratory) is a fitting tool to follow the complete innovation approach of user-driven innovation.

Living Labs

Read more on pages 7-12



How to...

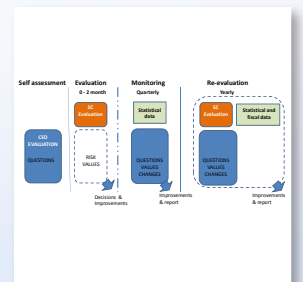
- ... foster the availability of private equity for innovation and start-up support

It is getting more and more important to attract private investors in business development. There is a need for tools that provide arguments for convincing investors to support start-up companies. A lack of time and missing risk evaluation tools lead to hesitation on the investors' side.

Risk assessment tools as developed and tested in the BSR InnoReg offer a rational basis for investment decisions!

Risk Assessment Tools

Read more on pages 13-17



How to...

- ... foster and establish a sustainable innovation culture in the region
- ... utilize the endogenous innovation potential for business and regional development

Innovation is important also outside big cities. In non-metropolitan regions innovations play a crucial role as showcases of their potential and possibilities within the innovation process as such! It is necessary to create an environment for innovation, and this can also be used for promoting the region.

Experiences from so called "Innovation Days" with the aim of promoting innovation among young people are very encouraging. Invest in the young generation and promote innovation among the youth!

Innovation Events

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I. Introduction



BSR InnoReg – Strengthening Innovation Governance in Baltic Non-metropolitan Regions through Transnational Co-operation

BSR InnoReg is a transnational co-operation project involving 18 partners from 6 Baltic Sea region countries (Finland, Estonia, Latvia, Lithuania, Poland, and Germany). The project is co-financed by the EU Baltic Sea Region Programme 2007–2013 and the lead partner of the project is the Baltic Institute of Finland.

The project partners represent local, regional and national authorities as well as science parks and technology centres. BSR InnoReg focuses on increasing the effectiveness of regional innovation support activities by identifying and improving the key capacities of business development organisations operating outside metropolitan areas. The project also brings together decision makers from the partner regions involved to discuss global economic challenges and to agree on a Baltic Innovation Policy Memorandum, thus contributing to the EU strategy for the Baltic Sea region by providing recommendations on efficient innovation policies and activities in the non-metropolitan areas of the Baltic Sea region.

With all its actions, the BSR InnoReg project strives to help business development organisations to improve their strategies and develop their business development and innovation support services for the SMEs. The partner regions have jointly developed and tested concrete innovation support tools and practices. These tools aim at promoting user-driven innovation, start-up support and involving students in innovation processes.



Instruments and Services for Efficient Innovation Support Environments

The nature of innovation has changed and will change further. Especially open innovation and user-driven innovation have been considered increasingly important for business success in public, private and research sectors. In practice, user-driven innovation means integration of users and other stakeholders into the development of new services and products. Open innovation does not only rely on the research paradigm (linear innovation) in the fields of innovation but also allows innovation input from other directions or sources, e.g. art, the creative class, customers.

Innovation vouchers are a response to the model of open innovation because they are suitable for supporting all forms of innovation in SMEs. However, innovation support is a holistic task and should not only focus on SMEs. There is a need for tools which can foster innovative thinking of the whole society in non-metropolitan regions in order to raise the awareness of innovation processes as a precondition for the future competitiveness of non-metropolitan regions.

Innovation support instruments and services should cover the whole range of innovations like user and demand driven innovation, social innovation, organisational innovation, etc.

Innovation needs to be financed, but investors are human and they act rationally as well as emotionally. A lot of good business ideas cannot be financed because they are ahead of their times. A lack of specific background and scientific knowledge leads to hesitation on the part of investors. Tools for risk assessments offer a rational basis for investment in order to attract more private investors for business development and innovation.

Different kinds of innovation support services have been developed and tested successfully in the BSR InnoReg project. This brochure offers information about successfully tested and implemented innovation support approaches and aims at encouraging the readers to develop their own ideas for their regions.

2. Support for Innovative Enterprises – Innovation Voucher Model

Basic idea and background of innovation voucher models

Innovation vouchers are a response to the model of open innovation because they can be used for supporting all forms of innovation. Innovation voucher models have been established by many European countries and regions to encourage first and small innovation activities of SMEs. Voucher models offer small-scale grants, they are quick to get and easy to use, given with the aim of catalysing “first innovation activities” of SMEs. Vouchers allow SMEs to access knowledge for different innovation challenges like technical expertise, business expertise, and internationalization as well as for the first use of new technologies by involving knowledge providers.

Innovation vouchers appear to be a successful instrument for introducing innovation within SMEs and for strengthening ties with R&D providers. Depending on the design and the implementation, vouchers appear to be a suitable and demand-oriented public support instrument for SMEs. Voucher models should be administrated with a minimum of red tape and in a fast and flexible manner. However, opinions are divided regarding what vouchers should support most and where the expertise should come from.

The Brandenburg model – enhancing technology transfer

SMEs are the backbone of the economy in non-metropolitan regions. Therefore, like nearly all innovation voucher models, the “Brandenburger Innovationsgutschein” (BIG) focuses on SMEs.



The innovation voucher model in Brandenburg has been implemented with the aim of fostering technology transfer among SMEs and research institutes (knowledge providers) in order to introduce more innovative products, services and procedures inside SMEs. The vouchers set financial incentives to encourage SMEs to overcome inhibitions and prejudices against co-operating with research units.

The innovation vouchers support external scientific consultancies and research towards innovative products, innovative services and innovative processes (research on technologies, markets, feasibility studies) as well as external transfer- and implementation-oriented R&D towards the marketability of products and services. The voucher system in Brandenburg offers project-related grants in the form of two different scales/vouchers. A combination of both vouchers is possible.

- **“Small Voucher”** for scientific kick-off consultancy (100% grant), max. 1,500 EUR. The small voucher can be used only once and only for establishing contacts between SMEs and research units through first joint projects. The project must be realised within two months.
- **“Big Voucher”** for transfer- and implementation-oriented projects (70 % grant), max. 7,000 EUR. The big voucher can be used once a year. The project must be realised within six months.

In Brandenburg, several regional partners are involved in the development and the implementation of the voucher system. All partners have participated in the development of the innovation voucher model in Brandenburg from the very start! Only by means of co-operation and commitment of all involved partners, a fast, flexible and unbureaucratic voucher system can be established.

The co-operating partners within the Brandenburg innovation voucher model are the Ministry of Economic Affairs (**political support**, allocation of funding), the InvestitionsBank des Landes Brandenburg (**financiers**), technology and innovation transfer offices at universities and universities of applied sciences (**knowledge brokers**) and the ZAB Brandenburg Economic Development Board (**administration**, evaluation of the applications).



Chequebook of innovation support services

A precondition for the success of voucher models is its publicity. That is why the ZAB GmbH (Brandenburg Economic Development Board) published the "Scheckheft Innovation" as a complementary pilot activity in the BSR InnoReg project in October 2010.

The chequebook functions like an ordinary chequebook: people can cash a cheque for a benefit, usually money. In this case, SMEs can "cash a cheque" to get consultancy by ZAB staff regarding innovation practices and advice on how to use innovation support services, especially, how to use the "Brandenburger Innovationsgutschein". The chequebook contains ten vouchers for different innovation support services.

First experiences show that this kind of communication tool raises awareness of SMEs: several SMEs and also BDOs asked for the chequebook and some consultations regarding innovation support have already taken place.

Experiences and recommendations

Since its implementation, the pilot action "Brandenburger Innovationsgutschein" (innovation voucher) has become quite a success story in Brandenburg: over a period of eleven months more than 120 SMEs applied for innovation vouchers!

The following success factors and recommendations are based on the experiences in Brandenburg, but they are of course also relevant for other voucher systems.

Benefit for SMEs as well as research units

The main success factor of a voucher system is the fact that both, SMEs as well as research units, benefit from it. SMEs have access to a simple and flexible innovation support instrument and they have access to up-to-date knowledge available in research units. Research units are able to attract third-party funding and they have access to real-life businesses for their applied research.

The process has to be simple, fast and flexible!

It is crucial that the design of the voucher scheme guarantees easy use of vouchers, fast implementation and a flexible choice of project contents. A minimum of administrative work for all parties concerned is a precondition for ensuring that the administrative work does not foil the efficiency of small-scale grants.

The role of a broker has to be emphasised!

Knowledge brokers are essential for facilitating the best knowledge available and for co-operating closely with SMEs in order to support the administrative process.

For the Brandenburg Model, the success factor "Technology Transfer Offices" has to be emphasised! The offices are acting as knowledge brokers and facilitators for SMEs. In addition, they are promotion managers for the voucher model because their benefit is connected directly to the success of the voucher model. It can be said that the Brandenburg voucher model would not be as successful as it is without the technology transfer offices.



Marketing and promotion are crucial!

Using a proactive marketing strategy increases the access to and the demand for voucher models. Creative marketing tools like a chequebook for SMEs appear to be more visible among other communication materials.

Balance between legal safeguards and minimisation of actors

Depending on the funding sources used, the co-operation with financial experts from the banking sector is, of course, important and guarantees the compliance with formalities, especially legal formalities. However; it has to be stated that there is more than one actor inside the scheme who makes demands on deliverables. It is important to find the right balance between legal safeguards and a simple, fast and flexible system.

Conclusions

Innovation vouchers offer flexible and unbureaucratic innovation support "on demand", provided by the best innovation experts available and at the time when it is needed. The experience in Brandenburg is very encouraging and proves the efficiency of voucher models in general. There is evidence that regional voucher systems

lead to more innovation activities in SMEs, especially in micro and small enterprises which have not concentrated on innovation projects before.

Regional voucher systems open the door to regional knowledge providers and they are a good starting point for future innovation projects! However; in some cases, especially advanced projects of experienced SMEs, the best knowledge available cannot be offered in the same region or country. Opening voucher schemes for cross-border co-operation is a promising approach to providing the best possible innovation support for SMEs. Strengthening a European brokerage system could be one step towards the creation of a European space for innovation and knowledge support.

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3. User-driven innovation - Living Labs

General view on user-driven innovation and living labs

Open innovation and user-driven innovation have been considered increasingly important for business success in public and private sectors. In today's global knowledge economy various bodies promote it to increase the efficiency and effectiveness of innovation processes. In practice, user-driven innovation means the integration of users and other stakeholders into the development of new services and products.

A living lab is a real-life test and experimentation environment where end-users and producers co-create innovations. Living labs involve four different stakeholders: users (ordinary people), utilizers (business, companies), developers (academia, scientists) and enablers (public sectors). All stakeholders should benefit from the living lab activities in order to get sustainable living labs.



User context in the design of new businesses and products

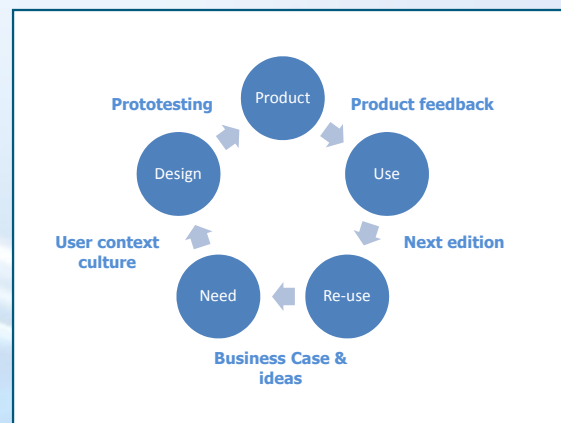
Integration of end users into innovation processes is a difficult task and a living lab (living laboratory) is a fitting tool for following the complete innovation approach of user-driven innovation. In a living lab the emerging needs are brought to light and innovative products and services are tested by end users. The users do the testing while working, living and playing in their real-life environment. The real-life environment is not a sterile laboratory environment but a normal everyday environment with all its ups and downs.

Open Innovation = various bodies and actors interacting with each other to increase the efficiency and effectiveness of innovation processes.

When looking at the benefits of the living lab concept for client companies, it is essential to point out its main purpose and how they can profit from participating. To make things clearer, it is useful to discuss two different cases which are at the very end of typical living lab solutions:

1. New business potential evaluation
2. User feedback collection on existing tools or services

The scope for these activities varies when we look at the life cycle of design. There is a need for different types of living lab activities in all phases. The more concrete results can be obtained when a company gathers feedback on existing products. When just analysing new business possibilities or service models, companies have to understand the significance of these activities beforehand. The basic idea is that companies acquire relevant information at the earliest possible stage. The costs for changes go up once a more mature level of the life cycle of a product has been reached.



Design of a Living Lab

Establishing a living lab

Lately living labs have been identified as powerful instruments for effectively involving the users at all stages of the R&D&I. The development of living labs is, generally speaking, still in its infancy and only a relatively small number of them can raise enough income to make them independent of additional financial support. Good practices for each and every living lab as well as tools and methods for user involvement have to be defined depending on the prevailing conditions.

10 points for Living Labs to consider:

- **Projects or Cases**
- **Funding**
- **End-Users (motivated and active)**
- **Partnerships**
- **Marketing**
- **Methods (study, test, training)**
- **Aims and objectives (Plan)**
- **Roles and responsibilities**
- **Benefits to all stakeholders (ROI)**
- **Legal and ethical Issues**

Must have

Since the development of living labs is still more or less in a concept phase and only few living labs in Europe operate economically profitably, they cannot work without external project funding.

Furthermore, good practices suitable for all living labs are yet to be identified, so every region and living lab must find their own "best practises", straightforward tools and methods for involving the users.

There is no perfect solution how to set up or maintain a living lab, but there are 10 points a living lab has to take into consideration before it can operate efficiently.

Four phases

The establishment and operation of living lab depends on the specific sector it is serving. Generally speaking, every living lab has to go through two phases during the process of its establishment:

Preparation – Limited scale experimentation – Process development and experimentation – Co-creation and business operation

The common challenge in establishing a sustainable living lab is to create profit for all stakeholders. Industry wants to know how they or their products benefit from the outcome of the living labs. Suitable users need to be motivated, activated and found with some methods or tools. These tools must be identified and developed so that the living lab activities are efficiently implemented and all stakeholders engaged in them. Ideally, the driving force behind all parties involved is their desire to develop products and services they want to use.





3.1. The Agro Living Lab

The Agro Living Lab (ALL) focuses on usability and user-centred design for technologies in agriculture and forestry. The ALL is situated in Finland, in the region of Seinäjoki, which has a strong competence in the sectors the living lab is focusing on. The ALL is a co-operation concept of Frami Ltd., the Seinäjoki University of Applied Sciences and the Ruralia Institute at the University of Helsinki.

Objective

The aim of the living lab is to improve the usability of agricultural and forest technology and support co-operation between users and companies. In the centre of living lab activities are the cases with companies and users where new methods and services are developed. Services are divided in usability evaluations, user and use environment studies and user innovation sessions. A general case process in the Agro Living Lab could be described as:

Initial meeting – Testing plan – Recruiting users – Pilot test – Actual tests – Reporting – Feedback

During the development phase several instances of good as well as bad practises have been identified. Systematic development and management, dividing resources and responsibilities according to expertise and close co-operation with end-users are the most important good practices. Some of the challenges in the development are motivating and activating the end users, creating a balance between advertising and intellectual property rights (IPR) and developing a viable living lab business model.

From regional to international level – why international user and environment studies?

In the BSR InnoReg project, Frami Ltd. focused on gathering user data in an international environment. User needs and product requirements depend a lot on the particular country and culture. In order to gain new international markets, it is important to initiate transnational co-operation and to study the requirements of end users in international environments.

Agro Living Lab has piloted a method of gathering data about users and their use of innovative products and technologies in international environments. Pilot cases studies were carried out in Estonia and Poland involving local farmers. The results obtained from these confirm that the user needs, user profiles and product requirements depend to a considerable degree on the country and the culture. With this kind of activity user and use environment data can be acquired from a foreign country to support companies' product development and marketing purposes.

There are always some challenges and things to keep in mind when commissioning a study in a foreign country. During the implementation the following points are considered to be the most critical:

- Finding the right subcontractor who has the expertise for contextual studies and connections to agriculture.
- When recruiting the suppliers by inviting tenders, consider that the results and expenditures are hard to anticipate.
- All the documentation must be well prepared and the legality confirmed by someone with expertise in legal matters.
- The goals should be defined in detail so that the results meet the expectations and needs.
- Meetings, reporting and monitoring should be agreed distinctly which makes things easier for both parties.

The experience gained from the pilot studies in foreign countries helps us to develop the Agro Living Lab concept and services further. When considering living lab co-operation with foreign partners we have a clear idea of the requirements for future partners and what level the activities could be. The final reports on the pilot studies can be downloaded from the website www.agrotechnology.fi.

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3.2. Tartu Living Lab “One-stop Shop for Companies”

General information

In Tartu, one big challenge in business development (BD) is that many active business development organisations in the City of Tartu and the surrounding region offer companies a wide range of services. Too many overlapping BD services lead to a lack of transparency. However, there is no central organisation amongst them, which also means a lack of control over the variety and the quality of services offered to start-ups as well as established firms in the region. In this situation companies are often unaware of the services offered in the region and do not know which of the many BDOs is actually the right one to turn to. Another challenge is that BDOs often do not have up-to-date information about the needs of companies and no systematic evaluation is available.

What BDOs need

- Up-to-date information about companies' needs.
- Clear picture of BD services offered in the region.

What companies need

- One-stop-agency for available business development services.

Aim of the Tartu Living Lab

After having studied the concept of living labs, we expect to solve the above-mentioned problems by creating our own living lab. The starting point is the relation between BDOs and companies in the Tartu region. The Tartu City Government developed and tested a living lab with the aim of ensuring that the services provided by business development organisations (BDO) in Tartu always correspond to the needs and expectations of companies in Tartu. As ICT is highly developed and offers a lot of interesting solutions in the Tartu region, we decided to use that potential and build up a virtual living lab.

Business development services as products, companies as users

The involvement of the target group is the most important prerequisite for a living lab to be effective. The web-based environment makes feedback on existing BD services and testing of new BD services very easy and motivating for companies and other users of BD services in Tartu. The Tartu City Government started with a survey of all BD services available in the region. All important BDOs were interviewed and their up-to-date services were mapped. The second step was to establish a central web-based environment, where giving feedback on existing BD services and testing new BD services is easy and motivating for entrepreneurs. This environment (living lab) mainly operates as an information exchange system and a testing platform. This environment also functions as a one-stop-shop for companies as all BD services offered in region are concentrated there.

Experiences, conclusions and recommendations from the Tartu Living Lab

Up-to-date knowledge

The most important success factor is the active involvement of the target group. Through the exchange of information with companies we gathered up-to-date knowledge about the needs and expectations of companies in the Tartu region, which will be the main input for improving and developing BD services.

Better image of BDOs and BD services

Another result of the activities so far is that companies have become more aware of the BD services offered in Tartu and thus have a clearer perception of the BDOs. The readiness of a target group to become involved should be very clear from the very start of building up a living lab. A living lab concept should be flexible.

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3.3. How to Evaluate a Living Lab

Evaluation challenges

Because the existing living labs can have different kinds of goals, it is not easy to evaluate case studies and to point out the benefits in terms of Euros. We have studied two different kinds of living lab concepts. The Agro Living Lab, which was described earlier, represents a rather traditional and focused living lab, where the case study was on the whole more detailed and with an emphasis on analysing information about single products or services. The subject of the other case study is the Suuntaamo project at Tampere, with an open concept and a focus on looking at new businesses and helping client companies to understand the needs of ordinary people and their customer behaviour.

The Suuntaamo concept aims at helping SMEs, corporations and development organisations to fulfil the requirements of different living lab cases more cost efficiently. Suuntaamo does not actually deal itself with any living lab customer cases, but helps the companies and expert organisations to find participants who are better suited to their needs more quickly than they could on their own. An evaluation of the success of these cases only on the basis of generated business value is difficult. There is a considerable distance to the businesses and there are no

starting costs to compare potential savings or gains of end products or services with. This kind of living lab concept is suitable for corporations or research institutes which know that it is crucial to collect this kind of user information and which are looking for good services to perform these activities (processes) cheaper and quicker than before.

Once the concept has become a steady process, and the cost level is reasonable, a living lab like the one in Suuntaamo can also offer services to SMEs. This kind of concept gives them a one-door shop service, which eases the start-up phase of activities. In addition, this concept can reduce the costs for service providers, who can boost their own sales with more flexible pricing.

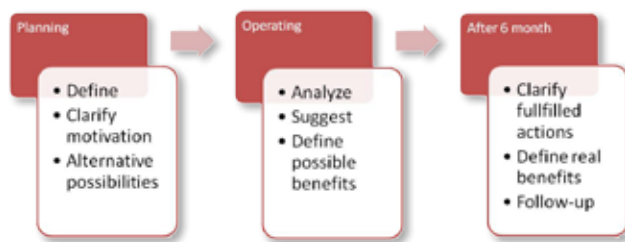
The more traditional concept for evaluating the benefits of living lab activities for client companies can be carried out in more product-based and feedback-oriented living labs. There the aim is not just to look at the savings, but also to focus on concrete changes that may lead quite soon to improvements in products or services. Companies can see how changes can lead to higher customer satisfaction, fewer complaints, reduce the necessity of lengthy instructions, or improve the safety of a product. Clients who expect tangible results and benefits from their participation can compare the investments directly with the savings or gains within a relatively short time.



Process of Living Lab case



To provide this kind of information, the living lab needs to collect the information from the clients 6 to 12 months after the completion of the case and find out what has proved to be useful in practice. It may well turn out that some suggestions have not led to any real changes or the business value of a particular action has been nil.



Stages to collect and analyze value of Living Lab case

The collected data are a combination of concrete figures (e.g. used time, human resources costs, and amount of suggestions) and information elicited in interviews (e.g. how savings have been achieved, possible value of new business concepts). To do this, there is an optimised and simple form for collecting these data during the living lab case.

Key findings based on evaluation processes

On the basis of the evaluated data it proved difficult to assess the exact value of the living lab for clients if the rationale of the case was to look into future business opportunities or consumer behaviour. In this respect, these cases were, on the whole, a bit too abstract. In addition, the study was in many cases targeted at multiple companies and organisations at the same time. Because of this, there was no concrete information about what to compare the data with; in other cases the benefits and savings spread over so many organisations that the level of information was too shallow to yield meaningful results. In some larger corporations, there was also a rather low willingness and ability to give exact information.

One crucial element to be evaluated in every case is the amount of time and money that can be saved by client companies. During the Suuntaamo activities in 2010, 12 different medium-size living lab cases were completed. For these cases the time and resources spent on operational activities were measured, comparing the same resources that an individual company has to raise if it conducts a similar study with its own means. The number of working days saved averaged at 35-50%; the overall saving amounted to about 25%. The biggest saving regarding time and resources was achieved in finding suitable test persons and test environments. These figures are significant, because they show that there is scope for a living lab organisation to make its own profit to sustain its activities. Or, looking at the matter from the other side, the client companies can commission this type of case study more often and with a larger variety of products at the same costs that they currently incur. This leads to better products and services, promotes the living lab activities and creates markets for living lab stakeholders.

One element missing in the living labs so far has been the rather low “after-sales” activities. The focus has been on the operational stage, any follow-up activities to date have been fairly random and there has been no systematic collection of data about the real benefits in the end. The evaluation process that is recommended should also take this issue into consideration, because in the end these results are relevant if we look for sustainable models for living lab activities.

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4. Support for Start-ups through Business Development and Risk Assessment Tools

General view on BD services for supporting start-ups

There is a current drive for companies to focus on growth. In the start-up phase considerable resources are required – money, knowledge, markets and good timing. The risks for a company not to succeed are always high. This risk level is one of the main reasons why there is no sufficient private seed funding for start-up companies. Venture capitalists do not have the time and interest to focus on evaluating and managing these kind of companies. At the same time private business angels or seed capital

organisations do not have the proper tools and methods for evaluating companies or following up the risks that early phase companies may face in their development phase. This can lead to a situation that an unavoidable risk has already been taken before the information reaches the investors, and the chance of taking corrective action is either gone or takes up too much of the available resources so that the growth process is slowed down. Based on this notion, a scheme has been devised how this problem can be solved by developing a risk management tool. The general benefits of the tool are listed below:

Investors can evaluate target companies and assess risks quickly

Investors, and especially seed capital funds and business angels who want to minimise management costs, can evaluate more cases within a shorter period of time. This may encourage them also to invest more in the seed phase of companies and help them to support these companies in business risk related issues.

Stakeholders can react to typical risks and communicate how to avoid them

This tool lists typical risks during the start-up of companies. It provides a method for company management, investors or business consultants that enables them to identify risks and discuss how to avoid them. If this is done properly, the information level of all parties concerned is deeper; the company can thus cover the risks of all key business areas and not just those it noticed on its own, and all actors have a common understanding of upcoming development actions and needs before any risk has actually occurred. This also strengthens the knowledge and understanding of managers about risk management.

Business developers can get an operational tool to help their activities

Business consultants may have problems in getting a sufficient insight into the situation of a company. This tool can give them the operational means to analyse together with company managers the level of the current situation of the company and identify the necessary actions. This method helps them to focus on the appropriate issues and to strengthen the confidence of the company and the consultants.

Companies and investors can build a management model to follow up the level of risks

Sometimes the evaluation is conducted only once and the information which has been collected is not used any further. The most important issue for companies and investors is how to achieve progress. It is therefore essential that corrective action is taken on the basis of a stringent plan; or else changes in the business environment can have unforeseeable effects and pose incalculable risks. This tool provides a good platform for stakeholders to discuss regularly the current state of a company, its prospects for the future and any necessary changes.

The tool helps the development of new businesses and trainees to start their activities more easily

The idea is that this tool also improves the communication between company management and investors. For example, seed capital providers and business angels holding minority shares need some clearly defined and sustained method for monitoring the situation of a company. A process based on this tool offers a perfect solution of this

problem. If these activities are properly executed in the evaluation phase, the company already has a good package to show other investors during funding negotiations. In a way, this can be regarded as mere risk-oriented due diligence. In this sense the tool is also suitable for cases of business transfer:



One of the key elements of the tool is not just its functionality or process. The tool also covers typical risks that start-up companies are faced with in their early stage. Based on activities in the course of the BSR project we have studied several start-ups into which investments have flowed and which had to deal with a number of risks. On

the basis of this study we collected the typical risks that should be taken into account in every start up. The list does not cover all possible aspects and some issues may not be relevant for some companies, but it offers a good overview of typical risks to consider.

RISK	EFFECT
STRATEGY MANAGEMENT	
No clear strategy management	Cannot utilise possibilities, cannot reach targets
No clear targets and goals	No commitments, no common activities, overall progress of the company is low, bad revenue
Business model is not suitable for markets and customers	No customers or only few, bad customer satisfaction, hard to acquire new customers, bad revenue
LEADERSHIP AND MANAGEMENT	
No skills or experience for operational management	Lots of errors in different actions, no understanding of what is happening
No leadership	Bad working atmosphere, lack of motivation and commitment, hard to make any decision to be realised
No entrepreneurship attitude	Bad attitude towards company success, concentration on problems not on possibilities, no effective actions or target-oriented work, too little time spent on company actions
ORGANISATION	
Organisation structure and responsibilities are not clear	Organisation does not work effectively and cannot make decisions, lack of resources, range of activities too small
Organisation and personnel experience are not supporting business	The knowledge resources are not fully used, insufficient experience in certain key areas in companies, mistrust from co-operation partners and clients
MARKET DEMAND AND COMPETITIVENESS	
Demand for the service or solution is not as big as expected	The market is too small to get invested money back, development work is wasted, company has to start developing new products or services
No understanding of own competitive advantages	The business model is not suited to the client, the marketing arguments are wrong, company has to reduce prices
Insufficiently deep information about competition	The available market is smaller than projected, price competition diminishes revenues, competitor products or services have advantages that are dominant
No understanding of market trends	Product life cycle is shorter than expected, no cultural understanding, no understanding of customer needs and reasons why products do not sell



RISK	EFFECT
SALES ACTIVITIES	
No budgeted sales in time and cash flow is slow	Break-even does not happen in time, lack of money, company runs out of money and need fresh money
No access to market, hard to find delivery channels or retailers	Hard to realise good sales, hard to achieve growth, no advantage of volume, volume of sales lower than planned over the years
Risk level for finalising first deliveries, pilot cases and projects is too high	Lack of good references, bad first references can bring business to a halt or foil the restart of business, costs of pilot cases and R&D is too high, loss of motivation
Too low pricing in first deliveries and clients	Impossible to increase revenue, hard to raise prices for this client or business segment, no money to invest in future activities, slow growth in company value, which will deter investors
INTELLECTUAL PROPERTY RIGHTS (IPR) ISSUES	
Company infringes IPR of others	Problems with other players, waste of time when arguing the claims, stop of development activities, can bring business to a standstill
Company has not protected key technologies or methods and loses the value of those	If own patent rights are not registered, there will be fast copies, there is no concrete property which can be used to bolster position in investment discussions
Company IPR costs are too heavy or it unnecessarily spends money on irrelevant patents	Loss of money
TECHNOLOGY AND RESEARCH AND TECHNOLOGICAL DEVELOPMENT (RTD)	
Company products do not function as specified by customers	Business may break down, company may have to pay penalties, bad customer feedback and loss of reputation, risk of new problems arising (e.g. user safety)
Insufficient testing of the products	End product failures, lots of claims and complaints, high costs related to problem-solving
Company has not identified technology-based risks	Delays in the development phase, delays in the markets' acceptance of the technology, IPR claims from competitors, lack of standards makes it difficult to find a sufficiently big market for the product
Development projects are not clearly defined and the goal is missing	RTD phase takes up too much time, RTD budget grows out of proportion; at worst, company runs out of funds and loses customers waiting for new products; the need of fresh money will dilute the value of shares of shareholders; end products do not meet specified requirements Excessive workload on staff, quality suffers, company has to buy external experience at high costs, bad planning ruins the trust of stakeholders in future projects
Project management organisation does not know the real state of ongoing project	Project is lagging behind, project budget exceeds its limit time delays favour competitors and reduce own chances on the market



RISK	EFFECT
FINANCE	
No idea about figures and actual profits or losses because of bad planning and calculations	Major financial problems if not all costs are covered, running costs turn out higher than foreseen, delays in payments
No solid financing scheme, budgets and calculations are not accurate	Business collapses, continuation of business uncertain because of funding problems, time wasted on looking for money to survive instead of making money
Running out of money before cash flow is positive	Management spends too much time on finding fresh money, not enough time for other activities; company runs completely out of money and has to stop business
Not prepared to secure sufficient funding, afraid of losing majority of shares	Business may collapse; work is poorly executed, insufficient resources, quality suffers, bad compromises

Business development and risk assessment tool

The basic structure of the tool is modelled on the commonly used FMEA (Failure Mode and Effects Analysis) tool, where risks are first defined and then categorised on the basis of three factors whose levels can be substantiated with figures. The factors are

- Severity of the risk
- Probability of the risk to occur
- Possibilities of detecting the risk before it occurs

Each factor has its own effect (on a scale 1-5). The basic principle is that all the factors are multiplied with each other. The higher the resulting figure is, the more

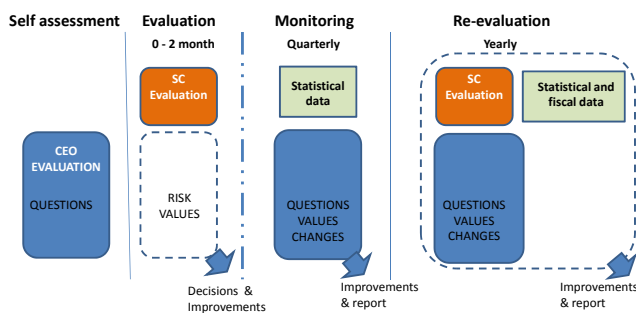
serious the risk is. With the help of this, stakeholders can prioritise their activities taking account of the main risks. More important, however, are the measures to be taken to reduce the risks. The basic idea is that companies list the actions they intend to take in order to reduce the identified risks, and if they cannot show clear and promising ways to do that, to devise a “Plan B” in case the risk becomes real. This method helps companies to focus on the relevant issues, it helps stakeholders to monitor the actions taken, and it helps them to react quickly with appropriate actions when a risk becomes real. Currently this tool is available in an Excel-based form, but it would be possible to develop a web-tool which could be a more suitable form for this kind of tool.

FOLLOW UP AND ACTION PLANS						
Risk identifier	Corrective action	Status of risk status	Responsibility person			

DESCRIPTION OF THE RISKS AND EFFECTS		RISK ANALYSIS					Risk status
No.	Description	Influence to operations	Severity	Probability	Detectability	Risk score	
TP2	TECHNOLOGY AND RTO						
TP21	Company products aren't working as customers insist	Business might stop, possibilities that company lose to give penalties, lost customer base and reputation, risk to lead a new problems (like user safety) grows	4	3	3	36	
TP22	The testing of the products hasn't been done well	Failures in the end products, lots of claims and reclamations, lots of costs related to fix problems.	4	3	2	24	

Screen shots of FMEA based risk management tool

The activities are not just meant to be performed once; the idea is that this tool should be regularly used by companies to identify and communicate their activities. This requires processes which facilitate the use of the tool on a routine basis and link it to the monthly and periodic reporting and strategic planning activities.



Description of risk management evaluation process

Experiences, conclusions and recommendations

The risk tool is a good way of evaluating companies' risks, especially when seed capital providers are considering investments. The tool is not only suitable for evaluating but also for handling risks and it can be a guide when it comes to further development. The risk tool gives companies a good overview of the situation and ideas what to do next. There are two key conclusion concerning how to use the tool and how to make it more widely used.

The underlying idea was that this tool could be used by young start-up companies, business angels and seed capital providers. On the basis of relatively few pilot-cases, it has already become clear that for entrepreneurs who are not so familiar or experienced with risks, some sort of training is needed. At present, the tool is at a stage of development and it is advisable that the risk assessment should be done with expert help. The experts can act as guides through the entire process and use the tool to help entrepreneurs to answer questions and clarify the situation of the company in question. After jointly analysing the findings of the evaluation in workshops, the clients should draw up a

report setting out the necessary development actions. The report can be used as a basis for development work and, if needed, updates can be made with the help of the same or other experts.

To use this kind of expert tool it is important that it can be easily accessed by many BDOs or business experts. One good thing is that it can be copied from the Progress™ model used in Finland in business development. There are few nation-wide projects, where consultants can use the Progress™ tools and databases for analysing business processes and devising operation strategies for development activities based on these findings. Different projects offer training on how to use this web page tool, and it is hoped that companies can use it for their normal business development activities paying a small license fee. Naturally, business development organisations charge companies for their own consultancy activities as such, but there should also be a model where companies can regularly use this tool for themselves by paying a similar license fee to IT companies managing this tool and process.

To reach this stage, some company should develop such a web-based tool and start selling licenses to use it to business development organisations, consultants, individual users and companies on a fee-paying basis. At the initial stage it would be advantageous for this tool to be used in some project by experts, who point out its benefits and thus act as promoters; their clients could be given this service free of charge. For selected experts separate training sessions for the risk tool and the electronic web-based system should be organised. It is important that all trained experts use this tool in the same and proper way aiming at the highest quality standard. There could be thousands of potential users of this tool in Finland alone if it is proved successful.

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5. Involving the Young Generation in Innovation Processes – Innovation Days for Students

General view on involving a wider range of young people in innovation processes

Especially non-metropolitan regions are faced with the challenge of demographic change and a lack of entrepreneurial culture in general. Therefore it is crucial to train the young generation in entrepreneurial matters! Innovation is one precondition for future regional and business competitiveness. Not only must innovation be given a high priority and taken seriously, it is also a field in which creativity is asked for as well as a desire for a better way of life, and a general wish to discover the world. Who is more predestined for that than the young generation?

Keep the young generation in mind: They are the future entrepreneurs!

Future innovation policies should support tools and practices that are capable of raising the innovation awareness and improving the development of entrepreneurial attitudes in young people. Making the young generation see the importance of innovation when choosing a professional career is a key to more competitiveness.

Involving the young generation in innovation processes can be managed in different ways. In the BSR InnoReg project, the partner organisations devised and tested innovation days aimed at involving the young generation in innovation matters. The idea of innovation days is that students and companies are brought together so that students get an impression of real life challenges, and companies can establish contacts with prospective employees as their future innovation resource.

5.1. “Tartu Entrepreneurship Week” – Tradition in Innovation

General information

The Tartu Entrepreneurship Week is an annual event organised as a five-day learning marathon for all citizens of Tartu, starting on the first Monday in October and finishing on Friday. Since 2005, the Tartu Entrepreneurship

Week has been organised by the Department of Business Development of the Tartu City Government. However, it has turned into a pleasant tradition, where all business support organisations in Tartu are involved as co-organisers. The motto of the events in 2009 and 2010 was “co-operation”.

The mission of the annual Tartu Entrepreneurship Week

The main mission of the event is on the one hand to bring people, especially young people, closer to the entrepreneurial world and on the other hand to bring people and entrepreneurs closer to science. In the Tartu Entrepreneurship Week 2009, 2812 participants altogether took part, among them pupils, students, start-ups, active companies and ordinary citizens. In 2010, the number of participants was 3362.

- Promotion of entrepreneurship as a modern lifestyle.
- Encouraging young people to be more innovative and entrepreneurial.
- Raising know-how of entrepreneurs on modern studies and market trends.
- Creating real-life contacts between scientists and businessmen.

Target group

The Target Group are all citizens of Tartu – children, pupils, students, youngsters; potential start-ups as well as active entrepreneurs, and all other citizens.





Methods

More than 70 different events were organised during the week-long event, such as seminars, exhibitions, workshops, conferences, company visits, competitions etc. The methods used had to be different, depending on the character of a particular group. Children and youngsters could not be targeted with traditional lecture-like seminars, whilst some serious seminars organised for scientists had to be conducted in a more traditional way.

The format of a single event always depends on the target group. Events targeted at young people for the most part included activities like role-playing, contests, carrying out tests and doing things – there were competitions, exhibitions, presentations of real cases of companies' problems and challenges and how to tackle them, workshops, discussions about specific cases, conferences.

“Events targeted directly at the young generation”

1. “The path of our national currency – the Estonian crown” – a computer-based simulation game for primary school pupils

As a result, children got an impression of the money circulation in the economy. This in turn led them to think more about the structure of the economy in general and boosted their interest in macro-economic issues.

2. “Cheerful machinery and production plant” – 3D fabrication competition for children

Children were asked to make a 3D miniature of a production plant. In 2010 the theme of the 3D fabrication competition was “town planning”. In the course of the 3D fabrication the children were guided by professional production designers and creativity trainers. This activity opened up the creative sense of the children and made them think innovatively.

3. “Workshop on design and product development for secondary school pupils and students”

During the workshop, pupils had to solve real-life problems of companies, how to improve their products; they made prototypes together with genuine designers and engineers.

4. “Business issues youngsters need to know” – quiz conducted in secondary schools

In both years the quizzes took place in an Internet environment.

5. “Young Entrepreneur” – youth conference

The main idea of the conference was to get successful entrepreneurs to talk to youngsters about their success, or perhaps non-success, stories and work on the youngsters' business ideas on-site.

Conclusions

The Tartu Entrepreneurship Week was a good opportunity for practically involving a lot of young people in a context of a plethora of different events, which were organised with a focus on raising the innovation awareness of young people and training their entrepreneurial minds. In both years more than 500 youngsters took part in the events of the Tartu Entrepreneurship Week. If we add to this figure the pupils who took part in the E-quiz, the number of participants was as high as 1,000. In 2009, at least two companies received useful ideas, and one company started an ongoing co-operation scheme with schools (yearly design competitions).

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5.2. Innovation Days for Students in Latvia – “With an Idea in the Pocket ...”

Goal of the activities

The main objective of the innovation days was to raise students' interest in, and increase their knowledge of innovation – how to go the distance from an idea to the market. The two-day event was aimed at increasing the awareness and knowledge of the development of innovations and innovative solutions. The concept was to show by means of real examples the path from the initial idea to its practical implementation in companies. The expectation was that the innovation days would motivate young educated people not only to take part in different innovative activities during their studies but also to stay in Latvia after graduating from university and to look for possibilities for developing their own ideas or even to establish their own start-up businesses. The event was not designed as an academic one with a series of theoretical lectures on innovation, but as an interactive arrangement consisting of various types of activities.

Planning – form an alliance!

Building a team consisting of different stakeholders for planning such an event is crucial, and it is the most cost efficient way. Next, choose the most appropriate and meaningful name for the event! The Latvian partners decided on the name “First Student Innovation Days in Latvia – With an Idea in the Pocket ...”, which clearly shows the significance of the event because it was the first time that such an event was organised in Latvia. And then choose the most suitable time! September is one of the

best months for organising events for students in Latvia because of exams or other annual activities at Latvian universities.

Venue – go where the students are!

Vidzeme University College was selected as a convenient place for the innovation days – Valmiera lies in the central region, the heart of Latvia. It was an important aspect for students who travelled from other regions, for example from Ventspils, Daugavpils, Rezekne, Liepaja and Jelgava.

Communication – use existing channels!

Effective communication is also essential. Official letters to rectors of the universities as well as student boards and student self-governing bodies helped to use existing communication channels to reach the students. Organisational help can also be obtained by involving partners. Various other communication instruments like press releases, information on the Internet, in printed media, on radio and television help to spread information about the event. Student involvement also can be very important and useful because students use a variety of social networks and can spread information “face to face”.





Execution of the event – a good mix of activities is crucial!

An important feature of the programme was that the innovation days were not organised like a seminar, where participants just attend lectures. An interactive approach was used with a well mixed programme of presentations and lectures, visits to local companies to exchange ideas and experiences, real-case innovation workshops with companies, and group work of students in sessions dealing with specific topics. Pro-active sport activities and a disco in the evening were also important for making the event interesting as well as enjoyable. The scientific café on the topic “Where do the ideas emerge from?” was another prominent feature of the programme. The event was concluded with presenting awards to the participants of the student homework competition “Innovation in my institution of higher education”.

Moderating

One of the crucial success factors was that the events as a whole as well as a number of separate activities (for example the open discussion about “My opportunities in innovative society”) were moderated by a popular Latvian TV journalist. The topical sessions like “From sugar to candy” or “Gateway from idea to realisation” were chaired by experts from well-known companies.

Lessons learned

The event was a success; it was well attended, well carried out and the participants were satisfied. A timely start of planning and organisational activities as well as choosing the right time and location are crucial for success. It is essential that there is enough time set aside for designing, discussing and drawing up the programme, selecting the venue, arranging for professional moderators and speakers, hiring contractors and advertising the event. Another important issue is the available budget – getting local

partners involved makes the organisation of the event considerably easier and contributes to its cost efficiency.

Students like events where they can actively participate and express themselves. Students were highly satisfied when given the opportunity to do some practical exercises.

Students’ proposals for events to come...

Getting in touch with students and asking them for feedback and possible topics for future innovation events helps to meet the interests of the young generation and to call together young people from all regions in the future, too.

The students’ suggestions of topics and wishes for future innovation days were manifold:

- How can creative thinking be developed?
- Not only success stories should be presented, but also experiences of innovative ideas that did not work. What are the risks and possible solutions in case of failure?
- Today’s innovation marketing and innovative technology solutions.
- Options for collaboration with students from other EU countries.
- How to develop unconventional ideas.
- How to convince others of the usefulness of my idea.
- Attracting sponsorship to innovative ideas.

Students were highly satisfied with the event. Departing for home they asked, “When and where will the next innovation days be?” The innovation days in Latvia increased the awareness and understanding of the importance of innovation and can serve as an example for organising similar events in other countries.



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5.3. “At the Top of the Food Chain” – Educational Exhibition in South Ostrobothnia

The Regional Council of South Ostrobothnia organised an innovation day for 14 to 19-year-old students in connection with the annual educational exhibition “Opinlakeusmessut” in Seinäjoki. At this event, different schools, educational institutions and universities presented different educational opportunities. The Regional Council of South Ostrobothnia chose food as the theme of its stand at the innovation day, because the food cluster (“from field to fork”) is the most important cluster in the region.

Targetgroup: 14 to 19-year-old students

The age group of 14 to 19 years generally needs to make lots of very important decisions about their future: what to study, where to study, which career to choose and so on. We wanted to show them that the food and agriculture cluster is one possibility, full of modern-day opportunities and scope for innovation.

We formed a local alliance with private companies, research units and development organisations. All activities at our stand were organised within the group. An event like that can only be organised by means of co-operation.

The exhibition had about 10,000 visitors and at our stand we were able to make contact with more than 2,000 young people.

Raising awareness through target group oriented activities

- Tests: Smell different fragrances or taste a new type of cheese.
- Cartoons introducing user-driven R&D and innovation tools.
- Research club for teens – participating in scientific tests.

It is important to keep in mind the language of the youth and to avoid making things too complicated; this applies also to the evaluation.

Young people just love taking part in activities where they can DO something themselves. We found out that it was a very good idea to bring the innovation day activities to an exhibition which the young students wanted to visit anyway.

Lessons learned

- Choose a theme that is important for the region.
- Link the activities to other development processes in the region.
- Plan activities which are suitable for the targeted age groups.
- Form a regional alliance to organise the activities.
- Choose the best platform to reach the target group and, if possible, join existing events that young people visit anyway.
- Plan the next steps.



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5.4. Innovation Days at Apprenticeship Fairs in the Havelland-Fläming Region

The Havelland-Fläming region organised innovation day activities in 2009, 2010 and 2011. The underlying idea was to raise the awareness of the innovation potential of enterprises in the region. The innovation days are linked to existing apprentice fairs in the region where SMEs have the opportunity to provide information about their sector, the company's profile and professional training inside the companies for young people between 15 and 18 years of age.

Objectives

- Raising awareness of innovation and innovative sectors among students.
- Companies from important and innovative regional sectors can make contact with future staff.
- Young generation can make contact with companies from innovative regional sectors.

Activities

The activities in general and especially the communication and information tools used were simple and target group oriented. Incentives like offering tickets for cinemas are always a suitable way to catch the interest of young people.

- Riddles and a puzzle at an innovation touch screen presentation, focusing on the key sectors food, metal industries and logistics.
- Presenting and testing of products made by domestic SMEs.
- Contacting people from companies presenting their products.

What did we learn?

Young people are accustomed to professional presentations of contents via different media, i.e. music, video clips, etc., and they expect a very high level of performance. Sometimes they are not particularly keen on becoming active by themselves.

The efforts needed to motivate young people and arouse their interest are high and the organiser needs patience and creativity in order to make them interested in a topic like innovation.

Therefore it is important to concentrate the competencies of many stakeholders to organise innovation events for young people: companies, networks of key sectors, schools, etc. It is a good idea to choose a premium location.

Success factors

- Networking and co-operation of different stakeholders, companies from key sectors (i.e. food, logistics) and especially schools.
- Preparing the target group through workshops in schools beforehand in co-operation with teachers.

Conclusions and Recommendations

In order to increase the awareness of innovation and innovative sectors among students it is also necessary to increase the awareness of those who are working with students every day: teachers and schools. Innovation is not sufficiently taken into consideration in schools as a key to more competitiveness. Cooperation with teachers and schools helps to make contact with the target group and also to keep pedagogic elements in mind.



For more detailed information...

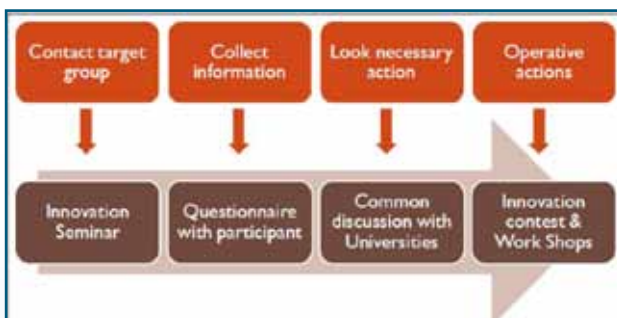
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5.5. Innovation Day for Students at the Tampere University of Technology, Finland

Hermia Business Development Ltd. organised an innovation day together with the association of female students of the Tampere University of Technology. The innovation seminar was aimed at providing students with a basis for developing their own innovations and it wanted to encourage them to be open-minded to innovation activities during their studies as well as in working life. The event brought together over 100 students, who were interested in innovation developments.



Innovation Day concept at the Tampere University of Technology

Objective

The objective of the innovation day was to raise the awareness among students of innovation as an approach to finding solutions and to encourage them to look at the possibilities of innovation development as well as gather their views on how innovation activities should be promoted among students. The innovation day actually consisted of an innovation seminar, an innovation contest and an innovation laboratory, all taking account of the wishes of the students as far as possible.

Innovation seminar

During the seminar we asked students for their opinions on how innovations and innovation activities should be run and presented. Their answers were analysed and summarised in a short memorandum, which was addressed to the principal of the university. One point that was made by the students was that they would like to participate more in short workshops, where they can work on real-life cases from real companies.

Innovation contest

With this in mind, we worked out a scheme for a new category on the agenda of the yearly ideas competition in Tampere: an innovation contest for dealing with companies' problems and challenges. In the innovation contest, ten companies participated by presenting real cases for which they needed a solution and awarded the winners a prize. 91 students took part and 59 new business ideas were developed.

Innovation laboratory

Experts from Hermia Business Development Ltd. moderated the following laboratory session in which almost 30 different kinds of testing methods for solving the problems of the companies were devised.

Experiences and conclusions

Students ask for more seminars or courses where entrepreneurs can discuss with students. More project-based courses where students actually work for a longer period to solve real company problems are a promising option for developing new business solutions and business ideas. The need for a new innovation contest category was paramount and we got positive feedback from both, students and companies.

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5.6. Innovation Day at the ITC Bentwisch – Bringing together Economy and Academia

The most important aim was to establish new or better contacts and co-operation between companies located in technology centres and the university. Communication between economy and science creates the opportunity to exchange ideas, getting students involved in the innovation processes of the companies and to provide a better understanding of the functioning and working ways of the other side. The innovation day aimed at encouraging SMEs to overcome inhibitions and prejudices against co-operating with research units and vice versa. The target groups were professors, researchers and students from the relevant departments or institutes of the University of Rostock and innovative companies of the technology centres.

Get in contact with target group

Academia: Establishing direct contact with students is too complicated to arrange. Therefore we made contact with the directors of research departments.

Companies: Prejudices against co-operating with universities are high. We interviewed several companies about their interests in different research fields to be able to provide direct, goal-oriented contacts.



Regional partners: Involving other technology centres from the region helps to widen the pool of SMEs which are interested in innovation processes and technology transfer.

Moderation and mediation

The innovation days focused on two presentations. One from the point of view of a company and the other from the university perspective, presenting the advantages and disadvantages of co-operation.

All parties involved agreed to continue the exchange of ideas and to come to formal and informal platforms to discuss questions of common interest. Mediation is important and very time-consuming. It is important to keep in mind that co-operation has to be an advantage for all sides.

Conclusions

It was the first time that such a meeting between departments, companies and students had been organised. The innovation days contribute to understanding the needs of each other better, and several bilateral contacts between companies and participating professors were made.

As a result, two co-operation agreements between companies and university departments were prepared formally. For the next level of co-operation, the ITC is in contact with several foreign technical universities in the Baltic Sea region.

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5.7. Innovation Day - IT Academic Day at the Białystok University of Technology

Keep young educated people in the region!

The idea for the event arose from the challenge to keep young well-educated people in the Podlaskie region. The exodus of people from the middle and western parts of the country is a great concern for secondary school leavers as well as university graduates who decide to work in more prosperous regions after finishing their education. This situation also influences potential investors looking for employees in the region.

The event was aimed at raising the awareness of young people in the region of the job opportunities for them after studying computer science, and thus encourage them to look for work in the region.

The Podlaska Regional Development Foundation together with the Technical University decided to focus on computer science as the best subject, and university students as well as secondary school leavers as target groups for the innovation day.

Computer science as subject of the future

Computer science is the subject of the future, thus it must be a priority to keep graduates in the region. Students engage in many international and world-wide ICT competitions, and what is more, they achieve outstanding results. This shows that the Podlaskie region has very talented young students who are to be convinced of the importance of technical subjects and be made aware of the career prospects they offer.

Famous and award-winning speakers ensure interest

The event attracted 279 participants: university students and secondary school leavers. The agenda included presentations by big companies such as Microsoft on the subject of innovations and work opportunities, presentations given by participants who had won the Imagine Cup Competition and the Team RHEA from the Białystok University of Technology who had won first prize of the Internet Explorer 8 Awards and second prize of the Next Generation Web Awards. Opportunities for students of IT science were presented, and the participants of the conference could also discuss interesting issues during breaks and informal meetings.

Conclusions

The IT Academic Day proved to be a good advertisement for studying technical subjects, especially computer science, in the Podlaskie region because students are very interested in practical issues and work opportunities after graduation. During this event they could see good practices, heard success stories from their older colleagues and were shown job opportunities. It is also important for IT enterprises to be aware of the fact that they can find skilled and highly qualified staff in the Podlaskie region and that it is worthwhile to invest in the region.

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5.8. Future Regional Development through Transnational Exchange of information about innovative regional energy solutions

Ideas for new projects and innovative approaches are essential for the future regional development. One of the most important fields of future regional development is to be found in innovative and renewable energy solutions. The Project Management Centre in Kaunas organised an internship for students and scientists from the University of Kaunas as well as entrepreneurs to visit the federal state of Brandenburg which is considered to be one of the most innovative regions in the field of innovative energy solutions in Germany. So far, Brandenburg has been awarded the "Leitstern" (lodestar) twice, an annual award for the region in Germany which appears to be the most innovative in energy solutions.

Aims of the internship

The main aim was to be introduced to innovative solutions using alternative energy sources for economic and social activities and to gain international experience. Following that, it will be the students' task to develop similar approaches for Lithuania in co-operation with scientists and entrepreneurs. Based on transnational exchange, methods of using innovative alternative energy sources in Lithuania and implementation scenarios can be developed; innovative projects for future regional development can also be designed.



Renewable energy source projects

The participants were introduced to different renewable energy source projects like the Paul- Wunderlich-Haus in Eberswalde (a zero-emission building), wood and bio-pellet production, solar energy, wind power parks and biogas production in the eco-village of Buckow.

One of the most interesting experiences was the presentation of the strategy for introducing electro-mobility in the district of Ostprignitz-Ruppin, which is currently in the planning stage. Several stakeholders of private and public institutions are developing a strategy for the implementation of innovative energy solutions through strengthening value added chains. One highlight was the company visit at JETCAR Zukunftsfahrzeug GmbH, a company that claims to be oriented to energy-saving vehicles instead of fashionable and fast cars.

Conclusions

Sharing experiences of real-life projects and solutions is a suitable method to increase the students' awareness of, and interest in innovation processes and future regional development. It became clear during the internship that the main challenges of implementing renewable energy sources are related to the process of transferring renewable energy to remote regions. At the same time, implementing renewable energy solutions is a real opportunity for remote regions. However, the commitment and the collaboration and support of all parties concerned, political and public institutions, the research sector, entrepreneurs and citizens, are the most important precondition for the implementation of innovative regional development in the field of energy solutions. Solar energy, the production of wood pellets and biogases are the most advantageous ones to be applied in Lithuania at this time – electric cars and electro-mobility are things for the future.

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6. Conclusions and Recommendations

No regional growth if you do not care about the region.

Innovation is important – not only in the big cities. For non-metropolitan regions the showcase of their potential and possibilities through innovation is crucial! There is a need to create an environment for innovation and it can also be used for promoting the region. There can never be too much discussion on innovation, and the outcome of the same activities in different regions can be quite different. The activities should support the strong points of each region and the activities should be properly focused.

Supporting start-ups and innovation in SMEs.

The implementation of innovation support tools and concepts like innovation voucher models and living labs help to improve the innovation readiness of SMEs and the competitiveness in the markets. Innovation support tools for companies should be easily accessible, flexible and simple to use. Especially user-driven innovation instruments should be sustainable processes in the regions and used actively. Risk assessment tools appear to be a suitable method for the evaluation of the risk level that young companies are faced with in their development phase. Especially businesses in non-metropolitan regions can be strengthened in growth by attracting additional venture capital based on new arguments for investment decisions through risk assessment.

Listen to the young generation: They are a source of innovation!

Especially in non-metropolitan regions, there is a need for an integrated approach in promoting innovation among young people. Experiences from so-called “innovation days”, that have been successfully organised

and implemented in the BSR InnoReg project with the aim to promote innovation among young people are very encouraging. The young generation is keen to deal with innovation and they are the future entrepreneurs! One of the experiences of the project activities is that young people just love participating in activities where they can DO something by themselves.

Nothing happens by itself – it has to be organised!

Working with young people takes time and endurance; it is an exercise of patience. It is a good idea to bring the activities to places where young people go anyway. When organising innovation events for young people it is important to choose the right timing and place. Whatever you plan to do, form an alliance with other co-operation partners in order to take also pedagogic aspects into account. Involving the young generation in the planning and implementation of the activities is crucial. Using social media and social networks to provide and spread information is a promising way to reach the target group. An innovation dialogue on concrete cases with young people helps to establish a sustainable innovation culture and to tap the full innovation potential of the region.

The Next Step? Make Innovations!

This handbook is the view on only a few approaches to be used, however the assessment of the needs, target audience and the new developments in innovation is an important factor to count on. The non-metropolitan areas have to work constantly on finding new ways for promoting innovation. Different actors have to work together! Before any of the proposed activities are used they should be adapted to the regional needs and scrutinised as to why they might be good for the region.

This handbook has been compiled by the BSR InnoReg project consortium:

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2. Council of Tampere Region (Finland)
3. Hermia Business Development Ltd. (Finland)
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