

„BSR InnoReg: Responding to Global Mega-Trends in Regions and Companies“

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Contents of the Presentation

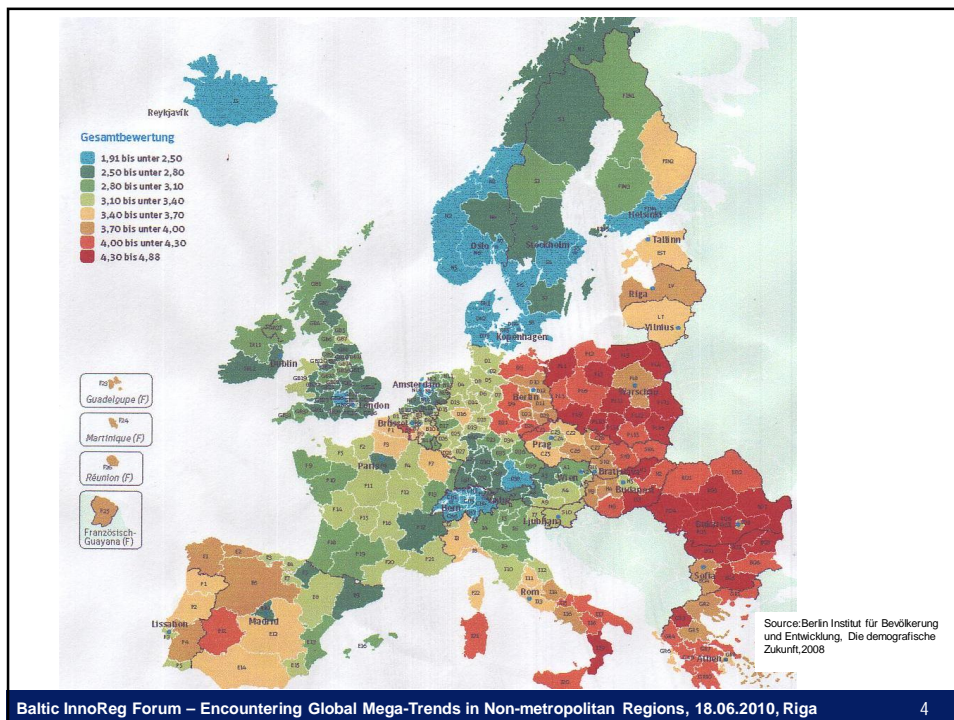
- » The Baltic Sea Region in Europe
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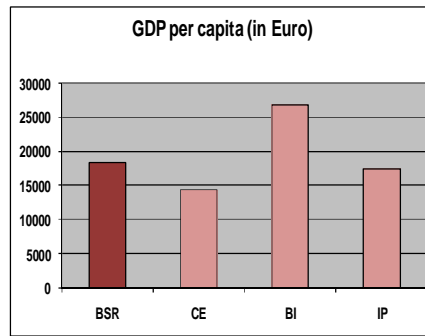
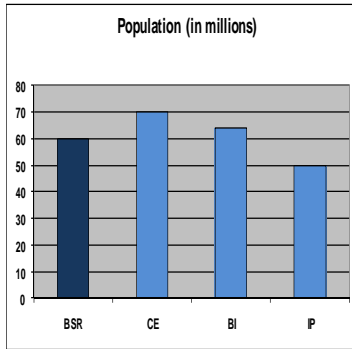
The Baltic Sea Region in Europe

European regions

- » Baltic Sea Region (BSR)
- » Central Europe (CE)
- » Iberian Peninsula (IP)
- » British Isles (BI)



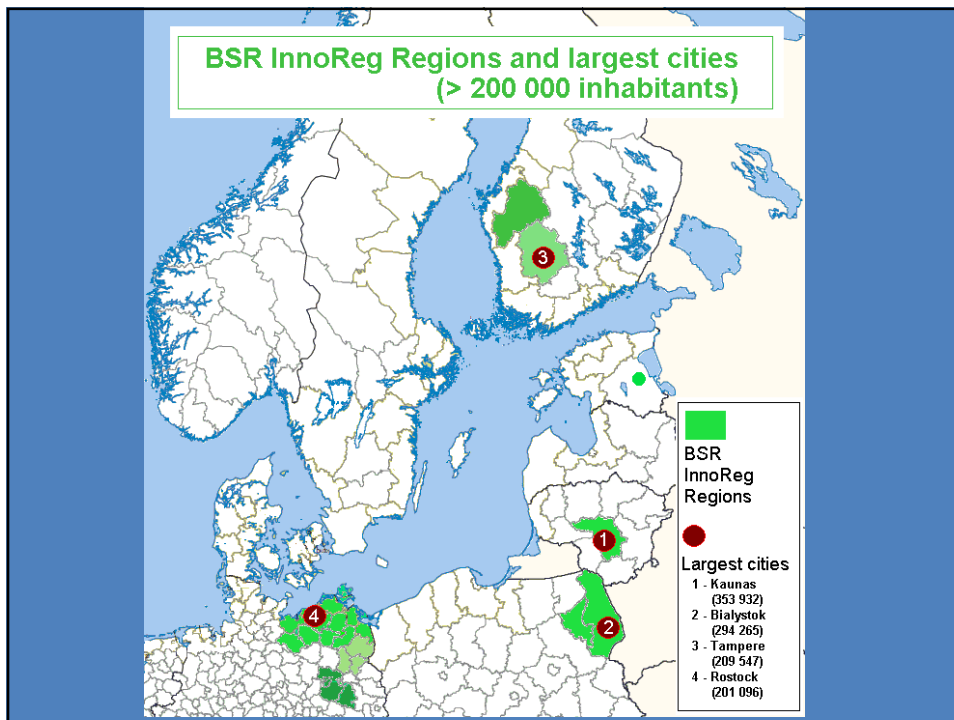
The BSR Region



BSR = Baltic Sea Region
BI = British Isles

CE = Central Europe
IP = Iberian Peninsula

Source: World Bank, World Development Indicators, 2009



NOTE

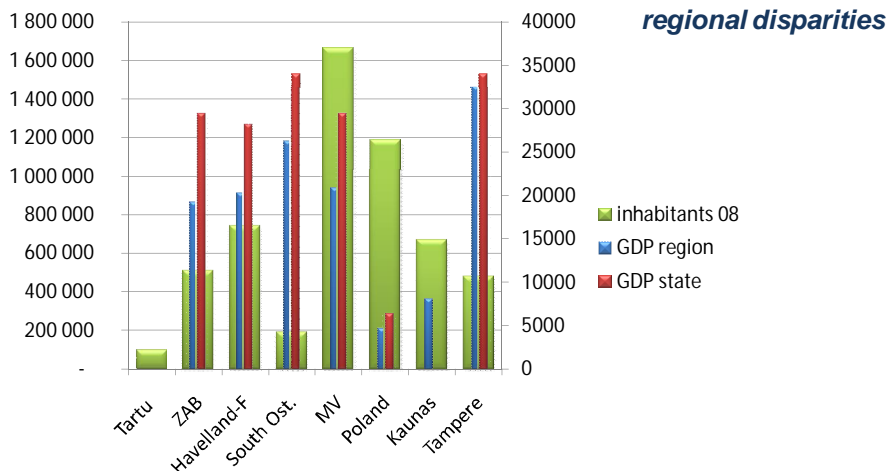
Data in the regional questionnaire were missing. This impacts the figures presented in the following sheets.

- Latvia is not included at all
- In some regions information was not complete.

Please use figures as indication of trends only.

**The BSR InnoReg Region
GDP per Capita**

average: 75% of national level
regional disparities



The BSR InnoReg Region

Predominant Rural with small Urban Centres

Size town	Nr towns	Average size
>200.000	4	264.710
100-200.000	2	140.720
50-100.000	5	72.699
10.-50.000	23	25.630
<10.000	2	6.150

Source: HIERO regional questionnaires, 2010

The BSR InnoReg Region

Few Cities with over 200.000 Inhabitants

Country	City	Nr. of inhabitants 2008	Growth of inhabitants %
Lithuania	Kaunas	353.932	-7,51%
Poland	Bialystok	294.265	2,99%
Finland	Tampere	209.547	7,20%
Germany	Rostock	201.096	0,29%

Source: HIERO regional questionnaires, 2010



The BSR InnoReg Region

Increasing discrepancies rural ↔ urban areas

- » Population decrease ↔ positive migration
- » Ageing ↔ younger population

Economic development challenges

- » Low contribution to overall national labour force (5%)
- » Enterprises: 95% SMEs & 80% <10 employees
- » Unemployment 19% above average state levels
- » Ageing a challenge for some areas

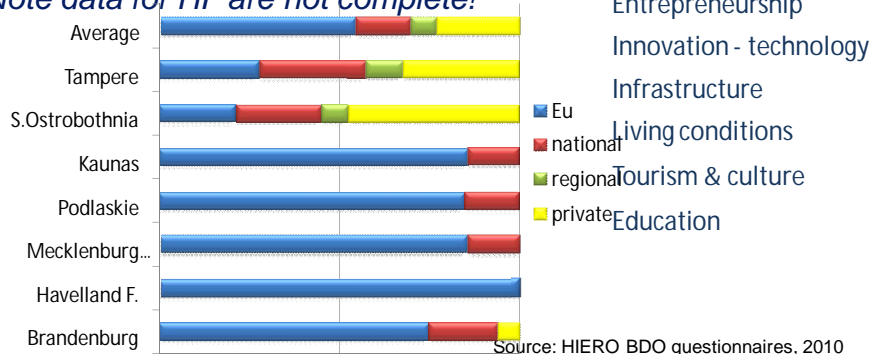


The BSR InnoReg Region

Financial Support

Total for 2007-2013 at least € 6.8 Billion (EU € 5.4)

Note data for HF are not complete!





The BSR InnoReg Region

- » **Strengthening SME and building Start-Ups**
- » **BDOs are contributing to regional development**
 - » *competitiveness of companies and job creation*
 - » *generate start ups*
- » **Development of sectors**
 - » *Service and public sector*
 - » *Agriculture and food industry*
 - » *Technology oriented enterprises*
 - » *Tourism and culture*

Source: HIERO BDO questionnaires 2010



The BSR InnoReg Region

BDOs in the Region

- » **Almost 50% > 10 years old**
- » **Founded almost 1/3 private 2/3 public**
- » **Over 75% work with external experts**
- » **Dependency on subsidies**
 - » *Private funded* 29%
 - » *Partly private / partly subsidised* 37%
 - » *Fully subsidised* 34%
 - » *60% offer services free of charge*
 - » *46% offer services partly subsidised*

Source: HIERO BDO questionnaires, 2010

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Strengths-Weaknesses of the BSR

Strengths	Weaknesses
<ul style="list-style-type: none"> • Education facilities • Science, knowledge & technology in specific areas 	<ul style="list-style-type: none"> • Brain drain • Low applied science • Slow modernisation of education systems
<ul style="list-style-type: none"> • Location within the Baltic 	<ul style="list-style-type: none"> • Periphery from a global perspective
<ul style="list-style-type: none"> • Infrastructure transport and communication 	<ul style="list-style-type: none"> • Accessibility in remote (eastern) areas • Living conditions (health and social)
<ul style="list-style-type: none"> • Nature and culture 	<ul style="list-style-type: none"> • Single sided image • Ethnic and cultural heterogeneity
<ul style="list-style-type: none"> • Growth and economic development in larger cities • Growth in some sectors (agriculture, tourism, trade) 	<ul style="list-style-type: none"> • Social and economic disparities • Unemployment • Human capital in size and quality • Innovation

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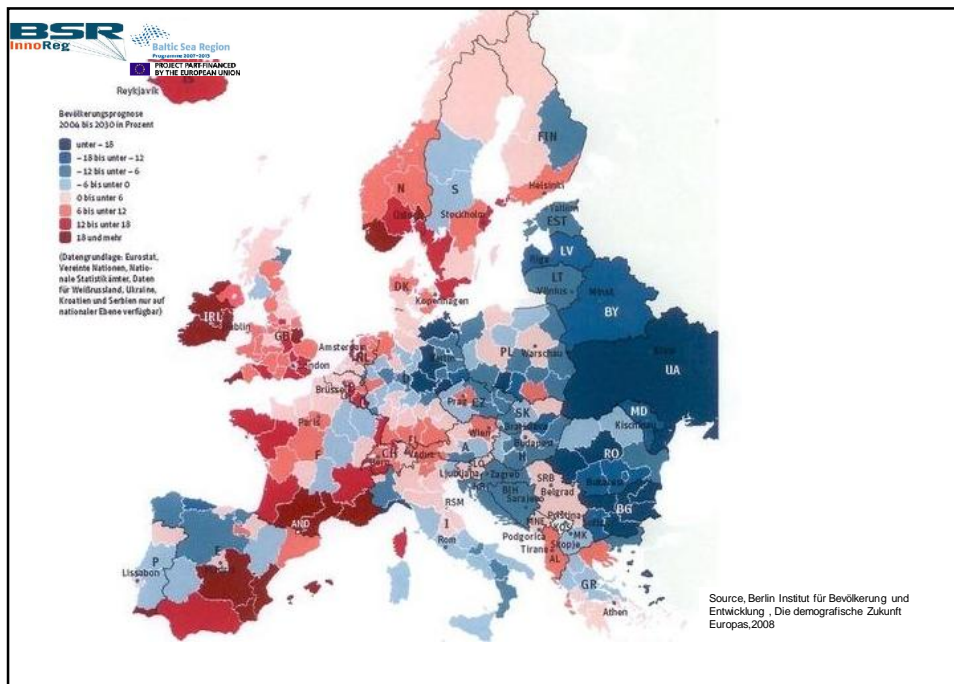
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Mega Trends

- » Globalisation
- » Demographic change

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Mega Trends

- » Globalisation
- » Demographic change
- » Knowledge economy
- » Climate change

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Mega Trends

Consequences

» **Increased competition**

between regions/companies/ institutions/universities

» **New competition**

qualified, talented human resources

» **New international hierarchy of regions**

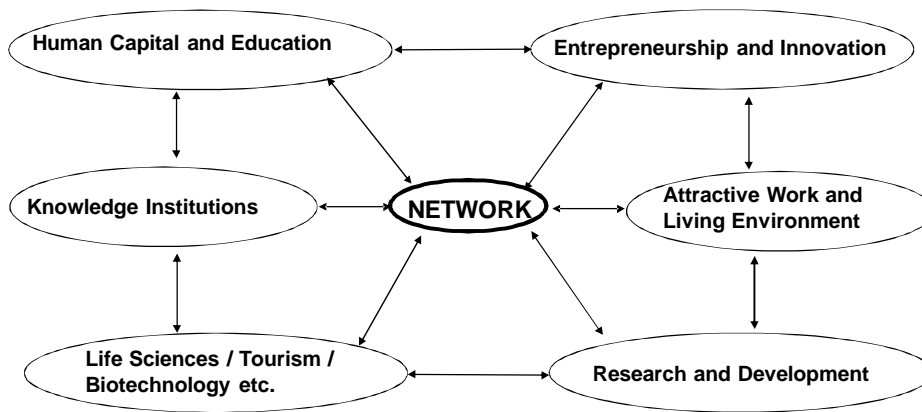
Creative rural vs agricultural/traditional industrial regions



Mega Trends and their consequences

	Policy	Firms
Increased competition <i>Internationalisation</i>	<ul style="list-style-type: none"> •Cooperation in sectors •Information •Extension of Human capital •Networks and partners •Growth centres 	<ul style="list-style-type: none"> •Exploring int. markets •Repositioning internationally •Networks and partners
New competition <i>Mentality change</i>	<ul style="list-style-type: none"> •Academic spin-offs •Education systems/culture •Creative class - 	<ul style="list-style-type: none"> •Exploring new markets •Repositioning
New international hierarchy	<ul style="list-style-type: none"> •Cross-border policy •Innovation •Regional (BSR) marketing •Cross-border cooperation 	<ul style="list-style-type: none"> •Niche and specialisation •Innovation •New eco-living: IT, creative industry and renewable energy

Potential Strategies



Source: HIERO, G. Braun, 2010

Potential Strategies

	Urban areas	Rural Centers	Periphery
Example	<i>Tartu, Tampere, Kaunas, Bialystok, Potsdam, Seinäjoki, Rostock</i>	<i>Oranienburg, Falkensee, Güstrow, Lomza, Jonava, Nokia</i>	<i>Rural districts</i>
Size	<i>100.000 till 350.000</i>	<i>>25.000</i>	<i>Towns < 25.000</i>
Objective	<i>Innovation</i>	<i>Growth</i>	<i>Stabilisation</i>
Function	<i>Pull factor HR and investment</i>	<i>Growth for the rural areas, support periphery</i>	<i>Interruption circle underdevelopment</i>
Level	<i>International</i>	<i>National</i>	<i>Local</i>
BDO	<i>Private specialised BDO</i>	<i>Public and private BDOs</i>	<i>Public BDOs</i>

Source: HIERO, G. Braun, 2010



Potential Strategies

BDO	Average	Subsidised	Market-driven
Orientation	Founded by	Supply-Sided	Demand-/ Needs-Sided
Portfolio	Service and public sector	General modernization package	Bottle-Neck-Approach
Emphasis / Priority	Consulting – information, meeting seminar	„Hardware“	„Software“
Performance Measurement	Informal methods	Input-Indicators	Outcome-/ Impact-Indicators



Potential Strategies for BDOs

Objective	Indicators
Increase impact	BDO customer satisfaction
Increase outreach (scale and access)	New and expanded market & marketing
Achieve sustainability and cost effectiveness	Supplier sustainability and cost effectiveness

Source: HIERO, G. Braun, 2010

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**„Thank you for your attention!“
“Dankeschön für Ihre
Aufmerksamkeit”**

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