

*“Knowledge to Market,,*



**International Conference on Knowledge Based Development  
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**Innovation support – challenges and solutions**

# **The experience of Regional Innovation Strategies in NAC regions**

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# Knowledge to Market



policy



finance



market & sales



infrastructures

**knowledge based products**  
**seed finance**  
**incubation & acceleration**  
**knowledge based regions**

# Experience

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Recognize a **mistake** the second time you make it

# What we learned

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- “Compare” not “consider”
- Have a global vision
- “Content” matters more than “container”
- Have a long term plan and consistent resources

# RIS Background

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## 1994

More than 120 EU regions received support for carrying out RIS projects from the European Commission - From RITTS to RIS

## 2001-2002

16 RIS-NAC were launched in Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Poland, ..

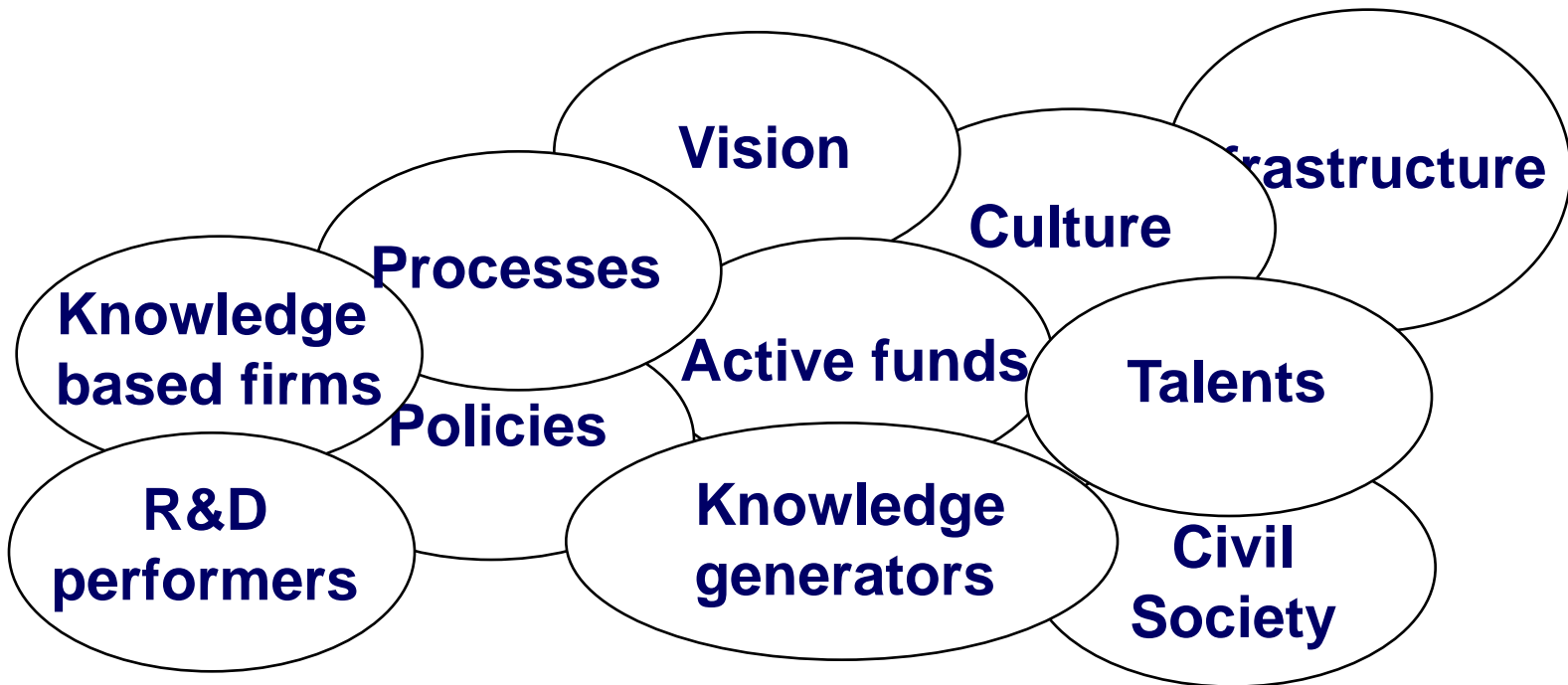
## 2005

33 new RIS-NAC regions (Malta, Romania, Poland, ...)  
Support to the implementation of the 16 2001 RIS-NAC projects: Innovation Coach



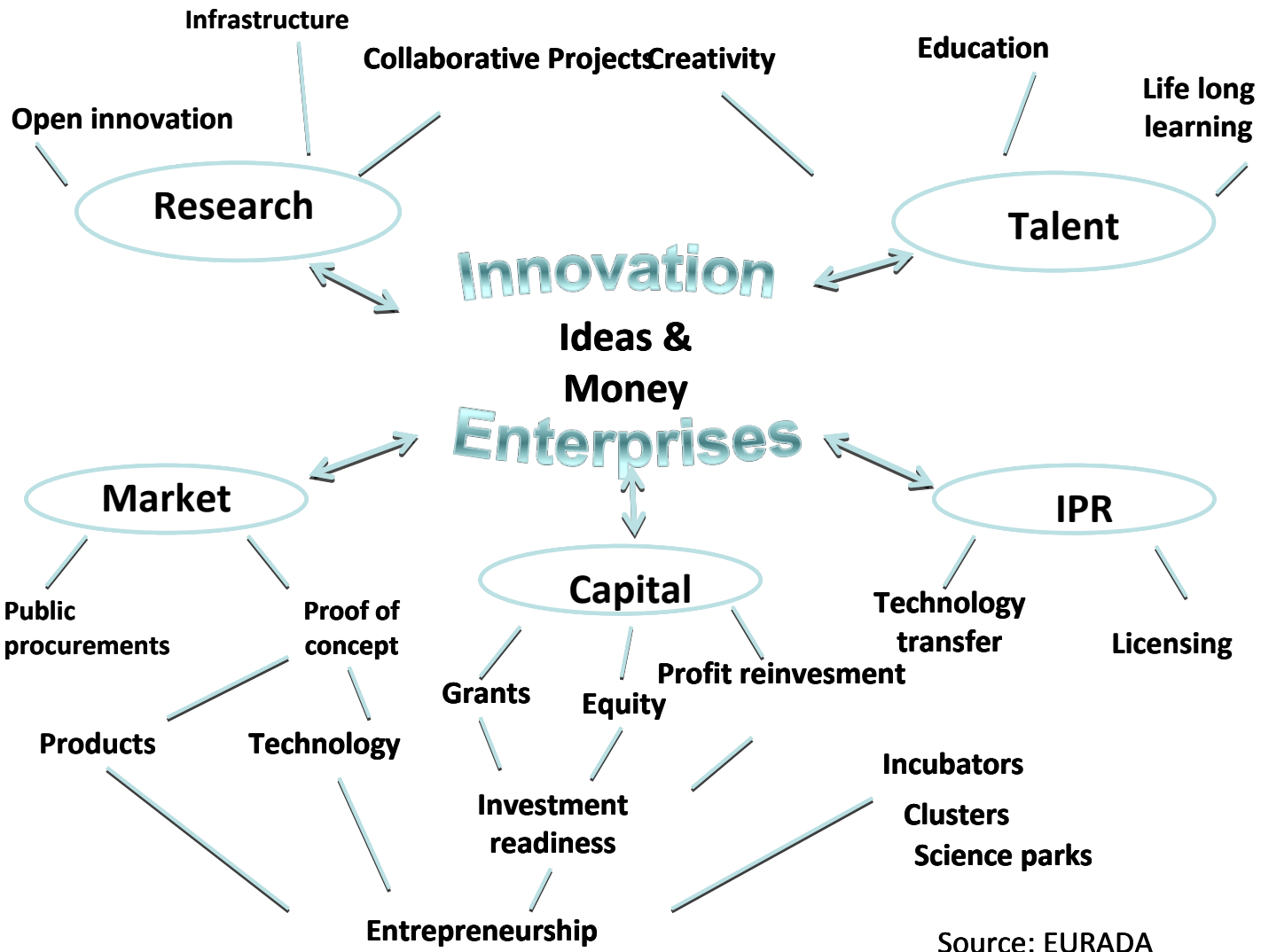
# WHY RIS

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SHARING **OVERLAPPING** INTERACTING

INTER-DEPENDENT MULTIDIRECTIONAL



## RIS - The CHALLENGE

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*How to ensure that the offer of public support services matches with the demand and expectations of entrepreneurs?*

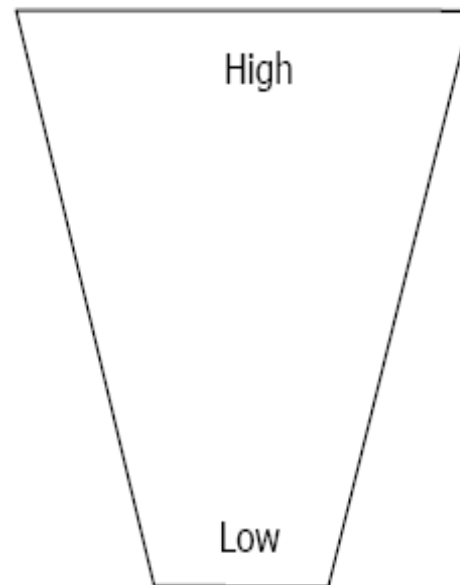


# RIS the buoyancy principle

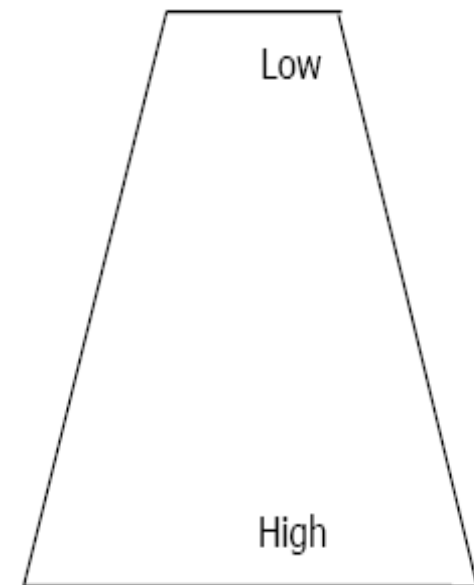
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1. Information
2. Awareness
3. Coordination
4. Accommodation
5. Matching / interfaces
6. Assessment
7. Intelligence
8. Advice
9. Training
10. Partnership
11. Transfer and brockering
12. Financial engineering

Number of potential customers



Added-value intensiveness



Source : EURADA

# RIS EU general framework

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- Regional Strategies (RIS) should leverage **Knowledge** and **Entrepreneurship**
- Cohesion policy helps regions in implementing RIS compensating for the **market** failure that hampers **innovation** and **entrepreneurship**
- For the first time RIS “**synchronized**” with SF

## Background (3)



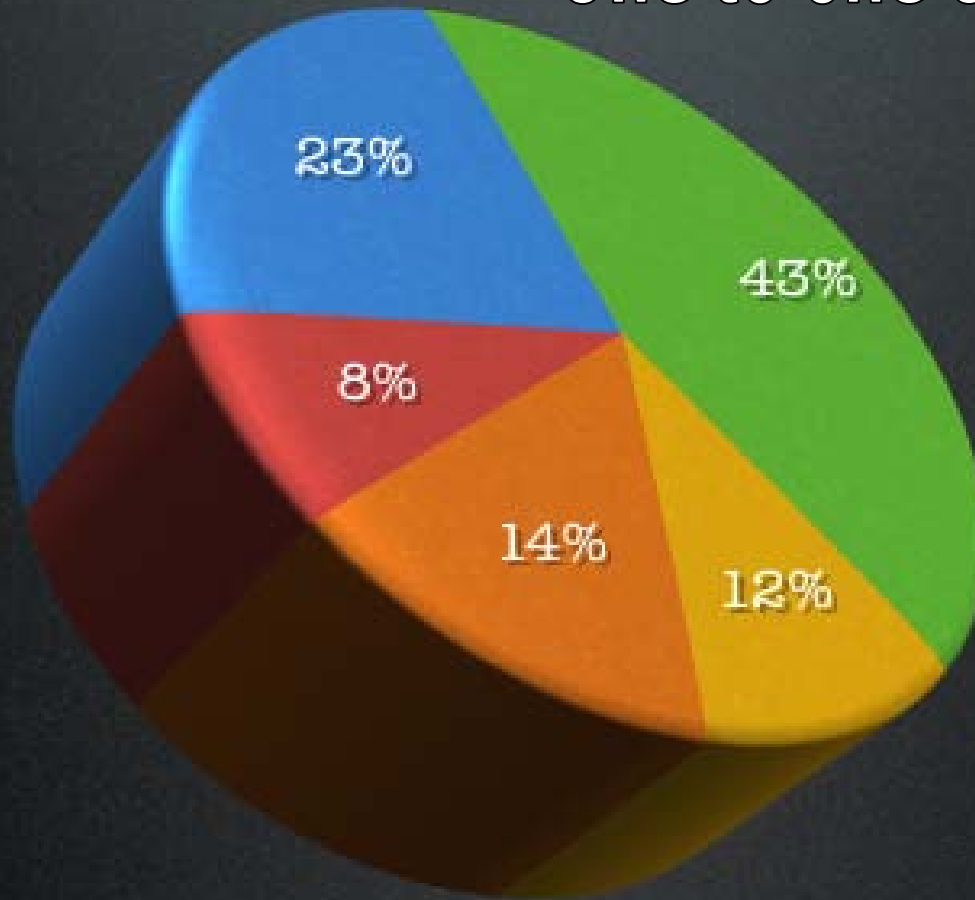
Innovation Coach, a EU specific support action to:

**optimize the implementation** (acceleration and higher performances) of the RIS by exploiting EU added value (mutual learning and cooperation in innovation policy)

**All the 16 RIS NAC** Regions from 2001-2002 RIS covered

- 
- Entrepreneurship Promotion
  - Innovation Financing
  - Innovation Promotion
  - Technology Transfer and Innovation within existing SMEs
  - Others (Tourism & Cluster)

## One to one counseling schemes



## Experience: Main Constraints at Regional level

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### General

- ✓ “**cut and paste**” and “**good practices**” approach
  - ✓ **Inward** looking attitude and **short term** vision
  - ✓ Prevalence of a **risk adverse attitude**
- ✓ An environment not open to value **entrepreneurship**
  - ✓ **Talents** not perceived as an asset

### Specific

- ✓ Not shortage of resources but lack of focus (R&D not innovation – **Technology** not **knowledge**)
- ✓ Lack of specialization, focus and **market driven approach**
- ✓ Difficulties in attracting **private interests**
- ✓ Tendency to forget about **start-ups**
- ✓ **Infrastructures** matters more than interaction and knowledge
- ✓ Little focus on **internationalization**

## Experience: common issues in RIS implementation

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- ① How to insure TT and promote innovation in **traditional** sectors
- ① How to **bridge** universities and SME's and improve competitiveness of **existing** enterprise ?
- ① How to support the **creation** of new KB ventures ?
- ① How to fill the **financial/equity gap** ?



# Challenges that remain to be addressed (1)

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- 🕒 Turning “strategy documents” into action
  - ✓ Did it happen? What could be done more
- 🕒 Lack of a “regional **system**”
  - ✓ How to ‘link’ with ongoing initiatives (maximum effects)
- 🕒 Institutionalisation (**take-up**) of results
  - ✓ what is next?
- 🕒 How to shift from **grant financed** “research” to “commercially” funded projects

## Challenges that remain to be addressed (2)

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- Infrastructures v/s People or **container v/s content**
  - ✓ how to balance “brick and mortar” with soft actions (services and finance)
- How to balance **Job creation vs entrepreneurship**
- Short term view
  - ✓ How to insure the needed cultural change and the entrance of new-comers?

# Items for the policy agenda - Keywords

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## 1) avoid fragmentation

- ✓ Consensus building, programme, excellence, competitive advantages

## 2) insure sustainability of the process

- ✓ Integration, revolving, market

## 3) Role of regional public intervention

- ✓ System, facilitator, procurement, PPP, entrepreneurship



To have knowledge generating new knowledge  
we must favor and stimulate:

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- the **spirit of enterprise** and innovation
- the development of **talent**, and the ability **to attract and retain talent**
- cross-fertilization of expertise
- **commercial applications of research results**
- **risk (seed & venture) capital investment**
- **internationalization of thinking** and planning
- markets and **profits.**

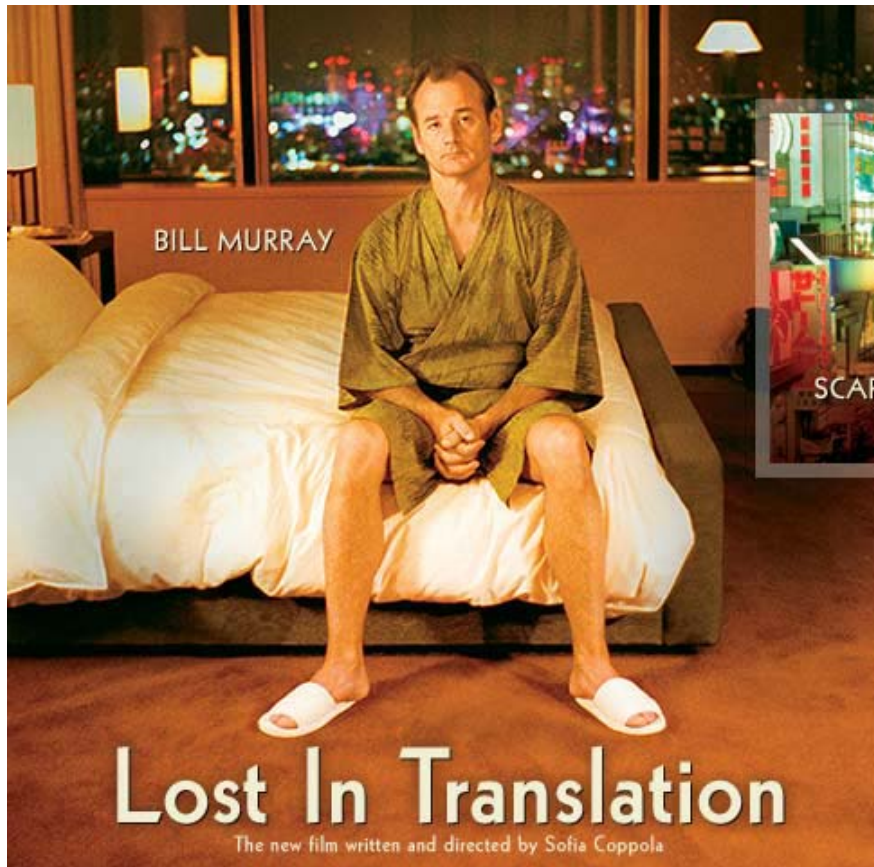
## Messages – to remember again .....

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- Innovation is different from research, is broadly chaotic - complex and interactive
- University's key roles – education and research
  - A third role – interaction with economy becoming more and more relevant
- Innovation requires adjustment to culture and in culture and management (entrepreneurial drive)
- Money moves to success, it does not create it. So create the history – no substitute for doing it

# Critical success factors

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## BACK TO CREATIVITY

Cultural differences matter

Require understanding  
and  
effort to modify

“It is not difficult to learn new things  
It is difficult to quit old habits”



## Critical success factors

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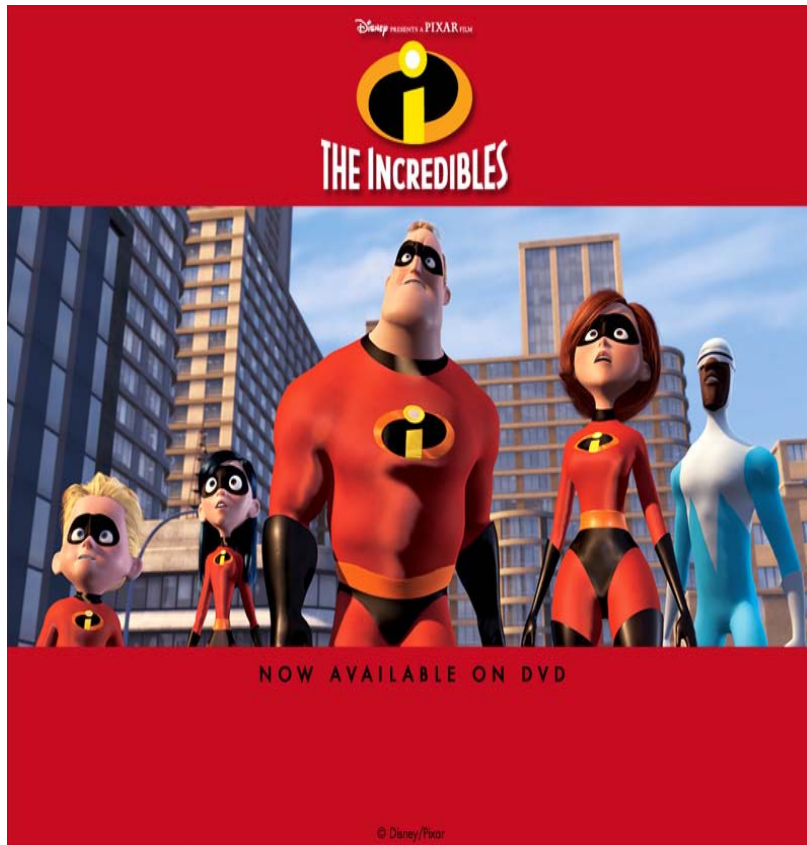


Keep communicating

“Even when they seem not to listen”

# Critical success factors

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being super can be  
the problem  
and the solution



# Knowledge to Market



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**There are no solutions that fit all challenges**

**Thank you for the attention**

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## ***Challenges in deal flow: hypothesis 1***

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We have great S&T and ideas for new businesses

BUT

There is no money to take them forward

SO

Lets build a venture capital industry

## ***Challenges in deal flow: hypothesis 2***

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We have lots of money which is prepared to invest in  
new businesses

BUT

There are not enough good ideas coming forward from  
the knowledge base

SO

Lets change the orientation of the science base

## ***Challenges in deal flow: hypothesis 3***

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We have great S&T and lots of investment money

BUT

The two communities have opposite perspectives and  
cannot talk to each other

SO

Lets build a shared vision and learn a common  
language