Building strategies for Regions of Innovation

12 & 13 April 2020
Christian SAUBLENS
Regional economic development

What is it about?

- In short: « 4 Ps »
  - Place: county, region, city, neighbourhood
  - People: citizens, entrepreneurs, investors, students, tourists, shoppers, congress attendees, ...
  - Perspectives: quality of life, growth, jobs, revenues, experiences, social inclusion
  - Productivity: enterprises, innovation, investments, skills, competition.

- Market economy and social expectations
- A commercialisation ecosystem for new ideas is needed
What is driving innovation?

Today, public policies are based on:

- Looking backwards
- Benchmarking
- Applying fashion concepts

But how do enterprises innovate?

- Creating new ideas
- Re–using existing ideas in a new form
- Giving old ideas a new life
- Absorbing/ imitating innovative ideas
- Following new consumers’ demands
Types of innovation

- New knowledge, competences, technologies
- New products, technical solutions, production processes
- New services
- New designs or brands
- New business operating models
- New systems and networks
- New life style ways
- New working practices, organisations or management models
- Public service realised in a new way
- Integration of enabling technologies
How to cover the whole innovation cycle?

THE CLASSIC R&D TO MARKET CYCLE

Knowledge production process → Equity investors → Commercialisation process

Idea → Research → Prototype design → Proof of concept → Production → Marketing Distribution

Innovation or knowledge leveraging process

THE SOCIETAL CHALLENGE TO MARKET CYCLE

Societal challenges ← Investors → Commercialisation process

Social demand → Team → Research → Prototype → Offer

Innovation process
The dimensions of support for R&D+I

1. Approach to R&D+I

   - Activities
     - Research
     - Design & Prototyping
     - Human Capital
     - IP protection
     - Start ups
     - New products/services
     - New business models

   - Enterprises
     - Public procurement
     - Market replication

   - Market
     - Tourism

   - Sectors
     - ICT & e-business
     - Enabling technologies
     - Manufacturing

2. Nature of the support

   - Infrastructure
     - Research centres
     - Science parks
     - Incubators & networks

   - Enterprise growth
     - Financial support
     - Non-financial support

   - Knowledge (people/talent)
     - Training
     - Skills
     - Technology transfer
     - Mentoring/coaching
     - Consultancy
Four avenues of an entrepreneurial discovery process

- turning traditional sectors into new competitive areas Nord-Pas-de-Calais (F) in rail transport or Baden-Württemberg (D) from the automotive sector to mobility, or Friesland (NL): salt-resisting crops;
- modernising specialisation through new technology [Jyväskylä (FIN) in the paper industry with the integration of ICT, optoelectronics and nanotechnology];
- diversifying, based on existing specialisation [whale tourism in Husavik (IS) from fisheries’ experience; eco-building in Lower Austria (A)];
- radical change [Leuven (B) in microelectronics; Cambridge (UK) in biotechnology or Cantrabria (E) in marine science].
The knowledge/innovation challenge for regions

1. Creation of new knowledge
   ◦ Technology
   ◦ Service innovation and/or non-technological innovation

2. Commercialisation of new products/services based on new knowledge

Knowledge-based region
• technology leaders
• start-ups
• gazelles
• licensing

Others
• access to knowledge
• absorption of knowledge
• diffusion of knowledge
# Knowledge flows from Region A to Region B

<table>
<thead>
<tr>
<th>PEOPLE BASED ACTIVITIES</th>
<th>COMMUNITY BASED ACTIVITIES</th>
<th>TECHNOLOGY TRANSFER ACTIVITIES</th>
<th>ENTERPRISE BASED ACTIVITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobility</td>
<td>Exhibitions/fairs</td>
<td>Purchase of patents</td>
<td>Joint research</td>
</tr>
<tr>
<td>Participation in networks</td>
<td>Conferences/workshops</td>
<td>Licensing</td>
<td>Joint ventures</td>
</tr>
<tr>
<td>Attending conferences</td>
<td>Technology showcases</td>
<td>Spin out attraction</td>
<td>Co-development</td>
</tr>
<tr>
<td>Coaching/mentoring/training</td>
<td>Clusters</td>
<td></td>
<td>Prototyping and testing</td>
</tr>
<tr>
<td>Joint publications</td>
<td>internationalisation</td>
<td></td>
<td>Staff mobility</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Consultancy services</td>
</tr>
</tbody>
</table>

- **People Based Activities**
  - Mobility
  - Participation in networks
  - Attending conferences
  - Coaching/mentoring/training
  - Joint publications

- **Community Based Activities**
  - Exhibitions/fairs
  - Conferences/workshops
  - Technology showcases
  - Clusters
  - Internationalisation

- **Technology Transfer Activities**
  - Purchase of patents
  - Licensing
  - Spin out attraction

- **Enterprise Based Activities**
  - Joint research
  - Joint ventures
  - Co-development
  - Prototyping and testing
  - Staff mobility
  - Consultancy services
  - Soft landing packages
  - Feasability studies
**Flows of knowledge between higher education institutions and local enterprises or people**

<table>
<thead>
<tr>
<th>PEOPLE BASED ACTIVITIES</th>
<th>COMMUNITY BASED ACTIVITIES</th>
<th>PROBLEM SOLVING ACTIVITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student placements</td>
<td>Lectures given by HEI staff</td>
<td>Summer enterprise/students camp</td>
</tr>
<tr>
<td>Vocational training</td>
<td>University/enterprise clubs</td>
<td>Applied research</td>
</tr>
<tr>
<td>Spin off entrepreneurship</td>
<td>Open doors days</td>
<td>Open innovation/living labs</td>
</tr>
<tr>
<td></td>
<td>Embedding HEI in clusters</td>
<td>Consultancy services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Access to HEI infrastructures</td>
</tr>
</tbody>
</table>

Legal citation: [Text](https://example.com)
Knowledge cycle in a region

- Relevance of RDTI
- Outsourcing
- Offshoring
- Delocation

- People
- Traditions, know-how
- Patents

- Research
- Experimentation
- Living labs
- Imitation
- Adaptation

- Licensing
- Innovative products/services
- Start-ups
- Clusters

- Foresight
- Market intelligence
- Stakeholder interaction

Source: EURADA
A commercialisation ecosystem for new ideas

**Concept factory**
- technological and scientific research
- innovation in services
- transfer of technology
- knowledge uptake

**Incubation**
- high value-added venues and networks
- business angels – seed capital – grants?
- mentoring potential entrepreneurs (by serial entrepreneurs)
- proof of concept
- technological showcasing

**Development**
- venture capital – corporate venturing
- all-out cooperation
- prototyping
- first client closure, including through pre-competitive tendering and new PPP formats

**Growth**
- internationalisation
- profits enabling self-financing of future investment
From a generic innovation eco-system to a smart specialisation strategy

Regional Smart Strategy “Stress Test”

Regional input

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

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

Regional output

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

Innovation commercialisation results
- New products / services / solutions put on the market (number)
- Growth of the enterprise / cluster turnover (figures)
- Volume of export (trends)
Is there a choice of the strategy’s ingredients?
Florida or not Florida?
For more information:

Christian SAUBLENS
EURADA

www.eurada.org – info@eurada.org