

“Knowledge to Market,,



7th EUROPEAN CONGRESS OF CEEC RDAs

**European Integration, Regional Policy and Economic Growth
Investing in Regions' Potential to Promote the Competitiveness
of Regional Economies and SMEs**

Regional Research and Innovation Potentials

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Knowledge to Market



policy



finance



market & sales



infrastructures

knowledge based products
seed finance
incubation & acceleration
knowledge based regions

Innovation Coach

In 2004 the EC launched a call to award **innovative approaches** for RIS implementation

Innovation Coach has been selected 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 Regions covered

Main Constraints at Regional level

Social Factors

- ✓ Prevalence of a risk adverse attitude
- ✓ An environment not open to entrepreneurship
- ✓ Low interest of companies toward innovation
- ✓ Inward looking attitude and short term vision
- ✓ Talents not perceived as an asset

Support environment

- ✓ Not shortage of tools but lack of focus (R&D not innovation – Technology not knowledge)
- ✓ Absence of a proper process/support for business shaping (awakening, awareness, action)
- ✓ Difficulties in attracting private side
- ✓ Lack of specialization and market driven approach
- ✓ Infrastructures matters more than interaction and knowledge

Main Constraints at Project level

- ❶ **Unbalanced motivation and interest to implement Counselling Schemes depending on the ‘regional autonomy’ of the regions (Lack of time i.e. financial constraints)**
- ❷ **Different maturity level of the proposed projects**
- ❸ **“Copy – paste” among practices without almost any consideration of local potentials and differences**
- ❹ **Difficulties in the transition from grant financed research to commercially funded projects**

RIS & Cohesion policy

- ❶ **Regional Strategies (RIS) should concentrate on leveraging Knowledge and Entrepreneurship**
- ❷ **Cohesion policy helps regions in implementing their RIS (and their action plans), compensating for the market failure that hampers innovation and entrepreneurship**

Common issues in the RIS implementation

- ❶ How to improve **competitiveness** of existing enterprise ?
- ❷ How to **bridge** universities and SME's ?
- ❸ How to support the creation of new **KB ventures** ?
- ❹ How to foster an entrepreneurial **culture** ?
- ❺ How to fill the **financial/equity** gap ?

RIS Implementation - Options

- ① Focus on excellence and avoid **fragmentation**
- ① Invest in **human capital** (“brains” attraction and retention)
- ① Remove obstacles, ensure **mobility** (ideas, people, goods, capitals)
- ① Invest in entrepreneurial culture and **entrepreneurship**
- ① Boost **internationalization** (partnerships, markets,

RIS Implementation & Structural Funds - Leverages

- ❶ **Cooperation** among SMEs, SMEs and Knowledge producers – “Clustering”
- ❷ **Channel investment** in SMEs towards innovation
- ❸ **Access to high-profiled services**
- ❹ **Support to knowledge based start ups**
- ❺ **Integration** of dedicated financing tools (debt, risk capital, guarantees, grants)
- ❻ **State of the art infrastructures**

RIS Implementation - Challenges

- ❶ Consider **market** as the leading driving force and stimulate **competition**
- ❷ Foster the investment in **people and ideas**
- ❸ Embed financial measures within a sound **supportive system** based on programmes
- ❹ Avoid fragmentation exploiting a proper critical mass of funds, and intervention
- ❺ Promote **specialization** and excellence to handle competition in the future
- ❻ Insure coordination among Institutional levels, Ministries and Funds

Approaches sought/found

- ① **Shifting from projects to long term integrated programs**
- ① **Looking at sustainability**
- ① **Considering not only the supply but also the demand and market issues**
- ① **Integrating infrastructures, services and finance**
- ① **Public procurement as a key driver to stimulate innovation**
- ① **Moving from incubation to acceleration**

Challenges that remain to be addressed (1)

- ❶ Turning strategy documents into **action**. Did it happen? What more could be done
- ❷ Institutionalisation (**take-up**) of results: what is next?
- ❸ **Fragmentation** and lack of a “system” - How to ‘link’ with ongoing initiatives (maximum effects)
- ❹ How to shift from grant financed “research” to “**commercially**” funded projects – Cultural issue, unfair competition – More “investor readiness” ?

Innovation finance key issues

- ❶ **Equity gap** and/or market failure ?
- ❷ Stimulating the **deal flow** is of paramount importance
- ❸ Not only finance but also **services**
- ❹ There is an important **distinction** between pre-seed and seed capital finance
- ❺ **Public mission** and **market led / profit driven** management

Challenges that remain to be addressed (2)

- ❶ Infrastructures v/s People or **container** v/s content – how to balance “brick and mortar” with **soft** actions
- ❷ Short term view – How to insure the needed cultural change and the entrance of new-comers in the **market**?
- ❸ Focusing more on new knowledge exploitation with a different valuation of the **entrepreneur**



It is not difficult to learn new things but
to quit old habits

Thank you

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