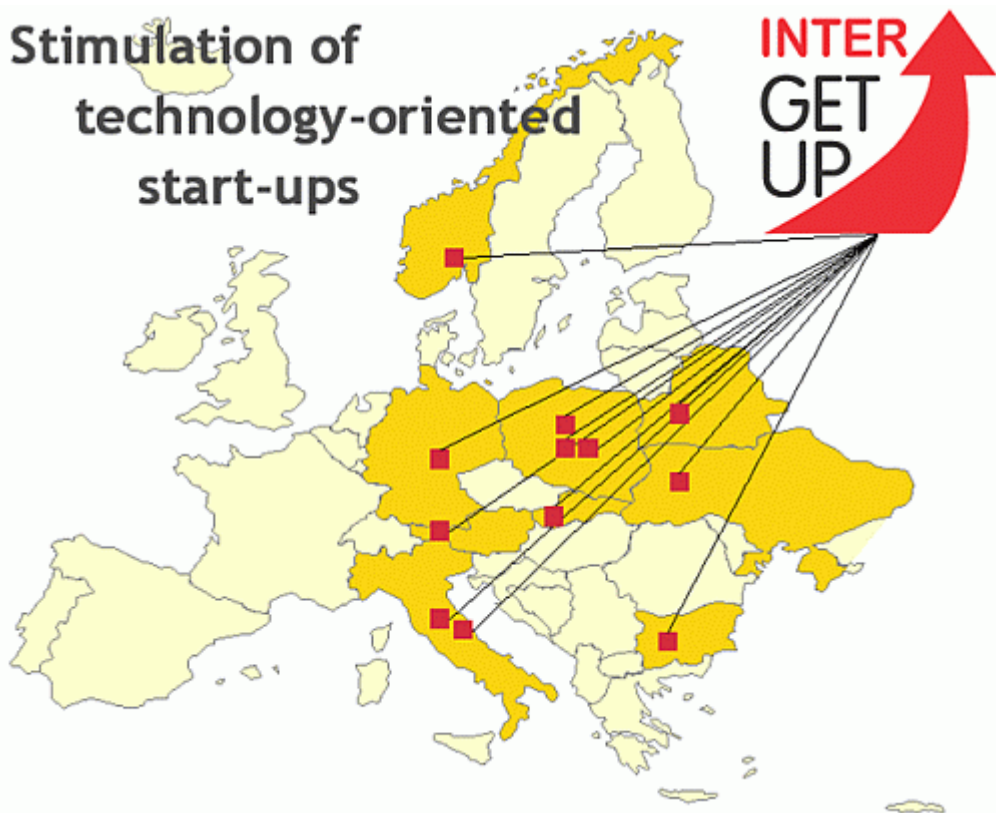




"INTER GET UP" – European Regional Approach and Experience for Stimulation of TOSU and Increasing their Innovative Potential



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GIS –Transfer Center

INTERREGIONAL PARTNERSHIP:

7th EUROPEAN CONGRESS OF CEEC RDAs

"Investing in Regions' Potential to Promote
the Competitiveness of Regional Economies and SMEs"

Sofia, 27/28 September 2007



GIS-Transfer Center aims followed the activities of the operation:

- To **disseminate** the partner know-how and experience in Bulgaria;
- To test a developed **model** for support of innovative and high-tech oriented start-ups companies.
- To increase the SME's **competitiveness** and their **innovative potential** by the technology transfer of competitive research products, know-how, consultancies and expertises;
- To **strengthen** the Bulgarian Technology Transfer Network based on the European region experience.





The **Innovative Potential of SMEs** depends on the following aspects (1):

1. Strategic Development Plan

70% of SMEs declare that even they have Development Strategy, they have to actualise it every year.

85% of SMEs promote themselves as innovative and demonstrate its innovative potential.

2. Innovative culture, competence and motivation

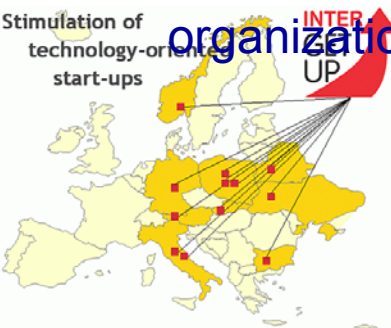
50% of SMEs show that their staff aims to reach new sphere of competence for implementation of innovative projects, but

85% expect additional growth from future innovation.

3. Innovative management

30% of SMEs let their staff have additional time for development of their innovative ideas and stimulate their innovative thinking through different organizational and training forms and techniques.

Stimulation of
technology-oriented
start-ups



Data from research conducted in Germany



The **Innovative Potential of SMEs** depends on the following aspects (2):

4. Networking and network structures as clusters, regional, branch and other associations.

5. Relationship with clients

70% look at the client as a partner for development and it is very important for guarantee the sells and export to new (neighbours) markets with new goods and services.

6. Supporting and stimulated functions and impact factors.

50% of asked SMEs have not enough capital for innovative investment and asses such kind of measures as very important.





One concept is developed in implementation of the project work plan with accent innovative technology oriented SMEs

It will be used in development of international platform for hi-tech firms, including firms with innovative profile.

The objectives of the conceptions are:

1. *To promote the possibility of strategic approach for stimulation of TOSU, based on public-private partnership.*
2. *To initiate expert analysis of measures and instruments for supporting TOSU, focused on:*
 - ✓ *Transfer of technologies and innovation;*
 - ✓ *Sells and marketing;*
 - ✓ *Financing and credits;*
 - ✓ *Incubation: technology parks and business incubators, technology transfer centers.*

Stimulation of
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Determinate (in the frame of the existing institutional framework) of separate organisational scheme for supporting TOSU, including (fig.1.):

1. Determination and Synchronization of all measures concerning the different strategic documents in the National Innovation Strategy
2. BSMEPA responsible for the coordination and monitoring, with one expert from the Agency and working group (model of the evaluators in National Innovation Fund)



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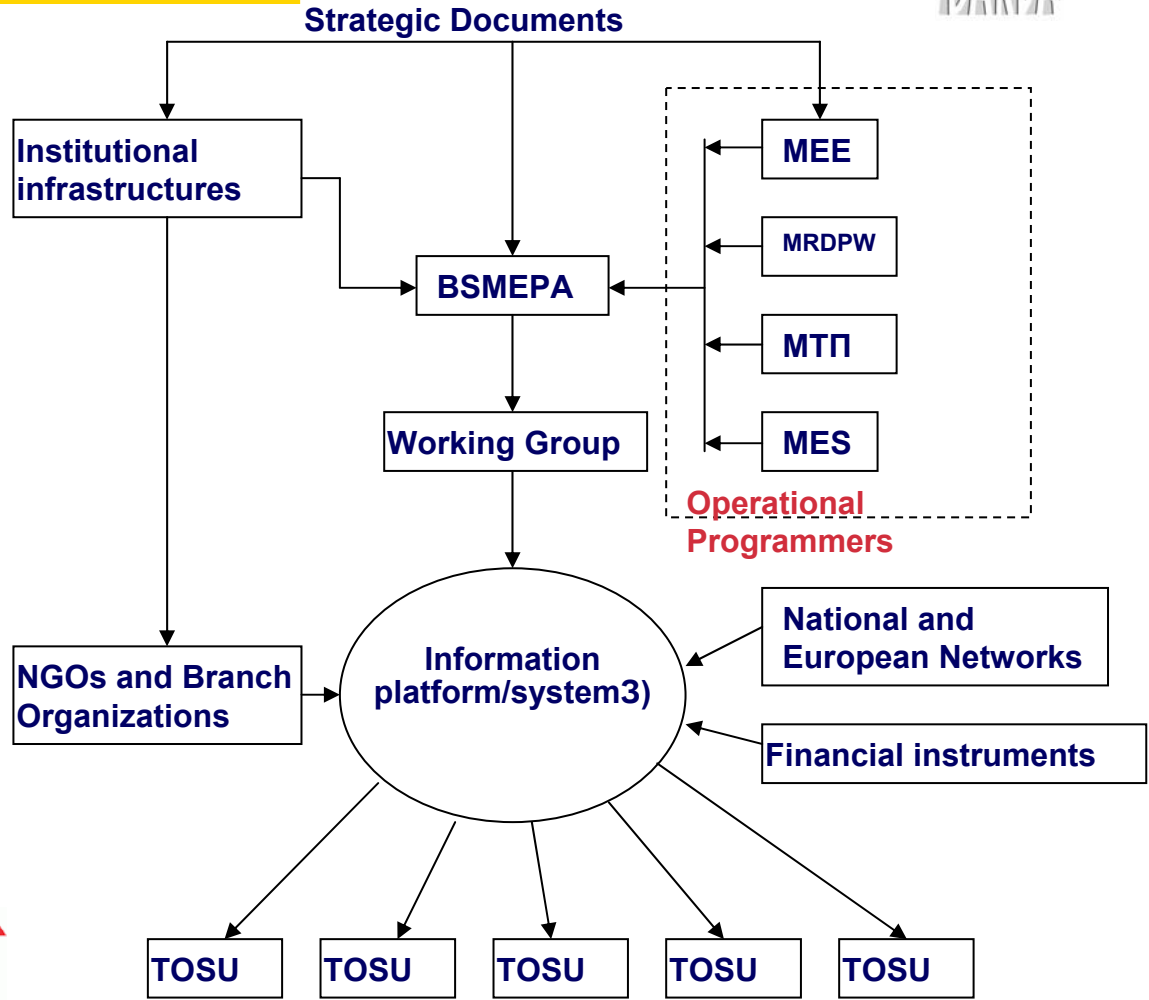
The main tasks of the target group:

- Preparation and making application to the institutions for development of **connections and coordination** between measures concerning TOSU in the existing documents including innovation;
- Development of **mechanisms for involving TOSU in National and European Supporting Networks** (including schemes for financial support);
- Initiate **infrastructural projects** under OP “Competitiveness” and ROP (for example: Building network of business incubators and technology parks) – Suggestion of measures for stimulating TOSU is the following activities: “Sells and Management”, “Financing” and “Incubation”.



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Фиг.1. Organizational Scheme for Stimulating TOSU





2.1.3. Establishment of **Specialized information system for serving innovative firms**, including start-ups. The needed resources for the activities and management will be provided by it.

2.1.4. **Monitoring** from BSMEPA and preparation of **Annual Report for the implementation of National Innovation Strategy**, deposited from MEE in the Council of Ministries.

2.1.5. The above approach will allow:

- ✓ **institutionalism** of the activities for stimulation of TOSU;
- ✓ systematic and purposeful character of the implemented activities;
- ✓ **Framework for strategic partnership between state business;**
- ✓ **wide application** of new ICT and other innovative technologies.





3. Suggestions for Supporting TOSU in Priority Activities

3.1. Technology transfer and innovation;

According the report of MEE for implementation of National Innovation Strategy, **TT&I is the weakest developed link** in the connection science – production. The main objective of the **INTER GET UP project** is to increase:

- competitiveness of TOSU and
- **their innovative potential**

Experiment with **14 forms of technology transfer**.





Forms of research and technology transfer *experimenting....*

1. Expert analysis of the SME needs for transfer of technology and innovations.
2. Supporting the negotiations between the SME and the research organization while discussing the analysis or SME needs – agreement or protocol.
3. Development of program for training of company personal to accept RTT or to work with the innovations and high technology equipment in cooperation with Innovation Centre - BAS.
4. Attaching individual consultants to the companies, accepting RTT, including development of prototypes in cooperation with Innovation Centre - BAS.





Forms of research and technology transfer *experimenting....*

5. Research and technical support and consultations while defining, development of project proposals applied to National Innovation Fund, PHARE, transborder cooperation, 7th FP of EC, as well as becoming a member of international networks in cooperation with Innovation Centre - BAS.
6. Support of technology oriented and innovative start ups
7. Support of incubated companies in cooperation with High-tech business incubator – Varna.





Forms of research and technology transfer *experimenting....*

- 8. Development of recommendations for intellectual property policy of SME (including in or out of Bulgaria, also for preparation of patent or its prolongation) in cooperation with SME Institute - Austria
- 9. Model for trade mark
- 10. Providing a specific juridical support in the field of innovations.
- 11. Support in acquiring EU standards (ISO) especially those for the quality control and environmental protection.

Juridical & Standards





Forms of research and technology transfer *experimenting....*

12. Advices for market studies of import and export, including attracting new clients, distributor network and advertisement.
13. Development of model business plan, including for risqué financing and finance model for SME activity.
14. Advices and consultancies for attracting investments including establishment of **ROSIO** in cooperation with Sofia, Plovdiv and Varna, technology consultancies for specifying the necessary technology equipment in cooperation with Innovation Centre – BAS and HTBI - Varna.





3. Suggestions for Supporting TOSU in Priority Activities

3.2. Sells and marketing

3.2.1. Dissemination of information for international markets.

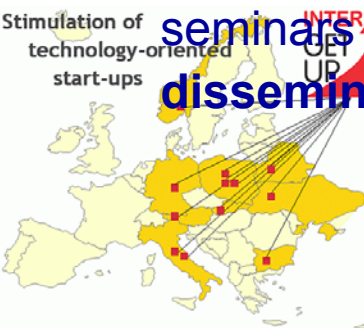
3.2.2. Support for researches about the potential for development of territorial regions and the business opportunities (the size of the internal market) through the future National RIS Network, BARDA Network, etc.

3.2.3. Programme realization of training for entrepreneurs and management concerning innovative firms (before and after start-up), as well as prequalification of their staff.

3.2.4. Thematic fragmentation of the specialized forums and seminars for innovative firms with accent on the methods for selling and dissemination of the new product.

Stimulation of
technology-oriented
start-ups

INTER
GET
UP





3. Suggestions for Supporting TOSU in Ppriority Activities

3.3. Financial and credit resources

3.3.1. Two main financial instruments for gathering of capital:

- *financing through **debt capital***
- *financing **by joint stock share***

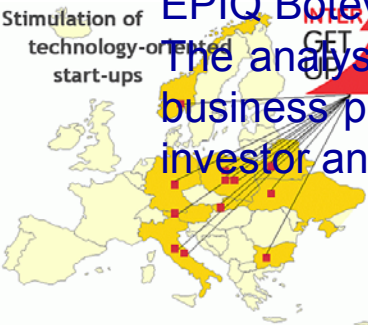
The international practice shows that the first one is neither reachable nor profitable for start-ups.

The investment of **venture capital** in start-ups is a form for establishment of business provided by private companies.

In Bulgaria there are **some successful examples** for development of firms from ICT sector using venture capital: Melon Technologies (www.melontech.net) Netage Salutions AD (www.eastisoft.com), Easisoft (www.eastisoft.com). Others: WebGate, Orbitel, Nexcom, Nexcom BG, BTK Net, TeamBulled Communications Bulgaria, Globul, EPIQ Botevgrad, Dazy Multimedia.

The analysis of these examples shows the **main factors for success**: well developed business plan, competent management, transparency and trust in relationship between investor and entrepreneur.

Stimulation of
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start-ups



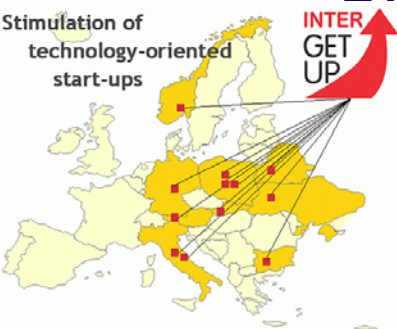


3. Suggestions for Supporting TOSU in Priority Activities

3.3. Financial and credit resources

3.3.2. Main participants in the venture capital market in Bulgaria:

- Bulgarian-American Investment Fund (www.baefinvest.com)
- Global Finance (www.globalfinance.gr)
- Bulgarian Post Privatization Fund
- Fund for investments in South East Europe – SIGMA BLEYZER (www.sigmableyzer.com)
- SEAF (SME supporting Fund Фонд) (SEAF Trans-Balkan Fund Bulgaria) (www.seaf.bg)
- Equest Partners
- Advent





3. Suggestions for Supporting TOSU in Priority Activities

3.3. Financial and credit resources

3.3.3. According to a research of Deloitte Company (among 550 companies), the European companies are the main likely source of venture capital in Bulgaria.

Eventual venture capital investments must be supported by expected resources for development of instruments for venture financing through European funds after 2007

- Local Contact Point of Gate 2 Growth;
- Grant support scheme for Bulgarian TOSU, funded by OP "Competitiveness";





3. Suggestions for Supporting TOSU in priority activities

3.3. Financial and credit resources

3.3.4. Other existing financial resources for SMEs in Bulgaria, suitable for TOSU:

- **National Innovation Fund at BSMEPA;**
- Call for proposals, MEE – OP “Development of the Competitiveness of the Bulgarian Economy” 2007 - 2013
- **Project “Establishment of competitive start-ups”** (Project 100) – MEE with the financial support of UNDP under “JOBS Programme”;
- Involvement in the **information systems of ROSIO Centers (ROSIO Center Sofia, Varna and Plovdiv)** (regional center for attracting investments).





3. Suggestions for Supporting TOSU in priority activities

3.4. Incubation: BIs, Technology Parks, Innovation Centers and Centers for Technology Transfer.

3.4.1. Business incubators support start-ups with premises and equipment at very good price conditions, administrative services including information, consultation, advocacy, development of business contacts and help in access to financial resources.

- **Technology parks;**
- **Innovation and technology centers**
- **High-tech business incubator, Varna**





3. Suggestions for Supporting TOSU in Priority Activities

3.4. Incubation: BIs, technology parks, Innovation Centers and Centers for technology transfer.

3.4.2. The development of Business Incubators, Technology and Innovation Centers in Bulgaria as EU member is directly connected with absorption of the Cohesion Fund and the Structural Funds, including the needful infrastructure.

It is necessary to be provided good coordination between OP "Competitiveness", National Innovation Fund, participation in 7FP, suggested involvement in the EU Network Gate 2 Growth and others, as well as with measures for implementation of **Regional Innovation Strategies** (in process of development).





3.4. Incubation: BIs, Technology Parks, Innovation Centers and Centers for Technology Transfer.

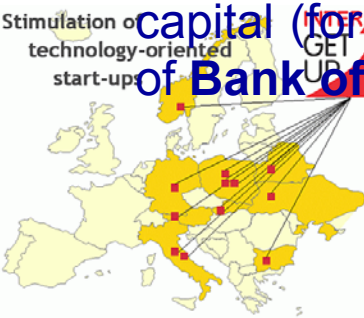
3.4.3. Practical steps in **programme development** and building infrastructure for incubation of TOSU:

- Call for proposals through OP "Competitiveness" and OP "Regional Development", network of Business Incubators and Technology Parks and Centers, in accordance with EU standards;

- Following the results from the survey, acceptance (from MEE, MRDPW, MLSP and others) of **Programme for infrastructure building** and its **involvement in the competitions under OPs managed by these ministries;**

- **Programme coordination and monitoring** by competent structural unit to state body.

- Insurance of additional **co-financing** from state budget and venture capital (for example: Encouragement bank, which is in process of establishment of **Bank of Development**).





INTER GET UP Project results:

Increasing innovations and public private partnerships between academia-industry-society by research and technology transfer – 12 innovation projects undergoing,

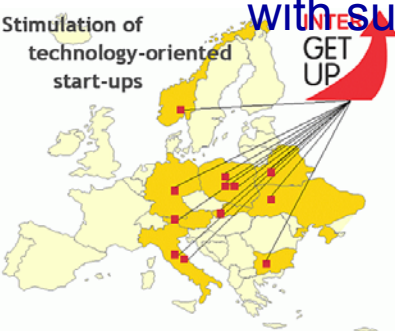
PPP Projects for Industrial Park – Tundja, ROSIO for Sofia and Varna

Support of technology oriented start ups (founded after spring 2003)

- TDP Group Ltd., MiS Ltd, Aqua Products Ltd., ALIS Ltd., Bodi-D Laboratory, Moni Ltd., Aurimetria, etc.,.

Strengthening the Bulgarian Technology Transfer Network developed by GIS-Transfer Center in cooperation with **IRC** and **BIA & MSI** based on the European region experience via www.ttnbg.com and updated nowadays with support of **GTZ**


Stimulation of
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ТЕХНОЛОГИЧНО ОРИЕНТИРАНИ СТАРТИРАЩИ ФИРМИ

Темата за необходимостта от по-активно стимулиране на развитието на фирмите у нас става особено актуална след приемането на страната ни в Европейския съюз. Тя предполага фокусиране върху приоритетите и мерките за повишаване конкурентноспособността на икономиката. Един от най-ефективните и доказали се начини за повишаване конкурентноспособността на индустрията е чрез насърчаване на инвестициите в нови технологии и производство на конкурентноспособни продукти и услуги. За това е необходимо създаването на подходяща инфраструктура като: индустриални и технологични зони, центрове, инкубатори, центрове за трансфер на технологии, иновативни кластери от предприятия, както и създаването на иновативни стартиращи фирми от типа малки и средни технологично ориентирани предприятия, за което е необходимо организирането на изследователски и технологичен трансфер на научните организации към производството.

Фирмите, които имат намерение да останат на пазара и продължат своето развитие трябва да осъзнават необходимостта от технологично развитие и внедряване на иновации в дейността си като средство за повишаване на конкурентноспособността. Пример в тази насока е проекта **INTER GET UP**, финансиран по Програма PHARE BG2004/016-919.05.01B.


INTER GET UP/IG, насочен към стартиращи технологично ориентирани фирми, които се нуждаят от подпомагане на дейността им чрез внедряване на най-нови технологии, създадени в резултат на научни разработки. Проектът подпомага участието на Република България в инициативата INTERREG IIB (CADSES) and INTERREG IIC с Министерството на регионалното развитие и благоустройството (Изпълнителна агенция по Програма ФАР). **INTER GET UP/IG**, международен подход за стимулиране на технологично ориентирани стартиращи фирми в Европа. В резултат проекта за по-ефективно използване ресурсите на държавата е изработена Концепция за подпомагане и стимулиране на стартиращи технологично ориентирани фирми. Конкретните ѝ цели са:

Да осполузи видене на възможен стратегически подход за насърчаване на технологично ориентирани стартиращи фирми (ТСОФ), базирани и на публично-частнопартньорство.
 Да иницира експертно обсъждане на мерки и инструменти за подпомагане на ТСОФ, фокусирани върху:

- трансфер на технологии и иновации;
- продажи и маркетинг;
- финансирание и кредитиране;
- инкубиране; технологични паркове и бизнес инкубатори;
- трансферни технологични центрове (ТТЦ).


Предлаганата книга е първото издание, което разглежда тези мерки и инструменти в контекста на подготовката книга е първото издание, което разглежда тези мерки и инструменти в контекста на подготовката на стартиращите за стартиране на технологично ориентирани иновативни фирми.

Тази книга е създадена с финансовата подкрепа на Европейския съюз. Целта на инициативата за създаването на документа се носи от Фондация "ГИС-Трансфер Център" и при липса отговорността не може да се приема, че този документ отразява официалното становище на Европейския съюз.




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ПРЕДПРИЕМАЧЕСТВО И БИЗНЕС ПЛАНИРАНЕ ЗА ТЕХНОЛОГИЧНО ОРИЕНТИРАНИ СТАРТИРАЩИ ФИРМИ

Фондация "ГИС - Трансфер Център"



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