



CLUSTERS AND INTER-CLUSTER COOPERATION  
The Bulgarian ICT Cluster

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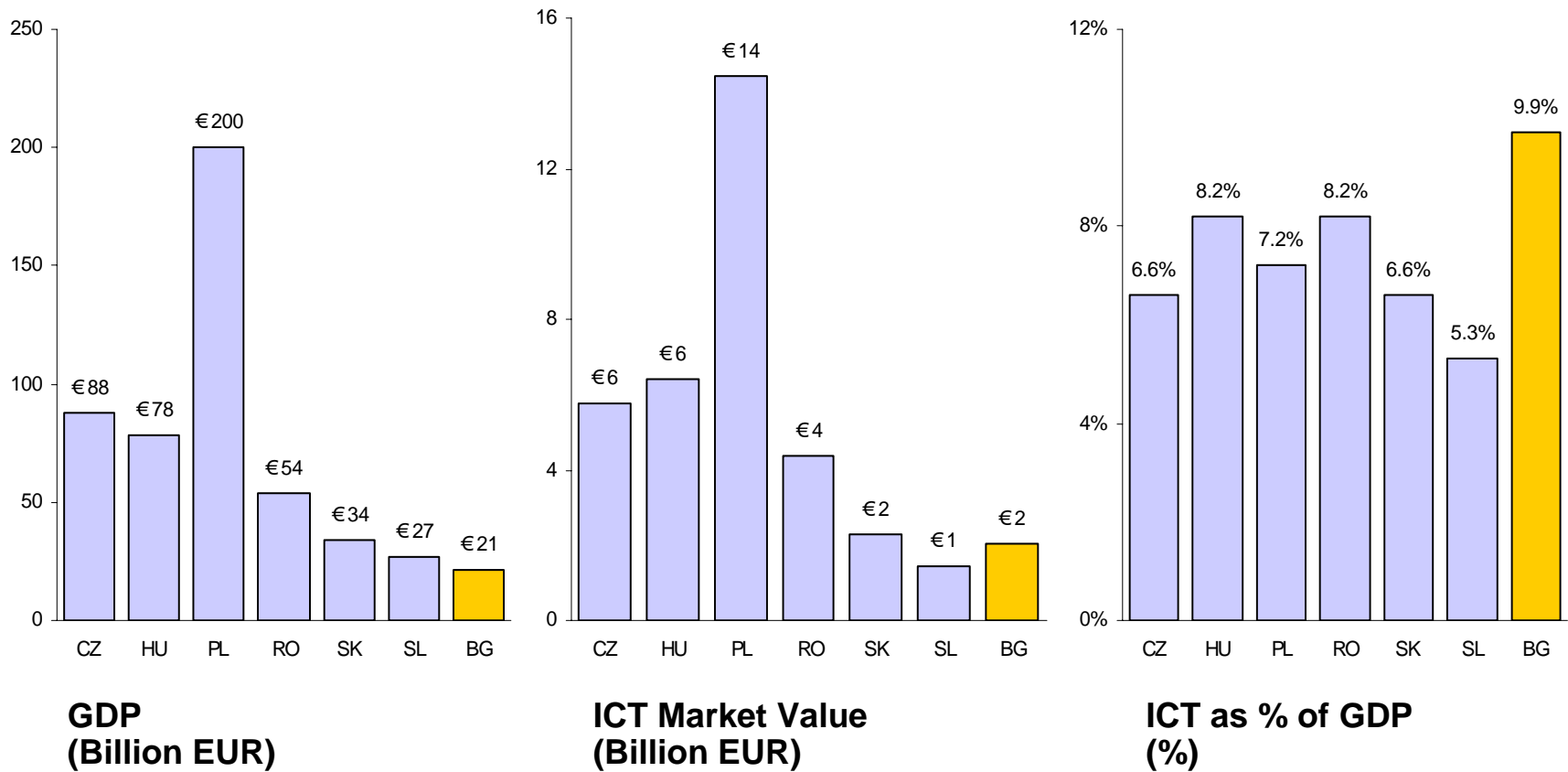
## Foundation for Innovation

- Knowledge and ideas
- Entrepreneurial and managerial skills
- Financing
- Low level of administrative burden
- Stable IP rights system

## Innovation Is

- *The process of translating new ideas into tangible societal impact, Krisztina Holly- USC*
- *Change that creates a new dimension of performance, Peter Drucker*

## CEE and Bulgarian ICT Markets in 2005



## Bulgarian National Strategy for Innovation - 2004

- Introduction of the National Innovation Fund
- Support for hiring young specialists in SME
- Creation of Science / Technology Centers and Parks
- Optimization of the chain: Science – Technology – Innovation
- Entrepreneurship education
- Support for cluster creation and development
- Increase of FDI in the R&D area / centers
- Creation of University Centers for Entrepreneurs

## Innovation Related Initiatives

- National Strategy for Science Research 2005 – 2010, which is limited by the 0.5% of GDP cap on R&D expenses
- National Strategy focused on SME development through the 3.5 million EUR National Innovation Fund
- National Strategy for Education

## Despite All of the Above Efforts

- Innovative companies are only 11.4%
- The technology innovation part of all innovations is only 8.9%

## Bulgarian ICT Cluster

- Private initiative started in 2004
- Platform for knowledge transfer and competitiveness
- Mission: to make ICT the leading industry, economic and social driving force in Bulgaria

## Main Strategic Directions of ICT Cluster Activities

- Improvement of state ICT policies and practices via PPP
- Improvement of the ICT market conditions and business capabilities
- Education, training and workforce development
- Branding, positioning and promotion

## Bulgarian ICT Organizations in Synergy

- BASSCOM (Bulgarian Association of Software Companies) [www.basscom.org](http://www.basscom.org)
- BIBA (Bulgarian International Business Association) [www.biba.bg](http://www.biba.bg)
- BBKEPI (Bulgarian Branch Chamber for electronic industry and Informatics)
- BWA (Bulgarian Web Association) [www.bwa.bg/en](http://www.bwa.bg/en)
- CLICT (Center for ICT Law) [www.clicl.net](http://www.clicl.net)
- E-Health Bulgaria Foundation [www.ehealth-bg.org](http://www.ehealth-bg.org)
- Internet Society Bulgaria [www.isoc.bg](http://www.isoc.bg)
- Interspace Association [www.i-space.org](http://www.i-space.org)
- NBDN (National Business Development Network) [www.nbdn-bg.org](http://www.nbdn-bg.org)
- National Research Network Association
- High-Technology Business Incubator-Gabrovo [www.hitech-incubator.com](http://www.hitech-incubator.com)
- High-Technology Business Incubator-Varna [www.htbi-varna.org](http://www.htbi-varna.org)
  
- ASTEL (Association for Telecommunications) [www.astel-bg.com](http://www.astel-bg.com)
- Association iCenters [www.icentres.net](http://www.icentres.net)
- SEC (Society for Electronic Communications) [www.bgsec.org](http://www.bgsec.org)

## Foundation for Entrepreneurship

- Implementation of the Intel-Berkeley 'Technology Entrepreneurship Education Program' in three Bulgarian Universities in 2006 and 2007
- Organization of a CEE regional competition: Turn Innovative Ideas into Real Business
- Establishment of the Technology Innovation Centre for Advanced Software Engineering (TICASE) *with crucial support* from INTEL

## ICT Broadband Platform

- Main goal is creation of a National Broadband Strategy and its implementation through PPP
- Result of the combined effort of all founders:
  - Multinational companies: Siemens, Ericsson, HP, Kapsch CarrierCom
  - Telecom operators: BTC, Mobiltel, Evrocom
  - NGOs: ICT Cluster, BAIT
  - State administration: SAITC, CTC, MEER, MSAAR

## Incubation

- First two Hi-Tech Incubators opened in Varna and Gabrovo with public funding in late 2005
- ICT Cluster helps with:
  - Methodological and expert assistance
  - Marketing and technology assistance
  - Support through FP6/7



## Current ICT Market Environment

- Lack of financial instruments for both Start ups and SMEs
- Absence of Business Angels and Venture Capitalists
- SMEs lack size to be traded on the Bulgarian Stock Exchange
- Lack of managerial and financial culture among entrepreneurs

## The ICT Cluster Fills In The Financing Gap

- Phase A (2007-2008): Creation of a Business Angel Club and preparation of a pipeline of Start ups and SMEs
- Phase B (2009): Creation of a Hi-Tech Equity Investment Fund

## Products versus Services

- USA and EU economies are 80% service based
- The Customer asks for more and more business added value
- In the Knowledge economy the true currency will be Customer Experience!

## PPP, the Recipe for Baking “Innovation”

- Government: Work with industry and academia to develop service research
- Corporations: Commit to funding a permanent service R&D budget
- Academic institutions: Increase core research in services, establish curricula, programs and degrees for service disciplines (e.g. management, operations, design, etc.)

## Heuristic

- True success in business innovation has not been found
- It is about a strongly focused approach to strategy and structure

## Systematic Innovation

- Bring innovation to the class rooms
- Build a culture of innovation
- Structure the innovation processes
- Manage process members' leverage

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