

ORGANISATIONAL COACHING TOOL

Tartu City Government

1. Introduction
2. The RIS3 Strategy
3. The Organisational Coaching Tool (OCT)

1. Introduction and objectives

After an in-depth analysis conducted by the Estonian Development Fund and supported by the Ministry of Education and Research, the Ministry Economic Affairs and Communication, Enterprise Estonia and the Estonian Research Council in 2013, the smart specialisation strategy was defined. Although not recommended, Estonia and also other Baltic states used the top-down approach – where the public sector determines narrow growth areas with administrative guidelines. This is mainly because of the small size of the regions and economy in general. Yet, several regions in Estonia, including Tartu (report from 2014) as one of the pioneers, have defined their own growth areas.

Yet, although already 3-4 years old, the smart specialisation strategy of Estonia and Tartu is still at the stage of building the foundations for a strategic governance of priority setting and mutual commitment for smart specializations. This governance for identifying smart specializations is conceived as a bottom-up 'self-discovery process', guided by a challenge driven political and societal commitment that builds on strategic processes involving stakeholders in the past decade.

Smart specialisation is giving guidance to the development of the Tartu and South Estonian economic and innovation systems by a differentiation strategy based on comparative strengths. These were already found in a former study "Analysis of the competitiveness and growth areas for Tartu and South Estonia" before the RIS3 strategy was created. Development of a smart specialisation strategy is therefore now part of the overall future strategy of Tartu and South Estonia and not only a response to the 'ex ante conditionality' of the European cohesion policy.

The development of the smart specialisation strategy is embedded in the course of our evolving policy and institutional frameworks. We see smart specialisation as a focus strategy for systemic changes at the level of economy, the innovation system and government.

The economic and social challenges the regional RIS3 strategy addresses

The smart specialisation strategy of Tartu and South Estonia will result from the interaction between priority setting in national, regional and micro level and from the "entrepreneurial discovery" processes. Also from the alignment to the interregional cooperation and European roadmaps for common challenges.

The South-Estonian economy has lost a large share of jobs in the primary sector over the past two decades of restructuring. However, the primary sector was swapped by with the secondary sector which has been focused on subcontracting and low labour cost. Yet, the advantage of the lower labour costs is rapidly disappearing.

Although city of Tartu is the hub for its County and for the whole South Estonia, and the formal targets to strengthen its RDIs, regional development and innovation strategies have materialized, the expected impact from those processes have not realized into value added and employment for the whole of South-Estonia.

In order to create a sustainable growth for the Tartu and South Estonia, linkages with the RIIIs, universities and other institutions, as well as skilled people have to be made. And one of the possibilities to do it is through the RIS3 strategy platform, where Estonia and Tartu have the same priorities.

Description of the smart specialisation focal areas of the region

In May 2014, Tartu Science Park, in cooperation with the Centre for Applied Social Sciences, published the smart specialisation strategy of Tartu and South Estonia. Although this document was based on the prior analysis on the growth areas of the region and was in accordance with the national smart specialisation strategy, it can be considered to be the result of the policy evolution in Estonia after the reindpendence and a completion of the strategic convergence of different policy domains, as the found growth areas in Tartu and South Estonia matched the ones selected in the national strategy. There were minor specifications under the “More efficient value-added from the use of resources” growth area, where two separate areas were indicated with the most potential. The four growth areas of the Tartu and South Estonia RIS3 are:

- Information and communications technology and electronics;
- Health technologies and biomedicine;
- Wood (construction of wooden buildings);
- Food (dairy industry and functional food)

Tartu Development Plan, the strategic policy document for Tartu City Government has similar goals which are brought in Estonian Growth Strategy for Entrepreneurship which includes in itself national RIS3 Strategy and its goals. It is also in alignment with other relevant national strategies such as Strategy for Research & Innovation and Regional Development Strategy. However ties between municipal policy and the objectives brought in RIS3 and Estonian Growth Strategy could be improved so that there would be synergy instead of fragmentation of approaches and resources.

As the RIS3 is tightly combined with our Development Plan, the implementation process needs to be well communicated both inside the organization and among external stakeholders. And thus the, organisational coaching tool (OCT) developed by us aims to be both internal and external at the same time.

Main goal of OCT is to keep both own staff and external stakeholders up-to-date about the specification of smart specialisation areas and eco-systems and developments in defined key areas of RIS3.

2. The RIS3 Strategy in South-Estonia region

Estonia has one national level RIS3 document which entails in it South-Estonia and one on regional level tailored for South-Estonia. RIS3 document: Document: „Smart Specialisation – Qualitative Analysis“ on national level (February 2013) and „Southern Estonia Smart Specialization Strategy“ (May 2014) on regional level.

Source of financing: the smart specialisation measures are divided between two ministries – the Ministry of Economic Affairs and Communications and the Ministry of Education and Research. The financial resources (142 million euros) are divided between six actions:

1. Technology Development Centres
2. Competitiveness in Export Markets: Clusters
3. Startup Estonia initiative (<https://startupestonia.ee/>)
4. Public Sector Innovation: Procurement
5. Support for Applied Research
6. Qualified labour: Scholarships in smart specialisation areas

In addition, more resources are raised from international programmes (e.g. Horizon 2020) and from the local level (resources from the budgets of local governments).

As a good example, compilation and implementation of first stage of regional RIS3 strategy „Southern Estonia Smart Specialization Strategy“ and the study “Analysis of the competitiveness and growth areas for Tartu and South Estonia” was funded jointly combining funding from local municipalities led by Tartu City Government, EU resources from INTERREG IVC programme and from resources of consortium organizations such as Tartu Science Park.

Strategic goals

- Talent creation and attraction, retention of talent – smart jobs in the region
- Cluster, competence & technology centres development in focal sectors
- Building bridges between support organisations and enterprises
- Developing innovation system and infrastructure of the region

State of the strategy

Financing – EU projects to keep the process going.

Action plan – County Development Centres & Competence Centres focus on focal sector development.

3. The Organisational Coaching Tool (OCT)

Internal Organisational Coaching Tool

The (internal) process of increasing knowledge about the RIS3 was complicated as the employees of the City Government feel that RIS3 is something vague and not related to what they are doing on a daily basis. Our aim was to look for the right distribution channels and people to whom to address this info and share it. We found that the best way to share it is through the meetings and discussion rounds that already exist for other, more general entrepreneurship topics.

We translated the knowledge into working with external target groups either via direct communication (i.e. with Tartu Science Park), but also intranet and if needed press releases. When communicating with the companies, we realized that using the phrase RIS3 might not work, so we tried to give them information that they could relate themselves to and wrote between the lines that it goes under RIS3.

The following forms of activities were carried out to share the knowledge inside Tartu City Government.

1. Meetings and discussions at:

- Weekly information meetings. Tartu City Government has a fixed City Government meeting once a week on Tuesdays, where different topics will be raised. Among topics regarding citizens, different departments etc, this has also a focus on the entrepreneurship. Each time, we do not specifically raise the wording of smart specialization, however, there is a strong focus on sharing the experiences and problems and discuss possible actions towards helping entrepreneurs, which translates to the theme under smart specialization strategies,
- Monthly face-to-face meetings with internal stakeholders. Tartu City Government has a fixed Economic Affairs Committee meeting once a month on Wednesdays, where different topics regarding entrepreneurship, policies etc. will be raised. Similarly to the City Government meetings, we do not specifically raise the topic of the smart specialization. However, as majority of the actions, support schemes etc related to it, constant discussions and input would be delivered to keep this topic relevant on the highest level of the city government.
- Intranet and newsletters. City of Tartu has its own intranet environment, where relevant topics can be brought out, including posts regarding different policies and actions related to business development, university-industry cooperation etc,
- Thematic seminars 3-4 times per year. As to create the inputs for the external knowledge sharing (external OCT) of the roundtables, internal discussion round will be organized to share the

knowledge and get the people to be on one level before going with the discussions outside of the organization.

- Spontaneous meetings. Sometimes it does not make sense to wait for some specific meeting or there is a urgent need to prepare something for the abovementioned discussion rounds. This all has the goal to analyze the potential activities needed to be carried out in order to find (in cooperation with enterprises) the narrower niches, which show the greatest potential for Tartu and South-Estonia. One of the key elements here is the cooperation between city government, universities and RD&I institutions and SMEs.

Aim of activity: The aim is to discuss and inform relevant staff in Tartu City Government regarding developments, actions and events related to RIS3. As all those meetings/discussion rounds have and will be there also after the project end, the process of including the discussions about entrepreneurship and policies on the grass root level.

Target group: Staff of Tartu City Government

External Organisational Coaching Tools of City of Tartu are similar to Tartu Science Park

1. Roundtables for Business Support Organisations

- Joint strategic goals and actions
- Developing supportive business system
- Cluster development
- Universities knowledge management

Aim of activity: The aim is to find joint activities/initiatives between business support organisations to increase the competitiveness of local enterprises, to support high-wage jobs and supportive environment for entrepreneurs.

Target group: The discussions during the roundtables are targeted towards the participating organisations and entrepreneurs.

Description of activity: Round Table is a form of cooperation between the public sector, involving business support organisations from Tartu like City Government, Tartu Science Park, Tartu Biotechnology Park, University of Tartu, Unemployment Fund, Centre for Creative Industry etc.

The roundtables are being held at least 4 times per year with the focus on sharing the experiences and problems and discuss possible actions towards helping entrepreneurs. Moreover, discussions about the RIS3 are constantly on the table. Furthermore, continuous analysis of the specialization areas is being carried out in order to find (in cooperation with enterprises) the narrower niches, which show the greatest potential for Tartu and South-Estonia. One of the key elements here is the cooperation between universities and RD&I institutions and SMEs.

Transferability: Easy to transfer, basic concept.

It offers an opportunity to all relevant actors in the region to ask, discuss and share experiences related to the current RIS and to get information about the future steps. It increases the openness and awareness of the RIS among the implementers.

2. Discussion event for company managers “Ideas Tuesday”

Aim of activity: Business involvement, discussion event for company managers “Ideas Tuesday”.

Target group: entrepreneurs, business executives, business support structures.

Description of activity: This event is being co-organised by Tartu Science Park, Tartu County Development Agency and Tartu City Government. We have discussion evenings for company managers and specialists, like discussion event “Ideas Tuesday”. These events are good examples of bottom-up approach, in which the public sector supports cooperation between B2B (Business-to-business) and B2G (Business-to-government) depending on business interests.

Also, business advisory services, we have a large employment program, and we do a variety of activities to develop entrepreneurship and thereby create and retain jobs. The program consists of three distinct but mutually reinforcing activities: direct investment, leadership, youth entrepreneurship and business development capabilities cultivation. We are dealing with companies in RIS3 focus areas.

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