Feedback Paper

A documented feedback from activities in BSR programme project EmpInno

Kaunas Science and Technology Park

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Contents

Introduction

The Feedback paper is a documented feedback from EmpInno project (empinno.eu) – an EU-Interreg project aiming at fostering the implementation and improvement of RIS3 in medium sized cities and regions in the Baltic Sea Region (BSR) – activities undertaken by Kaunas Science and Technology Park (Kaunas STP) as project partner in the period from May 2016 to the end of 2018.

Kaunas STP is innovation intermediary and operates as Smart Specialization Strategy (RIS3) implementer and working with companies, multipliers and further innovation actors on the ground is everyday business for Kaunas STP team members. The document demonstrates mechanism on how Kaunas STP gains and sustains institutional capacity as a key player in implementation of RIS3. It is both on a management level to be strategically prepared for implementation of RIS3 goals as well as on an expertise level to be ready to provide assistance to business and science entities to establish viable cooperation.

There were a number of activities performed in the frame of EmpInno project, which included:

- Identification of technology transfer and SME empowerment good practices in partner regions;
- Organization of local mobilization (awareness raising) event;
- Transnational exchange on regional innovation policy instruments;
- Transfer of good practices from partner regions;
- Participation in transnational meetings;
- Listing of current obstacles, difficulties or problems to find innovative approaches in the partner regions.

The current document summarizes the key findings and results of all abovementioned activities and it is based on lessons learnt from the project activities that are relevant from the point of strategy implementer's view to improve the RIS3 implementation. The document also includes main points from other documents that were produced in the frame of the EmpInno project:

- As *Organizational Coaching Tool* Kaunas STP uses *Competency Mapping* where experts in innovation and business development shares their insights with the rest of the team as well as give presentations externally. As soon as any gap in information is detected, there are persons who initiate the learning process. It also ensures that sufficient level of knowledge is available within the institution;
- *Synergy & Empowerment Concept* – the document aimed at presenting the concept as the guidelines for the decision-makers in the agencies mediating between the science institutions and start-ups/ mature businesses as well as between B2B on the facilitation of the flow and implementation of technology transfer and innovation ideas and thus, increasing innovation capacity as well as empowering SMEs and facilitating their outward orientation.

The Feedback paper is intended to be shared and discussed with Kaunas STP shareholders and key stakeholders of innovation ecosystem in Lithuania. Specifically, these include Ministry of the Economy and Innovation, Ministry of Education, Science and Sport, Agency for Science, Innovation and Technology, Kaunas University of Technology, Lithuanian Innovation Centre, Kaunas In, Enterprise Lithuania, other science and technology parks, venture capital funds and more.

1. Problems Defined and Recommendations of Solutions

It is set in national document – The Concept of Development of Science and Technology Parks – that STPs play three key roles in RIS3 implementation processes:

- On internal level – promote unique and innovative forms of cooperation among businesses operating within STPs and transfer gained knowledge within region of operations;
- On regional and international level – improve international partnerships, contribute to implementation of RIS3;
- On sectorial level – foster cooperation links between clusters and sectors with sufficient critical mass of companies.

Kaunas STP has performed all roles within EmpInno activities. A number of problems were identified in the process that were shared by internal staff, SMEs active in R&D activities within RIS3 priorities, representatives of science and academia involved in applied R&D activities. Feedbacks were received from national agency responsible for RIS3 implementation (strategy owner), international experience (EmpInno), and feedbacks received internally (colleagues) and externally (business and science representatives). Feedbacks are received during informal interviews, official meetings and workshops, practical implementation of project activities.

All abovementioned is reflected in the text below. Each problem identified is presented in a structured way:

1. Description of a problem requiring innovative approach in the region;
2. Presentation of lesson learnt, or key finding acquired during the project realisation;
3. Recommended solution, idea or good practice to improve RIS3.

It is worth to be mentioned that Kaunas STP was involved in the following priority areas of RIS3:

- Energy
- ICT
- Food
- Materials
- Health&Life Science&Biotech

1.1. Lack of awareness among innovation ecosystem stakeholders about RIS3 in general

1.1.1. Description of a problem requiring innovative approach in the region

Main objectives of RIS3 Lithuania are to create innovative technologies, products, processes and/or methods and, using the outputs of high value added, knowledge-intensive and highly-qualified labour-intensive economic activities, respond to global trends and long-term national challenges as well as to increase competitiveness of Lithuania's legal entities and their opportunities for establishing in global markets – commercialisation of knowledge created in the implementation of the RIS3 priorities. In general, all efforts are to be made towards increasing cooperation between business and science.

From very beginning of RIS3 implementation, spreading message about priority areas was difficult as businesses did not want to learn about regulatory aspects of RIS3, while academia was not ready to effectively respond to requirements of business.

1.1.2. Presentation of lesson learnt, or key finding acquired during the project realisation

It was clearly noted in the whole process of the EmpInno project implementation that RIS3 is not regarded as a priority knowledge among all stakeholders, business especially. This has not changed while RIS3 implementation was progressing.

There were a number of reviews of RIS3 on national level, and while business is a main target of RIS3 priority areas, there were no business representatives attending or participating in review process. The expert panels' meetings in respective priority areas were mainly attended by governmental institutions and science and studies representatives.

RIS3 was and to a large extent still is not regarded by business as owners of the strategy would have expect.

Kaunas STP has organized an information event as part of EmpInno project in very beginning of the project. This allowed us to estimate a level of business and other stakeholders' involvement and knowledge of RIS3.

1.1.3. Recommended solution, idea or good practice to improve RIS3

On internal level, Kaunas STP has appointed a number of innovation experts as RIS3 specialists who shared gained knowledge with team members and thus we were able to identify and transfer good practices from project partners' experiences. Having availability of such specialists in all RIS3 owner or implementer institutions would increase awareness of RIS3, especially among businesses.

1.2. RIS3 document is too complicated for business to understand

1.2.1. Description of a problem requiring innovative approach in the region

Structure, content and the volume (more than 400 pages) of RIS3 document is not what business has expected from the guidelines for their future and requirements for cooperation with science or independent R&D activities.

1.2.2. Presentation of lesson learnt, or key finding acquired during the project realisation

Even highly R&D intensive companies were not opened to discuss or to learn RIS3 priority areas and potential the strategy would bring to their business development. It is especially the case with small companies which do not have in-house capacity to develop full scale R&D projects.

A lot of decision makers and stakeholders from academia and business adopted similar understanding of the concept and similar vocabulary to describe preferences and taken actions since RIS3 was first introduced, however, services of external experts are used to build the projects from the scratch.

1.2.3. Recommended solution, idea or good practice to improve RIS3

Similar to previous recommendation, it would be feasible to estimate a demand and to have a sufficient number of RIS3 specialists in R&D intensive ecosystems around the country where they would serve as information and consultation hubs for business planning or performing R&D.

1.3. Delays in terms of implementation processes of RIS3 measures

1.3.1. Description of a problem requiring innovative approach in the region

Even though Lithuania is of the leading countries in EU in terms of ERDF expenditure, the was a substantial delay in starting all RIS3 financial measures. Number of calls for proposal were delayed or cancelled, terms of financial support were revised and changed.

1.3.2. Presentation of lesson learnt, or key finding acquired during the project realisation

Facing the delay of financial and institutional support, R&D intensive companies have decided to start R&D projects on their own. Which is good when it comes to building prototypes and products companies believe in. On the other hand, financial capabilities of many companies are scarce and the access to market is therefore extended in time. Some of such projects were cancelled due to lack of funding and some of projects applied for venture capital funds. However, it is the other topic where businesses lack experience and confidence.

1.3.3. Recommended solution, idea or good practice to improve RIS3

Provide additional financial support to companies that raise venture capital funding. Situation when majority of businesses cannot start their R&D projects due to lack of funding leads to a proposal to diversify funding sources of joint R&D projects.

1.4. Lack of motivation among scientists to work with business

1.4.1. Description of a problem requiring innovative approach in the region

Lack of motivation among scientists to work with business as there is superiority attitude towards business. And lack of experience in and lack of success cases of cooperation keep academia from opening to business.

1.4.2. Presentation of lesson learnt, or key finding acquired during the project realisation

Scientists and business representatives with experiences to work for both sides (researchers for business, business for science, studies and research institutions) tend to cooperate more intensively. It is common to compose R&D teams based on previous mutual experience and individual acquaintances and agencies are underperforming in promoting science and business cooperation.

Work load of researchers is another obstacle or limiting factor for science and business cooperation. It was noted that main contact persons for business from science are heads of R&D departments and researchers performing part-time R&D. Lack of time was the main obstacle indicated by researchers to conduct joint R&D activities with business.

Those who have had no previous experience in cooperation with science struggle in finding relevant business partners as well as in raising funding for joint projects.

1.4.3. Recommended solution, idea or good practice to improve RIS3

- The facilitation model of science and business function shall be redefined by all stakeholders participating in the process.
- To ease administrative burden for researchers who are involved or develop joint R&D projects with business.

1.5. Business struggle in getting best value from academia

1.5.1. Description of a problem requiring innovative approach in the region

On the contrary to the previous, business struggles in getting best value proposition from academia. Sometimes innovate or find technological solution for existing problem is easier and cheaper abroad that in local innovation ecosystem.

1.5.2. Presentation of lesson learnt, or key finding acquired during the project realisation

Sophisticated process of project administration as well as lack of funds for R&D are main obstacles for business to cooperate with science. However, the main factor, limiting cooperation with science for business is lack of clearly communicated and useful information.

1.5.3. Recommended solution, idea or good practice to improve RIS3

- To ease conditions for business to enter joint R&D projects with science;
- To provide additional funding on top of venture capital funding for R&D performing business;
- Kaunas STP has introduced “Breakfast for Innovators” approach which is a good practice transfer from Finland’s partner Prizztech Ltd. Breakfast for Innovators is an innovative form of cooperation for corporates on one side and small businesses as well as research institutions on the other side

1.6. Different events, yet same presentations and same presenters; no follow-up in support for the development of the ideas

1.6.1. Description of a problem requiring innovative approach in the region

It is often a case for a company (talking of its achievements, problems, etc.), or a start-up (having developed a pitch presentation for investors), or a scientist (all overexcited with a scientific finding) to keep repeating the same presentation wherever they go, despite of the nature of an event, or the problems being discussed.

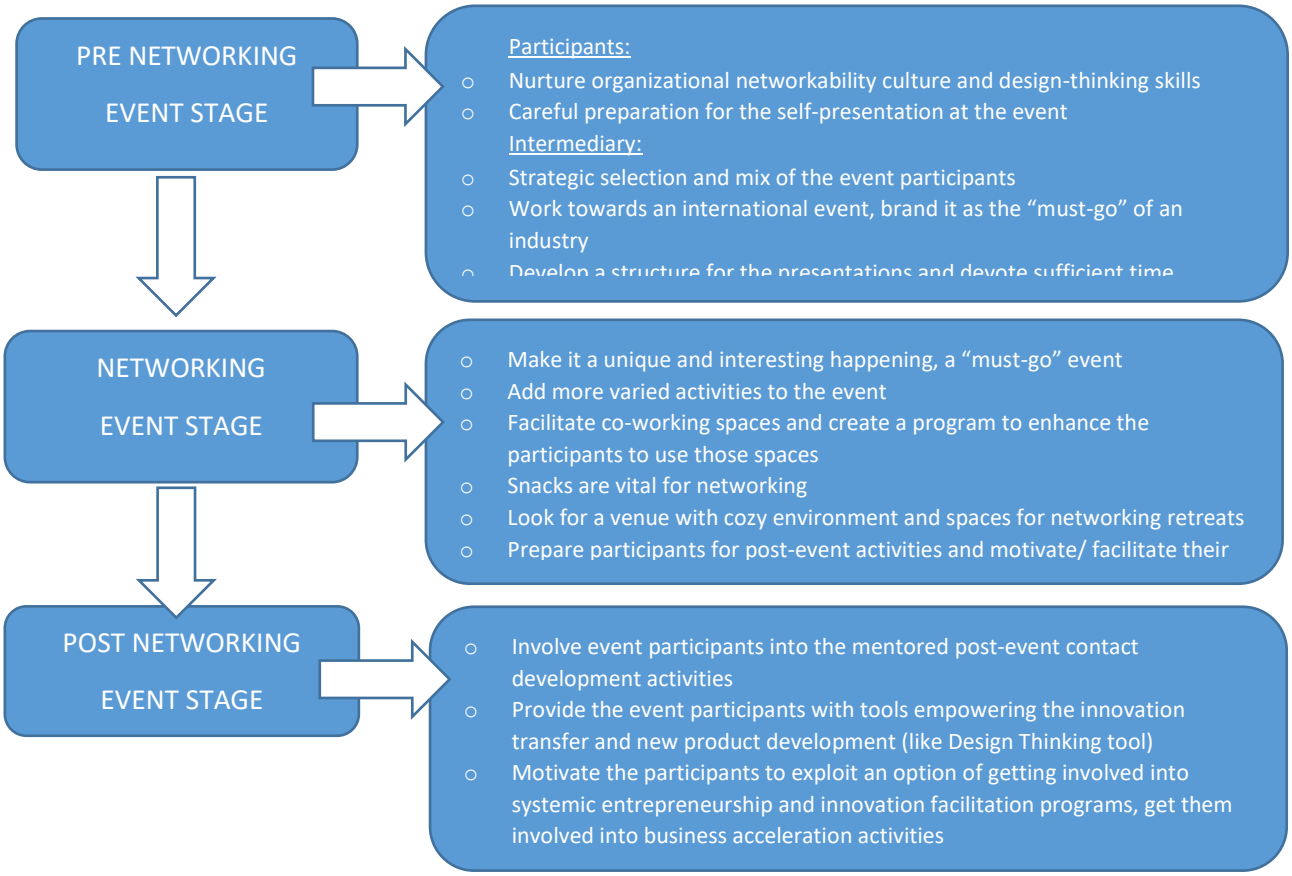
1.6.2. Presentation of lesson learnt, or key finding acquired during the project realisation

The organizers/ intermediaries in the networking events should take into consideration the fact, that such behaviour is very discouraging for the listeners and potential networkers. On the other hand, in Latvia, for example, the experts note the fact, that multiple hackathons and start-up idea generation workshops produce a lot of potential new ventures, yet nearly none of them is being further developed in Latvia (the winning start-up ideas either “die-off” or are being developed abroad with the emigrating developers). The experts see a clear need for closer empowerment efforts from innovation intermediaries (mostly in the form of mentoring/ coaching).

1.6.3. Recommended solution, idea or good practice to improve RIS3

Despite huge imbalances in the regional ICT innovation development and transfer status quo and practices in the BSR countries, there are several common features that can be tackled using similar synergy and empowerment approach. From the activities in the frame of EmpInno project, we draw conclusion that the synergy and empowerment in ICT can be achieved between science, business and in B2B relations with some significant networking and mediating facilitation, which would cater to, first, the need for free

circulation of ideas, contacts, work force, second, the need for energizing dynamic exchanges, third, the need for acceleration of new business ideas needs to be supported by mentoring of the initial contacts so that they are grown into tangible projects and yield higher value-added outcomes. As an example, again, *Breakfast for Innovators* approach could be elaborated:



As suggested in Synergy and Empowerment concept for ICT, the whole set of instruments could be used to better reflect the needs of start-ups, especially in the development of ideas. One of the instruments used within EmpInno project was design thinking workshop organized by Danish project partner D2i for Lithuanian startups.

D2i oversaw a design thinking workshop, targeting start-ups, entrepreneurs and representatives from education institution within ICT. The workshop introduced for the Lithuanian start-ups and entrepreneurs how the application of design methods can support them in taking the right decisions for the further development of their business, how added value of their products and/or services can be interpreted in different types of messages they deliver to their target customer.

1.7. Other recommended solutions, ideas and good practices to improved RIS3

Kaunas STP has implemented few other good practices from EmpInno project partners that contributed to improvement of RIS3. And, even though, those cannot be explicitly referenced to any specific problem, they contributed to some of stakeholders in RIS3 ecosystem.

Two following hands-on approaches are worth to be mentioned as good practices Kaunas STP is going to practice if demand for such activities is to be expressed by beneficiaries – SMEs, in particular.

1.7.1. Transnational delegation trips.

Kaunas STP has participated in three transnational delegation trips in three different RIS3 priority areas: ICT (CeBIT Fair in Hannover, Germany in 2017), Energy (Fair of Energetics in Lublin, Poland in 2017) and Food (Food fair and congress in Torun, Poland in 2018).

All trips proofed to be beneficial to participating stakeholders as they were able to share their experiences in RIS3 implementation issues with colleagues from other regions and identify good practices that are relevant to their activities.

1.7.2. ICT Workgroup

Another good practice identified and implemented in the framework of EmpInno project in Estonia and then shared between partners is **ICT Work Group**. The aim of the group was to intensify:

- discussions on possible directions of the development of ICT industry in Tartu and other project partner regions and how it will affect the implementation of the smart specialization strategy;
- contributions to enhancing the implementation and improvement of the ICT smart specialization strategies;
- sharing the knowledge on the future role of ICT in Tartu and South Estonia as well as in partner regions.