

Feedback Paper

FP

Enhancing RIS3 capacity and delivery via specialists

PP 13

Prizztech Ltd.

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1. Introduction

Prizztech Ltd. acts as a partner in the Emplnno project, the purpose of which is to enhance the organisational capacity of project partners to work with the RIS3 approach and to accelerate innovation work and activities in medium-sized cities and municipalities in the Baltic Sea region. In order to achieve this, smart specialisation strategies (RIS3) are applied.

Prizztech Ltd. works as an innovation intermediary, bringing together companies, SMEs, public sector actors and other innovation actors. As an impartial innovator, Prizztech Ltd. collects good practices and experiences and shares these among regional innovation networks. Evaluation and continuous improvement are important elements of regional innovation work, and Prizztech also provides feedback for companies and regional authorities concerning RIS3 activity. Another task is to promote regional RIS3 work at a national level, because when dealing with medium-sized cities/regions, there is always a risk that innovation activities and financing tools are too targeted on metropolitan areas.

2. Goal and point of view

This paper represents the point of view of Emplnno project partner 13, Prizztech Ltd. From the Satakunta region (city of Pori) in Western Finland. Prizztech Ltd. is one of the main strategy implementers in the region, having the most industry-oriented approach to RIS3 work. The other actors represent the research and education sector.

This paper provides a perspective wherein feedback is provided to the strategy owner, which in this case is the Regional Council of Satakunta. On a company level, Prizztech's management group is responsible for the feedback paper (FP) mechanism, and FP is part of the company's information management.

In this paper, feedback mechanism and the need for their development are described with the help of examples. The process of updating the Satakunta Regional Programme 2014-2017 to a 2018-2021 version, while simultaneously updating RIS3 thinking, is an example of how the feedback mechanism works in the Satakunta region between the strategy owner and strategy implementer. Some recommendations are also given to the strategy owner on how to further develop the process. Transnational delegation trips represent the good practice developed during the Emplnno project, and they are examples of how the strategy implementer can collect information and benchmark best practices. On the other hand, in the Emplnno project, transnational delegation trips and the work done by the strategy implementer provide information and tools for the strategy owner for communicating and highlighting regional strengths at a national level. In this case it is recommended for the

Regional Council of Satakunta to underline the importance of possibilities to build a Finnish offshore wind power hub in Satakunta, Pori.

In addition, two good practices are introduced as examples of how strategies could be implemented and also how information is gathered for the feedback mechanism.

3. The region and RIS3 approach

Satakunta is one of the most industry-oriented provinces in Finland. In Satakunta industry's share of added value is 25% while in the rest of the country it is, on average, 15%. The level of investments is also high. In recent years, industrial investments of about EUR 1 billion have been made in Satakunta and further investments, also worth over EUR 1 billion, are currently being planned. The exchange rate of foreign trade is double the rate elsewhere in Finland.

The Satakunta region is open, export-oriented and international. There is a strong desire to renew the existing industry and build new operations based on existing competencies. In order to do this, a new kind of thinking and cooperation are needed, and it is also very important to efficiently utilise the latest technology and know-how in traditional industry. The energy, maritime, circular and bio economy, automation and robotics industries, and a very large cluster of metal processing (non-ferrous metals) companies are the most important sectors.

In the Satakunta region, the concept of RIS3 is seen as an approach to economic growth and development via the targeted support of research and innovation activities. In the region, smart specialisation involves the process of developing a vision, identifying competitive advantages, setting strategic goals and making use of smart policies to maximise the knowledge-based development potential of the region.

The Regional Council of Satakunta is the strategy owner and it is committed to using the EU's Technical Assistance and Structural Fund programmes or other financial resources available in order to implement RIS3 in Satakunta. According to Finnish law, the Regional Councils are responsible for preparing regional development plans in cooperation with municipalities and other public and private actors. The Regional Council of Satakunta prepares the Regional Strategic Plan and Programme by providing general regional policy framework based on regional political preferences.

4. Identified problems and recommendations for solutions

Prizztech is an active player in innovation networks and programmes both at a regional and national level in Finland. The value which the company can provide to the development community comes from extensive, industry-based networks. The opinions and recommendations provided in this paper are based on in-depth cooperation with industrial companies, as well as with strategy owners at a regional and national level. Since 2016, the EmplInno project has been the most important tool for gathering transnational experiences and exploring good practices in EU-level innovation and development work. Problems and the recommendations proposed here are based on experiences of Prizztech's experts as they have worked in regional, national and EU-level networks.

At a national level, the biggest problem in innovation and development activities is the fact that Finland lacks a national innovation policy (and comprehensive programmes), which means that there is very little coordination. Sometimes the same things are done many times, sometimes opportunities fade away. Local development initiatives are difficult to communicate at a national or European level.

At a regional level, in Satakunta, there are some points worth mentioning. Most of the regional industry is not locally owned, which means that investment decisions and strategies for RDI are made outside of the region. Sometimes that results in short-term thinking and partial optimisation. The region's and industry's brand is not modern or appealing, which means that not all decision-makers realise the importance of industry to the regional economy. It is also not easy to attract young people to study engineering and work in industry, which has been a major problem during 2017-2018. The region's location outside of the metropolitan area often makes all cooperation more difficult. The conclusion is that RDI volumes in the region's industry should increase, and this is a prerequisite for future competitiveness.

4.1. Lessons learnt and key findings acquired during the project realisation

Lessons learnt during the EmplInno project are twofold: A general lesson was that in working with this project, Prizztech realised that as a strategy implementor it must be fundamentally RIS3 framework-oriented, and rethink how the chosen RIS3 framework affects the company at a strategic level and at an everyday level. Also beneficial was that a process was under way to update the Regional Programme in Satakunta at the same time as EmplInno implementation was ongoing. This provided a very good learning case for RIS3 thinking, because during this time Prizztech and the Regional Council of Satakunta cooperated and

interacted more closely than ever before. The Regional Council expressed the need to renew the Regional Programme, and Prizztech collected information from companies and provided information about the RIS3 approach to the company sector. This meant intense feedback between the strategy owner and implementer. Some general facts concerning lessons learnt include:

- The RIS3 owner and implementers should meet on a regular basis both in formal and informal meetings to ensure cooperation and the exchange of information.
- It is both the strategy owner's and implementer's responsibility and in their mutual interest to create a deeply shared vision on key issues of regional development.
- Industry forums and matchmaking events proved to be very fruitful with regard to cooperation at all levels → the MatchINDUSTRY concept.
- Benchmarking with international players and industry leaders at a global or European level provides a fast lane to new ideas and concepts → Transnational delegation trips.
- Documentation and synchronisation of regional strategies is very important, these are both the strategy owner's and implementer's responsibility.

4.2. Recommended solutions, ideas, good practices, improving RIS3

The following section outlines recommended solutions and good practices with the aim of describing the kind of activities that are developed in the Satakunta region during the EmplInno project, and what the focus should be on future actions. At a more general level, the EmplInno project forced the strategy implementer, Prizztech, to carefully inspect regional RIS3 thinking and use RIS3 as a framework for all development activities. This is described with the help of an example in section 4.2.1. In part 4.2.2. a more concrete example is given in a presentation of transnational delegation trips and their contribution to development work.

4.2.1. Updating the Regional Programme and rethinking RIS3 in the Satakunta region

This example shows how the Satakunta Regional Programme was updated during 2016-2017 and what the feedback mechanism was during the update process. In addition, some recommendations for further development are given. During the EmplInno project, partners have introduced their approaches to RIS3 thinking and best practices related to regional development. It has been very valuable to see how RIS3 could be applied in different situations, and what practical tools have proved to be most valuable. For example, the

Kuyavian-Pomeranian Voivodeship introduced the Business Model Canvas as a coaching tool. In Prizztech, this coaching tool has been used as a framework for business development, but not for innovation work. The Kuyavian-Pomeranian Voivodeship's example encouraged us to explore this possibility, and we introduced an approach wherein we inspect business needs through the Business Model Canvas and connect them to the Satakunta region's RIS3 model. Later on, this model and way of thinking also helped us to formulate new actions in implementing RIS3 thinking in the region.

The process began in 2016 when the Ministry of Economic Affairs and Employment announced that Regional Programmes in Finland were to be updated and that the organisations responsible for this were Regional Councils, the strategy owners. In response, the Regional Council of Satakunta began the following process:

- 11/2016 Ministry of Economic Affairs and Employment announces programme renewal
- 1/2017 Development of the Regional Competence Profile
- 5/2017 Development of the Regional Development Plan
- 4/2017 Initiation of discussions, workshopping and launch of a web-based feedback tool for the regional participation & evaluation process, including:
 - Workshops in RDI-forums (for strategy implementers)
 - 8/2017 web-based feedback forum/tool open until 12/2017
- 12/2017 launch of the new Regional Programme in Satakunta


As a strategy implementer, Prizztech Ltd.'s role is to participate to RDI forums. These were organised around the themes of tourism, energy & resource efficiency, welfare, industry and food. Prizztech was the most active in energy & resource efficiency and industry RDI forums, and depending on the themes of the meetings and workshops, experts from Prizztech gave speeches and presentations. Thanks to Prizztech Ltd.'s expertise in circular economy, we also participated in the food forum's work. The web-based feedback forum was opened to all experts working for Prizztech Ltd., and the Regional Council stated that company was the most active contributor of all strategy implementers in the region.

As a very short example of the results of the process, the RIS3 (or Smart Specialisation) models from 2014-2017 period and the updated 2018-2021 version are presented below.

Smart Specialisation Platform 2014-2017 in the Satakunta region:


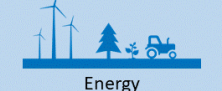





Smart Specialisation Platform	
Theme	Description
People-oriented solutions	New ways of implementing community services. Innovative solutions for housing, mobility, safety and service production. Opportunities provided by new technology. Respect for different needs and freedom of choice. People participate in decision-making, planning and service implementation.
Agrofood & Food Safety	Innovation in Agro-Food industry. Food quality, traceability of its origin and food safety systems. Bio-production and bio-services. Intensive agro-food production. Added value and sustainability in the agro-food, aquaculture and fish industries. Exploitation of opportunities resulting from green and blue economy. Development and improvement of food entrepreneurship, environmental services and co-operation between companies, education and research. New technologies are applied to achieve sustainable but efficient Food Systems. Efficient technologies are designed for energy efficiency, traceability, quality management, transparency, and risk management in Food Systems.
Water safety	Field of water and materials in contact with water. Research is focused on ensuring and promoting the safety of drinking water quality to the tap of the consumer, enhancing the safety and service life of materials used in the drinking water mains and household plumbing, improving the operating environment of companies by co-operation with commercial enterprises and legislative and standardizing bodies and enhancing the networking and competence within the drinking water field. Also further education and expertise services for food economy and aquatic systems.
Bio economy	Research on bio products and biorefineries preparing the bio based economy. Efficient use of waste and CO2 capture by natural and cultivated ecosystems. Improved competitiveness of agriculture and cattle industry by decreasing negative effects of these activities. Experimentation on new models of integrated water cycle management.
Sustainable energy and energy efficiency	Sustainable management of natural resources. Environmental recovery and risk management. Efficient use of waste. Experimentation on new models of integrated water cycle management. Research on bio products and biorefineries preparing the bio based economy.
Marine Industry (arctic)	Offshore industry is defined as businesses that support offshore oil and gas exploration and production as well as offshore wind power construction and production.
Advanced manufacturing	Research and development within manufacturing and industry
ICT for Smart Specialisation	Key enabling technologies and manufacturing technologies.

The updated version for 2018-2021:



RIS3 in Satakunta

RESEARCH & INNOVATION STRATEGIES FOR SMART SPECIALISATION

PURE VITALITY:	PEOPLE ORIENTED SOLUTIONS:	ENCOURAGING COMMUNITY:
 <p style="text-align: center;">Industrial modernisation</p>  <p style="text-align: center;">Energy Bio- & Circular Economy</p>  <p style="text-align: center;">Blue Growth</p>	 <p style="text-align: center;">Attractiveness, wellbeing</p>  <p style="text-align: center;">Safety, accessibility</p>	 <p style="text-align: center;">Entrepreneurship</p>  <p style="text-align: center;">Social inclusion</p>

KET (Key Enabling Technologies)

Automation, robotics, data-analytics, AI, 3D, Well-being technologies

Recommendations

As a strategy owner, the Regional Council of Satakunta strongly highlights RIS3 in regional development, and was also an early adapter of RIS3 among European regions. For example, the region was able to provide examples and good practices for the European Commission's handbook "Implementing Smart Specialisation Strategies". Nevertheless, knowledge concerning RIS3 and good practices supporting RIS3 is not very strong among strategy implementers, and the situation among SMEs is even poorer.

Another point of view which has been highlighted by Prizztech Ltd. is a lack of connection with the national level, because the national level of RIS3 implementation in Finland 2018 is very weak or non-existent. This was also a major lesson learnt through transnational delegation trips, as actors from the Satakunta region visited Esbjerg in Denmark, to learn from the world's largest offshore wind power hub. This example demonstrated the importance of seamless cooperation in regional, national and international level.

Recommended actions:

- Workshops for SMEs to implement RIS3 thinking at a regional level
- Workshops for strategy implementers on how to connect SMEs and build "RIS3 toolkit" packages of examples of good practices among SMEs.
- Regular communication between ministries and the Regional Council, and initiation of the feedback process between regional and national levels.
- Inviting decision-makers from the national level to regional tours, e.g. "Introduction to RIS3 in Satakunta" and presenting local good practices.
- Bringing together strategy implementers at a regional level and building consortiums, for example, for the circular economy, offshore wind energy, renewables, robotics, and applying EU-level funding for the region.

In conclusion, the situation concerning RIS3 is quite good in the Satakunta region. There is very good communication between the strategy owner (the Regional Council of Satakunta) and the strategy implementer (Prizztech Ltd.). The question mark is the RIS3 connection to the SME sector, which still needs a lot of work. At a national level, the connection between regional and national levels must be strengthened. Finland needs a clear strategy outlining its regional and national competitive advantages and how to link these strengths to the EU level.

4.2.2. Transnational delegation trip

As far as the Satakunta region is concerned, the EmplInno project started at the right time. Large investments in the energy sector had been decided, such as an LNG-terminal and offshore wind farm. Strategy implementers like Prizztech Ltd. were evaluating how to organise competence and build clusters around the investments, as well as how to increase the domestic share of work in these major projects. It was a good opportunity for the region to learn from European experiences, and regional actors were eager to hear the experiences of other regions. The starting point to this case was work that had been carried out in the region for decades. Satakunta is known as the “Energy region“ in Finland, as the region produces one third or fourth of all energy in Finland, depending on how it is measured. The region is very well known for its nuclear power plant, and other forms of energy production are also represented. As there is a strong movement towards renewables in Finland, the importance of and interest in wind power has grown rapidly.

The Satakunta region is also a key area for Finnish wind power, because offshore and on-shore conditions are very favourable. The region also has over 40 years of history in the offshore oil & gas business, and the local offshore yard has been a driving force for this cluster. Recent years have however been very difficult for the region’s offshore cluster, because low oil prices on the global market have kept investments in oil & gas to a minimum.

In 2011, the Finnish government launched a programme for renewable energy, and the subsidies for wind power were heavy, which caused a boom in the wind power business. Offshore wind power is a new opportunity for the regional cluster, and an important milestone world’s first offshore windfarm to operate in icy conditions. The wind farm began operations in 2017 in Tahkoluoto, Pori. The Tahkoluoto wind farm is a demonstration site subsidised by the government, and there are plans to utilise the experiences and take a leading role in the northern Baltic Sea offshore wind market. Discussions of renewing and developing the Tahkoluoto and Port of Pori area have been under way for quite a while. Prizztech and other development organisations have actively sought ideas and new businesses for the area. The EmplInno project started at the right time for these ideas and discussions. We were happy to join the project and learn from Danish and German examples of wind power business. It took lots of energy to find the right time, persons, and arguments

but finally we were ready for transnational delegation trips to Rostock Wind & Marine 2017 and to Esbjerg 2018.

Recommendations

It can be concluded that transnational delegation trips are a very powerful tool for benchmarking regional plans and activities at an international level. Thanks to experiences from the EmplInno project and these trips, actors in the Satakunta region have a better knowledge concerning e.g. the intensity of regional cooperation which is required when global-level actions (like Esbjerg) are planned. Another important lesson is that regional players (strategy owners) should take these kind of spearhead projects to a national level.

In this context, transnational trips are also a great example of how the strategy implementer (Prizztech Ltd.) can collect information for the regional feedback process. Recommended actions:

- Regional workshops for companies, strategy owners and strategy implementers for creating a shared vision for regional strengths and opportunities. This helps to market regional areas of expertise and present “one voice” from the region.
- Regional branding and marketing are traditionally done with tourism in mind. Business and industry should be another perspective, with focus on attracting students, entrepreneurs, financing and new business.
- Based on the accepted idea of regional competitive advantages there should be a strategic approach to allocate more EU-level financing to the region.
- Based on all presented planning, marketing and branding, transnational trips could be a powerful and concrete tool for marketing the region and benchmarking the best performers on a large scale.

4.2.3. Regional activities for implementing strategies, collecting information and creating a shared vision. Good practices from EmplInno partners

The section below outlines two examples of regional activity in Satakunta, Finland. Some examples of good practices presented by EmplInno partners are also suggested for evaluation and testing as tools for RIS3 implementation in the Satakunta region.

Regional activities

MatchINDUSTRY match-making event and the MatchINDUSTRY LAB hackathon concept. These are examples of how:

- Regional strategies are implemented
- Information about industry needs and competencies is gathered
- The region's shared vision is created and communicated

With experiences from this kind of work, a strategy implementer like Prizztech Ltd. can achieve a status of development hub, collecting the latest information and providing development tools and opportunities for industry. After that, the role of RIS3 expert in region comes automatically.

MatchINDUSTRY is an annual industry contact and meeting event in Pori, Finland. The effective format of the event enables companies to find new business opportunities and customers. The purpose of the event is contact and match-making with the aim of helping companies in the marine, technology and energy industries to strengthen their supplier chains and find new business and technology partners. The format of the event allows for upwards of forty meetings in one day, which makes it particularly efficient and, therefore, meets the expectations of companies.

20-30 companies are invited as 'main contractors' and 500 companies (mainly SMEs) join as participants. The participant companies are suppliers, subcontractors and technology companies operating in various businesses who search for new customers and business opportunities at the event. They are chosen to meet the specific needs of the main contractors. The event comprises a seminar on topical issues attended by international speakers, followed by a contact day for f2f meetings.

During the EmplInno project, in 2016, Prizztech Ltd. wanted to set itself a challenge concerning its ten years of work with MatchINDUSTRY, and started to seek opportunities to renew the event. The answer was the hackathon innovation challenge, which was widely applied in Finland in the gaming and software industry, and between students and companies, but not so widely between industrial partners. The concept was named the MatchINDUSTRY LAB Innovation Challenge, because Prizztech Ltd. wanted to take advantage of the MatchINDUSTRY brand's success and good reputation as a match-making tool. The event in 2016 was challenging as it was hard to find partners and developers for the first challenge, and probably not all of the participants were quite sure what they were actually participating in. Since 2016, Prizztech has implemented six innovation challenges, and there is more to come. The concept has proven to be successful, and companies in the region have learnt to trust it, and are now more willing to take part in innovation challenges. Prizztech Ltd. has separated the concept from the match-making event, because it is no longer necessary to use its visibility or publicity.

Good practices from EmplInno partners

The EmplInno project collected a good amount of good practices for innovation work. As project partners represented both strategy owners and strategy implementers, the formers' ideas were related to various financing models. As this paper represents the strategy implementer's (Prizztech Ltd.) point of view, the examples are mostly operative models from other strategy implementers. Good practices worth trying are:

- Techno Lunch (Mecklenburg-Vorpommern) and other informal events are good examples of how to connect the business and science sectors and create alliances for development activities. Techno Lunch presents an efficient and easy alternative for more time-consuming operations like full or half-day seminars. Another important factor is the relaxed atmosphere, which encourages participation by old and new partners. Although we have held similar events in the Satakunta region, it is always worthwhile to discover possibilities to connect actors with easy-entry approaches.
- SPARK Demo Centre (Tartu) is a concrete and striking way to promote local businesses and their products and innovations. In the Satakunta region, there is no such activity or premises, but lots of activity is emerging related to co-working spaces. It is worth evaluating whether there are the will and financing possibilities to combine co-working spaces and demo centre activity in the Satakunta region.
- Scale-up Denmark (Southern Denmark) is a comprehensive model for boosting growth and attracting high-performing companies to the region. This model is a cross-regional initiative, and as there are currently some challenges in Finland concerning national-level innovation politics, it may be too time and money consuming to start building large, cross-regional programmes. However, the Satakunta region and Prizztech have made a breakthrough with the regional robotics and automation cluster, RoboCoast, which holds the EU Commission's DIH (Digital Innovation Hub) status. This publicity attracts start-ups, project partners and financing, and there is a need for new concepts and initiatives during 2019. The Scale-up Denmark –model should be examined, and there is a good opportunity to utilise the model or parts of it during the growth of the RoboCoast cluster.

5. Evaluation of the feedback paper mechanism

- The situation is quite good at a company level, since Prizztech Ltd. is quite a small organisation of 35 people. It is possible and easy to come together and hold meetings or workshops in order to strengthen the shared vision. The challenge is to continuously highlight RIS3 themes and choices, because innovative and creative experts are eager to suggest new themes and ideas.

- Regionally there has been good connections and communication with the strategy owner (Regional Council) and the strategy implementer (Prizztech Ltd.). There are lots of good personal and organisational-level contacts and communications, as well as formal processes, as shown in this paper (RIS3 update process), in which both sides and their opinions are challenged.

The most important recommendations are:

- Strategy owner: Build connections to the national level and stress the importance of national innovation policy. Highlight regional competitive advantages and find ways to utilise EU-level opportunities with the help of national players. Also constantly update the RIS3 framework and stay open and ready for new ideas, technologies and market opportunities. How can we help regional players to find new possibilities? A practical approach could be:
 1. Regional programme and RIS3 strategy, communications plan for main stakeholders: companies, strategy implementers, national and EU-level actors.
 2. Intensified communications during 2019 and establishing feedback channels for monitoring the understanding and acceptance level for these strategies. Utilising multi-channel approach (f2f, social media, newspapers, meetings) for extensive coverage.
 3. Yearly planning for events and seminars, EU-level once a year, national level twice a year and regionally every month, for example.
- Strategy implementer: Keep the focus on RIS3 and constantly find ways (like hackathons) to implement it at a practical level. Pay special attention to the SME sector; how can we make RIS3 applicable to small players? The implementer should also create new ways to gather new information (like transnational trips), and actively spread new information regionally.