



ACTION PLAN

Beyond EDP Projectpartner
Northern Netherlands Alliance

INTRODUCTION

The Beyond EDP-project is helping the Northern Netherlands improve its policy instrument (RIS3) by strengthening the knowledge base of its SMEs through cooperation. In order to do so, a strong innovation ecosystem needs to be in place. The peer review meetings have showed the Northern Netherlands that a continuous entrepreneurial discovery process (EDP) is key. To that end, the Northern Netherlands Alliance has launched the Open Innovation call, an ERDF-instrument stimulating the creation of innovation environments. However, certain governance issues continue to be barriers for a optimally-functioning system. The Northern Netherlands Alliance (SNN) therefore aims to structurally change its innovation ecosystem, and plans taking on board the matrix-model introduced by the Östergötland region.

1. CONTEXT: CHALLENGES AND ACTIONS

The policy instrument of the Northern Netherlands Alliance is the Regional Innovation Strategy (RIS3). The RIS3 is directly related to the Northern Netherlands' Operational Programme ERDF. The main goal of participation in the Beyond EDP-project, as outlined in the original application, is to improve this policy instrument by strengthening the knowledge base of SMEs through cooperation. This will ensure that SMEs are better equipped to exploit existing knowledge and generate new knowledge, and eventually this will expand the innovation system and enable more SMEs to incorporate innovation within their operation. This approach leads to promising discoveries and new specializations, which could ultimately even become new regional economic strengths.

1.1. CONTINUOUS EDP

The initial approach to the OP ERDF (and thus the RIS3), was to devise specific grant schemes focused on knowledge support and valorization. The foreseen projects would ideally be more complex and have a collaborative nature. It was presumed that there would be sufficient 'demand' for those large-scale projects with a wide array of partners.

The Northern Netherlands monitors the advancement of its RIS3 through the Northern Netherlands Innovation Monitor. However, the results of this monitor show that, in reality, 'self-creating demand' only existed to a limited extent. Although there had been an extensive EDP in the design phase of the strategy, commitment to the RIS3 was now fading. The main theme of the peer review meeting in the Northern Netherlands in November 2016 was therefore the 'continuity issue', i.e. how to regain the momentum and how to keep the spirits regarding 'smart specialization' high.

The subsequent peer review meetings and the discussions with experts such as Dominique Foray and the JRC's S3 Platform, confirmed that continuous collaboration is the key. SNN took on board the importance of keeping businesses, knowledge centers and society in continuous interaction, in order to stimulate cooperation and to increase the chances for promising entrepreneurial discoveries to occur. This proved to be a key lesson for the Northern Netherlands.

As a tool to improve the climate for continuous EDP the Open Innovation call was launched. This innovative ERDF instrument calls upon businesses and knowledge centers to cooperate in order to develop initiatives that are capable of generating a series of related innovations, which together can become economic strengths of the Northern Netherlands. For this call, SNN is looking for initiatives that actively involve SMEs and ideally, end-users in innovation processes. Besides contributing to the structural improvement of the innovation ecosystem, these initiatives will also help develop a creative climate that sparks more ideas.

1.2. GOVERNANCE

Challenge: The governance-issue

Even though the Open Innovation call is improving the climate, SNN has recognized that it is not quite enough. Whereas bottom-up EDP-management is functioning quite well, the overall coordination leaves room for further improvement. Over the last years, the region has seen the development of valuable bottom-up initiatives, such as innovation environments and innovation hubs. Although this is a good sign, these initiatives are generally too fragmentary and too



individual. They lack a cross-sectoral, cross-disciplinary, cross-actor and outward-looking approach. Also, the amount of SMEs involved in these initiatives is too small. In other words: although its harboring promising developments, the region is not reaching its full potential yet.

So – what is needed to change this? A more effective network structure of key players in the field. The region experiences difficulties in establishing an effective and simple governance structure. The governance issues are characterized by political debates, formal working groups and restrictions to specific priority areas. These issues provide barriers to a full-functioning innovation ecosystem. To truly make a fundamental change in the Northern Netherlands, the innovation ecosystem should be structurally strengthened.

Action: Governance Matrix Structurally changing and strengthening the innovation ecosystem

SNN is examining how to create and maintain fertile ground on which partners can continuously meet, interact, collaborate, come up with ideas and actually start initiating explorative activities. These ideas and activities can eventually become innovations with clear market potential that have a significant economic and societal impact in the Northern Netherlands. The to-be-created new regional innovation strategy will have to focus more on the process rather than just priority areas. If the conditions are favorable, then innovation will follow suit.

In June 2017, the peer review meeting in Östergötland centered around their specific RIS3 matrix governance structure. Key elements of this matrix are its informal bottom-up character; its inclusion of key players that are actually working 'in the field'; and its cross-sectoral approach linking the several priority areas. The best practice of Östergötland seemed ideally suited to counter the barriers in the Northern Netherlands, as the matrix-examples provides more coherence and direction on the governance-level.

2. THE MATRIX – THE CORE OF THE N-NLS BEYOND EDP ACTION PLAN

Strengthening of the innovation ecosystem is at the core of the Northern Netherlands' Beyond EDP Action Plan. For this, the Northern Netherlands will adopt Östergötland's best practice regarding the governance matrix as the core of its action plan. Of course, this is not a matter of copying and pasting. The Northern Netherlands has to create a matrix that is specifically suited for its regional context.

2.1. THE SWEDISH MATRIX

Within the Beyond EDP project, the Swedish region of Östergötland shared its experiences with coordinating multi-actor innovation processes and strategies on how to create a fertile ground for collaborative innovation. This region has taken a pragmatic route and developed an approach in which key actors in an innovation ecosystem are closely connected and effectively work together to get the most out of entrepreneurial discoveries, with great results.

The regional Swedish government acts as a continuous facilitator. A facilitator gathers and organizes the relevant actors and leading stakeholders. Together, they aim to commit, mobilize and align all the actors in the ecosystem. Creating such a fertile ecosystem for innovation involves a systematic approach: it's a long term process. Therefore, regional governmental coordination continues to be of great importance.

2.2. ADOPTING AND ADAPTING THE MATRIX

From the perspective of the Northern Netherlands, the key elements of the Swedish matrix are: its informal bottom up character, which suits the Dutch culture of 'doing business', its inclusion of key players (actors that are actually working 'in the field') and its cross-sectoral approach (developing linkages between the several priority areas).

Adapting the matrix to the Northern Netherlands' regional context means large-scale stakeholder involvement. This is a step-by-step process that involves systematic changes, starting with familiarizing the regional players with the concept and encourage adoption of the matrix. Indeed, the matrix was introduced to Northern Netherlands stakeholders by the Östergötland region during the Smart Up!-event on 19 September 2018.

Smart Up! was a joint stakeholder meeting of Interreg Europe projects Beyond EDP, ClusterFY, RELOS3, and TraCS3 centering on making the Northern Netherlands smarter and better, through continuous cooperation of businesses, knowledge institutions, government, civil society and citizens in creative environments. The Smart Up! event launched the matrix-concept and formed the first step towards changing the innovation ecosystem.



SNN has organized two pragmatic get-togethers with those stakeholders they believe to be regional key players. The main topic of discussion in these brainstorm sessions referred to the concept of interrelatedness: how can we 'do what we do' more effective, by creating better linkages between one another? These sessions led to a set of starting points that form the framework of the Northern Netherlands matrix.

3. THE NORTHERN NETHERLANDS MATRIX

The pragmatic approach of the matrix will ensure better cooperation, more focus and a better alignment of perspectives within the Northern Netherlands innovation ecosystem. A matrix provides the opportunity for early recognition of promising ideas, developments and discoveries – which can then be jointly brought to fruition.

3.1. FRAMEWORK OF THE MATRIX

The framework will provide the base for further development, elaboration and ultimately the implementation of the matrix in the Northern Netherlands. The framework consists of a set of starting points.

First of all, the matrix is not a new institution. Instead, the matrix must be understood as a structural and sustainable place for all partners in the Northern Netherlands' innovation ecosystem – a place where quadruple helix stakeholders

from all backgrounds find and help each other. A place to cooperate and innovate together, across sectors. The matrix thus opens up a broad network and actively seeks collaboration with partners in the innovation ecosystem – thereby rejecting the narrow conception of economic growth in terms of competition. To support this, the matrix must be accompanied with a digital platform for knowledge and information exchange. It is important to publicly share the output of the matrix.

Secondly, participants in this matrix must be key players. Participation in the matrix is based on expertise and the willingness to share ideas and to help each other, regardless of any background. The next paragraph elaborates further on this subject. Thirdly, there must be sufficient recognition for the effort and workload associated with supporting partners with innovative ideas and for structurally improving the innovation ecosystem and the matrix itself. Participation in the matrix is therefore reimbursed in an appropriate way, if this does not logically fit in the core tasks of the person concerned.

3.2. PARTNERS INVOLVED

An important factor is that participants in this matrix are key players – they are the people working ‘in the field’. Participation in the matrix is therefore based on expertise. The participants must be mandated and committed on behalf of their organization. Foremost, participation in the matrix is based on mutual trust and the willingness to share ideas and to help each other, regardless of any background.

At the moment, there is a ‘coalition of the willing’: an organically-formed group of organizations supportive and willing to contribute to the creation of a matrix. This group involves the following types of partners:

- Business support & business development agencies
- Independent business consultants
- Representatives of the business sectors
- Clusters
- Regional Development Agency
- Innovation networks
- Innovation environments
- University
- University of Applied Sciences
- Regional government
- Provincial government

As it is important to have the most relevant partners within direct reach. Therefore, the next step is to critically assess the involved parties and organize the matrix in such a way that the right people are in the right place. This ‘first layer’ or ‘base layer’ of the matrix refers to ± 20 key players: those people that have ability and capabilities to make a difference.

3.3. FORESEEN CHALLENGES

The main challenge will be to introduce the matrix in the region and to give it a place in the current context of the Northern Netherlands. It needs to be placed within the existing governance structures (such as the provinces, SNN and the Economic Board Northern Netherlands) and existing innovation structures (such as clusters, hubs, environments and networks). Furthermore, the matrix must find its way with organizations that already have certain tasks and responsibilities in the innovation ecosystem (such as intermediaries and business developers) and must deal with different layers of interests and stakes. Relatedly, all parties must agree to and be supportive of the role of regional government as the orchestrator of the matrix.

The development, elaboration and implementation of the matrix is dependent on many (political) sensitivities. This requires a delicate approach.



4. APPROACH AND ACTION PLAN

The approach to devising, elaborating and implementing the matrix can only be done step-by-step. In the initial phase, emphasis is placed on presenting the matrix 'in the field' and informing relevant actors about its value. The most important element of the approach is its bottom-up character: the matrix should not be imposed from above. Instead, the idea of the matrix must find foothold in the region and start growing. It can be compared to an oil slick: starting out with the support of a few key stakeholders, and slowly widening. After all, $\text{impact} = \text{quality} \times \text{acceptance}$.

The approach will start out with an emphasis on project development: following leads, harboring initiatives and coordinate concrete ideas. This is a pragmatic route, as it lowers the threshold for key player to join in. Gradually, the focus will broaden and shifted from singular initiatives to an integrated eco-system, i.e. the actual matrix design. This is accompanied by a gradual formalization: at first, there is room for free interpretation ('everyone welcome'), before slowly moving on to a permanent place in the matrix.

In line with the 'step by step' approach, the benefits of the matrix are expected to occur gradually. The aim is for the matrix already to contribute to improvements in the implementation of the current RIS3, as well as to strategic improvements which benefit the design and implementation of the future RIS3. Each step will be closely monitored by SNN using milestones.

4.1. RECAP OF ACTIONS ALREADY CARRIED OUT

June 2017 Presentation of the matrix in Ostergotland.

May 2018 First 'cautious' session in the Northern Netherlands with a number of stakeholders: discussing the concept of the matrix and scanning whether there might be support for this idea. The positive reactions received during this session were reason for SNN to organize an event on a larger scale: Smart Up!.

Sept. 2018 The Smart Up!-event in the Northern Netherlands was seized as an opportunity to launch the idea of the matrix among a large group of key stakeholders. The event included a presentation of the matrix by Ostergotland itself, and a subsequent discussion on the applicability of such a matrix in the Northern Netherlands. The reception was positive: a confirmation for SNN that the matrix idea is feasible – although there are still sensitivities to reckon with.

Autumn 2018 The first experimental sessions took place. In a 'narrow setup', participants mainly discussed project development and the acquisition of seed money. Simultaneously, a small delegation deliberated on the issue of how to move 'from narrow to broad', i.e. how to switch from singular initiatives to an actual matrix.

4.2. PLANS AND ACTIONS AHEAD

January 2019 - December 2019

In the first half of 2019, the shift from 'narrow' to 'broad' takes place: from project development towards the matrix, from singular initiatives to the ecosystem. This catalyst for this shift will be the small and effective working group of SNN-stakeholders. Topics of discussion: the main focus of the matrix, its composition, the ratio of existing bodies and the position of the matrix in existing structures.

Milestone December 2019: An implemented matrix with acquired position in current RIS3 system

November 2018 - January 2020

In November 2018, SNN carefully started the preparations for devising the new RIS3. It seems as though the updated strategy will become a 'mission-oriented RIS3'. This means that the starting point of the RIS3 will shift from challenges to missions. The current RIS3 is based on broad societal challenges, but the translation to actual missions hasn't occurred. Originally, the Northern Innovation Agenda (NIA) was seen as the operationalization of the RIS3, but in reality the NIA didn't take up this role. The goal for the new RIS3 is that operationalization will succeed, via the missions in the RIS3 itself. This requires a wide support of regional stakeholders.

The new strategy poses that missions should be accomplished through continuous interaction in the innovation ecosystem: cross-themes, cross-sector and cross-actors. The matrix is ideally suited to bring the innovation ecosystem in order to take up this role. The matrix can function as a channel through which support to new RIS3 ideas is obtained, which then supplies input for the RIS3. Therefore, the process of designing the new RIS3 and the process of designing the matrix are closely connected at an early stage (from January 2019 onwards). Inspiration sessions, now called Smart Up! Sessions, will provide content for these combined processes, in an accessible way.

Milestone January 2020: a new RIS3 design with the matrix as one of the main building blocks of the governance structure

January 2020 – October 2020

In this phase, SNN aims to allow the matrix to acquire a natural position in the governance of the RIS3, conform the starting points mentioned above. Most important is that the matrix takes up the role as coordinator of the innovation ecosystem, which allows for continuous interaction and thereby operationalizing the new mission-oriented RIS3 for the Northern Netherlands.

Milestone October 2020: matrix current RIS3 is ready to take on its role in new RIS3 implementation

4.3. COSTS AND FUNDING

The above action plan requires roughly €0.25 million per year. This includes organizational costs and logistics (meetings, locations, travel, secretariat) and compensation of the members in the matrix. Seed money is not included in this amount. The funding derives from SNN's own resources.

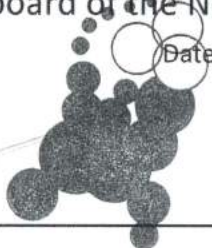
This Beyond EDP Action Plan will be implemented under the full responsibility of the Northern Netherlands Alliance (SNN). SNN is an alliance of the three most northern provinces of the Netherlands. SNN is responsible for RIS3 and is a managing authority for the 2024-2020 ERDF Operational Programme for the Northern Netherlands.

The general board of the Northern Netherlands Alliance

on their behalf:

Date: 28-03-2019

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