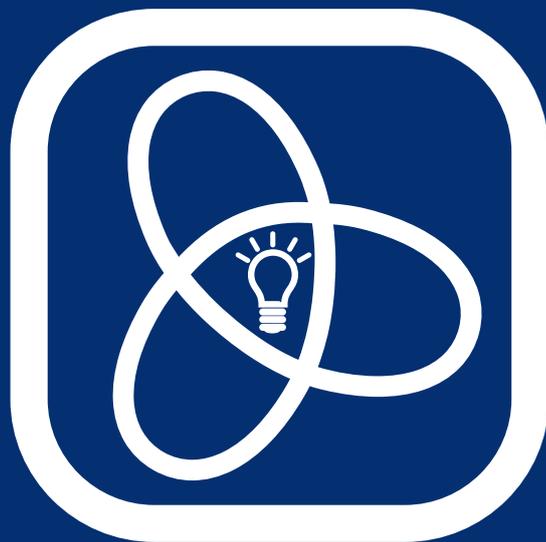


**Policy
recommendations
for creating
innovation
systems**



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October 2014

The stage is set for the innovation system actors

In a time of global competition in both academia and business, innovation is the key to competitiveness and growth on a regional, national and EU level. However, innovation does not simply happen by itself – it is a product of the actions and interconnections of the members within the *innovation system*. Like any system of components, there can be problems with the individual parts and how they work together – problems that reduce the efficiency of the system.

This brochure gives a number of recommendations to four categories of stakeholders linked to regional innovation systems: national level policymakers, regional level policymakers, research institutes and universities, and implementation support bodies. These recommendations stem from our analysis of 10 cooperation projects and over 200 good practices. It is our intention that the approaches suggested here will help in dealing with the fundamental challenges of *innovation systems*.

Dr. Peter Heydebreck and Carl Arvid Dahlöf were contracted by the INTERREG IVC programme to analyse, benchmark and capitalise on the wealth of knowledge generated by cooperation projects in the field of innovation systems.

These policy recommendations are the result of a two-year analysis, providing targeted actions for those involved in this policy field.

1.

Recommendations for national level policymakers

We believe it is important that policymakers **engage in system building measures**. By this we mean that support should not be directed only at individual members of the innovation systems, but instead towards different frameworks and mechanisms for cooperation, such as clusters.

A good example of such a framework is found in the “ECOBIZ Collaborative Platform”, the good practice that received most the interest from the partners of the *ERMIS* project. With presence through 40 individual networks in the whole of France, ECOBIZ promotes cooperation and cross-fertilisation between clusters and fosters networking, synergies and economic development. This way the members are still responsible for the “action”, but are provided with a facilitating structure which could potentially benefit all members.

The French Riviera Chamber of Commerce: “ECOBIZ Collaborative Platform”

ECOBIZ is a network with roughly 8 000 members representing more than 5 000 companies of which

over 90% are SMEs. The ECOBIZ networks across France are hosted by local Chambers of Commerce and economic development stakeholders. ECOBIZ hosts existing professionals and provides a combination of virtual and physical networking, along with cross-functional business intelligence.

This good practice was successfully transferred to the Samos Chamber of Commerce in Greece. They had the problem of highly scattered companies with little interaction between them. Implementing the good practice brought an understanding of how to create a platform for the SMEs. The good practice itself was described as easily transferable as it only requires an understanding of what resources to put in place; 1-2 persons managing the platform is sufficient.

2.

Recommendations for regional level policymakers

Regional policymakers should **work for international profiling** and positioning of their region, and **dare to specialise** in the region’s strong points. The *KNOW-HUB* project collaborates with the Smart Specialisation Platform and links the content of the project’s

good practices to the different steps of the Smart Specialisation Strategies. We think this approach could be of interest to policymakers of other regions as well, potentially giving a better perspective on the regional specialisation efforts.

As for internationalisation, we believe the *IPP* project has brought forward a number of good practices on how regions can approach this challenge. For example, the city of Paterna's "City of Business" strategy with involvement of a number of different stakeholders working under a unifying brand is a good practice worth highlighting. Measures such as the programme for guiding municipalities in their internationalisation, developed in a pilot project in *IPP*, is another type of action we consider to be helpful in the internationalisation of regions.

Paterna, Italy:

"City marketing strategy – City of Business"

The "City of Business" strategy is a branding scheme aimed towards national and international investors, business tourism, and to show off Paterna as an excellent location for investment and creative activity. Locally, organisations such as the City Council along with industry, trade, catering and hospitality located in the municipality are involved. The goal is to achieve increased competitiveness compared to other regions and territories on a global level, thereby promoting local SMEs internationally and encouraging new job creation.

This good practice was successfully transferred to both Magdeburg in Germany and Daugavpils in Latvia. Success factors identified by the originating region include creating a "favourable environment" for territorial development and establishing a new business culture through public-private collaboration and local innovation capacity. Furthermore, city leaders must participate as active agents and integrate their individual efforts in a common process.

3.

Recommendations for research institutes and universities

It is important for universities and research institutes to **interact and cooperate with businesses**. We see several purposes of this, e.g. businesses can communicate early demand and provide direction in research, while in return business can be boosted by competence and creativity coming out of the research institutions. Our analysis shows that knowledge development and diffusion was the innovation system function that most projects addressed; universities and research institutes are considered key players with often underexploited potential.

The "Knowledge Transfer Partnerships" is a good practice found in the *INNOPOLIS* project worth mentioning in this context. In our view it is a prime example of how a win-win-win relationship can be formed between businesses, academic institutions and recent graduates. This model for two-directional knowledge exchange is well worth a closer look for universities and businesses seeking deeper cooperation.

Greater Area of Manchester:

"Knowledge Transfer Partnerships"

The aim of the "Knowledge Transfer Partnerships" (KTP) programme is to help businesses improve their competitiveness, productivity and performance through better use of the knowledge, technology and skills residing within the UK knowledge base. KTPs normally run for 1-3 years when addressing strategic issues and 10-40 weeks when the focus is on more tactical matters.

The transfer of knowledge and embedding of new capability within the business organisation is facilitated by means of a partnership between a business, an academic institution and a recent graduate. This way, businesses get the necessary skills and expertise, while graduates receive company-based training, thus developing their business and expert skills. At the same time there

are more interactions between business and the knowledge-base, resulting in more relevant education and research by the latter.

4. Recommendations for implementation support bodies

Implementation support bodies should **take a system approach** in their operations and work for the benefit of the whole innovation system and avoid sub-optimisation within their own field of work.

In our view the “ASTRIDE online platform”, one of the good practices in the *KNOW-HUB* project that has attracted great interest from other regions, showcases an efficient way to maintain a system perspective for all the stakeholders involved, providing them with both tools for collaboration and useful information on regional businesses. A solution like this, built around an extensive database, is likely to be of great value to any region trying to coordinate support to a large number of SMEs.

Nord-Pas de Calais, France:
“ASTRIDE online platform”

Designed by Nord France Innovation Développement, ASTRIDE is a collaborative online tool and database used to coordinate the “J’innove network” of regional innovation stakeholders. The platform provides the network members with a number of support tools such as: a database of the region’s high potential SMEs; information on what activities the support organisation carry out with particular SMEs; company information relating to IP and financial data, participation in innovation initiatives, and innovative potential as assessed by the Innoscope methodology; a platform for collaborative work. The platform has 3 300 users that have access to 2 000 shared documents.

Learn more, do more...

The full report of the capitalisation analysis of the Innovation systems (triple helix & open innovation) theme contains additional policy recommendations for all the target groups addressed here, as well as more descriptions of interesting good practices collected from all the ten projects. The report also offers further detailed reading on the analytical framework applied, the pre-requisites for successful good practice transfer and the general characteristics of a well-functioning innovation system.

This publication is one of a series of twelve thematic policy recommendations.
For more information and downloads, visit:
www.interreg4c.eu/capitalisation

INTERREG IVC, financed in part by the European Regional Development Fund, helps regions of Europe work together to share experience and good practice in the areas of innovation, knowledge economy, environment and risk prevention.

Printed in October 2014 by the INTERREG IVC Joint Technical Secretariat. Printing and downloading extracts of this document for public use is permitted provided the source is quoted. No content may be used for any commercial purposes.

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