

INNO-DEAL—Analysis, Diagnosis, Evaluation, Pilot Actions and Learning processes for Joint Innovation Programmes— is a Sixth Framework Programme project, supported by the EU.

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First INNO-DEAL Trans-regional Networking Workshop

The First INNO-DEAL Trans-regional Networking Workshop, which was jointly organized by the Vienna Science and Technology Fund WWTF and FILAS (project coordinator), was held at the Urania Building in Vienna on April 10-11, 2008. The event addressed regional policy makers and innovation financing managers from the participating regions, interested in comparing their performance with other European peers.

The two-day networking event brought together 62 experts and practitioners from 12 European regions. Unlike other purely research-oriented initiatives, the aim of this INNO-DEAL project workshop was to compare challenges and solutions to improve and better practices as well as to take the first steps towards trans-regional cooperation activities.

The main goal of the workshop was to identify new opportunities and mutual schemes that could lead, in the future, to common actions satisfying the needs of the participating programme managers. In particular, the parallel sessions during the second part of the workshop addressed this task.



Mr. Alex Talacchi, EC project officer for INNO-DEAL, contributed to the event

Parallel working sessions

The Parallel Sessions, which were at the heart of the event, were organized as follows:

Each workshop participant was assigned to one of three groups, according to the programme he/she represented:

- **Funding/ Investment programmes** - competitive innovation programmes aiming to create lead markets through venture or equity capital investment or the provision of loans of substantive size as start-up or seed funding.
- **Support mechanisms or services** - programmes comprising mainly consultancy and networking activities aiming to help young entrepreneurs and/or researchers developing their entrepreneurial skills or identify potential investors.
- **Grants and/or small-scale loans** - usually pre-competitive programmes aimed at increasing the critical mass of SMEs and upgrading their infrastructure or human resources. This is typically done by supporting small-scale collaborative projects, patenting activities or business plans in the form of financial support for equipment/ infrastructure or RTD labour costs.

The three groups worked in parallel, following a three-step-approach for discussion:

1. presentation of good practices to other group participants,
2. potential barriers and pitfalls concerning transferability and cooperation activities between programmes,
3. transferability of good practices and identification of opportunities for cooperation.

"The meeting in Vienna provided us an unusual opportunity to reflect on the strategic role that people and the entrepreneurial drive play in the knowledge economy."

Andrea Di Anselmo (META Group, Italy)

"The workshop was an excellent opportunity to understand and to complement our experience regarding the importance of innovation in private sector development, especially of small and medium enterprises. ... Our participation, as an institution, in the framework of the project is a definite gain for the entrepreneurs from the North-East Region of Romania, because by acknowledging the experiences of other countries, we can now structure and initiate programmes and projects tailored to the realities existing in our society and which have as their main objective business stimulation and development."

Laura Craiciu (Territorial Office for SMEs of Iasi, Romania)

"The INNO-DEAL workshop was a good event. It was interesting to see that programme managers from all over Europe are facing similar kinds of problems but have found different solutions that could also be useful for us."

Dr. Andreas Chatzis (Business Angel Forum, Germany)

"About the overall event, It was an opportunity to have top-level speakers in relation to the different topics of work, and the presentations were very interesting. About the different workshops (parallel sessions) created a network of very valid programme managers to interact with each other. We identified numerous opportunities to collaborate but the problem was that we didn't have more time to go deeper and make agreements between us."

Fernando Baztan (CEIN S.A, Spain)

Funding/ Investment Programmes

Although the programme managers representing the "funding/investment programmes" represent a heterogeneous group of organizations, they all have a common denominator in their strictly public nature, either in terms of funding or of their legal nature. This aspect turned out to be crucial throughout the three sessions, as it became clear that the public sphere not only provides a good framework for collaboration, but also reveals various barriers related to the expected territorial impact of intervention.

The main barriers that have been identified along with the initial conclusions include:

- the necessity to overcome the market failure of risk capital through public intervention,
- the criteria for public financing companies are the same as for private capital, but are applied in a different way and perspective (not maximising the profit but closing the market gap),
- the "territorial issue" makes it very difficult to convince policy makers to use schemes/ programmes to sustain trans-regional collaboration,
- no belief in "cloning schemes" approach for transferring a successful experience,
- there is an interest in learning from all the different experiences, but for "mutual" benefit rather than and not pure transfer and adaptation of experiences,
- interesting possibility of cooperation between old and new member states, especially concerning most successful financial instruments for innovation.

Support Mechanisms or Services

The first session focusing on "Support Mechanisms and Services" provided a comprehensive overview of the existing programmes and initiatives implemented by participating regions. It also provided programme managers with the opportunity to exchange common experiences and discuss the challenges.

In order to facilitate the discussion, programmes were grouped into the following categories:

- i) University spin-off centres, ii) Consulting and networking activities for start-ups/spin-offs and iii) Further support mechanisms and services.



In a joint exercise, participants sought to identify the major success factors and potential barriers/pitfalls existing in their region. The major barriers brought forward during the discussion included an obvious lack of entrepreneurship culture and role models, the lack of university involvement in entrepreneurship processes, the lack of financial resources and the challenge posed by underdeveloped screening criteria.

The aim of the last session was to find common interests for discussion and further joint activities between participating programme managers. A number of interesting topics were

raised and merged by the facilitators to draft embryonic ideas for potential future activities.

The two ideas highlighted for joint actions to be pursued are:

- 1) "Nurturing 'to be' entrepreneurs" - this activity should deal with the topic of how to give future entrepreneurs the right tools and frameworks (awareness raising, improved entrepreneurship training and improved selection criteria)
- 2) "Professionalism, growth incentives via professionalism" - intending to bring higher added value to the clients of start-up and spin-off support services.

"During the benchmarking session of the good practices I was impressed by the professional level of the entrepreneurial processes described. There is definitely a challenge for us in PACA, first for ourselves, and also because we aim at being an interface for the countries located on the south shore of the Mediterranean Sea"
Christian Rey (Marseille Innovation, France)

"After taking part in this event our hope that available financial schemes and good practices will be used more widely in Lithuania has strengthened."
Ausma Bartkute (Ministry of Economy the Republic of Lithuania)

"The meeting in Vienna provided an opportunity to think over financial tools from other countries and exchange experiences and expertise. Now we have time to reflect from which one of them we can draw to speed up our potential and which we can transfer to our conditions and prepare agreements between organizations and institutions."
Tomasz Dojlidko (Podlaski Equity Investment Fund, Poland)

"The Vienna workshop was a very good opportunity how to meet the other colleagues and exchange the experiences and good practices."
Etienne Samoura (Business and Innovation Centre of CTU Prague, Czech Republic)

"My belief is that these meetings represent a fundamental occasion for programme managers to widen their perspectives and to strengthen the "European awareness and conscience" which is often given for granted. I will be happy to continue sharing my experiences and to find space for cooperation in the next INNO-DEAL Trans-regional Workshop."
Walter Nastasi (Unionfidi Lazio, Italy)

Grants and/ or Small-scale Loans

The nature of the schemes represented by this group is very different from one region to another and ranges from small innovation vouchers (5k€) to bigger loans or guarantee schemes and proactive technology transfer approaches. This was a unique opportunity for program managers to be informed about other regional initiatives and meet amongst themselves. The managers focused on understanding whether the schemes were applicable to their country or region. Some schemes are very easy to transfer and implement and, as a matter of fact, schemes like vouchers or very small grants have been adopted by several European regions. However, the implementation of these schemes varies amongst the different regions. In the same spirit, not all regions implement Regional Innovation Policies in the same manner. Thus, the schemes oriented toward start-ups and spin-offs are not the same.

This is why the INNO-DEAL consortium firmly believes that there is room for cooperation amongst the regions in Europe on the methodologies and approaches employed to foster innovation through the financing of small firms. Nonetheless, willingness, economical context and culture are crucial elements that must be considered before launching any cooperation or transfer program amongst regions. Schemes and tools have to be adapted and modified according to every different context. National strategy may at times conflict with Regional objectives depending on the degree of autonomy of the regions. The roles of the key actors, as well as schemes and programs, can sometimes be copied from one region to another, but we favour an approach based on "mentoring" in which regions exchange their experiences. This type of transfer is not a "teaching" process, but rather an exchange process, as the mentor can learn as much as the mentee. Another possible collaboration scheme is partnership: two regions may agree to devise a new scheme jointly given a similar lack of innovation financing in their respective regions.

Last but not least, the evaluation of schemes is critical to several actors. A scheme that works in one region should be highlighted and promoted by the consortium. Regions are more interested in the schemes that get results rather than in those that fail. This is why it is important for regions to showcase their successes and although these may not work in another environment, for the reasons mentioned above, it is important to have knowledge about all schemes.



The Point of View of the European Commission

INNO-DEAL Project Officer Mr. Alex Talacchi presented a report on the first INNO-DEAL Trans-regional Networking Workshop in collaboration with INNO-DEAL Project Director Ms. Michela Michilli. Some of the main points are provided in the following extracts:

"The first trans-regional workshop held in Vienna, besides offering a first snapshot of existing programmes and initiatives among the Regions, had a wider extent of creating the conditions for building a community of programme managers ."

"To attain its final objectives INNO-DEAL has to pursue its aim by adapting to its underlying governing forces, i.e. leveraging the will of stronger regions to take advantage from their contributions in terms of policy transfer through establishing commercial links with weaker regions."

"...one of the INNO-DEAL objectives is represented by the opportunity to adapt (NOT to mechanically transfer) the know-how of the old member states for supporting the accession countries in the definition of their new schemes (structural funds, regional funds, national funds, etc.)."

"The next trans-regional workshop will rather be focused on 2-3 specific topics, giving the chance to move from a general discussion, into a deep analysis with the clear intent of offering the programme managers the chance to focus on highly specific concepts (investment readiness, co-operation among funds, etc.)."

Project consortium

FILAS spa
Italy
(Project coordinator)

Méditerranée Technologies
France

Vienna Science and Technology Fund
Austria

North East Regional Development Agency
Romania

Kouvola Region Federation of Municipalities
Finland

Central Bohemia Regional Development Agency
Czech Republic

Advantage West Midlands
United Kingdom

Lithuanian Innovation Centre
Lithuania

Regional Development Agency of the Ljubljana Urban Region
Slovenia

Government of Navarre
Spain

Podlaska Regional Development Foundation
Poland

Stuttgart Region Economic Development Corporation
Germany

INNO-DEAL Next steps

INNO-DEAL Mentoring actions

WHAT: At the first INNO-DEAL Trans-regional Networking Workshop, sixty managers of Innovation Programmes from twelve European regions met and discussed the best practices of their own measures and policies. **Five schemes were identified as the most promising for the launch of corresponding Mentoring Actions**, mutual learning sessions in which the managers of successful programmes (the Mentors) expound in detail the key features of their policies to other peers (the Mentees) in order to stimulate fruitful discussions about how to spread explicit and tacit knowledge of best practices, improve the effectiveness of innovation financing and, eventually, link up regional schemes in collaboration deals.

WHEN: October 13 - 14, 2008

WHERE: Rome, Italy (venue will be soon announced)

WHO: Five invited Mentors and up to twelve Mentees for each of the five Mentoring Actions.

WHY: The involved innovation managers concur with the findings of the first phase of the project: there are innovation programmes that are more effective than others and are worth being exposed in detail and compared to others. This exercise will be of the utmost importance not only for the managers of other schemes in other regions, but also to the managers of the successful schemes, as this will further strengthen their excellence by allowing them to view their methods in different scenarios. This mentoring approach, based on mutual learning, will overcome the “transfer fallacy”, the naïf belief that a good scheme can be simply replicated in other realities as a simple “export”.

Second INNO-DEAL Trans-regional Networking Workshop

WHAT: After the first successful workshop held in Vienna, the second one will take place in Rome October 14-15, 2008. The aim of the workshop is to **strengthen relations amongst the programme managers and prepare the ground for cooperation agreements**. Compared to the previous workshop, the Rome event will be organized in different parallel sessions, but it will focus on two or three major topics related to cooperation in innovation financing. The programme will be soon available on PRO INNO Europe website.

WHEN: October 14 - 15, 2008

WHERE: Rome, Italy (venue will be soon announced)

WHO: Programme managers from 12 European regions, practitioners, INNO-DEAL programme managers, invited speakers.



For any further info regarding INNO-DEAL,
please check

www.proinno-europe.eu/innodeal



In the next issue:

Details about Mentoring Actions and
2nd INNO-DEAL Trans-regional workshop

Presentation of new project outputs

And more...