Innovation Ecosystem

Workshop on Horizon2020 & structural funds synergy

June 2015
Introduction:

• Innovation as “change that speeds up and improves the way we conceive, develop, produce and access new products, industrial processes and services” (Innovation Union)

• Successful production, assimilation and exploitation of novelty in the economic and social spheres: Product/service, Process, Organizational, Marketing Innovation (EC, Green Paper, 1995)

• Innovation Union: flagship for smart growth in Europe 2020

• Process of Creating, Transforming, Implementing an idea

• “Buzzword”, contradictory interpretations
Defining Innovation

Incremental vs Disruptive Innovations: Picking Your Spot

- **Breakthrough**: High technology progress, high market impact
- **Game Changer**: High technology progress, moderate market impact
- **Incremental**: Low technology progress, moderate market impact
- **Disruptive**: Low technology progress, high market impact

- **Create new market**
  - Low risk, many competitors
- **Manage existing market**
  - High risk, high reward
  - Customer experience, cost savings
  - High risk, defensive strategy
Benefits of innovation

• Increase profits / margins;
• Product diversification;
• Product differentiation;
• Maintenance or increase of market share;
• Maintenance of strategic position in the market;
• Exploitation of new business opportunities;
• Expansion to new markets;
• Customization of service;
• Strengthening competitiveness in the market (eg: reduction of production costs);
Barriers to Innovation

- “European Paradox: excellence in science, weak transfer into products (‘valley of death’)
- Moderate attitude to innovation
- Scarcity of financial resources
- Redesigning priorities due to socio-economic situation
- Global competition
- Risk aversion
- Lack of lifelong training and learning
- Excellent researchers lack business competence
- Limited number of researchers with private sector background
- Fragmented business innovation services
- Unclear IPR issues
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Innovation Ecosystem

- Independent factors working together to enable innovation
- Resources
  Human Capital
  Networks
  Environment
  Culture
- Knowledge Economy, Market Economy
- Demand, Supply & Policy-driven innovation

S3 Platform
Innovation Performance in Europe

- Regional Innovation
- Leaders: 34
- Regional Innovation followers: 57
- Regional Moderate Innovators: 68
- Regional Modest innovators: 31

190 regions for 22 EU Member States

Most changes (2004-2010) in small group of countries
Open Innovation scheme

• New business model for EU (Dublin Declaration on Open Innovation)
• Move from European Research Area to European Innovation System

• Closed Innovation: research and development is performed in-house, any/little external knowledge is used
• Open Innovation: the organization uses external partners to achieve research and development
Open Innovation scheme

• Integral part of business models/strategies
• Open up innovation process for collaboration with external partners (quadruple helix innovation)
• Faster, less risky, complementary resources, opportunity to diversify

• Exploiting knowledge assets of other organisations (outside-in), or commercialising technologies internally developed but beyond core business (in-outside)
• Corporate venturing; Acquisition of knowledge; Commercialising R&D results; Involving added-value Networks (role for NCPs)

• Universities & Research organisations as source of knowledge and potential partners
• External collaborators close to large/growing markets
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<th>Closed Innovation Principles</th>
<th>Open Innovation Principles</th>
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<td>The smart people in the field work for us.</td>
<td>Not all of the smart people work for us so we must find the knowledge from outside</td>
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<td>To profit from R&amp;D, we must discover it, develop it, and ship it ourselves.</td>
<td>External R&amp;D can create significant value: internal R&amp;D is needed to claim some portion.</td>
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<td>If we discover it ourselves, we will get it to the market first.</td>
<td>We don’t have to originate the research to profit from it.</td>
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<td>The company that gets an innovation to the market first will win.</td>
<td>Building a better business model is better than getting to the market first.</td>
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<td>If we create the most and the best ideas in the industry, we will win.</td>
<td>If we make the best use of internal and external ideas, we will win.</td>
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<td>If we create the most and the best ideas in the industry, we will win.</td>
<td>We should profit from others’ use of our IP, buy others’ IP if it advances our business model</td>
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National Contact Points in the Innovation ecosystem

- Supportive mechanism
- Knowledge of research capacity & innovation across Europe
- Facilitate use of available assets: Funding + Facilities
- Import best practices
- Facilitating synergies between H2020 & other financial instruments
- Experts & Networks around Europe, common processes, measurable results
Enterprise Europe Network:

- Addressing the “valley of death” through business + technology + research agreements
- Business Innovation Support in 54 countries
- **Innovation Management**
  Assessment & Benchmarking
- Synergies between H2020 & COSME, Creative Europe, Erasmus+
- **IPR Ambassadors**
- Online **matching of SMEs & Research institutions**
- Brokerage Events & Company Missions
Innovation Strategy
- Vision and strategic focus on innovation
- Implementation of strategy

Organisation and Culture
- Roles and responsibilities
- Organisational structure
- Organisational culture and climate

Innovation Life Cycle Processes
- Idea management
- Product/Process and Service Development
- Launch and Continuous Improvement

Enabling Factors
- Project management
- Human Resources and Incentives
- IT and Knowledge Management

Innovation Results

“A.T. Kearney House of Innovation”
Synergy Case: Atlantis Engineering

- **Structural Funds** for developing innovative Decision Support System
- Hosted in I4G (Incubator for Growth)
- Assisted by NCP for SME Instrument
- EEN services for business planning & IPR issues
- Successful application, KAM services provided by EEN
Information:

Georgia Tzenou
E-mail: tzenou@ekt.gr