Towards an Action Plan for Entrepreneurs' and Enterprise Organizations' Involvement in the RIS³ Process

1. Introduction

The Research and Innovation Strategies for Smart Specialisation (RIS³) is a process which requires the involvement of all regional stakeholders. Although the RIS³ is about an entrepreneurial discovery journey, entrepreneurs are amongst the most difficult stakeholders to involve. Therefore, public authorities and RIS³ penholders have to find a suitable way to ensure that the views of leading entrepreneurs are known and taken into account. This requires the identification of either leading entrepreneurs or organizations representing them that show their interest in being engaged in a policy dialogue regarding the regional innovation system and the design of a public strategy.

The plea is reinforced by the results of a survey undertaken by UEAPME in the third quarter of 2012 which shows that in several EU Member States the awareness and the involvement of enterprise organizations in the RIS³ process is still very limited.[1]

This note presents some actions to help entrepreneurs and enterprise organizations contribute to the RIS³ process. The advices are closely related to the six steps suggested by DG Regio to design a successful RIS3.[2]

2. Action plan

Action 1: Involvement in the RIS³ governance system

Leading entrepreneurs and enterprise organizations have to invest time and resources to take part in the consultation process supporting the design of a RIS³. Their involvement will lead to the identification of the most promising areas perceived by private investors in the innovation eco-system. They are the regional stakeholders with best knowledge about the activities in which entrepreneurs show interest, willingness and capabilities to invest in.

The public authorities and the RIS³ penholders have nevertheless to make sure that the entrepreneurs and enterprise organizations are able (1) to speak for all types of enterprises and about all forms of innovation (not just the high-tech one or their own particular sector) and (2) to take distance vis-à-vis the traditional conservative lobbying approach undertaken by enterprise representatives when it comes to ask for public support.

Action 2: Contribution to the analysis of the regional context

Entrepreneurs and enterprise organizations should provide objective feedback regarding the results of any SWOT analysis and assessment of the regional entrepreneurial discovery process. They must be able to provide evidence of trends in sectors, in the global value chain and for emerging industries, such as through data on the number of enterprises having invested in:

- next technology generation either as producers or as users,
- improving competitiveness thanks to the integration of Key Enabling technologies (KETs) in traditional sectors,
- enhancing productivity in non tradable sectors,
- using high value added support services,
- rewarding innovative staff members.

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[1] http://www.ueapme.com/IMG/pdf/UEAPME_Study_on_reg_policy_programs_final.pdf
[2] Cf. Guide to Research and Innovation Strategies for Smart Specialisations - http://s3platform.jrc.ec.europa.eu/s3pguide

Action 3: Involvement in the elaboration of the overall vision

Entrepreneurs and enterprise organizations have to be involved in establishing the regional vision. This is needed in order to ensure its wider acceptance as well as securing ownership by the private sector, i.e. the sole sustainable engine of growth and job creation in a region. Entrepreneurs and enterprise organizations have to guarantee the realistic dimensions of the vision, as well as its desirability.

Action 4: Participation in the identification of priorities

The RIS³ has to target all forms of innovation and knowledge related to each of these forms. To create a unique competitive advantage, public authorities and RIS³ penholders need to identify sectorial niches, often at the frontier of different sectors or activities. Enterprise organizations can help in pointing the most promising fields of specialization and to facilitate cross-sector collaboration between the different stakeholders.

Action 5: Involvement in the definition of a coherent policy mix

Enterprise organizations have to provide their views regarding the effectiveness of the current policy mix, the gaps in the provision of added value support services by the public and private sectors. They should advise on the right balance between financial and non financial support services as well as on the way the support services are delivered or in the field of not yet met expectations. In which areas R&D and skills development should be enhanced. They should also contribute to strengthen the regional intelligence system in sharing information on market and technology foresight/forecast.

Entrepreneurs and enterprise organizations have also to assess the regional position in the global value chain in order to develop robust interregional and international components of the RIS³. This will avoid investment in infrastructures similar to those available in neighbourhood regions or hot spot hubs. Few regions can indeed afford to invest in the top level equipment for each and every priority sector if the list of priorities is a long one.

Action 6: Contribution to evaluating and continuously improving the process

Enterprises and enterprise organisations have to be involved in the design and analysis of monitoring and evaluation systems and results in order to ensure that these systems are designed and evaluated in a realistic way so that they can contribute to a continuous improvement of the RIS³ implementation process. In this process public authorities need to inquire also the enterprises that do not benefit from public support, e.g. lack of awareness or poor attractiveness of the scheme due to asymmetry between expectations and offer, or wrong targeting or too high administrative constraints. The results of such inquiries will help reshape the support system in order to better match the needs and expectations of the enterprises, the end users of the RIS³.

3. Recommendations

3.1 To public authorities and RIS³ penholders

Whatever path is chosen to design a RIS³, public authorities have to invite leading entrepreneurs and representatives of enterprise organisations to participate in the different phases of this process. Those representatives will be chosen on the fact that they can demonstrate their capacity and willingness to contribute to the drafting and implementation of a RIS³ based on unique competitive advantages, not on opportunistic or traditional mindsets.

In the consultation process, public authorities and RIS³ penholders have to recognize that innovation is not just about technology or about a historic position, but who represents the future strong domains They have also to understand that the regional SME population is not a homogeneous group; this means that the way individual SMEs innovate varies according to their lifecycle, economic area, their perception of market opportunities, their access to finance and skills or their innovation management capability. SMEs can better be supported if the public support services are based on a demand approach (bottom-up) rather than on a supply side one (top-down).

3.2 To entrepreneurs and representatives of enterprise organisations

In case they feel the public authorities and the RIS³ penholders are not involving themselves in the most appropriate way, leading entrepreneurs and enterprise organisations should undertake a proactive lobbying attitude in order to make their voice known. Therefore, they should carefully monitor the path chosen by the public authorities and the RIS³ penholders to design the RIS³ and engage with those actors leading the RIS3 process or leading the stakeholder involvement process irrespective of whether that is public officials or contractual agents in charge of it.

They should be able to at least advocate for the unique competitive advantage they have as well as for the effectiveness of the policy mix and the realism of the priorities set up in the RIS³.

3.3 Do's and Don'ts for a successful engagement of leading entrepreneurs and enterprise organisations

- Don't engage with stakeholders only on basis of traditional positions, but engage with the ones focusing on innovation.
- Do define innovation in a broad sense
- Don't focus only on generic sectors, but go for niche markets and cross-sector collaboration such as the integration of KETs or creative industries in traditional sectors.
- Do a review of the effectiveness of the support service policy mix
- Don't follow trends without analysing how they contribute to the regional competitiveness
- Do a realistic review of the interregional and international components of the RIS³
- Don't believe that the support to clusters is the "magic" solution, as it will need to take into account emerging markets as well.
- Do innovation in public services (e.g. innovative procurement, voucher schemes, proof of concept) and favour experimental projects (e.g. living labs, inter-clustering)
- Don't provide only grants as support to SMEs, go for financial engineering and coaching/mentoring
- Do a "no nonsense test" of your choices to get an outside perspective.