Peer eXchange & Learning

Monitoring Smart Specialisation Strategies

Lower Austria

Vilnius, 23 October 2018
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Agenda

- Governance

- Priorities

- Policy tools

- RIS3 current status

- Monitoring System

- Summary & next steps

2020

european
enterpreneurial
region 2017

2014

2008

Establishment of LA as a benchmark
for European „Top" innovation regions

2004

Development of the holistic Regional Innovation System

2001

Implementation of the Regional Innovation Strategy NÖ

1998

Development of the RIS NÖ, Regional Innovation Strategy

Based on: SWOT, dialogue with /needs of: clients/companies, trends and challenges, potential for excellence

Full commitment
Evidence based trough monitoring and evaluation
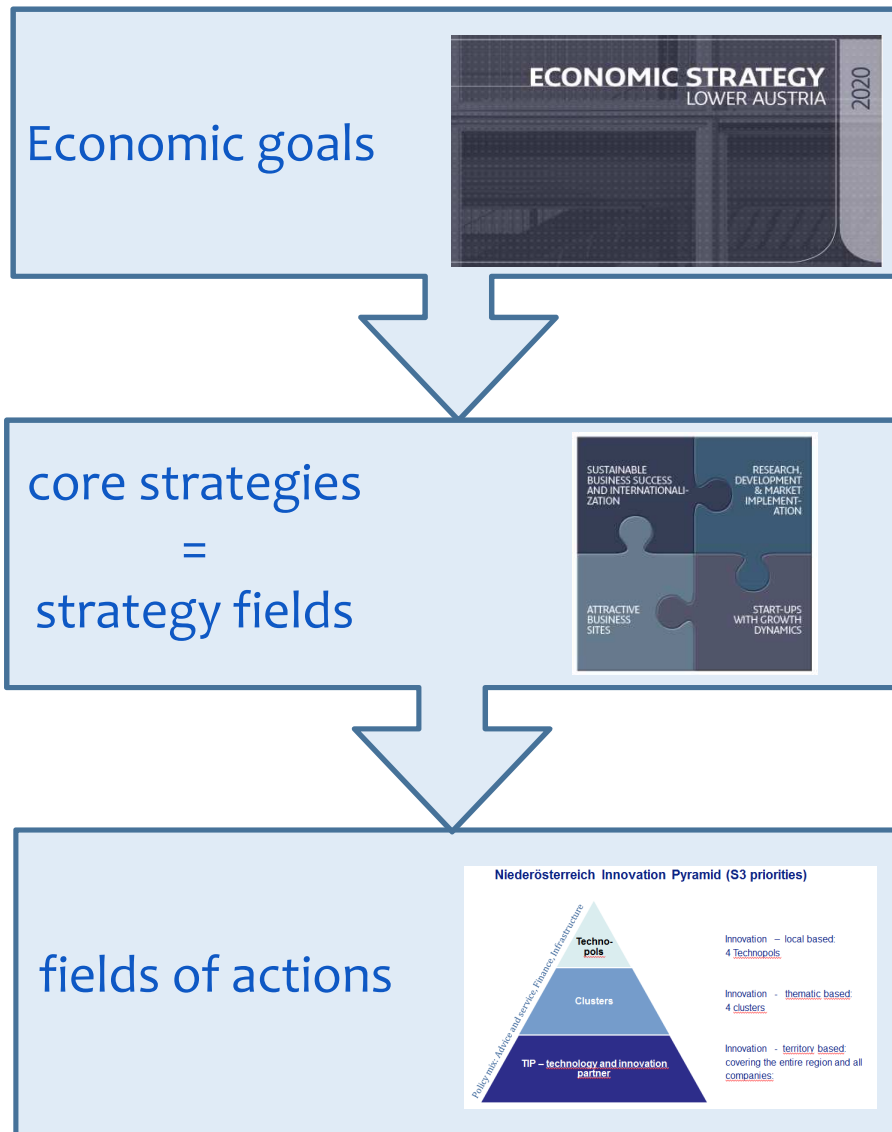Integrated: national and European policies

Smart Specialisation Strategy - governance

- responsibility RIS3
  - strategy: dep. for economy, tourism, technology
  - implementation
    - programmes conducted by agencies
    - funding of projects by dep. for economy , tourism, technology

- governance set-up of RIS3: multilevel approach
  - strategy
    strategyboard: ministry, head of gov. dep., CEO of agencies
    set strategic priorities, evaluation of outcome
  - monitoring + steering
    dep. for economy, tourism, technology:
    set up balanced score card process (BSC). The BSC is the link between vision / strategy and its implementation
  - measuring + implementation
    programme-managers
    indicators on action level
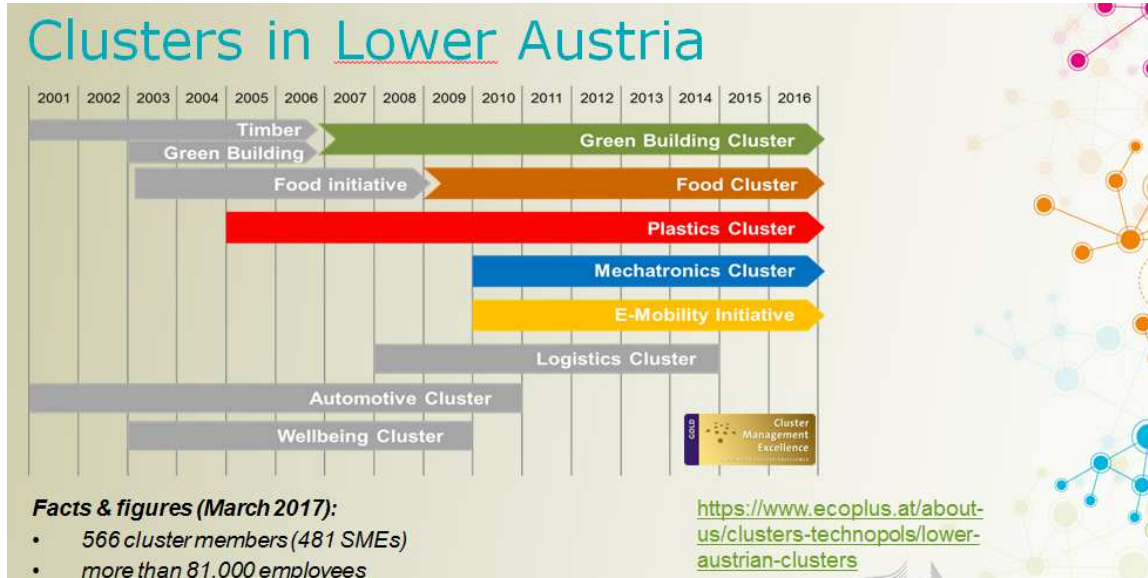
Smart Specialisation Strategy - priorities

Economic goals

ECONOMIC STRATEGY
LOWER AUSTRIA 2020

The strategy defines the framework (principles, core strategies and fields of action).

core strategies
=
strategy fields

SUSTAINABLE BUSINESS SUCCESS AND INTERNATIONALI-ZATION

RESEARCH, DEVELOPMENT & MARKET IMPLEMENT-ATION

ATTRACTIVE BUSINESS SITES

START-UPS WITH GROWTH DYNAMICS

fields of actions

Niederösterreich Innovation Pyramid (S3 priorities)

Techno-pols

Innovation – local based:
4 Technopols

Clusters

Innovation - thematic based:
4 clusters

TIP – technology and innovation partner

Innovation - territory based:
covering the entire region and all companies:

Policy mix: Advice and service, Finance, Infrastructure

The thematic priorities are defined in the implementation.

5

Smart Specialisation Strategy – action: cluster

Clusters in Lower Austria

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016

Timber
Green Building → **Green Building Cluster**

Food initiative → **Food Cluster**

Plastics Cluster

Mechatronics Cluster

E-Mobility Initiative

Logistics Cluster

Automotive Cluster

Wellbeing Cluster

GOLD — Cluster Management Excellence

Facts & figures (March 2017):
- 566 cluster members (481 SMEs)
- more than 81,000 employees
- More than 1,200 cluster projects, thereof
- 654 collaborative projects involving about 3,600 companies

https://www.ecoplus.at/about-us/clusters-technopols/lower-austrian-clusters

Smart Specialization through clusters

Example Green Building Cluster:
- Adaptation to Climate Change: Cooling & ventilation, green roofs & facades, rain water management
- Efficiency in construction: New materials & resource efficiency, fault tolerance / interfaces
- Digitalization in the construction sector

Strategies — Research results — Business needs — Technology Trends — New regulations — Market trends → Focus topics

Regular Review
- Foster Specialization
- Flexibility for adaptation to changes
- Clusters as a tool for regional innovation & smart specialization

European Commission
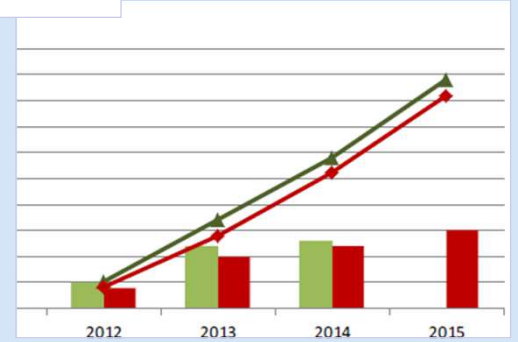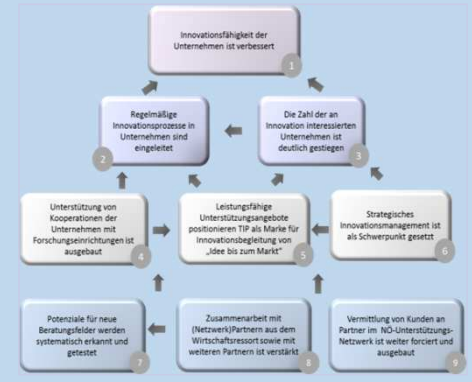
Roof BSC
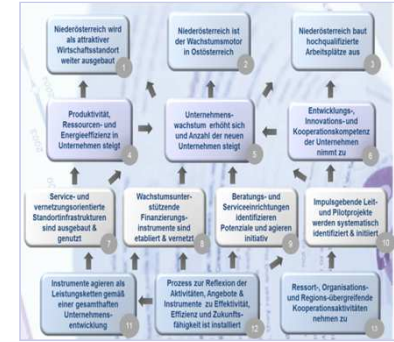
reviews

Reviews of reflection

Scorecards

NÖ Wirtschaftsressort BSC 2015-2020

Jahres- und Halbjahres-Reviews

program-BSCs

BSC Cluster Programme: target map 2015-2020

Successful contribution to the improvement of the competitiveness of the enterprises (1)

Achieving high international visibility of the Lower Austrian cluster activities (2)
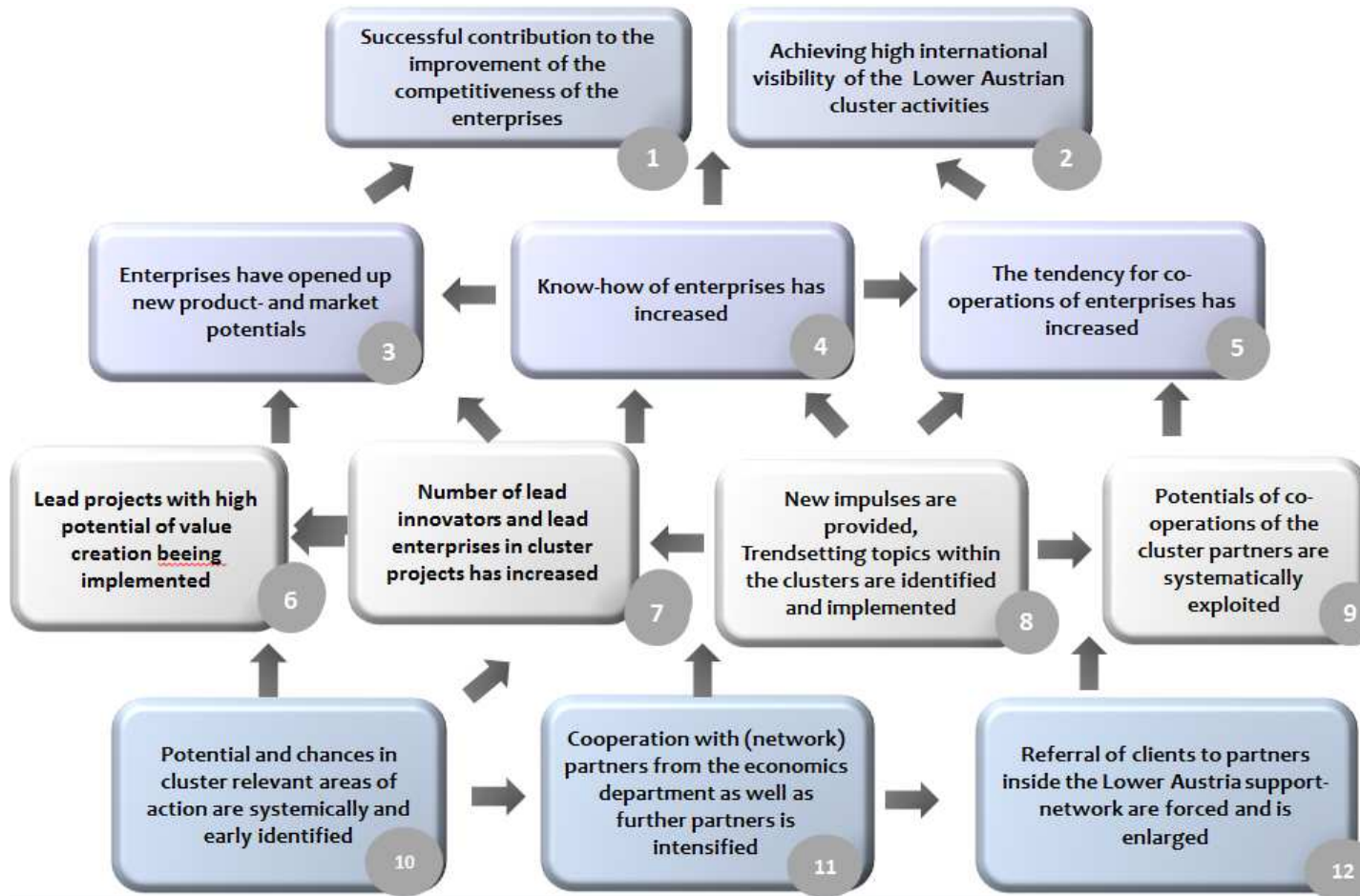
Which (macro) economic objectives do we want to achieve? LEVEL 1

Enterprises have opened up new product- and market potentials (3)

Know-how of enterprises has increased (4)

The tendency for co-operations of enterprises has increased (5)

What has to be achieved by our customers and on the market to meet the (macro) economic objectives? LEVEL 2

Lead projects with high potential of value creation beeing implemented (6)

Number of lead innovators and lead enterprises in cluster projects has increased (7)

New impulses are provided, Trendsetting topics within the clusters are identified and implemented (8)

Potentials of co-operations of the cluster partners are systematically exploited (9)

Which instruments / processes have to be excellent in order to support our customers in an optimised way? LEVEL 3

Potential and chances in cluster relevant areas of action are systemically and early identified (10)

Cooperation with (network) partners from the economics department as well as further partners is intensified (11)

Referral of clients to partners inside the Lower Austria support-network are forced and is enlarged (12)

What do we have to learn and where to improve in order to run instruments/ processes effectively? LEVEL 4
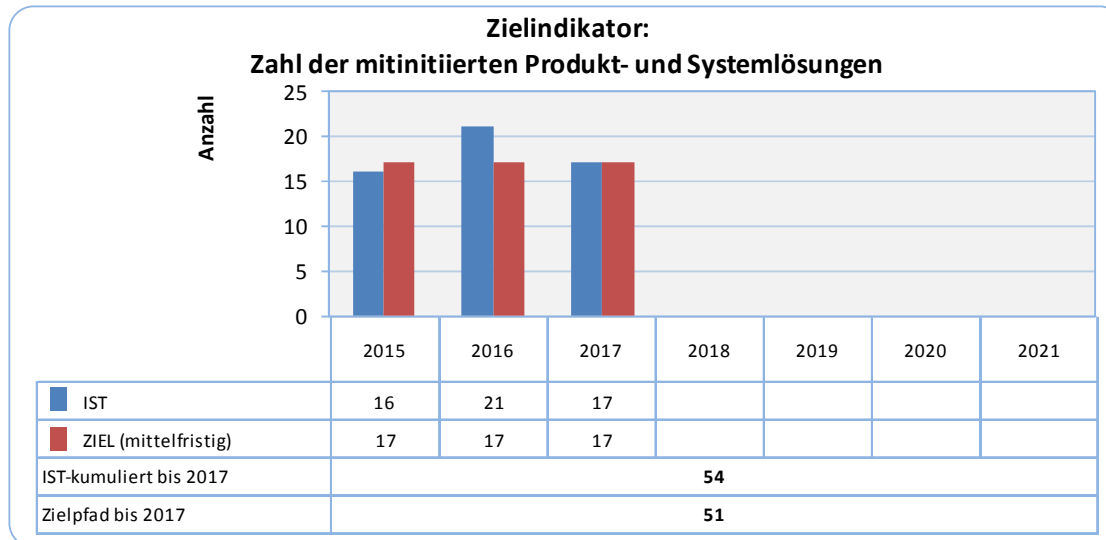
Indicators in detail: Customer targets (3-5)

	Objective	Indicator	Target value 2021 / monitoring	Measurement	Explanation / concept of measurement
3	Enterprises have opened up new product- and market potentials	Number of co-initiated product- and system solutions	Determine target value 2021	Count of projects	Funded or not-funded projects in the area of R&D, Product development, system solutions, which are significantly initiated and supported by the initiative and are not part of the category lead projects; Included are projects for opening up new markets on the basis of existing know-how (key word: competence map); no pure marketing projects
4	Know-how of enterprises has increased	Participation rate at initiatives for increasing competence or productivity	Determine target value 2021	Quota	An initiative is understood as coherent cluster activities, which should lead to increased competence- or productivity within a defined target group in the cluster. requirement: continuing cluster membership; integration of the partner for min. 2 days; counted once; Basis for the calculation of the participation rate: BEUC: 220; LMC: 90, KC: 110, MC: 130 CP
5	The tendency for co-operations of enterprises has increased	Participation rate at cluster initiated co-operations: 2nd order	Determine target value 2021	Quota	Cooperation rate 2nd order: participation in a cooperation project or project-like Cooperation; from 2. cooperation; requirement: continuing cluster membership; R&D&I institutions as well as external know-how only, if own share / -risks Basis for the calculation of the participation rate: BEUC: 220; LMC: 90, KC: 110, MC: 130 CP

Overview – **result 2017**

unter Berücksichtigung Zielwertänderung per 06.07.2017

obje ctiv e	Indicator	result 2017	Plan 2017	In %	Plan 2018	result 2017 sum.	goal sum 2017	In %	Plan 2021 sum.
3	Number of co-initiated product- and system solutions	17	14	121%	13	54	52	103%	120
5	Participation rate at cluster initiated co-operations: 2nd order	17%	6%	283%	12%	36%	29%	124%	48%
4	Participation rate at initiatives for increasing competence or productivity	13%	9%	144%	4%	46%	40%	115%	56% ↑

Objective 3: Number of co-initiated product- and system solutions

Zielindikator:
Zahl der mitinitiierten Produkt- und Systemlösungen

	2015	2016	2017	2018	2019	2020	2021
IST	16	21	17				
ZIEL (mittelfristig)	17	17	17				
IST-kumuliert bis 2017	54						
Zielpfad bis 2017	51						

2017	result	plan
BEUC	7	7
LMC	4	3
KC	3	3
MC	3	4

17 co-initiated product- and system solutions started in 2017. summing up the plan will be slightly overfulfilled.

Objective 5: Participation rate at cluster initiated co-operations: 2nd order

Zielindikator:
Teilnehmerquote an clusterinitiierten Kooperationen: 2. Ordnung

Quote	2015	2016	2017	2018	2019	2020	2021
IST	6%	14%	17%				
ZIEL (mittelfristig)	0%	16%	13%				
IST-kumuliert bis 2017				36%			
Zielpfad bis 2017				29%			
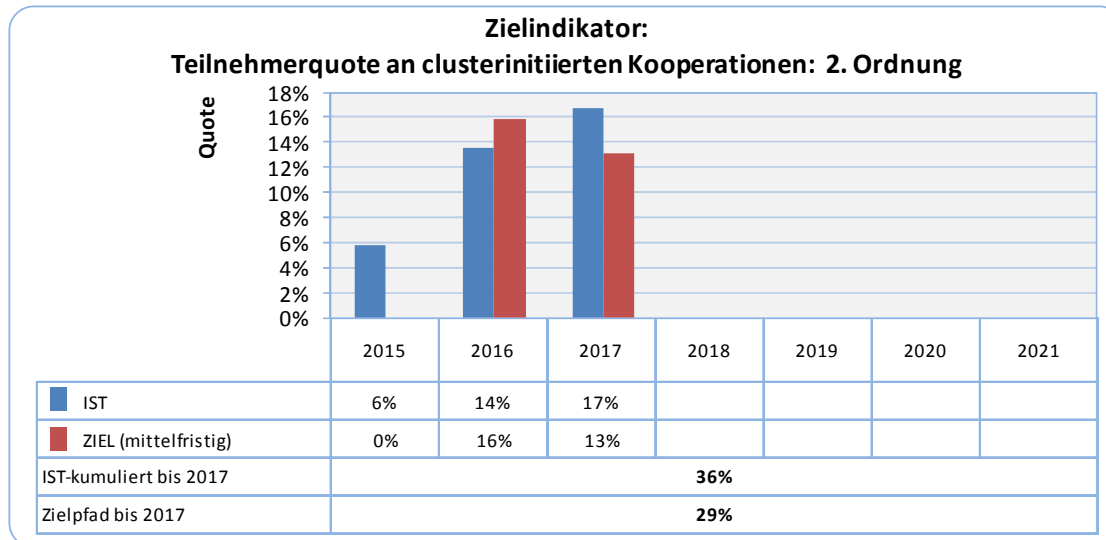
2017	IST	plan
BEUC	19%	14%
LMC	17%	10%
KC	19%	14%
MC	11%	14%

Participation rate 2nd order raised by 17%-Punkte and is now 36% of CP. Goal is highly exceeded.
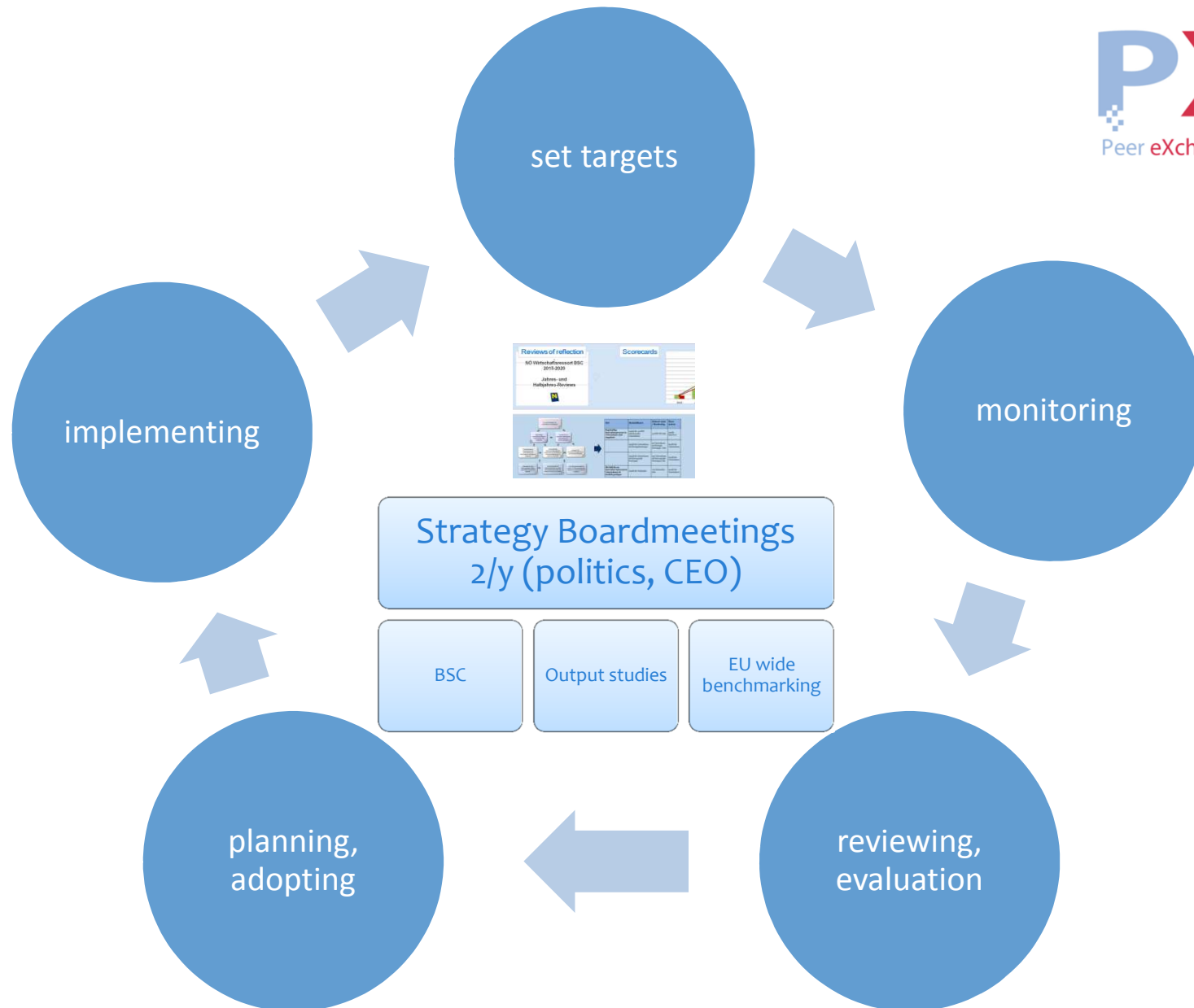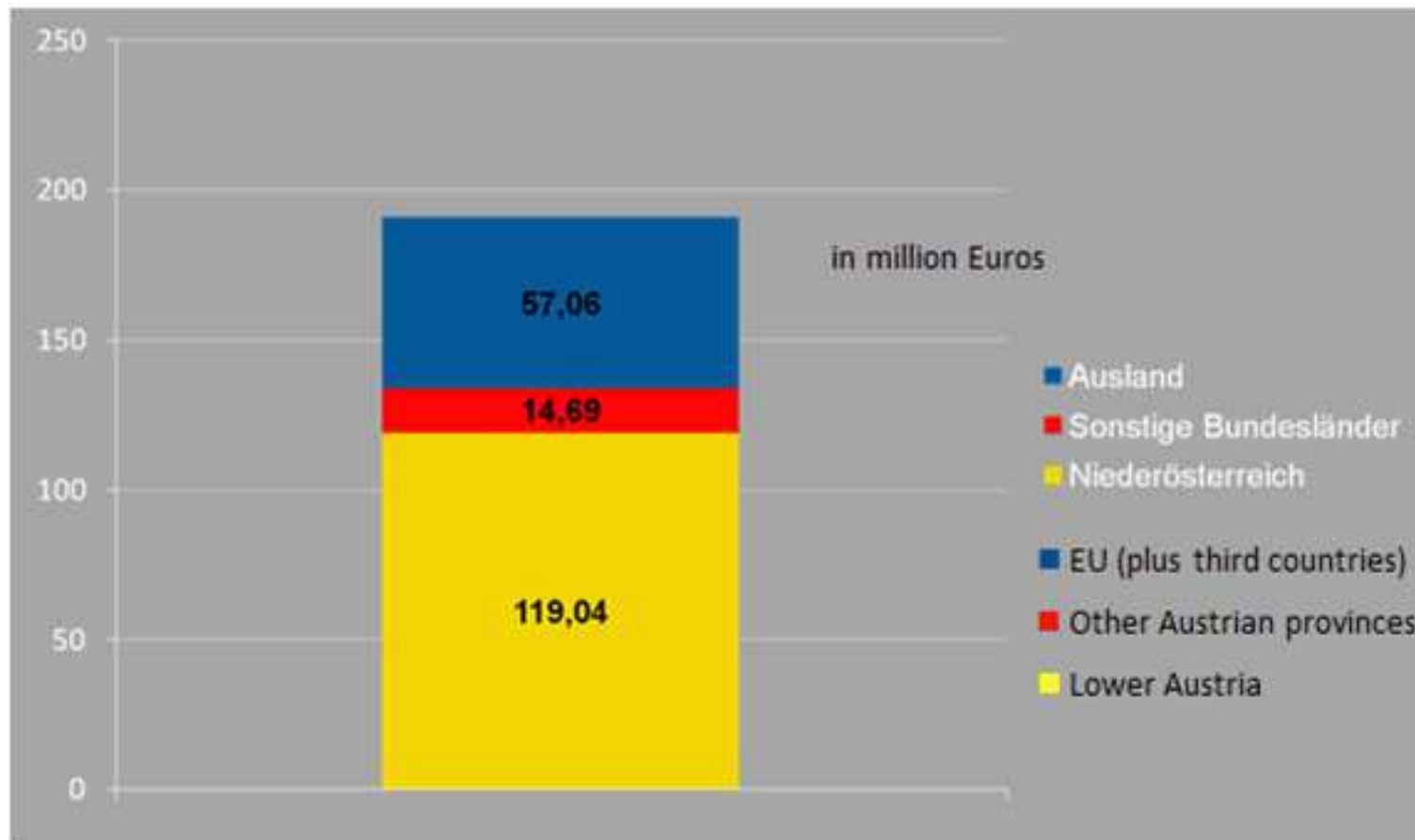
ESCA – Policy Benchmarking Report

Regional Approaches Conductive to implement S3 through Cluste
Figure 10: Experience of cluster managements in initiating cross-sectoral cooperation
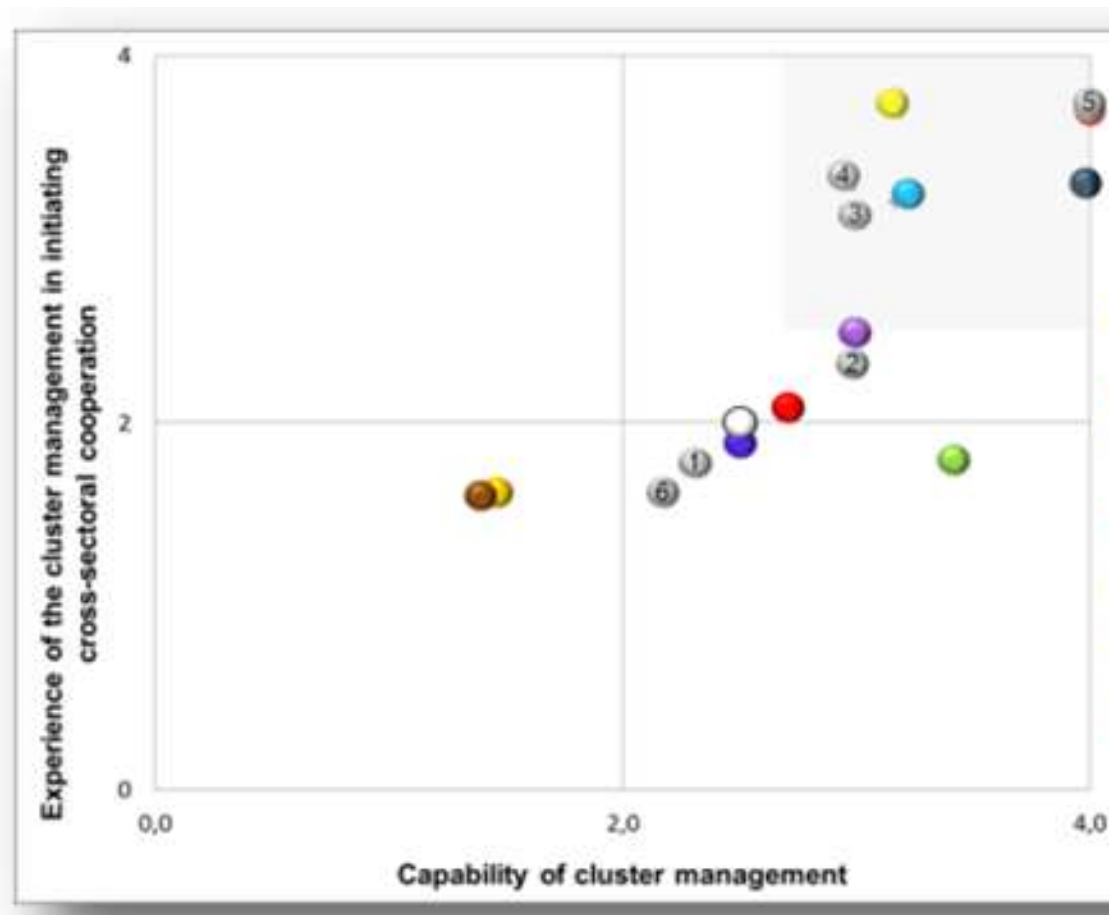
Example Technopol

Overall Economic Effect – Gross Value Added

summary & next steps

summary

- clearer and mutual understanding
- better monitoring, steering
- programs and results inline with S3 strategy
- easier to show the results of S3

next steps:

- evaluate implementation and outcome
- develop the new strategy 2020+
- aligne BSC, indicator target values to new strategy
- simplification of BSC system (eg digitize)

Question 1: How to measure indicator on strategic level ?

- **Why:**
  - indicators like GDP, R&D quota are influenced by lot of measures, how do you elaborate the amount of the specific measure?
  - Are there more specific indicators which can be used?
  - Are there some common economic models how to calculate?
  - Do you work with common EU wide indices like DESI…? and how

- **What has been done:**

We took some output indicator and did a output study. An underlying economic model was introduced for estimation.

- **What worked**

We did get output measures but only absolute values. So they aren't comparable.

- **What did not work**

We did get output measures but they aren't comparable to others only within our system

Question 2: How ambitious should the targets been set and should they be conditional for bonus?

- Why:
  - "you get what you measure" so how should target values been estimated?
  - Should be the achievement of target values be a condition for bonuses?

- What has been done:

We are now discussing with our programmowners which targets and the values. So we get a common sense. If there are severe deviations in both directions the targets will be changed. The achievement of the goals were not a condition for bonuses .

- What worked:

We have a common understanding of the targets. We are aligned how to measure and what was the purpose of implementing the indicator.

- What did not work:

There are some deviation but not more than 10%. Are the indicators ambitious enough, would we get more out of the programms by implementing another process?

Question 3: On which level indicators/target values should be discussed?

- **Why:**
  - On operational level all indicator should be discussed once/twice a year?
  - On CEO level on political level what should be discussed?

- **What has been done: see p.10**

  On operational level at least once a year all indicators are discussed, the higher the deviation the more detailled discussion

  On CEO level only deviation of critical targets are discussed

  On political level reports and analysis based on the indicators are supposed to be discussed but not the individual indicator

- **What worked:**

  Operational an CEO level is working.

- **What did not work:**

  Sometimes a more in depth know how of the CEO level would lead to better results. Whereas on political level the discussion of single indicators may lead to wrong conclusions.

Thank you for your attention
and
for our discussion!

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Overview of your country/region - RIS