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ACTION PLAN

NMP REG Support to Strategic Research Centres (SSRC)

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Flanders Innovation and Entrepreneurship

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Part I – General information

Project: **NMP-REG-**

Partner organisation: Flanders Innovation and Entrepreneurship (FIE) – Flemish Government

Country: Belgium

NUTS2 region: Région de Bruxelles-Capitale/Brussels Hoofdstedelijk Gewest

Competent authority for NUTS 2 Vlaams Gewest/Flemish Region

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Part II – Policy context

- The Action Plan aims to impact:
- Investment for Growth and Jobs programme
 - European Territorial Cooperation programme
 - Other regional development policy instrument

Name of the policy instrument addressed:

Support to Strategic Research Centres (SSRC)

Introduction:

General points

Nanotechnologies and new materials (NMP) are a cornerstone of EU policy for innovation and advanced manufacturing. As one of the Key Enabling Technologies, the EU believes that NMP can reverse negative growth trends in manufacturing and foster growth and jobs.

The statement is clear, but the road from intent to transfer, application and exploitation of NMP in manufacturing is long. NMP is dealt with in research. However, the common challenge is ensure that innovation actors cooperate to actually deliver research results to the manufacturing sector, with subsequent benefits for regional growth.

SSRC instrument and NMP-REG

“Support to strategic research centres (SSRC)” is a key instrument within the Flemish innovation system to ensure transfer from excellent research from Strategic Research Centres (SRC) to industry to improve existing and stimulate new economic activity. The participation of FIE in NMP-REG was steered by the will to improve the delivery of this core mission by the SRC instrument.

The SSRC instrument involves a basic funding of 50M€ per year (per SRC, 4 in total) which can be used to fund projects by SRCs . This annual grant is subject to a multi-annual management agreement including key performance indicators between each SRC and the Flemish government.

2 out of 4 SRCs have a strong link with NMP:

- IMEC: which performs world-leading research in the field of nano-electronics and nanotechnology. This research includes digital components, organic electronics or scaling-driven nano-electronics which are applied in healthcare, smart electronics, sustainable energy and transport.
- Flanders Make: which acts as the SRC for “Smart Manufacturing” and performs research at the cross-roads of materials, advanced product and production technology and processes. Research priorities of Flanders Make include a.o. high-performance, autonomous mechatronic systems, intelligent product design methods, design and manufacturing of smart and lightweight structures, additive manufacturing for serial production, manufacturing of high-precision products ...

A 3rd SRCs has a rather partial links with NMP:

- VITO: acts as the SRC for energy, materials, chemistry, health, environmental and terrestrial observation. Through its research into sustainable materials and chemistry there is a good link with NMP.

The 4th SRC has only an indirect links with NMP

- VIB: acts as the SRC for frontline biomolecular research in diverse fields of the life sciences for the benefit of society. NMP is however in an important field for the knowledge intensive

industries and companies that profit from VIB's research into the use of advanced molecular biological technologies.

Within the SSRC instrument we chose the Flanders Make (FM) sub-programme as a pilot case in order to prepare a wider reform of our SSRC instrument. We choose FM because from all the SRCs (see above) it operates the most at the crossroads of both the "Materials" and "Production" topic and this without excluding (or focusing only on) the "Nano" topic. In this regard the FM case can provide for wider learnings also for other SRCs.

NMP-REG offered the opportunity to reflect, review and receive feedback in a peer to peer context on the underlying rationale of the SRC instrument and the way it interacts with other policy instruments within the Flemish Innovation system.

Innovation policies in Flanders are strongly driven by the view that public funding should result, quicker than before, in marketable knowledge and societal return on investment of publicly funded R&D.

It is considered essential in Flanders that public funding should better stimulate (co)creation, spinoffs, start-ups and new economic activities. It should also have a leverage effect in mobilising private funding.

For this, research needs to become more demand-driven, be more directly transferrable to the industry and disseminated more extensively (in line with IP requirements for all stakeholders).

NMP-REG offered a framework through which FIE – supported by the NMP-REG partners - could reflect upon and outline new or adapted government approaches and models of interaction all along the chain of key players targeted by the SRC instrument (research centres, companies, knowledge institutes ...) to achieve this aim.

Within NMP-REG we learned about the partners' ways to support entrepreneurs, and manage/fund their research centres. We received important input from NMP-REG partners to provide answers to fundamental questions regarding overall governance: e.g. who offers services (open or closed group of service providers, academic and/or private partners), which models for cooperation are used (who decides research topics, which services will (not) be offered, incl. IP and models for financing, ...). Further in our action plan we detail - action by action - which learnings from which partners influenced our thinking.

During the last stages of the NMP-REG project phase 1 FIE will capitalise on fact finding missions to 3rd regions active in NMP but not involved in the NMP-REG project (Scotland, Austria, Finland and Sweden). FIE staff that will be involved in the execution of the action plan will join these fact finding missions in order to gain additional insights and will also feed these back to the other NMP-REG partners.

Feeding NMP-REG into the six monthly stakeholder meetings in Flanders (in particular Department EWI and Flanders Make) has led to several recommendations and scenarios for policy improvements. The final stakeholder and dissemination events delivered an important reality check and extra steering as to the ideas on how to give body to and roll out these scenarios during the 2nd phase of NMP-REG and the further near future.

These preliminary recommendations and scenarios were included at the end of phase 1:

- Stimulating cooperation between SRCs and linking them to (spearhead) clusters that are of strategic importance to Flanders. This could be done by including cooperation (with innovation-actors) in the overall KPIs for support to SRCs.

- Analysing the innovation ecosystem and mapping S3 competences to help validating selected main sectors and applications and facilitate cooperation.

- Pro-actively increasing financial support for SRC research areas to modernise the industry and stimulate (European) cross-regional initiatives.

- Actively using the available Flemish innovation instruments to help the SRC ecosystems grow and familiarise companies with support instruments to strengthen the industry.

Based on the different inputs gathered throughout NMP-REG these scenarios will now be further operationalised in their final form through this action plan.

Part III – Details of the actions envisaged

ACTION 1

Reshape the current Support to Strategic Research Centers (SSRC) instrument in order to prioritise more knowledge transfer from research to industry

1. The background

Base line need

NMP is a very multidisciplinary field, both along the value chain (from research to market) and across different technological areas.

Currently, many companies are working solitary and re-inventing the wheel, while a large amount of knowledge can be shared between research organisations and companies.

Traditionally, the SRC instrument has mostly been about funding low TRL research driven by the research aims of the Strategic Research Centres themselves. Funding for projects closer to the market (higher TRLs) to overcome the valley of death has been lacking within the SRC instrument.

Base line need based on NMP-REG

There is a need for SRCs to fund more research with a view on application in industry on short and mid-long term (TRL4 and higher). This should increase the industrial relevance of research and deliver a higher return on investment on the public money invested in SRCs. This requires a mentality shift and rewriting of the rationale of the SRC instrument itself.

A second insight gained from feeding back NMP-REG insights to the Flemish regional stakeholders is that the priority should be with getting research to the companies first. This even before starting to think about getting research to the market.

The Tuscany experience in NMP-REG (Regional Innovation Poles) has proven and further convinced FIE that regional/sectoral coordinating bodies like FIE itself play an important role in steering and stimulating such a “closer to market” and more “company aware” behaviour by SRCs.

2. Description of Action

Action 1 seeks to realize a profound policy change in the SSRC instrument. Its’ aim is to affect in a long term perspective the use and effects of funding mobilized by and within this instrument. Within this action essentially policy making, legal and funding aspects will be reviewed, discussed and (re)negotiated at expert and management level between the regional government, SRC’s and the broader research community, Industry...

As competent authorities within the regional government for the SSRC instrument, Flanders Innovation & Entrepreneurship (FIE) en Department for Economy, Science & Innovation (EWI) will launch a process to review long term funding conditions for SRCs (e.g. in 5-year periods) and make a more significant part of financing of SRCs dependent on active collaboration with and contribution from regional industry.

This could be done by directly or partially relating the actual SRC funding to for example the amount of private funds co-invested by industry in SRC activities (e.g. 1 € project funding per 0.5 ... 1 € industrial funding). Or also to the number, degree or intensity of joint activities between SRCs and industry (e.g. roadmapping between research and industry, research projects with direct and significant collaboration from industry, contract research SRCs, ...).

In this process FIE and EWI will involve and interact with the research community (represented by SRCs themselves like Flanders Make, IMEC, ... but also classic academic parties like universities/university colleges). Last but not least also industry (represented by industry federation Agoria) will be involved.

Universities may support the science-industry cooperation goals as well, by providing the specific fundamental knowledge needed for the applications, and therefore should have access to the means to deploy suitable R&D activities.

At every step of the timeframe below (A1-A4) the regional government will kick-start and lead on activities. SRCs and stakeholders will be mostly involved during steps A2-A3. It will be the regional government who will in step A4 lead and conclude on the mainstreaming, roll out and communication of the new funding conditions.

The foreseen activities cover (physical and virtual) interaction between managers, policy officers, funding experts and legal people/lawyers from the side of the regional government as well as the SRCs at every step/milestone in the timeframe. As means of interaction the regional government will make use of existing platforms and coordination meetings that are already in place. Where and when needed and in-between steps further ad hoc contact moments will be foreseen.

3. Players involved

- Regional government:
 - Flanders Innovation & Entrepreneurship (FIE)
 - Department for Economy, Science & Innovation (EWI)
- Research community (represented by SRCs: Flanders Make, IMEC, ...)
- Industry (represented by industry federation Agoria)

4. Timeframe

Activity/milestone	Year 1		Year 2	
	Sem 1	Sem 2	Sem 1	Sem2
<p>A1. Prepare review of long term funding conditions for SRCs connected to > TRL 4 projects</p> <ul style="list-style-type: none"> Regional government (FIE in cooperation with EWI) to write draft of new funding conditions to be integrated in funding agreement between regional gvt and SRCs Regional gvt (idem) sets up timeline for discussion and interaction with FMake,SRCs and research community Regional gvt (idem) internal meetings between policy officers and legal department 				
<p>A2. Interaction on review with research community</p> <ul style="list-style-type: none"> Regional government (FIE in cooperation with EWI) to present and discuss new draft funding conditions with SRCs individually first Regional gvt (idem) and SRCs meet collectively 2x at senior management level to discuss new funding conditions during “SRC forum” (resp. funding experts and legal people/lawyers in support) SRCs funding experts and senior management staff to internally evaluate feasibility of proposed new funding conditions Regional gvt (idem) to present 1x state of play of discussions towards wider research community (universities, university colleges...) at subgroup of “EWI EU platform” 				
<p>A3. Conclusion and revision of LT-funding conditions for SRCs connected to > TRL 4 projects</p> <ul style="list-style-type: none"> Regional gvt (idem) and SRCs meet max 2x at senior management level to reach agreement on new LT funding conditions for SRCs at SOC forum (resp. funding experts and legal people/lawyers in support). Regional gvt (idem) keeps close contact with SRCs individually to prepare the ground for decision making 				
<p>A4. Mainstreaming and roll out new funding conditions connected to > TRL 4 projects</p> <ul style="list-style-type: none"> Regional gvt (idem) incorporates new funding conditions into multi-annual funding agreements for SRCs. Running and/or new SRC funding agreements conditioned by intensity of activity regarding > TRL 4 projects 				

5. Costs

This action will require mostly physical and intellectual interaction (staff time and meeting costs) by the regional government and the mentioned stakeholders. A priori enough legal expertise is present on both sides in order not having to subcontract such costs. The costs will be borne by the existing internal budget of the involved parties foreseen for periodic policy review moments. No new structures are needed to organise the foreseen activities: streamlined processes and platforms for interaction and policy review moments are already in place and functioning well between regional government and SRC's (SRC forum) and also the broader research community (Spearhead clusters forum, EWI EU platform).

The action will not necessarily lead to an increase of the budget regarding the multi-annual funding agreements for SRCs (= integral part of the Flemish government budget). But it will affect and condition the use and implementation of the government budget invested in SRCs.

6. Funding sources

Flemish regional government funding
Internal budget of parties involved

7. Monitoring

FIE and EWI will yearly monitor actual progress and implementation through

- FIE funding database
- KPI monitoring and reporting of SRCs
- Indicator: change (in % and in numbers) of share of SRC budget for > TRL 4 type research

8. Risks and contingency planning

Potential risks for this action are:

- A lack of political willingness to implement the policy shift at regional government level
- A lack of cooperation or "ownership" at the level of SRCs regarding the intended policy shift
- A lack of cooperation or "ownership" at the level of other players in the innovation landscape, esp. traditional academic parties that favour non-directed research
- A general lack of funding resulting in hampering a shift towards spending a larger share of the SRC funding to research with an industry driven character and a short to mid-term perspective

Evaluation of the likeliness of these risks producing themselves or hindering phase 2 implementation

- The underlying rationale of our innovation policy rationale is and will remain, both on the short and mid-term, very supportive of stronger research-industry type collaborations as described in action 1. This is not likely to change in the coming 5 years nor under the next Flemish government. Instruments within the regional innovation funding system are periodically reviewed and regularly adapted. So a shift in policy priorities is quite common.
- Support and ownership of SRCs regarding the policy shift has been acquired during phase 1. In the unlikely event of blocking behaviour the regional government (FIE and EWI) still has the financial leverage to push for the developments aimed for. Funding conditions for SRCs are regularly reviewed and – although based on a negotiation with the bodies acting as SRCs – the policy level has an important final say.

- Realising a shift in the focus of traditional academic partners will require more attention and efforts. But also among academia there is a growing support for a more market driven approach of R&D. Through its different existing platforms with academic parties, FIE & EWI will continue to influence thinking at their level. FIE also runs different funding instruments directed at scholarships, doctoral and post-doc students that it can use to influence thinking of (next-generation) academics towards a more industry and entrepreneurship friendly thinking.
- FIE has acquired a recent substantial long-term increase of innovation funding (+ 200 MEUR/annum as of 2018 on top of its 600 MEUR/annum). This presents a real opportunity to launch new instruments, adapt existing ones, and provide the leverage or buy-in support for change.

ACTION 2

Support the Strategic Research Centres (SRCs) to become the "single point of contact" for innovation in their sector.

1. The background

Base line need

Currently a multitude of actors and organisations act (or aim to act) as point of contact for innovation within their or a given sector. This results into a scattered innovation support landscape with sector organisations, commercial R&D centres, dedicated academic research groups, clusters, regional and local government initiatives, ... all acting (or aiming to act) as point of contact for their or a given sector. This is not only creating difficulties for companies with research needs but also not efficient in terms of ensuring a coordinated flow of knowledge and interaction from the research community towards companies.

Base line need based on NMP-REG

The Tuscany experience within NMP-REG (Regional Innovation Poles) has proven that regional/sectoral coordinating bodies are well placed to stimulate the exchange between the different innovation actors, and can actively promote collaboration between them to help overcome the fragmentation of the innovation system.

The Portuguese Norte experience with NMP-REG (Producec) demonstrated that, for innovations to be successful, collaboration is not only required along the innovation cycle (low to high TRLs), but also across the value chain (science, tech providers, application providers, users), and between all technological sectors touching the application (multidisciplinary approach).

Both experiences have led FIE to the initial conclusion that - in the case of Flanders - SRCs are ideally positioned to coordinate the innovation landscape. If possible by providing dedicated R&D services and networking opportunities to industry. If required by providing the proper signposting.

In such way, a clear overview of the innovation activities and needs in the local industrial fabric is obtained and made available to all stakeholders in the triple helix, especially policy makers, university research, and potential industry partners.

Supporting the SRCs to become the "single point of contact" for innovation in their sector implies a repositioning of their role within the regional innovation system. Hence the need - from the regional government side - to ensure upfront the support of the SRCs themselves and other actors in the innovation system with a (partially) similar role.

The action was therefore directly tested by FIE with a.o. the SRCs themselves and representatives from industry and knowledge institutes during the final stakeholder consultation and dissemination event for NMP-REG in Flanders. This led to a more nuanced

view regarding a possible division of work and role between SRCs and the regional government itself.

2. Description of Action

Action 2 intends to reshape both the strategic role as the day to day functioning of SRCs within the current innovation landscape on a short to mid-term perspective. Changes to that role will also affect that of other institutional players (spearhead clusters, universities...) in the innovation landscape.

The final stakeholder consultation and dissemination event for NMP-REG in Flanders made it clear that SRCs and other stakeholders are generally supportive of a SPOC role for SRCs for innovation in their sector. However SRCs and stakeholders also particularly look to a more engaged and supportive role by the regional government to orchestrate the landscape and provide facilitation and strategic support services to SRCs to help them fulfil their role and maintain a functioning landscape.

Operational and business process considerations (how to best organise the intended SPOC role and foresee a proper support in this from regional government) as well as stakeholder management considerations (how to ensure the support of other institutional players for this SPOC role of SRCs in the long run) will be at the heart of the activities under action 2.

As competent authorities within the regional government for the SRC instrument, Flanders Innovation & Entrepreneurship (FIE) and Department for Economy, Science & Innovation (EWI) will therefore launch a process to include a SPOC role into the long term funding conditions of the SRCs and also review on-going agreements or collaborations with other players like the spearhead clusters, universities and university colleges, industry federations etc.

This should result into an updated and supported vision document on who does what and how interaction between the different non-governmental actors should take place.

Within this vision document FIE and EWI will also pay particular attention to the role and position of the regional government itself within this updated innovation landscape.

Especially when it comes to

- orchestrating the innovation landscape and acting as an integrated point of contact itself between the different actors in this landscape. Lessons and best practices can be drawn from on-going practices in Flanders in the field of attracting direct foreign investments. In this field, integrated “welcome teams” that unite all relevant government administrations function already according to a SPOC logic with a coordinated and flexible back-office in the background.
- increasing networking opportunities between innovation actors themselves in order to keep flows of information and people.
- better and quicker forwarding innovative companies that contact regional government on other business towards SRCs.

At every step of the timeframe below (A1-A4) the regional government will kick-start and lead on activities. A1 will be lead and prepared by the regional government. SRCs and stakeholders will be mostly be involved - and their final support on the intended changes gathered - during steps A2-A3. The consecration of an updated innovation landscape will happen through a 2 step approach (step 1: discussion on the basis of a draft vision document based on NMP-REG learnings so far; step2 : support gathered on the basis of a final vision document) producing the deliverable for A4.

From the side of the regional government different types of internal staff will be mobilized: account managers working with SRCs, policy experts and staff with expertise in the field of business processes review. Together they will ensure desk research, evaluation and SRC/stakeholder interaction and engagement activities .

SRCs and stakeholders will engage their senior management and account managers. For SRC and stakeholder interaction meetings/activities no new structures need to be created as well functioning channels and platforms are already in place (ex. SRC forum, on-going 1 on 1 meetings between individual SRCs and regional government, the Spearhead Clusters Forum, EWI EU Platform as regards the wider research community...).

The changes to the innovation landscape will be subject to a jointly supported high level management decision by regional government, SRCs and key stakeholders from the research community and industry.

3. Players involved

Regional government:

- Flanders Innovation & Entrepreneurship (FIE)
- Department for Economy, Science & Innovation (EWI)

Research community

- (Represented by SRCs: Flanders Make, IMEC, ...)

Industry

- (represented by industry federation Agoria)
- Spearhead clusters

4. Timeframe

Activity/milestone	Year 1		Year 2	
	Sem 1	Sem 2	Sem 1	Sem2
<p>A1 Prepare SRCs SPOC role review process</p> <ul style="list-style-type: none"> Regional government SRC account managers (FIE in cooperation with EWI) to set up detailed timeline for this action Regional gvt SRC account managers and policy experts (idem) to meet internally, to map current/existing SPOCs (desk research), to write a draft SPOC role for SRCs. Internal support from expert staff in business process review. 				
<p>A2. Launch and implement SRCs SPOC revision process in collaboration with SRCs and research community</p> <ul style="list-style-type: none"> Regional gvt (FIE & EWI), SRCs and research community to meet 1x during extended "SRC forum" on senior management level (resp. account managers in support) Regional government ((FIE & EWI) SRC account managers and policy experts to write a blue print on SPOC role for SRCs Regional government (FIE & EWI) to keep in close contact with SRCs and ensure ownership regarding the intended SPOC role 				
<p>A3. Draft vision document describing updated interaction model for Flemish innovation landscape</p> <ul style="list-style-type: none"> SRCs to internally evaluate feasibility and framework conditions for their new SPOC role and to feed back to Regional gvt (FIE & EWI) in written or through SRC forum Industry and spearhead clusters to feed back to Regional gvt (FIE & EWI) in written or through Spearhead Cluster Forum between FIE and Spearhead Clusters 				



<p>A4. Final and agreed updated Flemish innovation landscape</p> <ul style="list-style-type: none"> • Regional gvt (FIE & EWI), SRCs and Industry to meet 1x during extended “SRC forum” on high management level • Jointly supported decision by Regional gvt, SRCs and Industry on SPOC role for SRCs • Regional gvt (FIE & EWI) to integrate SPOC role of SRCs into funding agreements with SRCs and into description Flemish innovation landscape (for ex STI -Science, Technology and Innovation in Flanders”) 				
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5. Costs

This action will require mostly physical and intellectual interaction (staff time, meetings...) by the regional government and the mentioned stakeholders. As for specific new or adapted regional government tasks these will be borne at the cost of the regional government.

Costs will be integrated into the periodic KPI monitoring moments of SRC and spearhead clusters and be borne by the involved parties.

6. Funding sources

Flemish regional government funding (FIE, EWI, SRC, spearhead clusters budget)
Internal budget of the other parties involved foreseen for this type of periodic interaction with regional government

7. Monitoring

FIE funding database
KPI monitoring and reporting SRCs and spearhead clusters

Indicator: % and amount of SRC funding dedicated to overall coordination and signposting activities.

8. Risks and contingency planning

Potential risks for this action are:

- A lack of cooperation or “ownership” at the level of SRCs regarding the intended SPOC role
- A lack of cooperation or “ownership” regarding the intended change esp. by parties that already fulfil or strive for a type of SPOC role
- A lack of funding to implement the new SPOC role at the level of the SRCs
- A lack of capacity within regional government to support the SRCs in their new role

Evaluation of the likeliness of these risk producing themselves or hindering phase 2 implementation

- Support and ownership regarding of SRCs regarding the policy shift has been acquired during phase 1. In the unlikely event of blocking behaviour the regional government (FIE and EWI) still has the financial leverage to push for the developments aimed for. Funding conditions for SRCs are regularly reviewed and – although based on a negotiation with the bodies acting as SRCs – the policy level has an important final say.
- Cooperation or “ownership” from non SRC parties has been partially acquired during phase 1. Therefore this needs continued attention during phase 2. In essence, the intended change does not prevent or threaten these parties to maintain their current direct contacts with companies. The idea is to better streamline and organise the current network and flows of communication. So we are slightly optimistic about the chances and capacity of the regional government to manage this risk.

- In terms of funding needs at SRC level the intended change hardly impacts the overall budget of individual SRCs. Even better: the intended change will increase the cost-efficiency of flows of communication. Given the already foreseen budgets for SRCs in the long term it is unlikely that funding for individual SRCs will sharply decrease.
- Funding or staff capacity needs at regional government level present a real risk and will require continuous attention. FIE & EWI have in the last decade undergone quite some staff cuts but staff levels have stabilised in the last 2 years and no further substantial staff cuts are expected in the next 5 years. The number of (external) structural partners financed by FIE has on the other hand substantially increased in the last 5 years. In case of contingency FIE will be able to appeal on structural partners outside the regional government to lend support to FIE.

ACTION 3

Extend the range of (types of) companies serviced by SRC with a special emphasis on traditional or innovation-adverse companies in NMP affected sectors

1. The background

Baseline need

Given the historic role and evolution of SRCs in Flanders, mainly companies with a strong R&D driven track record find their way to SRCs. Furthermore, most of the current innovation support schemes are biased in favour of such companies. In order to make use of the full potential of public money invested in SRCs the instrument needs to widen its industrial reach to less innovative companies.

Base line need based on NMP REG

In the framework of NMP-REG we notice that many small and/or old fashioned companies, with little to no regard for R&D, either cannot apply or apply less easily for funding that could help them to interact with SRCs.

This is not helping in getting research to companies before they can actually get it to the market. The primary need for such companies is to adapt foremost their overall thinking/mind-set towards R&D before thinking about adapting their business strategy, production apparatus and processes.

The German experience in NMP-REG (NMWP-NRW; e.g. COPT centre, CenTech and MST Factory) taught us that providing top-level scientific infrastructures for SMEs and start-ups on itself is not enough. Accompanying support measures should be provided as well, such as high-level scientific & technical support and training, support for entrepreneurship, support for finding subsidies and venture capital.

The Romanian experience in NMP-REG (Innovation Vouchers) pointed into the same direction. What we learned here is that it is important to provide means with low entrance threshold to stimulate collaboration between science and companies that have little means for or are afraid to engage in innovation activities.

Based on this reasoning there is a need in Flanders for new models of interaction between government, business and the larger research community in order to foster increased cooperation (including both R&D driven and more traditional companies), exchange and mutual learning (e.g. via living labs, cluster approaches).

As for Action 2, interaction with the SRCs and Flemish stakeholder group resulted into the conclusion that efforts of both regional government (FIE) and SRCs to service traditional or innovation adverse companies need to be balanced.

2. Description of Action

Action 3 is of more tangible nature compared to actions 1 and 2 and is another response of the regional government towards legitimate expectations from SRCs and stakeholders for a supportive role by that same government in helping SRCs realize their adapted role and mission. It will result into an adapted day to day functioning of government support services towards less innovative companies but also affect the way available innovation funding is being used/distributed.

2.1 Set up active scouting and awareness raising actions towards less innovative companies by FIE.

FIE will review its current array of awareness raising actions around innovation and entrepreneurship (including that of its structural partners, the so called VLAIO network) in order to better service non innovative companies too and guide them better and quicker towards SRCs.

This will result into an adapted strategy to better raise interest and show advantages of innovation activities towards this target group. Instead of focusing mainly (as is the case today) on companies that already have an early track record in R&D, are scaling up or are R&D driven by nature.

FIE account managers will be better familiarised with the “language” and needs of this target group. Towards companies themselves priority will be given to low threshold activities (1 on 1 contact, collective info sessions including visits to lead companies, visiting SRC showcases...). As well as on easy to understand communication that at the same time demystifies innovation and offers a realistic and budgeted/calculated view on what SRCs can mean for them.

Activities will be mostly performed by FIE staff and encompass: desk research and review of existing practices, review of existing stakeholder/client satisfaction surveys, interviews and or focus groups with FIE account managers/stakeholders/clients on the current quality of FIE communication towards the intended target group ...

Some limited external support might be bought in by FIE in order to further fine tune the strategy and quality of messages towards the target group. The improved FIE strategy on scouting and awareness raising towards less innovative companies will be subject to a management decision by FIE and be integrated into the day to day business processes of FIE.

2.2 Review and adapt existing/current low threshold instruments of FIE and expand their reach towards innovation adverse or traditional companies in NMP affected sectors.

FIE already runs a few lower threshold type of instruments that perform collective knowledge transfer/tech transfer type of activities.

Still more can be done to increase their effectiveness when it comes to innovation adverse or traditional companies that do not invest in research and innovation (R&I). For example by

adapting these instruments to the language and basic questions that hold back less innovation minded companies to invest in R&I. More than innovation funding (which is amply available in Flanders) it is often a question of mind-set and fear of the unknown that is a blocking point for such companies.

A parallel route would be to foresee different or a wider variety of methods that these instruments apply to stimulate more innovation minded behaviour or perform knowledge transfer. For target companies for which an initial interest to “start to innovate” is detected, we would like to test the possibilities for introducing an “innovation boost” type of instrument in which SRCs, target group companies and external valorisation partners (academic partners, lead companies, government agencies...) come together and work on making the first steps in an innovation trajectory.

As part of its periodic review of its funding and knowledge transfer instruments FIE will, on this basis, investigate and review existing practice towards the mentioned companies. This will be done in cooperation with SRCs in order to also increase their understanding of the needs of this target group. Also structural partners of FIE like the so-called “VLAIO network” partners will be involved.

The VLAIO network is a platform orchestrated by FIE where a wide and diverse range of Flemish actors and stakeholders - who work at the service of companies - meet, inspire each other and work together. The network includes a.o. intermediaries and federations, knowledge and research centres, cluster organisations, local and public governments in general as well as private sector service provider groups like banks, consultants, accountants. Some receive structural funding from FIE. With others FIE runs a more loose form of cooperation. Some work specifically on one sector or target group of entrepreneurs. Other have a broad or general approach towards companies and entrepreneurs.

FIE will also draw on lessons learned and best practice FIE programmes that are currently only being used in the context of mere entrepreneurship stimulation and not “innovation” stimulation as such. Mental patterns, financial and/or legal issues that play a role in daring to become an “entrepreneur” or to invest in the scaling up of one’s company show large similarities with companies daring to invest in R&I.

This will result into low threshold instruments that are better adapted to starting points and needs for the target group. Potentially new funding and/or knowledge transfer instruments will arise from this exercise that could be used on a preferential basis by SRCs.

By doing so SRCs will be able to better diversify their activities (currently mainly focused on performing collaborative research with technology leaders) and also service less innovative companies within NMP affected sectors.

Activities under this action will mobilize both regional government and SRC staff as well as stakeholders time at the level of the VLAIO network. The regional government will be in the lead and perform desk research and evaluation activities of its own instruments. Consequently regional government will organize interaction and consultation with SRCs and the VLAIO network through a limited series of events or meetings.

On the basis of these activities FIE will identify and decide whether slight adaptations (or a better combination) of existing FIE low threshold instruments are sufficient to service the needs of innovation adverse companies.

FIE will first develop a blue print and consequently pilot a new “innovation boost type” of instrument on a limited population of cases of innovation adverse companies. If evaluated as successful FIE will integrate and mainstream such instrument into its innovation funding toolbox.

3. Players involved

Regional government:

- Flanders Innovation & Entrepreneurship (FIE)
- Department for Economy, Science & Innovation (EWI)

Research community

- (Represented by SRCs: Flanders Make, IMEC, ...)
- Industry and Flemish Innovation & Entrepreneurship ecosystem represented by the VLAIO network partners

4. Timeframe

	Year 1		Year 2	
Activity/milestone	Sem 1	Sem 2	Sem 1	Sem2
A1 Improved scouting and awareness raising actions by FIE towards less innovative companies				
A1.1 Prepare review exercise <ul style="list-style-type: none"> FIE to set up detailed timeline for this action and to gather the necessary documents/information 				
A1.2 Review existing FIE scouting and awareness raising practice in guiding companies towards innovation activities in general and towards SRCs in particular <ul style="list-style-type: none"> FIE to review existing practices, review of existing stakeholder/client satisfaction surveys (desk based) FIE to consult (1 on 1 interviews and/or focus groups) with FIE account managers/SRCs/VLAIO network stakeholders) on the current quality of FIE practice 				
A1.3 Improved FIE strategy on scouting and awareness raising towards less innovative companies				

<ul style="list-style-type: none"> • FIE to rewrite/adapt part of its internal business processes for FIE subsidy advisors • FIE to integrate new approach(es) into the day to day business processes of FIE. 				
<p>A2. Low threshold instruments towards innovation adverse or traditional companies in NMP affected sectors.</p>				
<p>A2.1 Prepare review exercise</p> <ul style="list-style-type: none"> • FIE to set up detailed timeline for this action and to gather the necessary documents/information . 				
<p>A2.2 Review existing FIE low threshold instruments towards innovation adverse or traditional companies in NMP affected sectors.</p> <ul style="list-style-type: none"> • FIE to review (desk based) existing low threshold instruments on potential to better service the intended target group • FIE to consult (1 on 1 interviews and/or focus groups) with FIE account managers/SRCs/VLAIO network stakeholders...) on the current quality of FIE low threshold instruments • FIE to draft a blue print for an innovation boost type of instrument (new instrument or 				

<p>combination of existing instruments into one). SRCs in support of FIE and as stakeholder</p>				
<p>A2.3 Pilot a low threshold “innovation boost” type of instrument</p> <ul style="list-style-type: none"> • FIE to launch a targeted launch (with limited funding) for a limited population of target companies. SRCs in support of FIE and as observers. • FIE to evaluate effectiveness of the new instrument 				
<p>A2.4 “Innovation boost” type of instrument to become integral part of FIE innovation funding toolbox</p> <ul style="list-style-type: none"> • FIE integrates new instrument (totally new or combination of features of other existing ones) into its innovation funding toolbox dependent on effectiveness as evaluated under A2.3 				

5. Costs

The bulk of the activities for this action will be carried out by internal staff of the regional government (FIE). Costs on the side of FIE will consist mostly of staff time and meeting costs/time that are already budgeted for this type of periodic policy review actions. From the side of the regional government mostly funding and legal experts will be involved

For piloting the “innovation boost” instrument FIE will earmark a limited amount of money (amount to be agreed) from wider subsidies budget for “innovation funding”. This concerns funding that is already there/present.

SRCs and “VLAIO network” stakeholders will mobilize a limited amount of staff time of their government relations account managers to feedback their experiences and that of companies they work for/with on the FIE funding instruments. The involved cost will be borne by their respective internal budgets.

6. Funding sources

- Flemish regional government funding (FIE and EWI internal budget, regional government innovation funding,, ...)
- Internal budget of other parties involved (SRCs and wider research community, Industry representatives, VLAIO network...)

7. Monitoring

FIE & Dept. EWI will monitor via

- - FIE funding database
- - KPI monitoring and reporting SRCs
- - FIE contact centre statistics

Proposed indicators

- share of FIE innovation funding (% and amount) better adapted towards guiding less innovative companies in NMP affected sectors towards SRCs
- Increase (% and number) of traditional/less innovative companies forwarded by FIE towards SRCs

8. Risks and contingency planning

Potential risks for this action are:

- A lack of capacity within the regional government
- A lack of support or ownership at the level of SRCs
- A lack of support or ownership at the level of structural FIE partners from the VLAIO network

Evaluation of the likeliness of these risk producing themselves or hindering phase 2 implementation

- Funding or staff capacity needs at regional government level present a real risk and will require continuous attention. FIE & EWI have in the last decade undergone quite some staff cuts but staff levels have stabilised in the last 2 years and no further substantial staff

cuts are expected in the next 5 years. The number of and funding made available for (external) structural partners financed by FIE has on the other hand substantially increased in the last 5 years. In case of contingency FIE will be able to appeal on structural partners outside the regional government to lend support to FIE.

- Support and ownership of SRCs has been acquired during phase 1 and FIE&EWI will continue to foster the existing close relationship based on long-term and on-going (financial) agreements.
- As is the case for SRC, structural FIE partners receive structural funding for targeted tasks they perform for FIE. Given the available funding at the level of the regional government FIE will be in a strong negotiating position to set new tasks or to buy in new structural partners to perform ad hoc tasks for FIE. For the rest there is an on-going positive climate between FIE and its structural partners.

Place, date: Brussels, 29/10/2019

Signature:

Getekend door Mark Andnes (Signature)
Getekend op 2019-10-29 11:53:37 +01:00
Reden: Ik keur dit document goed

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