

METHODOLOGICAL PORTFOLIO

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FOREWORD

This methodological portfolio is an attempt to draw the attention of any public stakeholders dealing with the implementation of a regional innovation strategy to new tools aiming at improving the enterprises' demand for support services.

Indeed, nearly all EU regions have now put in place support services and infrastructures aiming at helping local enterprises to face the innovation challenge in a global knowledge economy. But enterprises are often not in a position to take the best advantage from regional innovation strategies because the quality of their projects does not match the expectations of private investors or markets and also because the tools they really need are just not in place or affordable!

In order to help enterprises to overcome such asymmetry, new tools start to be implemented here and there.

The Innovation Coach Team found it might be useful to present a few of those new tools in a standardised form which tackles on the one hand the strategic issues and on the other hand the operational ones.

We do hope that this small contribution will provide ideas and food for thoughts to regional stakeholders in order to innovate themselves in the way they provide support services to SMEs and would be entrepreneurs.

Enjoy your reading and google on the web to be inspired during your search for excellence. But do not forget the tool per se does not create jobs or growth. Only enterprises do it if they get the right support at each stage of their life cycle.

INVESTMENT READINESS

STRATEGIC GUIDELINES

A. INTRODUCTION

Investment readiness schemes are a methodology aiming at reducing the information asymmetry between entrepreneurs and investors. This asymmetry often explains why business proposals don't find the expected source of equity or finance.

B. REASONS (WHY TO APPLY THE METHODOLOGY)

Entrepreneurs have to understand that "all money is not the same" and that investors are looking to the life cycle of start-ups as well as market opportunities before they decide to invest.

Costs of due diligence are high for all types of investors. This means that they will only scrutinise business proposals which reach a high quality, are attractive to them and are market oriented.

Remember that on average only one business proposal gets equity funding out of 10 to 12 proposals submitted to business angels or seed or venture capital funds.

A successful investment readiness scheme aims at helping entrepreneurs improve the quality of their business ideas in order to capture the interest of any types of investors. To do this, it has to tackle the following issues :

- check the business plan quality
- improve the business plan presentation
- reassess the management team
- provide awareness of the advantages and bottlenecks of the different sources of finance and equity funding.

Finally, investment readiness schemes help entrepreneurs to understand which type of finance is the most appropriate for them at a given moment of the life cycle of their business.

C. CONTEXT (WHERE TO APPLY THE METHODOLOGY)

The methodology has to be applied either at regional level or in dynamic areas where a critical mass of entrepreneurs and investors exist and where exit opportunities for investors exist or can be created.

D. OBJECTIVES (SPECIFIC RESULTS)

The objectives of the investment readiness methodology are :

- increase the quality of business plans
- facilitate access to equity
- leverage private money



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- improve the understanding amongst entrepreneurs and would be business angel communities of the ways equity markets are operating.



E. BENEFITS

Investment readiness schemes provide the following benefits :

- support the creation and growth of SMEs
- provide SMEs with private funding
- contribute to regional development and entrepreneurship strategy
- improve the quality deal flow for investors.

F. LIMITATIONS

Willingness of investors and mentors to take part in the schemes.

G. CRITICAL SUCCESS FACTORS

The availability in the region of committed investors, bright entrepreneurs and exit opportunities for investors as well as opportunities for further financing round is a factor of success.

OPERATIONAL GUIDELINES

A. HOW TO USE THE METHODOLOGY

A.1 Process

To provide to entrepreneurs seeking funding for their start-up comprehensive package of advise and coaching aiming at enabling them to make a deal with equity providers, i.e. business angels, seed and venture investors.

The scheme targets innovative enterprises interested in raising equity capital. It is built around three phases: (i) reviewing the business plan; (ii) assessing the investors' interest; (iii) presenting the business plan to potential investors [elevator pitch]. The entrepreneurs usually take part in group meetings and may receive direct support from a mentor to improve their business plans. If not successful, entrepreneurs might resubmit.

A.2 Actors and roles

The table below presents the 3 key actors of an investment readiness scheme as well as their roles in the implementation of such methodology.

Intermediary organisation (BAN, RDA, Incubator, ...)	<ul style="list-style-type: none"> • Design, organise and deliver the scheme • Gatekeeper for entrepreneurs' project selection • Identification of mentors
Investors	<ul style="list-style-type: none"> • Explanation of the investment process • Identification of weaknesses • Setting of milestones to be in line with the investment cycle
Mentors	<ul style="list-style-type: none"> • Improvement of the business plan according to investors' needs and decision-making criteria • After sales services to entrepreneurs having failed to access equity

A.3 Tools

Typical investment readiness programmes generally include the following five elements:

- critical business plan analysis;
- knowledge of funding sources;
- understanding of the timing of, and amounts to be expected from, funding applications (not all funding is the same);
- perceiving the needs and expectations of different types of investors—business developers need to demonstrate that they are “good risk” and that investors can actually expect a healthy ROI;
- training in submitting business projects to any and all kinds of potential investors.

A.4 Outputs

- improvement of the investment readiness of entrepreneurs
- performing matching platform between entrepreneurs and investors
- increased number of deal flows, i.e. investment in enterprises.

A.5 Impact and follow-up

The operating costs of an investment readiness scheme are rather low, so the return on investment of such scheme is high.

The methodology addresses the demand side of the access to funding by SMEs. This is often an atypical tool of public interventions which usually are trying to improve the supply side of the process of SME funding.

The methodology also provides great opportunities for the development of new forms of public private partnership.

The stakeholders of the scheme can become the core actors of an integrated approach or a regional value chain in the field of SME funding.

B. PRACTICAL EXAMPLES

PAXIS

Managed by the Commission's Enterprise Directorate-General under the 6th Framework Programme, 'Research & Innovation Programme', PAXIS promoted the setting-up and development of innovative companies across Europe – a driving force for employment and economic growth. The PAXIS programme had two major objectives:

- To boost the transfer of local and regional excellence in innovation
- To have an instrument for the co-operation and the exchange of tacit knowledge and learning among local innovation stakeholders, profiting from each other's experience.

SUN&SUP (www.sunsup.org) (PAXIS) provides pan-European mentoring and support which answers to the real needs of entrepreneurs. In addition to the development of services, the SUN&SUP networks initiated a policy recommendation aiming at facilitating the access of innovative SMEs to public procurement markets in the whole European Union, which would foster the emergence of new large companies necessary to meet the Lisbon Agenda and take up the challenges of globalization. To this end SUN&SUP has launched a petition which raised strong interest and collected more than 1000 signatures all across Europe. Moreover, with the partnership of EURADA/EBAN a toolkit « **Invest Academy** » that still need to be tested has been developed on the basis of an analysis of existing « Investment Readiness » programmes.

Oxford Investment Opportunity Network (OION), Thames Valley Investment Network (TVIN - www.tvin.co.uk) and Oxford Early Investment (OEI - www.oxin.co.uk) (UK) are business angel networks, established to link investors to companies with high growth potential, which are seeking business development funds from £10,000 to £1 million. The networks champion the interests of investors by providing them with a strong deal flow of bankable investment opportunities. This provision necessarily involves careful and comprehensive investment readiness training for the young companies

seeking investment, resulting in a win/win outcome for both the investor and the company in receipt of the funds.

Leonardo project « Ready for equity – Training for Business Angels and Entrepreneurs »: the project aims to **develop and test a training curriculum**, on the one hand addressed to business angels networks in order to improve the capacity of informal investors, and on the other hand to prepare entrepreneurs to present their enterprise project to those informal investors.

Ready4growth was an intensive capacity building and support programme for technology based SMEs, led by Greater London Enterprise and operated by oneLondon and **London Business Angels** (UK - www.g2i.org); **Barcelona Activa**, (Spain), and **iVEN** (Greece). Over two years, 450 companies passed through the ready4growth workshop programme which was supported by the European Commission's Information Society eContent programme. The programme is now terminated.

All English RDAs have developed an investment readiness programme. The **South East England** programme was used as a model to learn by doing it intermediary organisations and entrepreneurs in Riga (LV) and Timisoara (RO) within the framework of Innovation Coach.

C. TIPS AND TRICKS

- ✓ Select experienced entrepreneurs and investors as mentors
- ✓ Provide second and third chance to potential good projects
- ✓ Start to explain to entrepreneurs that they do not necessarily require (need?) equity funding
- ✓ Build strong private-public partnerships to provide financial and non financial support services to start-up enterprises.

D. REFERENCES (BOOKS, WEB SITES)

Fit4finance programme (UK - 94% satisfaction): www.exemplas.com

London Business Angels - The Creative Business Accelerator: www.lbangels.co.uk (UK)

InvestorNet, The “**Master Classes**” concept (G2G):
www.gate2growth.com/g2g/g2g_InvestorNet.asp

BAAR academy: www.baar-ev.de (Germany)

BAND academy: www.business-angels.de (Germany)

South East Finance presentations in Riga and Timisoara

NETWORKING

STRATEGIC GUIDELINES

A. INTRODUCTION

Networking is a methodology to bring public and private stakeholders to share knowledge and resources enabling them to strengthen the comparative advantages of the individual members of the network.

B. REASONS (WHY TO APPLY THE METHODOLOGY)

In a knowledge and global economy, the access to top quality information is increasingly becoming a critical factor of the competitiveness of enterprises and regions.

Technology complexity and increased costs of products and market development require to share experience and knowledge.

Networks can cover a wide range of topics or purposes such as :

- strategic vision for a region or a sector (leadership team)
- entrepreneurs or start-up entrepreneurs
- export
- clustering
- community of practitioners
- subcontracting
- innovation and collaborative research
- consensus building.

C. CONTEXT (WHERE TO APPLY THE METHODOLOGY)

Networks can be developed anywhere at anytime where and when stakeholders are willing to build enough trust amongst themselves to share information, knowledge and/or resources in order to design and implement a common vision.

D. OBJECTIVES (SPECIFIC RESULTS)

The following objectives are common to many types of networks :

- share information and knowledge
- shape the future
- create comparative advantages
- strengthen competitiveness
- develop new forms of public-private partnership
- build trust amongst key stakeholders
- provide confidence for further development
- accelerate innovation take up by enterprises
- strengthen the relations between the different actors of a regional sectorial value chain.



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E. BENEFITS

Networks are focus nodes of interested stakeholders which are able to accelerate change in attitudes, values and myths of regional interest groups or stakeholders.

Networks, if successful, are able to provide competitive advantages to their members by speeding up the access to information and knowledge or by sharing costs to develop new activities.

F. LIMITATIONS

Cultural behaviours and attitudes often constitute critical bottlenecks to network success. Indeed, in some regions, public, semi public and private organisations do not trust enough each other to share state of the arts information and knowledge or to develop a common vision and approach to shape the future.

G. CRITICAL SUCCESS FACTORS

Number and representativity of key stakeholders and trust amongst them are the critical success factors of any networking methodology.

OPERATIONAL GUIDELINES

A. HOW TO USE THE METHODOLOGY

A.1 Process

To identify leaders who are able to transmit their vision and passion for changes and bring their peers and all other stakeholders of a value chain in a formal or informal structure aiming at sharing information and developing common activities.

A.2 Actors and roles

The table below presents the 3 key actors and their roles in ideal networks.

Intermediary organisations	<ul style="list-style-type: none"> • Catalyst and animator role • Implement common services
Private sector	<ul style="list-style-type: none"> • Drive the agenda • Share knowledge and activities
Public sector	<ul style="list-style-type: none"> • Understand and identify the new needs of the network members • Redesign the type and nature of their support to enterprises

A.3 Tools

- ✓ Meetings
- ✓ Common activities
- ✓ Shared equipment (research, production)
- ✓ Pre-competitive research (technology or markets)
- ✓ Mentoring / Coaching

A.4 Outputs

Networks are useful tools to foster confidence and to increase the flow of formal and informal exchanges of information amongst their members. They can also build confidence amongst regional stakeholders to implement new ideas or ways of doing things.

A.5 Impact and follow-up

Networks are also valuable tools to strengthen the social capital of a region and later on to organise collective learnings or projects.

B. PRACTICAL EXAMPLES

- enterprise club
- Michael Porter's traditional cluster type
- knowledge to market pipeline



- business angel network
- regional consensus building team
- coaching and mentoring pool (role models)
- enterprise networks
- shared or common service networks
- community of practitioners
- expat networks.

C. TIPS AND TRICKS

- ✓ Identify common needs or threats
- ✓ Search for leaders
- ✓ Provide flexible assistance by avoiding bureaucracy
- ✓ Involve all key stakeholders
- ✓ Turn needs and wishes into actions and policy agenda.

BUSINESS RETENTION

STRATEGIC GUIDELINES

A. INTRODUCTION

Business retention schemes can be defined as a set of measures aiming at anchoring enterprises in a region. Such schemes can target local subsidiaries of multinationals or local enterprises facing any growth or survival problems. Business retention schemes need the development of strong personal contacts between the top management of the enterprise and a representative of a public organisation.

B. REASONS (WHY TO APPLY THE METHODOLOGY)

Business closures or restructurings have a lot of negative impacts. Preventing, softening or delaying such processes might be very interesting or important in terms of regional development. Through business retention projects, public authorities are able to improve the services offered to enterprises and so to increase the loyalty of big enterprises to the region or to prevent the failure of small and medium sized regional enterprises.

C. CONTEXT (WHERE TO APPLY THE METHODOLOGY)

The methodology should be applied everywhere, just like FDI (Foreign Direct Investment) or start-up support schemes are in place. Such schemes can be implemented at least in two cases: (i) a socioeconomic fabric heavily depending on FDI; (ii) a socioeconomic fabric composed of small and medium sized enterprises.

D. OBJECTIVES

The objectives of the business retention methodology are :

- ✓ Increase the trust between enterprises and regional authorities
- ✓ Facilitate the offer of public support
- ✓ Review if the conditions which made the region attractive to an enterprise are still in place. If no longer, understand why it is so and what could be done to create new attractiveness factors or to anticipate any type of restructuring process due to the loss of competitive advantage.
- ✓ Help enterprises to lower the cost of doing business in the region through cheaper sourcing, better integration in regional networks or improved quality of the workforce
- ✓ Advise local subcontractors on trends in the management of big enterprises (quality, just in time delivery, co-development, price cuttings, reduction in first tie suppliers, ...)
- ✓ Prevent failure of SME through early detection of risks
- ✓ Help local SMEs to grow
- ✓ Support any expansion plan.

E. BENEFITS

Customer Relation Management and one-to-one meeting techniques prove to be the best ones to define the need of customers – in this case the local enterprises – and so to give them the best services they expect from any provider.

A business retention methodology provides the following benefits :

- safeguard of jobs
- reduction in the rate of failures
- better targeted support services
- improved understanding of the trends in business climate
- increased subcontracting business flows for local SMEs

F. LIMITATIONS

The efficiency of a business retention scheme is limited by :

- the willingness and openness of enterprise managers
- the quality of the relationships between the local branch manager and the head-quarters as well as the strategic or non strategic position of the regional branch inside the multinational company. Today, local plants of multinational enterprises are put in competition.

G. CRITICAL FACTORS

- the trust among the key actors
- the reactivity capacity of the public authority
- well targeted strategic enterprises
- provide a single contact person for each target enterprise.

OPERATIONAL GUIDELINES

A. HOW TO USE THE METHODOLOGY

A.1 Process

To put in place a dedicated team in a given public body. The best scheme appoints one single contact person who takes care of a portfolio of 15 to 25 enterprises.

A.2 Actors and Roles

The table below presents the role of the three key actors of any business retention methodology.

Intermediary organisation	<ul style="list-style-type: none"> • Design the scheme • Select the targets • Nominate the contact point • Create trust • Provide right solutions to real needs
Public authority	<ul style="list-style-type: none"> • Agile administration able to react on new demand • Act in confidence
Enterprises	<ul style="list-style-type: none"> • Provide the right type of intelligence and information

A.3 Tools

A typical business retention programme generally includes the following elements :

- ✓ a team of "major account officers"
- ✓ individual meetings
- ✓ thematic meetings
- ✓ monitoring local suppliers

A.4 Outputs

- ✓ provision of an integrated solution to local enterprises
- ✓ job retention

A.5 Impact and follow-up

To have a real impact, a business retention programme has to be sustainable over the years and to search continuous improvement in the services and the trust with the enterprises. It needs regular follow-up.

B. PRACTICAL EXAMPLES

- Minutes of EURADA workshop held on 1st February 2007
- Search on Google "Business retention in USA". Several cases
- Read the winter issue of "Economic Development America : Growing and keeping your

region's business" www.eda.gov

C. TIPS AND TRICKS

- Build a dedicated team and nominate portfolio manager as unique contact point for all relations with a group of enterprises
- Identify the most strategic enterprises for the region and build a target list of enterprises to be contacted
- Manage a club or network of selected high level entrepreneurs (use the principle of closed doors events).
- The more the team will interact with the local enterprises the more it will know about the business in the region and that knowledge will help create better customized solutions to the challenges faced by the local enterprises.

PROOF OF CONCEPT

STRATEGIC GUIDELINES

A. INTRODUCTION

The proof of concept is a tool aiming at helping entrepreneurs or investors to check if their ideas can be turned into products or services which are demanded by a market. In other words, a proof of concept scheme helps to establish the commercial potential of the results of research activities.

A proof of concept test is often applied to check if the potential entrepreneur has exposed his/her business idea to market constraints, intellectual property rights, human and financial resources, distribution channels as well as exploitation of the research results either through the creation of a start-up or by other means of property right exploitation (licenses, royalties, joint venture, ...).

B. REASONS (WHY TO APPLY THE METHODOLOGY)

The commercialisation of research results is often a challenge and requires investments to bring the idea to the market through prototyping and market research which are above the financial means and competences of the research team.

Remembering that lots of start-ups failed either because the product/service they provided did not meet the clients' expectations or a demand or because their "time to market" was not the right one, proof of concept schemes provide a good basis to overcome such problems. Indeed, proof of concept tools help to strengthen business ideas by financing the costs linked to prototype development, validation of the demand as well as in depth market research.

The commercialisation process can lead either to the creation of a high growth enterprise or to a license to an existing enterprise.

C. CONTEXT

The tool has to be applied in cooperation with universities and research centres having a strong willingness and commitment to commercialise research results.

D. OBJECTIVES (SPECIFIC RESULTS)

The objectives of the proof of concept are :

- to help researchers to commercialise their ideas
- to increase the quality of the product / service conception
- to improve market research
- to strengthen the business plan by providing a good assessment of the market
- to increase the attractiveness of the idea to private investors
- to reduce the time to market
- to contribute to the innovation strategy of a region.

E. BENEFITS

Proof of concept mechanisms provide the following benefits :

- support the creation of innovative enterprises
- help the commercialisation of research results
- provide a first help to transfer technology from laboratories to markets
- contribute to regional development and entrepreneurship strategies
- improve the quality of the business plan and so, by indirect effect, increase the attractiveness of the enterprises for investors.

F. LIMITATIONS

- ✓ Availability of expertise and capabilities (equipment, ...). Those capabilities have to exist in the region or will have to be outsourced. Costs of expertise might be a bottleneck.
- ✓ Availability of entrepreneurial and managerial skills can also be a barrier.

G. CRITICAL FACTORS OF SUCCESS

Proof of concept schemes will be successful if the researchers are interested in commercialising their results and ideas and if they can access quality expertise in the field of market research. To access such knowledge, it is sometimes required to build strong partnerships outside the region, since high tech or innovative products need more and more to address global markets from the start of the enterprise.

According to Enterprise Ireland experienced in running a proof of concept scheme, the results of the research activities to bring a project to the market should meet the following prerequisites :

- Project is sufficiently scientifically robust
- is seen to address a viable market
- is not encumbered by intellectual property considerations.

In other words, projects seeking proof of concept support should demonstrate their technical merits and a commercial potential.

A proof of concept project may address issues such as :

- technical validation of a technology
- developing a prototype or demonstrator
- consultancy from experts
- using universities or research centre facilities and equipment
- commercial assessment, e.g. market analysis.

OPERATIONAL GUIDELINES

A. HOW TO USE THE METHODOLOGY

A.1 Process

To develop a financial instrument and a package of support services to be provided to a researcher or a research team in need of improving their ideas to find or develop a market for their product / service ideas.

To identify researcher or research teams having an interest in commercialise their research results. This can be done through a call for projects.

To mobilise expertise in areas such as market research, prototyping and technology assessment to assess and support the project proposals.

A.2 Actors and Roles

A proof of concept scheme is driven by an intermediary organisation who is able to design and manage it. The intermediary organisation will have to put in place the best suitable financial support (grants, loans, equity) as well as a top quality advisory support service. That organisation will also have to organise an awareness campaign, a selection and follow-up process of supported projects.

The role of the stakeholders in a proof of concept scheme is illustrated in the table below :

Public authority	<ul style="list-style-type: none"> • Design the scheme • Provide financial support
Intermediary organisation	<ul style="list-style-type: none"> • Run the scheme : award supports <ul style="list-style-type: none"> • Identify experts • Select potential beneficiaries • Organise the coaching • Strengthen the partnership with universities and research centres
Researchers	<ul style="list-style-type: none"> • Improve the product / service ideas in order to match the demand or to create a market

A.3 Tools

Typical proof of concept programmes generally include the following elements :

- ✓ management at regional level of a partnership between the public sector and the universities or the higher education community
- ✓ creation of a financial instrument and a comprehensive package of added value support services
- ✓ launch of a call for proposals
- ✓ selection of projects
- ✓ matching the expertise required by the beneficiaries with the expert team



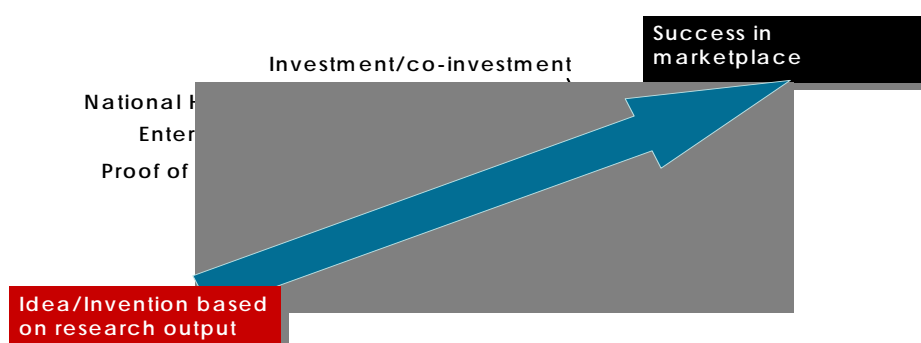
- ✓ evaluating and monitoring the scheme.

A.4 Outputs and follow-up

The effectiveness of a proof of concept scheme can be measured by the number of start-ups created thanks to the support provided by the scheme and the number of licensing agreements signed.

The graph below illustrates the life cycle of a proof of concept project implemented by Scottish Enterprise. It shows the complementarities between the support before and after commercial activities have been started.

Research to Revenue - Pipeline



Source: Scottish Enterprise

B. PRACTICAL EXAMPLES

Scottish Enterprise (UK). The main characteristics of Scottish Enterprise's Proof of Concept Programme can be summarised as follows :

- ✓ The Proof of Concept Programme supports the pre-commercialisation of leading-edge technologies emerging from Scotland's universities, research institutes and NHS Boards. It helps researchers to export their ideas and inventions from the lab to the global market place.
- ✓ Successful applicants must demonstrate that their ideas have originality and true commercial potential. Ideas should have the potential to form the basis of either a new high growth business or a license to an existing company.
- ✓ The programme has £79 million to award and is developed and operated by Scottish Enterprise in partnership with key stakeholders including: Scottish Executive, Universities Scotland and Scottish Higher Education Funding Council. It is partly funded by the European Union.

Enterprise Ireland's scheme focuses on a proof of concept model. Individuals or small group work on short applied projects to develop a product concept through a stage where a route to commercialisation is clear. Either a campus company or licensing may be involved in the planned route to commercialisation.

Under the scheme Enterprise Ireland supports academic researchers in establishing that a scientific concept from whatever source

- is sufficiently robust
- is seen to address a viable market and



- is not encumbered by intellectual property considerations.
- Grants to an indicative level of €90,000 may be awarded for a period typically of up to 12 months or exceptionally 18 months. Each proposal is assessed on individual merit by Commercialisation Specialists within Enterprise Ireland. This internal evaluation process is validated by external moderators.

C. TIPS AND TRICKS

- Start to build a strong partnership with all the regional universities and research centres
- Precisely define the type and volume of financial and non financial support to be provided to the beneficiaries
- Build a high profile expert team
- Launch a call for projects and carefully select the beneficiaries.

D. REFERENCES

<http://www.scottish-enterprise.com>

<http://www.enterprise-ireland.com>

<http://www.startupventuretoolbox.com>

<http://www.comercialise.org.uk/proofofconceptfund/index.asp?id=2>

INTELLECTUAL PROPERTY VALORISATION CENTRE (IPVC)

STRATEGIC GUIDELINES

A. INTRODUCTION

The value of an enterprise more and more depends on its intellectual assets and knowledge, but a lot of SMEs often ignore how to take advantage of such assets.

By intellectual assets we mean: technical know-how, brands and reputation, patents, copyright, business process details, clients and suppliers data bases or relationships, industrial design, ... Some of those assets can be legally protected, others not.

B. REASONS (WHY TO APPLY THE METHODOLOGY)

Intellectual assets are high valued in the knowledge economy. They are still resources underestimated by most of the SMEs and so need to be better exploited in order to grow or to access equity.

The creation and support of an intellectual property valorisation centre at regional level can be a good tool to help regional enterprises to invest, protect and exploit their intangibles in order to strengthen their competitiveness.

Such centre provides indeed awareness, know-how, advice and support to enterprises in search of a better use of their potential.

C. CONTEXT (WHERE TO APPLY THE METHODOLOGY)

The methodology should be applied in all regions having adopted an innovation strategy. Intellectual property rights are indeed one of the main outcomes of an innovation process.

As IPR and other forms of intellectual assets require highly specialised expertise, it is worth investing in a regional centre with a good signposting system or intense networking relationship with all the other business support service providers of the area. In this field, it is wiser to adopt a "no wrong door" attitude instead of a "one stop shop" one.

D. OBJECTIVES (SPECIFIC RESULTS)

The public support to a IPVC should aim at :

- increasing the value of enterprises
- providing better added value support services to SMEs
- contributing to encourage and help local enterprises to take advantage of their untapped potential
- showing how a regional innovation strategy can be useful for SMEs
- creating new expertises in the region.

The centre can contribute to the development of new tools to help enterprises to better



manage their intangibles.

E. BENEFITS

IPVCs provide the following benefits :

- support the creation and growth of SMEs
- raise awareness of the value of intellectual assets amongst local enterprises
- strengthen the competitiveness of enterprises.

F. LIMITATIONS

- ✓ Availability of expertise and lack of innovation culture are the main two barriers to create such a centre in the region.

Lack of awareness and understanding for IPR valuation by entrepreneurs.

Cost of patenting.

G. CRITICAL FACTORS OF SUCCESS

Building a critical mass of expertise and enterprises awareness of the importance of intangibles in the knowledge economy are the main critical success factors for a IPVC. Of course, the budget of the centre will have an impact on its achievement and on the number of enterprises which will be able to benefit from the services provided by such IPVC.

OPERATIONAL GUIDELINES

A. HOW TO USE THE METHODOLOGY

A.1 Process

The IPV Centre will help enterprises to improve the way they create, protect and exploit their intellectual assets. To achieve this broad mission statement, the centre will develop the following activities :

- organise awareness campaigns through seminars and any information actions
- identify regional demand or gaps for intellectual asset protection
- provide direct support services to enterprises
- develop guidelines, benchmarking tools, publications, ... regarding the issue of intellectual assets valorisation.

A.2 Actors and Roles

As most of the aims, objectives and actions are somehow related to awareness and capacity building, the public sector should finance the running and operational costs of such centres.

Besides the implementation of awareness actions, the centre needs to provide sophisticated expertise.

Entrepreneurs should be committed to invest in the creation, protection or exploitation of their intellectual assets.

The table below tries to present the role of the main stakeholders of a IPVC scheme.

Public authority	<ul style="list-style-type: none"> • Design the scheme • Finance the centre
IPVC	<ul style="list-style-type: none"> • Organise awareness campaigns • Provide information on intangible assets and the ways of better value them • Select enterprises to be supported • Build or offer expertise
Enterprises	<ul style="list-style-type: none"> • Invest in the management of their intellectual assets • Identify key intangibles • Take steps to protect or better exploit their intellectual assets, for instance develop patents, trade marks, industrial design registrations, ... • Leverage competitive advantage from their intellectual assets.

A.3 Tools

Typical actions implemented by a IPVB are :

- ✓ awareness seminars and information campaigns
- ✓ information package and benchmarking tools

- ✓ guidance on intellectual assets forms and intellectual assets management
- ✓ intellectual assets audits
- ✓ face to face advice
- ✓ training programmes. Such programmes can cover issues such as :
 - ways to manage intellectual assets
 - identify the key intellectual assets
 - protect and exploit intellectual assets
 - communicate on intellectual assets.

The centre should also consider the provision of financial support to help enterprises to patent their research results or to undertake technology transfer deals.

A.4 Outputs

Better understanding of the importance of intellectual assets management by regional enterprises.

A.5 Impact and follow-up

As the centre raises the level of awareness on intellectual assets, it can be evaluated upon the number of enterprises having protected or commercialised their assets.

B. PRACTICAL EXAMPLES

To our best knowledge, only Scotland and Wales have put IPVCs in place. Both have used the Structural Funds to support their centres.

The centre open in Scotland is known under the name of **Intellectual Assets Centre**. The Welsh centre is known as **Swansea IPR Centre**.

C. TIPS AND TRICKS

- Undertake an analysis of gaps in intellectual assets management by regional enterprises
- Start with a pilot project
- Launch a call for projects
- Use a signposting networking system.

D. REFERENCES

<http://www.ia-centre.org.uk>

<http://www.ipwales.com>

VALUE CHAIN ANALYSIS AND IMPLEMENTATION

STRATEGIC GUIDELINES

A. INTRODUCTION

The value chain analysis is a methodology aiming at understanding the interaction between all stakeholders in the implementation of a regional policy. It allows to identify the weaknesses of the regional ecosystem and should allow to rethink the role of each stakeholder in the value chain.

B. REASONS (WHY TO APPLY THE METHODOLOGY)

Despite the adoption of a regional strategy, most regions do not have any integrated approach to deliver support services to enterprises. This is the consequence of a fragmentation of schemes and a plethora of intermediary organisations or agencies operating in the same field of competences.

These intermediary organisations and agencies often lack of qualified human resources and fundings and have to concentrate on basic support services (touch and go information provision or awareness raising) to be very blunt in many regions there is still a lot of public support services with poor added value , which don't match the expectations of fast growing enterprises or which don't complement each other.

In order to improve the quality of the provision of support services to enterprises, a reflection in terms of value chain alongside a SWOT analysis need to be undertaken.

Value chains can be drawn from any types of public policies. It is one of the forgotten part of Michael Porter's cluster theory.

C. CONTEXT (WHERE TO APPLY THE METHODOLOGY)

The methodology can be applied at national, regional or local level for any type of economic development strategy.

D. OBJECTIVES (SPECIFIC RESULTS)

- Improve the quality of the support services offered to enterprises by ensuring the fluidity of information and advice as well as avoid bottlenecks in the delivery of those support services. enterprises to take advantage of their untapped potential
- Strengthen the regional strategy
- Increase the added value of the services provided
- Match the demand of enterprises with the offer of public support
- Identify the weaknesses of the public intervention or the lack of private sector interest and commitment.

E. BENEFITS

The value chain analysis is a contribution to the assessment and evaluation of the effectiveness of the delivery and implementation of any regional strategy.

If well thought, the value chain methodology will contribute to enhance the regional governance and to strengthen the regional social capital.

The value chain analysis will avoid duplication of offer and should lead to develop a "no wrong door" concept (all regional stakeholders will be able to signpost to the enterprises the best support service providers instead of trying to provide the needed support themselves).

The value chain analysis will be able to point out the unsolved or untapped demand and so to increase the quality and the offer of public support. This is also a contribution to the elimination of any asymmetry between the demand and the offer of business support services.

F. LIMITATIONS

Value chain analysis and implementation can face the following problems :

- ✓ no stakeholders' willingness to cooperate
- ✓ absence of governance and leadership
- ✓ lack of skilled expertise
- ✓ nepotism culture
- ✓ no evaluation commitment
- ✓ lack of political willingness and investment readiness.

G. CRITICAL FACTORS OF SUCCESS

The value chain analysis needs to be endorsed and supported by all the stakeholders under a clear leadership. All stakeholders have to be committed to play their role and to seek for continuous improvement of the value chain.

OPERATIONAL GUIDELINES

A. HOW TO USE THE METHODOLOGY

A.1 Process

To map the different critical phases of the implementation of a regional strategy. The mapping has to take four parameters into consideration, i.e. :

- the regional assets
- the prerequisites
- the value chain itself
- the implementation requirements.

For each element of the value chain the analysis should provide the goals as well as the role of each stakeholder and the links between each part of the value chain.

The graph reproduced next page represents the ideal value chain for a strategy in the field of regional knowledge intensive clusters drafted by an expert group of DG Research.

A.2 Actors and Roles

The table below tries to define the role of the different stakeholders in the analysis and implementation of a value chain.

Public authority	<ul style="list-style-type: none"> • Lead the process • Draft the implementation rules according to the analysis outcomes • Reformulate the strategy in order to eliminate weaknesses and bottlenecks • Provide the up-to-date means • Put in place a "no wrong door" system
Intermediary organisations	<ul style="list-style-type: none"> • Implement the strategy in a fair way • Avoid duplication of work • Signpost the best service provider • Improve their professionalism • Develop evaluation tools
Private sector	<ul style="list-style-type: none"> • Define their demand and expectations • Provide data and feedback to allow a continuous quality improvement of the system

A.3 Tools

In order to develop the best value chain system, public authorities have to use a consensus building methodology as well as a SWOT analysis. They have also to use the results of the evaluation process as a management tool. In some circumstances, the public authorities will have to show or to impose their leadership.

A.4 Outputs

Improved effectiveness of the implementation mechanism of any regional strategy. Better understanding of the regional support service delivery system.

A.5 Impact and follow-up

To maximise the impact of the methodology, a permanent evaluation system has to be put in place in order to allow a continuous improvement system. This allows a qualitative gain in the value chain as well as the identification of new needs or improvements.

B. PRACTICAL EXAMPLES

Silicon Valley Partnership (Deloitte Consulting LLP).

C. TIPS AND TRICKS

- Use the informal network to start a fair discussion on the weaknesses of any delivery mechanism of any regional strategy.
- Complement any SWOT analysis or cluster strategy by a mapping of the way support services are delivered.

D. REFERENCES

EURADA papers

Regional Research Intensive Clusters and Science Parks. Report drafted by an independent expert group for DG Research, 2007