



Project acronym:

# Innovators2B

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## Integrated approach to first time innovators

– assisting SMEs in transition of their potential to actual innovation

DESIGN OPTION PAPER

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## Why first time innovators

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### Need to better target SME support actions

Innovation Agencies (AI) need to improve efficiency of their activities. They are pressed from both key stakeholders, who are their customers. On one hand the policy makers expect not only visible results of the support to SMEs in the form of new collaboration RTDI projects, innovations on the market, new jobs created, increased sales of SMEs supported. They also would like to see visible impact on the macro scale. That means increased indicators of the territory covered by the agency. On the other hand the SME beneficiaries, the direct agencies customers, cannot be satisfied with the support offered in any other way than meeting their individual needs. Support services cannot be one size for all any more.

The key to the solution lays in precise selection of the support target group, understanding their situation and dedicating a portfolio of pre-prepared services that are flexible enough to be tailored to individual cases.

Innovators2B proposes an integrated approach to addresses the challenge of ensuring the macro impact and satisfaction of the beneficiaries. It integrates improvements of better focus, design and delivery mechanism of innovation support services.

There is no such a target as SMEs

The SMEs is not a homogeneous group, many different segments can be distinguished depending on the criteria used for the segmentation. Frequently made divisions are made on simple characteristics available by public statistics and business registers such as size measured by number of employees, turnover, sectors (in EU by NACE groups), location, legal forms of ownership and activity. Many years of practice of public intervention suggests that such segmentation should be based on the shared needs that is often related to the age of the company, its business model and development strategy, position in the value chain, and the management styles and strategies.

Strategic choice

Selection of a target group is not just a whim of the pen holder or a follow up of a fashionable trend. It is a strategic choice made either by high level policy makers or the agency managers, but always corresponding to the economy landscape of the area and intervention route followed by the Innovation Agency. The Agencies selecting their options take into consideration which segments of the SME population in their area they are addressing with their support, what impact they aim to achieve on this segment and provide the support tailored to this segment needs. There are widely known approaches addressing promising segments of gazelles, high tech leaders, sectoral champions etc.

Many regions however may choose to convert mature SMEs, that have a potential to grow and innovate but have yet not been engaged in innovation into innovative companies.

### The relevance of first time innovators

The category of “potentially innovative companies”<sup>1</sup> also called by some authors “first time innovators”<sup>2</sup> has been identified in the literature as potential target for intervention. There are however not many examples of existing policies selecting deliberately this group.

In every European region there is a considerable percentage of SME population (according to different surveys it is about 40%) that has necessary resources (i.e. size, turnover, experienced and educated HR) to introduce innovation but has been never engaged in any type of innovation. Conversion of SMEs from this segment into innovative companies and involvement in collaboration with intermediaries, RTD institution or other companies would already directly increase some of the innovation indices. Precise targeting, of well profiled group (e.g. size over 50 employees, manufacturing sector) has even bigger impact potential through a spill-over effect. Narrowing down the target group to 2-10 thousand SME population segment in a given territory makes it manageable to achieve over 10% of the conversion of the segment population and this way influence the whole population of the segment.

There might be regions that have good reasons to change the behavior of considerable groups of non-innovative SMEs. For example:

- The regions has already well operating instruments addressing innovation leaders and needs to widen the influence area;
- There might be a structural gap between the innovation leaders and knowledge providers (RTDI institutions) and the less advanced SMEs, which prevents spill-over effects from the leaders. It is often an effect of economic transition the territories went through;
- The local economy highly depends on well-functioning but non-innovative SMEs, who may lose their position in the global market trends.

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<sup>1</sup> E.g. OECD background paper for Workshop on “Enhancing the Competitiveness of SMEs through Innovation”, Conference for Ministers responsible for SMEs and Industry Ministers, Bologna 2000 <http://www.oecd.org/cfe/smes/2010176.pdf>

<sup>2</sup> e.g. Christians Saublens, Regional policy for smart growth of SMEs. Guide for Managing Authorities and bodies in charge of the development and implementation of Research and Innovation Strategies for Smart Specialisation [http://ec.europa.eu/regional\\_policy/pl/information/publications/guides/2013/regional-policy-for-smart-growth-of-smes-guide-for-managing-authorities-and-bodies-in-charge-of-the-development-and-implementation-of-research-and-innovation-strategies-for-smart-specialisation](http://ec.europa.eu/regional_policy/pl/information/publications/guides/2013/regional-policy-for-smart-growth-of-smes-guide-for-managing-authorities-and-bodies-in-charge-of-the-development-and-implementation-of-research-and-innovation-strategies-for-smart-specialisation)

Any AI that sees an answer to their policy challenge in increasing the number of entrepreneurs engaged in innovation activities should consider First Time Innovators as their target.

## Methodology of Innovators2B

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### Co-creation approach

Innovators2B took a user driven approach adapting well known methodologies of design-thinking and living lab. The process was scheduled along 3 design workshops at each partner regions preceded by a preparatory stage of collection of needed data and information, as in the diagram below:



Figure 1 Innovators2B methodological approach overview

### Holistic approach

Innovators2B aims to cover all aspects of the support service delivery, including:

#### 1) Precise definition of the target group.

This strategic policy decision for the support service (as described above) but also a starting point for design of a service well appreciated by users. It is also a key issue of successful marketing. The analysis of the available quantitative and qualitative data on SMEs population is necessary to precisely define the target group, with most potential to achieve visible spill over impact of conversion of potential innovators into active ones. Then a profile of the selected target group including qualitative characteristics and key developments needs is a key to the development of service portfolio and for the identification and engagement of the concrete SMEs beneficiaries.

#### 2) User centred process to provide solution the customer – SME beneficiary and accompany on their

journey from getting awareness of the need through the whole service delivery process to the loyal customer who comes back to the agency when in need and is an reference to other SMEs in the area.

### 3) Key delivery process aspects:

- a. Reaching out to the target group (marketing, visits, offer, arguments) – e.g. organizing related events, a clear structured and easy navigable website with the well-presented offer, visiting potential beneficiaries.
- b. Identification of the customer needs – which may be packed in an added value service.
- c. Management of portfolio of added value services that can be used in the individual customer case. The agencies must be able quickly supply the beneficiaries with relevant services helping them to run innovation processes. A ready to provide portfolio of services or components must be in the Agency capacity.
- e. Procedures to manage individual support process to ensure result – further the consultants providing the innovation support services should work with the companies on individual basis. Monitoring their potential growth and market success will be crucial to measure the effectiveness of work and to measure the aggregated innovation index in the local ecosystem.

## Target group characteristics

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### Why is it so important to precisely characterize the target group?

Precise targeting requires precise characteristic. To achieve Innovators2B impact by opening the door for “difficult” customers, which potentially innovative companies are, there was a need to define the target group in as much detail as possible. Precise definition of the target group is the key issue of successful marketing and the basis for the design of the support mechanism and delivery. That is why quantitative characteristic, based on statistical indicators on population, demographic, sectors, innovation level etc. of SMEs in the respective regions was prepared. Data were analysed in order to estimate the size of the target group population necessary for the support service planning. In the next step, a partially successful , qualitative, behavioural characteristics was made to understand the user needs and prepare attractive, tailored support.

### Quantitative characteristic of the first time innovators

The real challenge of this step was a lack of available statistical data on potentially innovative companies in the regions and countries, that could be simply accessed and analysed. Therefore identification and segmentation of this group of companies is possible only when combining different statistical indicators on SME sector, like: number of companies in different industries, age, number of family companies, exporters or share of innovative and non-innovative companies.

Data collected from the regions engaged in the project can be used to estimate the size of the target group at first. To do the segmentation of the companies in the next step, multidimensional view (looking from the perspective of different indicators) at the companies with using regional databases is needed. Then, describing specific features and needs of the companies from each segment allows to adjust communication channels and tools accordingly (see: qualitative characteristic).

The selected statistical categories are also helpful in the identification of concrete SMEs belonging to the target group in publically available databases or registers. For example a multilingual and multicategory search online database covering :Lithuania (one of the project areas)<sup>3</sup> is used by the Lithuanian Innovation Centre:

The screenshot shows the REKVIZITAI.LT website interface. At the top, there is a red banner with the logo 'VERSLO ŽINIOS' and the text 'Rekvizitai.lt - The directory of Lithuanian companies.' Below this is a blue navigation bar with links for 'Company search', 'Postal codes', 'Exchange rates', 'Company databases', 'Advertising', and 'Contacts'. The main content area is divided into two sections: 'Company search' and 'Exchange rates'.

**Company search - Advanced search**

If you need the list of the companies in Excel table [click here](#)

To find a company, it is not necessary to fill all of the search fields.

Search criteria include:

- Company name:
- Word:
- Registration code:
- VAT:
- City:
- Street:
- Number of employees: from  to
- Average salary (EUR): from  to
- Social security debt (EUR): from  to
- Transport: from  to
- Turnover (EUR): from  to
- Registered: from  to
- Categories:  (list of categories: Accounting services, Advertising services, Agriculture, machinery, Agriculture, services, Air transport, aviation, Alcoholic beverages, Animal care, help, Antique shops, Appraisers, Architects)

Hold down the CTRL key and select up to five categories.

**Exchange rates**

US dollar	USD	0.8497 €
Pound sterling	GBP	1.1288 €
Polish zloty	PLN	0.2330 €
Russian ruble	RUB	0.0128 €
Belarussian ruble	BYN	0.4112 €
Australian dollar	AUD	0.6189 €
Canadian dollar	CAD	0.6590 €
Chinese yuan	CNY	0.1241 €
Czech koruna	CZK	0.0391 €
Danish krone	DKK	0.1341 €
Japanese yen	JPY	0.0076 €
Norwegian krone	NOK	0.1043 €
Swedish krona	SEK	0.0968 €
Swiss franc	CHF	0.8840 €
Turkish lira	TRY	0.1346 €
Ukrainian hryvnia	UAH	0.0302 €

Other currencies >

100 USD = 84.97 EUR

Bank of Lithuania, 2018-09-21

Figure 2 Layout of on-line database illustrating possible search criteria

Statistical data from the respective regions were collected in a structured way, using the following templates:

Table 1 Basic data on SME population

<sup>3</sup> Available at: <https://rekvizitai.vz.lt/>



Size of companies	Castellon					Lithuania					Wielkopolska				
	micro	small	medium	large	TOTAL	micro	small	medium	large	TOTAL	micro	small	medium	large	TOTAL
<b>SME demographics</b>															
<b>Number</b>	37839	1597	280	83	39799	85612	17706	1248	527	105093	197 471	5 975	1 716	387	205 549
Capital of the region	11860	471	41	15	12387	34,8%	5,8%	1,0%	0,2%	41,8%	107 662	4 019	709	158	112 548
Medium size cities (...)					17829	45,9%	9,5%	1,9%	0,2%	57,6%					
Small cities and rural areas					9583										
<b>Age</b>	not available					not available					not available				

**Table 2 Distribution of SME population in selected categories**

SME category	Castellon	Lithuania	Wielkopolska
<b>Exporters</b>	<b>3634</b>	<b>8646</b>	<b>15%</b>
Main focus EU	4,0%	16,0%	
Main focus extraEU	2,5%	4,0%	
Non-exporters	93,5%	80,0%	
<b>Average salary</b>	<b>20935,41</b>	<b>840 EUR</b>	<b>1084,35 EUR</b>
<b>Sector</b>			
Manufacturing	Not available	21807	21848
Manufacture of food products	2271	2455	1917
Manufacture of beverages	400	154	86
Manufacture of tobacco products	7	1	4
Manufacture of textiles	1676	1039	586
Manufacture of wearing apparel	841	3111	1239
Manufacture of leather and related products	4005	255	116
Manufacture of wood and of products of wood and cork, except	1558	3745	1956
Manufacture of paper and paper products	400	165	426
Printing and reproduction of recorded media	1648	683	916
Manufacture of coke and refined petroleum products	1110	7	16
Manufacture of basic pharmaceutical products and pharmaceutical	37	22	40
Manufacture of chemicals and chemical products	876	200	278
Manufacture of rubber and plastic products	11	532	998
Manufacture of other non-metallic mineral products	1846	1505	825
Manufacture of basic metals	3830	29	137
Manufacture of fabricated metal products, except machinery and	287	1938	4037
Manufacture of computer, electronic and optical products	280	162	264
Manufacture of electrical equipment	435	146	262
Manufacture of machinery and equipment n.e.c.	1093	229	591
Manufacture of motor vehicles, trailers and semi-trailers	243	60	174
Manufacture of other transport equipment	101	65	81
Manufacture of furniture	1939	2200	2547
Other manufacturing	1201	1201	1201
Repair and installation of machinery and equipment	1470	1020	3151
<b>Number of family companies</b>			<b>12%</b>
<b>Share of innovative companies</b>		<b>50,9</b>	<b>18,6%</b>
<b>Share of companies with technical innovation</b>		<b>23,3</b>	
Share of companies only with product innovation	30,0%	23,3%	12,2%
Share of companies only with process innovation	25,0%	30,3%	16,1%
Share of companies with product and process innovation	9		18,6%
Share of companies with not completed or stopped technical innovation		1,3%	7,8%
<b>Share of companies with non-technical innovation</b>			
Share of companies only with marketing innovation	19,0%	13,0%	8,8%
Share of companies only with organisational innovation		17,1%	9,3%
Share of companies with marketing and organisational innovation			
<b>Expenses on technical innovation (mil. EUR)</b>	<b>2</b>		
in-house R and D		202	6,3%
purchase of services R and D		21	2,4%
procurement of machines, devices and software		974	8,8% machinery
procurement of other external knowledge		5	0,6%
<b>Sales for innovative products</b>			
new on the market			6,3%
new for company			7,7%
unchanged or slightly modified			
<b>Non-innovative enterprises</b>			
<b>Enterprises that considered innovating, but too large barriers</b>	<b>38,0%</b>		
Enterprises for which the lack of internal finance was a highly important	30,0%	28,7%	
Enterprises with no compelling reason to innovate	20,0%	16,5%	

As potentially innovative SMEs must have necessary resources (size, turnover, human) to introduce innovation, they can be found among small and medium-sized enterprises (about 18950 in Lithuania, 1900 in Castellon and 7700 in Wielkopolska region). According to Nesta study on business growth in Europe (Nesta Working Paper No. 11/02, "A look at business growth and contraction in Europe") age is an important indicator, that could help in first time innovators targeting ("the share of high-growth firms falls with firm age", "the contribution of high-growth firms to job creation in the same age group decreases with age"). It is similar for family businesses, as family companies seem to be an important group within first time innovators that proper support should be dedicated to. Nevertheless, it is difficult to find statistical data on family businesses – some surveys are available only for Wielkopolska region, where 12% of all companies are family businesses. Based on the OECD paper, potentially innovative SMEs operate in different manufacturing sectors, so quantitative data on number of companies in each manufacturing sector is also very helpful. It would be more accurate to collect data on the number of companies in each sector and size (small and medium-sized SMEs), but this kind of statistical data is available only for all companies in the regions so far

### Qualitative characteristic of the first time innovators

The objective of the tailored-made support is to increase innovation capacity of the regional SMEs, particularly the ones that are not familiar with innovation processes, such as bootstrap or low-technology SMEs. Any type of SME is potentially innovative and can initiate an innovation process even in areas such as its organisational structure or the searching for new business development strategies. Nevertheless, they also face technical, organisational and financial problems. Low-technology SMEs face difficulties to clearly identify their technological needs due to their small size and lack of qualified personnel. Consequently, they need "project engineering" skills in order to absorb new knowledge provided by knowledge creators (laboratories of universities, research institutes and S&T intermediaries). In this context, the main challenge for any regional intermediation system is its capacity to detect specific needs of those SMEs. To have a full picture of targeted companies in order to prepare accurate support, qualitative characteristic was prepared, as a complementary to statistical profile of the first time innovators. Qualitative characteristic was also necessary to have a strong input for designing process.

To describe potentially innovative companies, available literature was used, knowledge gained from other projects and initiatives as well as qualitative data on family companies, as they are seen as important group within first time innovators. Not to base only on theoretical data, interviews with several potentially innovative companies were carried out to understand better their real needs and problems and to have a first-hand input for designing process.

The above mentioned OECD paper<sup>4</sup> provides a general characteristics of potentially innovative companies, who :

- Operate in different manufacturing and service sectors,
- Reveal openness to new products and might have already introduced some kind of organisational innovation,
- Employ some highly educated people (with a university degree or the equivalent),
- On average have introduced at least one new product,
- Care about client satisfaction and recognise the value of market research,
- Are willing to collaborate with other companies,
- Seldom receive subsidies,
- Seldom own patent,
- Face major barrier for innovation in knowing where to find new technologies, recognising the commercial potential for their company, and being able to adapt the technology to their particular situation.

Their needs can be summarised as follows:

- non-financial innovation advice, such as scanning or consulting services.
- help recruiting university graduates and other skilled personnel.
- to be made aware of new ideas and technologies.
- better incentives for collaboration with local technical centres or technical colleges.

However on the other hand the “first time innovators” are very difficult to approach and convince, as usually do not want to be helped and often do not know how they can take advantage of support and innovation offered .

#### Family companies sub-segment

An important group of companies within potentially innovative SMEs are family businesses. The most important challenge for the next 5 years from the perspective of family company is the need to be innovative. 82% of participants of the global Next Gen Study "Same passion, different paths" are convinced, that innovation is fundamental to the company, but only 15% of respondents think, that their organization is doing well with them. This is a sign of existing competence gap. Innovations that can strengthen the market position of the company are still not used effectively in many companies and do not support their further development. At the same time, as shown in the report on "The

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<sup>4</sup> OECD background paper for Workshop on “Enhancing the Competitiveness of SMEs through Innovation”, Conference for Ministers responsible for SMEs and Industry Ministers, Bologna 2000 <http://www.oecd.org/cfe/smes/2010176.pdf>

direction of innovation! Polish companies on the development path ", over half of the surveyed companies indicated problems within the organization as the biggest obstacle in creating innovations. As many as 21% of respondents declared the problem with adjustment of organizational culture to the innovation strategy. Among the obstacles also the inadequacy of organizations and processes, as well as the lack of cooperation between functions, businesses / departments or regions were also mentioned.

Family businesses, that are one of the economic flywheels, enter the next phase of development. The work of the founder's generation is gradually transferred to the hands of successors, which is an opportunity for a new opening and growth of interest in implementing innovations.

According to different surveys:

- Only 7% of representatives of the young generation believe that their family business has a business strategy adapted to the transformation times;
- 82% of the successors are convinced that innovations are fundamental to the company, but only 15% think that their business is doing well with them. Thus, the potential is noticed, but the companies do not work in this area yet;
- 36% of successors feel frustration due to the fact that their parents do not fully understand the opportunities and threats posed by digital transformation;
- 45% of respondents consider the constant necessity of being innovative in order not to fall out of the market as one of the most important challenges (new business models).

Innovators2B interviews

To complete qualitative profile of potentially innovative companies, several interviews were made with representatives of the target group from the respective regions. Empathy map was used by the project partners as an interview scenario. The conclusions were grouped and presented below, together with the statements of companies representatives:

### **1. Level of ambition and awareness of challenges**

("I want to change, develop, but don't know where to start; to achieve something more; I need to grow, but how?; what is going on in the technology?; I need a new market niche")

- Looking for new markets, new clients;
- Aim to rise income, share in the market;
- Have little share in value added, would like to increase it;

### **2. Sector – mainly production**

- Producers of furniture, processing of wood, plastic, metal and glass;
- Metal processing;
- Machinery production;
- Food production.

### **3. Human resources – an asset and challenges**

“we have passion, expertise and great team; people are the main asset; knowledge is valuable; how to build a stable team; how to manage toxic employees; how to manage teams when growing; how to find best talent; I am too small – I need support, but I am sceptic about it”)

### **4. History, identity and generation gap**

“we are proud of our history and product; we have experience in our market; it is hard to change anything because of the generation gap”)

### **5. Openness**

- Eager to talk about their product and history;
- Like talking to other companies and about things they understand;
- Afraid to disclose “secrets” reluctant to share their knowledge (“I don’t want to cooperate because they may cheat me”: how to manage problems with partnership);
- Want to see results in the near future, are willing to pay for something concrete;
- Don’t want to lose their own time.

### **6. Risk aversion and financial motivation**

“I am not sure my idea will work; no money for innovation; how to implement ideas without risk”

- They want to avoid risk, take care of legal aspects of their activity;
- Would like to receive funding for new products;
- Don’t like red tape.

## **Design process – personas and needs**

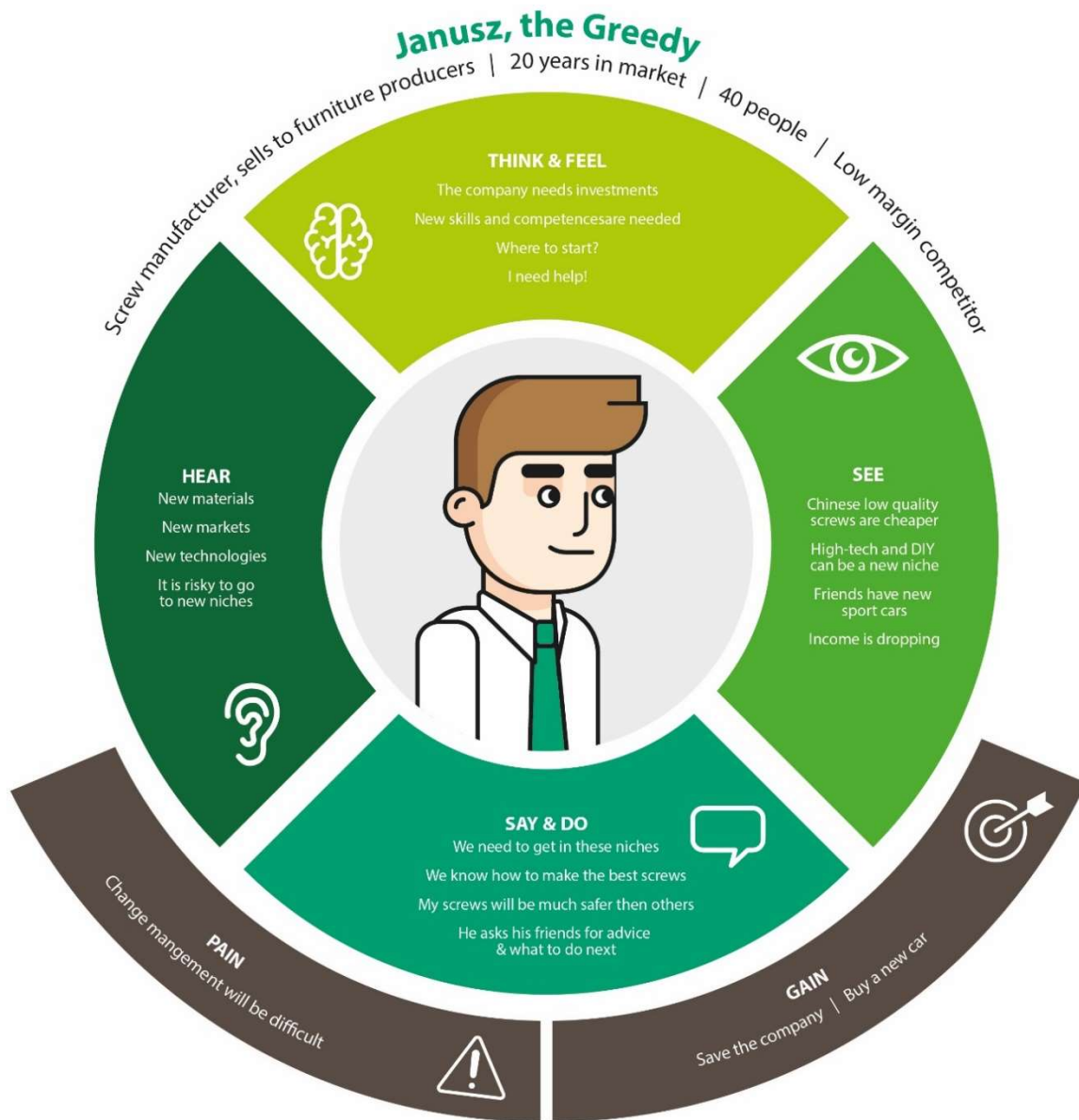
The information collected, as described above, was a preparation step for the design workshop 1. Its aim was to complete the profile of the first time innovator and to better understand its behaviour, needs, challenges, goals, motivations and “pains”. The project partners met together and invited a representative of an SME to elaborate personas, an easy tool to understand (empathise with) the user. In the result two profiles of most promising beneficiaries, that is SMEs, which have the potential to benefit most from the AI support, were prepared:

- Ambitious mature company, active in manufacturing low margin industry;
- Family business on the verge of generation transition.

These profiles served as a point of departure for design of tailored innovation support and next step of the design process. Their needs were epitomized in one sentence “point of view” and the support service design challenge in so called HMW (“How might we...”) statements/

The profiles are presented below:

Ideal client: manufacturing companies in low margin sectors



**Figure 3. Persona of ambitious First Time Innovator**

Need statement (Point of View)

Owners of manufacturing companies in low margin sectors need a reinvented business model, because their companies suffer from competition and do not develop anymore.

HMW

**How might we help to increase competitiveness level of manufacturing companies in low margin sector in order to create more value for their customer?**

## Still good, but... - owners of family business

They might have a potential to benefit from an outside support at the moment when the next generation is ready to introduce changes to the company, but encounters strong inertia and resistance to change. The role of the support could be to help to overcome the resistance by lowering the risk of transformation.

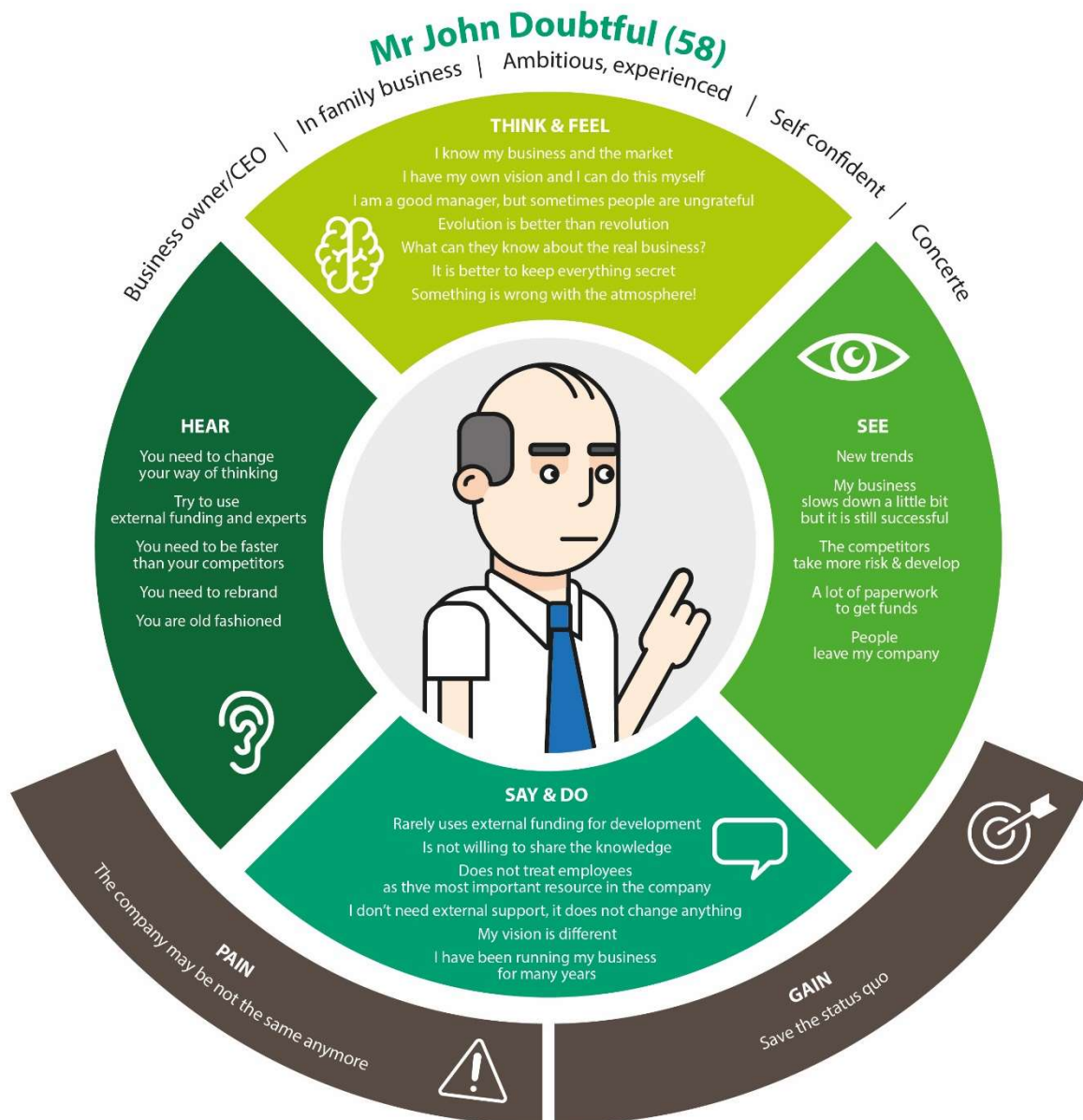


Figure 4 Persona of a family company owner/manager

They can be characterised by:

- some level of awareness of challenges,



- some level of ambition,
- lack of resources,
- can have managerial problems,
- does not want to share knowledge,
- old generation owner.

Need statement (*Point of View*)

Owners of family business need to save fundamentals of the company in challenging environment because market and competition is moving forward.

HMW

**How might we help owners of family business to scale up the company without changing the foundations of the company?**

## The services designed for the FTIs

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Innovation agencies are important part of ecosystem supporting entrepreneurs development. Demanding policies for growth and expansion require great recognition to attract new business partners, employees, economic and financial resources. They are institutions with different activities with very specific needs and public relationship. In order to provide successful support to innovative companies, some following steps need to be done i.e.:

- There should be realistic business plans, including in particular the continuation of non-commercial activities.
- There should be qualified personnel available who can provide the appropriate individual support to the clients.
- There should be proactive attitude towards the potential clients, especially first time innovators. Improving the quality of trained personnel as well as the management of human capital, so that already at the root it is possible to create professional attitudes expected on the market.
- There should be offer responding the companies' needs.
- There should be a monitoring system based not only on data obtained from the agencies own activities, but also on data provided by the supported clients.



The current financial perspective still clearly sets the innovation agencies as important economic development policy instruments with the potential for fulfilling their tasks and missions. However, in many areas some changes should be done. It's important to improve the services portfolio or even design the new ones and pay more attention to the analysing clients' needs and change the customer service process. With the progress of technology in order to gain sustainable development, it becomes crucial for SMEs to produce high value added products. Innovation agencies can support the emergence of entrepreneurship ecosystems by offering multiple service mechanisms to support innovative companies with different profiles and different resource requirements, connecting its entrepreneurship ecosystem with the global entrepreneurship environment. The FTI needs can be defined as the type of competencies and/or external supports they are willing to acquire in order to:

- solve a specific problem in the innovation implementation process,
- enter into a market with a new product,
- change or develop the business model .
- overcome barriers to become more competitive at local, national, EU, global levels,
- introduce innovation management.

Regarding the elements of the offer it's very important to introduce tailor-made portfolio of services and update it on regular basis. Focusing on proper design of the new services, one stop shop approach in the delivery of the innovation related services and changing IAs' staff mentality from project oriented to market oriented seem to be the right direction to achieve its objectives. It means that more proactive attitude should be adopted towards the contacts with first time innovators, which is:

- finding the contact person,
- making research about the company (activities, markets, "pains"),
- introducing innovation agency's suitable offer,
- arranging the meeting,
- presenting what is relevant to the company,
- follow-up.

It is also crucial for innovation agencies to gather regularly the information about the clients, services' quality and socio-economic outputs in order to improve its performance, adjust the activities to the market changes and provide the feedback to authorities responsible for public support of innovation agencies.

## Meeting the challenge – answering the HWMs

The innovation agencies more and more often try to design the offer portfolio in a way responding the clients' need. In order to do that the target groups should be precisely defined and then challenges should be answered. Regarding first time innovators the main obstacles to overcome are for example:

- new strategy or business model implementation,
- creating more value for the customers,
- successful adaptation to changing environment,
- scaling up the company.

The challenges epitomized in the HMW questions reflect the nature of the obstacle to grow and increase income.

For the manufacturing SMEs in low margin sectors the support service challenge was formulated as: "How might we help to increase competitiveness level of manufacturing companies in low margin sector in order to create more value for their customer". Before the workshop the partners search for inspiration in real life business cases when similar challenges being overcome and in the business management theories and practice. The solutions to increase added value generated by the company comprised:

1. **Servitization** – it may mean provision of additional services related the product or redesigning the product to be a service that satisfies the customer needs with the with entire product/service range. A comprehensive approach to support of AI in servitisation has been already covered by another INNOSUP Design Option Paper of PLIS project: "All companies are service companies"<sup>5</sup>
2. **Extend the company's coverage of the value chain** or production chain, especially in elements of higher added value. For example entering in the distribution, extending product life cycle through recycling.
3. **Increase the value of the product** by segmenting the customers and strategic choice of best customers, products. Knowledge of the customer segments helps in selecting the profit making activities: focusing the sales on the most profitable segment and increasing sales volumes, or raising prices of the products dedicated to the segment. Adjusting the product to the segment needs by innovative design or increase of quality.

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<sup>5</sup> The paper is available at EASME website: [https://ec.europa.eu/easme/sites/easme-site/files/730834\\_design\\_options\\_paper\\_-\\_dop.pdf](https://ec.europa.eu/easme/sites/easme-site/files/730834_design_options_paper_-_dop.pdf)

4. **Increase the manufacturing efficiency** through automation, coordinated communication in entire manufacturing process, better logistical flow, lean manufacturing techniques, management of supplier relationship etc. A new scope of opportunities is now in Industry 4.0 solutions.

For the family companies the challenge is both in increasing the income but also in reducing the risk: “How might we help owners of family business to scale up the company without changing the foundations of the company?” The partners brought real life cases of family companies who grew to national leaders in their respective market with already successes in internationalisation.

The first case of E-obuwie is a story of a new company in shoe retail sector, now the number one of shoe e-commerce in Poland stemming from a life style stationary shoe shop. The company started by next generation entrepreneur used knowledge of the sector and is an example of “intrapreneurship” solution. The second case of Lithuanian food manufacturer Vici, which started as surimi producer extending gradually the activity into new products, services and markets.

The step 2 of design process started with the inspiration analysis and formulation of answers to HMW challenges:

- **Spot opportunity:** depends on market trends i.e. the support service must include business analysis trend analysis and technology analysis, then change management solutions; later on the company needs to invest in quality and strive to be the best in its category.
- **Market segmentation:** strategy is focused on customers, the company offer is targeted on selected target groups in order to increase added value. Pros: easy to sell, Cons: complicated process, expensive.
- **Intrapreneurship** – is a solution for the family business for reinventing their business model following the markets trends by taking the advantage of the company knowledge of its own sector. The support service may be focused on support to the younger generation ideas, which should not be a threat to the mother company e.g. help in development of business model and finding capital.
- **Answer to a social issue (pain)** – adds to resilience to crisis, marketing is easier as the product is based on pains people know. The support service needs to include creation of environment for ideas generation and provision of the link to users.

### The elements of IA offer that respond to FTI needs

What’s important and unique about innovation centres’ offer is the complex model for support of firms seeking innovative solutions. They employ experts dealing with consulting, research and pro-innovative services, technology transfer and internationalization to their customers. The services

offered are also even completed by professional, well-equipped laboratories, office space and IT facilities, as well as highly specialized research equipment. That helps companies and research teams in the development of new technologies and improvement of the existing ones. First time innovators are the special target group which requires individual approach. There are six different groups of services which seem to be the most appropriate for FTI:

1. **Analyses** - identifying opportunities for innovation by adapting the product or service to the way the marketplace is changing.
  - a. Sector analysis
  - b. Trends in the market
  - c. Technology trends
  - d. Value chain
  - e. Regulatory barriers
  - f. IPR audit
2. **Partners acquisition, partnership making** – assistance in finding the right partners for access new markets, cooperate in research and development projects, find the needed technology to drive innovation in the business. Potential partnerships can also be developed through business networking opportunities.
  - a. Identify and find partners
  - b. Connect with academia
  - c. Expert in the field
  - d. Connecting with innovation ecosystem
3. **Marketing strategy** – as the important part of business strategy, coherent and well considered marketing strategy is the key element of moving forward. Consumers' expectations are taken into consideration, and a detailed analysis of a company's operations will allow firms to view their business from a client or customer's perspective.
  - a. Identify target groups for marketing
  - b. Help to answer strategic challenge
  - c. Identification of paying, most profitable customer
4. **Business model**- including innovation as part of the business model,
  - a. Identify market niche
  - b. Change/develop business model
  - c. Change financial model
5. **Incubation of a new company** (in case of intrapreneuship).

6. **Management support** – helping to understand how innovations are created, launched and managed.
  - a. Introduce innovation management
  - b. Change management process
  - c. Promote creativity
  - d. Talent retention strategy

## Customer journey

### The approach

The managers who run a business, and want to improve sales and build the brand, they should consider thinking less like an entrepreneur—and more like a consumer. A good tool for changing this perspective is analysing client’s journey. The customer journey involves every interaction with the company, product, or service. When a customer buys your product or service, that transaction is merely the tip of the iceberg in what is essentially a journey created by all the moments leading up to and following the purchase. The innovation agency could have great offer, a professional website, good experts, a dedicated customer service team, but any weak link in that a very long chain could send potential clients elsewhere.

**Table 3 The customer journey main elements**

<b>Customer perspective</b>	<ul style="list-style-type: none"> <li>• <u>Step-by-step</u></li> <li>• From real life situation</li> <li>• To the <u>recomendation/loyalty</u></li> </ul>
<b>Motivations</b>	<ul style="list-style-type: none"> <li>• What motivates a customer to keep progressing in their experience?</li> </ul>
<b>Moments of thruth</b>	<ul style="list-style-type: none"> <li>• Emotions are powerful determiners of how the customer perceives the brand, meaning they will either want to continue engaging with you or they will abandon you</li> </ul>

There are many benefits from mapping the customer journey by the innovation agencies targeting first time innovators. First of all, IA managers who think primarily about business operations, need to “walk in the customer’s shoes” and consider how the customer feels about their interactions with the IA. This act of empathizing with the customer makes it easier to shift out of internal process mode and into thinking about how the agency could be doing a better job of delivering value to customers. Then identifying operational inefficiencies can be a quick identified and then fixed.

## The Innovators2B developments

In the INNOVATORS2B process the partners decided to develop concrete customer journeys to the support services already existing within the partners' organizations, and which have potential to be offered to the first time innovators.

These services are:

**1. Strategic workshop set** – Each company on the way of development faces several challenges to overcome. These are moments of "transition", when effective management methods have started to fail so far, and new ones are not yet implemented. It is a natural process - success and growing scale of activity require changes in the way the company is organized and assigning priorities. Strategic workshop is the service for managers and business owners to enter the next stage of organization development. This service helps to organize processes and select the priorities. Strategic workshop is also for companies that are looking for new development paths. Thanks to it, the company will flexibly /efficiently adjust to the current needs.

**2. Living Lab a service** – For micro-, small,- and medium-sized enterprises, innovation activities are both crucial and demanding because of limited resources, competencies, or vision to innovate their offerings. To support these organizations, the concept of living labs as a service has started to emerge. This concept refers to living labs offering services such as designing the idea-generation processes, planning or carrying out real-world tests of innovations, and pre-market launch assessments.

**3. Tax incentive for innovation** – specialized tailor-made advisory service that helps an SME to use tax reduction opportunities for: R&D projects, long-term assets used in the R&D activities, investments into new technologies.

Client journey for strategic workshop set

PHASES	AWARENESS	CONSIDERATION	ACQUISITION	SERVICE	LOYALTY
<b>Customer Actions</b>	<ul style="list-style-type: none"> <li>• Tries to solve the problems on their own</li> <li>• Gets stuck on the problem</li> <li>• Does not know which direction to take</li> </ul>	<ul style="list-style-type: none"> <li>• Looks for different ideas, but has difficulty in identification what the real problem is (false awareness)</li> <li>• Takes part in events</li> <li>• Buys books, surfs the internet</li> </ul>	<p>Reacts to the offer of the service – “Let’s try, it does not cost a fortune”</p>	<ul style="list-style-type: none"> <li>• Participates in the workshops, is happy that it does not take too much time</li> <li>• Understands that more engaged he is the more he can get back</li> </ul>	<p>Comes back to get support in implementation</p>
<b>Touchpoints</b>	<p>May be no touchpoints</p>	<ul style="list-style-type: none"> <li>• Events in PPNT</li> <li>• Blog</li> <li>• Expert’s articles</li> <li>• References of other clients</li> <li>• Meetings at other event</li> <li>• Marketing campaigns</li> </ul>	<ul style="list-style-type: none"> <li>• Written offer</li> <li>• Conversation with PPNT expert (telephone, meeting)</li> </ul>	<p>Workshops, trainers</p>	<ul style="list-style-type: none"> <li>• Presentation of our support services in informal way during the process</li> <li>• Monitoring of implementation as follow up – informal e-mails</li> </ul>
<b>Thoughts</b>		<ul style="list-style-type: none"> <li>• Let’s try</li> <li>• They know a lot</li> </ul>		<ul style="list-style-type: none"> <li>• Let’s see what happens</li> <li>• Good to have it quickly</li> <li>• Next time we can use the method ourselves</li> </ul>	<p>I need more help</p>

Feelings	☹️ distress	☹️ confusion	☹️ slight interest	😊 growing curiosity and engagement	😊 trust
<b>Opportunities</b>	<p>The service does not answer urgent issues</p> <p>The client expect relatively quick result</p>	<p>PPNT is non-for-profit – companies give it a trust credit for a “trial”</p> <p>Offering a “certificate” may be motivating – instead of solving problems they can be proud to start using the service</p> <p>We need to present concrete examples of issues that the other companies have addressed by the service:</p> <ul style="list-style-type: none"> <li>• Organizational change</li> <li>• Ideas for business development</li> <li>• Development of product offer</li> <li>• Internal communication</li> </ul>	<p>We need to know what language is used in the company to present the benefit (strategic issues? development? Ensure competitiveness? More added value?)</p> <p>We need to build relationships before the offer is put on the table, the offer itself is less important – it sums up the process made</p>	<p>Company owner manager needs to be aware he/she needs to invest time in the process (how much) from the start</p> <p>Short time to get tangible deliverable and low cost makes the company satisfied</p>	<p>We built more trust</p>



## Client journey for living lab as a service

PHASES	AWARENESS	CONSIDERATION	ACQUISITION	SERVICE	LOYALTY
<b>Customer Actions</b>	Realizes that he needs to do something because of the market trends (e.g. sales goes down or the product has not impacted the market as expected)	<ul style="list-style-type: none"> <li>• Meetings with engineering and marketing departments to find solutions</li> <li>• Takes part in events</li> <li>• Hears about e' joint for challenge ?</li> </ul>	<ul style="list-style-type: none"> <li>• Asks for success stories (previous experience)</li> <li>• Consults different departments of the company of what resources they have and what would be the impact for them</li> </ul>	<ul style="list-style-type: none"> <li>• Participates in the meetings and workshops                             <ul style="list-style-type: none"> <li>○ In the design and implementation process</li> </ul> </li> <li>• Provides material to test (product, semiproduct, prototypes, drafts of designs)</li> <li>• Results of tests already done</li> </ul>	Comes back to get support in implementation and for new ideas
<b>Touchpoints</b>	May be no touchpoints	<ul style="list-style-type: none"> <li>• Events organized by Espaitec</li> <li>• Presence at events organized by municipalities or chamber of commerce</li> <li>• Expert's articles in online magazines, local newspapers, magazines of APTE</li> <li>• References of other clients</li> <li>• Marketing campaigns</li> </ul>	<p>Conversation with ESPAITEC expert (telephone, meeting)</p> <p>Written offer following the conversation</p> <p>Participation in consultation with the department to answer questions that may arise</p>	<ul style="list-style-type: none"> <li>• Meeting to work out and agree the Idea for the living lab project</li> <li>• Letter of commitment sent by e-mail</li> <li>• Design focus groups with potential users/clients</li> <li>• Work plan presentation</li> <li>• Monthly tracking meetings for executions and checkpoints</li> <li>• Summing up meeting for the assessment in the market feedback.</li> </ul>	<ul style="list-style-type: none"> <li>• Reaction to requests</li> <li>• Request for references and consent to disseminate his story and results</li> <li>• Monitoring of implementation as a follow up - face-to-face meetings e very 15days in the 2-3 months after the service, then every 3 months</li> </ul>

<b>Thoughts</b>		<ul style="list-style-type: none"> <li>• They have contacts</li> <li>• Is it for me, sounds complicated and lot of time</li> </ul>	<p>I need to see the clear result at the end</p> <p>I would like to know more about the companies who used this service before</p> <p>I would like to know step-by-step what the process will look like to make the decision</p>	<ul style="list-style-type: none"> <li>• I hope it works</li> <li>• Is this really the serious thing? Am I getting anything out of this?</li> <li>• It was worth to go into this – I have saved money that would be invested in a solution the market would not buy</li> </ul>	<p>OK, I know what they are doing, they are professionals</p>
<b>Feelings</b>	☹️ distress	☹️ confusion	😊 slight interest	😊 growing curiosity and engagement	😊 trust
<b>Opportunities</b>	<p>The service does not answer urgent issues</p> <p>The client expect relatively quick result</p>		<p>We need to present to the company different success cases</p> <p>Monthly tracking meetings rent department at the consultation stage may help us to understand the company better and opens the door for other services we can provide</p>	<p>Company owner manager needs to be aware that negative result is also a good message, that the process is not about the confirming that he is right</p> <p>It is important not to rise the expectation too high as the final impression depends on this</p>	<p>We built more trust</p>

Customer journey for tax incentive for innovation

PHASES	AWARENESS	CONSIDERATION	ACQUISITION	SERVICE	LOYALTY
<b>Customer Actions</b>	<ul style="list-style-type: none"> <li>Wants to save costs and optimize taxes</li> <li>Does not know which solution to chose</li> </ul>	<ul style="list-style-type: none"> <li>Looks for different ideas, but has difficulty in identification what the options could be used</li> <li>Takes part in events dedicated to particular topic</li> <li>Surfs the internet, reads business newspapers and magazines</li> </ul>	Customer is ready to use the service	<ul style="list-style-type: none"> <li>Participates in the meetings, is happy that it experts will deal with all the paperwork</li> <li>Understands that he can save costs by not investing more time and effort</li> </ul>	Comes back to get support in other RnD actions
<b>Touchpoints</b>	No touchpoints yet	<ul style="list-style-type: none"> <li>Events</li> <li>Blogs of tax advisers</li> <li>Expert’s articles</li> <li>References of other clients</li> <li>Meetings at other event</li> <li>Marketing campaigns</li> </ul>	<ul style="list-style-type: none"> <li>Written offer</li> <li>Conversation with an expert (telephone, meeting)</li> </ul>	Meetings, individual consultations, phone, conversations, emails	<ul style="list-style-type: none"> <li>Presentation of our support services in informal way during the process</li> <li>Monitoring of implementation as follow up – informal e-mails</li> </ul>
<b>Thoughts</b>	How much could it cost? Who could help me? What options there are?	<ul style="list-style-type: none"> <li>Is it difficult to implement?</li> <li>Can I do it in-house or should I need external experts?</li> </ul>	Let’s use this service, the benefits outweigh the costs and the effort.	<ul style="list-style-type: none"> <li>Good to have the assistance in such a difficult matter like taxes</li> <li></li> </ul>	I can used in their help in the future what regards RnD activities and probably other services as well

		<ul style="list-style-type: none"> <li>• Can I trust them?</li> <li>• What if we do something wrong?</li> </ul>			
<b>Feelings</b>	Interest	Confusion	☹ Slight Excitement	😊 Relief	😊 Trust
<b>Opportunities</b>	Potential client	PPNT has an expertise and experience in identifying RnD activities and have knowledge in the tax system.	We need to build the trust before the offer is put on the table. We are the best option for this work, because we know the RnD and taxes, and we identified that company performs RnD and wants to optimize taxes.	Short time to get tangible deliverable and low cost makes the company satisfied  We get more familiar with the company.	We could get back with our offer next year and also offer more of our services.

## Approaching the FTI – marketing and beneficiary acquisition

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As it was mentioned, innovation agencies are important part of ecosystem supporting entrepreneurs development. Demanding policies for growth and expansion require great recognition to attract new business partners, employees, economic and financial resources. They are institutions with different activities with very specific needs and public relationship. Therefore, the actions of communication and marketing are the key to attract new clients and retaining existing ones with the special focus on first time innovators.

Marketing campaigns are organized, strategized efforts to promote a specific goal, such as raising awareness of a new services, capturing customer feedback or beneficiary acquisition. They typically aim to reach clients in a variety of ways and involve a combination of media, including but not limited to email, print advertising, television or radio advertising, pay-per-click, and social media. Successful campaigns tend to be carefully researched, well thought-out and focused on details and execution, rather than resting on a single, grand idea. Planning a marketing campaign starts with understanding the position in the marketplace and ends with details such as the wording of an advertisement.

Here are some examples how to launch the campaign of innovation agencies' chosen services when target group are first time innovators:

### Marketing campaign of living lab as a service (3 months long)

#### Service description

Service: **Living lab as a service**

By ESPAITEC

#### 1. Target group

All the SMEs linked to the science park, but could be opened to all SMEs of the region

#### 2. Service provider:

**Organisation:** ESPAITEC as a science park of the UJI, builds on the brand of the university. The brand of ESPAITEC as a science, technology and business park also helps to build trust to the service provider.

**People:** 4 experts with experience of consulting companies

#### Tools:

- PMbook of PMI
- ENOLL Living Lab methodology

- Access to users – university community (students, researchers, administration as well as seniors of Adult University)

**3. Product** - what?

Living Lab is methodology to involve the citizens/users/clients in the design of the product or the service.

**4. Procedure** – how?

- **Idea for the living lab project** – can be brought by the client (as a request) or by ESPAITEC as an opportunity identified by the technology and market analyses (technology watch). E.g. development of market for an invention of sensoring the soil.
- **Letter of commitment** – declaration of both partners for the time schedule commitment, service level agreement and participation level.
- **Design focus groups with potential users/clients** – open meeting to present the product and receive feedback on usability and needs to improve. Output: design requirements.
- **Work plan creation** – timing and task for design and implementation of the product on the market with the involvement of the users/clients.
- **Executions and checkpoints** – reviews of execution process, status of the tasks, risk identified and risk mitigation plans to be applied.
- **Rolling out of the project** – once the product has been co-designed needs to be put on the market to assess the market feedback.

**5. Effect of the service** (physical evidence)

- New or improved product/service
- Market impact report – how the product has impacted the market in terms of visibility, sales potential, identification of new business opportunities

**6. Price and equivalents** (e.g. time and people on the company side)

- From 1300 Euro to 5000 euro fee depending on the time engagement of ESPAITEC
- Ca. 5 people on the company side to be engaged (management, research and development, technology, marketing and operations) for 6 to 18 months depends on the sector
- Prizes or other form of remunerations for the users engaged

Campaign activities

Target audience	Objectives	Message	Activities	Budget
SMEs in Castellon province • Over 10 employees • All sectors	Lead generation and target engagement	Involving the customers in creating of your product will save your money.	Website <ul style="list-style-type: none"> <li>• Basic info about the offer</li> <li>• Testimonials</li> </ul>	3-5k Euro
			Content marketing	

<ul style="list-style-type: none"> <li>• Turnover more than 200k Euro per year</li> <li>• Thinking/in the process/potential of development of new products</li> </ul>		<p>See how other companies succeeded by using involvement of user in product design.</p>	<ul style="list-style-type: none"> <li>• Video on how you implement interviews.</li> </ul>	
			<p>Email marketing:</p> <ul style="list-style-type: none"> <li>• Only personalised to selected companies.</li> </ul>	
			<p>Event marketing</p> <p><b>Speaking at community events.</b> Offering the expertise at public occasions is an easy way to get the word out about living lab as a service. IE maximizes the impact and lend credibility to the service.</p>	
			<p>Paid marketing:</p> <ul style="list-style-type: none"> <li>• Sector magazines</li> <li>• Local newspapers</li> <li>• LinkedIn</li> </ul>	
			<p>Sales</p> <ul style="list-style-type: none"> <li>• Phone calls to the leads generated</li> </ul>	

Marketing campaign of tax reduction advisory (6 months long)

Service description

Service: **Tax reduction for companies creating new products/services**

**By Lithuanian Innovation Centre**

**1. Target group**

Growing companies that develop new products/services and have a profit of at least 10 000 EUR.

**2. Service provider:**

**Organisation:** The Public Institution Lithuanian Innovation Centre (LIC) is a non-profit organisation, providing innovation support services to enterprises, research institutions, industry associations and business support organisations. LIC provides public (free of charge) innovation support services and promotes innovation culture in Lithuania.

**People:** 3 experts of over 7 years of experience in consulting companies in the field of innovation, expertise in IPR, technology transfer, market studies, financial analysis and change management and 1 professional tax advisor.

**Tools:**

- Oslo manual

- Checklist for identification of RnD in the company
  - Database of tax laws
3. **Product** - what?
- Specialized tailor-made advisory service that allows to reduce taxes:
- Defines what activities could be considered as RnD
  - Helps to organize the processes of the development new products/services
  - improves internal communication,
  - opens new opportunities for new services to use
  - when using this service the company officially becomes “the innovator” and it open new possibilities to participate in other programmes and initiatives
  - acquires a new method of working with challenges ("Strategic innovation" methodology), which can be used in the future without external support,
4. **Procedure** – how?
- **Diagnosis of the situation in the company** – RnD diagnosis in the company: conversations with CEO, accountant etc. – *Week 1*
  - **Workshop I** - Selection of challenges important from the point of view of further development of the company. The scenario of the workshop is be based on joint work of people representing various organizational units of the company and well moderated discussion – *Week 1*
  - **Work on a matrix of connections** - On-line work with the involvement of employees, preparation of results – *Week 3-4*
  - **Summing-up consultations** - Consultation of the content of the action plan, and in the case of anticipated difficulties, recommending remedial measures – *Week 2*
5. **Effect of the service** (physical evidence )
- Diagnostic report
6. **Price and equivalents** (e.g. time and people on the company side)
- 500-2000 (depends on the size, profitability of the company).
  - Conversations with ca. 3 people (2 people ca. 1 hour and 1 person around 4 hours)
  - Management team to participate in summing up meeting (1 hour)

#### Campaign activities

Target audience	Objectives	Message	Activities	Budget
National target • Growing companies (products are developed)	<ul style="list-style-type: none"> <li>• Lead generation and target engagement</li> <li>• Sales</li> </ul>	<ul style="list-style-type: none"> <li>• Tax reduction</li> <li>• Additional savings</li> </ul>	<ul style="list-style-type: none"> <li>• Website</li> <li>• Blog</li> <li>• Content marketing</li> <li>• Articles</li> </ul>	6k Euro



<ul style="list-style-type: none"> <li>Profit at least 10k Euro</li> </ul>	<ul style="list-style-type: none"> <li>Brand awareness</li> <li>Customer retention</li> <li>Upselling/cross-selling</li> </ul>	<ul style="list-style-type: none"> <li>How to save money on developing a product ?</li> </ul>	Email marketing: <ul style="list-style-type: none"> <li>Only personalised to selected companies.</li> </ul>	
			Social media	
			Event marketing – for target group	
			Paid marketing: <ul style="list-style-type: none"> <li>Sector magazines</li> <li>FB ads</li> <li>LinkedIn</li> </ul>	
			Sales <ul style="list-style-type: none"> <li>Phone calls</li> <li>Direct meetings</li> <li>Contact form on website</li> </ul>	
			<ul style="list-style-type: none"> <li>Contact with partners and associations</li> </ul>	

## Marketing campaign of strategic workshop (3 months long)

### Service description

Service description

Service: **Set of dedicated strategic workshops**

By: Poznań Science and Technology Park

#### 1. Target group

SMEs of more than 10 people, stuck on a problem or having ambition to grow

#### 2. Service provider:

**Organisation:** Poznan Science and Technology Park (PPNT) is the **first technology park in Poland**, a non-profit organization with the mission to stimulate collaboration between science and industry to activate the regional development via innovation, technology transfer and international cooperation.

**People:** 4 experts of over 7 years of experience in consulting companies in the field of innovation, expertise in IPR, technology transfer, market studies, financial analysis and change management

**Tools:**

- “Strategic innovation” methodology developed by UNU-MERIT, Maastricht
- Patent landscape and freedom to operate methodologies with the use of professional patent databases
- Professional business intelligence databases

**3. Product - what?**

Set of dedicated strategic workshops is a reliable and proven method of working with challenges that hinder the development of an enterprise. In only 6 weeks of the training, the company:

- defines key activities that will accelerate the entry into the next stage of development,
- improves internal communication,
- prepares a roadmap to increase the team work efficiency (less time spent on "putting out fires" and greater focus on key tasks),
- acquires a new method of working with challenges ("Strategic innovation" methodology), which can be used in the future without external support,

**4. Procedure – how?**

- **Diagnosis of the situation in the company** - On-line work with the involvement of employees, preparation of results. – *Week 1*
- **Workshop I** - Selection of challenges important from the point of view of further development of the company. The scenario of the workshop is based on joint work of people representing various organizational units of the company and well moderated discussion – *Week 2*
- **Work on a matrix of connections** - On-line work with the involvement of employees, preparation of results – *Week 3-4*
- **Workshop II** - Developing a plan of priority actions, with precisely defined results, assigned to the necessary resources, as well as the person responsible for the implementation of a given activity, in accordance with the SMART concept – *Week 5*
- **Summing-up consultations** - Consultation of the content of the action plan, analysis of the progress of the implementation of individual tasks, and in the case of anticipated difficulties, recommending remedial measures – *Week 6*

**5. Effect of the service (physical evidence )**

- Strategic action plan – actions, responsibilities, timetable
- Diagnostic report

**6. Price and equivalents (e.g. time and people on the company side)**

- 1000 Euro fee
- Ca. 8 people to participate in workshops (2x ca. 5 hours)
- 2 on-line questionnaires to be filled in on-line by the workshop participants (2 days before each workshop: 2x 30 minutes)
- Management team to participate in summing up meeting (1,5 hour)

Campaign activities

Target audience	Objectives	Message	Activities	Budget
<p>SMEs in Wielkopolska</p> <ul style="list-style-type: none"> <li>• Over 10 employees</li> <li>• Developing company</li> <li>• Turnover more than 200k Euro per year</li> <li>• In the process of organizational changes</li> <li>• Increasing number of employees</li> </ul>	<p>Lead generation and branding</p>	<p>Our experts will assist the company in solving various strategic problems.</p>	<p>Website</p> <ul style="list-style-type: none"> <li>• Basic info about the offer</li> <li>• Sales activities (direct contact)</li> <li>• Blog</li> </ul>	<p>3-5k Euro</p>
			<p>Email marketing:</p> <ul style="list-style-type: none"> <li>• Only personalised to selected companies.</li> </ul>	
			<p>Event marketing</p> <p><b>Speaking at community events</b> in order to present benefits from the service.</p>	
			<p>Paid marketing:</p> <ul style="list-style-type: none"> <li>• Sector magazines</li> <li>• Local newspapers</li> <li>• Google ads</li> <li>• Facebook ads</li> </ul>	
			<p>Sales</p> <ul style="list-style-type: none"> <li>• Phone calls to the leads generated</li> <li>• Contact with the current clients</li> </ul>	

## Annexes: Good practices descriptions:

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### 1. Awareness raising programme for First Time Innovators – by ESPAITEC

#### **Castellón Global Program by Espaitec**

##### **Program**

Program for the growth of companies in the province of Castellón. An initiative aimed at entrepreneurs, autonomous companies and companies with a growth potential and with the aim of fostering new innovations in their current business models providing tools and knowledge to develop and implement a personalized business growth plan that will help them in the initial innovation developments.

##### **Objectives**

From Espaitec, we select 9 companies of any sector and age every edition to, through training sessions, practical workshops and mentoring, help them define and implement a customized business growth plan. For this, we have the support of expert teachers from the business world.

##### **Companies**

Companies based in the province of Castellón with desire to innovate, a clear commitment to grow, generate employment, economic impact and have a turnover between 50,000 and 150,000 euros. 100% free program for companies operating in any sector.

We select 3 kinds of companies:

1. Recently created companies. (Until 5 years).
2. Consolidated companies in search of innovation. (From 5 to 15 years).
3. Family businesses with generational change. (From 15 years).

##### **Phases of the program**

Bring your company to the next level.

Castellón Global Program is much more than a training program. It is a long-term project to change the mindset of companies in the province of Castellón to learn new growth strategies based on innovation. It is part of a select group of companies where synergies and collaborations lead to new ideas and products. It is to surround the companies of expert teachers of the business world who wave your knowledge to transform your company. In short, a one-way ticket with no return to business growth.

The program that normally starts at the end of May has six months of duration divided into the following **phases**:

1. LAUNCH AND RECEIPT OF APPLICATIONS: Initial period to select the nine companies that will participate.
2. TRAINING: The program has 100 hours of training (64 contact hours and 36 hours of self-employment). The hours of face-to-face training are divided into 8 sessions of 4 hours of training.
3. MENTORING FROM THE FIRST DAY: Each participating company will be assigned a mentor from the start. Its function will be to monitor the entire program (6 months), facilitating the resolution of concerns, problems, issues that may arise during the different training sessions and during the preparation of the Business Growth Plan.
4. CUSTOMIZED BUSINESS GROWTH PLAN: Companies that participate in the program must submit a Personalized Business Growth Plan, developed with the support of their respective mentors. That is, a roadmap where to define in detail the actions of innovation and growth to be implemented by the

company in the next three years. The plan must be approved by the program management, defining specific actions and strategies to solve the needs identified during the training.

5. BE MEMBER OF THE BUSSINES CLUB FOR COMPANIES FROM CASTELLÓN GLOBAL PROGRAM: At the end of the program, the 9 companies participating in the edition will become part of the Castellón Global Program Business Club, formed by the companies that have participated in the program throughout the editions. Being part of this club means being in contact with companies of all editions, being able to participate in exclusive programs promoted by the Diputación of Castellón and Espaitec, and attending free events and exclusive training actions.

These are some of the benefits of belonging to the club:

- Increase the visibility of the company through dissemination actions in the local press, website of the program and social networks of Espaitec.
- Participate in exclusive networking sessions for Club companies.
- Free access to the training sessions on business skills that Espaitec organizes monthly in its facilities.
- Access to the e'joint4challenge platform to present challenges that can be solved by the Espaitec ecosystem. That is to say, the companies of the Club will be able to publish in this platform needs or technological challenges that can be solved by the set of companies linked to Espaitec, the network of Science Parks of the Valencian Community and, ultimately, already to the Association of Science Parks and Technological of Spain (APTE).

For more information, please go to this [link](#).

## 2. Living lab as service– by ESPPAITEC

### **e'LivingLab: The Science & Technology Parks and Living Labs binomial as innoconnectors for SmartRegions creation.**

The term 'LivingLab' was used in the 90s to describe the use of co-operative societies. It was mainly applied to ICTs, but was also extensible to other areas of knowledge. Since its inception at MIT labs in Massachusetts (USA), it was viewed as a tool that helped to incorporate the users (citizens) into innovation processes by placing them in a more centralized position (i.e. user-centered innovation). This approach allows the emergence of new spaces for interaction and knowledge exchange that will bring about a significant change of paradigm in the collaboration between SMEs towards an Open Innovation scenario

An interesting concept underlies the definition of 'LivingLab': **Open Space for Experimental Learning** that needs some kind of analysis:

Open Space: The 'LivingLab' should be placed in open environments from the point of view of user interaction, that is to say, non-controlled environments in which users are taken to present a specific behavior induced against an experiment or prototype to a product or service.

Experimental Learning: Given the openness of interaction, the products and services included in the 'LivingLab' are not final products but undergo a continuous improvement over time due to the involvement of end users.

What can be stated from these instruments is that the user is a fundamental element (user-driven open innovation) in these open innovation methodologies. Considering the course of events, it seems that Livings Labs are destined to play a role defined in the opening of innovation within the

EU framework as they provide a service to organizations, contribute to the continent's development strategies and give good practice examples in the development of companies' innovative products.

On the other hand, the Science Technology Park (STP) industry, as part of the Global Innovation Ecosystem, needs to evolve toward new citizen-centered innovation scenarios based on knowledge economy, where cities become a more active agent in a given region's socio-economic wealth generation process. This means that the current STP business model should be redefined, as should, too, the innovative financing models for SMEs and STPs to make them more sustainable.

At this point of time the figure of Living Labs emerges as a keystone for a highly value-added joint venture with STPs that will provide a value-added to STPs and enrich their capacity to act as an Innovation Engine for creating smart regions.

Indeed, Living Labs are considered convoy projects<sup>1</sup> focused on two effects produced by the interaction between all the innovation ecosystem agents (bearing in mind its MIMO—'Multi-Input, Multi-output'— nature):

- ✧ Cross-pollination among the agents and entities involved is also inherited from the cluster model.
- ✧ Social capital generation<sup>2</sup>, as a consequence of the knowledge and information exchange among all the project participants.

Another feature that characterizes the Living Labs scenario is the “Soft-landing” approach. The access to an innovative environment with high-technology resources encourages big firms to be interested in being linked to the STP as a innovation facilitator.

From the sustainability perspective, PPPP Public-Private-People Partnership becomes a strong resource for Living Labs from financial point of view Therefore, new innovative financial approaches have to be foreseen to cope with the future of all innovation processes. It is a very interesting element that will generate synergistic hybridization processes between companies and knowledge centers incorporating end users as active agents of innovation.

As a case study, Espaitec Science & Technology Park, as a connector with the Global System of Innovation and a transducer between academia and businesses, reinforces its mission by providing an ideal environment in the province of Castellón called the **e'LivingLab**, an instrument that will strengthen, whenever possible, the cooperative development of innovation across all socio-economic agents in Castellón. The Living Labs are, 'per se', drivers of innovation, and ensure a largely success in the market impact of the companies related to this initiative through the end-user involvement at all stages of product development: co-design, co -creation & co-test.

A **Proof of concept** phase will extrapolate the methodology and several of the projects in the Living Lab to the towns of the Castellon province, and thus constitute Smart Cities and a Smart Province across deployments such as Rural Labs initiatives, as they are extensions of the Living Lab but implemented in rural areas where there are already many successful stories throughout the Spanish territory.

Espaitec is now leading the implementation of the **e'LivingLab** on the campus of the Universitat Jaume I in Castellón. It will involve the transfer of the current campus to a designated Smart Campus in which products and advanced technology will be made available to the university community to improve the quality of life in the area and involving university members in the development of innovative products through their participation and feedback as end users (democratization of innovation). It is what might be called "**Symbiotic Crowd-sourcing**" because all participants will benefit from the results.

<sup>1</sup> “The Convoy Model as a new “glocal” growth accelerator metaphor for the economy in the next decade”, IASP 28<sup>th</sup> World Conference Copenhagen 2011, Juan A. Bertolin et al.

<sup>2</sup> “Intra-organizational social capital in business organizations: A theoretical model with a focus on servant leadership as antecedent”, Pablo Ruíz, Ricardo Martínez, Job Rodrigo, Ramon Llull Journal of Applied Ethics,(2010)

### 3. Inospurtas project – LIC

#### **Inospurtas**

In March 2017 the main actors of Lithuanian innovation ecosystem and business support organizations started **Inospurtas** project. The project is coordinated by Agency for Science, Innovation and Technology Agency (MITA) and its planned duration is 3 years. The project aims to increase innovation capabilities of enterprises and promote them to develop research and experimental development and innovation (R&D) activities by providing innovation consulting and innovation support services. To achieve this goal, it is necessary to promote business investment in research and experimental development and innovation R&D activities. It is crucial to promote business investment in research, experimental development and innovation activities in order to increase the competitiveness of economic entities.

Lack of knowledge in understanding the innovation cycle is very common among businesses in Lithuania. Struggles begin with failure to understand the product design concept and all the way up to its' final delivery to the market.

Project has these tasks:

- To promote the implementation of R&D activities, innovative entrepreneurship, participation in international R&D programs;
- To shape the demand for innovation by promoting the pre-commercial procurements;
- Increase the potential of providing high-quality innovation consulting and support services.

During the project implementation stage, in order to resolve the aforementioned issue, innovation consulting and support services are provided to economic entities, that carry out or intending to carry out activities under the priority directions of scientific research and experimental (social, cultural) development and evolution of innovations (smart specialization).

These services encourage companies to actively develop R&D activities and contribute to their innovation and competitiveness.

The project assists in reducing the fragmentation of innovative consulting and support services provision. The implementation of the project involves public institutions (Lithuanian Innovation Centre) and science and technology parks (STP), whose main activity is to provide innovation

consulting and/or innovation support services. Also, the national business associative structures, regional and branch business associations whose members carry out R&D activities.

The project lead partner coordinates provided specialized services, which meet the specific needs required by an innovative business. Services are delivered by project lead partner and partner personnel, skilled in providing highest quality counselling on the matter of innovation.

The services that are provided in the project for the companies:

- Services to promote the performance of R&D activities, increase their efficiency and technology transfer.
- Services to promote innovative entrepreneurship.
- Services to encourage companies' participation in international R&D programs.
- Services to promote pre-commercial procurement.
- Popularization and improvement of innovation consulting and support services.

Many of those services are intended for and used by first time innovators as well.

#### 4. EEN as a service offer for FTIs – by LIC

##### **Enterprise Europe Network**

The Enterprise Europe Network (EEN) helps businesses innovate and grow on an international scale. It is the world's largest support network for small and medium-sized enterprises (SMEs) with international ambitions. The Network is active in more than 60 countries worldwide. It brings together 3,000 experts from more than 600 member organisations – all renowned for their excellence in business support. The main feature which is interesting to the business that want to be more innovative or to enter new markets is Partnership Opportunities Database (POD). POD is the service which contains around 8000 partner searches and it is updated daily. Various companies publish their partners searches (so called *profiles*) for different needs – they are looking for the suppliers of materials, goods, technologies, the providers of services, distributors, buyers, investors, partners for international projects.

POD is the service which lets the consultant to approach first time innovators with some concrete offers. Of course, home work should be made by consultant in advance:

- must find the right contact person in the company
- Make the research about the company (activities, markets, "pains")
- Try to introduce yourself through cold email or call
- Arrange the meeting

POD service is attractive for the first-time innovators because it is free of charge and company is getting tailored requests of offers where real business deals could be made. It takes the effort of the company and EEN partners to use those opportunities to full extent.



When the EEN partner has the first successful contact with the company, the other EEN services could be used to strengthen this connection further. Consultant can offer the support services like:

- Identify EU Funding – information on access to finance resources
- Feedback on new legislation - SME Feedback is a spontaneous reporting of difficulties resulting from existing EU legislation or policies, experienced by SMEs
- Participate in EU Projects – EEN can assist the company in participating in EU funded research projects through Horizon 2020
- Access Market Research - 4,000 local experts in 60 countries to offer valuable market insights such as country profiles and local trade information.
- Participation in Networking Events & Trade Fairs - Awareness events on EU topics, EU funding and IPR. Brokerage/Matchmaking events and Company missions
- Identify partners for R&D projects – EEN helps finding a partner to join a consortium for a research project under a specific call to be funded by the EU.
- Development of innovative ideas from concept to market - Horizon 2020 SME Instrument
- Learning how to protect and exploit your IP - offer advice and access to the European IPR Helpdesk.

To sum up, it could be said that EEN services is easy way to approach first time innovators because services are free of charge and understandable for the company.

## 5. Marketing plan of an mixed financed Innovation Agency– by PPNT

### **Marketing plan of Poznan Science and Technology Park (PPNT)**

**The main goal of the PPNT strategy is to** increase the income from sales of research and specialised services so that in 2025 it makes 75% of overall PPNT income and ensures fulfilling of PPNT mission. And our main challenges is to establish **diversified service portfolio** for tenants and external customers to **sell more** research services, especially in chemistry, physics, biotechnology and IT fields.

Such business oriented goals need a right marketing plan which identifies everything from who the target customers are to how you will reach them, to how we will retain our clients. Done properly every year, our marketing plan is the roadmap PPNT follows to get new clients including first time innovators. The information below details the key sections which are included in PPNT marketing plan:

#### **1. Target Customers**

This part describes the targeting clients - the sectors they operate, location, size of the companies, their wants and needs as they relate to the products and/or services from the offer.

#### **2. Marketing goals**

Setting marketing goals which are specific, measurable, realistic, and time-bound metric that drives every marketing effort.

#### **3. Service portfolio**

Evaluating the profit potential is the key step in preparing the offer. It's been quite complicated in technology park case as the services are not very common and it's hard to assess their market potential.

#### 4. **Marketing campaigns**

The specific marketing campaigns are designed for different target groups and services. They include as well as marketing, branding activities and sales. In PPNT case the portfolio was divided into: research, business consulting, IT services and workshops. What's important, having the right online marketing strategy can help gain competitive advantage (identifying what keywords we would like to optimize the website for, online advertising programs, social media)

#### 5. **Branding activities**

Branding is one of the most important activities PPNT engages in. We believe building a strong, recognizable brand will help PPNT to connect with our existing customers, sell to new ones, and encourage loyalty and recognition.

#### 6. **Partnerships**

Partnerships are agreements we forge with other organizations to help reach new customers. For example, PPNT cooperates with universities or companies' associations.

#### 7. **Budgeting**

The final part of PPNT marketing plan is to create financial projections. We include all the information documented in our marketing plan.

### 6. Set of dedicated strategic workshops – first step SME advisory service of clear added value and short time scale – by PPNT

#### **Set of dedicated strategic workshops: diagnostics and value added service in one**

SMEs need support adjusted to their individual situation and needs. However the companies who had not yet been engaged external advisory support do not recognise the value in engagement in diagnostics tools, which are necessary to suggest individual support offer. Therefore it is necessary to pack the diagnosis in a service that promises concrete in a time scale acceptable for a not experienced advise recipient. These assumptions were a starting point for Poznań Science and Technology Park to develop and test a participatory strategic reflection support service. The service description for SMEs starts with a value propositions and gives overview information on half a page and more detail of the service and profiles of the PPNT experts in next sections:

#### Values:

Strategic Workshop Set is a reliable and proven method of working with challenges that hinder the development of an enterprise. In only 6 weeks of the training, the company:

- defines key activities that will accelerate the entry into the next stage of development,
- improves its internal communication,
- improves the main processes running across the teams,

- increases the efficiency of team work (less time spent on "putting out fires" and greater focus on key tasks),
- learns to work with a new approach to challenges (the "Strategic innovation" methodology), which it will be able to use independently in the future,
- best opportunity to cooperate with a team of experienced practitioners involved in the implementation of advisory services for small and medium-sized companies in the manufacturing and service industries.

#### How do we work:

the company appoints about 8 people, from the management team and individual departments / organizational units of the company to participate in 2 workshops (2 x ca. 5 hours)

2 days before each workshop participants complete on-line surveys (2 x 30 minutes)

the management team participates in the summary meeting (1.5 hours)

#### Fee:

3700 PLN + 23% VAT (ca. 860 EUR)

#### Contact:

*Coordinates of the contact person*

#### More about the training:

The concept of a Strategic Workshop Set is based on the "Strategic Innovation" method developed by the UNU-MERIT Technology Innovation and Transfer Center from Maastricht in the Netherlands. The service includes workshops and online work. As a result of the cooperation of PPNT consultants with the company's team, key challenges will be defined that block the development of operations. In just six weeks, an action plan will be created that will meet these challenges, improve internal communication and effectiveness of cooperation between individual departments in the company. The team representing the company will develop solutions for individual challenges using the tools provided by PPNT.

The Strategic Training Set shows how to deal with prioritizing activities, defining problems and solving them on a daily basis. These are skills that will stay in the company and can be used also after the cooperation with PPNT.

The process timetable:

<b>Action</b>	<b>Description</b>	<b>Timeframe</b>
Diagnosis of the situation in the company	Work on-line with the involvement of employees, preparation of results.	Week 1
Workshop I	Selection of challenges important for the development of the company. The scenario of the workshop is based on joint work of people representing various organizational units of the company, as well as properly moderated discussion..	Week 2
Work on the link matrix	Work on-line with the involvement of employees, work out results..	Week 3-4
Workshop II	Develop a plan of priority actions, including precisely defined results, assigned to the necessary resources, as well as a person responsible for the implementation of a given activity, in accordance with the SMART concept.	Week 5
Summing-up consultations	Consultation of the content of the action plan, analysis of the implementation process, and in the case of anticipated difficulties, recommending remedial measures.	Week 6