Final peer review report

FLEVOLAND

Province of Flevoland

HB : 1486897
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Summary

A remarkable schedule of interviews and visits to various innovation actors operating at different stages of the innovation process in the Province of Flevoland, allowed the group of peer reviewers to reflect on the current situation of the area and to agree on a set of recommendations to be considered in the economic development strategic paths of the Province. Starting from a self-assessment of the main strengths and weaknesses and reasoning together with the people met, the group comes out with a proposal of interventions preliminarily discussed with the representatives of the Province and deepened in the pages below.

It was clear from the beginning that the central position and the easiness of connections towards almost everywhere, thanks to the Amsterdam hub, is an asset on which to build on. Innovative entrepreneurs, young population and attractive environment were seen also as good points which, together with the world class agriculture, existing infrastructures and valuable success stories should represent the most important pillars to set the local development. However, at the same time, some aspects that could hinder the successful implementation of such a strategy were evident as well. To overcome the barriers and to take advantage of the strong points, the first recommendation was for the Province to promote the area demonstrating themselves, first of all, to believe in its growing potential.

Besides, different factors have been analysed and specific recommendations identified. For what concerns the strategic approach, the main proposals regard the alignment of the strategy to the regional strengths and context, focusing on SMEs, as well as the possibility to grasp from the success cases hints and directions for the strategy itself.

Regarding the innovation environment, the peers recommend the whole innovation ecosystem to be developed including sustainable tools, ensuring the professionalization of the people working in it, the implication of all the stakeholders in the initiatives and the setting up of open innovation arenas.

When discussing the partnerships aspects, the peers agree on the need to have a clear interface acting in this role both inward (towards education, research and industry) and outward (international linkages). A good tool to be used also to this aim is the place branding.

Human resources have a central role and, also in the case of Flevoland, education could be used to sustain economic development for instance with more proactive links with Universities and virtual campus aiming to support internships and students placement. Every programme needs to be sustainable and, to support the checking, the peers recommend the implementation of monitoring systems also based on existing tools and services. Finally a good example on how to set up a sustainable programme is the master plan prepared by Compoworld.
Section 0: Introduction

(a) Short introduction to the SMART Europe Project

SMART Europe is based on the concept that smart and targeted regional policies and interventions can be designed to boost the employment directly in the regional innovation-based sectors.

With this aim, a consortium of 13 partners, representing 11 EU regions, will exchange policies and instruments for identifying and supporting the main regional economic actors that can generate job opportunities in the innovation based sectors of their economy.

SMART Europe will support decision makers to improve their strategies with the aim of incorporating the creation of employment as an additional key feature of their activities.

(b) Short introduction to the Peer Review methodology

SMART Europe Peer Review Methodology helps regions to improve their policies in boosting employment in the sector of their “innovation anchor”.

The SMART Europe Peer Review Methodology is an adaptation of the peer review methodology of the Assembly of European Regions (AER), developed directly to use it during the SMART Europe project, when assessing different regions’ innovation anchors. The methodology standardises the relevant aspects that need to be measured, in order to enable experts with different background, to assess the regional situation in an objective way. By this, they will be able to give appropriate recommendations on the field of innovation-based job creation in the host region. The other important advantage of peer reviews is the selection of experts, who are practitioners in the field of the

Figure 1: The SMART EUROPE regions
assessment, which means that the recommendations given by them after the review will be practical and realistic.

Figure 2: Overview of the peer review process

Section 1: Overview

(a) Short description of the Host Region, general overview, economic profile.

Located in the centre of the country, within the former Zuiderzee, the Province of Flevoland (NL) was established on January 1st in 1986. In terms of size, it is the twelfth province of the country, with Lelystad as its capital, although the largest city is Almere. The Province has approximately 394,758 inhabitants (2011) and consists of 6 municipalities. Flevoland’s population is relatively young, and in contrast to other parts of the Netherlands, the labour force continues to grow.

<table>
<thead>
<tr>
<th>Age</th>
<th>Flevoland</th>
<th>Netherlands</th>
</tr>
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<tbody>
<tr>
<td>0-19</td>
<td>28%</td>
<td>23%</td>
</tr>
<tr>
<td>20-39</td>
<td>26%</td>
<td>25%</td>
</tr>
<tr>
<td>40-64</td>
<td>35%</td>
<td>36%</td>
</tr>
<tr>
<td>65-79%</td>
<td>8%</td>
<td>12%</td>
</tr>
<tr>
<td>80+</td>
<td>2%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Source: CBS

Table 1: Age groups in Flevoland compared to the Netherlands (per 1-1-2012)
Even the history of the Province is young: twenty-five years ago the IJsselmeerpolders Development Authority made way for the Province of Flevoland. Since then the province has been characterised by energy and momentum. This is explained by the fact that every inhabitant and job has had to be brought into the region, created. Initially, Flevoland was conceived as an overspill area for businesses and inhabitants from the North Wing of the Randstad conurbation. Today, the region’s own dynamic resonance is also very much in focus. The Province of Flevoland has secured its own position in the North Wing of the Randstad while retaining space and green areas.

Overall, the region of Flevoland can be described as mainly being composed of SMEs and new SMEs, as the economy of the region is considered still as a young economy. Flevoland is on the other hand characterised by a highly developed agriculture and fishery sector, as originally, significant parts of Flevoland were designated for farming.

The economic crisis impacted Flevoland to a lesser extent than was expected and, in comparison with other parts of the Netherlands, the province is making a more speedy recovery. This recovery is assisted by the population augmentation, more specifically in 2010 Flevoland’s population continued to rise. Almost 400,000 people, relatively young, live in Flevoland. In addition, the labour force is growing in line with the total population. In 2010, the share of highly educated people increased by 6%.

The net labour participation is more or less at 68%. In 2010 Flevoland recorded the strongest growth in employment of all Dutch provinces. Despite the fact that this rise in number of jobs is somewhat low compared to 2009, Flevoland seems to have regained its momentum in the wake of the crisis. Because the number of jobs has risen more slowly than the labour force, the employment rate has not increased. This stands at 73%, as it did in 2009. In regard to size, most of Flevoland’s employment is created by small and medium-sized businesses. There are proportionately few very large businesses employing more than 500 people. Unemployment stands at 6.8% which is half a percent greater than the national average. The higher level of unemployment is present in all age categories. In Flevoland, 7.9% of women are unemployed as opposed to 6.0% of men. Unemployment among lower-educated persons is also relatively high in Flevoland.

In 2010, the number of operational businesses increased slightly more than usual reaching almost 35,000. One contributory factor was a larger number of employees who launched out as self-employed entrepreneurs, particularly in the business and locally oriented services and agricultural sectors. In 2010, such entrepreneurs launched some 3500 businesses and more than 1000 other businesses were opened, for example, as new branches. There were 2500 business closure which brings the total natural increment to +2000 businesses.

Concerning business locations, in 2010, the Province of Flevoland had more than 1300 hectares of available business park land, including economic zones and inventarisation plans. In the last five years, an average of 33 hectares of land has been allocated. However allocation has declined in recent years. At the beginning of 2011, unoccupied
office space in Almere stood at 24%, with 9% in Lelystad. Supply continues to increase while demand for office space is decreasing as a result of less favourable economic conditions. The requirement for business and shop premises also fell in 2010.

With regards to the Region’s innovation and employment policy, over the years, and as result of the rapid changes taking place at the national and European level regarding innovation, the region has opted for a **specialisation in cluster development** in order to boost the innovation sector and highly-qualified jobs. The regional government has thus supported the development of the Geomatics Business Park and ACRRES, as well as the development of a composite cluster, called Compoworld, since early 2012. It is these clusters that have been established by the Province of Flevoland as the main regional innovation anchors, given their potential to boost higher-education jobs in the innovation sector. However, as a consequence of the young nature of the Province and its economic characteristics, the conditions for cluster development vary significantly from those experienced in other Dutch and European regions. As such, this issue was determined as the main focus of the SMART Europe Peer Review process.

**(b) Description of Peer Review focus (why it was chosen, specific questions and expected outputs of the Host Region)**

**Hypothesis**

In SMART Europe, the Peer Review process kicks off though the establishment by the host region of its main innovation drivers: The Province of Flevoland held a SMART Europe Café where three clusters were defined as the main innovation anchors: the Geomatics Business Park, ACRRES and Compoworld.

Flevoland has chosen to boost innovation through cluster development in order to create innovation-based jobs. However, cluster development in a young and thin economy such as Flevoland’s is fundamentally different than in a robust, settled economy of other regions. In Flevoland there is a limited number of international companies and research institutes (public and private). In addition there are no universities in the region, consequently there are no students. On the basis of its nature as a young and dynamic region, created as an overspill for business and inhabitants from other areas of the Netherlands, the Region of Flevoland aims to, though its policies, attract qualified professionals and companies to the region, as well as to create jobs in the innovation sector for the existing population. As such, they believe a tailored, optimised policy on how clusters can be further developed, as well as closer links between education and the labour market within the region are necessary.
Focus of the Peer Review

In line with the overall objective of the SMART Europe project, the key focus of the Province of Flevoland during the Peer Review was to assess and boost its policies with regards to employment and innovation, in order to create new jobs and opportunities for this sector.

More specifically the region, wished to address some of the particularities, issues and weaknesses it had identified with regards to its cluster development and to optimise its policies in order to contribute to a more knowledge based economy, to create new jobs at a higher education level, to improve the positioning of the local knowledge based institutions and to better connect and match education and the job market within the region.

Questions

In order to answer the overall question of how to further develop clusters in Flevoland and how to optimise the regional policy in this respect and boost innovation based jobs, the following sub-questions were drafted:

1. What possibilities does the Peer Team see to effectively shape cluster development in Flevoland?
2. How can the connection between the clusters in Flevoland and regional SMEs be achieved more effectively?
3. What possibilities does the Peer Team see in order to connect the Flevoland clusters with initiatives from other European regions?
4. How can the position of education in the clusters of Flevoland be improved?
5. Are there opportunities to develop other clusters in Flevoland and, if so, what should the role of the regional authorities be?

The focus and the sub-questions developed by the Host Region were used by the Peer Review Team as a starting point in their analysis, and guided research, in order to develop tailor made recommendations.
Section 2: Regional Strategy

(a) Key Findings

Based on the information provided concerning the strategic approach of the Province of Flevoland to the specific topic of innovative jobs creation, the peer team highlighted the following issues:

- **Job creation appearing in strategy**
  The Economic Agenda of the Province of Flevoland, provided during the visit, states that “cyclically sensitive measures, including the labour market and policy on starting entrepreneurs, is now left to be picked up by the municipalities”. Consequently, there is no clear focus or specific actions from the Province to get involved or to support job creation.

- **Innovation appearing in strategy**
  Flevoland selects, from the top sectors stated at the national level as being of highly importance for The Netherlands, three promising sectors:
  - Agribusiness
  - Life Sciences
  - Composites
  and tries to boost them up by the so-called ”Smart-connect”.
  “Smart-connect” includes actions such as:
  - Organizing an optimal interaction with the top sector policy of the government and the new European Funds;
  - Improve the climate for innovation in Flevoland sectors and realize promising crossovers;
  - Connecting the sectors with social challenges for sustainable food, healthy life and efficient use of energy and raw materials.
  So, the strategy applied in supporting innovation seems to be more coherent and more focused than the one devoted to the job creation (see above).

- **Coordination**
  The Province of Flevoland wants to maximize the open dialogue with third parties on the economic program and it promotes explicit cooperation with entrepreneurs, educational and research institutions.
  The Province also puts a great importance on cooperation with its partners aiming to strengthen the E-axis with Amsterdam (ranked as the most important by the Province itself), but also with Lelystad, Dronten, Zwolle, Kampen.

- **Sustainability**
  Sustainability is an integral part of Flevoland policy. Flevoland has become a guide and a landmark in the field of renewable energy, being a step further than other Dutch provinces when it comes to sustainability and particularly renewable energy.
(b) Recommendations

- **Build on your success stories to strengthen your strategy**
  In order to achieve sustainable results from any strategy, one particular issue has to be taking care of: congruence. It is important that you take the time to capture the accomplishments your strategy attains along the way and try and duplicate them. And you need a coherent long term strategy for that.
  The Province of Flevoland should **try and diversify those success stories it already has**, like NLR, the support structure of GBP, the young and promising Compoworld.

- **Alignment of strategy to the regional strengths and context**
  One question: why not spend as much time or more on what you do well and how you can strengthen a strategic advantage?
  Strategy is fundamental to performance. The traditional approach to strategic planning is SWOT, but you can also **start from your strengths** and go for a different approach, like SOAR, for example. SOAR stands for: **Strengths, Aspirations, Opportunities and Results** (http://www.soar-strategy.com/).

  Focusing on areas of strength is important for two main reasons: firstly it will be more sustainable, and secondly it will support in creating the regional identity. This could be also important to support the contribution of the Province of Flevoland to the Smart Specialisations approach of the area in which it is included.

- **Re-evaluate the SMEs support system**
  Flevoland can be defined as an emerging regional economy, being relatively young comparing to the other regions of The Netherlands. An emerging economy always relies on its SME sector, being the most dynamic, adaptive, and cost-efficient part of the structure.
  Therefore, in order to help your regional economy grow and mature, the Province of Flevoland need to **strengthen the SME sector**, supporting the most promising and innovative companies. These companies will create new jobs and they will become seeds of a future corporate sector in Flevoland.

  On the other hand, a strong and stable
SME sector attracts bigger companies looking for subsidising, subcontracting, and cooperation of any kind (again because SMEs are sometimes both innovative and cost-efficient).

To this aim, a good starting point should be to focus on commercialisation of innovation rather than creation of ideas. This is likely to bring more value.

A success story from previous initiatives that can be taken as an example is ROTEC Engineering BV.

**Cluster development strategy**

Concerning cluster development strategy, the peer reviewers would recommend focusing more on creating and maintaining the framework for clustering development, rather than approaching the issue with a top down approach. For instance it should be worth facilitating communication between cluster components, acting like a catalyst and ideas promoter, more than trying, at this stage. Within this context, moreover, consider the cluster development opportunities outside of the Netherlands borders as well. Opportunities for developing supply chains could lead to cluster development in a more sustainable way. On the other hand, there is no value in trying to recreate clusters that already exist elsewhere.

To reach this aims, Province of Flevoland should design a long-term strategy (3-5 years), in order to achieve 2 or maximum 3 fundamental objectives that are derived from the Province’s mission, which should be stated and assumed for the next 10 years, in order to achieve sustainability. The main objectives of the strategy should preferably focus on strengthening the SMEs sector of the province, bearing in mind that Flevoland, as a regional economy, shows a lot of the features that an emerging economy usually does.

**Take advantage of the European funds available**

In order to sustain the development of innovative SMEs, it it should be considered the opportunity to develop a long term strategy for channelling and utilising ALL European transnational funds. This can assist in developing skill levels, changing aspirations of residents and businesses, promoting internationalisation and developing European supply chains in SMEs. This may also be an opportunity to boost an organic cluster development, because being part of a supply chain could develop clusters more naturally and sustainably. ¹

Perhaps consider the use of Technical Assistance to explore establishing initial introductions with other ERDF providers of projects that might be useful.

Consider also other EU funding programmes which could deliver business support interventions. Tools such as Jeremy and Jessica, should be an example. The first one is an initiative of the European Commission developed together with the European Investment Fund. It promotes the use of financial engineering instruments to improve access to

¹ 2013 is the perfect time to do this as the new programmes for 2014 are starting to be known. A strategy will help deliver transnational projects over the next 7 year budget and programme period.
finance for SMEs via Structural Funds interventions. The second one has been developed by the European Commission in co-operation with the European Investment Bank (EIB) and the Council of Europe Development Bank (CEB). It supports sustainable urban development and regeneration through financial engineering mechanisms. EU countries can choose to invest some of their EU structural fund allocations in revolving funds to help recycle financial resources to accelerate investment in Europe's urban areas.

Section 3: Education and Human Resources

(a) Key Findings

The peer review highlighted that growth of labour force is above average but low-mid levels of educational attainment is a challenge. Flevoland suffers from an inability to attract young people. As a consequence, an appealing residential environment, green space and affordable office space are advantages to be valorised.

To work on talent attraction and retention – innovation anchors are struggling to recruit and retain target workers –, place branding and communication of local opportunities combined with relevant up-skilling local population is needed.

The region needs also to develop more links with universities, and explore more international strategic partnerships with universities and global R&D community. The fact that there is no university located in Flevoland, should not act as a barrier to working with universities outside the Region, or even outside of The Netherlands.

Some centres visited were purely dedicated to research and dismissed more commercial aspects: the valorisation of knowledge and the technology transfer to the market is a key issue to be reinforced.

(b) Recommendations

Links between businesses and research

Develop better and more proactive links between businesses and research centres/universities, either elsewhere in The Netherlands, or outside of The Netherlands. Existing good practice and provision in the UK for example could benefit Flevoland SMEs; develop clear interfaces with regional research centres, universities and businesses. In this case the role should be delegated to the Development Agency.

Manchester Universities can be approached to assess the possibility of expanding their existing provision to SMEs in Flevoland, including the LEAD programme.
Virtual campus model

Explore virtual campus model to offer a portfolio of engagement opportunities for university students and academics to work with regional businesses – student projects, placements, internships etc. ³

Leadership programmes for businesses

Develop dedicated leadership programmes for businesses combined with enterprise education at all levels. Importance of peer networks and business-led support initiatives such as the Tameside Business Family (Tameside Enterprise Partnership), Growth Accelerator (Winning Pitch), Knowledge Action Network (MMU) etc. ⁴

Flevoland should not compare itself to and compete with Amsterdam, but should develop a niche strategy building on its strengths and distinctiveness of the region. It has the opportunity to leverage the bigger and established Amsterdam brand for its own benefit.

Consider using wider transnational funds to bring in graduates, e.g. placements for graduates in SMEs. Also use the full range of transnational funds linked to education and training, e.g. Leonardo, Grundtvig and Comenius to increase skills and develop further links, bringing benefits to the individual in terms of skills, but also opening residents to a wider European perspective, and give SMEs more of an international outlook, and bring innovation at all levels.

Section 4: Innovative Environment

(a) Key Findings

This section has evaluated the innovation environment and innovation support system with focus on cluster development and innovation centres.

In order to structure the observations and recommendations, this section has taken advantage of the methodology, systematic approach and, for the Flevoland Peer-Review, relevant key word phrases and definitions from a recent VINNOVA report, reference nr VR 2011:17, which addresses the challenges for regions aiming to develop their innovative capacity and foster a growing knowledge economy.

³ See KTP and innovation voucher model in UK as examples of knowledge exchange.
⁴ The SMART Europe UK partners can facilitate an introduction to any of these programmes.
**Knowledge Base**

This perspective assesses the quality of the knowledge base at publicly funded institutions that is specifically relevant to the needs of the cluster’s firms. Another perspective explores the capacity of local firms to access, absorb, integrate, add value to, and commercialise locally developed technologies and processes, particularly innovations coming from research and knowledge centres.

Flevoland is one of the regions in The Netherlands that do not have their own University to supply the region with knowledge and talent. However, The Netherlands is geographically a small country and there are many sources of academic supply in relatively close proximity. Each of the “innovation centres” or cluster initiatives has developed their links to academic knowledge base and national knowledge centres. There are opportunities to strengthen these links and access to wider knowledge base. In terms of industry structure, some of the initiatives have very fragmentary regional value chains, are not able to bridge missing members, or fall below a ‘critical mass’. This calls for a strategic development focusing on the initiatives ‘growing out’ of the region by linking up with other cluster initiatives, companies and academia globally.

**Commercialisation & Entrepreneurship**

In 2010, the number of operational businesses increased slightly more than usual reaching almost 35,000. In the same year, such entrepreneurs launched some 3500 businesses and more than 1000 other businesses were opened, for example, as new branches. The peer team recognized that in general entrepreneurship in Flevoland seems to be at high standards, with a young and growing population and the proximity to an international airport and the metropolitan Amsterdam area as driving forces.

However, competitiveness and economic growth through innovation is fundamental to be able to move Flevoland towards higher GDP, higher education levels and a more sustainable and diversified economy. Therefore systematic activities for and support to commercialization and entrepreneurship is important for improving cluster initiatives. This covers a wide range of activities such as supporting commercialization and entrepreneurship to generate spin out companies from university as well as supporting the commercialization of market driven innovations in existing companies, Based on the visits and observations the peer team recognized a gap in the innovation support system. Important structures like Science Parks, Business Parks, business incubators, easy access and support to “seed money” for validation and intellectual property rights, as well as organized business angel networks were not visible or in sufficient critical mass to effectively support commercialization in the region.

**Cluster scale: potential economic Impact**

Successful innovation environments and clusters are ultimately about regional economic growth: upgrading local competitiveness, improving productivity, boosting the growth of existing firms (from SME’s to multinationals), and fostering the establishment of new firms.
A cluster initiative should be able to show hard data to local politicians and external observers, demonstrating its economic importance to the local community. On the contrary, since none of the cluster initiatives visited presented hard data on their economic significance, the peers’ perceived that, at least up to now, they are relatively small contributors to their region’s economy. We consider moreover that the initiatives are at an early development stage, with a need to be further exploited.

**Clear Strategy including Internationalisation**

The development agenda for any cluster is broad, and may include, along-side technology/R&D such issues as training and skills development; the availability of equity finance; investment and talent attraction; export promotion and internationalisation; the development of the cluster’s identity; school-business links and university-business links. Any cluster initiative’s decisions on strategic priorities and their implementations needs to be data driven. Information and figures on the latest trends the industry and related industries’ employment, profitability, export markers and competition, consumer patterns, revenues, regulations, as well as macro trends such as climate change needs to be available. In addition, the governance of the Cluster Initiative may benefit from benchmarking exercises that highlight competitors, as well as unique competitive advantages.

This perspective takes into account the understanding demonstrated by the Board members and the process team of the wider agenda facing the cluster, beyond just the Cluster Initiative itself; and the availability and use of hard data in determining this agenda. The peer teams general understanding of current clusters in Flevoland was that no one of the cluster initiatives addressed could clearly articulate the steps that need to be undertaken to lift the competitiveness of their cluster.

**Process leadership**

A Cluster Initiative requires competent, dedicated and authoritative process leadership. Process leadership needs to be able to operate at a high level, and to have the support of the cluster’s governance. In its role, process leadership serves the interests of the broader set of stakeholders involved in the initiative. Process leadership will more easily achieve its task if it shows an attitude towards good communication, networking and bridge building – within and beyond the cluster.

Process leadership depends on a mix of factors: some more qualitative relate to having strategic focus, empowering others, good social skills, able and pro-active connectors with a relevant business background, but also basic ones such as full time and dedicated time for the task.

The peer team got the impression that most of the cluster initiatives have strong, dedicated and enthusiastic management teams in place. However, there is a lack of critical mass of people involved. In addition a systematic approach with concept and training support would make the initiatives less vulnerable and hence more likely to succeed in the long term. The governance structure seems to rather differ among the initiatives and is also a key area in order to reach an open approach for learning and
developing, accordingly to the clusters needs, towards a cluster that can play a role as an innovation engine.

(b) Recommendations

As already mentioned, the Province needs to develop an overall long term strategy for creating and maintaining the framework for clustering development. To this aim the peer team recommend five areas of focus to strengthen its capability to support outstanding clusters and cluster development.

- **Clarify the importance and potential of the industry to the region and nationally**

The peer team received the impression that in some initiatives the process management, and even more the regional stakeholders, do not know the economic potential impact of the cluster to the regional economy. The knowledge and understanding of how the initiative will contribute to current and the future regional development is crucial. This will also help to strengthen the awareness of the initiative even when the immediate impact to the regional economy might not be very strong.

We therefore think that it would be helpful if the initiatives would present a document that shows a clear picture of the importance and potential impact of the industry involved at regional and national level. This report should be based on quantitative data (e.g. companies, turnover, employees as percentages, research facilities, etc.).

- **Develop the innovation support system**

To be able to set up a strategic dialogue among regional actors, stakeholders, entrepreneurs and business community, there is the need to have a systematic approach bringing these bodies together. The innovation support system consists of components like Science Parks (where innovative companies can grow in an inspiring environment), business incubators (for new companies), open test bed arenas (validation, development of existing growth companies), “seed money”, to give some examples. . The peer team thinks that the region would benefit from these “tools “ in the innovation support system in place. New funding models could be identified to support the setting up of these tools.5

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5 Greater Manchester has some good examples of sustainable and successful science parks which could be used to drive this agenda.
**Training and support of professionals**

Defining, leading, developing, and shaping clusters and cluster initiatives is a serious professional challenge. There is a need for a region to have a significant critical mass of change leaders. Training is required to enable people in the system to be able to be successful in their important tasks. At EU level moreover tools to support the cluster management have been already tested and implemented.\(^6\)

**Triple helix important – but the business dimension in governance board and process management single out the really successful clusters**

Some of the initiatives the review team saw are very much business led, and efforts for commercialisation are at the centre stage of the process management. We recommend to follow as much as possible this approach reinforcing the business presence in the cluster initiatives boards, especially for setting the future agendas. Besides internationalisation of the cluster initiative and of the cluster companies are crucial for the sustainability of the initiative. The peer team likes to stress the need for the initiatives to act strategically when it comes to their international positioning and international partnership and collaboration.

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\(^6\) See Cluster Academy and similar initiatives
Create an open innovation arena, meeting places, programmes to bring sectors together

Open arenas are places that enable conditions where companies easily access external actors’ knowledge at the intersection of the firm boundary and the outside world in an organized way. Open innovation arenas bring parties together in new context, interdisciplinary and with a perspective on market needs and challenges in the society. The peer team believes that Flevoland could support more “innovation stretch” by enabling the existence of open arenas within the region, as important components of the innovation support systems.

In order to stimulate the creation of open innovation arenas the regional government can act as a promoter of the potential opportunities (advertising initiatives which are already in place or facilitating contacts between different actors in order to set up a new arena).

An open innovation arena is usually defined by four dimensions, as stated by M. Hällbrant and J. Ingvarsson: the formal dimension, the informal dimension, the physical dimension and the structural dimension.

Province of Flevoland could intervene more actively on the formal and the structural dimension (for more insight details, please see Hällbrant & Ingvarsson, 2012, pp.37-44).

The paper mentioned before also provides an empirical study of open innovation arenas, which can serve as examples of good practice. Another case is described in the annex Ideon Open.

Section 5: Partnership

(a) Key Findings

Concerning the issues related to partnerships, the review disclosed that the Province of Flevoland is involved in:

- partnerships associated to the development of various research facilities, indicating cooperation with a number of research institutes as well as universities.
- the development, including funding, of some cluster arrangements, indicating its interest in supporting cluster developments. These clusters mainly involved science/high tech areas.

Moreover the peer reviewers had the impression that the Province of Flevoland involvement in the above is seemingly limited to financial aspects, supporting the various initiatives through various funding schemes. Strong direct involvement was not observed.

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Furthermore the peer review did not reveal any strong linkages in general with the business sector. Any partnerships with organisations such as Chamber of Commerce or similar was not indicated during the review. Neither were founded linkages with municipalities in the area of business development, evident during the review.

In conclusion, the role of the Province of Flevoland in various partnerships apparently was quite withdrawn, mainly limited to being involved in financing and general development of policies. Consequently no really close partnerships were observed. In particular, no strong ties to SMEs or any SME organisations were observed apart some sporadic cases.

(b) Recommendations

In light of the limited engagements in various partnerships there is a potentiality for further partnership development which may assist the general development of the province and in particular would help focusing on the goals indicated by the SMART Europe project: boosting the employment directly in the regional innovation-based sectors, which are identified as: 1) Agribusiness, 2) Life Science/ Health and 3) Composites.

The Province of Flevoland needs to work closely with its local businesses to identify strategic partnerships and enable a closer collaboration even with key players in Europe.

The review team observed that the Province of Flevoland could benefit from a co-ordinated local development process. Hence it is recommended that the Province of Flevoland seek cooperation, in particular with regional partners, in order to develop a place branding strategy at provincial level. Furthermore this partnership should be responsible for implementing the agreed strategy.

The development of such a partnership could also counteract the limitations put forward by the Province of Flevoland related to the lack university education.

As a matter of fact the development of strong partnerships with external institutions and Universities could be an asset point also considering that the regional innovation-based sectors put forward by the Province of Flevoland are mainly linked to science and knowledge areas. In addition to linkages to national relevant institutions it should be also suggested to look for linkages with international institutions.

In establishing linkages to R&D and universities, it would be worth proceeding in the selection in a close cooperation with the provincial business community. So, for example, one method could be to arrange a win-win process identifying the science areas of particular interest and the national or international institutions which could support those areas. Hence the interested stakeholders could arrange discussions with these potential science partners in order to seek more permanent establishment and the Province could take an active role in creating such establishment.
A more pro-active role in the establishment of national and international partnerships could be functional to the development and maintenance of the clusters. In this connection it is important to underline that the clusters should be based upon the business community. The role of the clusters would be to ensure that the companies involved could increase their competitiveness in a sustainable way. Hence it would be important to associate the various clusters to strong R&D environments in order to support a continued knowledge based innovation process. The way the clusters are organized must be arranged as a result of process between the parties involved, but it is recommended that Province of Flevoland take an active role of process supervisor.

In particular such partnerships should support knowledge based innovation processes involving SMEs in the creation of peer to peer networks and offering value through, for instance ‘Meet the Buyer/Supplier’ events, helping the development of supply chains.\(^8\)

The Flevoland localization, in a short distance to one of the world’s busiest international airport as well as a logistics hub, is an enormous advantage. The review team consequently recommends Province of Flevoland to seek international partnerships aiming at marketing the province as a promising and conveniently located area to attract foreign companies. Asia (as a market) apparently seems more interesting for seeking such partnership. However, also more outlaying regions of EU could be interested in such approach.

Development of business opportunities are always associated with availability of investment capital. Hence the review team recommends that Province of Flevoland seek partnership with investors in order to help development of business opportunities in the province. Such financial institutions could be based regionally, national or internationally.

In conclusion the following recommendations are given:

**Place branding**

It is recommended that the Province of Flevoland takes the lead in developing and implementing a place branding strategy. The aim should be to both increase the self-awareness of the province population, including the regional business units, as well as the attitude towards relocating to the province.

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\(^{8}\) see the Tameside Business Family (Mini Europe good practice, now managed by the Tameside Enterprise Partnership) in Greater Manchester.
Cluster development and business engagement

The business backbone in the Province of Flevoland is the SME sector. Hence this fact suggests that the Province of Flevoland should take a quite active role in creating an innovative business climate reflecting the limited capability of the SMEs. One focus area would be to help creating and supporting cluster developments, while another would be to help connecting to R&D institutions which could help the SMEs in their knowledge based innovation process.

Connection to universities and R&D institutions

The Province of Flevoland should use the opportunity given by the fact that there is no university present in the province to associate with other Dutch and international knowledge hubs, offering these infrastructure opportunities in the province relevant for their R&D projects and relevant for the regional business sectors.

Finance and investment

It is always a challenge to attract finance to business development; consequently the Province of Flevoland should seek to identify and associate with relevant national and international investors aiming at providing support innovation for the local business activities.

Section 6: Sustainability of the jobs created by the innovative sectors

(a) Key Findings

In relation to the sustainability of jobs, the region does not currently proactively support the bringing together of existing assets in the region. As stated above the region can do this by creating and maintaining the framework for clustering development, facilitating communication between cluster components, acting like a facilitator and ideas promoter. Some good practice already exists in this area and we believe that by using what is already in place and strengthen the Regional government’s involvement in this area, the process could be further accelerated.

However, it was also pointed out to the team that businesses are not always willing to share information and this is barrier to be overcame to boost the region’s cluster development strategy.

(b) Recommendations

As part of the proposals to strengthen regional strategy in this field, we recommend that the Province implements systems to monitor and measure impact and outcomes, using existing tools already used for this purpose, such as the European Cluster Observatory which has well established monitoring methods in place. A consistent check of the state
and the outcomes of the supported cluster initiatives in fact is worth to better take policy actions in order to support the sustainability of jobs in Flevoland.

In addition, some local good practices are currently in place for target setting over realistic periods such as the Compoworld Masterplan, which already sets time scheduled targets. Following this example, on a wider scale, it should be designed a better planning to achieve future sustainability of both job creation and the creation and durability of local and regional networks.

Furthermore, the stimulation of local and regional networks based on industrial sectors, thinking specifically about supply chains, might go some way to establishing an organic business support network that could start to bring likeminded businesses together, willingly, with a real purpose and feeling of real benefit to those involved for the long term. Examples of this approach can be found in the Tameside Business Family’s ‘Meet the Buyer’/’Meet the Supplier’ events that have had a significant impact on willingness to be engaged in the process of networking as they provide real, long term, benefits for the companies involved, including both increased sales, and innovation as they start to come together.
Section 7: Conclusions

The evaluations are based mainly on our observations and visits at the ACRRES Agriculture innovation center and the cluster and actors around the National Space Laboratory, Geomatics Business Park and Compoworld cluster. The evaluation team also visited a handful of innovative SMEs, spin-off from innovation centers and competitive sectors in Flevoland, for example machinery for agriculture.

The main areas identified during the visit and the resulting recommendations are summarized in the following:

- Flevoland has no universities and a limited number of research institutes even if the priority sectors are very much connected with research. Therefore firstly it is important to strengthen the quality of the ones that are currently running in the area, improving, in particular, their linkages with business in the attitude (research more close to the market) as well as in practice (creation of spin out). Secondly it is worth to invest in the creation of linkages with other institutes at national and international level, in order to enlarge the knowledge providers available for the companies in the province.

- Concerning the innovation milieu, Flevoland has got actors and stakeholders that are active and well performing but it seems that they are a bit fragmented and little coordinated. Clusters are perceived by the Province has a good tool also to overcome the fragmentation but up to now they still seem at an embryonic stage. Peers recommend therefore to sustain their development in particular working on the professionalization of cluster managers and their capability to create sustainable networks and partnership. Nonetheless it is not suggested to provide direct funding support but, on the contrary, to work more in building a favourable development context and acting as catalyst more than driver.

- Finally there is significant problem of perception: Flevoland has not yet build internally and externally a strong and credible image. Even though there are main objective strengths (the localisation close to the airport, the young educated population, the vibrant and good quality of life) these ones are not sufficiently underlined, perceived and spread. A place branding strategy is highly recommended because it could be useful both to build a consistent and appealing internal and external image. Moreover to reach this goal (establish a branding strategy) it has been suggested to launch a participative process which can involve the Province and the main stakeholders in the area and can be also the chance to discuss, share and agree a common vision for the future development of Flevoland.

In particular this last line of intervention is clearly in accordance with the newly launched Smart Specialisation approach, therefore the Peer Team would like to stress the need not to lose the opportunity to use this exercise to reinforce the process.
Section 8: Links

JEREMIE: See for example http://www.eif.org/what_we_do/jeremie/index.htm
JESSICA: See also http://ec.europa.eu/regional_policy/thefunds/instruments/jessica_en.cfm
European Cluster Observatory: www.clusterobservatory.eu/
LEAD (Manchester Metropolitan University) http://www.mmucfe.co.uk/services/providing/lead/
Examples of Cluster Academy http://www.clusterland.at/1183_ENG_HTML.php
http://regx.dk/en/home.html
Theoretical background on open innovation arena
http://publications.lib.chalmers.se/records/fulltext/154956.pdf
Appendix: Good Practices “Open Innovation Arenas”

Open innovation is a new paradigm in which company boundaries are crossed, and collaboration and external inputs are key. In this approach, companies use both internal and external knowledge to fuel innovation, and both internal and external paths to commercialize new products and business models. Within this context, Open Innovators wants to bring new insights and best practices on open innovation, crowd sourcing, and co-creation - for business leaders as well as entrepreneurs.

Good Practice: Ideon Open, Sweden – an open place for innovation projects
(http://www.ideon.se/en/ideon-open/)

Ideon Open is the right place for synergy projects that have the ambition and potential to create growth through innovation. Ideon Open is intended to be an open, neutral place, independent of sector or geographic location, where businesses, by interacting with the latest research, with other companies and with committed entrepreneurs, get the opportunity to develop their innovative force in order to better meet global competition.

Ideon Open is the place where project owners and project managers can gain access to all that’s required for succeeding in the creation of new business.

Projects based on existing needs rather than on solutions
Many innovation projects start off with an idea that’s seeking a need. At Ideon Open, every innovation project is initiated on the basis of an existing or potential market need – such as an established company that is facing challenges or has pinpointed important customer requirements. Companies have the chance here to solve problems using open innovation in partnership with entrepreneurs, other businesses and researchers, and supported by the public innovation system.

Partnered by at least one commercial company
To fit in at Ideon Open, a project must have a minimum of two units in partnership, of which at least one is a commercial venture. Each project has to result in a growing company and a strengthening of innovative power; the companies’ participation is a key element and their needs are a determining factor as regards support from Ideon Open.

What fits in at Ideon Open?
Anybody at a company needing to reinforce its innovative work can refer to Ideon Open. This can either be with project ideas that are in need of financing and expertise or with complete projects that have obvious commercial potential and that need to be linked up with academia, committed entrepreneurs or public organisations.

What does Ideon Open offer?
Ideon Open gives the project team access to everything necessary for business growth in new or existing companies: market requirements, expertise, ideas and entrepreneurial
force – in the form of concrete advice and tools as well as the organisation’s networks and contacts. In addition, there are existing facilities in the form of premises and an excellent infrastructure, which enables easy communication with people worldwide who can contribute to a project’s success.

Who is behind Ideon Open?
Ideon AB and its owners – Lund University, Lund Municipality, Ikano Kontor and Wihlborgs – have taken the initiative, but Ideon Open is not a new organisation. Its foundations rest on partnerships between different players who are important for project success. Personnel from Teknopol, Lund University and Ideon comprise the core group for developing operations and giving projects the correct support.

When is Ideon Open starting up?
The offering and concept are being tested in a number of pilot projects, in different phases and with different project owners and leaders. The pilot phase will continue throughout the summer of 2012, and the idea is that Ideon Open will be ready to welcome new innovation and growth projects in the autumn.

Some current pilot projects at Ideon Open:

**INWIDO** - a good example is a window and door company Inwido who last spring came to the Ideon and together with the incubator Ideon Innovation conducted an entrepreneurial competition that was to create new products and prototypes within Inwido future strategy. Of the approximately 20 projects selected Inwido continue to work with over a third, and the time of writing, work is underway along with five or six projects Inwido intends to invest more money and resources.

**IAP – Intelligent Access Program** – a sub-project within High Capacity Transport – logistics project for long vehicles. Project owner: The Swedish Transport Administration (HCT), Lund University (sub-project).

**Zirro** – innovative solutions that can prevent and alleviate diabetes, with focus on the needs of the individual. Project owner: Teknopol.