FINAL PEER REVIEW REPORT

Veneto
Summary

The Veneto Region provided the peer review team with extensive information which involves a remarkable schedule of interview with important actors and visits to a wide range of complementary actors, such as incubators, venture capitalists, business angels, science parks, industrial clusters and development strategies.

Each member of the Peer Review team was given a task to provide advice on the creation of new innovative companies specifically how to boost ideas which are scattered in the region, how to assess the feasibility of innovative ideas, who provides funds for innovative ideas, coordination of private and public actors, existing good practice, sustainability of start-ups and which role of the public authority should be indicated.

However, different factors have been analysed and specific conclusions and recommendations identified. There is support for the creation, coordination and internationalization of the Veneto’s innovation strategy. The region is abundant of initiatives but peer review team recommends more coordination of good tactical initiatives. Regional government should lead the coordination and Veneto Innovazione as the potential organization should play the role as facilitator and a catalyst. This will determine the region’s core values and the true strength which lead to a successful branding strategy.

Regarding education and human resources, the peers recommend to implement or strengthen educational project, identify who is responsible for organising a dialogue between educational institutions and business environment. Students should encounter and solve real-life problems within the company.

In innovative approach, the region’s availability of regional resources to support innovation is present and there are number of new business ideas. That the peers recommend to organize and integrate local resources and competences and do the evaluation on a regular basis. A good quote to remember is “Do not look for a winner instead make winners”.

The peers recommend a strong partnership strategy. Develop national and international partnerships. Collaboration and closer cooperation between incubators that will develop strong partnership.

In order to gain sustainability of the jobs created, region should integrate with entrepreneurs, connect existing incubators with science parks, strongly focus on the development of the technology based industry and sustain connection of start-ups with SME’s.

Finally, seven good practices are recommended to reach each goal.

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 assessment, which means that the recommendations given by them after the review will be practical and realistic.
Section 1: Overview

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

Situated in the northeast of Italy, Veneto extends from the Dolomites to the Adriatic Sea. Its landscape is varied and dominated to the North by high mountains, near the cities of Verona, Vicenza, Treviso and Padova by green hills and vineyards and to the South by coastal areas. The territory totals 18,391 km² and the region has a population of 4.86 million inhabitants, which represents 8% of Italy’s total population. The biggest city is Venice, the capital of the region.

One of the strongest economic regions in Europe, alongside Île de France (FR), Baden-Württemberg (DE) or Stockholm (SE) the Veneto is 5th among the Italian regions in terms of per capita GDP and its gross domestic product (GDP) is estimated at €143 944 million, representing 9.5% of the country’s gross value added. The industrial and manufacturing sector is particularly developed in the region; it accounts for 33.1% of the regional GDP and employs 28% of the workforce. The eyewear, sporting goods and jewellery sectors are the only manufacturing sectors that didn’t undergo a slowdown in 2011. The service sector (trade, business services, tourism) represents 65% of regional GDP and employs 60% of workers. The weight of the service sector is increasing steadily and an important restructuring process is taking place in traditional sectors.

The region is characterised by an entrepreneurial structure made of small and medium sized businesses: SMEs contribute to economic growth by accounting more than 70% of the added value in Veneto’s industry. An indicator that stresses the importance of SMEs is that almost 72% of the employees are employed in SMEs while only the 16.5% are in big companies and 11.7% in administration and public sector. The arrival of workers from abroad represents an invaluable resource for the labour market and for the total population growth, contributing positively to the renewal of the population and the recovery in the birth rate.

A major asset of Veneto is its R&D potential: the region counts 4 universities, 20 research centres, 7 incubators and about 40 clusters and innovation poles. Universities in Veneto are among the best in Italy: according to the Taiwan index, Padua ranked 2nd best University in the country in 2011 and was 104th in the world. The IUAV University of Venice ranked 3rd amongst the polytechnics the same year.

The economic crisis impacted the country severely, Italy is now officially in recession as the conjuncture variation of the GDP of the first quarter in 2012 and that of the previous two quarters were negative. After a stagnation in 2011 (+0.5 %), 2012 is expected to decline (-1.5%). In this situation, the economy in Veneto is strongly influenced by the decline in domestic consumption, but at the same time favoured by its entrepreneurial export-led structure. Unemployment reached 5% in 2011 compared to a national rate of 8.4%. However, although lower than the national average, the regional unemployment rate is increasing. Unemployment is present in
all age categories but 51.8% of it falls in the 25-44 category. Women are more affected by unemployment than men.

In order to tackle unemployment, the region of Veneto initiated various measures organised around 3 axes: Investing in human capital, support the labour market, promoting youth employment. The tools used include better social security nets and a reinforced Network of job services to foster the reintegration into the labour market of workers on redundancy, support to SMEs in the innovation process to improve competitiveness and internships and vocational training. However, despite its entrepreneurial dynamism, the wealth of resources aimed at easing the setting up of new companies, the availability of public investments and the good educational level, the region counts more low-tech companies and less innovative companies than one would expect.

(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 through the establishment by the host region of its main innovation drivers: for Veneto the creation of new innovative companies was defined as the innovation anchor to foster job creation.

The Veneto region is characterised by a vivid entrepreneurial spirit, a strong industrial and manufacturing sector and a renowned level of R&D. However most SMEs are rather low-tech and are often subcontractors of bigger companies. This makes them particularly vulnerable to changes, be they technological or economical. It is therefore crucial for the region to support the introduction of innovation within the industrial and manufacturing sector in order to increase its resilience to economic turmoil.

The decision to focus on the creation of new innovative companies builds on the observation that it is generally easier to start a new business than to ensure successful business transfers on one hand and on the widespread reluctance to change within existing companies on the other hand. Although the region is implementing a wide range of actions to foster innovation within existing companies, it is looking for a more efficient way to support the startup of innovative companies.
Questions

The Veneto region asked peers to provide advice on the creation of new innovative companies, and more specifically:

1. How to boost the emergence of ideas scattered in the region and how to collect the most promising entrepreneurial ones?
2. How to assess the feasibility of such innovative ideas (and the readiness of the wannabe entrepreneurs)?
3. From the perspective of who funds innovative ideas, comparison of what happens in the peers regions/experience. Which indicators/forecast/data are requested for the assessment by private investors (e.g. venture capital/banks) and which one by public actors?
4. Which process can be put in place to better coordinate and synchronize the supporting actors (private and public)?
5. Is there any methodology/running practice in place than can be taken as an example to launch a pilot that could involve public and private together?
6. How to better sustain start-ups in the "early stage" and help them to build networks?
7. Which can be the role of the public authority in this process?
Section 2: Regional Strategy

(a) Key Findings

The Veneto Region provided the peer-review team with extensive information on the regional strategy. The final part of the Regional Strategic Plan consists of excerpts from the Veneto Region’s Economic and Financial Planning Document for 2013, setting up policies, objectives and regulatory objectives on four major areas:

- Education, Training and Labour Market;
- Economic Promotion and Internationalisation;
- Research and Innovation;
- Industry and Crafts.

Based on this, we evaluated the regional strategy and concluded as follows:

- **Job creation appearing in strategy**

  With an assumed policy that aims to invest in human capital, to support the labour market and to promote youth employment, there is a clear and strong focus on supporting job creation.

  Moreover, the region assumes its role as a strategic supporting infrastructure, trying to strengthen the regional university system, to stimulate the development of modern curriculum, apprenticeship for young people, to support the Veneto economic system, to align the regional strategy for the period of 2014-2020 with the EU regulatory framework.

- **Innovation appearing in strategy**

  As outlined by the SWOT analysis as well, Veneto Region has a really strong drive for innovation, doubled by a strong R&D sector and a range of complementary actors, like incubators, science parks, industrial clusters etc.

  The regional strategy aims to “promote technological development and innovation to spur the competitiveness of the regional production system”. Given the strong presence of SMEs in the Veneto Region, the regional strategy intends to strengthen the financial engineering instruments for supporting projects of industrial research and experimental development by the latter.

  The Industry and Crafts section of the regional strategy covers also issues of fostering innovation amongst the SME sector, in particular, setting-up a dedicated objective to "Encourage innovation, quality and renewal of Veneto SMEs". The latter aims to ensure a continuity of the ROP 2007-13 line of intervention, which promotes technological innovation processes in enterprises. Indeed enterprises don't have easy access to the private capital market although they are equipped with high capacity for growth and innovation.
**Coordination**

What really struck us during the evaluation visit was the amount of very good initiatives the region implemented / facilitated in order to support the development of the business sector.

There is a wide range of complementary actors, like incubators, science parks, industrial clusters, development agencies, even though the region still misses a strong presence of the venture capitalists and the business angels support is still underdeveloped.

However we didn’t observe a clear link between the different actors. Generally speaking, there seems to be a rupture between the strategic level and the tactical one concerning the regional administration.

**Internationalization**

Another outstanding finding of the evaluation visit comes from the area of internationalization. The Veneto Region established a regional policy on promoting the Veneto secondary sector, trying to reach a synergy between this and its primary and tertiary sectors (the tourism, in particular).

Worth mentioning is the establishment of Veneto Promozione S.C.P.A., to act as a promoter of the region on the above mentioned aspects, and also a very inspired strategic decision of the region to target countries with fast emerging markets, such as China, India, and Brazil, besides strengthening a well-established partnership with the European markets.

**(b) Recommendations**

**Coordinate even more the good tactical initiatives**

As mentioned so far, Veneto Region is abundant on good business and start-up support initiatives as well as initiatives aimed at accompanying the further development stages of a growing enterprise.

We had however the feeling that there was a lack of visibility and accessibility of such measures and initiatives. Indeed, when questioned about the way they found out about a particular business incubator, most of the start-uppers mentioned some kind of informal and somehow limited network. This means that although the different incubators receive far more applications than there are places available, there are probably many innovative project holders that don't even come so far as to presenting their idea to the incubators because they are not aware about the support they can get (be it within the incubators or through other support schemes). To exploit this untapped potential the different support schemes available need to be more visible for citizens.
We therefore recommend that the regional government takes the lead in the strategic coordination and the wider promotion of all these initiatives in order to emphasize this wide range of options available for entrepreneurs in the Veneto Region.

The Region should act as guidance for the entrepreneurs (at any business development stage), directing them to the most appropriate infrastructure they need. Also, the Region should play the role of a facilitator and a catalyst, promoting all these promising business initiatives.

To illustrate this process, we propose a scheme of how things should evolve (see figures below).
Invest more in the industrial manufacturing industry as a driving force of the region

The Veneto Region’s Strategic Plan for 2013 – Section 6 (Trade with Foreign Countries) states that “the tertiary sector has maintained, in 2011, its role as a driving force of Veneto’s economy ... the service activities representing 54% of the regional overall productive activities”.

We would like to underline that the tertiary sector is highly dependent on the evolution of the secondary sector, because it tends to be wealth-consuming, in contrast with others wealth-producing sectors in an economy, such as manufacturing (or the secondary sector, on a broader view).

Manufacturing is an important activity to promote economic growth and development. Nations that export manufactured products tend to generate higher marginal GDP growth which supports higher incomes and marginal tax revenue needed to fund the quality of life initiatives such as health care and infrastructure in the economy ¹. The field is an important source for engineering job opportunities. Among developed countries, it is an important source of well paying jobs for the middle class to facilitate greater social mobility for successive generations on the economy (such as movement of individuals or groups up from one socio-economic level to another).

Even though such a recommendation is out-focused for the current peer-review, the team would like to underline that the involvement of the Region in both nurturing the manufacturing industry, and also facilitating its access to the BRICS countries would be really beneficial for the regional economy, also boosting innovation and innovation based job creation in the region.

Alignment of the strategy with the regional strengths and context

This is one of the most general recommendations one can issue concerning strategy. The entire strategic demarche should rely on the strong points the region is possessing. So, what the region needs is a closer, inner look at what it does best, so that it can build a consolidating strategy starting from its strengths.

Strategic alignment focuses energy, eliminates redundancy, and defines the capabilities and competencies, which provide competitive advantage to the region.

Traditional approaches to strategy development often begin with an analysis of external and internal factors, followed by some visioning, then planning. Typically this involves a “SWOT” analysis. But if SWOT doesn’t seem an inspiring place to start when you want a creative vision, then a positively reframed SWOT analysis, called SOAR\(^2\) (Strengths, Aspirations, Opportunities and Results) can work just fine.

The SOAR framework helps identify and tap into the region's internal assets, core strengths, aspirations, and opportunities for achieving measurable results and impact. SOAR fosters a constructive, growth-oriented, and possibility-focused understanding of the region’s potential.

<table>
<thead>
<tr>
<th>Strategic Inquiry</th>
<th><strong>Strengths</strong></th>
<th>What are our greatest assets?</th>
<th><strong>Opportunities</strong></th>
<th>What are the best possible market opportunities?</th>
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<tr>
<td>Appreciative Intent</td>
<td><strong>Aspirations</strong></td>
<td>What is our preferred future?</td>
<td><strong>Results</strong></td>
<td>What are the measurable results, impact?</td>
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\(^2\) On-line document – see http://www.soar-strategy.com/
Focus on branding: design a brand based on the strong points of the region

Veneto is much more than ‘just’ Venice:

- It's high quality industrial manufacturing,
- It's a leader on nanotechnology,
- It's prime location and infrastructure,
- It's culture,
- It's skills ...

Building a brand goes way beyond marketing and sales tactics. A brand must be an authentic representation of who you are and what you stand for. In order to achieve this, it is essential to identify the characteristics of your region that embody this, and embrace them to create a long-lasting brand that people remember.

Determining the region's core values and identifying its true strengths is key to a successful branding strategy.
Alsace decided in 2011 to set up a branding strategy to **reinforce the region’s attractiveness, reputation and competitiveness**. The objective is clearly to attract new enterprises, develop headquarters for large corporate groups and attract new customers while reinforcing the link with the current very satisfied customer base.

The branding project was developed in 3 main steps:
- territorial attractiveness diagnosis
- definition of the branding strategy
- definition of a brand charter and marketing toolkit

The consultation process involved around 4780 Alsacians, politicians, entrepreneurs, researchers and tourism experts, and resulted in the **development of a shared brand**. The idea being to provide customers/citizens with a marketing toolkit made of a logo and a series of instructions and suggestions on how to use and adapt it, as well as an easy to identify and ready to use communication structure based on oxymorons and adaptable to any context.

This collaborative strategy allows customer/citizens to take ownership of the brand, advertise about their own company, organisation, project or services and contribute to expand the reach of the region’s reputation. The strategy is particularly adapted to the versatility of social networks, which is why an “Alsace” facebook page was also created in line with the brand charter. The brand is now spreading fast as both individuals and companies are using it increasing
The communication strategy builds on the traditional regional assets to **generate emotion** while bringing it to a higher level of modernity, innovation and trendiness. The advantage of the regional brand is to achieve a higher degree of visibility, differentiation and attractiveness. The brand symbolises the personality of the territory and gives it a meaning, which is what citizens/ consumers are looking for nowadays

The Alsace example is particularly relevant, because the Veneto and Alsace regions share a series of common features

- Famous tourist destination
- Varied landscape
- Region with strong cultural heritage
- Quality craftsmanship plays an important role
- Presence of numerous symbols
- Reputation for quality food and labelled products (restaurants, wine, cheese, meat...)
- Strong regional identity, can lead to separatist temptations
- History of independent cities with own governments
- Importance of traditional values (family, work)
- Reliable workforce
- Renown universities
- R&D intensive region
- Industrial history with advantages and drawbacks (pollution, environmental risks)

Section 3: Education and Human Resources

(a) Key Findings

The Veneto Region strategic plan for 2013 mentions several objectives to invest in human capital and stimulate the development of the educational and training system towards a modern curriculum that fits the required skills of work. This strong focus on developing one of the strengths of the region (human capital) is very positive and a warrant for the effectiveness of policies.

Implementing these objectives into actions on the field will indeed stimulate the quality of human capital. During our visits to the incubators and start-ups we observed the following points on the topic of education and human resources:

- **Skills matching, connection between education & business**

There is a high level of education in the region with highly ranked universities, and a highly educated population in the very fields that can drive innovation in the region (technology and process, ICT). However graduates with innovative business ideas generally lack managerial skills when they join an incubator. The knowledge and skills they need assistance for within the incubator are sales & marketing, business management, business planning, business development and business communication. More generally the traditional education system insufficiently encourages and fosters innovation and entrepreneurial skills.

The connection and collaboration (one to one or organised in branches) between educational institutions (high schools, secondary vocational schools, universities) and the business environment (companies, enterprises, SMEs, incubators) is quite developed in some areas but seems to not be as strong as it could be in a region with such a dynamic manufacturing sector and high R&D. **This connection is not enough structured and institutionalised.** Based on the interviews we conducted we think that the content of educational programs of high schools and secondary vocational schools would need a stronger link with the demands and needs of enterprises, SMEs and incubators in terms of skills, knowledge and competences. In this respect the fact the traineeship culture is developing in the region is a positive element.

The Veneto Region implemented a series of initiatives in terms of lifelong learning and the support to job reconversion.

- **Interdisciplinary collaboration**

Despite the outstanding quality and ranking of Veneto universities we noted **limited interdisciplinary cooperation** between students with different skills sets. More generally we would have liked to see more openness and room for experimentation in education.

- **Attracting highly skilled workers, avoiding brain drain**
We noticed that incubators are often mainly focused on the profitability of the ideas rather than the job creation potential in the region. Although this position is understandable from a private incubator’s point of view, it is worth thinking about the role of the region and the type of initiatives it is going to support. Indeed this poses the threat of investing in incubating companies that will leave the territory thus giving way to brain drain. Some incubators have also a policy of implementing measures to attract new skills and limit the migration of high skilled employees and expertise out of the Region. With views to attracting new highly skilled project holders some incubators have started thinking about the services they could offer to foreign project holders.

Informal learning

The incubators we visited aim to stimulate informal learning between the entrepreneurs. Good ideas exist and will grow when you speak about it with other persons who have another point of view or perspective. Exchanging and sharing knowledge and experiences is crucial. However, we noticed many small offices in some incubators, and limited space for informal sharing and exchanging views.

(a) Recommendations

Build-up project management and entrepreneurial skills

Implement or strengthen project education (company projects or internal projects) at secondary vocational schools, high schools and universities in order to acquire entrepreneurial skills at an early stage. The curriculum should be built around projects and around really existing innovation questions of the company of SME’s and bigger enterprises. For example the improvement of a production line or developing a new product. Entrepreneurship education should be offered at University as this would both equip potential entrepreneurs with the relevant skills and make them aware of the challenges involved, thus already skimming part of the unfeasible ideas.

Organise the dialogue between enterprises and the educational field

The dialogue between educational institutions (high schools, secondary vocational schools, universities) and the business environment (companies, enterprises, SMEs, incubators) should be structured and institutionalised. It is necessary to identify who is responsible for organising this dialogue. Sessions could be organised (e.g. twice a year), at local level, between educational institutes and enterprises (one by one or by branches) to discuss and make agreements about:

3 “Effects of entrepreneurship education at universities” Viktor Slavtchev Stavroula Laspita Holger Patzelt
The needs and demands in terms of skills of the enterprises
How to redefine the curricula of the schools, in a way that it matches the demands of the enterprises / SME’s (and how enterprises can participate)
Creating company projects for students
Internships and work placements for students
Lessons for students at school, carried out by employees of the enterprises (experts on a specific topic)
Trainings for teachers
Evaluation for the work accomplished within the enterprise.

Let students solve real-life problems in companies!

Agreements could be made with SMEs and enterprises to investigate together what kind of problems companies encounter that could be solved by students. This could be done in the framework group project consisting of 2-4 students + a mentor of the school and one employee of the enterprise (guidance). The benefits are impressive for the student, teacher and enterprise. The whole scope of entrepreneurial skills is used by the students and can be evaluated. Students are given a chance to think about how to analyse a problem and how to create new ideas. They develop their ideas and make drawings of it. They plan and organize their own work, are responsible for sales & marketing for instance. In summary: students learn how to work in a daily business environment with a real existing problem to be solved. Suggested solutions are often of outstanding quality.

The benefits:

- Students acquire, beside the content of technical skills, the entrepreneurial skills at an early stage of their career. This stimulates very much to become future entrepreneurs. It solves the problem that students have no entrepreneurial skills when they enter the incubator program.
- Students get enthusiastic about this kind of education. No longer 5 days a week theory in a classroom, but a combination between theory and practice and real innovation problems to solve.
- This type of education stimulates very much the collaboration between education institutes and the labour market. A part of education will swift from the classroom to the field of SMEs or bigger enterprises. Other issues can be discussed: the demands for personnel, work placements, internships, training for teachers, training for employees, lifelong learning, etc.
- The knowledge and result, acquired during the project by the students, can be used by the enterprise or SME and the school. It creates knowledge sharing and knowledge dissemination between both fields.
(See Good practice n°2 for an example of collaboration between education & business)

Stimulate informal learning
Informal learning and sharing should be further stimulated within the incubators to stimulate more interaction between different project holders but also between incubators/ universities/ research centres/ enterprises. This can be done through the provision of social spaces (cafes, entertainment spaces), facility sharing of equipment or pre-incubation. The presence of open spaces is key to encouraging entrepreneurs to share their ideas, experience and knowledge. Indeed there is a wealth of good ideas and speaking about ideas allows them to become projects.

Invest in life-long learning in tight cooperation with enterprises

Demands of the labour market change rapidly. It is absolutely necessary that workers, but also the unemployed, constantly upgrade their knowledge, skills and competencies (lifelong learning). It is therefore crucial to organise strong collaboration between educational institutions (Vocational, High schools and Universities) and enterprises and offer together all kinds of training and different types of coaching and mentoring. This can be carried out either by high skilled teachers or by employees with a specific expertise. Sharing facilities in the educational institutions as well as in enterprises would constitute a new service educational institutions could provide for the labour market and allow for new ideas to emerge.
Good practice n°2: Informal Learning in Flevoland (NL)

Company projects
A company project is a temporary collaboration between a (technical) company – the client – and the training “middle manager engineering” arranged by a training institute (vocational or high school) – the contractor. Students realize a design, product- or process innovation as requested by the company. An existing question for innovation by the company determines the content of the project. Students work, under guidance, in a project team to accomplish the innovation question.

Main characteristics

- Development-oriented assignment based on an innovation question of a company
- Company project provides a design, prototype, product or process innovation
- Based on conditions and demands lined out by the company
- Result is usable as innovation within the company
- If possible, the assignment is realized within the company (project team of two or more students)
- Guidance of the project team by a company employee or a teacher of the training institute
- The assignment is approached as a project
- The result is realistic and attainable for the student
- The result is evaluated by the company and the teacher of the training institute.

Depending on the level in which the student is studying, there are three possible types of project:

1. A development-oriented company project for students in the lower levels;
2. A more complex practice project for students in the higher levels
3. An exam project for graduating.

The duration of the project (type 2 and 3) varies from 10 to 20 weeks, depending the extent and level of the project. Students work two to three days a week on the project, sometimes more.

What are the benefits of a company project?

- The realisation of an innovation which was neglected by the company due to lack of time or money;
- The result of the product- or process innovation contributes directly to an improvement of the working processes or business operation of the company;
- Low costs because of cheap development investments
- Students bring together different disciplines, new knowledge and surprisingly creative ideas. Solutions for problems are approached from different angles and points of view;
- The investment for the company is limited to internal guidance;
The students will be the future employees of the company. When they perform well for a longer time, it is possible to approach the students to offer them a job after graduating.

During the project, the students achieve entrepreneurial skills besides the technical skills. This will stimulate entrepreneurship after graduation.

This type of education is implemented by the technical vocational school MBO college Almere and by ROC Friese Poort, Emmeloord (Flevoland, NL). At the Windesheim high school in Flevoland this kind of company projects is used frequently as well. Company projects form the core of the curriculum. During a training of 3-4 years students are faced with at least 6-8 projects. The projects start simple and small, and become more complicated and complex during the years of the training. A company project is always a co-makership between the educational institution and an enterprise (or a consortium of more enterprises).

In this kind of company projects sometimes with students from high school Windesheim and the secondary vocational schools form multidisciplinary project are in one team to solve an innovation question of a company.

For more information, you can contact: j.twilt@tc-flevoland.nl or jantwilt@work2learn.nl
Good practice n°3: Demola, Open Innovation Concept platform

Demola is a functional and internationally recognised open innovation platform for students and companies. At Demola, University students develop product and service demo concepts together with companies and create new solutions to real-life problems. Demola provides an inspiring atmosphere of creative co-creation and new learning opportunities for students and professionals of different universities and organizations. The immaterial rights of the results stay with the multidisciplinary student teams. Companies can then purchase the rights or license the products or services from them. Demola also creates new spin-off companies around the innovations.

During the first three years of activity over 200 services and product prototypes were co-created by 1000+ talented students and 93% of the results were claimed for business use.

They work on projects in the area of technology, services, digital media and games, social innovations and business concepts with local impact and global market potential. Companies bring their project ideas for student teams to cultivate. Demola offers the teams the tools and the teams design the solutions collaboratively. Results are transformed into real products and services to be part of the companies' operations or become the starting point for new companies.

Demola combines fresh ideas of students with real-life needs and concrete support from project partners

Demola focuses on creative action not on producing papers!
Participants turn needs, ideas and know-how into demos of products and services, they create new jobs and businesses

Demola reaches students all year around

Demola Academy
AUTUMN
September - January

Demola Academy
SPRING
January - May

Demola InnoSummer
May - August
**Demola in Mid Sweden**

The Mid Sweden University will implement a Demola platform in 2013. The IT-support from Demola in Finland will be licensed. Three Swedish Universities will start within this year and will work with projects (business cases) from companies in their region and teams of students from their master programs (engineering, design, economics etc.). This will strengthen their cooperation with regional companies and train students in business development with real business cases.

[http://tampere.demola.fi/about](http://tampere.demola.fi/about)
[http://demola.net/](http://demola.net/)
Contact person: Mr. Ville Kairamo ([mailto:ville.kairamo@hermia.fi](mailto:ville.kairamo@hermia.fi))
Section 4: Innovative Environment

(a) Key Findings
The peer review particularly focused on incubating initiatives and dynamics in the region. In this framework, the peer review team highlighted the following key issues:

- Regional resources and innovation embeddedness

There are plenty of innovation initiatives and programs running all over the region. The strong drive for innovation is reflected in the strategy of both public and private stakeholders and has a positive societal and economic impact. Furthermore, there is a wide range of complementary actors such as incubators, science parks and industrial clusters embedded in the regional innovative environment. The availability of regional resources to support innovation is obvious with a great talent pool provided by famous universities, a strong manufacturing industry offering a wide production capacity of high-quality products, and the presence of a corporate sector including internationally acknowledged brands. Many start-ups are supported by incubators. However, the strong flow of people and ideas occurs in a supportive framework where regional and municipal stakeholders, private holdings, universities and clusters are connected to incubators through single linkages. There is more potential regarding not only the development of these connections but also the interconnection of innovation stakeholders in one coherent, comprehensive and effective supportive system.

- Entrepreneurship and market orientation

A strong asset for the regional entrepreneurial terrain is the significant number of new business ideas. For the peer review team, this driving force of the innovative environment has been raised as an issue to reflect on, at three perspectives.

First, the level of innovativeness is a source of concern. There is a need to stimulate more the innovation process, to promote more experimentation and interdisciplinarity by opening the arena of interaction between students/graduates and with companies, as well as between companies and users/customers for the solution of real market problems.

Second, there is a gap in the regional innovation system regarding the management of many ideas that did not qualify for entering an incubator or winning a competition. There is a lack of a mechanism to monitor and support “immature” business ideas by providing mentoring and consultancy on how to get closer to market needs and transform them to success stories.

Third, how about existing companies that are not involved to incubation processes? There is a potential to create a supporting environment for them in order to modernize their business model.
The overall business climate reveals an open and extrovert culture of entrepreneurship. There is a significant number of SMEs operating in the region, revealing a strong entrepreneurial attitude and culture, in particular among young population.

- **Incubating structures**

We were impressed by the number of incubators operating in the region, as well as their complementarities. Incubators initiatives are spread across the whole region, investing seed capital and providing a variety of services (training, mentoring) to support the early stages in the life of start-ups.

We observed limited promotion of initiatives and opportunities that are available to potential entrepreneurs. As a consequence, a very important question remains unanswered for a wannabe entrepreneur; which incubator to choose and why?

The answer may lie in the need of more systematic communication and activities to promote the incubators in order to effectively attract and support start-ups. These activities may cover a wide range of interventions, from strategically differentiating initiatives, mapping and promoting the opportunities offered by all stakeholders, to monitoring access to private funding and to global value chains.

(b) **Recommendations**

- Define, organise and monitor the regional innovation ecosystem.

There are many initiatives in the region for boosting start-up creation. But wannabe entrepreneurs are not always aware of all the opportunities provided by incubators, science parks and other stakeholders. **Define key players** on the innovative environment. **Organize and integrate local resources and competences in a unique system.** Monitor the elements and dependences of the system as well as their performance by evaluating and analyzing data on a regular basis.

Visualize the innovation ecosystem. Create a digital interface of the innovation ecosystem with which potential entrepreneurs can interact from the early stages of their involvement to the innovative activity.

The potential of existing initiatives and programs for job-creation in innovative sectors is high. Use them in a coordinated way. Avoid overlapping of tasks between initiatives and programs. Try to increase their operational efficiency through the specialisation and diversification of provided services. Create a cooperative framework under which all initiatives and programs are coordinated by an umbrella organization. In this direction, see good examples of collaboration and coordinated initiatives carried out in other regions (cf: Good practice n°4).

- **Encourage innovativeness and open-mindedness.**
There are plenty of ideas emerging in the region. New knowledge creation is boosted by the potential of universities. Use this potential and facilitate the interaction of university to the society and business environment. Apart from interaction to knowledge sourcing, encourage interactions between different sectors. **Cross-sectoral and cross-disciplinary interaction can boost the emergence of more innovative ideas.**

Promote a different paradigm for innovation in new and existing companies that is based on open innovation concepts. Start-ups and SMEs can support their research base by following the new innovation paradigm of user-driven innovations, cooperation platforms and open innovation methods. In this direction, endorse a more open environment in which knowledge, people and ideas flows and experimentation are encouraged. In such environments, innovation occurs better and faster and opportunities for networking are provided, in particular for newcomers.

- **Reinforce the support to existing and wannabe entrepreneurs.**

Give a chance to innovative ideas. Do not look for a winner instead make winners! Exploit existing ideas. **Focus on the early stages in the life of an idea and provide support to potential entrepreneurs in order to develop and evolve the idea.** There is no lack of ideas, but there are many ideas that get lost and could be transformed into business. Create a **one-stop shop, which could be coupled with but not replaced by a virtual platform** to facilitate the involvement of potential entrepreneurs and the accessibility of services. Support potential project holders with administrative issues. Guide ideas that are not yet ready to be launched as start-ups to relevant contact points. Support these ideas by providing potential entrepreneurs with training and mentoring services. Be open to innovative ideas by existing SMEs as well. Provide training and consulting to them and encourage the re-engineering of their business models to adapt to modern economic environment. Provide incentives for entrepreneurs to compete internationally and participate to international consortiums and further develop the internationally oriented culture.

- **Invest in initiatives that bring added value to the region**

Some initiatives bring added value to the region and its economic tissue by utilising and developing the potential that is already there. For instance companies like Desall or Adaptica have chosen to produce most of their innovative products in the region. It is worth examining which are the initiatives that create synergies within the region and are likely to generate a virtuous innovation production circle.
Find new ways to communicate regional innovation.

The more people – especially young – you get involved with the entrepreneurial process, the more winning ideas you receive. Use new communication skills and internet opportunities to promote initiatives and programs internally and internationally. Social media, networks and new tools based on internet can advertise and raise awareness about your initiatives to an abundant pool of potential and existing entrepreneurs. Support innovative ideas contests from an early stage within the education system. Pupils contest with respect to innovation and science fairs promote and trigger the gene of invention and creativity. Create an explanatory framework by mapping the various initiatives, training and mentoring opportunities and services provided by all regional stakeholders. Visualize this framework in order to make the promotion of initiatives and programs more effective to end users.

Further develop international opportunities.

Exploit the opportunity for internationalisation. Boost companies to increase their ambition to go into foreign markets. Combine this with mentoring and training on how to get connected to the global economy, value chains and networks. Help existing SMEs modernise their business model. Traditional business models and entrepreneurial attitude need to be combined to new internet based tools and social media. More dynamism could be brought to the regional innovative environment through business models reengineering.
ASTER is the consortium among the Emilia-Romagna Regional Government, the six Universities, the National Research Centres located in the region - the National Research Council (CNR) and the Italian National Agency for New Technologies, Energy and Sustainable Economic Development (ENEA) - the Regional Union of Chambers of Commerce and the regional Entrepreneurial Associations. The consortium was established with the aim to sustain, coordinate and valorise research and technology transfer throughout the territory.

The High Technology Network represents a tested practice that, after more than 5 years of on the field application, obtained high-level results in Emilia-Romagna. The strategy is implemented through the setting up of Technopoles and Thematic Platforms.

**Technopoles** are infrastructures dedicated to host and promote activities, services and facilities for industrial research, experimental development and technology transfer.

The laboratories and research centers of the Technopoles are organized in the following *Thematic Platforms*:

- Agrofood Platform
- Mechanic and Materials Platform
- Building and Construction Platform
- ICT and Design Platform
- Environment, Sustainable Development and Energy Platform
- Life and Health Sciences Platform

The main objective is to reduce the gap between demand and supply of research, simplifying connections and relationships and supporting collaborations. ASTER supports the system of research centres, companies and laboratories with a potential to develop collaborations and relationships, offering together with the Business Associations, a full range of joint services with high added value.

From an operative point of view, there is one Steering Committee per Thematic Platform, which meets every 3 months. The members of the SC are Companies (large companies and SMEs) Representatives and Researchers/Professors. They meet to present and discuss the respective needs and to find common solutions, following a win-win approach. ASTER is in charge of the coordination and of the connection between the expressed exigencies and the regional policies.

The thematic platforms are an effective way of mapping the Research competencies existing in the regional contest; an easy way to make the patrimony of knowledge available to the economic and productive system. For this reason, an online *Catalogue of the Regional Public Research* was published and is constantly updated ([http://www.aster.it/tiki-index.php?page=Catalogo_en](http://www.aster.it/tiki-index.php?page=Catalogo_en)).
Section 5: Partnership

(a) Key Findings
The Veneto region is endowed with a range of complementary actors both private and public. The overall observation is that different well-organised ecosystems coexist with minimal or no cooperation at all. At international level partnerships exist but their relatively low number doesn't reflect the region's R&D and industrial dynamism.

Excellent but scattered initiatives

Regional government
We observed that action aimed at promoting innovation in the region is characterised by both diversity and fragmentation. At the level of the regional council different departments are concerned by the creation of innovation-based jobs: enterprises and industry, labour, and social affairs. All of them have implemented thoughtful policies to either promote job creation, combat women and youth unemployment, innovation in existing companies or the creation of innovative companies. Although these departments plan to increase collaboration for the preparation of the new ESF Operational Programme, the current situation is one of very little, if any, consultation among the different departments.

Private and public support structures for innovative business ideas
We were impressed by the potential complementarity between the different public and private initiatives. There is a very wide range of actors, including incubators and accelerators with different business models, start-up support networks, science parks and industrial clusters. However some of them never communicate with each other and had the opportunity to first meet at the Smart Café organised in the region. The event showed that there was a genuine interest for deeper interaction. The readiness with which the different stakeholders responded to the request for interviews for the peer review is another sign that there is a will to improve communication among them. The fact that these initiatives are not competing is a considerable strength and an opportunity for collaboration and partnerships: increased synergies would ensure more innovative ideas are brought to the market.

Interaction between research and business sectors
Elements such as the relatively low investments of companies in R&D, the separation between research in Universities and research centres on one hand and the industrial sector on the other hand, and the low level of managerial competences of most researchers show there is a considerable gap between these two environments. Instead of functioning like a vibrant ecosystem with mutually fuelling relationships, they tend to work in a rather isolated way. This does not mean that we consider nothing has been
done in the region to bridge the gap between research and industry. We noticed that in terms of location the different incubators chose to be close to the industrial heart of the region and some of them have built strong links with the different clusters. The regional government implemented different schemes to promote the introduction of innovation in existing companies. Nanochallenge, the international business plan competition organised by Veneto Nanotech is a very positive initiative as it attracts outstanding innovations and business ideas in the cluster, offering financial and strategic support to scientists, researchers and entrepreneurs willing to start their company in the region. However the separation between the research and business environments still seems to be quite rigid, be it because of the self-centeredness of the R&D sector, the very small size of the majority of SMEs or the reluctance to change of companies.

International partnerships
Universities and incubators such as StartCube have already dynamic and productive partnerships with other universities and incubators. Treviso Technologia, the innovation agency of the Chamber of Commerce of Treviso, is also involved in different European projects, networks and partnerships. However the international cooperation and partnerships dimension seems to be lacking or to be insufficiently developed in other incubators.

(b) Recommendations

Strengthen collaboration within the region

Collaboration between and consultation among the different regional departments with an innovation and job creation remit should be further developed:

- for the preparation of Operational Programmes
- for the development of regional policies in order to avoid overlaps and ensure increased efficiency of policies
- to increase synergies between projects and initiatives
- to share observations, conclusions, good practices and networks
- to promote the different initiatives and increase participation

This would also allow for a higher number and an increased variety of innovative ideas to be given a chance to be developed, thus effectively increasing the regional innovation potential

Communication between incubators/accelerators and start-up support networks should be fostered and synergies should be created to allow for increased collaboration. Incubators should open up their knowledge in order to reap the benefits of their complementarities. This could be achieved via regular joint events or a programme for incubators to meet and share knowledge such as for instance the Swedish BIG (Business Incubator Growth) example presented below.
Closer cooperation and collaboration between incubators and science parks would have considerable benefits in terms of knowledge transfer, exchange of experiences (good or bad), interaction between start up-companies, networking, clusters etc. In Sweden a roof organisation has been created for all Incubators and Science Parks (SISP). Veneto Innovazione could lead the way for the organisation of such events or programmes. For more information: http://www.sisp.se/?language=en

The triple helix should be further developed in order to unlock the tremendous innovation potential of the region. Collaborative relationships between the research and industry spheres should be fostered at an early stage in order to avoid that “Universities kill entrepreneurship”. It may be useful here to underline that according to the triple helix thesis, “Institutions taking non-traditional roles are viewed as a major potential source of innovation in innovation”\(^4\). The region should support this shift and facilitate the implementation of partnerships between the education and research sector on one hand and the SME and industry sector on the other hand in order to allow for the emergence of the so-called entrepreneurial university. Stronger partnerships between the clusters and the universities would increase skills matching and allow to slow-down the brain drain and attract new skills in the region by providing researchers with better career perspectives.

Strengthen national and international collaboration

Networking and sharing ideas are crucial for innovation. We therefore recommend to further develop national and international partnerships and increase networks with incubators and universities abroad. Opening up incubators and accelerators for internationalisation through study agreements for teachers and students, partnerships with foreign companies, and joint projects will create a favourable climate to attract new skills and companies to the region.

Veneto’s location combined with its high R&D and industrial resources are particularly strong assets to attract new skills, encourage partners to come and potentially invest in the region. It is therefore also very important to build on the strengths of the region when advertising it at international level. The Veneto region already enjoys a rather positive reputation, there is therefore room for manoeuvre to expand its international reach through a branding strategy. Elements with positive connotations like the geographical location, and living standards or the social capital should be used in combination with the dynamic industrial and R&D contexts (see section 2, good practice n°1 “Alsace label”).

\(^4\) triplehelix.stanford.edu/3helix_concept
Good practice n° 5: BIG, Cooperation and exchange programme for incubators

In Sweden two organisations are working at National level with incubators and science parks: Swedish Incubators & Science Parks (SISP) and Innovationsbron, which is part of ALMI. They both offer programmes to enhance quality, exchange and cooperation between incubators and Science Parks. The BIG (Business Incubator Growth) programme aims at fostering cooperation and the exchange of experience, and is organised around 3 axis:

- BIG Meetings between managers
- BIG Coach Meeting between business developers/ coaches at incubators
- BIG In-between meeting with specific target groups/ special interest groups

Study tours and conferences complete the offer.

Education
In order to smooth collaboration the BIG programme provides training for managers and business developers. This provides staff working in incubators with a common language. It also makes it easier for stakeholders around incubators and Science Park to understand the incubation process.

Financing
The programme is financed by the national government, and runs for a period of 3 years. Incubators have to apply to attend the program and can participate either to the complete programme or to parts of it.  
http://innovationsbron.se/inkubationsprogram/
Section 6: Sustainability of the jobs created by the innovative sectors

(a) Key Findings
In the Smart Europe project sustainability is defined as the long-term creation of innovation based jobs in region. In other words, sustainable job creation is the creation of jobs that remain in the region after the start-up period for at least 5 years. We visited a variety of incubators, which varied in size, strategy, management, funding and regional embedding. We made the following observations:

- In general, starting entrepreneurs were accommodated in the incubator for three to five years. During this period the entrepreneurs were supported in the further development of their ideas and in marketing and management skills. After this period the entrepreneurs were expected to leave the premises of the incubator and to continue their enterprise elsewhere.

- They did often not think about the exit strategy for their enterprise and had not yet reflected on where (region or country) to continue their business. We noted that in some incubators the debate about exit strategies had started but got the impression that regional authorities and the staff of the incubators had not yet defined such exit strategies for start-ups.

- The collaboration between start-ups in the incubator and regional entrepreneurs varied to a great extent. Some of the incubators were almost completely ‘foot loose’; there seemed to be hardly any connection between the starting entrepreneurs and the regional economy. Hence, the entrepreneurs leaving the incubator did not feel obliged to continue their enterprise in the region. In the last incubator we visited (La Fornace) there seemed to be a more intense relationship between the start-ups and the regional entrepreneurs, the regional universities and the applied research centres.

(b) Recommendations

- Develop a strategy to integrate entrepreneurs in your own region

We recommend developing a strategy together with the managers of the incubators to keep entrepreneurs who leave the incubators within the Veneto region. Investigate if there are possibilities to create an attractive environment for second stage investments, for example through financial support from the regional authorities, probably revolving, or by looking into the possibility of national tax reductions for start-ups.

As a local/regional government make also sure you are an excellent host for those entrepreneurs that leave the premises of the incubator. Give these young entrepreneurs every support they need! Offer active support in the further development of these young
enterprises, for instance by helping them with fiscal/legal arrangements and in finding a new location.

- **Connect incubators with science parks**

We saw a good example of the connection between VEGAinCUBE and the VEGA science park. The Peer Team did not see any relationship between science parks and the other incubators visited. A third element of the strategy can be to connect existing incubators to the science parks in the region, because science parks offer an excellent climate for second stage start-ups.

- **Sustainability depends on where you invest**

We believe that the technology-based industry is the innovation anchor of Veneto Region. This industry is closely related to the University of Padua. The Peer Team was impressed by the high standards of the University of Padua, its growing international dimension and the quality of the innovations it produced. The academic start-ups and spin-offs together with the strong manufacturing sector are considerable assets for the region. We recommend therefore to focus strongly on the further development of the technology based industry, both in cash and kind.

- **Connect start-ups with SMEs**

A last element of the strategy can be to create networks between the start-ups and the local/regional entrepreneurs. Local entrepreneurs can act both as a coach and as an ambassador for your region. Hence you can improve the sustainability of the start-ups.
Good practice n°6: Innovation Vouchers in Flevoland

The Innovation Vouchers are part of the program “Chances for Flevoland”. This program was developed in order to support, stimulate and boost innovation in SME’s. This program is funded by the European Program for Regional Development and the province of Flevoland. During the program period (2008 – 2013) there was budget for around 220 different vouchers.

Innovation Vouchers are developed to support and to stimulate technology transfer and to share information. The Innovation Vouchers are provided by Syntens, an Innovation Agency. The Innovation Vouchers make it easier for entrepreneurs to accelerate innovation by contributing in the costs of hiring external experts. Innovation Vouchers contribute to pay for the costs an entrepreneur has to make in hiring experts, for example from an university, an applied research centre or any other highly trained expert.

Innovation Vouchers are divided in three types, as described below:

<table>
<thead>
<tr>
<th>Type</th>
<th>Value (€)</th>
<th>Contribution by the entrepreneur</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bronze</td>
<td>1.000</td>
<td>0</td>
</tr>
<tr>
<td>Silver</td>
<td>2.500</td>
<td>€ 500 + 4 hours labor time</td>
</tr>
<tr>
<td>Gold</td>
<td>7.500</td>
<td>€ 3750 + 16 hours labor time</td>
</tr>
</tbody>
</table>

Innovation Vouchers can only be provided after consulting Syntens. During this consultation the new ideas of the entrepreneur are carefully explored. Based on the conclusions of this consultation, Syntens can decide that an external expert is needed to help the entrepreneur in the further development of his idea. After consultation of the external expert a short evaluation form has to be filled in by the entrepreneur. Syntens is offering assistance and also supports in the further development of the idea into a business model.

The Innovation Vouchers were a successful instrument for many entrepreneurs in Flevoland because of the easy access and relatively low bureaucracy. For any further information you’re kindly advised to get in contact with Syntens, M. Huisman, Senior Innovation Officer (marcel.huisman@syntens.nl)
Section 7: Conclusions

The Veneto region has a high innovation potential with top manufacturing industry and strong R&D. The presence of numerous academic start-ups and spin-offs is an asset in terms of the capacity of the region to keep innovation on its territory, as is its strong industry. Moreover the region is endowed with a remarkable entrepreneurial spirit and an educated workforce. A wide range of opportunities and support schemes exist for both wannabe and actual entrepreneurs to put their ideas to the market and generate innovation in the region.

The challenge is now to coordinate the different tactical initiatives to increase the visibility and accessibility of the different support schemes, thus boosting the emergence of ideas scattered in the region. We believe the Veneto Region should act as a coordinator for all initiatives aimed at entrepreneurs. To achieve this the first step is to map all different initiatives. The second step would be to set up a one-stop-shop for instance, which could be coupled with an online platform in order for the Regional authority to become the main entrance to the business innovation environment. Step three is communication.

Communication is key to successful strategies. The Veneto region should communicate both internally and externally to attract the best project holders. Internally the region needs to communicate on the initiatives that are available to entrepreneurs and wannabe entrepreneurs. Externally the region should use a branding strategy that builds on its regional strengths to attract innovation to its territory. The region should furthermore be a facilitator for communication between the different innovation stakeholders of the region. Contamination between laboratories and from incubators to the territory should be further stimulated. More generally cross-sectoral and cross-disciplinary interactions and informal learning should be encouraged through social spaces and events, facility sharing and pre-incubation. Communication between the different innovation stakeholders will also improve start-ups’ ability to build networks. In order to further develop networking and the region’s international reputation, strengthening collaboration with incubators and universities abroad is also crucial.

Finally, instead of mainly focusing on the feasibility of innovative ideas, there should be an overall paradigm shift towards making winners. This could be especially stimulated by strengthening the link between education and enterprises, and building-up management skills from an early stage.

To summarise, the Veneto Region should act as a coordinator a facilitator and a catalyster to make the different support initiatives, be they public or private, both more visible and more accessible to the public. To be able to generate more effective innovation on the territory the triple helix needs to be reinforced and international partnerships should be further implemented.