

CERlecon – CE119

# ***eSmart strategy for a regional ecosystem in Brno region***

Deliverable D.T1.2.6

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## 1. Project Summary & document introduction

Change is still needed to make the cities and regions in Central Europe better places to work and live. Daring young entrepreneurs with brilliant ideas could contribute considerably to this change. But they can't. Factors such as a lack of an entrepreneurial culture and mind-set leading to a limited interest in entrepreneurship are hampering their efforts. There is also inadequate training to improve their skills and entrepreneurial competences and innovation in general is being hampered by the lingering effects of the historical east-west divide and the recent economic crisis through an underinvestment in R&D.

And yet, entrepreneurs must be empowered to create change; they "form the majority of business entities and are the biggest employers" in Central Europe. "It is important to provide, at regional level, the right mix of financial and non-financial support to assist entrepreneurs to create new firms." "And this is our goal. ***By mid-2019, we will contribute to a change in the way entrepreneurs are inspired, trained and supported through a balanced package of strategies, actions plans, pilot actions, training, and tools to create new-type comprehensive regional innovation ecosystems in seven Central Europe regions.*** With our three-step logical project approach (Development – Implementation – Improvement), we want entrepreneurs and SMEs to benefit the most from what we do. But also their regions will benefit because from now on regional smart specialization strategies will be further used to develop novel technologies, and brilliant products and services for economic and social innovation." The joint development of all outputs and a transnational network interlinking the regional ecosystems to improve international skills emphasize the project's transnational character. At present, there is presumably no such state-of-the art innovative support scheme in Central Europe. "That is why everything that we do will be transferable for the benefit of others."

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**WORK PACKAGE T1** is the strategic starting and finishing point in tackling the common territorial challenges and lays the foundation for the change that CERlecon plans to achieve. It provides the smart strategies that will implement the new-type innovation ecosystems incorporating the six domains (*policy, finance, culture, supports, human capital and markets*) that need to interact for target-oriented SME training (D. Isenberg) in the project regions; **RIS3** is the policy domain. It also provides the strategy for the transnational network interlinking these ecosystems in the project area. T1 will produce two outputs to achieve Project Specific Objective 1.

Results: Output T1.1 - Regional Playparks: eSmart-strategies for regional innovation ecosystems in CE regions through two activities: (1) Concept Development of eSmart-strategies for regional ecosystems in CE regions, which will be tested and evaluated through pilots/activities in T2 & T3, leading to (2) Strategy Finalisation: eSmart-strategies for regional innovation ecosystems in CE regions. Throughout regional policy level stakeholders will be involved to ensure the viability / sustainability of the strategies and the Playparks after project lifetime. Output T1.2: Playparks network: eSmart-strategy for a transnational network of innovation ecosystems in CE regions through two activities: (1) Concept Development of an eSmart-strategy for a transnational network



of innovation ecosystems in CE regions, which will be tested and evaluated through pilots/activities in T2 & T3 leading to (2) Strategy Finalisation: eSmart-strategy for a transnational network of innovation ecosystems in CE regions. Throughout regional policy level stakeholders will be involved. Process-related communication will aim to engage the selected target groups (e.g. policy/support/SME/funding initiatives) as essential partners in output development.

Led by a strong and experienced regional authority (PP3), all project partners will be involved in all WP activities. The WP is logically the basis for the two following thematic WPs.

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### **DELIVERABLE D. T1.2.6**

#### **e1x eSmart strategy for a regional ecosystem in CE region – Brno**

In M6, based on the eConcept (D.T1.1.4) regional PP develop a working version of their strategies and after testing/evaluating in T2 & T3, finalise the eSmart-strategy for their specific regional innovation ecosystem in their CE region in M35

This document is intended to draw the final picture of the regional Playpark concept and its strategy starting from the re-definition of the inputs initially defined on the **Deliverable D.T1.1.4 - eConcepts for eSmart-strategies for regional ecosystems in CE regions**.

Whilst Chapter 3 reproduces the basic features expressed in D.T1.1.4 as tested and thus customized according to T2 and T3 activities, Chapter 4 (*Planning for sustainability*) tries to set the basic framework for the future action of the Playpark and thus its main rationale for sustainability.<sup>1</sup>

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<sup>1</sup> Deliverable D.T1.2.6 is strongly interconnected with *D.T2.2.6 - Pilot action for the Brno region and implementation of the reg. Playpark*: the two Deliverables complement each other being the first one more centred on the structure and then sustainability of the Playpark whilst the second one is more related with the contents handled and delivered by the Playpark itself during the pilot actions. Both the Deliverables are thus shaping the way for an effective and sustainable action within the broader RIS3 strategies.



## 2. The CERlecon vision: setting the scene from the beginning

In strategic management, the term *vision* is used to indicate the projection of a future scenario that reflects the ideals, values and aspirations of those who determine the objectives (*goal-setting*) and encourages action.<sup>2</sup>

As outlined on the description of the project relevance the CERlecon regions reflect the uneven distribution of economic strength in Central Europe, which is rooted in the historical 'east-west divide'. Common territorial challenges can be summarised as underinvestment in R&D plus a lack of interest in entrepreneurship and self-employment; inadequate training to improve skills and competences; modest advancement in economic and social innovation; unequal levels of male/female entrepreneurs; and demographic change leading to out-migration or immigration. [...] It is therefore necessary to implement new smart solutions in transnational cooperation that will change this baseline in the project regions and offer possibilities to other Central European regions and across the whole of Europe.<sup>3</sup>

The CERlecon project **main objective** is to increase and improve the skills of employees in the business sector (particularly in start-ups and young SMEs) in CE Member States regarding novel technologies, innovative products, services or processes and social innovation contributing to regional smart specialisation strategies. An entrepreneurial culture will be developed and fostered so that more and more young females and males are inspired to become entrepreneurs and develop their own firms. Their skills and entrepreneurial competences will be improved through the best possible regional support and training available in **new-type comprehensive regional innovation ecosystems**. These ecosystems will incorporate and utilise regional smart specialisation strategies (RIS3) as drivers for innovation. [...] By mid-2019, CERlecon will have changed the way entrepreneurs are inspired, trained and supported through a balanced package of strategies, actions plans, pilot actions, training, and tools to create new-type comprehensive regional innovation ecosystems and a transnational innovation ecosystems' network in a majority of Central European Member States.<sup>4</sup>

"The first report of the HLG [*High Level Group on Innovation Policy Management* <sup>5</sup>], which was discussed at the informal Competitiveness Council under Ireland's EU Presidency last year, was

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<sup>2</sup> In this sense the term **vision** is the set of long-term goals that the top management want to define for the organisation, understanding the overview of the market and the interpretation of the role of the same in the long-term economic and social context.

<sup>3</sup> As from the Application Form, section C.1 "Project relevance"

<sup>4</sup> As from the Application Form, section C.2 "Project focus"

<sup>5</sup> The *High Level Group on Innovation Policy Management* is an independent, tripartite initiative launched by the Polish Presidency of the Council of the European Union in December 2011 which has been tasked to elaborate recommendations on how to develop Europe's innovation policy. The Group brings together high-level representatives from EU Member States, the European Commission, the European Council, leading innovative enterprises and prominent academic thinkers. Its composition allows the Group to produce



well received. There was a broad consensus that better innovation policy is not just a function of money spent on research activities or other programmes, but that non-financial means of support are at least as important."<sup>6</sup>

"Job creation is now a pressing priority, and must be achieved by unlocking the potential of European research and innovation in all market value chains. This requires also strong actions to innovate education systems and to make entrepreneurial education a part of it. Another key step refers to making the European Research Area more competitive and to improve working conditions throughout Europe, also by stimulating strong industry-research networks and concentrating resources on impactful European industrial research projects. Of equal importance is the need for better coherence between European and national policies, and a more open mind-set towards the challenges of a global, digitalized economy."<sup>7</sup>

In concrete, according to the project, new-type comprehensive regional innovation ecosystems [so called **Playparks**] are regional physical centers of excellence. Each Playpark (one per region) will inspire and train at least 30 start-ups and young SMEs during project lifetime. The Playparks will provide SME improvement training in all six domains of a successful ecosystem (i.e. policy, finance, culture, supports, human capital, and markets - *D. Isenberg*) and will be interlinked in a transnational network to improve international skills. The ecosystems and network will be prepared according to clearly defined action plans with breakdowns of strategy goals and objectives into timelines of specific tasks, etc. (WPT1) and pilot actions to implement and test these novel schemes."<sup>8</sup>



On a logical sequence **Work Package T2** (*New-type innovation ecosystems in seven CE regions interlinked in a transnational network*) has implemented the new-type comprehensive six-domain regional innovation ecosystems in PP regions and **Work Package T3** (*Improving skills and competences for economic and social innovation in seven CE regions*) has started testing the efficacy of the Playpark by improving the skills and entrepreneurial competences of 210+ start-ups/young SMEs ('n' individuals) in seven CE regions.

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horizontal and operational recommendations, directly addressed to the decision makers in the European Institutions and Member States.

<sup>6</sup> Damien English, T.D. - Minister for Skills, Research and Innovation, Ireland - *Inspiring and Completing European Innovation Ecosystems* – EPPA 2015

<sup>7</sup> Senator Stefania Giannini - Minister for Education, Universities and Research, Italy - *Ibidem*

<sup>8</sup> As from the Application Form, section C.2 "Project specific objectives"



### 3. The *Playpark* concept

The concept is a design proposal necessary to define the *basic elements* of a project and provides the basis for the realization of the same. Within a concept, the designer sets the **guidelines** that accompany the implementation phase; these lines are rough and depending on the quality of the concept itself for design purposes, the final product may differ more or less from the first conceptual proposal. The final design is then mainly formed by a succession of different conceptual phases.<sup>9</sup>

To achieve change, the project will develop smart solutions to address the question: how to provide **start-ups and SMEs** with “adequate human resources”? In other words: how to inspire and sustainably improve **skills and entrepreneurial competences**? “Entrepreneurs / SMEs are at the centre of the creation of jobs and growth...it is important to provide, at regional level, the right mix of financial and non-financial support to assist entrepreneurs to create new firms ...”

The project will be provide this support through new-type comprehensive innovation ecosystems in the partner regions incorporating and utilising **regional RIS3** as drivers for innovation. The ecosystems will be linked in a transnational network to accelerate start-up growth and improve SME internationalisation. More young people in central Europe need to be inspired to become entrepreneurs and sustainably improve their skills and entrepreneurial competences and at the same time gain international business experience to face global challenges. In order to help the start-ups / SMEs in training to bring their ideas to market and create new firms, synergies with funding initiatives such as national / regional business angels, pan-European crowdfunding platforms will be established from the outset.<sup>10</sup>

The policy domain will be RIS3. At present, there is no such new-type six-domain innovative approach for start-ups and SME support in the project regions and presumably in the whole programme area.<sup>11</sup>

The following features have been finally customised to the regional action starting from the common picture set in **Deliverable D.T1.1.4 - eConcepts for eSmart-strategies for regional ecosystems in CE regions**: the initial common assumptions are still in the background to better outline the continuity and linearity with the common “conceptual” vision.

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<sup>9</sup> *John Locke's* description of a general idea corresponds to a description of a concept. According to Locke, a general idea is created by abstracting, drawing away, or removing the uncommon characteristic or characteristics from several particular ideas. The remaining common characteristic is that which is similar to all of the different individuals - *Questions Concerning the Law of Nature* (1664)

<sup>10</sup> As from the Application Form, section C.1 “Project relevance / Project’s approach”

<sup>11</sup> *Ibidem*



## I. Playpark target groups

The innovation ecosystems and the network will inspire and improve the skills and competences of at least 210 **start-ups** (of preference *young females and males*) and **young SMEs** ('n' individuals) in seven CE regions during project lifetime. [...] Young firms = less than 5 years of existence. <sup>12</sup>

According to the approved Application Form the common Playpark functions and “services” target group consists of both **young emerging entrepreneurs** and **young SMEs** (with less than 5 years of existence). This is the main target group to be involved already in WP T3 “Improving skills and competences for economic and social innovation in seven CE regions”.

Indirect target groups to be somehow involved and affected by the project (at different extent and relevance) <sup>13</sup> have been listed as follows:

- Local / Regional / National public authority
- Sectoral agency
- Higher education and research
- Education/training centre and school
- SME
- Business support organisation
- Interest groups including NGOs
- Clusters



### DEFINED AND SERVED TARGET GROUP

Direct target group	Indirect target group
Target groups of Playpark Brno: <ul style="list-style-type: none"> <li>– students from high schools</li> <li>– students from universities</li> <li>– employees in the beginning of their work life</li> <li>– employees around 50´who want to make change</li> </ul>	Indirect target groups: <ul style="list-style-type: none"> <li>– University</li> <li>– Business investors organization</li> <li>– Business accelerators</li> <li>– Municipality</li> </ul>

<sup>12</sup> As from the Application Form, section C.1 “Project relevance”

<sup>13</sup> All the listed bodies have to be considered and ‘treated’ as relevant stakeholders having anyway an interest also in being target of the different Playpart services.

## II. *Playpark common structure*

Playparks are regional physical centres of excellence [...] There will be one Playpark per region.<sup>14</sup>

According to the definition in the Application Form the Playpark (*one in each partner region*) has to be a “**physical place**” having at least **3 staff members** who will be trained in the Joint Playpark staff training<sup>15</sup>, the contact person, and a flexible number of **collaborators** at disposal for the implementation first of all of the project related activities (tutoring, consultancy and training). Collaborators will be both external and internal staff members of the partner institution thanks to the creation of a “**list of experts**” (data base / roster) to be used as necessary.



Amongst the different functions, the Playpark has to act as “*one-stop-shop*” allowing thus an easy access to the public. In this sense, it should be inspired by an “*open door*” philosophy where thanks to the continuous participation of both current and emerging entrepreneurs<sup>16</sup> to its activities (and even their co-generation and co-implementation) its real efficacy and even existence will be assured.

Moreover, each Playpark has to guarantee the “*physical*” implementation of training and consultancy activities providing adequate facilities for it. In addition the centre should be enough equipped to provide services to its beneficiaries.

In this sense the Playpark will be able to strengthen the regional innovation ecosystems which will provide regional entrepreneurs with “the right mix of financial and non-financial support” to create their new firms and the network will provide them with a real European dimension for further development and even to their first business settlements.<sup>17</sup> It follows that its staff has to be considered a real pillar in charge of the coordination (and even execution) of this innovation catalyst.<sup>18</sup>

Starting from the picture outlined in the initial *eConcept* the Playpark Brno has been located at the Masaryk University where the workshops took place. The coworking place have been placed in Impact Hub Brno.

<sup>14</sup> As from the Application Form, section C.2 “Project focus / Project specific objectives”.

<sup>15</sup> Output O.T2.3: Playparks network: 1x Joint Playpark staff training

<sup>16</sup> The Playpark should be real places where emerging entrepreneurs have the concrete opportunity to meet current entrepreneurs, to learn from their real “business cases” and to take profit from the specific “business environment” leading to a real processes of co-generation and co-creation of future business ideas.

<sup>17</sup> As from the Application Form, section C.1 “Project relevance”

<sup>18</sup> In this sense the staff trained during the project should be selected from the internal team of the partner organisations (or at least an “*internal equivalent*”, meaning an external collaborator working continuously with the institution) having the duty to coordinate both the inputs and the outputs of the Playpark.





### III. **Playpark common functionalities**

The project will provide its support through new-type comprehensive innovation ecosystems in the partner regions incorporating and utilising regional RIS3 as drivers for innovation. The ecosystems will be linked in a transnational network to accelerate start-up growth and improve SME internationalisation.<sup>19</sup>

In a process-oriented approach and following the common assumptions already set in the initial *eConcept*, the Playpark has incorporate all the six domains that need to successfully interact to make any ecosystem efficient (*D. Isenberg*) i.e. policy, finance, culture, supports, human capital, and markets:

1. **Policy:** The playpark has to focus on the RIS3-Strategy of the region. This means on the one hand that entrepreneurs/SMEs who are trained at the playpark should deal with a business idea matching the branches/technologies of the RIS3. On the other hand trainers, experts and network partner of the playpark should be chosen by their expertise-level concerning the RIS3-branches/technologies.
2. **Finance:** the training program of the Playpark should directly qualify the participants and business ideas for the application for further funding. All regional and national funding programs, business angel and venture institutions, crowdfunding initiatives should be considered. The Playpark staff must have expertise in applying for funding in order to support the entrepreneurs/SMEs. Financial partners should be integrated as experts in the Playpark program.
3. **Human Capital:** the core of the Playpark is the 6-month training program which starts with an idea generation process and leads to viable business models (will be specified in O.T2.4). This training programm should integrate experienced enterpreneurs which could act as mentors for the younger startups / SMEs. Last but not least the Playparks should establish strong links to educational insitutions where the Playpark participants can get further education and know-how.
4. **Markets:** Strong links to established companies of the RIS3 focuses should be developed. Representatives of those companies should assist the startups / SMEs with their expertise in developing, producing and distributing and should act as early adopters for proof-of-concept and reference customers.
5. **Culture:** the Playpark must be integrated in the regional Startup Community in order to make success stories visible, to open a broader network for the Playpark participants and to transfer the common culture of risk tolerance, experimentation, social status, etc.
6. **Supports:** The Playpark must be a physical place where startups / SMEs are trained and where they ideally find a temporary place to work. Furthermore it should integrate representatives of institutions such as legal, accounting, prototyping, labor, etc.. to offer the startups / SMEs a broad technical and administrative support.

<sup>19</sup> As from the Application Form, section C.1 "Project relevance"



#### IV. **Playpark common tools**

As a direct consequence of the common structure and functionality, each single Playpark can rely on (*being also responsible for its provision*) the following list of basic tools:

- **Playpark staff** (*at least 3 in each centre*) to be involved in the core activities as **facilitator / animator / sensitizer / consultant** to the direct promotion of the services towards the target group defined;<sup>20</sup>
- **Pool of experts** for business creation and management, innovation and internationalisation (*internal and/or external staff members*);
- **Online platform** including the business orientation eTool<sup>21</sup> (regional Playpark training will require ongoing use of the platform by the trainees), containing also joint training methodology and materials;
- **Basic ICT devices** to support end users start-ups and growth;<sup>22</sup>
- **A Transnational Innovation Network**<sup>23</sup> to interlink the ecosystems.

#### LIST OF THE TOOLS @ THE PLAYPARK BRNO

Tool	Description
<b>Playpark staff</b>	3 Playpark Managers and 3 Playpark Coaches for mentoring the workshops (+ one expert for mentoring the rhetoric workshop)
<b>Pool of experts</b>	Competences and expertise involved
<b>On-line tools</b>	Workshops and face to face coaching have been used. Social media for initial recruitment and further communication and engagement of participants.
<b>ICT devices</b>	PPT presentations and social media have been used
<b>Transnational action</b>	Sharing the experience with partners and provide international experience for start-ups during international Exchange programs and Finals
<b>Other relevant info</b>	Three months before IGL is launched campaign through networks and Facebook. Graduates of Playpark Brno have to prepare themselves for pitching their project in front of the jury consist of startup investor, successful businessman, experienced mentor and representative of chamber of commerce.

<sup>20</sup> Each regional Playpark must have at least one staff member acting also as coordinator / contact person.

<sup>21</sup> **D.T3.1.2** - The *e-Tool* is developed and is part of the initial joint transnational training of Playpark staff (D.T2.5.2) to familiarise staff with its use/potential. It will be then used for improvement trainings at regional Playparks and in the network

<sup>22</sup> According to the regional Playpark customisation as defined in D.T2.1.1

<sup>23</sup> "A transnational network interlinking the ecosystems will provide entrepreneurs with opportunities to increase their international skills in an international business environment", as from the Application Form, section C.2 "Project focus"



## 4. Planning for sustainability

As a result of the initial strategy drafted according to the project assumptions and the pilot action performed in T2 and T3, the Playpark *Brno* sustainability is tracked out of a set of conclusions summarised as follows:

### WHAT WORKED OUT AT BEST?

*Recruitment model on social media.*

*Training program for participants.*

*Internal pitching.*

### WHAT DID NOT WORKED AS EXPECTED?

*It was hard to make participants use the coworking area.*

### RESULTS ACHIEVED SO FAR

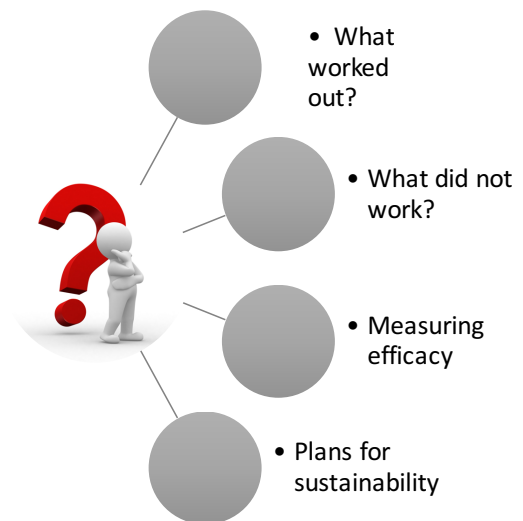
*Trained startups (12 in 1<sup>st</sup> cohort, 23 in 2<sup>nd</sup> cohort and 19 in 3<sup>rd</sup> cohort)*

*Changed mind set in participants.*

### PLAN SET FOR PLAYPARK BRNO SUSTAINABILITY

*Engaging new target groups (disadvantage people).*

*Possibility of financial sources (start-up investors, municipalities).*





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