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Co-ordination of Research Policies with the Western Balkan Countries

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Support to the implementation of good practice examples in the Western Balkans

Pilot Projects: Strategic Innovation, Innovation Officer, Innovation Voucher, Soft Landing Platforms

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Executive Summary

This deliverable outlines four pilot-projects presented in four parts: ***Strategic Innovation, Innovation officer, Voucher scheme, and Soft Landing Platforms***

As a follow-up activity of T8.2, further support to the implementation of adaptation schemes developed in the frame of Work Package 8 was foreseen in this task T8.5. A two-step approach was followed: in a first step, task force meetings for selected innovation measures (for one or two WBC partner countries per scheme) were planned. In a second step, a WBC exchange platform should provide to all WBC partners information (experiences made, lessons learned etc.) and the possibility to exchange information and experiences.

Part I focuses on the pilot project **Strategic Innovation** to be possibly implemented in Montenegro. It has the objective to introduce a system that would allow large numbers of SMEs (Small and Medium Sized Enterprises) to make steps forward to improve their innovation capacities. It is important for catching-up countries to increase the number of innovative firms. Up-grading existing firms by stimulating and coaching them in developing a strategic approach to innovation, is a very effective and efficient way to increase the share of innovative firms.

Initial signals have been expressed by the Ministry of Science and the Directorate for Development of Small and Medium Sized Enterprises (DDSME) of the Government of Montenegro that a pilot-project on ***Strategic Innovation*** could be, eventually, launched by the DDSME representatives in Montenegro. This constitutes the firm base that the work on the implementation of this project will be rewarded and recognised by relevant stakeholders, which can further lead to an eventual adaptation of the programme as integral part of the Innovation support mechanism in Montenegro.

Part II describes the pilot project of the measure **Innovation Officer** which aims at stimulating innovation in SMEs by overcoming their lack of time and qualified personnel. Innovation officers will influence a large number of topics, enhance actual innovation outcomes, and assist in overcoming the time bottleneck of SMEs. Their roles are highly diverse, but often emphasise the importance of external contacts for innovation.

The approach is as follows: an Innovation Officer is as an employee that should operate within the SME as a driver of innovation. The main focus is on detecting opportunities for innovation and effective implementation of innovation. The employee must submit Innovation knowledge of change and knowledge of innovation processes. Each innovation plan and application must be reviewed by an independent expert committee.

Initial signals have been expressed by the Ministry of Education, Science and Technological Development (MoESTD) of the Government of the Republic of Serbia that the pilot-project *Innovation Officer* could be launched by the MoESTD representatives. This constitutes the firm base that the work on the adaptation of this project for Serbia will be rewarded and recognised by relevant stakeholders, which can further lead to a possible implementation of the scheme as integral part of the innovation support mechanism in Serbia.

In Bosnia and Herzegovina the pilot scheme will possibly be run jointly between the University of Banja Luka - University Entrepreneurship Centre (UPC) and the Development agency for SMEs of the Republic of Srpska (RARS). These two partners will cooperate with a consortium of Krajina Innovation facility project, that will create (at minimum) three Innovation Support Centres – ISC. This will be realised within existing business development organisations from this area, in Banja Luka, Bihać and Prijedor, to cover more territory and guarantee easier access to companies in the Krajina region.

Part III focuses on the pilot project for the innovation **voucher scheme for Croatia and Kosovo[1]*.** The pilot-project Innovation Voucher Scheme has the objective to introduce a system that would allow large numbers of SMEs (Small and Medium Sized Enterprises) to utilise external sources of expertise. Because SMEs generally lack the necessary manpower and resources, they run into seriously delays when it comes to developing their own know-how, and such delays cause them to miss out on market opportunities or to exploit them only to a limited extent. The point of the project is to convince SMEs that much of the knowledge and expertise that they require has already been developed by so-called knowledge institutions, consultants and (large) companies, where it is in plentiful supply and, above all, available to them. By drawing on or, if need be, purchasing existing know-how, SMEs can develop more quickly in ways that would be unattainable to them on their own. Expert, independent, external input can also act as a tonic, quickly giving companies new ideas and fresh inspiration. External contacts often provide an impetus for new ways of thinking within companies, so that on balance, they can take the know-how they have to a higher level than if they had developed it on their own. Various studies have emphasised the importance of regional exchanges of knowledge, both for companies and for the region itself.

The approach is as follows: The basic assumption is that there is a great deal of valuable know-how and expertise "held in stock" at knowledge institutions and big companies which is, in essence, also available to SMEs. Although it would seem the most obvious thing in the world for SMEs to make use of this know-how and expertise, they do not know enough to actually exploit this opportunity. On the one hand this may be a question of embarrassment – such companies are used to developing everything themselves and often would not want to admit that they lack a certain type of knowledge –, but on the other hand they often do not know where to start or how to organise themselves, or they may have other reasons for not wanting to look for external sources. Indeed, they may not have even made a conscious decision not to seek help externally. What certainly plays a role is the huge gap between SMEs and knowledge institutions; often the two speak different languages and struggle with the fact that supply and demand are not well organised.

The pilot-project Innovation Voucher Scheme will be launched in 2014 in Croatia with HAMAG –BICRO as implementing agency and this new scheme will be organised together with other schemes that support innovative SMEs under the Sector for innovation within the agency.

The pilot-project Innovation Voucher Scheme has already recently been launched in Kosovo* in February 2014 and the first 10 companies are awarded with an amount of 2000 EUR. Monitoring of the realisation as well as evaluation of the results of the implementation of the scheme is major task for the implementing agency in near future

Part IV describes the pilot project of **Soft Landing Platforms** in Albania and FYR of Macedonia. SOFTLANDING has the objective to offer companies professional consulting and management services, which are necessary for a company to become established and begin commercial activities in an international scale. The pilot-project SOFTLANDING aims for the internationalisation of an innovative business. The created collaborations with partners from different regions and countries contribute to economic growth. Recently, this has proven to be an effective mechanism for improving the innovative application of research results, for business development support to start-ups and existing SMEs, and consequently for contributing to socio-economic development.

[1]* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.

The approach is as follows: The business support service packages should be flexible, tailor made and focused on the individual company's needs. A high-level of adaptation and diversification of the services has to be considered as the needs of target companies can vary significantly. The dimensions define the expectation of effort, time and result. Besides a good result, the client requires a low price and good availability. In order to meet the client's requirements optimally, the Soft landing agency (hereinafter referred to as Technology Transfer Office [TTO]) must ideally arrange the three dimensions of effort, time and result.

The TTO's knowledge, contacts, expertise and networking skills make the market entry process for start-ups and visiting companies in another region easier and faster. Soft landing offers companies professional consulting and management services, which are necessary for a company to become established and begin commercial activities in an international scale:

- Support in Business Planning like: IPR protection, Market analysis and market development, Pilot implementation, Team recruiting;
- Access to partners in the business environment and governments;
- Access experts like lawyers, accountants, advisers, etc.;
- Access to Funding;
- Qualification, Training, Mentoring;
- Logistics: Access to offices, IT and admin packages.

The pilot-project Soft landing platform services should achieve the following main results:

- "International readiness assessment" of companies asking for support, for the incubator/business advisor of origin to evaluate the effectiveness of the request ("validate" the company or Soft landing Services);
- Company profiles, to be prepared by client company of the "sending" incubator and sent to the "host' incubator in order to prepare the visit;
- Service Level Agreement to detail the service and conditions between the hosting incubator and the visiting company;
- Fostering of international collaboration and international co-incubation.

In Albania the pilot scheme will possibly be run jointly by the Albanian Investment and Development Agency (AIDA) as lead partner and the Agency for Research, Technology and Innovation (ARTI). These two agencies will serve as a bridge to link academia, researchers and universities with businesses and industry. The maximum grant amount for every individual project (regardless of the selected combination of components) 4500 Euro. The minimum grant amount is 1500 Euro. For example it is assumed 80 companies to be assessed; from this number selected for support 20; and companies exporting/importing 10.

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1 Introduction: Task Force Meetings to develop Pilot Projects

Based on the discussions that took place during the First and Second Review Meetings (Task T8.2) in April 2012 in Tirana and in April 2013 in Skopje[2], and based on the needs of the WBC partner countries, four Task Force Meetings were organised in the second half of 2013/beginning of 2014. The topics of the task force meetings were derived from a ranking done by the participants of the Second review meeting in Skopje in April 2013. The aim of the task force meetings was to draft Terms of Reference (guidelines for pilot projects) for a possible implementation of the four selected innovation good practice examples in the Western Balkan countries.

The following Task Force Meetings were organised:

	Topic	Interest expressed by	meeting organised in	by	T8.5 Team member	External expert's (organisation)	Date
1	Strategic Innovation	Montenegro	Podgorica	DDSME	MPI	UNU MERIT / Raf Sluismans	02./03.10.2013
2	Voucher scheme	Croatia, Kosovo*	Zagreb	Ivo Pilar Institute	UNU-MERIT/MPI	J. Severijns	21./22.11.2013
3	Innovation officer	Bosnia and Herzegovina, Serbia	Belgrade	MPI	MPI	SYNTENS / Ad van Ginneken	03./04.12.2013
4	Soft Landing Platforms	Albania, FYR of Macedonia	Tirana	METE	DLR/MPI	INI-Novation/ W. Kniejski	20./21.2.2014

In these Task Force Meetings, the external expert in charge of the selected innovation measure gave advice and developed, together with one or two interested WBC partner countries, guidelines for the implementation in the respective WBC in an interactive way (Pilot Projects). The interested WBC partner countries prepared these meetings by collecting a set of questions and framework requirements based on the situation in their countries, and answers to questions raised by the experts before the meetings. The meetings were supported by the T8.5 team and prepared by providing a standard template for the content of the pilot project.

In order to keep the discussion most constructive and goal oriented towards the implementation of the innovation measures, participation was restricted to

- the expert in charge of the innovation measure,
- two (max. 3-4) representatives of the respective WBC: one contact person having participated in the T8.2 review meetings, and one representative of an implementing institution; contact persons have been chosen during the Second Review meeting in Skopje in April 2013;
- one supporting T8.5 team member (UNU-MERIT, MPI, DLR/BMBF).

[2] See Deliverables D8.50 and D8.52

The results of the Task Force Meetings are documented as pilot projects (adaptation schemes) in this deliverable and serve as supporting documents for the implementation of the measure for the WBC partner Ministries. They contain information on the implementing institution, budget, time frame, order of steps to be taken, capacity needed, accompanying measures, etc.

After the Task Force Meetings, a platform should be established using the wbc-inco.net website in order to exchange documents, experiences made, best practice, lessons learned and all relevant information. In this way, the developed Pilot Projects can be used as model for all WBC partner countries. Through implementation of this platform in the wbc-inco.net website, sustainability is ensured.

2 Pilot Project: Strategic Innovation

The pilot-project **Strategic Innovation** has the objective to introduce a system in Montenegro that would allow large numbers of SMEs (Small and Medium Sized Enterprises) to make steps forward to improve their innovation capacities. It is important for catching-up countries to increase the number of innovative firms. Up-grading existing firms by stimulating and coaching them in developing a strategic approach to innovation, is a very effective and efficient way to increase the share of innovative firms.

The approach is as follows: a consultant organises strategic sessions, facilitating the management team of an SME to make an assessment of the current and future situation and to (re-)develop their business strategy: put priorities, make choices and implement these choices. As such, a large number of individual SMEs are facilitated at micro level.

The methodology of Strategic Innovation is a 4 step intervention + the implementation phase in companies that is facilitated by carefully selected and trained consultants:

1. Intake interview with director/top management - main goals are:
   - To collect details on the company,
   - Explanation of the procedures and planning the process,
   - Getting acquainted with the context (external),
   - Getting acquainted with products, markets, turnover… (internal) (build Product/Customer matrix),
   - Choosing a focus;
2. Innovation Scan with management team individually - goal is evaluation of the starting situation as experienced by the different participants of the team. Tools to be used: Connectivity model; Survey;
3. Strategic session 1 with management team in group: Scan results; Building SWOT Matrix; Scoring SWOT Matrix. Goals of this step are:
   - Shared insight in the environment,
   - Building a SWOT matrix,
   - Filling the SWOT matrix,
   - Formulation of preliminary conclusions.

   Tools to be used:
   - Toolbox: poster, questions, post-its,
   - Matrix;
4. Strategic session 2 with management team in group: Formulating conclusions; Stipulating actions; Satisfaction survey. Goals of this step are:
   - Formulation of conclusions
   - Reaching agreement on the conclusions
   - Formulation of actions (budget, persons, timing, …)

   Tools to be used:
   - Deliverable 6 (intake, scan and SWOT matrix),
   - Format plan for action.

Key success factors for the pilot-project **Strategic Innovation** are:

- Selection of the consultants;
- Training of the consultants;
- Monitoring of process & content;
- Close follow up and quality management';
- Involvement of local stakeholders such as chambers of commerce, employers' organizations, innovation relay centres etc.
- In times of crisis SMEs are to a far lower extent willing to devote time and resources to strategy making. In those times SMEs go into a 'survival mode' and only worry about short time actions;

- Involvement of triple helix partners and guarantee that for each of them there are win-wins in participating in such projects;
- Large scale approach and big programs: striving to involve large numbers of individual companies in a large project delivers some scale advantages in communication strategies etc;
- These kinds of programmes should be cheap for companies to participate in.

The philosophy of the program is that in order to help a region to make important steps forward, the Western Balkan countries have to involve large numbers of individual SMEs that each make their own improvements at micro level. The project and the actions that have to be implemented in the companies result in improvements in the way they manage their business and the way they operate in the market.

Preparation activities during 2014 include: development of more detailed proposals and possible adaptation and implementation plans. This also includes proposing mechanisms to select and train consultants, and to select SME participants. A training workshop (early 2015 where experience and lessons from good-practice cases (e.g. by Raf Sluismans and/or one of the experienced consultants and his clients) are discussed with the proposed actors in this pilot project.

Expected impact:

The pilot-project **Strategic Innovation** aims at facilitating management teams to (re-)develop their business strategy:

- Put priorities,
- Make choices and
- Implement these choices.

At macro-level the scheme is expected to have an impact on the competitiveness of the business sector due to catching-up dynamics in existing firms.

2.1 Development of the measure in the country of origin

2.1.1 Implementing agency

For about 10 years now, UNU-MERIT has experience in implementing the Strategic Innovation method in over 1000 SME's in different countries and of different sizes.

SI EMR	SI OP ZUID	SI FLANDERS
• 2004-2008	• 2009-2013	• 2009-2013
• 650 SMEs in 4 regions (B, NL, DE)	• 280 SMEs (the Netherlands)	• 155 + 50 SMEs (Flanders, BE)
• 14 consulting firms – 189 consultants	• 9 consulting firms – 84 consultants	• 10 consulting firms – 100 consultants
• € 5.600.000	• € 2.780.000	• € 1.300.000
• Focus: innovation capacity	• Focus: innovation capacity	• Focus:innovation capacity

Starting from a pilot project in which the methodology was developed and tested in 20 companies, the programme has been scaled up to three subsequent ERDF funded initiatives. Because of the scale of those programmes, the Strategic Innovation method has been implemented by consultants that have been selected through Open European Tendering procedures. Every consultant that has worked in those programs has followed an obligatory training. The project management as such was facilitated by an on-line management system, containing of procedures, protocols and reporting formats. This allowed the project managers at UNU-MERIT to safeguard quality of the interventions in an objective manner and to provide feedback to consultants as to the services they have delivered.

2.1.2 Budget:

The strategic innovation program has been executed in different rounds and has been financed differently according to the available support schemes:

- 2004-2008: Interreg 3C, Flanders, Wallonia, the Netherlands, Germany. The total budget was € 5.600.000, each participant contributed € 1.500
- 2009-2013: EFRO, the Netherlands. The total budget was € 2.780.000, participation was free.
- 2009-2013: EFRO, Flanders. The total budget was € 1.300.000, each participant contributed € 1.600

2.1.3 Administration of the measure

The method underlying the strategic innovation programme has been developed by UNU-MERIT in the Netherlands. During a pilot project, experience had been gained within 20 SMEs. UNU-MERIT took the initiative to submit a project proposal within the INTERREG 3C programme. Since this is an interregional programme, partners were sought in Flanders, Wallonia and Germany. They were Hasselt University (Flanders), SPI+ (Wallonia), and AGIT (Germany). Each of the four partners was responsible for providing follow up to the consultants that were executing the project. There was one central online system in which consultants had to enter reports of the different sessions in companies. That system was managed by UNU-MERIT.
In the second round, funded by EFRO in the Netherlands, again UNU-MERIT was the project management organization. Again an online system for reporting was used.
In the third project, also funded by EFRO in Flanders, Hasselt University was the project coordinator. In order to provide consistency in the way the project was run, the project managers that had been running the previous rounds at UNU-MERIT were seconded part time to Hasselt University. Again the same online system for reporting was used.

2.1.4 Financing the implementation of the measure

As stated in the above, the three rounds of the program have been financed by different mechanisms.

- In the first round this was 50% INTERREG funding, 35% from regional authorities and 15% by the participants.
- In the second round this was EFRO funding in collaboration with regional authorities. Participation was free for companies.
- In the third round, this was EFRO funding for about 85% and 15% through the participants.

2.1.5 Human resources:

Human resources differed quite a bit due to the set-up of the program and the learning effects that took place.

- In the first round, in which 4 partners were involved, each partner had direct staff allocated to running this project. That was a total of about 8 full time equivalents (FTE) during the course of the project. Next to this, the actual interventions at participating companies were executed by 189 consultants that were trained and certified by UNU-MERIT.
- In the second round, that was managed by UNU-MERIT in the Netherlands, there were 4 FTE dedicated to the project. Again, the actual interventions were executed by 84 consultants. In some cases they were the same as in round 1.
- In the third round, that was managed by Hasselt University supported by UNU-MERIT, the headcount of the staff was 4 FTE. Here too, the interventions were executed by 100 consultants, some of which were also active in the previous rounds of the strategic innovation program.

2.1.6 Management

Through all three programs, Raf Sluismans has been the overall project manager. His main responsibilities were:

- Regular contacts with funding bodies, financial reporting
- In charge of public procurement procedures, selection of consultants
- Training of consultants
- Methodology and follow up of consultants
- Acquisition of participants

2.1.7 Operational staff

Programmes with the scale and size of strategic innovation can only be managed successfully by collaborating with a dedicated operational staff. In the day to day running of the program, the operational staff worked on:

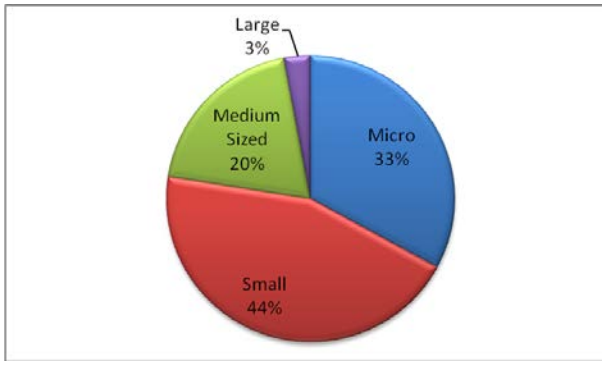
- Preparation of financial- and content reports
- General administration
- Execution of public procurement procedures and selection of consultants
- Training of consultants
- Methodology and follow up of consultants
- Acquisition of participants

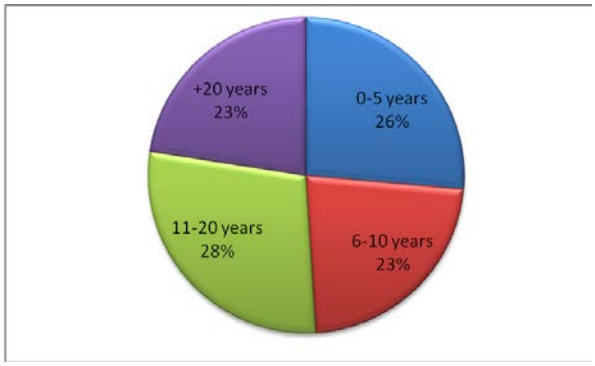
2.1.8 Users (beneficiaries, clients) of the measure

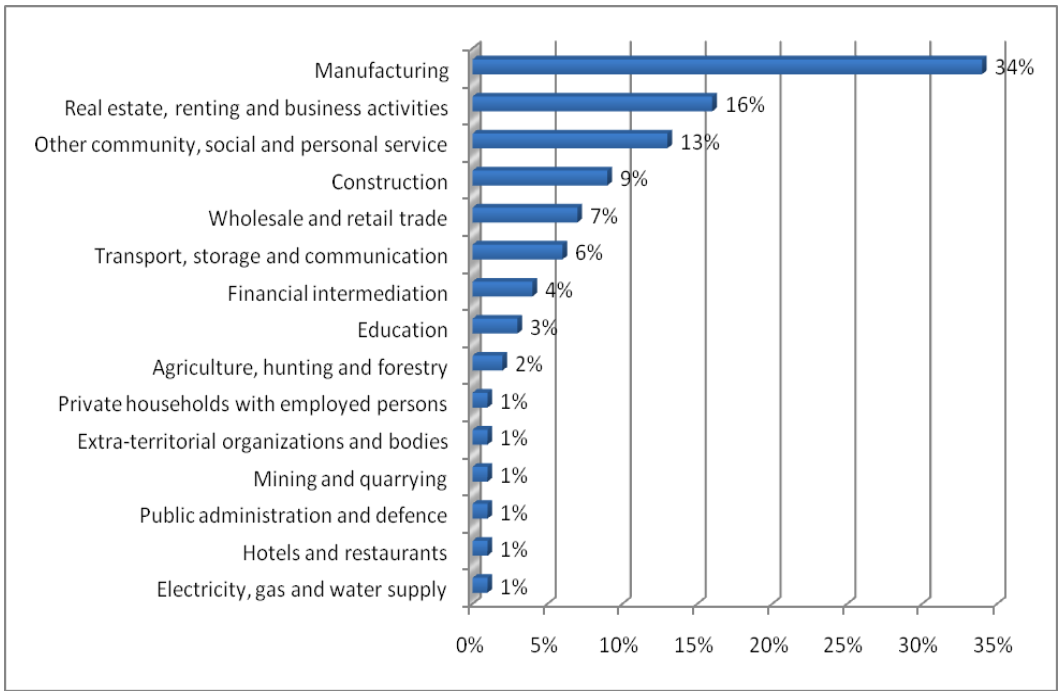
Since the three rounds of the strategic innovation program were co-funded by INTERREG and EFRO funds, the EU legislation was of application. This set limits to the size of companies that are allowed to participate:

- Maximum 250 FTE;
- Maximum of € 50.000.000 turnover, maximum € 43.000.000 on the balance sheet;
- Enough free space within the de-minimis regulations;

The following diagrams provide an overview of the characteristics of the participants:







2.1.9 Procedure for implementation:

Since the three programmes have been co-funded by EU ERDF and regional authorities, and because UNU-MERIT and Hasselt University, are semi-government institutions, all EU open procurement procedures were of application.

2.1.10 Public calls, ToR (Term of Reference) for would-be applicants

In the three rounds of the program an open public procurement procedure was held. In the first round of the program, the open public procurement procedure was repeated in the middle of the program in order to be able to engage new consultants.

The second and third round of the programme were run by making use of one open public procurement procedure at the start of those programmes.

For publishing the ToR, use was made by the EU formats and they were published on the applicable EU websites. Bids were opened in a public session after which the evaluation of the proposals could be done, by making use of the criteria for selection that were put in the ToR.

2.1.11 Criteria for selection

Two main criteria were used:

- Price:
  a. price per intervention
  b. price per 10 interventions
  c. whether price would stay the same during the entire project period
- Quality
  a. experience in executing strategic interventions
  b. availability of knowledge in business strategy
  c. ability to speak the local language
  d. ability to engage companies in the program
  e. capacity to execute the interventions

2.1.12 Procedures for selection

Each proposal was read by a team of evaluators. On beforehand, an evaluation matrix had been designed, providing guidelines to evaluators on what to base their judgement. Every element was evaluated separately by two people in order to guarantee objectivity.

All scores were put in an excel matrix, that calculated totals. The totals were used to rank all applicants.

2.1.13 Awarding of applicants

The scores of the individual proposals and the ranking this led to, was the basis for awarding applicants. Limiting factors were the numbers of trajectories in the project, as well as the project budget.

2.1.14 Procedure for complaints

As the EU regulations prescribe, after the evaluation procedure, first an intention to awarding is sent out to all applicants (as well the applicants that project management intend to award assignments to as well as the applicants that project management intend not to award assignments to). Except for the applicant that is the addressee of the letter at hand, all scores are made anonymous. As such applicants do know their own score and their place in the ranking order.

After the sending of assigned letters to communicate the intention to award assignments, a 15 day cooling down period starts. After the 15 days, and on the condition that no candidates object the procedure or their scores and ranking, the actual awarding is sent out by letter.

2.1.15 Monitoring of implementation of measure

Due to the large number of companies involved in the three rounds of the project and due to the large number of consultants that was executing the individual interventions in SMEs, an on-line project management system was designed. This contained detailed forms to use to draw reports on the interventions.

The online system served three goals:

- Administration of participating companies and their appliance to EU legislation as regards size and space within de-minimis
- Collecting data to be used for adaptation to the methodology
- Follow up of the content of the work that has been done by consultants

2.1.16 Reporting

Reporting took place at different levels:

- Financial reporting towards funding organisations (by the project manager)
- Minutes of the interventions within SMEs (by consultants)
    a. In the online system
    b. By making use of obligatory forms containing pre-coded as well as open text boxes
- Aggregated results for policy making (by project management team)

2.1.17 Interim evaluation of the implementation of the measure

During the running of the programme, every single trajectory was evaluated by the project management. This was done in two manners:

- By making use of an evaluation questionnaire at the end of each intervention. This measured:
    a. Quality of the intervention
    b. Performance of the consultant
    c. Added value of the intervention
    d. General figure from 0 to 10
- By a telephone interview with the contact person within the company. These phone talks were done before bills of consultants were approved

This close monitoring allowed project management to detect dissatisfied customers at an early stage. This allowed consultants to rectify any problems in case that was necessary.

2.1.18 Evaluation of the measure

Throughout the three rounds of the project, the average evaluation score by companies that participated in the interventions was above 7 on a scale from 0 to 10 in which 10 was the highest possible score.

2.1.19 Ex-post evaluation of the results

The ex-post evaluations were done by external agencies. These were paid by the funding authorities. In all ex-post evaluations, the evaluations as executed by the programme management themselves, were confirmed.

2.1.20 Cost-benefit analysis

The best proof of a good cost-benefit ratio is the fact that three subsequent rounds of the programme were co-financed by ERDF. In two out of three rounds, companies also contributed to the financing.

2.1.21 Impact evaluation

Next to the internal evaluation during and after the strategic innovation programmes, ex-post evaluations have been done. These have been reported but are only available in Dutch.

2.1.22 Publication and dissemination of the information about implementation, results and impacts of the measure

What counts for the ex-post evaluations, reports are only available in Dutch.

What counts for information on the most recent projects, we'd like to refer to the websites:

www.strategischinnoveren.eu

www.strategischinnoveren.be

2.2 Setting-up of measure in WBC: Montenegro

2.2.1 Organisational structure(s) of implementing agency

The Directorate for Development of Small and Medium Sized Enterprises (DDSME) has been established as a public institution in 2000, according to the Government of Montenegro decision. DDMSE has an important mission in the overall socio-economic progress of Montenegro, especially in the entrepreneurship and SME development process. DDSME is specialised in providing services to the SME sector and public in general in Montenegro, and operates within the Ministry of Economy. DDSME is governed by the Law on Public Administration.

DDSME employs a team of sixteen highly skilled professionals from ICT to economic development, providing variety of specialised services: technical and financial support, R&D, innovation, disseminating information, project implementation and coordination, communication, etc.

2.2.2 Human resources

The implementing agency - DDSME, in close cooperation with international partners (UNU MERIT, Netherlands, and MPI, Serbia) provides skilled management and operational staff.

2.2.3 Management

The management team consists of the following 2 professionals:

- project manager
- financial manager

The persons fulfilling these functions are not required to allocate all worked hours to this project.

2.2.4 Operational staff

The training course for educating team of professionals will take place prior to the project measure implementation. These professionals, in coordination with DDSME, will be in charge of implementing this measure in the selected SME.

DDSME, with educated team of external/internal experts, will fulfil the following activities:

- Assessment of SMEs potential
- Market research and market analysis
- Marketing and PR, event organisation
- Communication and networking
- Training (if you think we should add more, please, advice)

2.2.5 Possible users of the measure

Considering the fact that there is no existing market of strategic innovation consultants in Montenegro, as well as companies that are in need of innovation improvement, two groups of users have been identified:

- individual consultants, as trainees to implement this measure
- companies, as final beneficiaries of this measure

2.2.6 Procedures for implementation of the measure:

Strategic innovation measure – programme, based on UNU-MERIT experience, is implemented in the following order:

- Announcement of the Public call,
- Selection of users based on criteria defined in Terms of Reference,
- Awarding of applicants,
- Monitoring of the measure implementation,
- Evaluation of the measure, and
- Publication of the measure results and impacts.

2.2.7 Public calls

First, the open public procurement procedure will be announced, in order to engage 10 trainee consultants needed for the implementation of the pilot project – Strategic Innovation measure.

The second open public procurement procedure will be announced for the selection of 20 companies to be final beneficiaries of the measure.

Both public calls will contain all necessary information and details needed to fulfil the requested criteria. Each will consist of precise conditions and deadline for application.

2.2.8 Selection and awarding of users

Selection of the trainees will be realised by the team consisting of representatives from DDSME, University of Montenegro and the Ministry of Science. The main criteria are:

- Previous experience of this/or similar projects
- Availability to follow the training program
- English language skills
- Availability to participate the project after the pilot phase

Candidates will be informed in written form about the results. The selected candidates will be offered the contract for the pilot phase (training + implementation of the measure to the selected companies). The non-selected candidates will receive in written form the explanatory note.
Selection of the companies will be realised by the team consisting of representatives from DDSME, University of Montenegro and Ministry of Science.
The main criteria are:

- 100% Private company, registered in Montenegro
- Without losses in the previous financial year
- Paid all taxes and contributions
- Assessment of SME innovation potential conducted

Awarding criteria are:

- Availability for active engagement of measure implementation
- Ranking position in the SME innovation potential assessment

Companies will be informed in written form about the results. The selected companies will be offered the contract for the measure implementation. The non-selected companies will receive in written form the explanatory note.

2.2.9 Monitoring of the implementation of the measure

Monitoring team consisted of the experts from UNU-MERIT and DDSME will monitor the implementation of the measure making sure that the pre-defined methodology is being followed.

2.2.10 Evaluation of the realisation of the measure

Ex-post evaluation will be done by team consisted of experts from Mihajlo Pupin Institute and DDSME. The evaluation questionnaire will be designed, covering the following issues:

- Quality of the interventions
- Performance of the consultant
- Added value- impact of the intervention

Electronic version of the questionnaire will be distributed to the involved companies.

Evaluation will be based on the scores from 0 to 10.

2.2.11 Publicity of the implementation, results of the measure

Public calls and implementation results will be published on the website of host institution (DDSME: www.nasme.me).

Additionally, public calls will be advertised in daily newspaper, while measure results will be presentedon the press conference.

2.2.12 Budget:

The estimated budget for the implementation of the pilot project is up to 30.000 €. This amount will be allocated:

- International expert support,5 experts days x 1.200 €
  (Training of the experts, project implementation support)
- local experts,20 companies x 1.000 €
  (considering that this is a pilot project, and that they will undergo specialised training and gain highly specialised skillsbecoming a certified innovation support expert, the fee will be symbolic, just to cover real occurred cost)
- ex post evaluation, 2.500 €
- Project promotional material, 1.500 €
  (advertising costs, leaflets, et.)

2.2.13 Administration of the measure

All administration requirements will be covered by DDSME. In the cooperation with the Ministry of Science and the University of Montenegro, ten suitable candidates will be selected. Training for the selected candidates will be organized in cooperation with the international partners (UNI MERIT and MPI).

Based on the previously implemented projects, appropriate companies will be selected (20 companies).

DDSME will continuously supervise the project implementation and arrange ex-post evaluation.

2.2.14 Financing the implementation of the measure

There are two possible ways of financing the pilot phase that have to be checked:

- The Government of Montenegro will commit required funds;
- The WBC-INCO.NET project will allocate required funds.

Since the timeframe of the WBC-INCO.NET project is short (April 2014), it is unlikely that relevant institutions of the Government of Montenegro will approve all needed documentation and procedures to allocate the financial requirement, in in the defined time, hence providing the WBC-INCO.NET project measurable and easily identifiable results. Furthermore, no budget is foreseen in WBC-INCO.NET for implementation of the measure as pilot project in the Western Balkan countries.

2.2.15 Possible barriers and obstacles in implementation of the measure in WBC

The lack of financial resources seems to be the greatest risk. The effects of the economic and financial global crisis are still evident, and the impact of the national economy and national budget are struggling to survive. Therefore, this risk must be considered as real and treated as potential obstacle.

Also, the lack of expert capacities in this field and demand for their services is another warning issue.

2.3 Concluding remarks

Initial signals that have been expressed by Ministry of Science and DDSME representatives give us firm base that the work on the implementation of this project will be rewarded and recognised by relevant stakeholders, which can further lead to eventually adaptation of the Program as integral of the Innovation support mechanism in MNE.

Furthermore, it logically can be expanded to the regional level, as a highly needed mechanism for RDI Strategy.

3 Pilot project: Innovation Officer

An Innovation Officer is as an employee that should operate within the SME as a driver of innovation.

Small and medium-sized enterprises (SMEs) are an important source of innovation. To enhance their innovation efforts, SMEs have increasingly been targeted by innovation intermediaries and policy makers. The pilot-project Innovation Officer aims at stimulating innovation in SMEs by overcoming their lack of time and qualified personnel. Innovation officers will influence a large number of topics, enhance actual innovation outcomes, and assist in overcoming the time bottleneck of SMEs. Their roles are highly diverse, but often emphasize the importance of external contacts for innovation. All SMEs in WBC region should be eligible for application. Applications should be subsequently screened on the quality of the proposed innovation project on which the proposed innovation officer is to work. Finally, an independent committee composed of entrepreneurs and innovation professionals should decide to grant or to decline the request for an innovation officer.

The pilot-project Innovation Officer has the objective to:

- Fill knowledge gaps in SMEs, particularly in the area of innovation;
- Launch innovation processes in SMEs;
- Bring knowledge of innovation processes and change processes.

The objective of this scheme is that SME entrepreneurs use knowledge to innovate. An Innovation Officer is as an employee that should operate within the SME as a driver of innovation. The main focus is on detecting opportunities for innovation and effective implementation of innovation. The employee must submit Innovation knowledge of change and knowledge of innovation processes. Each innovation plan and application must be reviewed by an independent expert committee.

Grants can be requested by individual SMEs or one of the following groupings:

- Associations of at least two independent companies;
- Associations of one or more companies and one or more research organisations (maybe the can assign upt to two innovation officers for a complex project)

For individual SMEs, in order to be eligible for this grant, the following requirements have to be met:

- The grant applicant is located in the WBC region;
- The use of the innovation is aimed at encouraging employee innovation officer;
- The use of innovative employee benefits to the WBC;
- For the use of innovation officer there is a balanced budget;
- The innovation officer is seconded from a scientific & research organization or a large corporation, being a party in the chain;(this has proven to be a show stopper in our scheme; I would advise to let this demand go)
- The innovation officer has at least been working two years at the scientific & research organization or large enterprise (this has proven to be a show stopper in our scheme; I would advise to let this demand go)
- The employee is working on innovation within the SME;
- The innovation officer does not replace another employee, but works in a newly created role within the SME;
- The innovation employee works in Research and Development and/or innovation;
- The innovation officer brings knowledge of change and innovation processes

Expected impact:

The pilot-project **Innovation Officer** aims at:

- Innovation officers seem to influence a large number of effects,
- Innovation officers have a positive influence on resolving time issues to innovate within SMEs, and
- Innovation officers prove to play an important role in realizing actual innovation outputs.

3.1 Introduction

SMEs are known to exhibit several typical constraints regarding innovation projects. They often lack sufficient financial resources, highly-qualified staff, time, and tend to prioritize daily operations since these will provide short-term turnover (Kaufmann and Tödtling, 2002; Timmermans, 2008; Van den Berg and De Jong, 2009).

To overcome these deficiencies, governments attempt to intervene in the innovation process of SMEs.

One specific type of intervention that might resolve these problems could be to place specialized staff within a company focusing on innovation projects. However, smaller businesses often are reluctant to recruit expensive highly-qualified staff (Arnold and Teather, 2001). Hence, interventions could focus on reducing the costs involved in order to reduce risks of participation for the SME. An evaluation of such schemes in Europe shows that such "innovation assistants" increase the capability of firms to innovate by increasing their absorptive capacity and by fostering network relations to use external knowledge (Arnold and Teather, 2001).

Such schemes are known to overcome deficiencies such as a lack of time, financial resources and qualified personnel and have resorted effects such as increasing a firm's innovation capabilities and absorptive capacity, enlarging their external network, increasing innovation output, generating new ideas, and creating employment (Arnold and Teather, 2001; Stoppacher and Kobald, 2003).

3.2 Description

SMEs have good ideas for innovation projects, but lack resources to implement these ideas (time, people, know-how and funds). SME can hire 'knowledge worker' (Innovation Officer) subsidized up to € 30.000,- (35% of total wages). Conditions of the measure are that 1) the company has to be an SME, according to the European definition, 2) the knowledge worker is not yet employed in the company, 3) there has to be an innovation project and a matching plan and 4) the competences of the innovation officer must match the innovation plan.

To enhance innovation processes within SMEs, Innovation Officers might play an important role. An Innovation Officer can provide detailed knowledge of innovation and development processes. However, this role can be broadened to consider more activities, focusing on finding innovation opportunities and actual implementation of innovation projects.

Syntens initiated a project in the southern part of the Netherlands (provinces Zeeland, Noord-Brabant and Limburg), to place such innovation officers within SMEs with specific problems concerning execution of innovation projects. All SMEs in this region can apply. Applications are subsequently screened on the quality of the proposed innovation project on which the proposed innovation officer is to work. Finally, an independent committee, composed of entrepreneurs and innovation professionals, decides to grant or to decline the request for an innovation officer.

The intervention is conducted within a larger program, 'Innovatie Zuid', which is financed by the European Union, the Dutch national government, regional governments, and private businesses. All SMEs in the southern part of the Netherlands can apply for the project. They can propose to employ someone from their network of contacts (part-time or full-time) on a pre-defined innovation project and apply for subsidy of his or her wages. The maximum

amount of subsidy is 35% of total wages, up to a maximum of €30,000 per project. Hence, the innovation officer intervention not only provides a financial stimulation, but attempts to resolve problems considering availability of time and highly-qualified personnel to realize innovations.

3.3 Development of the measure in country of origin

3.3.1 Implementing agency

The Innovation Officer project is conducted within a larger program, 'Innovatie Zuid', which is financed by the European Union, the Dutch national government, regional governments, and private businesses. This overall program is managed by the Brabantse Ontwikkelings Maatschappij (BOM). Syntens is one of the partners in this project, together with Liof, REDE, REWIN and Economische Impuls Zeeland (EIZ).

Syntens

Syntens is a Dutch not-for-profit innovation intermediary, supporting SMEs having 5 to 250 employees through numerous activities and projects, ranging from pure intermediation and referrals to providing free consult to improve the innovation process. The aim is to increase the revenue of those companies by means of innovation. Activities cover the entire innovation process, but focus on the initial phase of innovation processes. Activities are offered to SMEs in six pre-designated sectors: industry, human health, construction, creative industry, wholesale & logistics, and food & agribusiness. They include individual consult, establishing Innovation Action Plans, organizing workshops on relevant themes, etc. Syntens conducts these interventions within a limited timeframe. The Syntens consultants work impartially and match the entrepreneur to valuable parties via their extensive network of companies and institutions.

Syntens employs approximately 350 people. Its head office is located in Nieuwegein, and Syntens has fifteen regional offices throughout the Netherlands, from which four are based in the southern part of the Netherlands. There are close contacts with the national, provincial, and regional government, political circles and a large number of industrial associations operating in the region. Thanks to the regional network structure, the innovation consultants are easily accessible for entrepreneurs.

Syntens' activities are funded by the Dutch Ministry of Economic Affairs, regional governments, and several other public sector organisations. This allows Syntens to operate independently and free of charge for the entrepreneur. The innovation officer intervention is supported by the European Fund for Reconstruction and Development. In exchange for Syntens' involvement the entrepreneur is expected to be responsive and "willing and able" to innovate.

In 2014 there will be a merger between the Chambers of Commerce in the Netherlands and Syntens.

3.3.2 Budget

There is a budget for 45 Innovation Officers per year for a time span of 4 years. The out of pocket budget is 180 x €30.000 = € 5.400.000 (maximum). There is also a budget for Syntens to guide the process. This is 45 hours per Innovation Officer and this comes to a total of 4 (number of years) x 45 (number of Innovation Officers per year) x 45 (number of hours for guiding the process) x €118 (hourly rate) = €955.800

The overall program is financed by ERDF (40%), the national government (40%), the 3 regional governments (8,88%) and the partners (11,12%).

3.3.3 Human resources

The hours for guiding are done by an experienced Syntens consultant, and this includes 45 hours per year per Innovation Officer. There are no additional management hours for this project. This is included in the overall project.

3.3.4 Users (beneficiaries, clients) of the measure

All SMEs, according to the European definition, in the specific region can apply if they have an innovation project that can be handled by assigning an innovation officer.

3.3.5 Procedure for implementation

The approach can be described briefly as follows, for instance:

1) Independent representative of an intermediary organization initiates intake conversation with SME;
2) This person and the SME representative(s) define the problem/opportunity;
3) Written description problem/opportunity (innovation project);
4) Intermediary organization roughly judges the plan;
5) SME starts looking for a Innovation Officer;
6) The plan and the Innovation Officer are presented to an independent committee;
7) This independent committee, composed of entrepreneurs and innovation professionals, decides to grant or to decline the request for an innovation officer;
8) Innovation Officer starts working and makes quarterly rapports;
9) SME pays salary to the Innovation Officer;
10) SME gets money back from Intermediary (every 3 months), based on the rapports the SME and the Innovation Officer make.

There are no calls for this project. During the project SMEs can always submit an application as long there is budget.

3.3.6 Monitoring of implementation of measure

There has been a midterm review, conducted by Murk M.V. Peutz and Rutger G.L. Stultiëns.

3.3.7 Evaluation of the measure

The overall project will be evaluated by an external organization.

3.3.8 Publication and dissemination of the information about implementation, results and impacts of the measure

There has been, as mentioned, a midterm review including the results. This paper has been disseminated. Presentations also have taken place for example at the ISPIM conference in Bilbao (2010). Probably further dissemination will follow after the results of the evaluation.

3.3.9 Furthermore

It is important to have a good and solid implementing agency. The most important goal of the implementing agency is to bridge the gap between demand of the SME and supply. Whatever system is chosen, representatives have to be:

- Independent,

- Speak the "language" of the entrepreneur/client,
- Capable of problem definition,
- Available time for guiding the process (3-4 days per Innovation Officer, namely; acquisition SME's, help define the problem, judge the CV of the Innovation Officer, guiding the process and evaluation). This should not be underestimated,
- Build trust, both with the entrepreneur as well as with the Innovation Officer,
- Able of "guiding" the process.

Best thing is to choose an existing organisation that already is responsible for the support in the direction of companies. This can be a Regional Development Agency (RDA), Chamber of Commerce, business centre, governmental support agency etc.

3.3.10 Core Findings from our project

Considerable impact across the board, on a multitude of determinants of innovative ability.

Placement of an Innovation Officer addresses SME-typical time issues (bottlenecks), enabling SMEs to focus and actually execute innovation projects.

Innovation Officers positively impact innovation outcomes, process improvements were observed in all cases, whilst new products and new markets were given as outputs by the respondents.

Innovation Officers seem to influence the SME with external contacts, which is underestimated by the entrepreneurs themselves.

Lessons learned:

- Additional money for training is necessary,
- Additional help for finding the right person,
- Meetings with all the IOs are highly appreciated by them,
- It is essential to let an experienced consultant guide the IO,
- Administrative process: Keep it Smart and Simple (KISS).

3.4 Setting-up of measure in WBC: Republic of Serbia

3.4.1 Organisational structure(s) of implementing agency

The Ministry of Education, Science and Technological Development (MoESTD) is the institution in charge, by the Law on Ministries (Official Gazette RS, no 72/2012 and 76/2013), inter alia, for the development, and promotion of science and research activity which proposes scientific, technological, and economic development; fostering entrepreneurship and transfer of knowledge and technologies into economy; development and promotion of the innovation system in the Republic of Serbia.

The MoESTD, inter alia, realises research in domain of technological development and innovations; it also realises programmes for innovative companies to stimulate and support transfer of technology between the public and the private sector with the objective of economic development. The realisation of these researches must speed up the development of some economic sectors, the creation of market attractive products of high degree completion and innovation, the implementation of high quality and competitive domestic products and services on domestic and international market.

The MoESTD offers support for the establishment of a sustainable bridge between research organisations and industry, based on knowledge such as:

- realise innovative systems law

- stimulate the innovation within enterprises in domain of high technologies and to satisfy all conditions for a commercialisation of innovation
- favour the innovation in scientific and research organisations through the development and work promotion of incubators, innovative centres, centres for technological transfer, etc.
- encourage the development of scientific and technological parks
- define the innovative policy and also the policy of scientific and technological development.

The main actors involved in these activities are: R&D Institutions and registered innovative organisations – enterprises and SMEs under the Law of Scientific and research activities (Official Gazette RS, no 110/05, 50/06 and 18/2010) and Law of Innovative activities (Official Gazette RS, no 110/05, 18/10 and 55/13).

3.4.2 Human resources

The MoESTD, in close cooperation with the national partner IMP and international partners in Bosnia and Herzgovina provides skilled management and operational staff.

3.4.3 Management

The head of Innovation unit within the MoESTD will be the overall project manager with the following main responsibilities:

- Regular contacts with the MoESTD management, financial reporting;
- In charge of public procurement procedures, selection of consultants;
- Organisation of the trainings of consultants;
- Acquisition of participants.

The person fulfilling these functions is not required to allocate all working hours to this project.

3.4.4 Operational staff

Operational staff consists of 2 persons which are appointed for governance of innovation activities within the Ministry.

The training course for all professionals within the MoESTD in charge of implementation of this measure will take place prior to the project measure implementation. These professionals, in coordination with experts from MPI, will be in charge of implementing this measure in the selected SME.

The MoESTD, with an educated team of external/internal experts, will fulfil the following activities:

- Assessment of SMEs innovation capacities;
- Marketing and PR, event organisation;
- Communication and networking;
- Organisation of trainings for innovation officers;
- Organisation of guidance for innovation officers;
- Monitoring and evaluation of the implementation of the measure.

3.4.5 Possible users of the measure

At the national level and from the national budget, the MoESTD already supports some kind of activities for innovative SMEs, projects which resulted in innovative products, processes, modified technologies or services. The innovative companies have good ideas for innovations, but not enough resources, time and knowledge about the market demand, and on the quality of innovations itself. In practice we noticed that innovative SMEs need this kind

of support. The Innovation Officer scheme would help them to increase innovation capacities and competitiveness of the SME managing the process of innovation in their organisation.

Users of the measure would be interested innovative companies - SMEs registered in the Ministry by the Law on Innovation Activities.

3.4.6 Procedures for implementation of the measure

Innovation officer measure/program is implemented in the following order:

- Announcement of the Public call,
- Selection of "would be" innovation officers 5 from R&D and 5 SMEs for implementation of the measure, based on criteria defined in ToR,
- Trainings and operating costs for 5 candidates for innovation officers,
- Monitoring of the measure implementation,
- Evaluation of the measure, and
- Publication of the measure results and impacts.

3.4.7 Public calls

The first part of the open public call procedure will be announced, in order to select candidates for 5 "would be" innovation officers from R&D needed for the implementation of the pilot project Innovation Officer measure.

The second part of the open public call procedure will be announced for the selection of 5 innovative SMEs to be final beneficiaries of the measure.

Both parts of the public call will contain all necessary information and details needed to fulfil the requested criteria and it will consist of precise conditions and a deadline for application.

3.4.8 Selection and awarding of users

Selection of the candidates, PhD students from the R&D institutions, will be realised by the team consisting of representatives from MoESTD and experts from MPI.

The main criteria are:

- Previous experience of this/or similar activities;
- Availability to follow the training program;
- English language skills;
- Availability and interest for active engagement.

PhD candidates and their R&D institutions will be informed in written form about the results. The selected candidates will be offered to sign a Memorandum of understanding and the Code of Conduct for the pilot phase of the project (training + implementation of the measure in innovative companies).

The non-selected candidates will receive in written form the explanatory note.

Selection of the innovative companies will be realised by the team consisting of representatives from MoESTD and an expert from MPI.

The main criteria are:

- 100% Private company, registered in the Serbian Business Registers Agency;
- Without losses in the previous financial year;
- Paid all taxes and charges;
- Without blocked account in the previous year;
- Assessment of SME innovation potential.

Awarding criteria are:

- Availability for active engagement;
- Ranking position in the SME innovation potential assessment.

Companies will be informed in written form about the results. The selected companies will be offered to sign a Memorandum of understanding and the Code of Conduct for the pilot phase of the project (implementation of the measure).

The non-selected companies will receive in written form the explanatory note.

3.4.9 Monitoring of the implementation of the measure

The monitoring team consisting of representatives from MoESTD and experts from MPIwill monitor the implementation of the measure making sure that the pre-defined methodology is being followed.

3.4.10 Evaluation of the realisation of the measure

Ex-post evaluation will be done by a team consisting of experts from Mihajlo Pupin Institute and the Ministry. An evaluation questionnaire will be designed, covering the following issues:

- Quality of the interventions;
- Performance of the consultant – innovation officer;
- Added value- impact of the intervention.

An electronic version of the questionnaire will be distributed to the involved R&D institutions and innovative SMEs. Interviews and on-site visits will be organised as part of the evaluation process.

Results of the evaluation will be published and publicly available from the MoESTD web site.

3.4.11 Publicity of the implementation, results of the measure

The public call and the implementation results will be published on the website of the host institution (MoESTD: www.mpn.gov.rs).

Additionally, a public call will be advertised in a daily newspaper, while the results of the measure will be presented during a press conference.

3.4.12 Budget:

The budget for the implementation of the pilot project will be adjusted to available resources at the time of approval by the MoESTD governing managers. The proposal for the pilot project will include up to 5 innovation officers from R&D and 5 SMEs for implementation of the measure, and the budget will be calculated according to this scope of implementation. The budget will be allocated to:

- Innovation officer trainings;
- covering the costs of work for Innovation officers;
- organisation of this programme within the Ministry.

3.4.13 Administration of the measure

All administration requirements will be covered by MoESTD, 5 suitable candidates from R&D institutions will be selected. Training for the selected candidates will be organised in cooperation with the national partners (MPI), eventually in cooperation with international partners from BIH.

Based on the previously implemented projects, appropriate companies will be selected (5 innovative SMEs).

MoESTD will continuously supervise the project implementation and arrange ex-post evaluation.

3.4.14 Financing the implementation of the measure

There is a possible way of support the pilot phase of Innovation officer project. The Government of the Republic of Serbia will commit the required support to the pilot phase of the project through the national budget allocated for the realisation of activities under the Regulation on Determining Programme of Innovative Activities and also through the technological development activities. The possibility of contributing from the WBC-INCO.NET project would be desirable and also from the other donors like GIZ.

3.5 Setting-up of measure in WBC: the Bosnia and Herzegovina

3.5.1 Organisational structure(s) of implementing agency

The pilot scheme will be run jointly between the **University of Banja Luka - University Entrepreneurship Centre (UPC)** and the **Development agency for SMEs of Republic of Srpska (RARS)**. These two partners will cooperate with the consortium of the *Krajina Innovation facility project*, that will create (minimum) three **Innovation Support Centres - ISC** (within existing business development organizations from this area, in Banja Luka, Bihać and Prijedor), to cover more territory and guarantee easier access to companies in Krajina region.

The University Entrepreneurship Centre (UPC)

The University Entrepreneurship Centre is a department within the University of Banja Luka, founded in November 2009, dedicated to bringing the university closer to playing an active role in satisfying the needs of the industry and society. The centre has two full time managing staff and 10 project based employees, combined with pull (?) of both external experts and 1500 academic staff. Operational costs of the Centre are covered by the University, while programme activities are covered trough projects, from local and international sources.

UPC works in three fields: career development programmes for students and researchers, entrepreneurship/enterprise development programmes and knowledge and technology development and transfer programmes (R&D for industry). In all these fields the centre does both hands-on work with final users and system development work via development of business support infrastructures, policies and measures. Being part of the second largest University in BiH, that has 16 different faculties, the Centre does not have a focus on a pre-designed sector, but some sectors have been addressed more often than the others such as ICT, agro/food, metal processing, and tourism.

UPC has been recognised as one of the enterprise support actors that will be assisted by the Krajina Innovation Facility project to become Innovation Support Centre (ISC).

Innovation Support Centers (ISCs), are intermediaries between enterprises and the other counterparts, providing information and linking the companies with innovation support elements, primarily *development of new modalities for provision of support to innovative SMEs including innovation fund, innovation vouchers, technological brokers' concept, etc*. including, but not limiting to:

- provision of information about domestic and international programmes and projects supporting innovations,
- facilitating access to a pool of local and international consultants that may support innovative activities of companies,
- training programmes for innovation consultants and technology brokers,

- training programmes for enterprises to promote concepts and raise awareness of innovation and support possibilities,
- improvement of links between enterprises and domestic and/or foreign consultants and institutions supporting innovations,
- promotion of innovations and awareness raising among the enterprise.

The Republic Agency for Small and Medium Enterprises (**RARS)**

Republic Agency for Small and Medium Enterprises was established in accordance with the Law on Promotion of small and medium enterprises, and began its work in September 2004. It acts as a legal entity and a non-profit organisation. The Agency is supporting the establishment and development of small and medium-sized enterprises and entrepreneurship in the Republic of Srpska, generating a whole support system of small and medium-sized enterprises.

The main objectives of the work of the Agency are to increase

- participation of small and medium-sized enterprises in the overall economy of the Republic of Srpska, changing the structure of the business through increasing the participation of productive activities and services in the total domestic product;
- technological development, competitiveness and to open new markets for small and medium-sized enterprises;
- the number of businesses and workers employed in these companies and the establishment of regional cooperation with neighbouring countries to exchange experiences and implementation of regional comparative advantage in entrepreneurship.

The Agency has a duty to prepare strategic documents for small and medium-sized enterprises and entrepreneurship of the Republic of Srpska, implement incentive policies encouraging employment, vocational training, retraining and additional training of workers, establish and encourage two way communication between small and medium-sized enterprises, entrepreneurs and their associations with the Government of the RS and other institutions at the level of RS and BiH, promoting entrepreneurship and support innovation activities, organizes, collects and processes of legal and other information of interest to small and medium enterprises, and to participate in international projects and their implementations.

3.5.2 Human resources

As it is foreseen that the pilot stage should be implemented as project, this would then demand one person to serve as the project manager to handle the related administrative burden. This person could come from UPC or RARS, depending on the source of funding of the project.

The below mentioned project Krajina Innovation Facility will cover training and coaching of ISC staff, who will then serve as ISC officers, which means that ISC officers will work with candidate and selected SMEs in defining the need and profiling the Innovation officer, as well as training, mentoring, coaching and monitoring the Innovation Officers along the way.

In this concept RARS could be managing body of the specialised fund or an intermediary organisation to access a fund governed by some other party.

3.5.3 Possible users of the measure

Possible users would be export oriented SMEs, from metal, wood and food processing sectors, registered in the area of Krajina and with a concrete project that needs to be implemented.

3.5.4 Procedures for implementation of the measure

Steps

1) Independent representative of an intermediary organisation (ISC) initiates intake conversation with SME;
2) This person and the SME representative(s) define the problem/opportunity;
3) Written description problem/opportunity (innovation project);
4) Intermediary organisation (RARS) roughly judges the plan;
5) SME and ISC start looking for a Innovation Officer;
6) The plan and the Innovation Officer are presented to an independent committee;
7) This independent committee decides to grant or to decline the request for an innovation officer;
8) ISC trains the Innovation officer;
9) Innovation Officer starts working and makes quarterly reports;
10) ISC coaches and mentors the Innovation officer;
11) SME pays salary to the Innovation Officer;
12) SME gets money back from Intermediary (RARS) (every 3 months), based on the reports the SME and the Innovation Officer make.

3.5.5 Public calls

As this is a new concept and there is no awareness about it in the country, we propose that, in the pilot project we take a direct approach instead of a public call. We suggest to find participating companies in the pool of contacts of the participating organisations (ISC, RARS, MIER), and approach them with this initiative. As the ISC officers will be already actively seeking out and working directly with companies in defining problems/opportunities that the companies might need some help with (through Krajina Innovation Facility project), they could propose the Innovation officer concept as one of the tools in their toolbox. If the company accepts this proposal, then the procedure for implementation of the measure can start.

3.5.6 Selection and awarding of users

Applicants should be screened on the quality of the proposed innovation project that the proposed innovation officer is to work on, and on the expected and potential impact on the implementation of the Innovation officer project and on the company proposing it.

This screening and selection would be done by and independent committee consisting of representatives of RARS, the funding source, and minimum three independent experts from the corresponding fields to the companies' field of work and in relation to the project proposed.

3.5.7 Monitoring of the implementation of the measure

Monitoring of implementation should be done midterm, by an independent expert.

3.5.8 Evaluation of the realisation of the measure

The overall evaluation will be done by an external organisation.

3.5.9 Publicity of the implementation, results of the measure

Upon the evaluation report, the project consortium will prepare presentations and recommendations for the implementation of the measure on a permanent basis and larger scale. This will then be presented at a round table for representatives of the Republic of Srpska (RS) government, preceded and followed with individual meetings with representatives of relevant bodies. If supported by the RS government, we will than proceed with promotions towards companies, via direct approach and group presentations organised by the project consortium and partners.

An additional advocacy and promotional campaign will be conducted in the Federation BiH, starting with organisation of a country level meeting with representatives form RDA, and if they accept this initiative, than with the representatives of Federal and cantonal governments.

3.5.10 Budget:

The pilot project budget is calculated to directly reflect the number of companies/Innovation officers participating in the programme. It would consist of three parts, the subsidy for Innovation officers' salaries, cost for work of ISC (diagnostics, training, mentoring...) and project administrative costs.

Subsidy - if the pilot is meant for 10 companies, which means engaging 10 Innovation officers for up to 12 months each, the proposed subsidy is **EUR 400,00** per month per company, which amounts to **EUR 4800,00** annually for each of them, or **EUR 48000,00** in total for 10 companies. Depending on the complexity of the proposed project by the company, Innovation Officer can be an experienced or inexperienced (recent graduate) person, but that is not reflected in the total amount of the subsidy per company. Instead we propose that this is reflected in the percentage of the salary covered by the subsidy. This means that it can be 30 to 50 %, while the employer should cover the difference, where the amount of experience should be reverse proportional to the percentage of the subsidy, and the total salary proportional to the experience.

NOTE (food for thought): We could define the grant per company, instead of per Innovation Officer, this could add more flexibility to the measure. So the company could for example hire two people with different backgrounds (e.g. technical and management) in the different stages of the innovation project. But the total grant amount per company would remain unchanged.

ISC officers - budget would be defined as 40 hours of consultancy per company, including initial diagnostics, training mentoring and coaching of Innovation Officer. With an hourly rate of **EUR 50,00,** the cost per company would amount to **EUR 2000,00**, or **EUR 20.000,00** for 10 companies.

Administration of the measure – calculated ad **7.5 %** of the total cost of the programme, is also dependent of the number of companies involved and in this example for 10 companies, it would be **EUR 5100,00**, as the direct cost of the program is **EUR 68 000,00**.

Total costs of the program would thus amount to **EUR 73.100,00**.

3.5.11 Administration of the measure

As BiH has a complex and multileveled government structure it is impossible to name either one ministry or development agency to govern or fund such a programme, especially one that would be politically and universally accepted across the country. Therefore we propose an incremental approach to develop the scheme at country level as the ultimate goal. The first stage would be the pilot programme to test interest, capacities of the companies and service providers, to develop the methodology and essentially to provide the proof of concept

for further lobbying. In this first (pilot) stage we propose to limit the action to the northern region of the country, called Krajina.

The proposal of this particular territory comes from recently acquired information regarding the existence of complementary programmes named *Krajina Innovation facility* (Establishing Innovation Support Centres - USAID) and Krajina Credo project (SIDA) and combines this with the initiative of this project. *Krajina Innovation facility* will create (minimum) three Innovation Support Centres - ISC (within existing business development organisations from this area, in Banja Luka, Bihać and Prijedor). The role of ISC foreseen is essentially to work as an intermediary agency, in the same manner that Innovation officer concept proposes.

Therefore we propose to use the same business development agencies to serve for testing and later the core group of intermediary agencies to implement the scheme at country level. This concept proposes that the hosts of the ISC are UPC Banja Luka, PREDA Prijedor, Plod Centar Bihać, with involvement of other agencies, especially RARS, EDA and RS Chamber of commerce, and others.

ISCs would be serving as service providers for training, coaching and mentoring of Innovation officers and for assisting in articulation of needs of the companies.

RARS would conduct the selection of SMEs, monitoring of implementation and facilitate distribution of funds.

3.5.12 Financing the implementation of the measure

On Republic of Serpska level, there are currently three ministries that could be responsible for such a funding this scheme: the Ministry of Science and Technology RS (MNT), the Ministry of Industry (MIER) and the Ministry of Labour. However, there are no available funds in this moment that could be used for this purpose; therefore this personnel as well as Innovation Officer, at this stage will need to be financed from alternative sources.

3.6 Possible barriers and obstacles in implementation of the measure in WBC

3.6.1 The pilot project in the Republic of Serbia

The financial resources could be the greatest risk. The effects of the economic and financial global crisis are still evident, and the impact of the national economy and national budget are struggling to survive. Therefore, this risk must be considered as real and treated as a potential obstacle.

Also, the lack of expert capacities in this field and demand for their services is another warning issue.

3.6.2 The pilot project in the Bosnia and Herzegovina

Primary issue for implementation of the measure is that the complexity of the country organisation creates a situation where there is no region or country level institution that should/could be responsible for financing and governing this measure.

On entity level there are a couple of ministries that handle financial support programmes for companies, but these are highly segmented, in terms of which sectors and which types of subsidies they cover, so we cannot name one to be a sole carrier of this particular subsidy.

In addition, most of the previous subsidy programmes that existed in the last years were either terminated or scaled down. We have contacted a number of these entities and so far we haven't received positive answers in terms of available funds for this measure at this

moment. However, some suggestions proposed integration of this concept for the next year and as addition within some existing funding programmes.

On top of that in the Federation of BIH, added complexity comes from the cantonal level governments, which multiply the above mentioned issue by 10. This means that if we wish to implement this measure at country level, we would have to contact each of these actors individually to get them on board, which adds a significant amount of work load and leaves a lot of room for negative response.

Although we have proposed that in the second stage of the implementation, we should implement this in cooperation with other regional development agencies and the Ministry of Civil Affairs leading the way. This might prove to be a highly controversial concept, as the RS Government might perceive this as another attempt to transfer jurisdiction of something at BiH level. So if this rout is taken, it should be treated carefully, and we believe that the chances of success are greater if the process is conducted in a bottom-up approach, led by organisations form RS in conjunction with regional and local actors from Federation of BIH.

At company level, the interest and need in this kind of support has yet to be proven, as at the moment we are basing our assumptions on research conducted in other countries.

Also the pool of potential Innovation officers might prove to be skim or none, which will in part depend on the proposed projects and profiles of Innovation Officers by the company, but also on the general availability of experts and graduates in certain fields. Regardless of their background and precious experience, most of them might need additional training, which will probably add more stress to the cost of the action.

4 Pilot project: Innovation Voucher scheme

4.1 Description of the measure

This pilot project emphasises on how important it is for SMEs to utilise external sources of expertise. Because SMEs generally lack the necessary manpower and resources, they run into seriously delays when it comes to developing their own know-how, and such delays cause them to miss out on market opportunities or to exploit them only to a limited extent. The point of the project is to convince SMEs that much of the knowledge and expertise that they require has already been developed by so-called knowledge institutions, consultants and (large) companies, where it is in plentiful supply and, above all, available to them. By drawing on (or, if need be, purchasing) existing know-how, SMEs can develop more quickly in ways that would be unattainable to them on their own. Expert, independent, external input can also act as a tonic, quickly giving companies new ideas and fresh inspiration. External contacts often provide an impetus for new ways of thinking within companies, so that on balance, they can take the know-how they have to a higher level than if they had developed it on their own. Various studies have emphasised the importance of regional exchanges of knowledge, both for companies and for the region itself.

Compared with large companies, many SMEs seem to tackle innovation in relative isolation. Large companies make use of more sources of knowledge than small and medium-sized ones: "The extent to which innovative companies use sources of information increases systematically as companies get bigger. That is especially the case when it comes to calling in consultants"

The basic assumption is that there is a great deal of valuable know-how and expertise "held in stock" at knowledge institutions and big companies which is, in essence, also available to SMEs. Although it would seem the most obvious thing in the world for SMEs to make use of this know-how and expertise, they do not know enough to actually exploit this opportunity. On the one hand this may be a question of embarrassment – such companies are used to developing everything themselves and often would not want to admit that they lack a certain type of knowledge –, but on the other hand they often do not know where to start or how to organise themselves, or they may have other reasons for not wanting to look for external sources. Indeed, they may not have even made a conscious decision not to seek help externally. What certainly plays a role is the huge gap between SMEs and knowledge institutions; often the two speak different languages and struggle with the fact that supply and demand are not well organised. To get supply and demand moving in the same direction a pilot project with Multinational DSM was set up in the Netherlands in 1996 initiated by Mr. Jean Severijns. As project manager Internationalisation at the province of Limburg he implemented a new instrument: "the research voucher". Later the name was changed into "knowledge voucher".

An important element was the improvement of the competitiveness of the region by mobilising stakeholders, increase communication and improve the innovation level of the region. After this pilot many more voucher schemes were developed both in Limburg, The Netherlands and the rest of Europe and the world.

4.2 Development of the measure in country of origin

The voucher system was developed in an experimental way. Companies were selected from a target group. Some 20 companies were given the opportunity to use external expertise for a 3 day period. The experiment turned out to be successful. Many follow-up projects were developed involving more knowledge providers and more participating SME's.

An overview of a number of voucher schemes implemented are presented in the table below:

Limburg, awareness raising, demand driven No.	Project name	Initiated	Time frame	Area	Cross border	Voucher size	Private	Public	Governments involved	Implementation organisation	Particularities	Total cost project	Financers	Number of vouchers implemented	Number of vouchers asked	Goal was
1	Researchvouchers	1995/1996	1997-1999	Limburg	no	€ 2.700	DSM			LIOF	First Pilot Project, system developed, additionality	€ 136.000	Province of Limburg, LIOF. DSM	20	66	20
2	Knowledge Voucher	2000/2001	2001-2004	Limburg, Brabant, Zeeland	no	€ 2.700	DSM, Philips,Sergem, Eldim, Herema, Schelde, Akzo,Cosun Food, Nova Chemicals, CMM, PD&E		Limburg, Brabant, Zeeland	RDA's;BOM, LIOF +Syntens	South Netherlands, additionality	€ 775.000	Limburg, Brabant, Zeeland, BOM, LIOF, Syntens	59	160	70
3	Interregio vouchers	2000/2001	2001-2002	South Netherlands, Flanders Belgium	Yes,	€ 4.500	DSM, Mechatronics Centre,Design Centre	UM,,TNO, , WTCM, Vito, LUC, Verpakkingscentrum	Interregio Brabant Limburg	LIOF, GOM, Syntens	Cross border pilot + start public and pivate	€ 61.728	Limburg, Brabant, Vlaanderen, EU (Interreg)	6	?	6
4	Cross Border Vouchers	2002	2004-2006	Limburg+Brabant +Belgian Limburg	Yes,	€ 4.500	DSM, Mechatronics Centre,Design Centre, Leuve Measurement Systems	UM,,TNO, , WTCM, Vito, LUC, Verpakkingscentrum	Inerregio,	LIOF, Syntens Brabant + Limburg,Gom Limburg, Vlaams Brabant Antwerpen	Upgrading pilot	€ 235.000	Interregio, EC (Interreg 117.000) , + implemenation organisations	26		26
5	Innovation Vouchers Benelux Middle area	2003/2004	2004-2007	N.Brabant+ Limburg (NL)+ Limburg, Vlaams Brabant Antwerpen (BE)	Yes,	€6000+500	DSM, Mechatronics Centre,Design Centre, Leuve Measurement Systems (49 in total)	UM,,TNO, , WTCM, Vito, LUC, Verpakkingscentrum	Limburg (BE), Vlaams Brabant, Antwerpen, Limburg (NL), Brabant (NL)	LIOF, Syntens Brabant + Limburg,+ Vlao Antwerpen, Vlaams Brabant en Limburg	500 € extra for SME's in Limburg (NL) because of Parellel project Knowledge Bridge (Vouchers in Limburg NL)	€ 792.000 (480.000)	Interreg 400.000, Intermediaries 200.000 (kind +cash), governments NL+BE 180.000	81		80
6	Knowledge Bridge	2004	2005-2007	Limburg (NL)	no	€ 6.500			Province of Limburg,	LIOF and Syntens	Extra Acceleration for Limburg	€974.000 (660.000)	Syntens, LIOF, Province of Limburg (NL)			100
7	Knowledge broker	2007	2006-2008	Limburg-Aachen region	Yes,	€20.000 (14.000)		RWTH (institutes)	Province of Limburg,	Syntens, LIOF, IHK	Voucher size bigger	€ 800.000	Province of Limburg, Ministry, Companies (157.000)	(9) +6	65	10

National Voucher-schemes, stimulate	Project name	Initiated	Time frame	Area	Cross border	Voucher size	Private	Public	Governments involved	Implementation organisation	Particularities	Total cost project	Financers	Number of vouchers implemented	Number of vouchers asked	Goal was
1			2004	Netherlands	no						first pilot		Ministry	100		100
2			2005-1	Netherlands	no						second pilot		,,	400		400
3			2005-2	Netherlands	no						third pilot		,,	600		600
4	Innovationvoucher 2006	2005	2006								Small-big vouchers-split, 3000x 2500 and 3000x7.500)	30 mln.	,,	6.000		6000
5	Innovationvoucher 2007		2007								Split small-big	30 mln.	,,	5.910		6000
6	Innovationvouchers 2008		2008		yes, internat	2.500 +7.500				Senter Novem						
7	Innovatiovouchers 2009		2009		yes, internat	2.500+7.500	100	300		SenterNovem	Patent voucher with public voucher	35.mln.(private cofin. 8.750.000)	,,	7000		3500 big, 3500 small
8	Innovationvouchers 2010		2010		yes, internat	2.500+ 7.500	100	300		Agentschap.nl	Elections! Budget 2011?	41 mln. (private cofin 11 mln)	,,	8300		(2010)3143+1000 big, publ. +priv., 3142 +1000 small public and private

In all Voucher Systems there are 3 parties involved:

4.2.1 Implementing agency

"The lack of a clear demand calls for a pro-active policy approach with regard to business firms. This requires making actual contact with SMEs, earning their trust and defining their problems and strategic questions and directing them to the right sources for answers"

The most important goal of the implementing agency is to bridge the gap between demand and supply.

Whatever system is chosen, representatives have to be:

- Independent;
- Speak the "language" of the entrepreneur/client;
- Capable of problem definition;
- Available time for guiding the process (3-4 days per voucher namely; acquisition SME's, definition problem, searching provider, guiding the process and evaluation). This should not be underestimated;
- Build trust, both with the entrepreneur as well as with knowledge providers;
- Capable of identification of the right knowledge providers;
- Able of "guiding" the process.

Best thing is to choose an existing organisation that already is responsible for the support in the direction of companies. This can be a Regional Development Agency (RDA), Chamber of Commerce, business centre, governmental support agency etc. Also Universities or Tech Transfer Agencies of Universities are possible candidates but in many cases they are less independent from the service provider/problem solver. It is up to the region to make a proper choice in a way that provides the best possible solution. Perhaps not specifically in a first pilot project situation, but later on while upgrading, it makes sense to choose an organisation that also provides other services to companies. In this way vouchers are not the only product that is offered but part of a broader product portfolio.

4.2.2 Users and voucher products

The purpose of the pilot project is to provide an understanding of the process by which SMEs exploit existing knowledge and expertise. The intention is also to find out whether, and to what extent, a knowledge voucher would be a suitable instrument to achieve the main aims.

The SME world is also more regional than that of bigger companies, and SMEs are often unused to working out technical issues in writing in any great detail. Personal, face-to-face contact and regional proximity are important factors when it comes to specifying the problem or the demand for knowledge and clearly conveying the solution (the supply of knowledge).

This has an influence on the products that will be offered. It is up to the region what type of knowledge will be brought under the "voucher regime" in general and in some cases in particular. There are many knowledge services that can be offered to SME's. Since a voucher is not a subsidy most of the regions exclude products and services that are simple and can be bought over the counter. In other words offers that do not need a discussion or explanation.

A voucher is meant to raise awareness about innovation processes with the help of an external provider. 3 days free of charge innovation/research support is enough in most cases to start solving a problem. We are dealing here with applied know how, not fundamental research. (list possible services).

Choosing from this list (or from another source) is up to the regions. Other organisations in existing voucher schemes also did this.

The choice also depends on the state of the art in the pilot region (advanced SME's-less advanced SME's) and the structure of the pilot (start with one or more suppliers).

Example from Brno: excluded standard training courses;

- software purchases;
- advertising materials - design and production (including website development);
- standard services (e.g. auditing, accounting, sales activities, etc.);
- legal services;
- grant consulting;
- internships for students
- aid that would promote/subsidise the cost of exports
- material purchases (excl. Material necessary for delivery of the service).

Included:

- Product / process / service development
- Testing and measurements
- Feasibility studies
- Prototyping
- Product design
- Business plan for an innovative product
- Economic impact assessment
- Market analysis / Marketing strategy
- Innovation / technological audit
- New business model development

To avoid discussions with State aid regulations, in the Netherlands the choice of offers were brought in line with the regulations of Omnibus Decentralise Settlement, module 6.

4.2.3 Knowledge providers

Knowledge providers came both from the private as well as from the governmental environment. Important is that they have the knowledge to advise and/or solve problems. Normally an intermediary advisory organisation guides SME's to third parties, the real problem solver.

Questions and experiences with voucher schemes:

- Knowledge providers coming from the region or from a broader area (Country, rest of the world)
- Provider in a specific domain or broader disciplines
- Provider with experience or not
- Provider with connections and links already to SMS's or not
- Public and/or private (SME's, Multinationals, Research centre, Universities, consultants that have knowledge)
- Big or small organisations
- Is the knowledge voucher activity in line with existing activities or is it completely new?
- Only (list of) qualified providers with proven track record plus proven qualifications or everyone

Important is the personal organisation within the providers "company".

In general, one needs a "gate keeper" within the organisation. He/she is responsible for the (first) matchmaking and knows who is capable of what in the providers organisation. This is

also the first contact person for the intermediary organisation and the SME that have a (written) question.

4.2.4 Budget - Financing and management:

These elements heavily depend on the choices that are made in the (pilot) project.

How many vouchers, how many consultancy days, how is the support organised, experiences stakeholders or not etc. etc.

There are many voucher schemes in the Netherlands, Europe and outside Europe. Every scheme is different according to specific circumstances, demands and financial possibilities. In general pilot regions have to make up their mind about their specific situation.

4.2.5 Administration of the measure

It depends on the way the voucher scheme is structured (national, regional) but in most cases the administration is done by the intermediary organisation because they have the best overview of the whole process and (financially) administer the vouchers. In some cases a national implementation organisation cooperates with regional intermediary organisations in order to aggregate the regional figures and experiences to a national level.

4.2.6 Financing the implementation of the measure

- On average the value of a voucher being the right of receiving advise/consultancy/help is 3-4 days. This is enough for an awareness raising exercise. The goal is not to provide a subsidy (although this is what some regions do). Of course there are exceptions: E.g., when you choose for involving extremely expensive advisors/professors from famous institutes helping you to discuss difficult technological problems, one could go up to 7-8 days or expressed in value, up to for instance € 10.000.
- Efforts involved by the SME. The efforts the SME themselves have to put into the process, depends on as many things as one can imagine (type of question/problem, who is involved, urgency to solve, lead time etc. etc.). In the budget calculations the costs related to the involvement of the SME are (in most cases) not calculated but this does not mean that it is not possible (as a co-financing possibility).
- Another relevant question is the financial co financing contribution of SME's. One can consider this as an extra motivation for the participant and/or in cases when the voucher volume is relative high (€-6000-8.000 for instance). I calculate here with western European figures. One has to adopt it to the relevant regional/national circumstances of course.
- In general there are different categories of costs
    - Preparation costs
    - Personnel costs intermediaries
    - Voucher costs
    - Platform costs (optional)
    - Seminars and workshops (optional)
    - Promotion and communication
    - Evaluation costs (external?)
    - Coordination costs (project management +secretariat)
    - Unforeseen (optional)

  In general one can count with cost vouchers is +/- 30-60% of total cost. This depends on the number of vouchers and voucher size mainly because a number of other cost issues are fixed cost to a certain extend.

In general all direct costs related to the implementation of the voucher contract can be subsidised, such as: direct hours spend by the knowledge provider, materials costs, travel costs (not from home to work), etc.

In most of the cases intermediary organisations contribute partly in kind.

4.2.7 Human resources

- It costs the intermediary person also +/- 3 days for guiding the process. As was stipulated earlier, this has to do with selecting the SME, visiting the SME, problem definition, searching for supplier, organising communication, guidance and reporting. Do not underestimate the time needed for this part of the pilot!

4.2.8 Management

- The management of the voucher project is mostly done by one of the intermediary organisations. They have the total overview, are neutral and do not have a direct (financial) interest. They manage, they budget, and monitor the process, organise the evaluation and chair eventually a monitoring group. Since they are also subject to be evaluated, a neutral third party can be asked to evaluate the whole process (calculate budget in this case).

4.2.9 Operational staff

How many operational staff is needed, depends on the size and other characteristics of the project, like number of participants/ vouchers, regional, cross-border, international providers, financial volume, experience degree of knowledge providers and intermediary organisations, centralised or decentralised approach etc.. A guideline are the remarks written under 4.2.7 Human resources.

4.2.10 Users (beneficiaries, clients) of the measure

Relevant questions in the Pilot project but also in the voucher projects implemented until now. All the next issues were chosen from in the different voucher schemes. There is not a good or a wrong answer. It depends on own choices and available resources.

- How many vouchers/SME's in this pilot project? (5, 10, another number?)
- Size companies (<250 like the SME definition. For instance 15-250 employees) or any size <250 employees. This means also very small companies (<5 persons). It depends on your goal. Is contacting a provider for the first time enough or does the pilot want to really stimulate innovation?
- Keep in mind that it costs time also for the SME to guide the voucher process.
- Companies from all sectors of specific sectors that match existing or future economic policy
- Companies that already use external knowledge providers or companies that do not.
- Companies in a specific geographical area or a broader area
- (technological/innovative) level of company, innovation leader, follower, lagging?

A Voucher is an instrument to raise awareness. This is different from innovation subsidies or tax credits.

For further issues, please see remarks under 4.2.2.

4.2.11 Procedure for implementation

In general a limited number of non-transferrable research vouchers will be supplied to companies in the target group which allowed them to seek 3-4 days of advice from knowledge suppliers in or outside their region free of charge.

The approach can be described briefly as follows: for instance:

- Independent representative of an intermediary organisation initiates intake conversation with SME
- This person and the SME representative(s) define the problem/opportunity
- Written description problem/opportunity
- Search for proper knowledge provider by intermediary organisation
- Knowledge provider makes an offer
- If intermediary and SME agree with the offer, SME gets voucher
- Cooperation between SME and knowledge provider
- Knowledge provider solves problem/delivers services
- SME pays knowledge provider Inc. VAT
- SME gets money back from Intermediary (without VAT)

4.2.12 Public calls, ToR (Term of Reference) for would-be applicants

In most cases a voucher scheme is not a subsidy instrument but an awareness raising tool to be used by existing intermediary organisations. In most of the cases Intermediary organisations are (portly) controlled by governmental organisations. These (financially supporting) governmental organisations know what intermediary organisation is best equipped to implement voucher schemes. So they can ask (their) intermediary organisation to run the project. The initiative can also come from an intermediary organisation themselves. They can then apply for (European) subsidy.

4.2.13 Criteria for selection

The criteria to choose an implementation organisation are best described under 4.2.1

4.2.14 Procedures for selection

See 4.2.1.

4.2.15 Awarding of applicants

Described under 4.2.10

4.2.16 Procedure for complaints

In most cases not relevant; neither for the implementing body, nor for the SME's that uses the vouchers. In most of the cases the financial volume per SME is so small that creating a structure for complaints makes no sense. Besides, if the procedure is followed as described under 4.2.11 there is no moment to complain because the voucher will not handed over if there is no agreement on the content.

4.2.17 Monitoring of implementation of measure

4.2.18 Reporting

In many cases an independent external organisation like a university or a consultancy group, not involved in the project itself is asked to monitor the developments during the project. The cost of this evaluation is part of the financial scheme. Make sure that an amount is reserved

in the budget. One can do a midterm, ex post of ongoing evaluation. This depends on the lengths of the scheme. If there is time enough perhaps an ongoing evaluation is preferable because then you have the opportunity to make ongoing changes during the project.

4.2.19 Interim evaluation of the implementation of the measure

See above.

4.2.20 Evaluation of the measure

Besides helping to achieve the aforementioned aims, the purpose of the in project in general is to provide an understanding of the process by which SMEs exploit existing knowledge and expertise. The intention is also to find out whether, and to what extent, a knowledge voucher would be a suitable instrument to achieve the main aims. The evaluation therefore has to clarify the considerations/motives that play a role in convincing SMEs to purchase external knowledge to solve technological problems, and to what extent knowledge vouchers would be a suitable tool to encourage them to do so in a consistent manner. If there is sufficient evidence that the instrument is suitable, then the voucher system would most likely be extended in a follow-up project

One can consider the voucher project a success if the barrier to approaching external knowledge institutions is lower than before the company took part in the project. Quite apart from the question of whether a useful solution was found, the companies' own experiences could give an impression in this regard. The project could possibly also improve the ability of companies to identify the right institution to contact, because they would now have a better picture of what external institutions could offer them. "Real" follow-up assignments would be the best "hard evidence", to measure these longer-term effects.

Besides testing the effectiveness of this instrument, also its efficiency can be considered. Therefore it is necessary to make changes possible during the pilot process to check whether the changes made to the approach during the process itself had led to improvements, or whether other changes would be preferable in any follow-up.

4.2.20.1 Ex-post evaluation of the results

One can differentiate the evaluation results. A more precise description with examples of questions for the different parties involved can be found in the paper KVoucher (annex). For an evaluation of the first pilot voucher scheme in Limburg see Wintjes (1999), available at: http://www.kennisvoucher.nl/dloads/Research%20Vouchers%20pilot%20Evalution%20English.pdf

4.2.20.2 Cost-benefit analysis

This is an element described in the paper mentioned under 4.2.20.1.

4.2.20.3 Impact evaluation

In general one can say that the impact of the voucher scheme is very positive. The intermediary organisation receives an additional instrument to help SME's, knowledge providers learn about the knowledge within their own organisation, and SME's are supported to solve their problems/use opportunities. It turned out that in general in 40% of the cases after having used the voucher opportunity, SME's gave a contract paid by themselves to knowledge providers. Besides, the fact that knowledge voucher schemes are implemented all over the world shows that the impact on all involved parties is positive.

4.2.21 Publication and dissemination of the information about implementation, results and impacts of the measure

This depends heavily on the goal(s) of the initiating and implementing stakeholders and the criteria of the financing (regional, national and EU) bodies. In most cases the publication and dissemination of the results serves more than one goal. Governments show impact of their policies, intermediaries justify the result of their activities, knowledge providers show their know-how and openness and SME proudly show the results on project or service level. Most of all it is an instrument to acquire new SME participants in new follow-up projects.

4.3 Setting-up of measure in WBC: Croatia

While in the previous chapter we try to provide a rationale with important choices that one should make when creating an efficient new instrument, in this chapter we try to make it operational.

4.3.1 Organisational structure(s) of implementing agency

Since we made the choice that HAMAG –BICRO is the implementing agency, it comes naturally that this new scheme goes together with other schemes that support innovative SMEs under the Sector for innovation within the agency. Director of the sector will supervise implementations of the measure according to the approved manual of operation.

4.3.2 Human resources

4.3.2.1 Management

Director of the sector for innovation will spend around 10% of his FTE on this scheme, securing that the measure is presenting to the right audience, that taken procedures are in alignment with the operational manual and to manage situations that are not covered with the manual in order to achieve the best positive impact.

4.3.2.2 Operational staff

For this size of measure probably one person is enough, but since it is a new scheme and it is important to have good operational manual and effective implementation, it is necessary to have at least 2 persons on the ground.

4.3.3 Possible users of the measure

Since this is a pilot instrument the best approach is to work on the pool of the beneficiaries that we already know. Therefore we propose to work with 200 companies that we already have worked with. In this sense we know the audience and we can focus on procedures and ex-post evaluation and impact analysis.

4.3.4 Procedures for implementation of the measure

4.3.4.1 Public calls

There will be a restrictive public call to the beneficiaries that have been already engaged on other projects in order to provide better analysis of the instrument. The public call could last between 4 and 6 weeks.

4.3.4.2 Selection and awarding of users

Selection will be made upon defined criteria, which will have special attention to the SMEs contribution, and type of services provided.

4.3.4.3 Monitoring of the implementation of the measure

The sector for monitoring will define key indicators that will be monitored. There will be budget-clearing actions towards eligibility of cost covered by the project. One person from monitoring will spend 50% of his/her time during of implementation of the scheme.

4.3.5 Evaluation of the realisation of the measure

After realisation of the measure, administrators will report on implementation findings, which include: number of companies approached, number of knowledge providers approached, time spent per project, number of projects contracted. The Monitoring unit will provide information on indicators and budget spending. Manager of innovation sector will provide input with accomplishments and shortcomings of the measure. The data can be given to an outside expert, who can (within a couple of working days) examine data and interview the team and deliver ex- post analysis.

4.3.6 Publicity of the implementation, results and impacts of the measure

An information officer will be in charge to raise awareness about the scheme, launch public tender, and disseminate information about contracting, results and ex-post analysis of the measure. It is envisaged that will take 10 % of his/her FTE.

4.3.7 Budget:

The budget for voucher scheme implementation includes:
- Cost of the voucher scheme in amount of 30.000 EUR
- Personal cost
  - 10% FTE of Sector for innovation director
  - 200% FTE of operation staff
  - 50% FTE of monitoring person
  - 10% FTE of information officer

  during the project implementation.
- Ex-post evaluation in amount of 5.000 EUR
- Overhead cost in amount of 10% of above mentioned costs.

4.3.8 Administration of the measure

Administration of the measure will create additional documents:
- Operational Manual
- Public Call
- Ex post evaluation

4.3.9 Financing the implementation of the measure

Financing the measure will be secured from budget allocated for HAMAG-BICRO instruments.

4.4 Setting-up of measure in Kosovo[3]*

4.4.1 Organizational structure(s) of implementing agency

Centre for Innovation and Transfer of Technology (CITT) is an agency under the Ministry of Education, Science and Technology (MEST). CITT mission is to advance the linkage between science, technology and economies, aiming to foster technological development, support the innovation and protection of scientific and technological patents.

CITT will be responsible for implementation of Innovation Voucher Scheme.

4.4.2 Human resources:

CITT staff includes:

Professional (Experts) staff and Administrative staff.

4.4.3 Management

CITT will be responsible for overall management of Innovation Voucher Scheme, while the Scientific Council of MEST will serve in the evaluation committee of applications. Scientific Council of MEST is composed of experts from different scientific fields according to National Research Program.

4.4.4 Operational staff

- 2 administrative officer to assist applicants
- 1 expert

4.4.5 Possible users of the measure:

CITT aims to provide 10 vouchers during this initial pilot project phase. Target beneficiary group of the innovation voucher scheme are:

- Small and Medium Enterprises in Kosovo from all sectors;
- Association and Production companies
- Business Start-ups and young entrepreneurs

4.4.6 Procedures for implementation of the measure:

A call for application for innovation voucher scheme will be opened and published in MEST website, local newspapers and other information channels. CITT jointly with Chamber of Commerce and other partners from business agencies will promote the call for application and also provide information sessions for innovation voucher scheme.

Promotion will be carried out as a joint effort by the CITT together with BSCK WITH following measures:

- producing a pdf with the innovation voucher scheme description
- call for application will be distributed through direct mail to the target groups, using the addresses and networks of the Agency for SME's in Kosovo,

[3] This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.

- information on the websites of other business association in Kosovo
- using Social Media in Kosovo.

4.4.7 Selection and awarding of users

CITT will make the first selection of applications based on technical criteria.

CITT will establish a selection committee with representatives from academia, business association and SME Agency.

- Selection Committee will invite and initiate conversation with short-listed SME's,
- Selection Committee will evaluate all applications based on defined problem/opportunity by the Applicant, proposed knowledge provider, confirmation of cooperation agreement between Applicant and knowledge provider.
- Selection committee will give advantage to Applicant's proposals oriented in innovative products.

Innovation voucher scheme will be awarded to all proposals that include:

- Product / process / service development
- Testing and measurements
- Feasibility studies
- Prototyping
- Product design
- Business plan for an innovative product
- Economic impact assessment
- Market analysis / Marketing strategy
- Innovation / technological audit
- New business model development

Applicants are encouraged to propose knowledge providers:

- Public and/or private (SME's, Multinationals, Research centre, Universities, consultants that have knowledge)
- Provider in a specific domain or broader disciplines
- Provider with experience, with proven track record plus proven qualifications
- Provider with connections and links already to SMS's
- Big or small organizations

Applicants are encouraged to include their co-financing contribution.

4.4.8 Monitoring of the implementation of the measure

CITT will monitor the developments of the awarded applicants and inform MEST and other members of the Selection Committee for the implementation of awarded applicants with innovation vouchers. After the approval of work plan proposed by applicants, first financial installment will be transferred, while after the submission of a final report (with impact analysis included) the final installment will be reimbursed.

4.4.9 Evaluation of the realization of the measure

4.4.10 Publicity of the implementation, results and impacts of the measure

CITT will publish a brochure for dissemination of the results achieved by beneficiaries of voucher opportunities.

4.4.11 Budget

20.000 EUR has been allocated to award 10 vouchers in the max amount of 2000EUR for 10 beneficiaries.

4.4.12 Administration of the measure

CITT will manage the voucher scheme implementation.

4.4.13 Financing the implementation of the measure

Ministry of Education, Science and Technology will finance the implementation of voucher scheme.

4.5 Possible barriers and obstacles in implementation of the measure in WBC

4.5.1 The pilot project in Croatia

The factors which could, eventually, jeopardize implementation of the voucher system in Croatia could be lack of financial resources and the on-going process of restructuring the system of the support of innovation activities in country and in particular agency HAMAG – BICRO. Having in mind experiences and role of the involved implementing agency HAMAG – BICRO it is reasonable to conclude that possible barriers and obstacles are on minimum level.

4.5.2 The pilot project in Kosovo*

Having in mind the fact that the voucher system is just launched in Kosovo* and the first 10 companies are awarded with an amount of 2000 EUR, it is unlikely that this pilot project could be cancelled in this phase. Monitoring of the realisation as well as evaluation of the results of the implementation of the scheme will be a major task for the implementing agency in near future.

5 Pilot Project Soft Landing Platforms

5.1 Description of the measure

Globalisation, new technologies and growth in the service sector are all being combined to quicken the pace of change today. In the knowledge-driven economy large and small organisations have begun to re-evaluate their products, their services, their processes and even their corporate culture. Companies need to be able to face an increasing competition from developed and developing countries and to get opportunities into new markets. International activities enhance growth, competitiveness and support long term sustainability of companies. This is imperative in the attempt to maintain their competitiveness in the global markets of today's highly competitive climate.
As technology and human resources define the levels of economic development, knowledge has become a driving force and the most important resource for competitiveness. Thus, companies have been forced to become flexible and integrate into different environments[4]. Entrepreneurs and companies with strong international networks achieve faster growth rates; reach their IPOs quicker; are more innovative; generally receive higher valuations and demonstrate a better ability to cope with periods of economic difficulty. The international network dynamic is of particular importance in sectors undergoing frequent technological change. There are hurdles that need to be overcome in order to create a smooth transition from one business environment to another:

- Different legal systems and tax systems apply in different countries;
- The market and client base in a foreign county can force a change in the business model; and
- Finding the right personnel in the foreign labour market might be a problem.

International networking and thinking internationally are currently two of the most important factors to support entrepreneurs in both start-up companies (as innovation generators) or in existing SMEs with high-growth potential (as innovation implementers). But only 25% of mid-European companies and less than 10% off all European companies are exporting. Therefore support policies and measures for internationalisation support are needed. For those entrepreneurs looking for early entry into international markets, their chances of success will be increased, if business internationalisation support services can also be provided by technology transfer intermediaries. In this context, some international co-incubation schemes seek to help enterprises gain access to export markets. Such business transition services are often referred to as Softlanding and are already offered as a new co-incubation service for innovation led companies that wish to explore new markets.

The business support service packages should be flexible, tailor made and focused on the individual company's needs. A high-level of adaptation and diversification of the services has to be considered as the needs of target companies can vary significantly. The dimensions define the expectation of effort, time and result. Besides a good result, the client requires a low price and good availability. In order to meet the client's requirements optimally, the Softlanding agency (hereinafter referred to as Technology Transfer Office [TTO]) must ideally arrange the three dimensions of effort, time and result.

The TTO's knowledge, contacts, expertise and networking skills make the market entry process for start-ups and visiting companies in another region easier and faster. Softlanding offers companies professional consulting and management services, which are necessary for a company to become established and begin commercial activities in an international scale:

[4] Prof. Dr. Toledo, PhD. Quelopana, PhD. Pollero - "Competitive Strategies for the Internationalization of Companies Based on Knowledge Management. Leader in R&D&I"

- Support in Business Planning like
  - IPR protection,
  - Market analysis and market development,
  - Pilot implementation,
  - Team recruiting;
- Access to partners in the business environment and governments;
- Access experts like lawyers, accountants, advisers, etc.;
- Access to Funding;
- Qualification, Training, Mentoring;
- Logistics: Access to offices, IT and admin packages.

Softlanding activities are an important instrument for the internationalisation of an innovative business. The created collaborations with partners from different regions and countries contribute to economic growth. Recently, this has proven to be an effective mechanism for improving the innovative application of research results, for business development support to start-ups and existing SMEs, and consequently for contributing to socio-economic development.

Expected impact:

The pilot-project **Soft landing platform services** should achieve the following main results:

- "International readiness assessment" of companies asking for support, for the incubator/business advisor of origin to evaluate the effectiveness of the request ("validate" the company or Soft landing Services);
- Company profiles, to be prepared by client company of the "sending" incubator and sent to the "host' incubator in order to prepare the visit;
- Service Level Agreement to detail the service and conditions between the hosting incubator and the visiting company;
- Fostering of international collaboration and international co-incubation.

5.2 Development of the measure in country of origin

5.2.1 Implementing agency

The General Directorate "REGIO" of European Commission has identified that while there are many tools within regional ecosystems to support the establishment and development of innovative firms, there are few if any tools to assist these companies to internationalise their operations through market development and other strategic partnership opportunities with firms and customers in other markets in Europe and globally. Therefore they launched a project (called TESLA) within their INTERREG programme to establish Soft landing schemes in the North-West European (NWE) area. TESLA partners are implementation agencies, such as Regional Development Agencies, Innovation Centres or Technology Transfer Intermediaries.

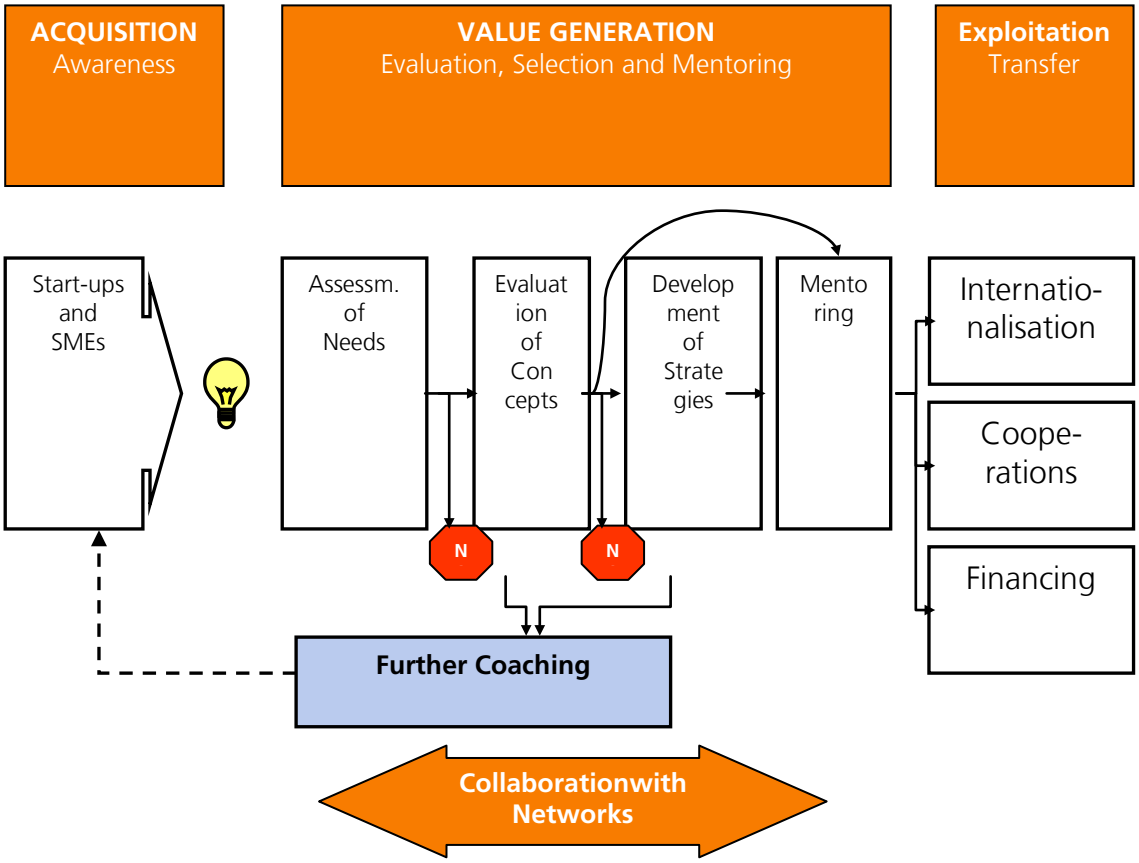
Through the project's so called "Soft landing Workpackage" (WP) they identify best practices across the regions, develop and deliver a range of transnational actions for knowledge intensive high technology start-up companies that are planning on internationalising their businesses in the coming years.

The Softlanding programme action delivers the design and production of targeted supports involving dedicated internationalisation experts & familiarisation with other courses/ programmes specifically designed to support start-up companies to develop markets abroad. The piloting & design of these supports take the form of a pilot action which is supported by the participation of all partners. The partners also engage the expertise of external internationalisation experts, who work directly on an individual and group basis with knowledge intensive high technology start-up companies with strong export potential that shall participate in the pilot.

Within this action a support process was developed, which consists of the following steps:

- Activities to identify target companies and beneficiaries, e.g.
- Fairs, trade events, matchmaking events
- Awareness raising
- Need and readiness assessment
- Generation of firm profiles
- Identification of mentoring and coaching support
- Training courses for incubation managers and business advisors
- Softlanding on-line platform
- Handbook to document the action and to illustrate the services

At the end, an integrated softlanding and internationalisation support package is offered to the target beneficiaries, as illustrated in the following chart:



5.2.2 Budget

The grant awarded for this work package amounts in total to 396.843 Euro to be allocated to the six European partner organisations participating in this measure for a duration of three years. The costs must comply with the provisions of General Conditions to the Standard Grant Contracts of CEC DG REGIO.

Every beneficiary is obliged to have the project accounts verified by a duly authorised auditor after the completion of the project. The name of this auditor (accompanied by the documentary evidence of its authorisation) has to be communicated to the Contracting Authority prior to signature of the contract.

5.2.3 Administration of the measure

The condition of participation is that beneficiaries, who submitted the described forms to participate in the programme, have successfully come through the selection process above and have received the approval as determined in the workpackage.

Companies identified through the TESLA project will be given the opportunity to choose from a wider range of potential host locations participating in the Softlanding scheme.The profiles of the so called "host incubators" are available on the so called TESLA platform.

Moreover, partners jointly identify relevant networking/trade events for client companies to attend either in their regions or in the destination countries to increase transnational linkages and attract companies to participate.

5.2.4 Financing the implementation of the measure

Eligible Costs were a set number of hours spent delivering coaching, seminars, and defined softlanding services. The costs had to be allocated in the following categories:

- Labours costs own staff
- Labours costs external experts
- Subcontracts
- Travel costs
- Costs for meetings and events
- Marketing and PR costs
- Administrative costs to be calculated at a rate of 11% of the labour costs for own staff.

The breakdown of the total budget to the participating entities is:

Partner Short Name	Country	Budget
EBN	Belgium	119.033 €
INI-Novation	Germany	78.980 €
LIONRA	Ireland	40.000 €
LMT	France	70.047 €
CIT	Ireland	61.783 €

5.2.5 Human resources

5.2.5.1 Management

Every partner had to provide two management functions in the project:

- Project manager and
- Financial manager or financial expert as administrative assistant.

The persons fulfilling these functions were not required to allocate all worked hours to this project.

5.2.5.2 Operational staff

Partner's staff members or external experts contributed to the following functions:

- Incubation and co-incubation operation

- Assessment of SMEs potential
- Market research and market analysis
- Marketing and PR, event organisation
- Communication and networking
- Coaching and mentoring
- Training

Diverse functions were allocated to the same staff or to external experts.

5.2.6 Users (beneficiaries, clients) of the measure

The beneficiaries are companies and SMEs, represented by their business managers and business advisors, interested in internationalise their market, with high potential to do this, needing support in setting up market strategy and relations out of their country. They are selected by the process illustrated above; their support needs were assessed by experts, and support measures applied according to the individual company's needs.

Potential beneficiaries were requested to complete a Needs Assessment Form which was modified in each participating partner region to suit the requirement of their participating beneficiaries. The partners and experts assessed the company's requirements and support profiles were generated, including specific recommendations for the Softlanding and Co-incubation schemes and services. On the basis of the results of the need assessment and the selection criteria chosen, action partners proceeded to the selection and noticed to selected practitioners the scheduling of the next steps to be taken. This information was also communicated to all TESLA partners at the TESLA Steering Board meetings, to approve the actions and to allow their support measures to be integrated into a complimentary service system.

5.2.7 Procedure for implementation

5.2.8 Public calls, ToR (Term of Reference) for would-be applicants

n/a

5.2.9 Criteria for selection

There were three sets of eligibility criteria, relating to:

- applicants which may request a grant and their partners;
- actions for which a grant may be awarded; and
- types of cost that may be taken into account in setting the amount of the grant.

In order to be eligible for a grant, applicants must:

- be legal persons and
- be nationals5 of a Member State of the European Union6 or of a beneficiary7 of support under the Instrument of Pre-accession Assistance (hereafter referred to as "IPA Beneficiary")8and

[3] Nationality is determined on the basis of the organisation's statutes, which should demonstrate that it has been established by an instrument governed by national law of the country concerned. In this respect, any legal entity whose statutes have been established in another country cannot be considered an eligible local organisation even if the statutes are registered locally or a "Memorandum of Understanding" has been concluded.

[6] Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden and the United Kingdom

- belong to one of the following types of organisation:
  - a civil society organisation (CSO)9 promoting the interests of specific groups, their membership/interest group at EU, international or national level;
  - a higher education centre or a research institute,
  - an international organisation10 as defined by Article 43 of the Implementing Rules to the EC Financial Regulations, or
- be directly responsible for the preparation and management of the action with their partners, not acting as an intermediary and
- be experienced and able to demonstrate their capacity to manage larger scale activities corresponding to the size of the project for which a grant is being requested.

Potential applicants could not participate in Calls for Proposals or be awarded grants if they were in any of the situations listed in Section 2.3.3 of the "Practical Guide to contract procedures for EU external actions" which is available from the following Internet address:

http://ec.europa.eu/europeaid/work/procedures/implementation/index_en.htm.

5.2.10 Procedures for selection

Applications were examined and evaluated by the Contracting Authority with the assistance of external assessors. If the examination of the application revealed that the proposed action did not meet the eligibility criteria, the application was rejected solely on this basis. All actions submitted by applicants were assessed according to the following steps and criteria:

- Step1: Administrative Check
  The following was assessed:
  - The submission deadline had been respected. If the deadline had not been respected the application was automatically be rejected;
  - The Application Form satisfied all the criteria specified in achecklist. If any of the requested information was missing or was incorrect, the application was rejected on that sole basis and the application was not be evaluated further.

  Following the opening session and the administrative check, the Contracting Authority sent a letter to all applicants indicating whether their application had been submitted prior to the deadline, and informing them of the reference number that they allocated and whether they were recommended for further evaluation.

- Step 2 Evaluation of the Full Application
  The evaluation of the applications that had passed the administrative check covered the relevance of the action, its merits and effectiveness, its viability and sustainability.

  An evaluation of the quality of the applications, including the proposed budget, and of the capacity of the applicant and its partners, was carried out in accordance with the evaluation criteria set out in anevaluation grid. There were two types of evaluation

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7 Albania, Bosnia & Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, Turkey and Kosovo under UNSCR 1244/99.

8 This obligation does not apply to international organisations.

9 CSOs consist of not-for-profit organisational structures outside government and public administrations,whose members have objectives and responsibilities that are of general public interest and which also act as mediators between citizens and public authorities.

10 International organisations are international public-sector organisations set up by intergovernmental agreements as well as specialised agencies set up by them; the International Committee of the Red Cross (ICRC) and the International Federation of National Red Cross and Red Crescent Societies, European Investment Bank (EIB) and European Investment Fund (EIF) are also recognized as international organisations.

criteria: selection criteria and award criteria.The selection criteria intended to help evaluate the applicants' financial and operational capacity. The award criteria allowed the quality of the applications submitted to be evaluated in relation to the set objectives and priorities, and grants to be awarded to actions, which maximise the overall effectiveness of the Call for Proposals. They enabled the selection of applications which the Contracting Authority was confident comply with its objectives and priorities and guarantee the visibility of the EU financing. They covered such aspects as the relevance of the action, its consistency with the objectives of the call for proposals, quality, expected impact, sustainability and cost-effectiveness.

Provisional selection: Following the evaluation, a table listing the applications ranked according to their score and within the available financial envelope was established as well as a reserve list following the same criteria.

5.2.11 Awarding of applicants

Applicants were informed in writing of the Contracting Authority's decision concerning their application and, in case of rejections, the reasons for the negative decision.

5.2.12 Procedure for complaints

Applicants believing that they had been harmed by an error or irregularity during the award process were allowed to file a complaint according to the regulations and provisions as mentioned in the "Practical Guide to contract procedures for EU external actions".

5.2.13 Monitoring of implementation of measure

5.2.13.1 Reporting

During the project 6 interim reports had to be produced, which were reviewed and finalised at technical meetings involving all partners.

5.2.13.2 Interim evaluation of the implementation of the measure

The Softlanding programme delivered the design and production of targeted supports involving dedicated internationalisation experts and familiarisation with other courses and programmes specifically designed to support start-up companies to develop markets abroad. The consolidated outputs for this action were as follows:

- No. of host incubators supporting softlanding services: 16
- No. of firms engaging with the softlanding services: 81
- No. of firms taking part in the pilot internationalisation course: 43
- No. of expert days provided to client companies: 317

In the interim reports the development of these indicators had to be included, especially in the light of the progress of related hours of services delivered and the related expenses.

5.2.14 Evaluation of the measure

5.2.14.1 Ex-post evaluation of the results

Co-incubation and Softlanding services enable client companies to establish a presence within any of the partner and incubation facilities across the participating regions. This is an important output of the workpackage with a very clear transnational and export market development focus. The consolidated outputs for this action are as follows:

- No. of best practice seminars delivered 16
- No. business advisors trained in co-incubation 43

- No. SME assessment reports 81
- No. Softlanding operations 25
  (from 81 companies in the scheme)
- No. Business support packages delivered 25
- No. days Softlanding business support days 100
  [25 x 4 days (average)]
- No. new export contracts 12
- No. international success stories 20
- No. networking events identified for client companies 40

5.2.14.2 Cost-benefit analysis

n/a

5.2.14.3 Impact evaluation

All actions and activities had to be directly linked to the development of synergies of the approaches established among the intermediaries in the participating regional actors by means of a strong regional partnership, dialogue among intermediaries with their EU counterparts and public authorities which in turn led to:

Measurable Indicators

- Number of new contacts and presence of firm participants established within two years from the end of the project;
- Number of initiatives within and outside the region implemented during the two years following the end of the project;
- Number of new joint regional /EU initiatives developed/implemented within two years from the end of the project;
- Quantity of information/communication material published within two years from the end of the project.

Quality Indicators

- A professionally operating international co-incubation and softlanding scheme;
- New intermediary networks, common strategies and initiatives;
- Better quality of softlanding services in the whole target area;
- Dissemination of common values in the regions and the building of synergies;
- Better support of technology transfer and export issues, raising awareness of entrepreneurs and public authorities about the role of intermediaries and the need of softlanding culture throughout the region.

5.2.15 Publication and dissemination of the information about implementation, results and impacts of the measure

The Softlanding workpackage produced a number of communications outputs during the TESLA project. After the initial review and analysis of transferable current best practices within and outside the NWE region a "Best Practices" report had to be produced which was used as a tool kit by other partners during the project and will be published once the Best Practices have been implanted and validated as being the appropriate practices in the TESLA project.

In addition, the project requests the publications of newsletters, press releases, and web 2.0 communication effort to inform the broad public about progress and success stories.

5.3 Setting-up of the measure in WBC: Albania and FYR of Macedonia

The main goal of the procedure is to contribute to the creation and the development of a new business support scheme for internationalisation, called softlanding in Albania and the FYR of Macedonia as a factor for improving the business environment and an instrument for the provision of wide range of services promoting the development of start-ups and existing small and medium size enterprises. These goals will be achieved by providing support for the development of the necessary processes for the business activities, promoting the offered services, as well as support for their operations aiming the ascertainment of international business orientation as solid and reliable structures for the support of business and industrial sectors on a regional and national level.

The support for the operational softlanding activities shall include but not limited to

- Development of a web platform for the promotion and administration of softlanding services, as well as development of the softlanding services itself;
- Providing the necessary provisions for the operational activities of the business support schemes;
- Providing the necessary staff for the management, coordination and execution of operational activities of the softlanding intermediary;
- Providing the necessary provisions for the operational activities and services, offered by the softlanding intermediary;
- Consultancy services for the development of the international partnerships and co-incubation services;
- Consultancy services for the development of a softlanding guidebook;
- Consultancy services for the development of a softlanding training package;
- Promotion of the project;
- Audit of the project.

Some of the packages are optional and could be seen as modules for later enhancement of the softlanding services. Thus, the entire measure could be implemented in modules, which would have budget implications:

The activities in the obligatory module would be:

1. Providing the necessary provisions for the operational activities of the business support schemes;
2. Providing the necessary staff for the management, coordination and execution of operational activities of the softlanding intermediary;
3. Providing the necessary provisions for the operational activities and services, offered by the softlanding intermediary;
4. Consultancy services for the development of the international partnerships and co-incubation services; and
5. Audit of the project.

Modules that could be funded and established in addition are:

- Development of a web platform for the promotion and administration of softlanding services, as well as development of the softlanding services itself;
- Consultancy services for the development of a softlanding guidebook;
- Consultancy services for the development of a softlanding training package; and
- Promotion of the project.

5.4 Implementation of the measure in Albania

5.4.1 Organisational structure(s) of implementing agency

Candidates should meet the following general criteria:

- To be legal entities, registered in accordance with the Commerce Law or the Cooperation Law, providing consultancy and/or information services to the business, as well as services connected to business incubation; or
- To be non-profit legal entities registered according to the Non Profit Legal Entities Law providing consultancy and/or information services to the business, as well as services connected to business incubation; or
- To be one of the following institutions and organisations:
    - Technology Transfer Units or Business Start-up Centers of Albanian universities with accreditation
    - Technology Transfer Units of [Name of the Country] research institutes
    - Technology Transfer Units of [Name of the Country]Science organisations
    - Incubators, accelerators, innovation centers or any other kind of intermediary with proven experience
    - Municipalities or Regional Administrations
    - Chambers of Commerce and Industry;
- To have headquarters in [Name of the Country];
- To be directly responsible for the execution of the project activities and not act as a representative or a mediator.

For the current call for proposals only individual proposals are eligible and collaborative proposals, partnerships or joint proposals with other organisations are not eligible.

The implementing structure in Albania will be the Albanian Investment and Development Agency (AIDA) as lead partner and the Agency for Research, Technology and Innovation (ARTI). These two agencies will serve as a bridge to link academia, researchers and universities with businesses and industry.

AIDA is a public, legal institution which was founded and operates on the basis of Law no. 10303 dated 15 July 2010 "On the creation and organization of Albanian Investment Development Agency. "AIDA's main objectives are attracting foreign investment, increase the competitiveness of the Albanian economy and innovation of businesses through the support for small and medium sized enterprises.

ARTI is a public, legal institution under the competences of the Council of Ministers, established with the Decision of Council of Ministers No. 903, dated 26.8.2009.

ARTI's mission is to evaluate, finance, monitor and manage programs and projects in the fields of science, technology and innovation in Albania. ARTI aims to fund projects in the field of Small and Medium Business as well as transfer, modernization and renewal of their technologies.

5.4.2 Human resources

5.4.2.1 Management

The candidate has to provide to management functions in the project:

- Project manager and
- Financial manager or financial expert as administrative assistant.

The persons fulfilling these functions are not required to allocate full-time working hours to this project.

5.4.2.2 Operational staff

Partner's staff members or external experts shall execute the following functions:

- Incubation and co-incubation operation
- Assessment of SMEs potential
- Market research and market analysis
- Marketing and PR, event organisation
- Communication and networking
- Coaching and mentoring
- Training

Diverse functions may be allocated to the same staff or may be outsourced to external expert consultants.

AIDA, as the lead implementing agency, has moderate experience in managing some projects, regional, cross-borders, IPA Adriatic etc. Within AIDA, BRIC is the unit responsible for innovation and SME department responsible for market needs assessment of businesses.

ARTI has under its responsibility the managements of programs and projects for R&D and technology transfer for SMEs. Both agencies are partners in European Enterprise Network EEN.

The project and financial manager will be from AIDA agency. Whereas operational staffs which will perform activities of knowledge transfer, skill assessment, learning, training needs joint efforts by two agencies and possible outsourced experts, national or international. Technical assistance is needed to AIDA and ARTI staff as well as external experts because of limited capacities within these agencies in order to make the entire process established and functioning, especially at monitoring and evaluation phase.

5.4.3 Possible users of the measure

The policies and programmes to support SME competitiveness are recognised as priorities in the draft Strategy for Business and Investment development (BIDS) 2014-2020.

- to strengthen the capacity building of local companies to absorb new knowledge and skills in technology investments; aiming for the
- business development, innovative SMEs, based on scientific research, university cooperation with the industry sector; and
- the development of industrial groups through clusters, development of technology incubators and partnership activities to guarantee a competitive product and export growth.

Functions and purposes of the Business Innovation and Technology Programme 2011-2016, adopted by the government since 2011, are among others in improving innovation business services, in support for SME.

In this regard the target group for this project includes start-ups and companies operating in the priority sectors such as; tourism, ICT, manufacturing, as well as female-run businesses.

5.4.4 Procedures for implementation of the measure:

The intended beneficiaries are companies and SMEs, represented by their business managers and business advisors, interested to internationalise their market, with high potential to do this, needing support in setting up market strategy and relations out of their country. They are selected by the process to be established in the project; their support needs have to be assessed by experts, and support measures shall apply according to the individual company's requirements.

Potential Beneficiaries have to be requested to complete a Needs Assessment Form which will be developed as part of the activities to be proposed to suit the requirement of the

participating beneficiaries. The candidate's staff and experts shall assess the company's requirements and shall generate support profiles, including specific recommendations for the Softlanding and Co-incubation schemes and services. On the basis of the results of the need assessment and the selection criteria chosen, action partners shall proceed to the selection and notification of selected practitioners. This information shall also be communicated to the Contracting Authority of this project.

5.4.5 Public calls

The Terms of References shall include:

1. Background &rationale/justification for the action, including the precise needs being met
2. Specific objectives of the action (the changes that the action will bring about)
3. Precise definition of who the intended beneficiaries will be
4. Detailed action plan
5. Selection process (for experts / beneficiaries)
6. Promotion to potential beneficiaries
7. Format of the application form to be used
8. Selection criteria / transnational screening of applicants
9. Conditions of participation / Eligible costs that will be covered
10. Indicative action budget by partner
11. Expected outputs &results
12. Transnationality (frontline partners and other partners) in development, decision-making, implementation and dissemination
13. Potential for continuation / mainstreaming

AIDA and ARTI will publish in their websites the soft-landing initiative as well as in the media, according to their budgets. The call is supposed to last 2 months to allow for application.

5.4.6 Selection and awarding of users

Applications will be examined and evaluated by the Contracting Authority with the assistance of external assessors. All actions submitted by applicants will be assessed according to the following steps and criteria. If the examination of the application reveals that the proposed action does not meet the eligibility criteria stated, the application will be rejected solely on this basis.

The projects applying for the current call for proposals should correspond to the eligibility criteria to be executed only and entirely in the territory of [Name of the Country]. Expansion of the activities of already existing business incubators is possible.

Applications will be examined and evaluated by the Contracting Authority, eventually with the assistance of external assessors. If the examination of the application reveals that the proposed action does not meet the eligibility criteria, the application will be rejected solely on this basis. All actions submitted by applicants will assessed according to the following steps and criteria:

- Step1: Administrative Check

The following will be assessed:

- The submission deadline has been respected. If the deadline has not been respected, the application will automatically be rejected;
- The Application Form satisfies all the criteria specified in a checklist. If any of the requested information is missing or is incorrect, the application will be rejected on that sole basis and the application will not be evaluated further.

Following the opening session and the administrative check, the Contracting Authority will send a letter to all applicants indicating whether their application has been submitted prior to the deadline, and informing them of the reference number that they allocated and whether they are recommended for further evaluation.

- Step 2 Evaluation of the Application

The evaluation of the applications that have passed the administrative check covers the relevance of the action, its merits and effectiveness, its viability and sustainability.

An evaluation of the quality of the applications, including the proposed budget, and of the capacity of the applicant and its partners, shall be carried out in accordance with the evaluation criteria set out in an evaluation grid. There are two types of evaluation criteria: selection criteria and award criteria. The selection criteria intend to help evaluate the applicants' financial and operational capacity. The award criteria allows the quality of the applications submitted to be evaluated in relation to the set objectives and priorities, and grants to be awarded to actions which maximise the overall effectiveness of the Call for Proposals. They enable the selection of applications, which the Contracting Authority will be confident comply with its objectives and priorities and guarantee the visibility of the financing. They cover such aspects as the relevance of the action, its consistency with the objectives of the call for proposals, quality, expected impact, sustainability and cost-effectiveness:

	Scores	
1. Relevance of the action	Sub-score	15
1.1 Relevance of the action needs and constraints of the country/region to be addressed in general, and to those of the target groups and final beneficiaries in particular.	5	
1.2 Relevance to the priorities and objectives mentioned in the Guidelines.	5(x2)*	
2. Effectiveness and Feasibility of the action	Sub-score	25
2.1 Assessment of the problem identification and analysis.	5	
2.2 Assessment of the proposed activities (practicality and consistency in relation to the objectives, purpose and expected results).	5(x2)*	
2.3 Assessment of the role and involvement of all stakeholders and (if applicable) proposed partners.	5(x2)*	
3. Sustainability of the action	Sub-score	10
3.1 Assessment of the identification of the main assumptions and risks, before the start and throughout the implementation period.	5	
3.2 Assessment of the identification of the long-term sustainable impact on the target groups and final beneficiaries.	5	
TOTAL SCORE		50

* the scores are multiplied by 2 because of their importance

The evaluation criteria are divided into headings and subheadings. Each subheading will be given a score between 1 and 5 in accordance with the following assessment categories:

1 = very poor; 2 = poor; 3 = adequate; 4 = good; 5 = very good.

Section	Maximum Score
1. Financial and operational capacity[11]	20
1.1 Does the applicant have sufficient experience of project management?	5
1.2 Does the applicant have sufficient technical expertise? (notably knowledge of	5

[11] If the total average score is less than 12 points for section 1, the application will be rejected.

the issues to be addressed.)	
1.3 Does the applicant have sufficient management capacity? (including staff, equipment and ability to handle the budget for the action)?	5
1.4 Does the applicant have stable and sufficient sources of finance?	5
2. Relevance[12]	25
2.1 How relevant is the proposal to the objectives and one or more of the priorities of the Call for Proposals? Note: A score of 5 (very good) will only be allocated if the proposal specifically addresses at least one priority.	5
2.2 How relevant to the particular needs and constraints of the target region(s) is the proposal?	5
2.3 How clearly defined and strategically chosen are those involved (final beneficiaries, target groups)? Have their needs been clearly defined and does the proposal address them appropriately? Does the application address the needs of target groups on all countries involved in the project?	5
2.4 Does the proposal involve genuine trans-national cooperation? Proposals with more than one form of cooperation and convincing trans-national partnership will receive higher score.	5
2.5 Are the activities proposed likely to have a clear trans-national benefit?	5
Section	Maximum Score
3. Methodology	25
3.1 Are the activities proposed appropriate, practical, and consistent with the objectives and expected results?	5
3.2 How coherent is the overall design of the action? (in particular, does it reflect the analysis of the problems involved, take into account external factors and anticipate an evaluation?)	5
3.3 Is other stakeholders' level of involvement and participation in the action satisfactory?	5
3.4 Is the action plan clear and feasible?	5
3.5 Does the proposal contain objectively verifiable indicators for the outcome of the action?	5
4. Sustainability	15
4.1 Is the action likely to have a tangible impact on its target groups?	5
4.2 Is the proposal likely to have multiplier effects? (including scope for replication and extension of the outcome of the action and dissemination of information.)	5
4.3 Are the expected results of the proposed action sustainable: - financially (how will the activities be financed after the funding ends?) - institutionally (will structures allowing the activities to continue be in place at the end of the action? Will there be local "ownership" of the results of the action?) - at policy level (where applicable) (what will be the structural impact of the action e.g. will it lead to improved legislation, codes of conduct, methods, etc.)? - environmentally (will the action have a negative/positive environmental impact?)	5
5.Budget and cost-effectiveness	15
5.1 Is the ratio between the estimated costs and the expected results satisfactory?	5
5.2 Is the proposed expenditure necessary for the implementation of the action?	5 x 2
Maximum total score	100

The evaluation criteria are divided into sections and subsections. Each subsection will be given a score between 1 and 5 in accordance with the following guidelines:

[12] If the total average score is less than 20 points for section 2, the application will be rejected.

1 = very poor; 2 = poor; 3 = adequate; 4 = good; 5 = very good.

Provisional selection: Following the evaluation, a table listing the applications ranked according to their score and within the available financial envelope will be established as well as a reserve list following the same criteria.

Applicants will be informed in writing of the Contracting Authority's decision concerning their application and, in case of rejections, the reasons for the negative decision.

The indicative time table is as follows:

	DATE	TIME
Information meeting (if any)	Not applicable	-
Deadline for request for any clarifications from the Contracting Authority	(21 days before the submission deadline)	-
Last date on which clarifications are issued by the Contracting Authority	(11 days before the submission deadline)	-
Deadline for submission of Application Form		
Information to applicants on the opening & administrative check (step 1)	(two weeks later)	-
Information to applicants on the evaluation of the Full Application Form (step 2)	Eight weeks after submission deadline	-
Notification of award (after the eligibility check) (step 3)	10 weeks after submission deadline	-
Contract signature		-

*Provisional date. All times are in the time zone of the country of the Contracting Authority

Applicants believing that they have been harmed by an error or irregularity during the award process may file a complaint.

5.4.7 Monitoring of the implementation of the measure

During the project interim reports have to be produced, which will be reviewed and finalised at technical meetings involving all partners.

The Softlanding programme shall deliver the design and production of targeted supports involving dedicated internationalisation experts and familiarisation with other courses and programmes specifically designed to support start-up companies to develop markets abroad [this last sentence is only valid, if all modules will be contracted]. The consolidated outputs for this action are expected to be as follows:

- No. of host incubators supporting softlanding services: 1
- No. of firms engaging with the softlanding services: 10
- No. of firms taking part in the pilot internationalisation course: 20
- No. of expert days provided to client companies: 80

In the interim reports the development of these indicators have to be included, especially in the light of the progress of related hours of services delivered and related expenses.

5.4.8 Evaluation of the realisation of the measure

Co-incubation and Softlanding services shall enable client companies to establish a presence within any of the partner and incubation facilities across the participating regions. This is an important output of the work package with a very clear transnational and export market development focus. The consolidated outputs for this action shall be as follows:

- No. of best practice seminars delivered 3
- No. business advisors trained in co-incubation 10
- No. SME assessment reports 20

- No. Softlanding operations (from 81 companies in the scheme) 10
- No. Business support packages delivered 5
- No. days Softlanding business support days [25 x 4 days (average)] 20
- No. new export contracts 10
- No. international success stories 5
- No. networking events identified for client companies 4

5.4.9 Publicity of the implementation, results and impacts of the measure

The Softlanding project shall produce a number of communications outputs. After the initial review and analysis of transferable current best practices within and outside Albania a "Best Practices" report shall be produced which has to be used as a tool kit during the project and will be published once the Best Practices have been implanted and validated as being the appropriate practices in the project.

In addition, the project requests the publications of newsletters, press releases, and web 2.0 communication effort to inform the broad public about progress and success stories.

5.4.10 Budget

5.4.11 Administration of the measure

The duration of each project should not exceed 24-36 months, starting from the date of project initiation set in the contract for financial grant.

To be eligible under the Call for Proposals, costs must comply with the provisions of Guidelines).

5.4.12 Financing the implementation of the measure

The maximum grant amount for every individual project (regardless of the selected combination of components) 4500 EUR. The minimum grant amount is 1500 EUR.

The Beneficiary has to include in the budget the costs of the participation of at least one representative of the Beneficiary at the opening and closing conference of this programme.

Financing is necessary for the following modules/activities:

- Capacity building for Soft-landing: establish tools for need assessment, business modeling, access to market, access to finances
- Voucher schemes for the beneficiaries to go internationally; coaching, eventually travel voucher

For example it is assumed 80 companies are to be assessed; from this number selected for support 20; and companies exporting/importing 10

The budget should be proposed in the following category items:

- Labour costs
  - Incubator/Intermediary manager
  - Intermediary staff
  - Internationalisation manager
  - Other team members (admin…)
- Subcontracted work
  - Coaches, mentors, experts
  - Technical assistance (support, consulting, good practice exchange)

  - Specialists (lawyers, accountants, etc.)
- Events, workshops, seminars
  - Awareness raising
  - Training
  - Matching
- Dissemination
- Travel

There is no need to fund a lot of equipment.

Alternatives for financing sources in implementing soft-landing scheme activities in Albania will be national budget; EU funds through IPA, regional funds (such as Western Balkan Enterprise Development and Innovation Facility WBEDIF; Western Balkans Regional R&D Strategy for Innovation - WBRIS) and other donors.

From national budget maybe this will not be possible at least this year, because the budget is approved and because of the constraints it faces, but it will be possible within the innovation fund managed by AIDA to allocate a small amount as a starting initiative. Difficulties in this regards are related to the previous developments of funds managed by AIDA. There are rooms for improvements, because of the fact that even the funds are allocated there are not fully disbursed to the companies for different reasons. One of them is the prolonged bureaucratic procedures to approve them within the current year so the funds are lost. In this point a new supporting program has to be well justified and the international expertise is strongly needed to make the implementation really functioning and sustainable after the end of the project.

For the other external financing, Albania needs capacities how to reach and absorb available funds and after that how to manage and administer them.

5.5 Implementation of the measure in the FYR of Macedonia

5.5.1 Organisational structure of implementing agency

Regarding the type of activities that should be implemented in the framework of Soft landing platform, the most suitable state institution that covers these types of activities in Macedonia is the Fund for innovations and technology development. The existing Fund`s instruments for support of innovation activity in Macedonia require developed capacity and procedures for disbursement of funds, that further on could be used for implementing other grant schemes, such as the Soft landing platform. The implementing agency role would be implementation of the platform and to serve as a one stop shop for innovators and innovative SMEs.

Main partner for implementation of the soft landing platform will be a NGO, with experience of offering direct services to companies, innovators and entrepreneurs. The National Centre for Development of Innovation and Entrepreneurial Learning will use its flexibility, experience, expertise of the staff and extensive database of business consultancies, for bridging the gap between the needs of the SMEs and the provided support.

For additional local issues, the following four regional agencies will be included in the implementation:

- Local support organization – Skopje region: Youth Entrepreneurial Service Foundation, owner and manager of the most successful incubator in the country
- Local support organization – Stip region: Goce Delcev University in Stip, the youngest state university is becoming leader in the entrepreneurial and innovation support

activities in the country, especially in the Eastern Macedonia Region. Hosting and supporting the alliance of inventors and innovators of Stip – ZPATU Stip, has provided them with the experience for supporting innovative projects.

- Local support organization – Bitola region: Business Start-up Centre Bitola, founded with support of the Dutch government through SPARK, developing Business incubator in a Public Private Partnership with the Municipality of Bitola.
- Local support organisation – Tetovo region: South-east European University's Technology Park. One of the first and the only non for profit among the private universities has confirmed its focus towards development of innovation and innovation support activities through the establishment of the first Technology Park.

5.5.2 Human resources

5.5.2.1 Management

The implementing agency will appoint a part time Soft landing Manager as well as part time administrative person assigned as financial manager and the intermediary organization will appoint a part time Soft landing Coordinator and financial assistant.

The number of persons involved in the operation, as well as the percentage of the full time equivalent for the Soft landing Manager and the administrative staff, will be in correlation with the number of approved projects per year.

5.5.2.2 Operational staff

The implementing agency and the intermediary organization, according to the volume of work will assign part of their internal staff, as well as part of their recommended national and international experts for implementation of the Soft landing package.

5.5.3 Possible users of the measure

The main target group for accessing the services offered within the Soft landing platform will be the innovative start-ups, spin-offs and small and medium sized enterprises that are going to show their export plans and ambitions as well as potential for constructing strong regional and international networks.

The expected volume of projects is approximately 10 per year.

5.5.4 Procedures for implementation of the measure:

The Implementing agency will be responsible for the grant awarding procedure. The Implementing agency will use its existing procedures for awarding grants. The Procedures for the Soft landing platform will be adapted to the existing procedures of the Implementing agency. The applicants will be selected on an open call based on a submitted Application package defined by the Implementing agency and the decision making for awarding grants will be made according to the existing procedures of the Implementing agency. The intermediary agency will be involved together with the international experts in the assistance of the SMEs in the phase after the contracts are awarded.

5.5.5 Public calls

The grant awarding procedure will be in accordance with the procedures set by the implementing agency, which are in line with the national and European public procurement laws and regulations.

The Terms of References shall include:

1. Background &rationale/justification for the action, including the precise needs being met
2. Specific objectives of the action (the changes that the action will bring about)
3. Precise definition of who the intended beneficiaries will be
4. Detailed action plan
5. Selection process (for experts / beneficiaries)
6. Promotion to potential beneficiaries
7. Format of the application form to be used
8. Selection criteria / transnational screening of applicants
9. Conditions of participation / Eligible costs that will be covered
10. Indicative action budget by partner
11. Expected outputs &results
12. Transnationality (frontline partners and other partners) in development, decision-making, implementation and dissemination
13. Potential for continuation / mainstreaming

5.5.6 Selection and awarding of users

The collected data for the applicants will pass the same evaluation, monitoring and quality assurance procedure as the applicants for the other instrument of the Implementing agency. After the administrative check, the staff of the Implementing agency performs evaluation, and external peer reviewers are involved if necessary. The ranked list is submitted to the Committee which evaluates and makes decisions on project applications.

The procedure of the evaluation of the application will follow the main recommendations and assessment grids verified as a successful tool for choosing of the highest potential soft landing projects.

- Step1: Administrative Check

The following will be at least assessed:

  - The submission deadline has been respected. If the deadline has not been respected, the application will automatically be rejected;
  - The Application Form satisfies all the criteria specified in a checklist. If any of the requested information is missing or is incorrect, the application will be rejected on that sole basis and the application will not be evaluated further.

Following the opening session and the administrative check, the Implementing Agency will send a letter to all applicants indicating whether their application has been recommended for further evaluation.

- Step 2 Evaluation of the Application

The evaluation of the applications that have passed the administrative check covers the relevance of the action, its merits and effectiveness, its viability and sustainability.

An evaluation of the quality of the applications, including the proposed budget, and of the capacity of the applicant and its partners, shall be carried out in accordance with the evaluation criteria set out in an evaluation grid. There are two types of evaluation criteria: selection criteria and award criteria. The selection criteria intend to help evaluate the applicants' financial and operational capacity. The award criteria allows the quality of the applications submitted to be evaluated in relation to the set objectives and priorities, and grants to be awarded to actions which maximise the overall effectiveness of the Call for Proposals. They enable the selection of applications, which the Implementing agency will be

confident comply with its objectives and priorities and guarantee the visibility of the financing. They cover such aspects as the relevance of the action, its consistency with the objectives of the call for proposals, quality, expected impact, sustainability and cost-effectiveness.

Applicants will be informed in writing of the Implementing agency's decision concerning their application and, in case of rejections, the reasons for the negative decision.

(Details see chapter 5.4.6):

5.5.7 Monitoring of the implementation of the measure

The monitoring of the implementation will follow the monitoring system set by the implementing agency. The Implementing agency has already established set of procedures for monitoring the implementation of the instruments.

5.5.8 Evaluation of the realisation of the measure

Co-incubation and Soft landing services shall enable client companies to establish a presence within any of the partner and incubation facilities across the participating regions. This is an important output of the work package with a very clear transnational and export market development focus. The consolidated outputs for this action shall be as follows:

- No. of best practice seminars delivered n
- No. business advisors trained in co-incubation n
- No. SME assessment reports n
- No. Softlanding operations n
  (from 81 companies in the scheme)
- No. Business support packages delivered n
- No. days Softlanding business support days n
  [25 x 4 days (average)]
- No. new export contracts n
- No. international success stories n
- No. networking events identified for client companies n

5.5.9 Publicity of the implementation, results and impacts of the measure

The Softlanding project shall produce a number of communications outputs. After the initial review and analysis of transferable current best practices within and outside the FYR of Macedonia, a "Best Practices" report shall be produced which has to be used as a tool kit during the project and will be published once the Best Practices have been implanted and validated as being the appropriate practices in the project.

In addition, the project requests the publications of newsletters, press releases, and web 2.0 communication effort to inform the broad public about progress and success stories.

5.5.10 Budget

5.5.10.1 Administration of the measure

The duration of each project should not exceed 12 months, starting from the date of project initiation set in the contract for financial grant.

The specific rules and guidelines will be further developed.

5.5.10.2 Financing the implementation of the measure

The maximum grant amount for every individual project (regardless of the selected combination of components) 5000 EUR. The minimum grant amount is 1000 EUR. The grants are going to be provided with assured 50% in cash contribution by the company.

The Beneficiary has to include in the budget the costs of the participation of at least one representative of the Beneficiary at the opening and closing conference of this programme.

[According to the projected number of project in chapter 3.3 and the amount of the grants and the contribution, the expected budget for the measure is 100.000 EUR in the first year.

The budget should be proposed in the following category items:

The exact salaries will depend on the number of accepted projects and their complexity.

The projected budget for the first year of implementation of the instruments is the following:

Implementing Agency

1. Costs for evaluation: 10.000 EUR
2. Cost for international trainers – subcontracted: 10.000 EUR
3. Cost for grants: 100.000 EUR per year
4. Costs for Events, workshops, seminars (upon request): 2.000 EUR / year
    a. Awareness raising workshops
    b. Training
5. Travel costs for evaluation within Macedonia 2000 EUR/year

Intermediary Agency

6. Labour costs
    i. Softlanding coordinator (part time: 600 EUR/ month)
    ii. Softladning assistant (part time):- 400 EUR / month
7. Travel (within Macedonia) –1.2.000 EUR / year
8. Office cost – 200 EUR / month

5.6 Possible barriers and obstacles in implementation of the measure in WBC

5.6.1 The pilot project in Albania

Albania lags behind all other Eastern Europe in establishing proactive policies to support the technology capacity building for enterprises and SME. There is a lack of collaboration among the public and private sector/industry as well as with the academic community on innovation and technology transfer issues. Also a lack of orientation of higher education institutions and of public research institutions towards industry /SME sector exists.

On the one hand, there is no effective hard infrastructure, such as business incubators, technology parks and industrial zones, in place to naturally facilitate the development of new business ideas, innovation and technology transfer and insufficient policy instruments to support innovation co-operation.

EBRD through Business Advisory Services (BAS) enables micro, small and medium sized enterprises (MSMEs) to access a diverse range of consulting services by facilitating projects with local consultants on a cost sharing basis.

At the end of 2012 the Albanian Consultants Network (ACN) was established as BAS initiative, aiming to bring closer the local MSMEs and the local consultants. The steps forward are to establish an accreditation system for consultancy services providers and the quality control of services introducing CMC (Certified Management Consultant).

Besides the fact that AIDA and ARTI are managing several schemes on supporting researchers and SME, introducing a voucher scheme in Albania needs a legal framework in place.

There are also some barriers from the SME side, such as lack of capacities and resource to approach the adequate external service providers; lack of sufficient information on how and where to get due services; absence of interaction between firms and consultants/trainers and universities. Other challenges are entrepreneur's behaviour related to their perception of the government support and the absence of the trust toward expertise providers. Establishment of a system of monitoring and evaluation is very important in the condition of Albania in order to avoid the misuse of the voucher and possible collusion between consultant provider and businesses.

As before mentioned the budged and secure of resources will be a challenge in national level as well as international financing which seeks for capacities to absorb and mange/administer them. The high entry ticket of the new program Horizon 2020 and high required standards make the participation almost impossible for countries like Albania or other countries in the region.

However, as a first pilot project, the Ministry of Education, Science and Technology (MEST) has approved 40 innovation vouchers (500 euro each).

5.6.2 The pilot project in the FYR of Macedonia

- Low awareness for innovation among SMEs
- Low capacity of the SMEs for preparation of quality project proposals
- Lack of cooperation and collaboration among companies
- Strict procedures for the existing grant scheme of the Implementing agency
- Limited budget that is strictly planned for the existing instruments of the Implementing agency

The implementing agency has adopted instruments for support and Working programme and budget that cannot include the Softlanding measure. Therefore, International support is required (bilateral/donor support, EU funds, targeted funds from international institutions like World Bank, EBRD, etc.) in order to implement the measure.

5.7 Concluding remarks

The pilot project in Albania

The finalization of the WBC - INCO.net project, is considered a big support for the Western Balkan countries, an opportunity to become acquainted with the experience and best

practices brought by European countries and space for innovation in the Western Balkan countries.
Now is created a network recognized and cooperative not only between the Western Balkan countries, but also with the European agencies working and contributing in the field of innovation. This established network will serve for the further cooperation in new projects and programs in the future.
The added value of WBC - Inco.net is enabling to recognize the best local actors, agencies and institutions both public and private that contribute to the development of innovation in our country.
The idea to start a new project Soft landing services, is considered an added value and serves primarily to SMEs, in strengthening human capacities within the company and for their internationalization. On the other hand shall be considered as a promotion tool for government itself, institutions and public agencies to move towards functioning of the innovation system in Albania.
Soft landing services and any project in its support, will help to create a relationship of mutual interest between the university, academia and industry sector/ SMEs.
Albania needs this kind of projects and continuation of the support from countries with best practices in innovation.

5.8 Conditions for involvement of the authors of the measure in setting-up of measure in WBC

The role of the authors of this document in setting up the Softlanding measure could be one or more of the following:

- External expert consultant to set up and implement some of the modules to be specified;
- External evaluator;
- Link to international partner organisations to include Albania's and Macedonias softlanding actors in their internationalisation activities;
- Evaluation of the softlanding potential of Albania's and Macedonias companies = "Need Assessment";
- Recommendation and introduction to international SMEs to softland in Albania;
- Harmonise Albania's and Macedonias individual approaches to international standards and procedures;
- Co-organisation of international networking and trade events for smooth introduction of Albania's and Macedonias softlanding entities.

ANNEX

Agendas

Workshop **"Strategic Innovation"**

2-3. October 2013 / Podgorica, Montenegro

Day 1.
Wednesday, 2.October 2013

09:00 – 09:15	Welcome speech (host)
09:15 – 11:00	Session 1: Presentation of Strategic Innovation, description of the measure (Raf Sluismans)
11:00 – 11:15	Coffee break
11:15 – 13:00	Session 2: Development of the measure in country of origin, implementing agency, budget, human resources, users of the measure
13:00 – 14:00	Lunch break
14:00 – 15:45	Session 3: Procedure for implementation, monitoring, evaluation, publication, dissemination
15:45 – 16:00	Coffee break
16:00 – 17:00	Session 4: Setting up the measure in Montenegro and in WBC,
	Wrap up of Day 1

Day 2.
Thursday, 3. October 2013

09:00 – 11:00	Presentation of Strategic Innovation Scheme and experience of Netherlands, possibilities of its implementation in Montenegro

Task Force Meeting

"Innovation Voucher"

November 21 and 22, 2013

Venue:

Ivo Pilar Institute of Social Sciences

19/I, Marko Marulić Square,10000 Zagreb, Croatia

Room 23

AGENDA

Day 1 - November 21, 2013

09:00 – 09:10	Welcome speeches
09:10 – 09:20	Short introduction to Task T8.5 in WBC-INCO.NET *by Rene Wintjes, UNU-MERIT*
09:20 – 10:30	Presentation of Innovation Voucher scheme in country of origin; referring to chapter 2 of template for the feasibility study; crucial points for implementation, description of the measure with regard to Croatia and Kosovo* [13] *by Jean Severijns*
10:30 – 12:30	Development and setting up of the measure in Croatia - implementing agency, budget, human resources, users of the measure, monitoring, evaluation, publication, dissemination (with reference to the template sent out) *by Croatia* and Discussion *by all participants*

(Coffee break in between)

13:00 – 14:00	Lunch break
14:00 – 16:30	Development and setting up of the measure in Kosovo*- implementing agency, budget, human resources, users of the measure, monitoring, evaluation, publication, dissemination (with reference to the template sent out) *by Kosovo**

(Coffee break in between)

16:30 – 17:00	Wrapping up of the discussion *by Rene Wintjes, UNU MERIT*

[13]*: This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.

17:00	Closure of the meeting

Day 2 - November 22, 2013

09:00 – 11:00	Short summary presentation of Innovation Voucher Scheme to decision makers; Discussion on feasible scenario for implementation Croatia and Kosovo*
11:00 – 11:15	Coffee break and departure of experts
11:00 – 12:30	Organisation of the preparation of a feasibility study on the implementation of the measure in Croatia and Kosovo*; distribution of tasks and action items for the feasibility study ("who will write what and how")
12:30 – 13:30	Lunch

Participants:

Jean Severijns (jmj.severijns@home.nl), Expert Voucher Scheme

Rene Wintjes (r.wintjes@maastrichtuniversity.nl, UNU-MERIT), WBC-INCO.NET Team member

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Task Force Meeting

"Innovation Officer"

December 3 and 4, 2013

Venue:

Mihajlo Pupin Institute

Volgina 15, 11000 Belgrade, Serbia

Aim: concept proposals for a pilot project „Innovation officer"

AGENDA

Day 1 - December 3, 2013

09:00 – 09:15	Welcome by host and Short introduction to Task T8.5 in WBC-INCO.NET *by Djuro Kutlaca, Mihajlo Pupin Institute*
09:15 – 10:15	Background information; towards defining pilot projects in Serbia and Bosnia and Herzegovina. Description and aim of the measure; development of the implementation process; issues per involved party: implementing agency, users, knowledge providers.

Introduction by Ad van Ginneken followed by discussion among all

10:15 – 12:45	Development and setting up of the measure in Serbia - implementing agency, budget, human resources, users of the measure, monitoring, evaluation, publication, dissemination *Introduction by Serbia; Discussion by all participants; formulate decisions/actions*

(Coffee break in between)

12:45 – 14:00	Lunch break
14:00 – 16:30	Development and setting up of the measure in Bosnia and Herzegovina - implementing agency, budget, human resources, users of the measure, monitoring, evaluation, publication, dissemination *Introduction by Bosnia and Herzegovina; Discussion by all participants; formulate decisions/actions*

(Coffee break in between)

16:30 – 17:00	Wrapping up of the discussion *by Djuro Kutlaca, Mihajlo Pupin Institute*
17:00	Closure of the meeting

Day 2 - December 4, 2013

09:00 – 11:00	Short summary presentation of Innovation Voucher Scheme to decision makers; Discussion on feasible scenario for implementation Serbia and Bosnia and Herzegovina
11:00 – 11:15	Coffee break
11.15 – 12:30	Organisation of the preparation of a feasibility study on the implementation of the measure in Serbia and Bosnia and Herzegovina; distribution of tasks and action items for the feasibility study
12:30 – 13:30	Lunch

Participants (indicative):

Ad van Ginneken (ad.vanginneken@syntens.nl, SYNTENS), Expert Innovation Officer

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Djuro Kutlaca (djuro.kutlaca@pupin.rs, MPI), expert for Serbia, WBC-INCO.NET Team member

Task Force Meeting
"Soft Landing Platforms"

February 20 and 21, 2014

Venue:

Ministry of Economic Development, Trade and Entrepreneurship, Tirana/Albania

Bulevardi Deshmoret e Kombit Nr. 3; 3rd floor, Small meeting room

Aim: Concept proposals for a pilot project „Soft Landing Platforms"

AGENDA

Day 1 - February 20, 2014

09:00 – 09:15	Welcome by host and Short introduction to Task T8.5 in WBC-INCO.NET *by T8.5 Team, Djuro Kutlaca, Mihajlo Pupin Institute*
09:15 – 10:15	Background information; towards defining pilot projects in Albania and FYR of Macedonia. Description and aim of the measure; development of the implementation process; issues per involved party: implementing agency, users, knowledge providers. *Introduction by Wolfgang Kniejski, ini-novation followed by discussion among all*
10:15 – 12:45	Development and setting up of the measure in Albania - implementing agency, budget, human resources, users of the measure, monitoring, evaluation, publication, dissemination *Introduction by Albania (Ms Anduena Hoxha, Chief of the Competitiveness Sector within the Directory of Entrepreneurship Support, METE); Discussion by all participants; formulate decisions/actions*
(Coffee break in between)	
12:45 – 14:00	Lunch break
14:00 – 16:30	Development and setting up of the measure in FYR of Macedonia - implementing agency, budget, human resources, users of the measure, monitoring, evaluation, publication, dissemination *Introduction by FYR of Macedonia (Prof. Radmil Polenakovik; Director NCDIEL);Discussion by all participants; formulate decisions/actions*
(Coffee break in between)	
16:30 – 17:00	Wrapping up of the discussion *by Djuro Kutlaca, Mihajlo Pupin Institute*
17:00	Closure of the meeting

Day 2 – February 21, 2014

09:00 – 11:00	Short summary presentation of Soft Landing Platform scheme to decision makers (*by Wolfgang Kniejski, ini-novation)*;
	Discussion on feasible scenario for implementation in Albania and FYR of Macedonia
11:00 – 11:15	Coffee break
11.15 – 12:30	Organisation of the preparation of a feasibility study on the implementation of the measure in Albania and FYR of Macedonia; distribution of tasks and action items for the feasibility study
	By all participants
12:30 – 13:30	Lunch

List of **Participants (tbc):**

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Annex:

Paper published in the Incubator Magazine III/2013: Supporting Internationalisation of SMEs through "Soft-Landing Platform Services" - Good Practices and Experiences; by Wolfgang Kniejski, INI-novation

Executive Summary

Due to the changes in the business world, the traditional models of implementing new technologies into the market are no longer of great relevance. Nowadays, the process of innovation has to be understood as a cooperative, interactive and globally networked process that has to be planned and performed from an international point of view.

Through the implementation of creatively developed tools for support of SMEs and start-ups, such as the integrated technology commercialisation process, networking and softlanding platform services, INI-Novation GmbH has succeeded creating a new environment for innovation. The partnership network operates technologies to make them more compelling for investors down the line, assisting with milestones and using strategy to maximise the valuation inflation while moving the product closer to market and a profitable exit. Networking is key to a sustainable international business model. Through its wide international network INI-Novation has helped many SMEs to get in touch with companies in the same field or other enterprises, complementing each other's business philosophy and thus form successful international business partnerships.

1. Challenges to the innovation processes in a modern world

Innovations have a central function for knowledge societies and are essential for the technological advance and the economic growth of a nation14.There is a broad consensus across Europe that technology transfer activities such as the creation of innovative firms, which are often spin-offs from academic institutions and R&D centres, have proven to be effective mechanisms for improving the innovative application of research results and consequently for contributing to socio-economic development. In this respect, high-tech start-ups as an effective interface between the R&D system and industry in an international scale are a crucial element in fostering new innovative global businesses.

Consequently, over the past decades, high-tech based incubation of start-up companies and technology transfer support systems have become a major driving force for the European economies. The European Commission has triggered this phenomenon through the establishment of policies and actions aimed at boosting innovation within Europe as a method to support regional development practices and SME competitiveness. This is not a simple task. New knowledge and new ideas are created every day across Europe. Transferring them into real innovation - a new economic activity that creates jobs and wealth - is facilitated by supporting those that have been inspired by new ideas and knowledge. Intermediaries such as Business Incubators and Technology Transfer Centres have a long history in supporting knowledge based start-ups from academic and research institutes and from private inventors. But with the changing nature of innovation, the support services they provide have to respond to the changing needs and demands: they have to be offered in the light of global thinking.

Despite of this complex mission, institutions all over Europe have become very focused on innovation support practices. They know what to do and what not to do when positioning, engineering, organizing and offering this tools and services. As the ideal exploitation of existing knowledge is essential for the technological competitiveness of an economy, an active technology transfer has to ensure that existing technology is not only transferred in time, but also with regard to the economically acceptable conditions of the location, where it is needed. This has to consider especially the international application of innovations. Thus, the global realisation of transfer projects becomes more and more relevant.

Globalisation, new technologies and growth in the service sector are all being combined to quicken the pace of change today. In the knowledge-driven economy innovation has become essential for achievements in the business world. With this growth in importance, large and small organisations

[14] „Academic Entrepreneurship and Internationalisation of Technology-Based SMEs" Lautenschläger and Haase 2004, p. 16.

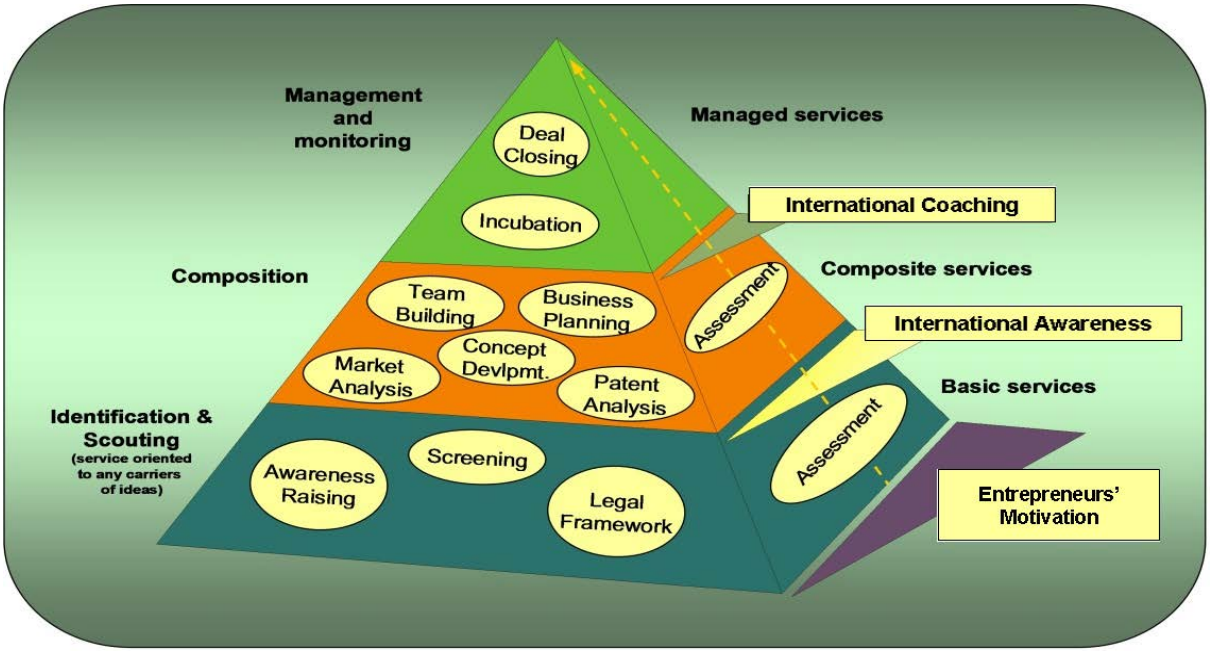
have begun to re-evaluate their products, their services, their processes and even their corporate culture. This is imperative in the attempt to maintain their competitiveness in the global markets. Therefore, international networking and international-oriented thinking are two of the most important factors to support entrepreneurs either in start-up companies or in existing SMEs gaining competitive advantage in global markets. For those looking for early entry into international markets, their chances of success will be increased if business internationalisation support services can also be provided by technology transfer intermediaries (e.g. Business Innovation Centres, Incubators) situated in global target markets, in other regions or other countries.

International business development schemes and global market orientation services, which seek to help enterprises gain access to export markets, are often referred to as «Soft Landing» services. Business support service packages offered to start-up entrepreneurs and SMEs for Soft Landing should be flexible, tailor made and focused on individual company's needs. A high level of adaptation and diversification of the services has to be considered as the needs of beneficiaries can be very different. They need more than office space, admin support or IT packages. They are looking for reliable contacts to lawyers, tax experts and into governmental support programs and commercial partnerships.

In the following this article will illustrate the need for business support packages. Furthermore, the article will share the experiences gained so far to allow its readers to evaluate the effectiveness and the results of Soft Landing and Networking Services. As the technology transfer process has an essential influence on these services, the following chapters explain the necessary elements of technology management that provide the basis to enable a value-oriented and well-planned transfer of technologies from their scientific origin to a commercial exploitation in an international scale.

2. Integrated technology transfer processes

The above mentioned challenges are faced by the integrated technology transfer process, which was developed and applied successfully by INI-Novation GmbH (www.ini-novation.com). Within a technology transfer process all kind of strategic, managerial and technical support is necessary for the development and commercialisation of innovative business ideas and technological applications. Examples are services directed to entrepreneurs, scientists and those directly offered to investors. They should be divided into the three different areas Basic Services, Composite Services, and Managed Services as illustrated and summarised in the figure below:



Services offered within an integrated technology transfer process (© INI-Novation GmbH)

Strategically oriented services are the key to success. Therefore, the entire technology transfer process has to integrate services in the broad range from identification and awareness, via screening, breeding, incubation, product development and final commercialisation up to post-commercialisation support. Furthermore, the services ought to be focused on the identification of entrepreneurs,

development of their entrepreneurial skills, and also the development of an expert infrastructure to support the needs of technology based ventures. In order for an enterprise to be successful, it is needless to mention this has to be accomplished in an international scale.

Entrepreneurs and companies with strong international networks achieve faster growth rates, reach their IPOs quicker, and are more innovative, generally receive higher valuations and demonstrate better ability to cope with periods of economic difficulty. The international dynamic is of particular importance in sectors undergoing frequent technological change. There are two levels on which companies need support within the integrated technology transfer process: a local level, at which general services are offered, and an international level, in which softlanding platform and networking services are offered as described in the next chapter.

3. Softlanding platform and international networking services

Probably the most important feature of an intermediary is the integration of its customers in an existing operational network. It is crucial to quickly find the appropriate business services, customers, suppliers and partners. This has a much higher priority than the provision of technical infrastructure and office space ("build-in access"). For instance, a tight-knit international network provides the relevant "know-how" to enter the market abroad. Technology transfer intermediaries institutionalise such a network and form alliances. This creates also synergies for the companies involved. To accomplish this, fast and easy access to "key players" has to be established, and formal ties with influential experts integrate them directly into the activities of customers.

Conquer markets means making contacts, learn about cultures, and interact with human beings. Companies understand how to operate in their own markets but face significant hurdles in trying to "internationalise" their businesses. Small enterprises usually lack the resources, know-how and networked partnership to create a sustainable parallel organisation and usually face the threats that business internationalization involves:

- Different legal systems and tax systems apply in different countries;
- There is a lack of understanding of the new market, its drivers and mechanisms;
- The market and client base in a foreign county can force a change in the business model, but the companies are not prepared due to
    - Insufficient investment and business planning to enter the market effectively,
    - Inability to break through to achieve first sales in the new market, and
    - Inability to effectively support customers and partners in the export market;
- Finding the right personnel in the foreign labour market might be a problem;
- Finding the right funding programmes; or
- Finding adequate partners.

Only through exchange of knowledge and experiences co-operations in foreign markets can be built and success will be achieved. It results in a spread of international business activities, in which knowledge orientation of companies and business processes lead to new forms of cooperation.[15]
The so called Softlanding Platform for foreign entrepreneurs and foreign companies offers professional consulting and management services necessary to establish a new entity and begin commercial activities in a foreign country. A softlanding platform helps companies all over Europe to exploit an existing competitive advantage in a new market or accelerate their growth by introducing them to new business opportunities. The so called « Soft Landing » services and business support packages can be grouped in the following categories:

- Support in travel organisation and accommodation;
- Support in setting up meetings;
- Logistics: Access to offices, IT and admin packages;
- Introduction into funding schemes;
- Access to sources of funding (business environment, partners and governments);
- Support to identify markets and target customers;
- Specialised support to access experts like lawyers, advisers, etc.;
- Team recruiting services;

[15]The scene speaks of "piggybacking"

- Training and mentoring; and
- Soft landing management.

The services need to meet the customer's benefit. Companies are forced to continuously enlarge their knowledge assets. An actual and functional know-how is necessary but not sufficient for the innovation capacity of a company. They need adequate, even provided by outsourced service specialists. So they can build up effective operational knowledge in different international markets. Soft Landing activity is an important instrument for the internationalisation of innovative business. The created collaborations with partners from different regions and countries contribute not only to the extension of their own networks, but also support the provision of conditions for international collaboration for economic growth. For businesses to innovate in this way, this has proven to be an effective mechanism for improving the innovative application of research results and for business development support to start-ups and existing SMEs.

4. Conclusion

An international network of innovation support has to intensively focus on all stakeholders during the integrative commercialisation process, especially those from foreign sources. In the conditions of the current world economy the active participation of a company on an international scale can be crucial for its sustainable development and survival. In this context the internationalisation of a business can be viewed as factor of a great importance to companies, regardless of the scope of their activities. In many projects, INI-Novation selected companies and provided them with internationalization support. The transnational added value was built on the ability to send a customer to a "trusted friend" in another country who through his/her established business contacts can propose tailor-made business support packages to meet the customer's needs. Softlanding services deliver targeted support and involve dedicated internationalisation experts and programmes to develop markets abroad. Once softlanding services are established successfully, packages can be turned into sustainable businesses, because companies all over Europe are ready and able to pay a market rate for the internationalisation services. In reality, it's not the one who has the best ideas but the one who can use his or her ideas best that will succeed. The limits of the conventional view – supporting inventors only locally - can be seen by simply turning it global.

5. Author

After finishing his business management and economics studies at the University of Mannheim, Germany, Wolfgang Kniejski started his business career in 1991 as the Financial Manager of Fraunhofer Institute for Computer Graphics, in Darmstadt, Germany. In 1999 he took the position as Business Manager of INI-GraphicsNet Foundation, and since 2004 he was appointed Treasurer and Business Director.

In this capacity he successfully developed and implemented methodologies and processes to support the technology commercialisation for universities and research institutions via licensing and spin-off activities. Mr. Kniejski spun his technology commercialisation knowledge off into his own company and created INI-Novation GmbH as an innovation management and consulting entity. In 2006, he won the innovation award of the Singaporean government for exploiting the integrated technology commercialisation concept to Singapore.

He was appointed as innovation consultant by different governmental agencies on an international level to develop concepts for High-Tech Incubators and Business and Science Parks, and he is also jury member in several international business plan and idea competitions.

Today, Mr. Kniejski is running his own consulting business in the fields of technology transfer, innovation policies and SME development, mainly in the ICT, energy technologies and tourism sectors. He has more than 20 years of international experience as business development executive and technology commercialisation expert. His success is based largely on a well-established network with contacts into Fortune 500 companies and governmental agencies in Europe, as well as his representation as shareholder and Board member of several high-tech spin-off companies and technology transfer organisations all over the world.

6. Good Practice Example

INNOBRIDGE BIC in Ruse, Bulgaria
Summary and background information
The INNOBRIDGE BIC has been formally established on the 30th May 2011 as a business unit in the Ruse

Chamber of Commerce and Industry and in the framework of a Cross Border cooperation project, aimed to create an organization focused on promotion of innovative entrepreneurship and cross border cooperation. The project positively concluded the incubation process and its basic services offered, in terms of designing the business model, preparing the technical tools, selecting and training the staff, establishing good relationships with the main stakeholders.
Nevertheless, the number of clients has to be improved. And since the critical mass of potential clients in the wider region of Ruse is relatively small, the decision was made, to focus the incubation activities - from the beginning - on international collaboration and on international networking.
The relationships with some important stakeholders (e.g. Municipality & University) are good indicators, but one of the key success factors is the fact that International Softlanding Services were offered. And this was accomplished in two directions:
- offer Bulgarian companies services to sell abroad (outbound) and
- offer foreign companies to establish their market also in Bulgaria (inbound).
These activities lead to securing new projects ("virtual incubatees"), which contribute to the sustainability offer of services and future funding opportunities. The international recognition of EU BIC Accreditation was essential part after INNOBRIDGE became operational. INNOBRIDGE is the first Bulgarian incubator that achieved this accreditation, which was thoroughly prepared through a close co-operation with EBN and INI-Novation.

Outcome / Conclusions

As one of the first customers "Dotterel" signed a Business Development Agreement with INNOBRIDGE. Under this contract INNOBRIDGE supported the development of the business plan, provided entrepreneurship training and individual coaching and mentoring, and most importantly through the collaboration with INI-Novation, also access to international markets. As a result of this initiative

- Dotterel is already selling its Language Learning Card Game in Bulgaria,
- Efforts have been taken to open doors to the German market through publishing houses, bookstores and marketing events, and
- A co-operation was initiated with a Portuguese university, in which the university will provide interactive learning experience and Dotterel will provide the content to offer the language learning capabilities for small children also as interactive mobile solutions.

References: www.innobridge.rcci.bg/; www.ini-novation.com