CERIecon – CE119

eSmart strategy for a regional ecosystem in Rijeka (HR) region

Deliverable D.T1.2.5

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PP9 City of Rijeka Department of Entrepreneurship /
PP10 Science and Technology Park of the University of Rijeka

1. Project Summary & document introduction

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

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

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

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

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

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

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DELIVERABLE D. T1.2.5

e1x eSmart strategy for a regional ecosystem in CE region – Rijeka (HR)

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

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

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

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[1] Deliverable D.T1.2.5 is strongly interconnected with *D.T2.2.5 - Pilot action for the Rijeka (HR) region and implementation of the reg. Playpark*: the two Deliverables complement each other being the first one more centred on the structure and then sustainability of the Playpark whilst the second one is more related with the contents handled and delivered by the Playpark itself during the pilot actions. Both the Deliverables are thus shaping the way for an effective and sustainable action within the broader RIS3 strategies.

2. The CERIecon vision: setting the scene from the beginning

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

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

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

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

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

[3] As from the Application Form, section C.1 "Project relevance"

[4] As from the Application Form, section C.2 "Project focus"

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

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

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

In concrete, according to the project, new-type comprehensive regional innovation ecosystems [so called *Playparks*] are regional physical centers of excellence. Each Playpark (one per region) will inspire and train at least 30 start-ups and young SMEs during project lifetime. The Playparks will provide SME improvement training in all six domains of a successful ecosystem (i.e. policy, finance, culture, supports, human capital, and markets - *D. Isenberg*) and will be interlinked in a transnational network to improve international skills. The ecosystems and network will be prepared according to clearly defined action plans with breakdowns of strategy goals and objectives into timelines of specific tasks, etc. (WPT1) and pilot actions to implement and test these novel schemes. [8]
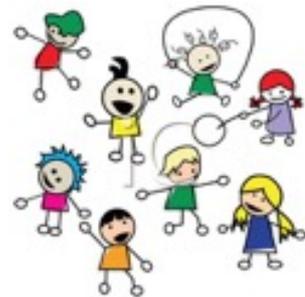
On a logical sequence **Work Package T2** (*New-type innovation ecosystems in seven CE regions interlinked in a transnational network*) has implemented the new-type comprehensive six-domain regional innovation ecosystems in PP regions and **Work Package T3** (*Improving skills and competences for economic and social innovation in seven CE regions*) has started testing the efficacy of the Playpark by improving the skills and entrepreneurial competences of 210+ start-ups/young SMEs ('n' individuals) in seven CE regions.

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

[6] Damien English, T.D. - Minister for Skills, Research and Innovation, Ireland - *Inspiring and Completing European Innovation Ecosystems* – EPPA 2015

[7] Senator Stefania Giannini - Minister for Education, Universities and Research, Italy - *Ibidem*

[8] As from the Application Form, section C.2 "Project specific objectives"

3. The *Playpark* concept

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

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

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

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

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

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

[10] As from the Application Form, section C.1 "Project relevance / Project's approach"

[11] *Ibidem*

I. *Playpark* target groups

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

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

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

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

DEFINED AND SERVED TARGET GROUP

Direct target group	Indirect target group
Students from final years *Newly graduates* *Unemployed people aged 25+* *Young entrepreneurs* *Young SMEs* *Freelancers* *Individuals from NGOs: Prostor Plus, PaRiter Association, Centre of Technical Culture Rijeka, EU Korak and many more reached through numerous communication deliverables;* *Success Stories SMEs: Croglotta, First In, Špajza, Exevio and many more SMEs reached through numerous communication deliverables* …	City of Rijeka, Department of Entrepreneurship Local Municipalities City of Guelph (Canada) Croatian Employment service - Regional Office Rijeka University of Rijeka – different departments Foundation of the University of Rijeka Croatian Bank for Reconstruction and Development Faculty of Economics Rijeka Business School PAR Startup Incubator Rijeka Regional Financial Agency Faculty of Economics - University of Ljubljana …

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[12] As from the Application Form, section C.1 "Project relevance"

[13] All the listed bodies have to be considered and 'treated' as relevant stakeholders having anyway an interest also in being target of the different Playpart services.

II. *Playpark* common structure

Playparks are regional physical centres of excellence […] There will be one Playpark per region. [14]

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

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

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

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

Starting from the picture outlined in the initial *eConcept* the **Playpark Rijeka** has been located within the institution of PP10 - STEP RI, Science and Technology Park of the University of Rijeka with 65m^2 coworking area open 24/7 for Playpark users.

The weekly cycle of lectures consists of 2 workshops per week (one workshop last for 3h; 6h in total per week) with the following week of mentorship/one-on-one consultations per team (consultation last usually 1-2h per team; 12h+ per week). Schedule flow on a monthly basis looks like this: workshops week – mentorship week – workshops week – mentorship week etc. In total, there are 11 training lectures (33 hours) and 45+ hours of one-on-one mentoring consultation hours were held during one cohort of CERIecon Playpark Rijeka program.

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[14] As from the Application Form, section C.2 "Project focus / Project specific objectives".

[15] Output O.T2.3: Playparks network: 1x Joint Playpark staff training

[16] The Playpark should be real places where emerging entrepreneurs have the concrete opportunity to meet current entrepreneurs, to learn from their real "business cases" and to take profit from the specific "business environment" leading to a real processes of *co-generation* and *co-creation* of future business ideas.

[17] As from the Application Form, section C.1 "Project relevance"

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

Workshop topics are the following: Job to be done and Value Proposition Canvas, Business Model Canvas, Business Costs & Financing, Market research & Business Planning, Starting a Business (Legal and Bookkeeping Frameworks), Pitching deck and Crowdfunding for Beginners.

Mentoring and consultation hours were provided by our 3 lecturers and mentors, each specialized in a different segment of business development, who guided, directed and followed up teams in their idea development process.
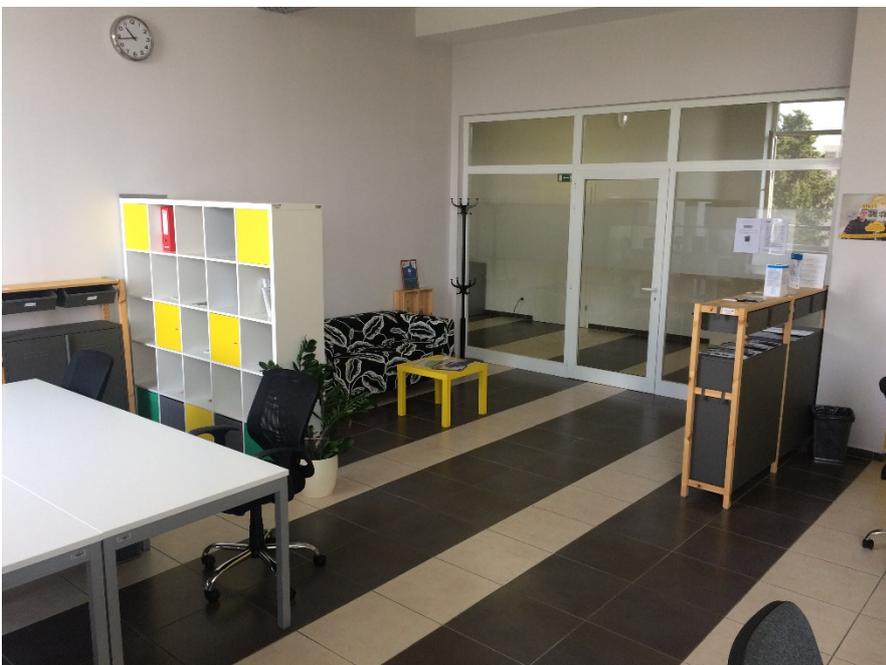
III. *Playpark* common functionalities

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

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

1. **Policy**: The playpark has to focus on the RIS3-Strategy of the region. This means on the one hand that entrepreneurs/SMEs who are trained at the playpark should deal with a business idea matching the branches/technologies of the RIS3. On the other hand trainers, experts and network partner of the playpark should be chosen by their expertise-level concerning the RIS3-branches/technologies.

2. **Finance**: the training program of the Playpark should directly qualify the participants and business ideas for the application for further funding. All regional and national funding programs, business angel and venture institutions, crowdfunding initiatives should be considered. The Playpark staff must have expertise in applying for funding in order to support the entrepreneurs/SMEs. Financial partners should be integrated as experts in the Playpark program.

3. **Human Capital**: the core of the Playpark is the 6-month training program which starts with an idea generation process and leads to viable business models (will be specified in O.T2.4). This training programm should integrate experienced enterpreneurs which could act as mentors for the younger startups / SMEs. Last but not least the Playparks should establish strong links to educational insitutions where the Playpark participants can get further education and know-how.

4. **Markets**: Strong links to established companies of the RIS3 focuses should be developed. Representatives of those companies should assist the startups / SMEs with their expertise in developing, producing and distributing and should act as early adopters for proof-of-concept and reference customers.

5. **Culture**: the Playpark must be integrated in the regional Startup Community in order to make success stories visible, to open a broader network for the Playpark participants and to transfer the common culture of risk tolerance, experimentation, social status, etc.

6. **Supports**: The Playpark must be a physical place where startups / SMEs are trained and where they ideally find a temporary place to work. Furthermore it should integrate representatives of institutions such as legal, accounting, prototyping, labor, etc.. to offer the startups / SMEs a broad technical and administrative support.

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[19] As from the Application Form, section C.1 "Project relevance"

IV. *Playpark* common tools

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

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

LIST OF THE TOOLS @ THE PLAYPARK RIJEKA

Tool	Description
Playpark staff	Involved: Playpark Manager Playpark Activities Coordinator & Playpark Manager Assistant Playpark Staff & Project Assistant Communication Manager
Pool of experts	Boris Golob, lecturer-mentor-consultant, Business Model expert Jana Blažević Marčelja, lecturer-mentor-consultant, Pricing expert Neven Tamarut, lecturer-mentor-consultant, Business Planning expert Anita Pribanić, Crowdfunding workshop Silvia Nađ, Pitching skills preparations External experts-lecturers for workshops like Time management, Marketing, Pitching, Creative entrepreneurship etc.
On-line tools	xChange tool & eLearning videos
ICT devices	Laptops during workshops exercises Projector in coworking space for pitch practice
Transnational action	Initial joint trans. training concept & materials from Cracow Augmented joint transnational training concept & materials from Brno
Other relevant info	/

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[20] Each regional Playpark must have at least one staff member acting also as coordinator / contact person.

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

[22] According to the regional Playpark customisation as defined in D.T2.1.1

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

4. Planning for sustainability

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

WHAT WORKED OUT AT BEST?

In all 3 cohorts Playpark Rijeka managed to achieve set up goal - desired number of focus groups and interested individuals who joined the programme. Trainings were done fully as planned according the programme schedule during whole 6-months cohorts' duration. Mentoring, exchange programme and finals competition were activities appreciated the most among participants while one-on-one consultation hours were perceived as the biggest additional value of the programme.

- What worked out?
- What did not work?
- Measuring efficacy
- Plans for sustainability
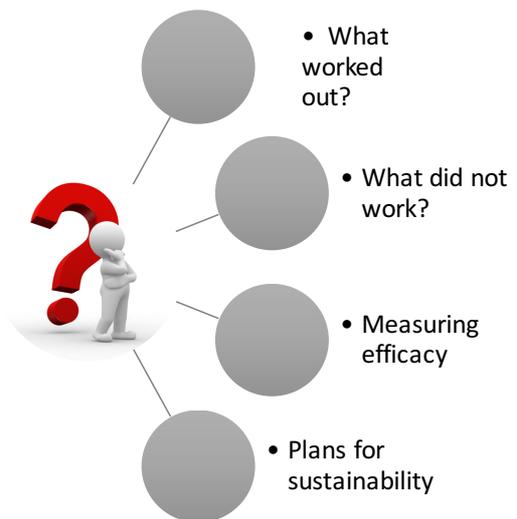
WHAT DID NOT WORKED AT ALL?

Small difficulties appeared while trying to direct participants towards the xChange tool platform use, who found the platform as time-consuming tool for their project purposes.

The programme proved the need to develop a training schedule in a continuous flow at least every second week, repeatedly through exactly defined workshop timetable in advance, with added 'in-between the workshops' activities such as mentoring, which give participants enough time to work on their ideas while being followed and trained on a weekly basis through workshops or consultation hours where none of the participants or mentors/lectures wouldn't lose a sight on an idea development process phase.

RESULTS ACHIEVED SO FAR

Target groups were reached by bringing young emerging entrepreneurs and idea developers in pre-incubation phase programme. Special goal of trainings was to offer a full cycle of both basic and advanced entrepreneurial education; provided within mentoring and consultation aspect as well. Training topics were developed in a way where schedule follow the idea development process, from problem definition and customers profile, over value proposition and business model to financing, pricing, strategy canvas, legal frameworks and crowdfunding workshop topics. Benefits of the trainings are seen in additional knowledge expansion that would lead to specific problem solutions during idea development phase and help participants in promoting their projects growth and further business development. In total, there were 11 training lectures (33 hours) and 45+ hours of one-on-one mentoring consultation hours held during each cohort of CERIecon Playpark Rijeka program.

PLAN SET FOR PLAYPARK RIJEKA SUSTAINABILITY

New applications will be out in autumn 2019 and Playpark Rijeka will continue with the same cohort concept: 6-months programme will be free for participants and will include educations, mentoring and coworking space, all funded from own resources since everything will be done in-house (lecturers and mentors will provide workshops and consultation hours in STEP RI premises and STEP RI will take care of Playpark as well since it is located in same facility).

While the Finals concept could be adjusted and introduced as a local finals contest, the exchange programme for the given moment would not be possible to perform since it will require additional financing; but if an opportunity among regional/national funding for these extra activities will arise, STEP RI would gladly apply to continue cooperation with other regional Playparks.

In-house workshops concept frame ensures the sustainability of trainings where STEP RI will independently continue with the implementation of the education programme trainings.
STEP RI gives out training materials to all participants and interested partners within the programme as well as to any other regional business support institutions upon the request and expressed needs.

Playpark Rijeka coworking space will stay available for use to all previous cohorts' participants and any future interested individuals and young SMEs for subsidized pre & off incubation low cost prices.

http://tinyurl.com/CERIecon

www.interreg-central.eu/CERIecon