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Regional Director Murk Peutz would like to give the following contribution on the future EU 2020 strategy:

Bringing Knowledge and SMEs together

Globalization has driven European Small and Medium Sized enterprises (SMEs) to the competitive frontlines of business. Internet enables small companies to compete in far flung markets. Market niches open up faster and mature in a dazzling pace as a result of increased innovation. SMEs are more than ever players in this 'hypercompetitive' environment. Knowledge to innovate and compete has become the core driver for many businesses. SMEs have increased their co-operation with partners to capture sufficient knowledge to stay in the game. Interdependencies in the business networks have increased. The publicly funded knowledge institutes, such as universities, must share their expertise to allow SMEs to compete with all (knowledge) resources they can possibly find. This specific interface and hence co-operation is however underdeveloped.

The European Knowledge paradox

Europe's universities and knowledge institutes perform to world class standards and push science to an ever higher level. At the same time, small and medium sized companies (SMEs) hardly co-operate with these universities and knowledge institutes. This misalignment is now known as the European Knowledge Paradox. Part of this paradox is covered by the attention given to valorization of (public) knowledge, i.e. the use of publicly funded science output for business and social benefit. Universities and institutes have been faced with targets to enhance several valorization parameters: a) university spin off companies, b) patents and c) contract research with industry. A fourth valorization parameter is of great importance to SMEs, but is hardly used as an incentive to universities and knowledge institutes. This parameter is services of university staff to companies. Often they include technological issues, evaluation of product concepts and prototypes or (mini) feasibility studies. More information on this 'service process' can be found in the book (in Dutch): 'Ondernemers op onderzoek, het MKB verzilvert publieke kennis – Murk Peutz' ISBN 978-90-804298-7-1

In the Netherlands the Ministry of Economic Affairs has tackled the issue around services of university staff for SMEs by a combination of implementing a policy instrument and using the Syntens innovation network.

Policy instrument: Innovation voucher

SMEs can apply in the Netherlands for a micro subsidy to tackle a specific innovation linked problem in their companies. These subsidies are called Innovation vouchers. The amounts reimbursed vary between €2500 and € 6500. In general, smaller consulting projects are performed, often in the range of a week's work. The innovation voucher has been around since the nineties and is applied in regional projects and offered in national programs. The voucher system was evaluated several times with good results, which allowed for a steady integration of the voucher system in the Dutch innovation landscape. In 2009 more than a thousand of these vouchers were issued.

Syntens innovation network

The Syntens organization comprises of 400 people and was initiated by the Ministry of Economic Affairs in 1998 by merging several foundations and government services in the field of innovation support. Syntens helps SMEs to enhance their innovation capacities and accelerate their innovations. Syntens offers consulting, clustering and information services to achieve these goals. A specific effort is directed towards building bridges between SMEs and knowledge institutes. Technological or organizational issues constraining innovation in companies are picked up by Syntens consultants.

Often these issues are solved by Universities and knowledge institutes, with whom Syntens has developed long lasting relationships. Syntens is also a partner in the European Enterprise Network.

Recommendation how to resolve the paradox

SMEs and universities will benefit from a new category of interaction. Services, short knowledge intensive interventions in SMEs by researchers, should be considered as a separate category of activities for publicly financed institutes. It will increase the level of sophistication in SMEs and lead to more innovation. On the other hand it will lead to new incentives for research staff. They will acquire a more practical understanding of business issues which will improve the valorization of public knowledge. As a knowledge broker between institutes and SMEs, organizations independent from universities, such as Syntens, fulfill a useful role. They find the suitable researcher, help to translate business issues into science fields and keep the service process going.

Met vriendelijke groet

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Syntens helpt ondernemers beter, eerder en sneller innoveren

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LARGE SCALE INVOLVEMENT OF SME'S NOT PARTICIPATING IN INNOVATION NETWORKS

Murk M. V. Peutz

ISPIM

New York, December 2009

www.syntens.nl/ispim



Introduction

Syntens

Not for Profit Foundation

Supported by Dutch Ministry of Economic affairs, EU and regional government in The Netherlands

Aims to accelerate and improve innovation by Small and Medium Sized Enterprises (SME's)

Acts as counsel on innovation for SME's, liaison for knowledge and as innovation specialist
400 employees

EU project "Toekomstbedrijven"

Innovation fuels economic growth

Regional economic policies aim to promote clusters and innovation networks

Many SME's are thought to benefit from networks, but refrain from participation

The project "Toekomstbedrijven", (FuturizingBusinesses) aims to increase SME participation in these networks

Project started in August 2008

Project context

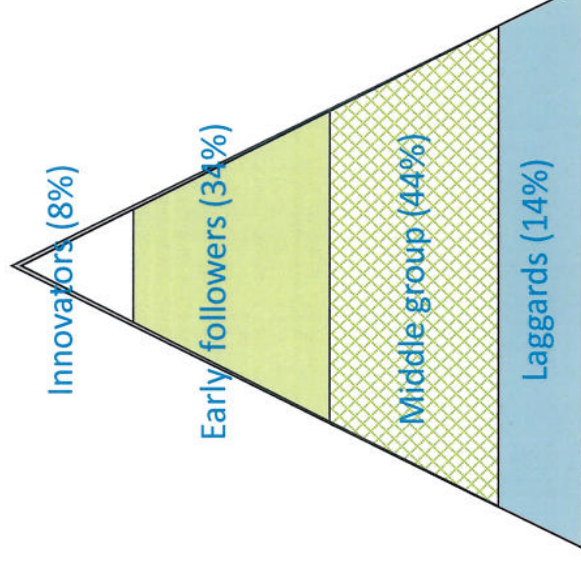
SME Population

The EU Lisbon Agenda

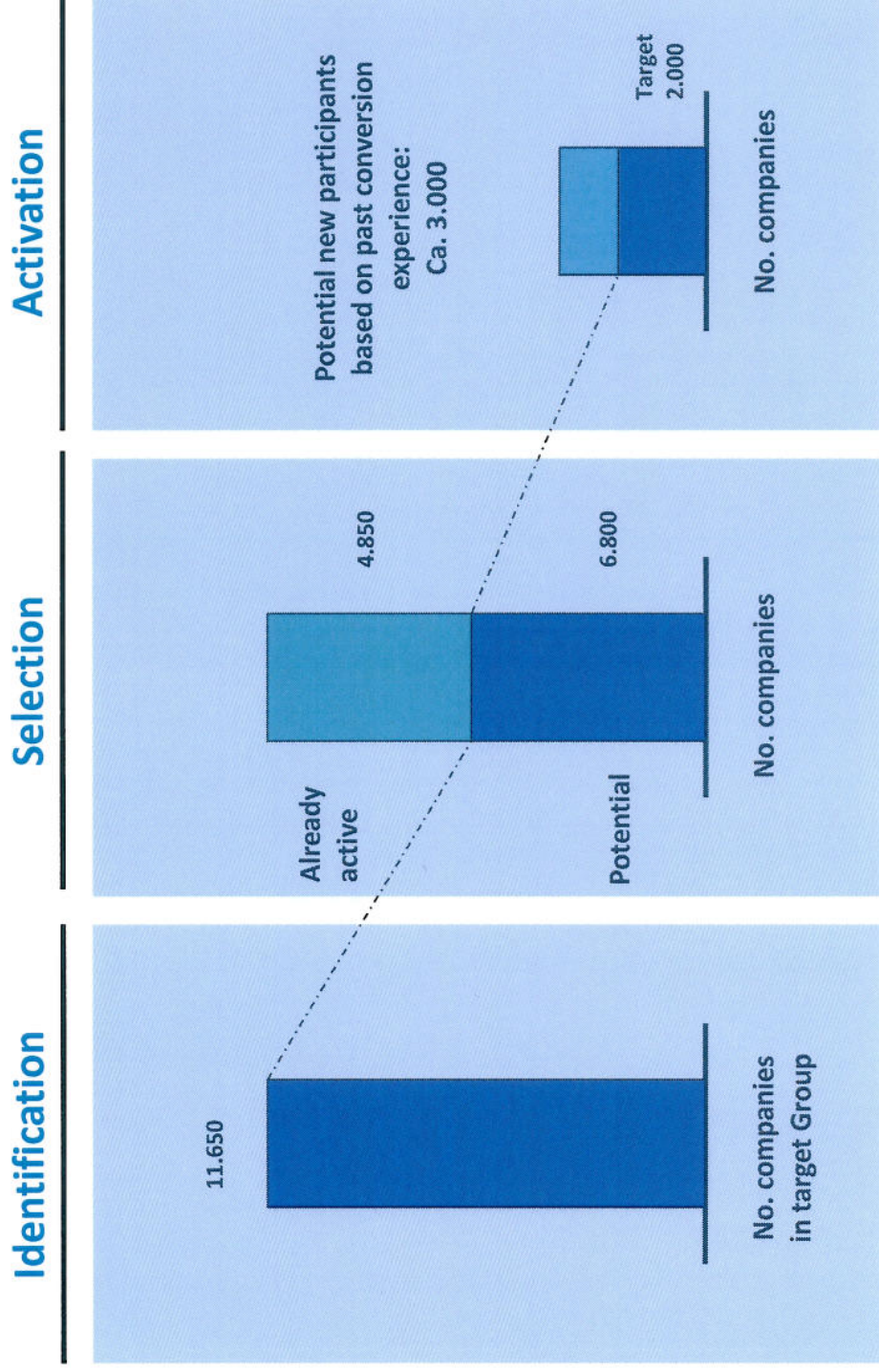
- More competitive economies
- More innovation
- More R&D

SME's have low participation in R&D and innovation activities

Increasing SME participation is thought to be possible in the 'Middle Group'



Project phases



Main elements of activation phase

Experienced Syntens consultants approach SME's

- A first phone call is, after conversion, followed up by a 'on site' visit

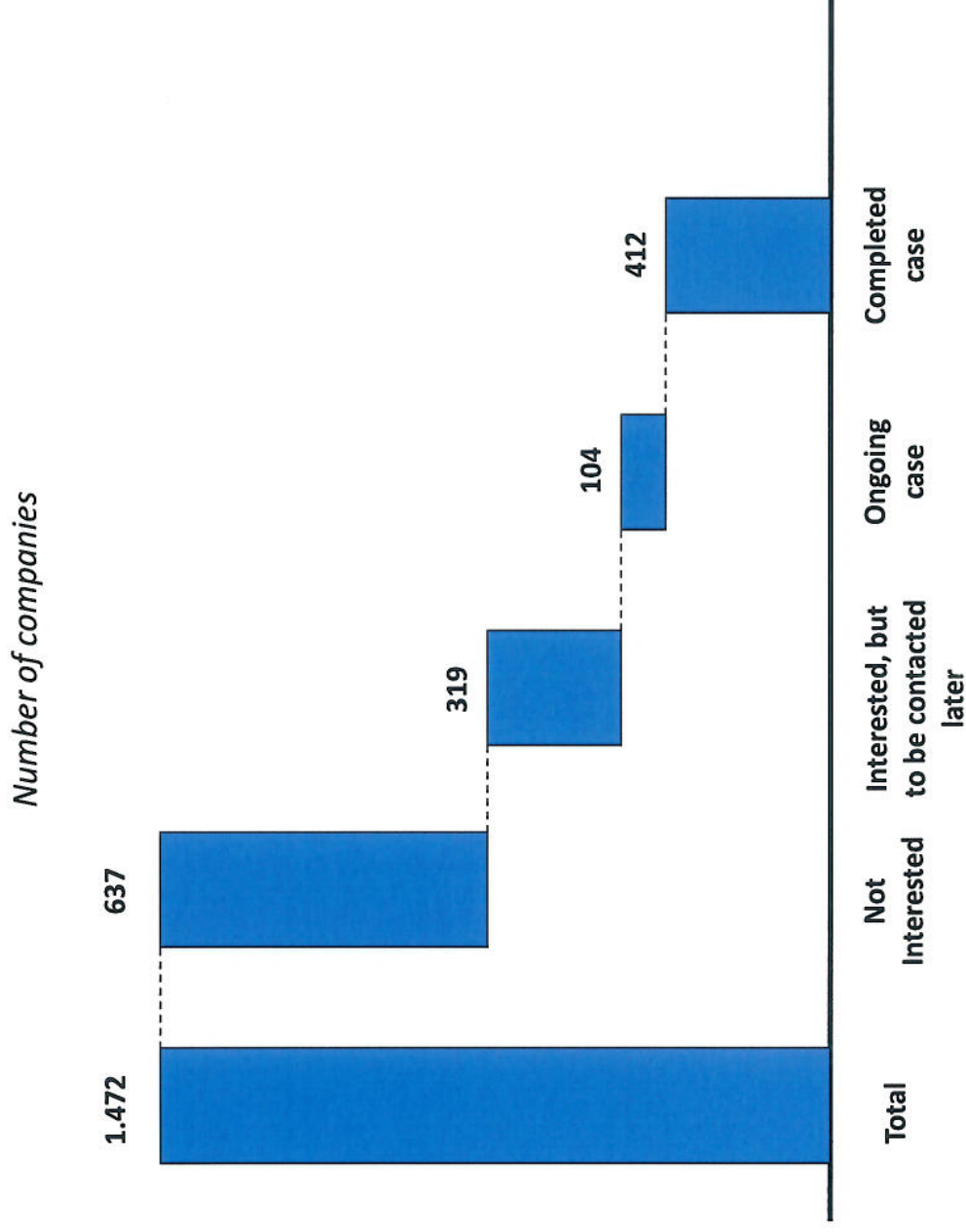
The consultant explores opportunities in the discussion for follow up action

- contact with potential innovation partners like other companies, university researchers, consultants, intermediaries

All consultants compile a company profile, containing elements such as:

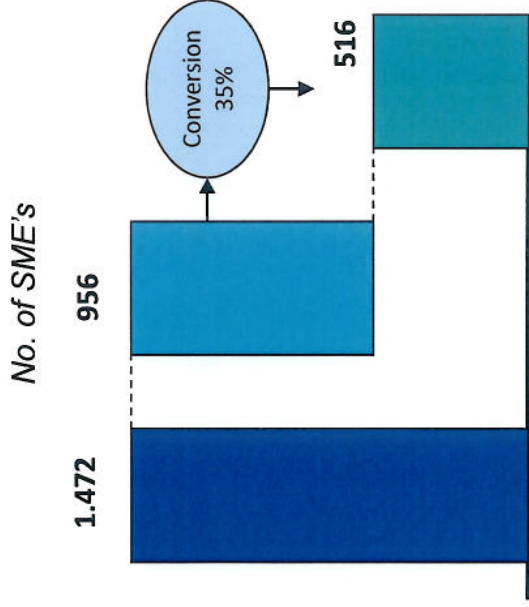
- 'Ambition to innovate' and 'Willingness to change'
- Perceived Innovation capabilities
- Opportunities, Problems/needs
- Referrals and Follow-up by Syntens
- Conclusion

Status of participation by SME's since start of project



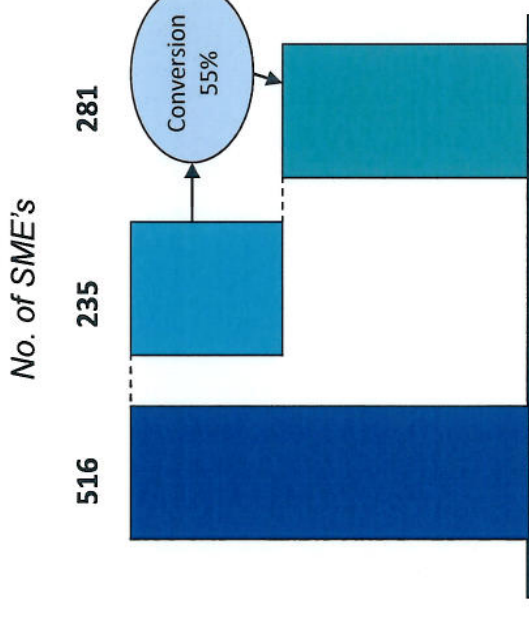
Significant impact on target group

35% Willing to explore



Target Population
Not interested/ contacted later
Work In Progress and activated cases

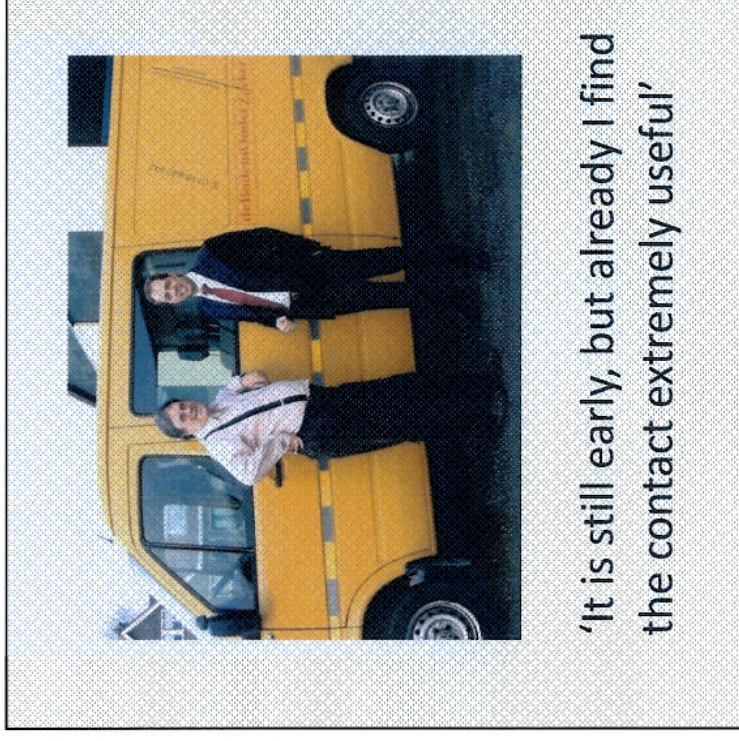
55% Willing to exploit



Work In Progress and activated cases
No follow up activity
Follow up activities

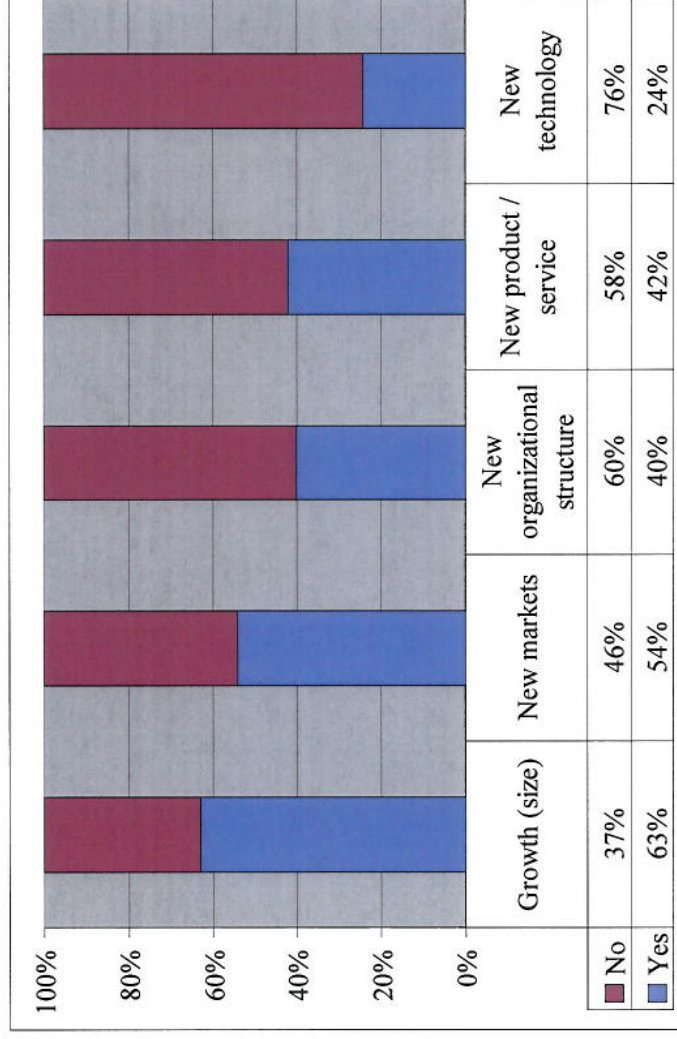
Consultant approach

- Informal approach
- Open Agenda
- Avoid “selling”
- “Lending an ear”
- Tailored approach
- Its about the entrepreneur
- Not about the project



Group profile

Visited companies show high ambition to grow (63%) and have high ambitions to enter new markets (54%)



'It's refreshing to hear ideas from others.'

Conclusion and further research work

Conclusion

Chosen approach for involving a previously not participating group works, and project target is realistic

SME's show high ambition and willingness to change and innovate, despite low network participation or orientation

Willingness to change of SME is a good proxy for follow up activities, many new contacts and activities have been initiated

Further work

Scientific effectiveness study is planned (pre-test post-test control group design)

Control group compiled at the start of the project

Measuring innovation behavior (post-test in first half of 2010)

