



INTERREG IVC
INNOVATION & ENVIRONMENT
REGION OF EUROPE SHARING SOLUTIONS



EUROPEAN REGIONAL
DEVELOPMENT FUND

HOW CAN EVALUATION SUPPORT A CONTINUOUS IMPROVEMENT OF THE RIS³?

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www.know-hub.eu

WHAT ARE THE ISSUES?

SWOT analysis = one shot

RIS3 = place-based through governance

Policy mix = “silo” approach & single source of data



Evaluation = narrow perspective, often politically correct and in general conservative. Can a sum of micro-interventions have an impact on macro-indicators?



Continuous improvement through intelligence for (regional) economic development



Place-based evidence supported by evidence-based data

25 YEARS OF OBSERVATION – PART 1



CUTE SUMO

BUSINESS AS USUAL?

What's been on the agenda for many years?

- difficulty for SMEs to access finance,
- weak growth of start-ups,
- difficulty to transform results of the research funded by the public sector in applications accepted by the market,
- dependence on subsidies,
- fragmentation and piling up of measures due to a "silo approach",
- lack of prioritization of potential beneficiaries and of the lines of intervention of public policies.



WHY A “BALKANISATION” OF THE SITUATION?

- non-exploitation of the results of assessment studies or their limits,
- "conservative" reasoning and a refusal / rejection to think outside conventional ways,
- lack of regional economic intelligence system
- pretexting that public administration cannot take risks,
- comfort with "fashionable" concepts and a certain indulgence towards their relative ineffectiveness,
- critical non-exploitation of information about the beneficiaries of public measures and on the reasons why the potential beneficiaries do not apply,
- reluctance to share information between the different leaders of public policies,
- refusal to consider the companies' profit and the market as the engine of their development,
- non-use of scenarios enabling to prefigure the impact of the various public schemes according to their method of implementation,
- preferences for grants vs. revolving mechanisms.



EVALUATION: JOBS OR TRANSFORMATION PROCESS?

- the number of jobs created, with a distinction between jobs with a higher salary (e.g. 1.5 times) than the average regional wage and the others;
- the number of companies created with high growth potential,
- bringing to the market new products/services/solutions/systems, either for the enterprise or for the market through innovation in all its forms and/or R&D,
- increased sales for export,
- participation in international R&D+I networks,
- upgrading the portfolio of products/services of the regional strategic enterprises,
- upskilling of the workforce or the unemployed population in line with the needs of the priority market niches,
- number of companies entering the market of social and societal innovation,
- changing the position of enterprises in the value chain in order to anchor them into the territory,
- absorption by companies with regional purposes of service and marketing innovations,
- activity sectors in which revenues are generated by research laboratories having received public funding: licensing, start-ups, start-ups that have raised venture capital, leverage effect of public funds for attracting private funds,
- the number of companies offering social innovations.

COST OF PUBLIC INTERVENTION – RETURN OF PUBLIC EXPENDITURE (RoPE)

- COST

- Implementation cost
- Cost related to policy choices vs inefficiency in delivery cost

- RoPE

Σ Expenditure \leq generated taxes

- VAT
- Personal income taxes
- Tax on enterprise profit
- ...

25 YEARS OF OBSERVATION – PART 2



***FROM SELF-SATISFACTION TO CONTINUOUS
IMPROVEMENT***



WHAT COULD BE INTELLIGENCE FOR (REGIONAL) ECONOMIC DEVELOPMENT?

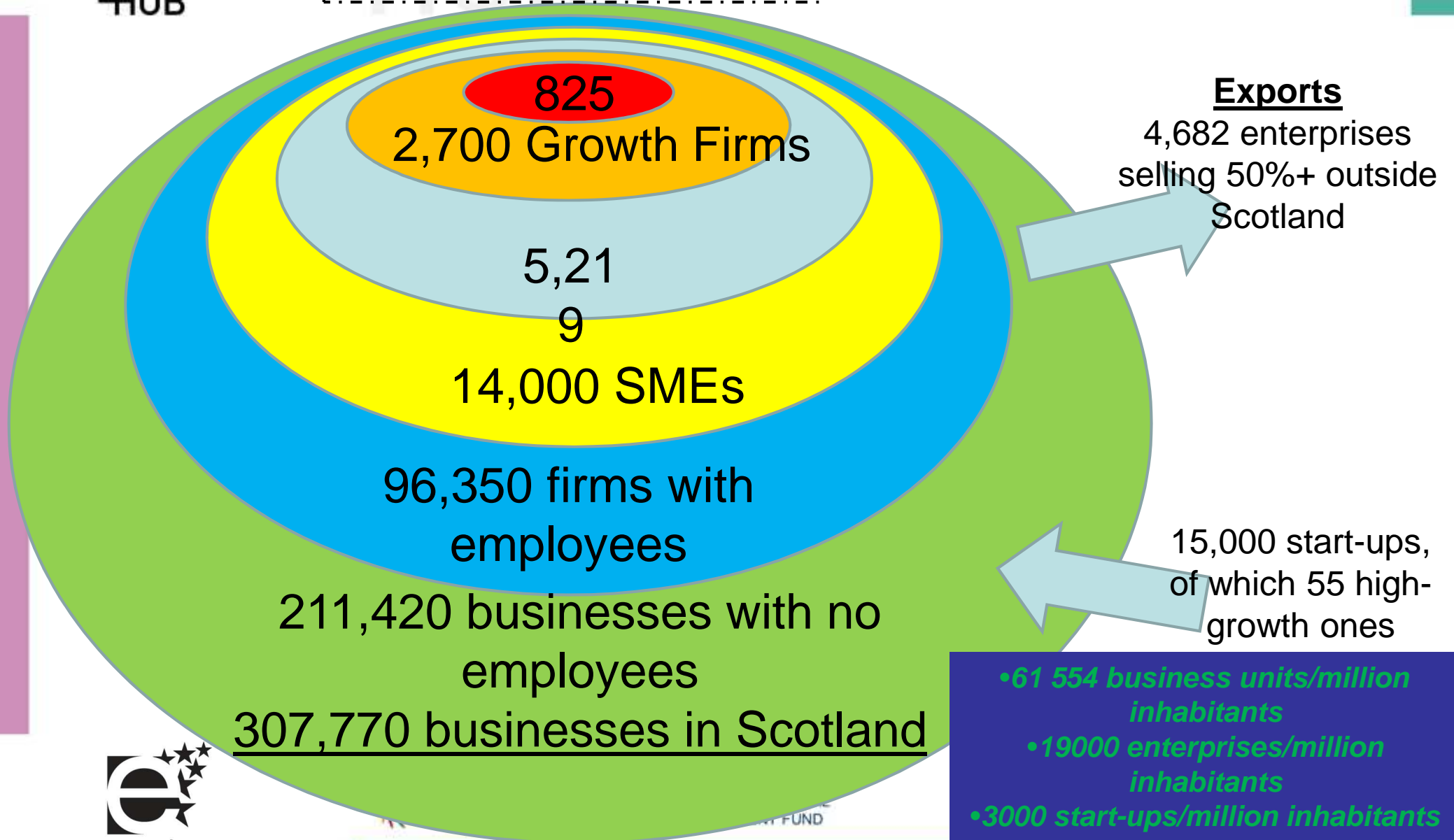
The system must provide the public administration, businesses and innovation actors with real or virtual places of exchange of information on

- Regional potential strategic areas
- Technological, organizational process and economic changes
- Skills present in the area and future needs
- Data on the regional priority sectors and on innovation (companies, projects, skills, finance, ...)
- Strategic structural investments
- Added value for the public intervention
- List of strategic enterprises for the region (champions for local markets, hidden champions, global players).



PORTFOLIO STRATEGIC ENTERPRISES (1)

Growth Companies





PORTFOLIO STRATEGIC ENTERPRISES (2)

- market dynamics, niche and geographical influence,
- ownership of the market position, importance of the "in house" capacity in the field of innovation, marketing and investment,
- investment in innovation,
- involvement in regional networks,
- openness to international cooperation if relevant for the core business or the sector,
- attitude towards public supports and previous track records of public supports used,
- competitive advantages compared to the local and international competitors.



BIG DATA MINING (1)

- Which enterprises have received several funding over the last 3-5 years? What type of support was offered? How many have used those supports as a stairway to competitiveness (starting from awareness to high level services...)?
- Which enterprises have succeeded to receive money from the regional, national and European level? Did they start from the regional level?
- Which are the enterprises being part of at least two clusters?
- Which enterprises are using revolving funding tools?
- Why are enterprises who attend events related to innovation organised by the public sector not applying or being successful in receiving public funding?
- Are there intra-regional differences concerning the number of beneficiaries? If so, why?
- Which are the new greenfield investments attracted in a given year? Have they any R&D+I components in their investment?
- Which enterprises belonging to the portfolio of strategic enterprises are not using public support?
- What is the ratio public funding/turnover per enterprise having received public money?
- What is the ratio private funding/public funding per research centre?
- When applicable, which enterprises are part of consortia receiving public funding? What type of organisations (other enterprises, universities, research centres...) are they partners with and where are those partners located (in the region, in another region of the country, in EU15, in EU13 Member States, outside the EU)?

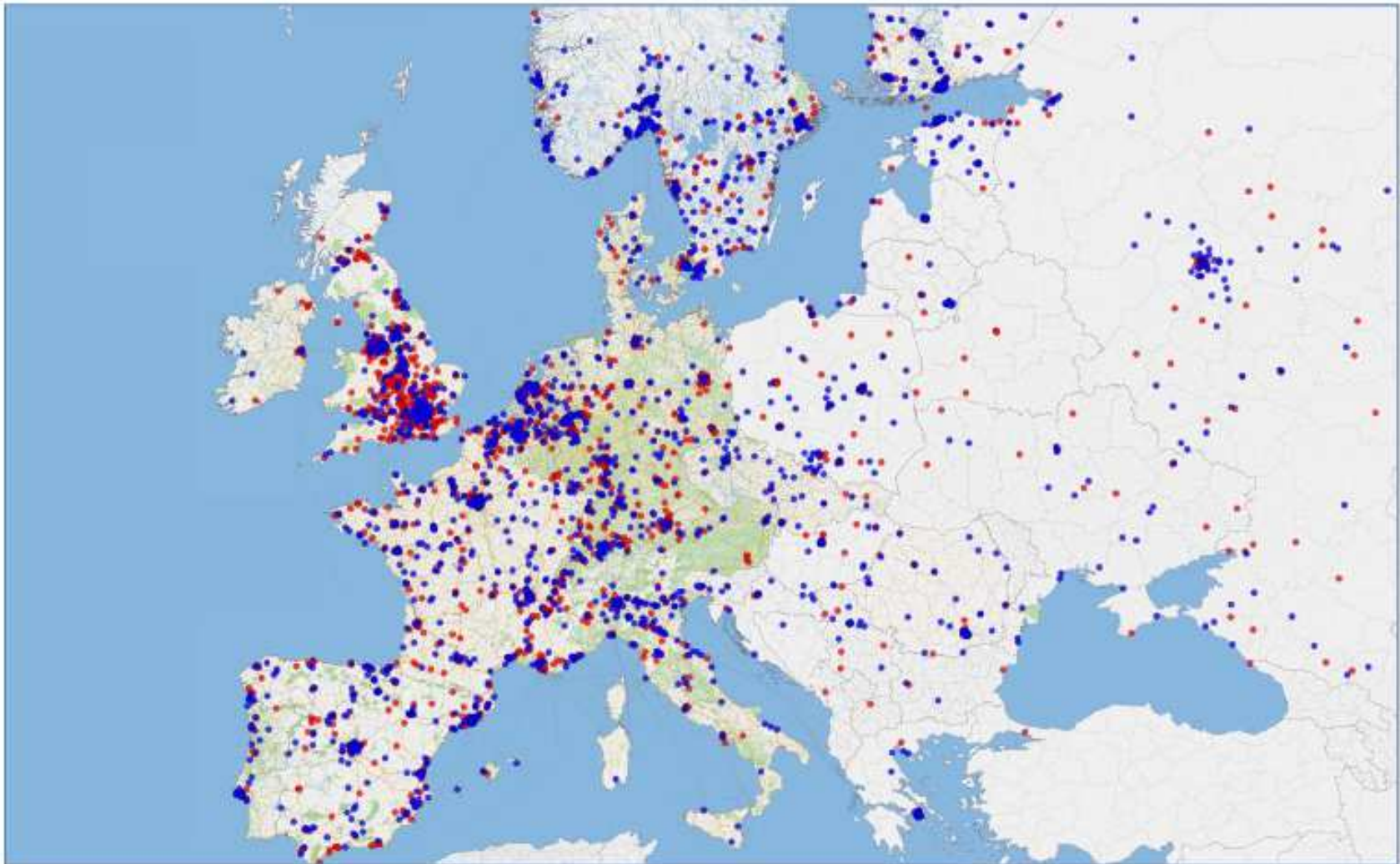


BIG DATA MINING (2)

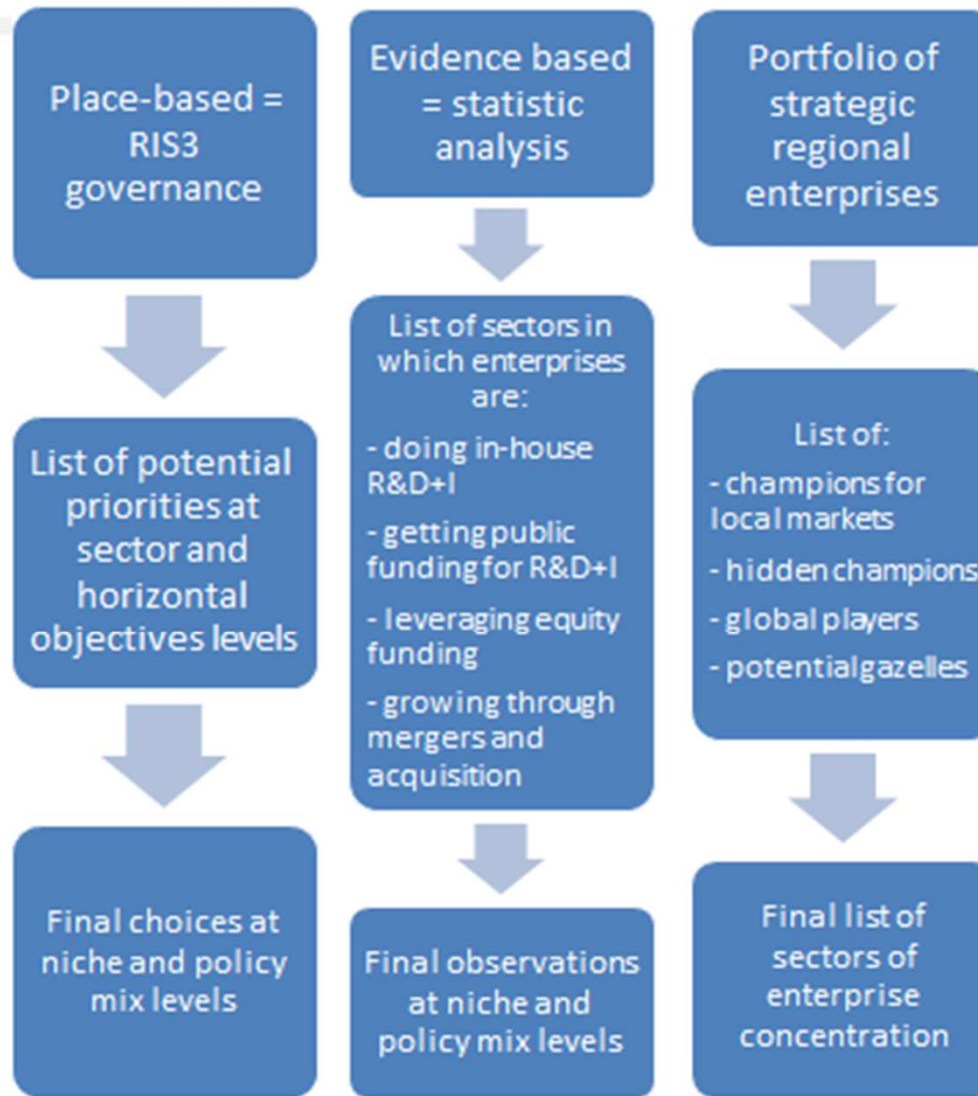
- How many enterprises did receive their first public supports in a given year? How old are they? How many employees have they? In which sectors are they operating?
- What is the ratio revolving funding instruments / grants for each enterprise and per cluster having been supported by public instruments?
- Which are the enterprises having been funded by private and public equity providers (business angels, crowdfunding, seed capital, venture capital, corporate capital, IPO) and how much did they receive?
- If relevant, how much public money has been captured from regional, national and EU funding sources by members of the different clusters?
- Which are the spin-offs created in a given year? How many are backed up by VC?
- In which sectors are operating the enterprises growing through the acquisition of other companies or in which sectors are operating the local enterprises which were subject to an acquisition?

BIG DATA MINING (3)

Figure 10: Localisation of M&A firms (blue) and equity firms (red) in Europe



PLACE-BASED & EVIDENCE-BASED



Validation of the RIS³ priorities through statistics relating to the entrepreneurial discovery process

Source: EURADA



WHAT ABOUT A WORKSHOP ENTITLED “BIG DATA MINING FOR ECONOMIC DEVELOPMENT INTELLIGENCE?”

POTENTIAL AGENDA:

- Current regional practices and expectations?
- How to use the following data sources:
 - Pitch book
 - OCO Consulting, Oxford Intelligence databases
 - Bureau Van Dijck
 - DG Research' database e-CORDA or CORDIS
 - Regional Competitiveness Scoreboard
 - Regional Innovation Scoreboard
 - Cluster Observatory
 - Eurostat/JRC
 - European Patent Office
- Barriers on how to integrate this data at regional level?
- Who should integrate this data?



**QUESTIONS? PROVOCATIVE STATEMENTS?
DISAGREEMENTS?**

THANKS FOR YOUR INTEREST!

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