

An example of good practice transfer: Kainuun Etu PP2 action plan

Enhancing Rural Innovation Capacity and
Performance

5 December 2018 | Policy Learning Platform Thematic Workshop in Hamburg

SKILLS+ project

- **Full title:** Supporting knowledge capacity in ICT among SME to engage in growth and innovation / PGI00088 SKILLS+
- **Key problem:** Infrastructure & ICT solutions uptake lagging in the rural regions.
- **Overall objective:** To enhance the competitiveness of rural areas' SMEs through the promotion of the uptake and integration of modern ICT tools in daily business routines.
- **Budget:** 2 079 162, 00€
- **Duration:** 1.4.2016 - 31.3.2021
- **Partnership**
 - **LP:** Ministry for Regional Development and Transport of Saxony-Anhalt
 - **Project partners:** Kainuun Etu Ltd, Ministry of Environmental Protection and Regional Development of the Republic of Latvia, Research Committee - University of Western Macedonia (partner from 1 March 2017), Malopolska Regional Development Agency, Trøndelag County Council (until 31/12/2017 Sør-Trøndelag County Authority), Zadar County Rural Development Agency, Bulgarian Chamber of Commerce and Industry (BCCI), Castilla y Leon Regional Government - Regional Ministry for Culture and Tourism, Pannon Novum West-Transdanubian Regional Innovation Non-profit Ltd, University of Latvia, Technical University of Ostrava.

Kainuun Etu action plan - framework references

- **Policy instrument**

- Sustainable growth and jobs 2014 - 2020 - Finland's structural funds programme, TL 1 Competitiveness of SMEs (ERDF) Investment Priority 2. Support for SMEs so that they can grow through regional, national and international markets [...], Specific Objective 2.1 To support [...] SMEs.

- **Improvement needs**

- In the past, similar programmes were contributing successfully to very high percentages of SME using electronic information sharing, cloud computing and social media, underpinning Finland's ambition to be a leader in the digital economy. Yet, the incorporation of ICT among SME has not led to the anticipated growth - Finland's economy has even shrunk recently (GDP decrease by 0.1% in 2014, 0.2% in 2013). Traditional ways of using ICT appear to be no longer efficient to contribute to growth and employment, hence new approaches must be elaborated and practiced to help especially SME to re-invent their business models to remain competitive and to grow (again).

Kainuun Etu action plan -process

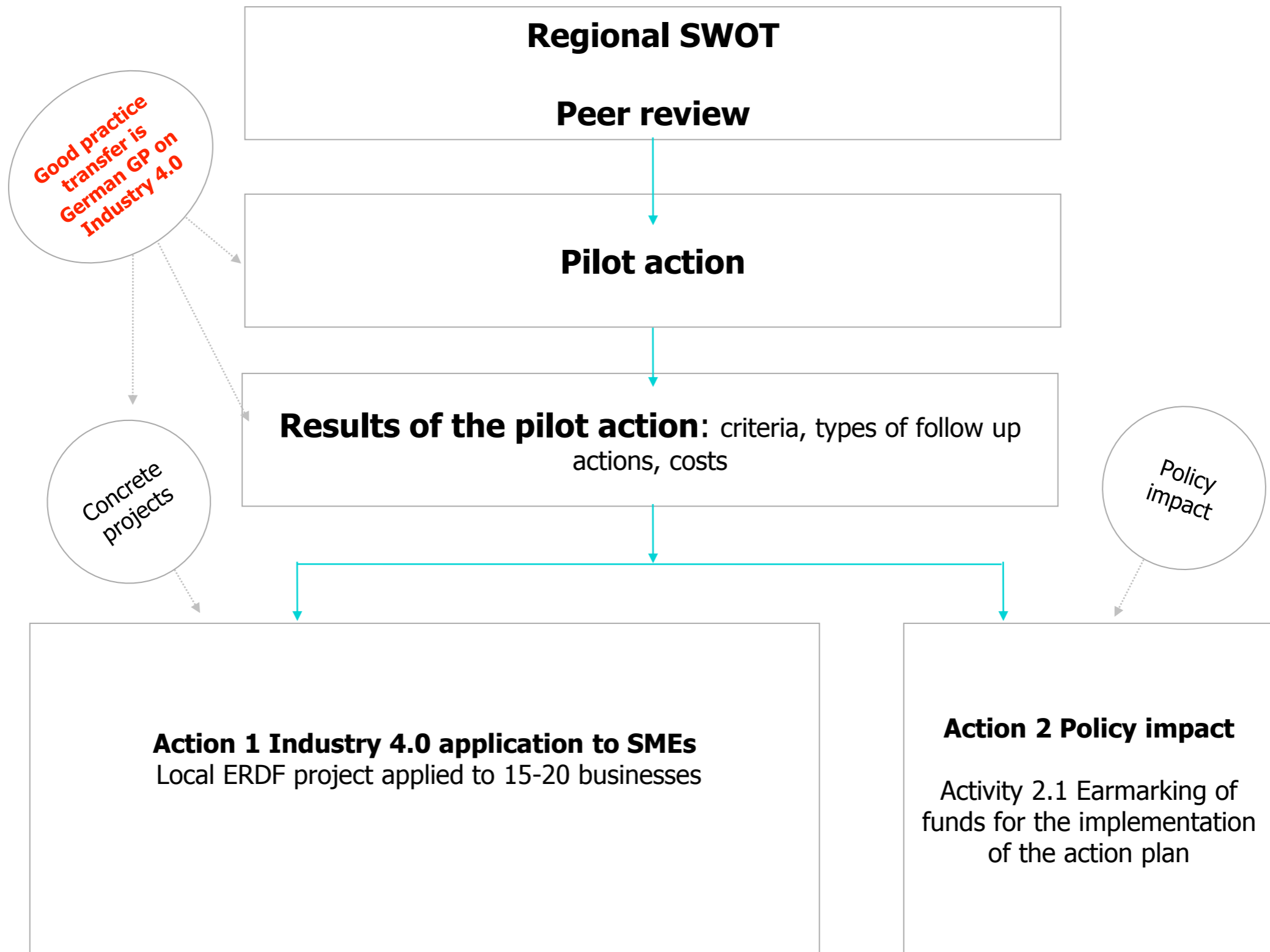
- 1. Overarching priority tacitly & explicitly agreed:** policy improvement for rural SMEs competitiveness improvement.
- 2. Identification of content priorities:** SWOT; field study; peer review; multiple contacts with the IB; regional stakeholder meetings, formal and informal exchanges.
- 3. Good practice** analysis; good practice selection
- 4. Localisation of the good practice transfer, ensuring feasibility conditions:** understanding the GP core issue better (study of the issue beyond the IPL exchanges); pilot action; include into the action plan key insights from the pilot action; multiple contacts with the IB; regional stakeholder meetings, formal and informal exchanges.

Kainuun Etu action plan - process

- 5. Deciding the action plan content and steps approach:**
applying for a small pilot & type of action plan content, and form;
confirm. relevance of pilot and action plan with the IB.
- 6. Pilot** implementation, insights & inputs to the action plan (inputs planned for late February 2019); recruitment of 3 SMEs;
identification of external expert & contracting (process currently on going).
- 7. Action plan (version1)** agreed with the IB and shared with the LP.

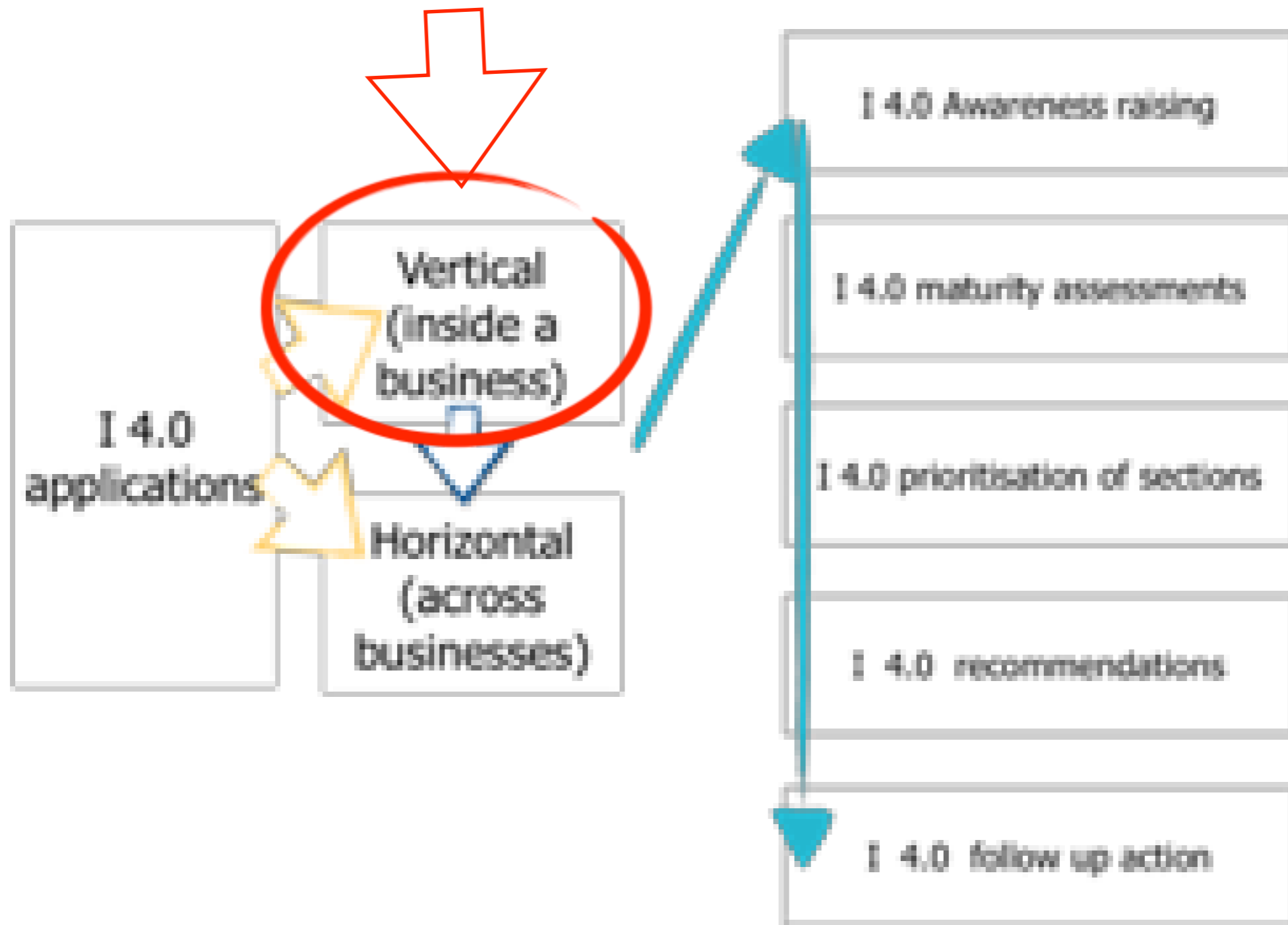
SKILLS+, PP2 KE action plan

Self defined indicator: number of supported SMEs actually growing for three years following the intervention



Understanding of the GP to be transferred

- Understanding better what I 4.0 is about



Kainuun Etu action plan - version 1

● Action plan state of play end of the 5th semester, 30.9.2018

1. GP FINAL SELECTION FOR TRANSFER: finalised
2. REINFORCING THE ADDED VALUE OF THE PROJECT FOR THE REGION
 1. ADDED VALUE IN TERMS OF KAINUU DIGITISATION INITIATIVES: not to repeat, identify the added value areas.
 2. ADAPTING THE CONCEPT TO THE REGIONAL CIRCUMSTANCES: absorptive capacity of SMEs + costs of new solutions —> need for pilot.
 3. LINKING TO OTHER REGIONAL & EU INITIATIVES (In cooperation with the IB, INNO-PROVEMENT (horizontal I 4.0) and industrial transition).

Kainuun Etu action plan - lessons learnt to date

- **Very interesting**

- Bridging the old style, supply-side defined needs by the demand-led approach and applying this to SMEs in a sparsely populated region.

- **Particular challenge**

- The absorptive capacity of businesses towards I 4.0; linking I 4.0 to directly visible business benefits

- **How the challenge was addressed**

- By the pilot action, we try to anticipate where SMEs will get stuck in terms of applying I4.0 and anticipate how to handle this.

- **What would we do differently**

- Not ready to answer this yet.

- **In a nutshell, best advice (to-date 😊😊)**

- Localisation through feasibility analysis which complements the GP analysis.

Questions welcome 😊 😊

Thank you