



ACTION PLAN

Savonlinna Development Services Ltd

PARTNER 3 Savonlinna Development Services Ltd

Part I

General information

Project: RuralGrowth – increasing competitiveness of SMEs in the rural visitor economy sector

Partner organisation: Savonlinna Development Services Ltd

Other partner organisations involved (if relevant): None

Country: Finland

NUTS2 region: FI1D

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Part II

Policy context

The Action Plan aims to impact:

Investment for Growth and Jobs Program / Sustainable growth and jobs 2014-2020 / Structural Funds Program of Finland (ERDF and ESF funds)

The program is governed regionally by regional councils, in the case of PP3, by South-Savo (Etelä-Savo) regional council. The regional council is responsible for administration of the program, and setting up regional operational program and implementation plans on how to achieve the goals set for the program. These plans are updated regularly in accordance of the progress of the goals of the program and new needs arising from the region's other development. The updating procedure contains several hearing rounds for different operators in the region. By attending these hearings and giving feedback of the published draft plans any organization can have impact on the program. However, this impact can and may not be attributed to any single organization, as

this would endanger the impartiality of the program administration. No one organization can be favored, even if the suggestions for the implementation plan are in general level as in the case of Rural Growth, where importance is put on certain types of needs and steps rather than potential beneficiaries.

Part III

South-Savo region

The South-Savo region is situated in the south-east of Finland, in the heart of the Finnish lake district. The lake district contains Lake Saimaa, the largest lake in Finland and an important touristic attraction. The region's total area encompasses around 19,000 km²; and the population is approximately 151,000 inhabitants. South-Savo is a couple of hours drive from the Finnish capital Helsinki. It can also be accessed by train from Helsinki.

South-Savo region is sparsely populated region with only a few small towns. The two major towns in the region are the relatively small towns of Mikkeli and Savonlinna. The education level in the region is low and the major employers are public sector and services. Except for a few national enterprises with subsidiaries in the region, almost all of the enterprises are micro or small enterprises. The population is ageing and outflow of young people from the region is prevalent.

The strength of the region is the unique lake nature and the knowledge and possibilities around it. These include for example organic food production and forest foods, bio-economy and forestry-related engineering, and water technologies. In the local economy, the earnings potential is in tourism and hospitality sector, combining food, forests, and lakes with activities, destinations, and cultural events in a clean, quiet and safe environment. Ten per cent of summer cottages in Finland are located in the region (compared with only 5% of the land area and 3% of the population), which has for a long time set the tone of the hospitality sector along with some major annual events. Second-home owners are an important yet underused resource for South Savo. The second-home owners are seen as important part of the economy, as it helps maintain infrastructure, brings customers to retail sector and services, and drive demand for housing and construction industry. However, the human capital of the summer residents is yet undervalued and unexplored. Their networks, skills and willingness to do things for their second home region has only recently come under consideration. Because of high second home ownership, instead of narrow focus on tourism economy, a larger view on developing visitor economy is justified. Recent years have shown that all kinds of accommodations are full for July, and reasonably in use for June and August. Occupancy rates during other months are significantly lower and there is plenty of seasonal capacity. This is partly due to the seasonality of the Saimaa lake tourism, and partly due to most major events, such as the internationally famous Savonlinna Opera festival, taking place in July.

The current mode of tourism and hospitality does not provide stable, all-year income for the entrepreneurs or the communities in the region. In order to keep the region alive, and a good place to live throughout the year, both the hospitality sector and supporting industries have to find new ways to tackle the seasonality and to produce value to their services.

Vision

Our vision of Lake Saimaa area and South Savo visitor economy sector is for it to become internationally networked, digitally advanced and creative community of rural entrepreneurs. We will rely on and amplify the strengths of the Finnish society, building on trust between people in networking, high level of education and skills to support digitalization and create mechanisms that allow young and creative people find their homes and livelihoods in the attractive clean environment.

Visitor economy will be increasingly important for generating economic activity and bringing financial resources to the region. It will become the key economic growth driver. In addition to direct economic impacts, visitor economy also enriches the lives of the residents of the rural regions in many ways throughout the year. Entrepreneurs, public actors, senior citizens, and second-home owners all act together in order to create momentum for change, new business and product ideas, production and distribution chains that depend on developing funding and marketing networks. Educational and research institutions and specialists will become an organic part of networks as strategic partners. Businesses will be empowered to create attractive value propositions will be created by the smart managing and networking in creative industries and design by utilizing the clean and attractive environments.

The objective of the regional action plan is to help to change the emphasis and orientation of the SME networks and business support organization from a supply-side operational model to a customer demand-oriented model. It is essential for the region to be able detect relevant market trends and signals, define and target customer profiles and find communication and distribution channels to reach out to the customers. This would enable shortening and speeding up the path from business or product idea to reaching actual customers or end users and change the design logic by introducing testing, experimentation and co-creation processes involving customers at an early stage. The increased interaction between entrepreneurs, specialists and customers would also enable the fast scaling up of business idea according to market signals and established demand.

According to our vision, SMEs and micro enterprises as well as entrepreneurial people in the area would have an easy access to collaborative business modelling where product ideas are developed from initial stages to business start-ups or new business models in the existing companies. In target group of future oriented SMEs, these processes combined with a co-operatively developed firm grasp of distribution and marketing solutions and methodologies, will increase competitiveness and enable accelerated growth of businesses.

Exploiting fully the potential of digitalization means in the region that we develop a digital service and distribution ecosystem. SMEs succeed in digital business through participation in b2c and b2b online platforms that are flexible and scalable for the needs of businesses. There is also need for the platforms to facilitate collaboration and cross selling. Businesses are rapidly moving the target of their online operations from online visibility to adopting a digital business model.

Regional programs, authorities and policy instruments will be adjusted to support the above-mentioned activities and ways of acting. Rural economy is seen as an innovative, dynamic and important part of the regional economy, and not as economically marginal or obsolete.

Policy objectives for tourism and other sectors of rural economy

1. Fostering experimentation culture: supporting start-up -culture, creating channels and markets for new products and services and pushing the products forwards swiftly, and support for pilots and experiments
2. Sustained support for hybrid networking: cross-sectorial, cross-regional and cross-generational and demographic networks promoting social inclusion and utilizing existing specialist networks in an efficient way. Increasing the dynamic effect of networking through encouraging and rewarding participation and employing crowdsourcing methods.
3. Supporting business model innovation and digitalization "Digital first", and support for business models utilizing new business trends

How to reach the policy objectives

Rural Growth needs to collaborate with South-Savo regional council in updating the regional operational programme. Through institutional discussions we ascertained that the Regional Operational Programme will support the policy objectives defined of the RG Regional Action Plan. Regional operational programme will in turn influence prioritizing project receiving funding through the ERDF Sustainable growth and jobs Program.

Part IV – Lessons learnt from inter-regional exchange

Brief description (What, where)	Features that are of interest and possibly relevant for your region.
<p>1.Szent Ana crater lake nature reserve. We see it as good example of the development of a natural heritage site with stories and respect for the nature as well as culture of the region. Although serving now domestic customer base, the site has a great potential in the framework of European responsible tourism.</p>	<p>On the basis of how geological heritage was presented on the site, we realized that we have some geological sites (large impact crater lake) as well in Saimaa region, which should be developed as tourist attractions. Discussions were initiated about possible cooperation of European crater lakes to promote a significant natural phenomenon from the visitor economy perspective.</p>
<p>2 Po Delta slow tourism strategy – Slow Spring 2018. Promoting local heritage and tradition for tourists looking for authenticity, local hospitality and participatory experiences.</p>	<p>The Po Delta tourism strategy resembles very much the strategic guidelines adopted for Lake Saimaa brand (Lake Saimaa Purest Finland) where experience of local lifestyle is prioritized over commercially produced experiences. We will be able to transfer a lot of insights from Po Delta strategy into Lake Saimaa tourism development work.</p>
<p>Rueda de Vino wine route in Medina del Campo is an outstanding example of horizontal networking that is helping small SMEs to gain visibility and promote their offer jointly in order improve accessibility and consumer awareness.</p>	<p>Example can be used to motive local SMEs to network and deepen their cooperation.</p>
<p>Cycling routes in Nagykanizsa and Po Delta are examples of networking and developing the destination offer with modest investment and reaching out for new growing customer segments and increasing their accessibility to nature.</p>	<p>In both Po Delta area and Nagykanizsa, the produced guiding materials are good benchmark for Lake Saimaa and Savonlinna region and can be adopted as a model for developing the routes in the destination. In this way time from route development to finished product for the consumer will be shortened.</p>
<p>Semana Renacentista (Renaissance Week) - Medina del Campo. Re-enacting historical events attracts lot of visitors, adds interest to the historical locations for visitors.</p>	<p>Engagement of local community in event production and harnessing local cultural heritage on a broad basis for promotion of tourism, and commits the local residents to the mutual responsibility for the liveliness of the region. Synchronization of events and activities to maximize the impact in attractiveness and visitor numbers.</p>
<p>Innovative use of lighting technology and video mapping – Mapping Me video mapping festival in Medina del Campo.</p>	<p>Transfer of technology and content production concept for the promotion of winter festivals and shopping/tourism.</p>

Part V

Details of the actions envisaged

Policy objective 1: Facilitating market-driven commercialization in the rural SME sector	
SMART objectives	
The specific outcome that you want?	Policy instrument should promote market driven fast commercialization processes and start-up business counselling. Support will be channelled for market innovation activities and developing demand-oriented processes, sales channel development and online sales initiatives
How will you measure this?	Number of organizations participating in start-up activity in the region. Number of start-up events. Number of start-ups enrolled in activity. Number of market-oriented initiatives and projects.
How much change do you expect?	Start-up program and other projects to support business model innovation will be launched and introduced as permanent operational model.
When will this change occur?	2019
<p>Is this possible under existing policy instruments or projects? YES/ NO/ PARTLY</p> <p>This corresponds to PI priority 1 “Improving the competitiveness of SMEs”. It is possible to use the policy instrument to support start-up business counselling as networked cooperation of development agencies. To establish fast commercialization processes, the challenge is to turn publicly funded industry and sector-oriented public sector business support and counseling processes into innovation-oriented direction. Current business support schemes emphasize supply side economics with a focus on cost-effectiveness and competition with price instead of business model innovation. Especially in the visitor economy sector and small-scale heritage-based production, customer value is largely intangible and based on customer experience. New ideas need to be tested swiftly on the market, just as a new need or interest arises from the potential customers. The policy instrument cannot easily be harnessed to influence change in methodologies in a coordinated way. Innovative solutions suggested by the LSG to development processes included:</p> <ul style="list-style-type: none"> - Seeking market innovations instead of supporting supply side product development in isolation. Adopting an approach where solutions to market demand are sought after, and are more open by their nature and enable participation of a wider range of SMEs (also eliminating the complication of de minimis support requirements) - Through qualitative assessment of projects, the PI should prioritize ERDF projects with a mechanisms and actions for identifying market demand and presenting it as opportunity to rural SMEs. - Identifying international demand and piloting international sales and marketing should be encouraged in projects. - Shifting the focus from primarily established entrepreneurs to younger generations and organizing activities to encourage youth and young adults to collaboratively develop their ideas. 	

Interim steps (=actions)
1. Support methodologies and processes for new business incubation, especially fast scaling-up and internationalization of business ideas (start-ups).
2. Develop methodologies for faster commercialization and product and market experimentation and identifying and communicating signal from the market to entrepreneurs. Marketing pilots & experimentation, crowdsourcing with consumers in product development.
3. Developing new digital channels for commercialization of tourism and related products
4. Facilitate market-oriented, inverted commercialization processes initialized from market innovations.
5. Organize expert panel to evaluate and support processes and to evaluate market innovations.

Policy objective 2: Developing hybrid (creative) cooperative networking	
SMART objectives	
The specific outcome that you want?	Through improved and multi-faceted networking, we seek to increase the innovation potential of the region, engage new people and expand our networking in order to benefit from expertise outside the area. Through a “marketplace of ideas” we also attract investment capital to the region to exploit new business opportunities. New networks will constitute hubs of international, national level and regional cooperation also crossing the industry and sectoral boundaries. Networking will take organized and sustainable form and engage people interested in building their livelihood and new business in Lake Saimaa area.
How will you measure this?	Number of subscribed members in the network. Number of meetings. Opinion polls and surveys concerning future economic prospects for the area.
How much change do you expect?	We will change the perception of the area being a problem and in need of government intervention into a dynamic and attractive rural economy with creative potential. We will be able to offer students and graduates interesting challenges, opportunities and employment to develop their competencies within the region.
When will this change occur?	2020
Is this possible under existing policy instruments or projects? YES/NO/ PARTLY Please explain your choice: Proposed action is meta-level support for the implementation of the PI. New creative networks we become a new driving force for dynamic regional development and create a platform for long-term participatory processes. Change of modus operandi of the currently functioning organizations is necessary for them to become enablers, networkers and partners in bottom-up development processes. External consultancy-based solutions should be replaced by endogenous process of building competencies. Consideration of futures forecasting, trends and signals should be improved, and development policies geared from immediate needs of project administrators to	

exploring long-term opportunities through crowdsourcing processes so the instead of one-time interventions, networking would become a cumulative process.
Interim steps (=actions)
1. Developing a hybrid cooperative networking ecosystem sustaining creativity and platforms that enable sharing of ideas.
2. Expanding the scope of networking (from narrow industry based and sectoral networks) by identifying and engaging new network players: interested individuals, businesses and institutional stakeholders internally, nationally and globally.
3. Initializing an annual cross-sectoral networking event “Saimaa Encounters” enabling pitching of new ideas and establishing contact.
4. Initiate activities to target youth and young adults (including students) to develop ideas and seeks solutions to perceived problems. E.g. hackathons and subsequent processes to bring ideas into realization that will feed fresh business ideas for enterprises and investors and strengthen the competence base. We will address the problem of brain drain (young people moving outside the region for education) by moving from linear (education → working life) concept to a concept where young people are contacted and engaged earlier to maintain links to economic and cultural life in the region.

Policy objective 3: Promoting digital business model innovation	
SMART objectives	
The specific outcome that you want?	The target group of future oriented rural SMEs businesses will have updated their business model with digitalization component included. (Logistics, streamlining of production and operations, sales and marketing, electronic distribution solutions, back office systems etc.)
How will you measure this?	Number of rural SMEs participating in coaching programme 2018-2020 and number of SMEs participating in follow-up of this coaching.
How much change do you expect?	Qualitative change in business counselling through joint emphasis on digitalization. Permanent expert panel on digital solutions There will a measurable increase in number of businesses in tourism activities services & local production selling their products and services online.
When will this change occur?	2020
Is this possible under existing policy instruments or projects? YES/NO/PARTY Please explain your choice: This corresponds to PI priority 1 “Improving the competitiveness of SMEs”. Shift from organizationally driven measures to peer-to-peer mentoring and coaching is recommended. Chamber of Commerce and Entrepreneur Associations should be actively involved. Experience has shown that a consultancy-based approach does not easily transform into sustained operational models. Implementation plan work is in progress and ERDF project proposal has been submitted 24. August 2018. The project with a proposed budget of 1,9mEUR is scheduled to start in October 2018. As a result of the project, SME in active development phase will receive mentoring. Business advisors will be trained, and digitization experts will form regional network.	

Interim steps (=actions)
1. Setting up expert working group and identifying potential SME digital business model adaptations and innovations
2. Developing business counseling and coaching program for SMEs at different stages of development in digitalization. Establishing DIY online platforms and digital business toolkits for rural SMEs
3. Setting up multi-stakeholder panel (financial authorities, business counselling, and education) to coordinate work and channel information to SMEs seeking public subsidy and/or starting business development projects.

Part VI – Actions

Diagram of policy objectives, actions and policy-influencing activities

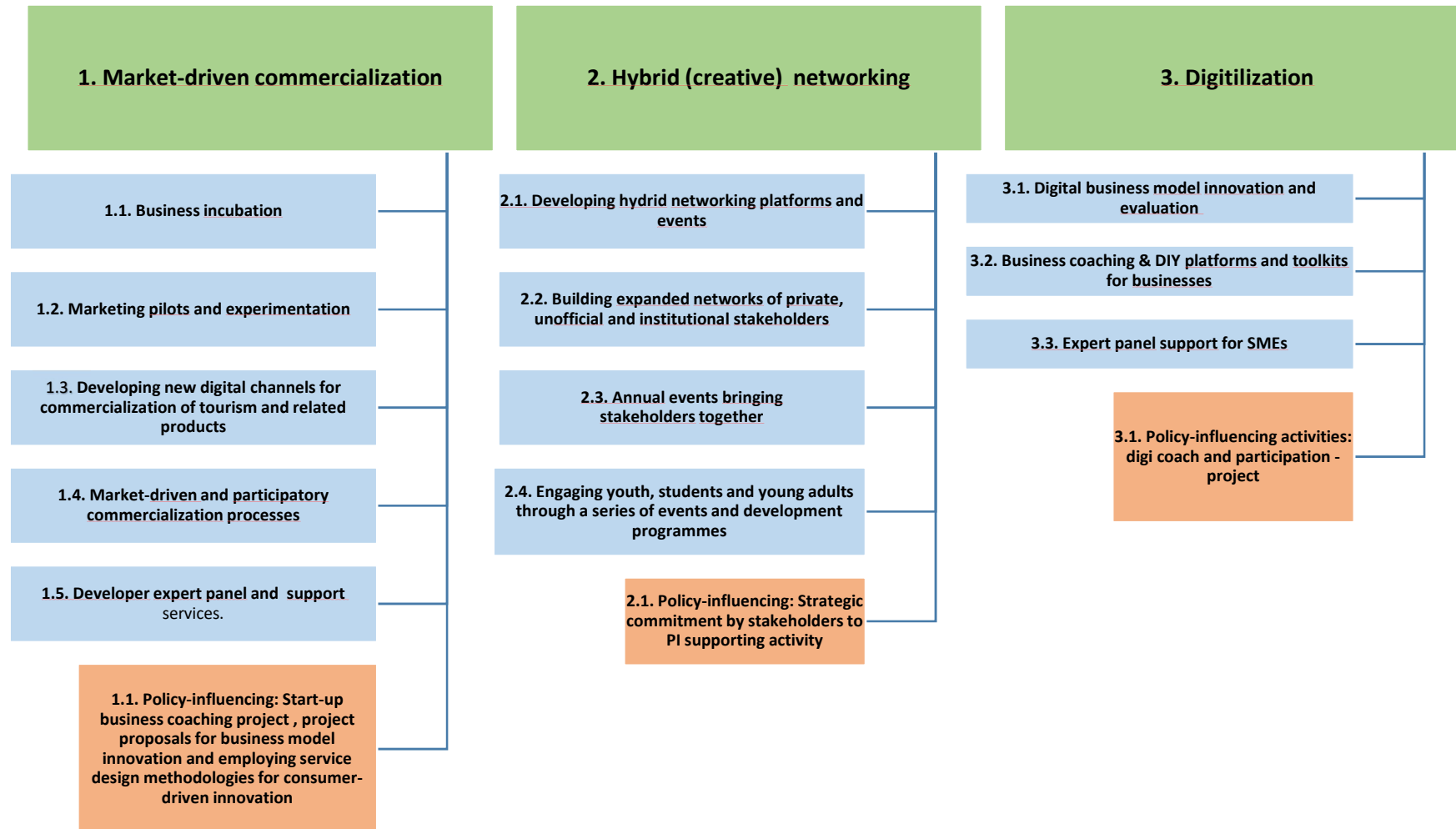


Table a.) Actions

Policy Objective Title: Market-driven commercialization		Policy Objective Number: 1		
Action Title: Business incubation		Action Number (1.1. etc): 1.1.		
Background				
a. From which partner/presenter/expert/LSG member(s) have you learnt the good practice which feeds this thematic action?	Local stakeholder group, Savonlinna, meetings 1 and 2. Province of Drenthe was describing business incubation efforts through developing attractive new business environments. University of Newcastle giving example of promoting rural development in their area s.c. honey pots.			
b. What have you learnt?	The idea was generated and developed in the LSG discussion, e.g. LSG 1 and 2. Through the LSG discussions we have understood that there is significant untapped innovation potential in the area. It was also discussed in various stakeholder consultations and the institutional meetings. University of Newcastle had been involved in setting up SME hubs and support for start-up businesses in its own region and provided information and propositions. Drenthe had a track record for facilitating rural regeneration and SME incubation and ideas about setting up a business incubation and new entrepreneur platform. In Harghita we discussed the problem of outmigration of young people and. Discussions among project partners resulted in the development of the idea of a business incubation platform in the RAPs of Drenthe, Harghita, Po Delta in order to provide coordinated mentoring and coaching for entrepreneurs and developers of business ideas, we can create new businesses and jobs.			
c. How have you learnt (through a presentation, site visit, discussion, workshop etc)?	Discussion and consultations with stakeholders. We organized several workshops and piloted a think tank process for generating and developing ideas. New business incubation rose up as a theme in interregional meetings where partners were sharing the findings in the preparation of RAPs. We found a linkage to policy instrument action 1 and an opportunity to directly address the of SME competitiveness in both qualitatively and quantitatively enhance and increase the output of the SME sector.			
Action Steps (What will be done)	Responsibility (Who will do it)	Resources (Information, money, materials)	Timeline Start and end dates*	1) Name of the PI to be influenced/ already influenced 2)Change needed (e.g. new project, new call).

<p>1. ROIHU Start-up coaching operation ROIHU project with the aim of establishing a growth path for SMEs from business idea to scalable business models for the SMEs. The actions are: 1) entrepreneur and start-up training for new SMEs, 2) training courses for operating SMEs to increase skills, 3) product prototyping workshops - the project covers the whole South Savo region. Project website: http://bit.ly/2HtCo3W</p>	<p>South Eastern Finland university of applied sciences (XAMK) in cooperation with Savonlinna Business Services and Savonlinna Development Services, Miksei Development, SAMIEdu and ESedu vocational institutes.</p>	<p>ERDF project ROIHU 865 569 €</p>	<p>The project was approved on 08.03.2018. Submission date is not available. The project implementation period is 01.03.2018 – 30.04.2020</p>	<p>1. Sustainable Growth and Jobs 2014-2020, ESF programme. PA 4 Education, skills and lifelong learning. 2. New project</p>
<p><u>Details of the ROIHU project:</u> fast-track development of business ideas, promoting intergenerational transfer of businesses, and internationalization. ROIHU supports entrepreneurship with concrete services, coaching and training. The actions include:</p> <ul style="list-style-type: none"> a) Entrepreneurship coaching for potential and new entrepreneurs and start-up coaching for established SMEs. b) SME entrepreneurship coaching for existing businesses for new methodologies in marketing, and product development and scaling up of business with fresh ideas. c) Workshops for prototyping and blueprinting of services and for intergenerational transfer of business <p>Expected results are increased competitiveness of participating SMEs, enhanced networking of entrepreneurs, and adoption of international perspective for SME development. The project was approved on 08.03.2018. The project implementation period is 01.03.2018 – 30.04.2020. Public funding for ROIHU is 865 569 €.</p>				
<p>2. Start-up competition In conjunction with networking events organize start-up competition with international partners to promote and highlight the importance of start-up process and results. Start-up events leverage the utilization of policy instrument funding for new business</p>	<p>All actors, such as city development services and business advising organizations, results presented in regional business promotion events. Destination management organizations and entrepreneur associations.</p>	<p>Collaboration of managing authorities of policy instrument: regional council and the centre of environment, employment and economy together with educational and business support organizations as</p>	<p>2019-2021</p>	<p>1. Regional policy change. Sustainable Growth and Jobs 2014-2020, Policy influence on ERDF PA 1 (competitiveness of SMEs and PA2 Producing and using</p>

<p>incubation. “Saimaa Splash” event will be organized in 2019 in Savonlinna. This will also facilitate the matching of policy instrument funding and SME sector needs through dialogue between entrepreneurs, developers and the funding authorities. Created consortia will submit project proposals for ERDF.</p>		<p>support action for policy instrument implementation. Total budget for the competition is 15 000 EUR for the first year (2019). The budget will be collected as collective action of relevant ERDF projects and through participation fees of development agencies. Part of preparation for the competition is the development of a revenue model for a sustainable event.</p>		<p>latest information and knowledge 2. Supporting action</p>
<p>Implications for other sectors of rural economy? e.g increases demand for restaurants /locally grown food etc. Reduces skilled labour available for other operators Mitigation e.g. implement training courses</p>	<p>Developing synergies in marketing, branding and distribution for tourism, local services and local good and handicrafts products as a holistic approach. Creating cross-sectoral business networks. The start-up incubator is essential activity yielding concrete results in the form of new SME business from creative networking, capacity building in digitalization area and utilization of market information. Action 1.1. directly addresses policy instrument objective 1 subheading “Generating new business”</p>			
<p>Implications for other actions or policy objectives (e.g. conflicts, synergies, overlaps, possibility of double funding)</p>	<p>Action/Policy objective number: 2 & 3</p>	<p>2. Hybrid creative networking will provide cross-sectoral links and provide market insights (also outside the region). 3. Support for digitalization will provide necessary tools and competences for full exploitation of business opportunities.</p>		

Policy Objective Title: Market-driven commercialization		Policy Objective Number: 1
Action Title: Marketing pilots and experimentation		Action Number (1.1. etc): 1.2
Background		
a. From which partner/presenter/expert/LSG member(s) have you learnt the good practice which feeds this thematic action?	Province of Drenthe, supporting SMEs in transforming into high-value consumer business based on consumer insight. Po Delta strategy developing a vision for SME tourism business based on current tourism trends. Andrea Succi: Experiential tourism, driver for the development of local communities (Po Delta) IR meeting knowledge exchange workshop, Harghita 20.02.2018.	
b. What have you learnt?	The problem off supply-side business development perspective vs. market-driven approach was identified and discussed in the IR exchange meeting knowledge exchange workshop in Harghita. Consequently, similar goals concerning deepening market understanding were incorporated in the RAPs of Drenthe (1.5), Nagykanizsa (Action 1.3.1). The LSG independently identified the need and discussed it in all meetings. We are looking for examples of market information management and facilitation processes. Po Delta was well informed about tourism demand and trends and was reacting to them in their strategy work and support for SME startups based on local heritage. In Nagykanizsa SMEs were following international market signals and in Nagykanizsa Hotel Restaurant Bonnechance and berry and fruit farming in Nagykanizsa. We discovered during IE meetings good examples of market-driven change and business development in Province of Drenthe, De Drentse Koe, Landhotel Diever, Noaberhoeve Echten social care farm and were convinced that promotion of market-oriented business models is essential for supporting SME competitiveness. We have agreed with stakeholders that there is need to change the approach in business counselling and developed a common understanding what are the implications of adopting a market-driven and customer-oriented approach.	
c. How have you learnt (through a presentation, site visit, discussion, workshop etc)?	Site visits of Interregional meetings and in IE workshops (knowledge exchange workshop), LSG meeting and stakeholder consultations.	

Action Steps (What will be done)	Responsibility (Who will do it)	Resources (Information, money, materials)	Timeline Start and end dates*	1) Name of the PI to be influenced/ already influenced 2) Change needed (e.g. new project, new call).
<p>1. Promotion and training for wide-spread adoption of market-oriented approach through stakeholder meetings. Introduce the theme through guest speakers and workshops in business events. The events involved will be business breakfast gatherings in Savonlinna and Savonlinna and Mikkeli Tourism forums held annually.</p> <p>Market-driven commercialization will be addressed in regional meetings in order to develop project proposals to be supported through the PI.</p>	<p>City Economic Development Agencies, ProAgria</p>	<p>Enterprise funding Operational budget of development agencies. The budget (shared staff costs) for joint organization and coordination of events is 2000 EUR per annum for five participating agencies.</p>	<p>2019- ongoing</p>	<p>Framework action having indirect influence on policies.</p>
<p>2. "PAMU" Service Design project to revitalize retail and service sector in Savonlinna and develop customer experience in this way the project will revitalize SMEs and increase competitiveness. This project proposal is an outcome of the practical implementation of the AP to address the development objective. The project aims at facilitating the renewal of product offer & business models with the help of signals from the market and customers with the help of service design methodologies.</p>	<p>Savonlinna Development Services, SamiEdu vocational training institute, XAMK university of applied sciences</p>	<p>Project proposal to be submitted to the regional council ESF programme priority 2 knowledge and employment (development of skills). 534 248 EUR.</p>	<p>Project implementation period is 01.02.2019 – 31.12.2020 Project proposal was submitted 20.12.2018. Funding decision: 05.03.2019</p>	<p>1. Sustainable Growth and Jobs 2014-2020, ESF programme. PA 4 Education, skills and lifelong learning. 2. New project</p>

The project will create 1) service design living lab 2) help SME develop their service concepts 3) develop methodologies for communicating positive service experiences.
Expected results are new and enhanced products and services in participating SMEs,

Details of the PAMU project

PAMU – Service Design model for Savonlinna

Project Actions:

- Action 1) Creating a Service Formation LivingLab: XAMK university of applied sciences and SAMledu vocational education institute and Savonlinna City collaborate to create co-creation processes and workshops to develop the visitor experience. The city of Savonlinna is responsible for tourist destination experience development and learn how to measure and develop the customer service experience of a customer. Creating a Living Lab team where Savonlinna's city brings together Savonlinna's tourists who are interested in promoting / supporting.
- Action 2: Develop organizational / business service processes by involving customers through service from training to build customer paths in the destination. Developing a new network-based business model for tourism based on the results of service design.
- Action 3: Making service design tools and methodologies accessible for SMEs.

Results of the Project:

- Participating companies are better able to provide new services that correspond to customer needs.
- ServiceScale tool will be available for measuring service maturity and customer service experience. Service Scale is a DIY tool and methodology for entrepreneurs to analyse and develop the service experience of their customers and communicate to their staff the desired improvements.
- The experience of developing a serviceScale tool's pilot version will be published.
- For service design to LivingLab-Savonlinna, the project's operating model remains alive and develops service processes.
- The new business and service model for tourism is implemented comprehensively as a network of companies and tourist destination management.
- With the strengthening of know-how in service design, customer experiences of implementing organizations also improve, products become customer-oriented and functional.
- The number of applicants for training in SAMledu is increasing.

Project implementation period is 01.02.2019 – 31.12.2020. Partner are XAMK university of Applied Sciences, SAMledu vocational education institute and SDS. Total budget is 534 248 EUR of which PI funding (EU and national) is 400 686 (75 %). Project proposal was submitted 20.12.2018. Funding decision: 05.03.2019, EURA 2014/7158/09 02 01 01/2018/ESAELY

<p>3 Grüne Woche Saimaa - Saimaa Food Grüne Woche bring local businesses to learn about consumer demand in the biggest target market for Saimaa are (Germany, Berlin). Target: 30 companies participate in the food and tourism fare getting signals from consumers and buyers. This project addresses SME competitiveness by facilitating in a very concrete way the internationalization of the SMEs. As a spin-off of Grüne Woche (based on positive results), the same consortium is preparing a new project to promote "Saimaa Food sales" from SMEs. The project proposal is also closely linked to visitor economy and Lake Saimaa tourism promotion, but the target group are local food companies with locally sourced quality product. The aim is to position each participating company in the international markets and find suitable channels and methods for internationalization.</p>	<p>Miksei Mikkeli Development company, Savonlinna Development Services</p>	<p><u>Grüne Woche</u> ERDF project budget 186 343 EUR. <u>Saimaa Food</u>: Projected budget c. 350 000 EUR</p>	<p><u>Grüne Woche</u> : Implementation period: 01.06.2018-31.03.2019, The project was submitted on 15.11.2018 and approved on 30.11.2018 <u>Saimaa Food</u> (projected): 2019-2021.</p>	<p>1. Sustainable Growth and Jobs 2014 – 2020, ERDF programme 2. New projects</p>
<p>Details of the Grüne Woche Saimaa project: The food export from Finland is growing fast. The target of the Finnish "Food from Finland" program is to double Finnish food export until the year 2020. The German market is important for the Finnish food products but through international fairs also other global markets are accessible. This project helps small Finnish food producers and food tourism companies to tie contacts in the international market by building networks and cooperation. SMEs learn about consumer demand in the biggest target market for Lake Saimaa region are (Germany, Berlin). Target: 30 companies participate in the food and tourism fare getting signals from consumers and buyers. The action include steps for participation in Grüne Woche and creating sustainable business in SMEs based on Grüne Woche contacts. 1) Recruitment of participating SMEs 2) international business coaching 3) marketing and promotions, taking advantage of contacts established 4) preparation in the event, 5) support for business generation and managing contacts after the event. Expected results include increased visibility and enhanced image of Lake Saimaa in the German market and new business contracts for participating SMEs. Responsible partners: SDS, Miksei Mikkeli Development Company. Total funding 187 343 EUR of which PI funding 140 508 (75 %). Estimated private funding (SMEs) is 11 242 EUR. EURA 2014/6944/09 02 01 01/2018/ESAVO <u>The project was submitted on 15.11.2018 and approved on 30.11.2018</u></p>				

Policy Objective Title: Market-driven commercialization		Policy Objective Number: 1		
Action Title: Developing new digital channels for commercialization of tourism and related products -		Action Number (1.1. etc): 1.3		
Background				
a. From which partner/presenter/expert/LSG member(s) have you learnt the good practice which feeds this thematic action?	LSG group discussions IR meeting knowledge exchange workshop, Harghita 20.02.2018.			
b. What have you learnt?	Digital distribution and online marketing were issues extensively discussed by partners in all interregional meetings of the project. In the interregional exchange meetings partners jointly arrived an understanding and digital information platforms and distribution channels are essential for telling the stories and valorising local heritage to potential customers. In this case PP3 presented a good practice recognized and approved by the JS. This prompted also other partners to develop actions to address the challenge of online distribution. Destination marketing is content driven and needs to include stakeholders in digital content production on a broad basis. The presentations of Rural Growth project in stakeholder meetings enabled us to consult experts and decision-makers concerning the digital skills level in SMEs and possible approaches to improve the situation. We recognized that all partners are sharing the problem presence of SMEs in the digital economy. Therefore, several partners set the objective of improving skills and developing digital platforms on the destination to promote inclusion of SMEs.			
c. How have you learnt (through a presentation, site visit, discussion, workshop etc)?	Discussion in project workshops with partners. Comparison of RAPs. Sharing expertise and views in the LSG meetings.			
Action Steps (What will be done)	Responsibility (Who will do it)	Resources (Information, money, materials)	Timeline Start and end dates*	1) Name of the PI to be influenced/ already influenced 2)Change needed

				(e.g. new project, new call).
<p>1. Digiportaat Digi-steps business mentoring and training project will facilitate adoption and use of digital distribution channels in rural SMEs in visitor economy sector with a special focus on tourism sector channels such as Bokún (rapidly expanding online marketplace for tourism activities owned by Tripadvisor). Actions include business coaching and training for using digital technologies and platforms, identification of relevant digital tools and platforms to boost SME competitiveness and master classes to support preparation of ambitious e-business projects for advanced companies.</p>	<p>Business support organizations, ProAgria, XAMK</p>	<p>ESF PS 4 Education, skills and lifelong learning. 1,32 m EUR (see action 3)</p>	<p>Implementation period: 01.10.2018 – 31.12.2020 The date of submission is 19.11.2018, the date of approval (funding decision) is 04.12. 2018</p>	<p>1. Sustainable Growth and Jobs 2014-2020,ESF programme. PA 4 Education, skills and lifelong learning. 2. New project</p>
<p><u>Details of the Digiportaat project:</u> In the project education is carried out based on SME's needs. The operations models of small and medium-sized companies are updated to answer and to utilise modern ways of action. In the project attention is paid to the management, management of the company and workers for the finding and introduction of the more efficient methods and of new tools. The objective of the project is to reform the digital education which is offered to the small and medium-sized companies by creating and by testing new measurements. By identifying the start level of companies, it is felt to every attempt to design the education path which corresponds to the own needs. In the project new user oriented digital education is created in the area of the province. At least 100-150 companies participate in the educations from the area of the province. The contents of educations can be focused according to the needs which have risen of the companies. WP 1: Establishment of the regional digital mentor model. WP 2: Education of the company advisers of the area to the digital environment and to the new business models of the 2010's. WP 3: Level chartings of the digitalization of small and medium-sized companies in province.</p>				

WP 4: Improvement of the digital readiness of small and medium-sized companies.

WP 5: Digital marketing and utilising of videos.

WP 6: Integrated systems, digital contents and utilising of the data.

WP 7: Master class.

WP 8: Marketing and spreading the results.

Outcomes:

Circa 300 company audits have been made.

120-150 Companies have participated in training.

In the work package four 120 companies have participated training.

10 Pilot companies have participated in WP 5.

10 Pilot companies have participated in WP 6.

5 Pilot companies have participated in the WP 7.

The companies have made self-assessments from their own level in connection with the company chartings and the training completed. It has been possible to help the companies forward. The companies have received certification in their own field. The digital mentor model has been established. The utilising guide of videos is used by the companies.

Partners: XAMK University of Applied Sciences, Mikkeli Development Miksei Ltd., Savonlinna Development Services Ltd. ProAgria South Savo, South Savo SME association. Total funding 1 318 998 EUR of which programme instrument funding (PA 4 Education, skills and lifelong learning) is 989 300 EUR (75 %). Private match funding 30 463 EUR. Funding decision 04.12.2018. EURA 2014/6951/09 02 01 - 01/2018/ESAELY

<p>2. Developing digital distribution model for Lake Saimaa area specifically for the tourism-related economy using a combination of local and universal online business platforms. Action taking place through regional and national cooperation. Funded by separate ERDF projects in South Savo and South Karelia.</p>	<p>Lake Saimaa Purest Finland tourism consortium Visit Finland NTO</p>	<p>Pilot project c. 300 000 euro implemented by Imatra Business Services Ltd for the whole area. ERDF funding Visit Saimaa project: developing of online platform. 1 815 630 EUR Participation of Lake Saimaa in Visit Finland</p>	<p>2017-2018 2017-2019 2019</p>	
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		Digital Tourism pilot (knowledge exchange)		
<p>Implications for other sectors of rural economy? e.g increases demand for restaurants /locally grown food etc. Reduces skilled labour available for other operators Mitigation e.g. implement training courses</p>	<p>Good knowledge of available channels, and how they work with different types of products, allows easy testing of demand for products, and gives fast access to markets. This will increase demand for quality products, increase revenues and eventually affect employment situation and thereby local economy positively.</p>			
<p>Implications for other actions or policy objectives (e.g. conflicts, synergies, overlaps, possibility of double funding)</p>	<p>Action/Policy objective number: 2, 3</p>	<p>Description of implications: Objective 3 is necessary capacity building action for building competencies and increasing inclusion. Objective 2: Creating job opportunities in the digital economy for the young people (2.4), also utilizing digital content and distribution to empower networking.</p>		

Policy Objective Title: Market-driven commercialization		Policy Objective Number: 1		
Action Title: Market-driven and participatory commercialization processes		Action Number (1.1. etc): 1.4		
Background				
a. From which partner/presenter/expert/LSG member(s) have you learnt the good practice which feeds this thematic action?	IR meeting knowledge exchange workshop, Harghita 20.02.2018. LSG group discussions Po Delta 2000 strategy – slow tourism. Savonlinna “think tank” process			
b. What have you learnt?	The knowledge exchange workshop with project partners indicated the need to follow market signals and provided proof of success especially in Po Delta area where novel approach of slow tourism embedded in communities was developed. On the basis of Po Delta experience tourism stakeholders in South Savo PP3 further revised their approach. How on the basis of market signals new SME business models can be developed and business opportunities discovered. Input from local “think tank” process carried out to assist drafting of Regional Action Plan. Entrepreneurs have met to develop ideas on the basis of market signals. In addition, commercialization pilots it is essential to set up processes to provide customer profile and market information to enterprises in visitor economy sector in order to support product development and marketing.			
c. How have you learnt (through a presentation, site visit, discussion, workshop etc)?	Discussion in interregional exchange meetings. Collaborative think tank workshop process in Savonlinna and LSG discussion. Lessons from Po Delta strategy were incorporated in the preparation of Visit Saimaa 2 project submitted to the funding			
Action Steps (What will be done)	Responsibility (Who will do it)	Resources (Information, money, materials)	Timeline Start and end dates*	1) Name of the PI to be influenced/ already influenced 2)Change needed (e.g. new project, new call).
1. Identifying hidden demand, futures	Visit Saimaa tourism promotion project & board. Visit Finland, collaboration with tour operators	Visit Finland Savonlinna Travel	ongoing	

forecasting, detecting market signals in the tourism sector. This task of different PI (ERDF) funded projects to pool their information on market signals and sharing through project partner meetings and forums where project is presented.	Savonlinna Travel Ltd. tourism barometer.	City of Savonlinna organization budget Can be carried out as part of several programme instrument projects.		
2. Support for product development by tourism companies. Incorporating market signal to support product development is that task of several PI funded projects in order to increase project impact. Project lead partners will cooperate to pool information.	Local and regional DMOs	Organization cost	ongoing	
3. Bringing market signals to non-tourist sectors (food, handicrafts)	ProAgria	Organization cost	ongoing	
4. Organizing think tank session in regional tourism and visitor economy business meetings: Organize annual Saimaa Experience Academy, first one in winter 2019. Annual Saimaa Experience Academy will function for dissemination	Economic development agencies and DMOs	Organization cost	ongoing	

of pooled market information.				
<p>Implications for other sectors of rural economy? e.g increases demand for restaurants /locally grown food etc. Reduces skilled labour available for other operators Mitigation e.g. implement training courses</p>	<p>Creating synergies and amplifying product offer. With additional product offer lengthening the stay and increasing the consumption of visitors thus growing tourism income.</p>			
<p>Implications for other actions or policy objectives (e.g. conflicts, synergies, overlaps, possibility of double funding)</p>	<p>Action/Policy objective number: 2, 3</p>	<p>Description of implications: New business networking Building competences for collecting and analysing customer data from online services.</p>		

Policy Objective Title: Market-driven commercialization		Policy Objective Number: 1		
Action Title: Expert panel support to enhance project preparation for PI		Action Number (1.1. etc): 1.5.		
Background				
a. From which partner/presenter/expert/LSG member(s) have you learnt the good practice which feeds this thematic action?	Po Delta Province of Drenthe Knowledge exchange workshop, Harghita. The idea was further developed and elaborated by the RG LSG of PP3.			
b. What have you learnt?	Po Delta had experience of continued consultancy of dedicated experts working with destinations and local entrepreneurs in order to respond to changes in market demand. Province of Drenthe was utilizing market signal and expertise to support renewal of product offer. In the knowledge exchange workshop, it became obvious that several partners had recognized the need to improve knowledge management in the destination. There is need of jointly developing methodology and share good practices and information about good business mentoring approaches and develop a toolkit of proved solutions and recommendations that can be shared to the businesses. The expert panel is needed to evaluate potential actions and development priorities from the point of view of SME competitiveness. The panel can include entrepreneurs, but considering the nature of the SME sector, SME business councellers are probably better prepared to give recommendations.			
c. How have you learnt (through a presentation, site visit, discussion, workshop etc)?	Discussion and stakeholder consultations.			
Action Steps (What will be done)	Responsibility (Who will do it)	Resources (Information, money, materials)	Timeline Start and end dates*	1) Name of the PI to be influenced/ already influenced 2)Change needed (e.g. new project, new call).

<p>1. Create a semi-permanent expert panel to monitor market and consumer signals and support business model innovation in the SME sector. The experts will create a methodology for sharing market signals to SMEs. Facilitate knowledge transfer to SMEs by dedicating experts and organizing coaching sessions. Expert panel in collaboration with enterprises will be able to generate new project proposals for policy instrument. This is highly relevant for PI actions 1 (competitiveness of SMEs and 2 (using latest information and knowledge – strengthening innovation in SMEs). Expert panel will also evaluate the success of different approaches and develop project proposals.</p>	<p>Regional council All actors participating</p>	<p>staff and voluntary external expert</p>	<p>2018- ongoing</p>	
<p>Implications for other sectors of rural economy? e.g. increases demand for restaurants /locally grown food etc. Reduces skilled labour available for other operators Mitigation e.g. implement training courses</p>	<p>New solutions for the problems of the enterprises results in better competitiveness. Experiences from the mentoring relations can be benefitted from. Good practices can be transferred between business sectors. Cross-sectoral mentoring will bring fresh ideas to enterprises.</p>			
<p>Implications for other actions or policy objectives (e.g. conflicts, synergies, overlaps, possibility of double funding)</p>	<p>Action/ Policy objectiv e number : 2-3</p>	<p>Description of implications: Expert panel communication through hybrid networking events and channels. Digitalization will provide tools and access to relevant data.</p>		

Policy Objective Title: Hybrid (creative) networking		Policy Objective Number: 2		
Action Title: Developing hybrid creative networking platforms and events (- utilize cross-sectoral internal and external networks)		Action Number (1.1. etc): 2.1.		
Background				
a. From which partner/presenter/expert/L SG member(s) have you learnt the good practice which feeds this thematic action?	Province of Drenthe Medina del Campo Idea developed in the LSG.			
b. What have you learnt?	During study visit in the province of Drenthe we discovered examples of management of networks and knowledge transfer. In Medina del Campo in connection to the Renaissance Week and Mapping Me projection mapping festival we understood that creative networking engaging people from tourism industry, creative industries and especially international networking of experts had been the key to successful development of the events. There is substantial innovation potential in bringing together people from different backgrounds to share their ideas.			
c. How have you learnt (through a presentation, site visit, discussion, workshop etc)?	Case studies with project partners Medina del Campo and Drenthe. For the development of "Savonlinna Illumination" season of light we organized a knowledge exchange visit to Medina del Campo Drenthe shared information and plan for their networking platform. Discussions, consultations with stakeholders.			
Action Steps (What will be done)	Responsibility (Who will do it)	Resources (Information, money, materials)	Timeline Start and end dates*	1) Name of the PI to be influenced/ already influenced 2)Change needed (e.g. new project, new call).
1. Regular tourism & visitor economy stakeholder meetings aiming and increasing SME competitiveness via	Regional Council of South Savo	organizer has a budget	several times a year	

knowledge exchange and strengthening innovation capacity of SMEs.				
2. Savonlinna Tourism Forum, development as a networking platform to engage also international stakeholders.	Savonlinna Development Services	organizer has a budget	annual	
3. Develop new second-home owner meetings as platforms for sharing development ideas and expanding networks beyond with entrepreneurs, experts and investors outside the region. Via the platforms extend offer of services to second home owners. The main goal is engaging second home owners to work with local SMEs providing them expertise and insights from international business. This will be funded through the PI.	Mikkeli and Savonlinna development agencies Laiturilla – second home development project	organizer has a budget Laiturilla project budget 626 586 EUR ERDF	annual 2018-2019	
Implications for other sectors of rural economy? e.g increases demand for restaurants /locally grown food etc. Reduces skilled labour available for other operators Mitigation e.g. implement training courses	Wide coverage of all sectors, hoping to create new ideas, connections and business. The overall rural societies will benefit from the rising level of activity. The actions have been influenced, but not initiated, by Rural Growth. There is no need for Rural Growth to create more activities under this action, as the aims are well addressed by the activities described above, all the relevant parties are already engaged, and the actual events can be influenced by attending the preparations.			

<p>Implications for other actions or policy objectives (e.g. conflicts, synergies, overlaps, possibility of double funding)</p>	<p>Action/Policy objective number: 1,3</p>	<p>Description of implications: Supports all other actions, may create need for policy change or change policies by result.</p>
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Policy Objective Title: Hybrid creative networking		Policy Objective Number: 2
Action Title: Building and managing expanded networks of private, unofficial and institutional stakeholders (mobilize support from committed persons on wide basis)		Action Number (1.1. etc): 2.2.
Background		
a. From which partner/presenter/expert/L SG member(s) have you learnt the good practice which feeds this thematic action.	<p>Nagykanizsa, Interregional exchange meeting, Hungary Interregional exchange meeting in Punkaharju, Finland Medina del Campo Po Delta Harghita Country, ski resorts' cooperation 4th instutional discussion, Regional Council of South Savo LSG meetings, especially 6th meeting.</p>	
b. What have you learnt?	<p>Innovation capacity of SME sector is low. Creative networking is an essential tool to improve SME sector innovation capacity. Networking requires platforms and hubs in the form of online comunicaties, living labs, hackathons, cocreation workshops etc.</p> <p>Biking tourism in Nagykanizsa, downhill skiing in Harghita, development of local heritage-based attractions in Po Delta and the Wine Route in Medina del Campo depend on inputs and collaboration of experts both in the region and internationally. In the 6th LSG meeting we developed the idea and concluded that to enhance the policy we need to increase communication between experts and between experts and entrepreneurs and civil society (NGOs) in order create new initiatives and support renewal of business models in the visitor economy sector. People need to be committed to longer term collaboration. We evaluated different approaches to support networking that we put forward in RAP by Drenthe (action 1.4.4.), Harghita (action 3.1.), In Punkaharju and Nagykanizsa site visits we realized how important it is in the development of attractions to network regionally, nationally and internationally to achieve high level of service and customer experience and develop product meeting customers expectation. Through networks it is possible to utilize specialized expertise and insights from different fields. Regarding possibility to enhance the programme instrument, it is necessary to add expert consultations and cooperation in order to align the policy instrument objectives with the objectives of the regional strategy. There is a need to develop methodology for linking regional strategy priority areas (food, forest, clean water) to policy instrument objectives. It was agreed with the regional council representatives that solution to this would be the organization of thematic stakeholder and expert panel work. According to the LSGs recommendation PP3 started expanding networks and secured organization of business incubation/innovation event with national/international partners.</p>	

c. How have you learnt (through a presentation, site visit, discussion, workshop etc)?	Site visits, knowledge exchange in interregional exchange meetings with partners. Discussion in the LSG,			
Action Steps (What will be done)	Responsibility (Who will do it)	Resources (Information, money, materials)	Timeline Start and end dates*	1) Name of the PI to be influenced/ already influenced 2)Change needed (e.g. new project, new call).
<p>1. “Saimaa Splash” Pilot Action: Visitor economy think tank: annual coaching sessions and pitching of ideas for peer-to-peer evaluation. Saimaa Splash networking action will link tourism SMEs and creative industries. Support programme instrument implementation through generation of new project ideas. (A Slush Helsinki type of innovation and investment event for harnessing regional innovation potential).</p>	<p>Savonlinna Development Services Other stakeholders will be invited to participate Investors, developers. Cross-industry event involving rural SMEs in visitor economy, handicrafts, arts, technology, digital media.</p>	<p>organization expense project funding when applicable</p>	<p>2019 after launch annually</p>	
<p>2. “Saimaa Splash” Online platform and series of workshops to engage networks of external expertise and local SMEs in co-creation processes.</p>	<p>Savonlinna Development Service, stakeholders</p>	<p>Time and commitment from the actors</p>	<p>2019</p>	

<p>Incubation of business ideas and project ideas for funding by the policy instrument.</p>				
<p>Implications for other sectors of rural economy? e.g increases demand for restaurants /locally grown food etc. Reduces skilled labour available for other operators Mitigation e.g. implement training courses</p>	<p>The influential summer residents and other committed persons represent wide range of skills and sector of business, and therefore the sectors of economy that are going to benefit cannot be listed beforehand. This is the first and relatively easy step on engaging support from “externals”. The actual process of inquiring and receiving help will be more complex and depend on each case individually.</p>			
<p>Implications for other actions or policy objectives (e.g. conflicts, synergies, overlaps, possibility of double funding)</p>	<p>Action/ Policy objectiv e number : 1, 3</p>	<p>Description of implications: This activation will be a knowledge resource for other actions.</p>		

Policy Objective Title: Hybrid creative networking		Policy Objective Number: 2		
Action Title: Engaging youth, students and young adults through a series of events and development programs		Action Number (1.1. etc): 2.4		
Background				
a. From which partner/presenter/expert/LSG member(s) have you learnt the good practice which feeds this thematic action?	6 th IR workshop knowledge exchange, Po Delta Medina del Campo Harghita LSG meetings, especially 6 th and 7 th meetings			
b. What have you learnt?	<p>We had a discussion with partners where we recognized that many of the partner regions are facing outmigration of young people from the area which reduces availability of skilled labour force and reduces potential for renewal and innovation when there are relatively few young people in the region developing new business ideas. It is essential to create platforms engaging the youth so that young people getting education (often outside the region) see future opportunities and potential for personal development not only outside the region but also in the home region.</p> <p>We understood that the way of doing and presenting things and target groups for communication about regional development need to be adjusted to target the youth and young adults. Consequently Savonlinna (us) and e.g. Medina del Campo included measures in the RAP to promote social inclusion of young people.</p> <p>It is essential to ensure participation of young people in development processes in order to establish them connection to the region and slow down out-migration. In the LSG we realized, that engaging young people to become part of our creative networking is essential for rural development and competitiveness.</p>			
c. How have you learnt (through a presentation, site visit, discussion, workshop etc)?	Exchange workshops and interaction with project partners. Discussion and designing the RAP in LSG meetings.			
Action Steps (What will be done)	Responsibility (Who will do it)	Resources (Information, money, materials)	Timeline Start and end dates*	1) Name of the PI to be influenced/ already influenced

				2)Change needed (e.g. new project, new call).
1. Build with stakeholders new marketing and communication concept to recruit youth and students to participate in SME sector innovation	all actors, coordination XAMK university of applied sciences, ROIHU start-up incubation project. Interlinking the communication concept with all RAP actions.	organization cost ROIHU project	2019 ongoing	
2. Organize hackathons connected to SME innovation challenges to enable young people to address and propose solution to problems defined by them.	XAMK, all actors	Staff, time	2019 ongoing	
Implications for other sectors of rural economy? e.g increases demand for restaurants /locally grown food etc. Reduces skilled labour available for other operators Mitigation e.g. implement training courses	Encourages and promotions young entrepreneurs and helps them build networks. Improve quality of living for young people.			
Implications for other actions or policy objectives (e.g. conflicts, synergies, overlaps, possibility of double funding)	Action/Policy objective number: 2 3	Description of implications: Inclusion of youth when applicable to development process to give their input and contribute viewpoints.		

Policy Objective Title: Digitilization		Policy Objective Number: 3		
Action Title: Digital business model innovation and evaluation Setting up expert working group and identifying potential SME digital business model adaptations and innovations		Action Number (1.1. etc): 3.1.		
Background				
a. From which partner/presenter/expert/LSG member(s) have you learnt the good practice which feeds this thematic action?	Digitalization and digital platforms were subject to discussion in the 2 nd IE meeting and in the subsequent project meetings. Knowledge exchange workshops in Harghita, Po Delta, RAP preparation process related to Harghita (3.1.4. platform for SME networking & knowledge transfer), Nagykanizsa (3.2.2. online sales cluster), Po Delta (3 Digital platform development). LSG, Mikkeli Tourism Forum, Institutional discussion 18.12.2017: Centre for employment, economy and environment of South Savo.			
b. What have you learnt?	Discussion concerning digitalization was initiated on the basis of good practice (Visit Savonlinna platform) presented by Savonlinna. The partners discussed different methodologies for building and enhancing digital business ecosystem for destinations: both b2b and b2c platforms for marketing, sales promotion and for knowledge management. The LSG group in Savonlinna discussed in all its meetings need for capacity building measures came up with a proposal consisting of a) collaboration of experts in the region (this action) b) skills evaluation and training of SMEs, c) enhancing quality of public sector business advisory services in the area a digitalization. These ideas were presented for discussion for entrepreneurs and authorities on the business fora such as Mikkeli Tourism Forum From the institutional discussion started a project preparation process (with several stakeholder and partner meetings during the 1 st half of year 2018) which resulted in grant (04.12.2018) of project ESF project funding for Digiportaat (Digital Steps) project (S21489). Note: Actions originally planned in the RAP became all the responsibility of Digiportaat project when funding was secured.			
c. How have you learnt (through a presentation, site visit, discussion, workshop etc)?	Consultation between partners, knowledge exchange workshops , Stakeholder consultations. Institutional discussions Project formulation work in the expert group			
Action Steps (What will be done)	Responsibility (Who will do it)	Resources (Information, money, materials)	Timeline Start and end dates*	1) Name of the PI to be influenced/ already influenced

				2)Change needed (e.g. new project, new call).
1. Setting up a working group to test and estimate digital business model adaptations and innovations	Digiportaat project, A consortium of XAMK University of Applied Sciences, Savonlinna Development Services Ltd., Mikkeli Development Miksei Ltd., Entrepreneur Association Suomen Yrittäjät South Savo Chapter, Pro Agria South Savo.	ERDF project 1 318 998 EUR	2018-2021	
2. Researching existing digital business model adaptations and innovations and preparing demonstrations	Digiportaat project	ERDF project	2018-2021	
3. Assessing solutions and making recommendations	Digiportaat project	ERDF project	2018-2021	
4. Solutions for individual needs of digitalization	Digiportaat project	ERDF project	2018-2021	
Implications for other sectors of rural economy? e.g increases demand for restaurants /locally grown food etc. Reduces skilled labour available for other operators Mitigation e.g. implement training courses	Cross-sectoral and cross industry support creating synergies			
Implications for other actions or policy objectives (e.g. conflicts, synergies, overlaps, possibility of double funding)	Action/Policy objective number: 1	Description of implications: Capacity building measure to enable action 1.1.-1.4.		

Policy Objective Title: Digitization		Policy Objective Number: 3		
Action Title: Business coaching and DIY platforms and toolkits for businesses Developing DIY online platforms and digital business toolkits for rural SMEs.		Action Number (1.1. etc): 3.2.		
Background				
a. From which partner/presenter/expert/LSG member(s) have you learnt the good practice which feeds this thematic action?	Digitalization and digital platforms were subject to discussion in the 2 nd IE meeting and in the subsequent project meetings. Knowledge exchange workshops in Harghita, Po Delta, RAP preparation process related to Harghita (3.1.4. platform for SME networking & knowledge transfer), Nagykanizsa (3.2.2. online sales cluster), Po Delta (3 Digital platform development). LSG, Mikkeli Tourism Forum, Institutional discussion 18.12.2017: Centre for employment, economy and environment of South Savo.			
b. What have you learnt?	There is a need for customised mentoring process for active and developing SME in the region to consult on digital distribution, ERP and back-office solution to enhance marketing and sales and productivity. Discussion concerning digitalization was initiated on the basis of good practice (Visit Savonlinna platform) presented by Savonlinna. The partners discussed different methodologies for building and enhancing digital business ecosystem for destinations: both b2b and b2c platforms for marketing, sales promotion and for knowledge management. The LSG group in Savonlinna discussed in all its meetings need for capacity building measures came up with a proposal consisting of a) collaboration of experts in the region (this action) b) skills evaluation and training of SMEs, c) enhancing quality of public sector business advisory services in the area a digitalization. These ideas were presented for discussion for entrepreneurs and authorities on the business fora such as Mikkeli Tourism Forum From the institutional discussion started a project preparation process (with several stakeholder and partner meetings during the 1 st half of year 2018) which resulted in grant (04.12.2018) of project ESF project funding for Digiportaat (Digital Steps) project (S21489). Note: Actions originally planned in the RAP became all the responsibility of Digiportaat project when funding was secured.			
c. How have you learnt (through a presentation, site visit, discussion, workshop etc)?	Discussion. Expert consultations.			
Action Steps (What will be done)	Responsibility (Who will do it)	Resources	Timeline	1) Name of the PI to be influenced/

		(Information, money, materials)	Start and end dates*	already influenced 2)Change needed (e.g. new project, new call).
1. Creation of learning kits	Digiportaat project, A consortium of XAMK University of Applied Sciences, Savonlinna Development Services Ltd., Mikkeli Development Miksei Ltd., Entrepreneur Association Suomen Yrittäjät South Savo Chapter, Pro Agria South Savo.	ERDF project 1 318 998 EUR	2018-2021	
2. Training programs for SMEs	Digiportaat project	ERDF project	2018-2021	
3. Training programs for advanced SMEs.	Digiportaat project	ERDF project	2018-2021	
eBusiness master classes for growth companies	Digiportaat project	ERDF project	2018-2021	
Implications for other sectors of rural economy? e.g increases demand for restaurants /locally grown food etc. Reduces skilled labour available for other operators Mitigation e.g. implement training courses	The “model of an digitally integrated SME” is created as an example for the entrepreneurs in order to let them see the optimum amount and tools of digital involvement and how this can be integrated both with the daily work in the enterprise as well as into itself so that no excess of work is needed to keep up the digital integration. Options of other tools will be added to the model in order to help the entrepreneurs if they feel to need to adjust or add to the composition.			
Implications for other actions or policy objectives (e.g. conflicts, synergies, overlaps, possibility of double funding)	Action/Policy objective number: 1	Description of implications: Capacity building for actions 1.1.-1.4.		

Policy Objective Title: Digitization		Policy Objective Number: 3
Action Title: Expert panel support for SMEs Setting up multi-stakeholder panel (financial authorities, business counselling, and education) to coordinate work and channel information to SMEs seeking public subsidy and/or starting business development projects.		Action Number (1.1. etc): 3.3.
Background		
a. From which partner/presenter/expert/LSG member(s) have you learnt the good practice which feeds this thematic action?	<p>Digitalization and digital platforms were subject to discussion in the 2nd IE meeting and in the subsequent project meetings.</p> <p>Knowledge exchange workshops in Harghita, Po Delta, RAP preparation process related to Harghita (3.1.4. platform for SME networking & knowledge transfer), Nagykanizsa (3.2.2. online sales cluster), Po Delta (3 Digital platform development).</p> <p>LSG, Mikkeli Tourism Forum, Institutional discussion 18.12.2017: Centre for employment, economy and environment of South Savo.</p>	
b. What have you learnt?	<p>There is a possibility to create synergies and share good practices in digibusiness. Discussion concerning digitalization was initiated on the basis of good practice (Visit Savonlinna platform) presented by Savonlinna. The partners discussed different methodologies for building and enhancing digital business ecosystem for destinations: both b2b and b2c platforms for marketing, sales promotion and for knowledge management.</p> <p>The LSG group in Savonlinna discussed in all its meetings need for capacity building measures came up with a proposal consisting of a) collaboration of experts in the region (this action) b) skills evaluation and training of SMEs, c) enhancing quality of public sector business advisory services in the area a digitalization. These ideas were presented for discussion for entrepreneurs and authorities on the business fora such as Mikkeli Tourism Forum From the institutional discussion started a project preparation process (with several stakeholder and partner meetings during the 1st half of year 2018) which resulted in grant (04.12.2018) of project ESF project funding for Digiportaat (Digital Steps) project (S21489). Note: Actions originally planned in the RAP became all the responsibility of Digiportaat project when funding was secured.</p>	
c. How have you learnt (through a presentation, site visit, discussion, workshop etc)?	Expert consultation and workshop.	

Action Steps (What will be done)	Responsibility (Who will do it)	Resources (Information, money, materials)	Timeline Start and end dates*	1) Name of the PI to be influenced/ already influenced 2)Change needed (e.g. new project, new call).
1. Steering group of the project to discuss best approaches.	Digiportaat project, A consortium of XAMK University of Applied Sciences, Savonlinna Development Services Ltd., Mikkeli Development Miksei Ltd., Entrepreneur Association Suomen Yrittäjät South Savo Chapter, Pro Agria South Savo.	ERDF project 1 318 998 EUR	2018-2021	
2. Business advisor training	Digiportaat project: City business support services, new business incubation service personnel, ProAgria personnel, ELY centre personnel	ERDF, staff time	2018-2021	
1. Formation of digibusiness expert panel and working group to create synergies between experts. Organizing regular meetings to share information.	Digiportaat project.	ERDF	2018-2021	
Implications for other sectors of rural economy? e.g increases demand for restaurants /locally grown food etc. Reduces skilled labour available for other operators Mitigation e.g. implement training courses	Increases innovation potential and creates competitive b2b services for the SME sector.			
Implications for other actions or policy objectives (e.g. conflicts, synergies, overlaps, possibility of double funding)	Action/Policy objective number: 2	Description of implications: Supports and can be organized in conjunction with networking events.		

Part VII – Policy context (Continuation of 1st Draft of Action Plan)

PRE-DEFINED IN THE APPLICATION FORM: please fill in accordingly!	
Policy addressed: Sustainable growth and jobs 2014-2020 Structural Funds Programme of Finland. European Regional Development Fund (ERDF)	Body responsible for the addressed policy: The Regional Council of South Savo. Etelä-Savon maakuntaliitto
Self-defined performance indicator: Percentage of the target SMEs in South Savo Region benefiting from the projects generated by getting supported from ERDF	Target value of the indicator: 15%
<p>Evaluation of the current operation of the policy:</p> <p>1. The policy is functioning reasonably well, and no major changes are needed in order to reach the means for the steps towards the action plan vision. From the point of view of action plan, the LSG work and institutional discussions have been sufficient to commit stakeholders and program authority to consider the needs and emphasis proposed by RG. As such, the policy instrument does not recognize the situation and need of rural SMEs. However, the implementation of the policy instrument is influenced by the regional strategy which in turn in visitor economy better recognizes the need of the rural SMEs. A somewhat problematic approach has been the insistence of the programme authorities on project covering the whole region as opposed to local projects. This has prevented locally networks from realizing their ideas with the help of the programme funding. In many (but not all) cases, Rural Development Programme funding can be used for local network initiatives.</p> <p>2. European Union development funding is by default 'top-down', as it is used for working towards European level goals. However, the regional planning of what are the actions to support in order to reach the set goals is increasingly more 'bottom-up'. Commonly policy formulation process for regional</p>	

strategy and regional plan is very open and participation of stakeholders in strategic planning and regional planning processes is quite strong. Representatives of rural small and micro-enterprises to participate in policy formulation and representatives of entrepreneur's associations and chamber of commerce are part of the process. However, small enterprises are struggling to understand the processes and formulate their view on policy questions because they have trouble understanding the bigger picture. The relative overall cost of participation in policy formulation process is quite prohibitive for small and micro-enterprises – if we count the time required to study the policies and travel and attendance in meetings. Therefore, it is essential to continue developing new participatory methods to discover bottlenecks and define development objectives.

3. Policy is owned by Regional Council together with the Centre for Employment and Economy. Therefore, Savonlinna Development Services does not have ownership of the policy, but development agencies and educational institutions together with entrepreneurs' association and chamber of commerce do participate actively in planning and implementation.

4. Our organization has a limited influence over the policy: We participate in public policy formulation and develop project proposals to be funded.

5. The policy has a touristic aspect integrated into its priority 'SMEs competitiveness'. As tourism is at the core of the regional development plan of South Savo, a lot of funding under this priority can be appointed to tourism related activities.

6. The policy does not currently have an aspect related to rural SMEs in particular, it addresses all SMEs (rural SMEs not excluded) in its priority 'competitiveness of SMEs'.

7. As tourism is at the core of the regional development plan of South Savo, there has been calls for touristic projects in the past and will be in the future.

8. Funding for tourism is concentrated on joint large projects which leaves (compared to previous program period) little opportunity to fund strategically important local projects. There is no priority for developing the business environment for SMEs, which is different from the previous program and a deliberate policy choice. However, it can be argued that in tourism also the business environment and infrastructure would need developing. Rural SMEs and micro-enterprises would benefit from developing the business environment and joint platforms. The obstacle for serving rural SMEs through the programme calls is in the programme emphasis on business and enterprise development, when development of business environment and joint platforms would better benefit rural SMEs. The basic assumption of the funding programme is that development is facilitated through fast growing and internationalizing enterprises, whereas rural SMEs thrive in an open ecosystem.

Please describe in the box below what kind of change you want to achieve in the addressed policy, and why change is necessary by answering the following guiding questions.

1. Do you propose having new initiatives (e.g. new calls, projects) for the policy?
2. Do you propose modification (e.g. modified priorities/objectives, calls, procedures)?
3. Justify why this change is necessary to implement your Actions

What kind of change, and why it is needed:

1. YES. We have already initiated projects for business incubation and digitalization coaching for SMEs. We have also partly addressed action 1. We intend to propose and discuss with stakeholders project ideas for actions 1.4. – 1.5. (market-driven commercialization capacity building) and 2.1. – 2.4. (creative hybrid networking).
2. YES. For the next programme period we propose formulating RAP objectives 1 and 2 either jointly or separately into programme funding priorities in order to facilitate SME and micro-enterprise development platforms.
3. Economic development potential in the region clearly can be found in the younger generations who are in the phase of idea development or considering a start-up business. The current programme serves better established actors and does not recognize the needs of rural start-up companies.

Please explain the linkage between the required policy change and your Actions!

List your Actions and the policy change that is needed (For example, to widen the season/attract more German tourists (=Action Title), we plan a new call for tourism SMEs to support the quality upgrade of accommodation (=Policy change linked to the action).)

NOTE: Do NOT list all Actions here. Include only those that are relevant in terms of policy influencing

Action Number (1.1. etc)	Action Title	What policy change is linked to the Action
1.1.-1.5. Objective 1, market-driven commercialization	Business incubation Marketing pilots Digital distribution channels and platforms Market-driven commercialization processes Expert panel	Actions 1.1. – 1.5. can best be dealt with in an integrated way to develop a path from idea into growth business. The objective of current business services is the development of companies, not content-based processing of ideas. We propose a policy change where one funding programme priority directs funding for processing the South Savo regional strategy priority areas (water, forest and food) from a cross-sectoral perspective. During the current programme period we propose that the programme authorities will carry out negotiations with stakeholders about the possibility for starting projects based on the priorities identified in the regional strategy.
2.1.	Develop networking platforms	Based on the regional strategy priorities (forest, water, food) Initiate a series of workshops to set up networking opportunities. This is a proposal for action that has been discussed with the Regional Council who has taken responsibility for facilitating networking related to the implementation of the regional strategy. This action fulfils objective 2 goals while serving objective 1 for incubation of new project cooperation.
2.2.-2.4	Expanding networks Annual networking events Engaging youth and students	We propose funding a business idea generation project with the aim of developing annual networking event “Lake Saimaa Splash” prepared through a series of smaller co-creation workshops. Annual best ideas will be awarded and provided with business coach for a three year period.
3.1. – 3.3. Objective 3. Digitalization	Digital business model innovation Digibusiness coaching Expert panel	RG Savonlinna has carried out policy influencing. Digiportaati (digibusiness coaching) project with a budget of 1,32 mEUR for three year will receive funding on 19.10.2018.

Policy influencing

How the addressed policy instrument should be improved to support the implementation of this action and achieve the policy objective. Use the policy influencing descriptions and examples above as inspiration!

1. Please describe:

- a. the relevant part of the policy instrument (priorities/objectives of relevant Operational Programme), which determines/influences the implementation of Action, as a starting point of thinking
- b. Other factors within the policy instrument which may influence the implementation of your Action e.g. monitoring/evaluating/selecting procedures, organisation of calls.

- a) Discussion and initiating in cooperation with the PA an open and joint process for the preparations for a project proposal to address RAP objective 1 actions 1-4 to be supported by objective 2 actions promoting networking. Although the policy instrument priorities do not support the development of open co-creation platforms, innovative project can be developed by addressing priorities 1 (competitiveness of SMEs), 2 (producing and using latest information and knowledge) and 4 (education, skills and life-long learning).
- b) We would like to discuss with the PA the possibility of thematic calls for project proposal that would enable funding of projects aiming to develop open innovation networks seeking to discover new business potential. The priorities of the regional strategy are a) Forest b) Food and c) Water, which provides interesting opportunities for developing cross-sectoral creative projects.

c) Please describe the new/modified part of the policy instrument (new or modified priorities/objectives, calls, projects, procedures of the management structure) and justify why this change is necessary to implement your Action

The following policy-influencing actions are applicable to all five Objective 1 actions. The regional programme for South Savo (the guiding document for the regional interpretation of the programme addressed by the Rural Growth project, Sustainable growth and jobs 2014-2020 – Finland's Structural Funds programme) for 2018-2021 is now being finalized, and Rural Growth has been successful in securing the presence of the key actions identified by the project in the new regional programme. (Please see report of the Rural Growth Institutional Discussions of 23rd February 2017, 20th June and 6th September.) The document will be complemented with an implementation plan. The implementation plan will allow the chosen actions to be determined for calls of proposals, and selection of the projects supporting the causes indicated to be carried out. The preparation of the implementation plan will include hearing different regional actors, such as municipalities, chambers of commerce and educational institutions. These actors will be contacted and worked with in the immediate future by the Rural Growth project staff and LSG members as well as their organizations in order to find ownership for the different actions, and have them included in the implementation plan by the regional actors. Savonlinna Development Services can and should not be the only advocate for the actions.

Developed project proposals include:

Digiportaati - digicoaching for SMEs (objective 3). Includes workshops and training for SME's on different digital skill levels, and an opportunity to increase capacity all through the project. Approved, 1,32 mEUR. Responsible organization XAMK South-Eastern Finland university of applied sciences, with development agencies as partners. The project was formulated on the basis of interregional knowledge exchange, further formulated by the LSG and in a consultation with the managing authority (centre for environment employment and economy) and the priority of the regional action plan for supporting digitalization in the SME sector. As of November 2018, project has launched.

Roihu – startup business incubation project (action 1.1.). Support for generation change in SMEs, product development, and training and encouragement for prospective entrepreneurs. Ongoing, 865.000 €. Responsible organization XAMK South-Eastern Finland University of Applied Sciences.

Visit Saimaa project, Lake Saimaa cooperation projects, developing tourism platform www.lakesaimaa.fi – (action 1.3). Ongoing project. As spin-off from the project, funding is being applied from ERDF programme including the development of open business platform for Lake Saimaa tourism promotion www.lakesaimaa.fi.

PAMU. Savonlinna service design project Designing customer experience. (action 1.4) Submitted. Responsible organization SamiEdu vocational training institute. This corresponds to RAP priority market and customer driven commercialization for expanding customer base for Savonlinna businesses by utilizing service design methodology. 543 348 EUR grand ESF.

Savonlinna Illumination (Action 1.2.) Developing the use of lighting technologies in order to create touristic value and events to Savonlinna region. Ongoing, 750.000 €. Responsible organization Savonlinna City. Project was inspired by interregional exchange in Rural Growth, especially from Medina Del Campo / Mapping me! –event.

Grüne Woche project 2018-2019 (Action 1.2.) Product testing in foreign markets. Planned. Responsible organization Savonlinna Development Service Ltd.

Policy Influencing Activity Steps (What will be done)	Responsibility (Who will do it)	Resources (Information, money, materials, workshops, meetings)	Timeline Start and end dates*
1. Contacting regional actors and meeting with them to discuss ownership for different actions	Savonlinna Development Services	Meetings all over South Savo	2017
2. Attending the hearing workshops for the implementation plan	All regional actors	Workshops (arranged by Regional council of South Savo) "Matkailutoimijoiden tapaaminen"	1.1. 2017-27.9. 2018
3. Committing stakeholders to the regional action plan implementation	Savonlinna Development services	Building consensus in other meetings with stakeholders. We will also contact key stakeholders directly do update on progress with the action plan.	1.8. 2018 – 30.10.2018

<p>4. Follow up of implementation</p>	<p>Savonlinna Development services</p>	<p>Follow-up will be implemented through regional stakeholder meetings organized by the regional council and through surveys to stakeholders concerning the implementation of actions. Partner's own efforts in preparing project proposals will be directed towards the fulfilment of the implementation plan and utilizing the stakeholder network established in the project.</p>	<p>Starting 1.10. 2018 - end of the project</p>
<p>RuralGrowth as an engine for change: Rural Growth has influenced the implementation of the policy instrument. We have also together with the PA identified areas for improvement where the policy instrument could be better used to support the implementation of regional strategy (which it is intended to do in the first place).</p>			