



# Design 4 Innovation

Design Action Plan:  
KEPA, Greece



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# Regional Context

**Partner organisation**

Business and Cultural Development Centre (KEPA)

**Country**

Greece

**NUTS2 region**

Central Macedonia

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**Greece**

# Policy Context

## **The Action Plan aims to impact**

Investment for Growth and Jobs programme

## **Name of the policy instruments addressed**

Operational Programme “Entrepreneurship Competitiveness and Innovation 2014-2021”

The Operational Program “Competitiveness, Entrepreneurship & Innovation” (EPAnEK) is one of the seven Sectoral and thirteen Regional Operational Programs of the Partnership and Cooperation Agreement (the new NSRF) for the period 2014-2020. The 2nd Revision of the Operational Program EPAnEK for the year 2018 was intended to contribute

to the optimal utilization of the resources allocated to the country for smart and sustainable growth. The Revision was approved on 12/12/2018 by the European Commission’s Executive Decision No. C (2018) 8855 final.

EPAnEK covers the whole of Greece and has a 4.72 billion Euros public expenditure budget (3.69 billion Euros Union contribution). The pivotal strategic objective of EPAnEK is to enhance the competitiveness and extroversion of enterprises, to facilitate transition to quality entrepreneurship with innovation and the growth of domestic added value as the cutting edge. The Operational Programme for Competitiveness, Entrepreneurship & Innovation occupies a central position to the Country’s efforts to create a new

production model that will lead to development and will strengthen the competitiveness of the Greek economy by leveraging private financing.

The new model brings to the fore productive, competitive and outward-looking sectors of the economy, such as tourism, energy, agri-food, the environment, the supply chain, information and communication technologies, health and the pharmaceutical industry, creative and cultural industries, materials – construction.

Through EPAnEK and in synergy with Regional Operational Programmes, the Smart Specialisation strategy is implemented with a view to connecting research and innovation with entrepreneurship, and to enhance/develop existing and/or new competitive advantages of the Country and its Regions.

EPAnEK is structured around the following main Priority Axes:

- “Enhancing entrepreneurship with sectoral priorities” 2.356,2 million Euros total budget
- “Adaptability of workers, enterprises and entrepreneurial environment to the new development requirements” 729,9 million Euros total budget
- “Development of mechanisms to support entrepreneurship” 1.534,5 million Euros total budget
- “ERDF Technical Assistance” 79,5 million Euros total budget
- “ESF Technical Assistance” 16 million Euros total budget

### How did we approach the project?

We aimed to improve this policy instrument by integrating design as an eligible cost and strategic activity within financial instruments such as grants, subsidies and innovation vouchers as well as potentially nonfinancial support such as mentoring and incubators. The route to building effective capabilities for design driven innovation among SMEs is not clear for

policymakers in Greece. Therefore, we tried to improve policy instruments through exchange of best practices with the Design4Innovation partners, policymakers and stakeholders

Design driven innovation is a not well known but emerging area in Greece and as such, it is vital to share the practices from more advanced countries such as Latvia and UK.

The project has provided the potential to develop cooperation across all of our support network. This will further support our government and business support organization to work together in order to build a design led entrepreneurship ecosystem that will lead to the increase of the SMEs competitiveness and innovation capabilities. The outcomes of this project will also contribute to the refinement and enhancement of new Greek policy for innovation.

Design for Innovation Stakeholder Group:

The project stakeholder group has been active and fully participative throughout the project. The group comprises the full range of public and private sector business and innovation support providers including:

- Managing Authority of EPANEK
- EFFEPAE/KEPA ANEM, Intermediate Managing Authority of EPANEK
- General Secretariat of Research and Technology Hellas
- General Secretariat of Industry
- Ministry of Development and Investment
- Greek Parliament
- Hellenic Federation of Enterprises
- Greek International Business Association
- Managing Authority of European Cooperation programmes
- Region of Central Macedonia

## State of play in Greece

The crisis and threat of 'Grexit' has shown that in order to reboot the Greek economy and restore growth, the role of internationally competitive enterprises is particularly important, within a society that supports this model and a State that liberates and assists the creative forces of quality entrepreneurship through its structures and policies. Such a productive model results in the creation of sustainable, high quality jobs and income improvement opportunities.

The needs of the Greek economy focus on the requirement for a new development model that will be based on smart specialisation, sound investments and export. This model must overcome existing distortions, low competitiveness, mediocre research and innovation performance. Smart specialisation must permeate the new business environment and aim at identifying and highlighting the characteristics of the country and the regions that create sustainable competitive advantages.

The S3 affects all aspects of the developmental model by finding the country's specialised markets, incorporating new technologies in traditional sectors and utilising their 'smart' dynamism. It will contribute to export and cooperation between sectors and agents of innovation in the country, as well as with other countries.

A necessary condition for achieving the new developmental model is the implementation of an integrated approach based on the shaping of a suitable business environment ('ecosystem') that will help enterprises identify and utilise new opportunities for growth and participate in sections of global chains. This includes the removal of ineffective institutional, regulatory and administrative obstacles to entrepreneurship, as well as the creation and application of a targeted stimulus package for the undertaking of business initiatives in select sectors. We believe that design has a huge potential in this area because fundamentally design puts the user first therefore the solution is better for customers. Design and design innovation are not only about the attractiveness of products. It is also about gaining insights into the human

experience so that products, services or processes can be designed to improve that experience. Design is a key driver of innovation and value creation for businesses and the economy. To gain a competitive advantage, businesses must use design and innovation to create new value and new markets.

This action plan is the first step of Greece to adopt Design for Innovation as a key driver for SMEs competitiveness. The outcome of this action plan will impact on elements of the support programmes for entrepreneurship and innovation as well as the Greek Innovation policy itself.



# Actions



# Action 1

## Integrate design as an eligible cost in the programme “Qualitative Modernization”

### 1. Background

Through Design4Innovation we managed to Improve the Governance of our Policy Instrument “Operational Programme for Entrepreneurship, Competitiveness and Innovation (EPANEK)” by including Design as an eligible cost in the support programme for SMEs entitled “Qualitative Modernization”.

The programme “Qualitative modernization” is part and funded by the Greek Operational Programme for Entrepreneurship, Competitiveness and Innovation (EPANEK), Priority Axis 1, Target o1 “ Development of Entrepreneurship in sectoral priorities, and more specifically in in the Special Target 1.4 “Upgrading the level of business organisation and operation of SMEs by order of priority in the country’s nine (9) strategic sectors” and the Investment Priority 3c “Support for

the creation and expansion of advanced capabilities for product and service development”.

During the first EoE in Belgium, the hosting partner presented us the SME Wallet Programme that was the inspiration for this action. The SME Wallet programme enables companies based in Flanders to access subsidies of up to €25,000 for business support. The scheme is run by Enterprise Flanders, a government-funded agency, with a remit to support businesses and entrepreneurs in the region. One of the principal ways they are doing this is by encouraging companies to incorporate design into their operations, through programmes like SME Wallet. A dedicated team within the agency called Design Flanders was given responsibility for promoting and implementing the design aspect of the programme.

SME Wallet launched in the form of an interactive web application in 2002. It enabled small and medium-sized enterprises (SMEs) in Flanders to obtain subsidies of between €100 and €25,000 in training, advice, technological insight, advice on internationalisation, coaching and strategic advice and design. From 2009 companies became able to claim subsidies for design projects under the programme. Between 2009 and 2014 more than 228 design projects were funded, receiving a total of €504,236 in subsidies.

SME Wallet is a mainstream innovation support programme for SMEs. It gives the opportunity to the applicants to choose design services among a variety of innovation support services. The applicant receives funding to buy the selected services. Back in those days the Greek Government was planning to launch new innovation support programmes for businesses. More specifically, businesses could get the funding to buy new equipment and/or specialized services.

KEPA focused its efforts to influence the Operational Programme "Competitiveness, Entrepreneurship and Innovation (EPANEK)" and integrate design as an eligible cost for companies in one of those upcoming programmes of the Greek Government. To achieve this, KEPA organized b2b meetings with the Managing Authority of EPANEK and specifically with the Policy Makers who are responsible for designing the funding programmes for SMEs.

On 4th of June 2018, the first goal has been achieved. A new national programme has been announced by the Managing Authority of EPANEK entitled "Qualitative Modernization". The programme aims to support Medium Greek Enterprises and it includes "service design, product design and branding design" as eligible expenses for the participating companies. Eligible companies are medium enterprises from any of the Greek RIS 3 sectors:

- Agriculture/ Food Industry
- Energy
- Logistics
- Cultural and Creative Industries
- Environment
- Tourism
- ICT
- Health
- Materials - Construction

Link to the programme: <https://www.espa.gr/el/Pages/ProclamationsFS.aspx?item=3885>

## 2. Action

- Develop an impact evaluation template
- Collect the data from the programme implementation. More specifically we will collect the following data: number of companies that included design costs into their business plans, budget dedicated to design costs, use of the design service from company, etc.
- Evaluate the impact of the intervention
- Organize one meeting with the managing authority and KEPA ANEM per semester to monitor the progress
- Organize a presentation in the Managing Authority in order to present the results

### 3. Players involved

- Managing Authority of Operational Programme “Entrepreneurship, Competitiveness and Innovation 2014-2020”, EFEPAE- Intermediate Managing Authority of the Operational Programme Entrepreneurship, Competitiveness and Innovation 2014- 2020” that was responsible for the designing of the call for proposals and the integration of the design budget line in it.
- EFEPAE and KEPA ANEM that are the intermediate managing authorities of EPANEK and will support the collection of the data in order to create the impact report.

### 4. Timeframe

- The programme is currently opened for applications since 27th of June 2018 and it will remain open as long as it has available funds for this programming period.
- Month 1 - Month 3 of the Phase 2: Development of the Evaluation Template
- Month 1 - Month 22 of the Phase 2: Continuously collection analysing of the data

- Month 13 of the phase 3: Mid term report analysis of the data collection
- Month 6, 13, 18, 22 of the Phase 2: Meetings with the Managing Authority and EFEPAE
- Month 24 of the Phase 2: Presentation of the evaluation results and recommendation in the Managing authority

### 5. Costs

The whole budget of the programme is 150.000.000 €. Note: this is the total budget of the programme and it is not dedicated all to design. We expect that the by the end of the programme the costs for design will be around 200.000 €. During the monitoring phase we will collect the info and we will be able to define the exact amount.

### 6. Funding sources

Operational Programme “Entrepreneurship, Competitiveness and Innovation 2014-2020”



# Action 2

## Include Design Thinking in the programme “Research Create Innovate”

### 1. Background

Through Design4Innovation we managed to Improve the Governance of our Policy Instrument “Operational Programme for Entrepreneurship, Competitiveness and Innovation (EPANEK)” by including Design as an eligible cost in the support programme for SMEs entitled “Research Create Innovate”.

The programme “Research Create Innovate” is part and funded by the Greek Operational Programme for Entrepreneurship, Competitiveness and Innovation (EPANEK), Priority Axis 1, Target o1 “ Development of Entrepreneurship in sectoral priorities, and more specifically in in the Special Target 1.1 “Increasing entrepreneurial initiatives and partnerships for the development of innovative entrepreneurship in accordance with the national research and innovation

strategy for smart specialization (RIS3 strategy)” and the Investment Priority 1b “promotion of the business investments in research and innovation”.

During the 2nd year of project implementation we organized the meetings with our local stakeholder group in Athens. During the meetings with the representatives of the General Secretary of Research and Technology Hellas, we presented one of the best practices discovered by our project entitled “Design Driven Innovation Programme”. The programme is originally from Norway and has been presented during the EoE in Malta. That programme gives funding to groups that consists of companies and innovation agencies/ designers in order to use design thinking to create the concept and the prototype of new products and services. The aim of the Design-driven Innovation Programme (DIP) is to stimulate competence

development and investments in the concept phase of the innovation process through systematic user studies and design methodology. The programme is an instrument of the Norwegian Centre for Design and Architecture (DOGA). In the period of 2009–2015, 116 DIP projects have received a total of NOK48m in public funding. The program has in 2015–2016 been evaluated by Technopolis who found that the most frequent project results and impact are increased understanding of user needs, processes for identifying user needs, increased interaction with other disciplines and increased interaction with users. In addition, beneficiaries believe that the projects are likely to lead to increased customer satisfaction, strengthened market position, increased turnover and new market opportunities. There are quite a few examples of DIP projects that have had substantial economic impact for companies, and projects of public beneficiaries have led to significant efficiency improvements in the public sector. The gradual development of results and impact, and the fact that beneficiaries are very satisfied with their projects, indicate that DIP works as intended for beneficiaries.

Seven out of ten beneficiaries believe that their DIP project has resulted in design getting a more important role in the organisation, six out of ten that design has become more integrated into the organisation's processes for development of new products/services, and four out of ten that design has become an essential part of all key processes of the organisation. Four out of ten beneficiaries believe that their organisation has moved up a step on the so-called design ladder that characterises the degree of design maturity, meaning that organisations have become more systematic and strategic in their use of design-driven innovation methodology.

The stakeholders that participated in the meeting asked us to participate in the consultation of the second round of their programme "Research Create Innovate" and send them detailed information about the best practice that we have presented to them. Design Driven Innovation is a programme that brings together to different organizations and gives them the funding to use design thinking in order to create the



concept and the prototype of a new product or service. "Research Create Innovate 2nd round was inspired by that element. Partnerships of companies and research organizations could apply to take funding from this programme in order to use design thinking methods to create a prototype of an innovative product or service in the tourism or culture sectors.

## 2. Action

- Development of the impact evaluation template
- Collect the data from the programme implementation in order to be able to measure the impact. More specifically we will collect the following data: number of companies that applied to use design thinking in order to create the prototype, cost of the design thinking investments, use of the design service from company, etc.
- Organize a workshop with for the Managing Authority of the Programme and the General Secretariat of Research and Technology Hellas in order to increase their capabilities on supporting and monitoring design investments from the participating SMES. The workshop will take place in Athens in January 2020.
- Evaluate the impact of the intervention.
- Organize one meeting with the General Secretary of Research and Technology Hellas (GSRT) per semester to monitor the progress.
- Organize a presentation in the GSRT in order to present the results.

### 3. Players involved

- Managing Authority of Operational Programme “Entrepreneurship, Competitiveness and Innovation 2014-2020” that is responsible for monitoring the programme impact
- General Secretary of Research and Technology Hellas, Special Service for the Management and Implementation of Activities in the sectors of Research, Technological Development and Innovation, Smart Specialization Working Group-Platform for Design that are responsible for designing and monitoring the programme. They will support the collection of the data and are responsible for the organization of the workshop in January 2020 in Athens.

### 4. Timeframe

The programme was opened for applications from 28th of March 2019 till 5th of June 2019. The evaluation stage of the proposals is currently ongoing. The successful applicants must implement the project within 30 months. The monitoring and closure of the programme will be on 31st of December 2023. Till the closure of the programme, KEPA along with the General Secretary of Research and Technology Hellas and the Special Service for the Management and Implementation of Activities in the sectors of Research, Technological Development and Innovation will monitor the impact of the programme to the participating SMEs that are under the Design Category of the programme. In January 2020 we will organize a workshop along with the General Secretariat of Research and Technology Hellas in Athens in order to train all the staff responsible for the programme Research Create Innovate to increase their capabilities on supporting and monitoring design investments from the participating SMES.

- Month 1 - Month 3 of the Phase 2: Development of the Evaluation Template
- Month 1 of the Phase 2: Organize the workshop in Athens
- Month 1 - Month 22 of the Phase 2: Continuously collection analysing of the data
- Month 13 of the phase 3: Mid term report analysis of the data collection
- Month 6, 13, 18, 22 of the Phase 2: Meetings with the GSRT
- Month 24 of the Phase 2: Presentation of the evaluation results and recommendation in the GSRT

## 5. Costs

The total budget of the programme is 200.000.000 €. This amount is not only for the design projects. We estimate that around 10.000.000 will be dedicated to design projects. We will know the exact amount invested in design when the programme ends through the monitoring process. The cost of the workshop in Athens is 800€ and it will be funded by KEPA's own resources.

## 6. Funding sources

Operational Programme "Entrepreneurship, Competitiveness and Innovation 2014-2020" regarding the Research Create Innovate costs. KEPA will fund the cost of the workshop in Athens.



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