Regional Innovation Strategy & Action Plans

A strategy for *emda*

CM International

16 November 2010

This document forms part of the *emda* Knowledge Bank

east midlands
development agency

InnEM

**Regional Innovation
Strategy & Action Plans**

Action Plans

Version 8 Final

16th November 2006

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Knowledge Exchange

ACTION 1: Establish business focussed *innovation Network*s (iNets) to drive and increase knowledge exchange

The rationale for action

Only a small proportion of businesses in the region invest in innovation and much of this is centred in a few R&D intensive organisations. At the same time, while the region's universities have good and productive relationships with some large businesses, these are not widespread across the region nor do these relationships exist as frequently with small and medium sized businesses. Indeed it is frequently acknowledged that universities find difficulty in engaging with SMEs to build strong mutually beneficial relationships.

There is a clear need to place a strong emphasis on recognising the innovation needs of both SME and large businesses, ensuring they are easily able to communicate their requirements with each other, (e.g. through supply chains) and with universities. In particular, businesses need support to help them access the knowledge and ideas that can help them grow and prosper in higher value markets.

The need is to make appropriate tools and mechanisms available to bring together research expertise and businesses, enabling meaningful and relevant knowledge exchange, thereby increasing the rate and level of innovation in businesses and our research institutions.

The East Midlands RES has established the important principle that maximum impact can be achieved by focusing support in a number of the region's key sectors. The Innovation Strategy will embrace this principle by targeting its interventions on these key sectors. This implies that the 'clustering' or concentrating of innovation and knowledge resources and exchanges will also be best achieved by adopting a sector-driven approach.

What activities are needed?

There needs to be a mechanism that will increase the number and quality of knowledge exchange interactions between the regions businesses and higher and further education institutions, in particular SMEs and their interactions with large companies and the academic base. In putting this into place we also need to simplify and consolidate the number of initiatives for business innovation that are supported by *emda* in the region and to develop and deploy mechanisms for bringing the research base and businesses together in a targeted and pro-active way.

In order to deliver the improved level of interaction across the region and achieve the aim of providing targeted and pro-active innovation support to businesses, the Strategy will establish business led innovation Networks (iNets).

Each iNet will be focused on one of the key sectors identified for the region and be based on partnerships that represent regionally significant concentrations of innovation, technological and scientific excellence in the region. These will already be recognised as a focus for interaction between business and universities

The iNets will be led by partnerships or consortia that are regionally significant in terms of the assets held in the region in the sector concerned but governed through a contractual relationship with *emda* for the delivery of the agreed and specified activities.

iNets will be supported to develop or designate a physical focus (iHub) such as an innovation or research centre involving academia and business partners and to establish and maintain close links with centres of innovation and technology activity across the region that are complementary to the technology and sector focus of the iNet. Each iNet will establish and host an iNet team, to be based in the iHub.

iNets will act as a focal point for bringing together, in a specific and transparent partnership, a significant mass of the region's key centres of excellence including universities and businesses. The iNet's primary objective is to bring together businesses, universities, other public sector bodies such as the NHS, researchers, intermediaries and funders (the stakeholders) with common interests in particular technologies or markets. The intention is to significantly raise the number and quality of interactions between stakeholders and so increase levels of innovation with the aim of impacting on the productivity, long-term sustainability and growth of businesses.

Which partners are required?

The lead partner from a strategic perspective will be InnEM with *emda* maintaining financial accountability for the iNet investment.

Extensive discussions have already taken place with a wide range of stakeholders and potential iNet partners across the region; these include sub regional partners; local authorities; universities; research, technology and innovation centres of excellence; sector groups and other interested parties.

Letters of (in principle) support have been received from many of the potential implementers and partners in the iNets.

Stakeholders common to all the iNets will be:

- Knowledge Transfer Networks (national level initiative, funded by DTI)

- Knowledge Transfer Partnership (KTP) programme

- Technology and Transfer Offices of the universities (and any TT or collaboration-oriented initiatives)

How the action will be established, managed and implemented?

iNets will be procured through a competitive award process, and based on a detailed prospectus that will account for the majority of investment in innovation, through targeted and pro-active actions.

The structure and function of iNets will be described in the prospectus that will include:

- a common set of operating principles

- a minimum core offering that will be required

- specific activities that may be proposed but which will vary according to the needs of individual iNets and their stakeholders

- a requirement to make a defined contribution to *emda's* targets and those of other partners investing in their development.
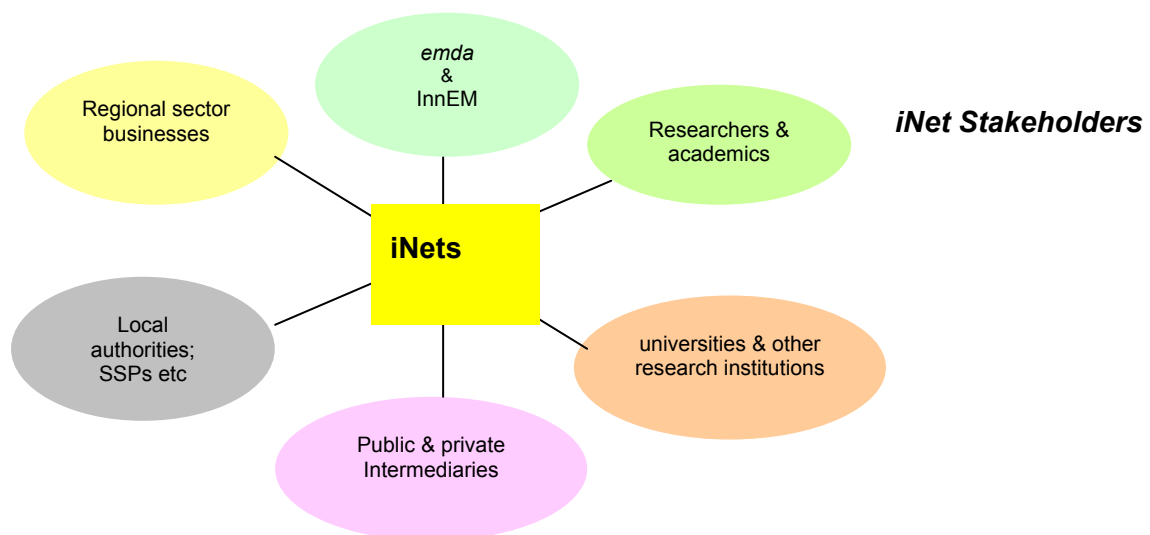
It is not intended to establish new organisations but to invite existing organisations to bid for the delivery of the iNet. Responses to the specification will be sought from

appropriate regional partnerships or consortia and will be the subject of a competitive award process managed by *emda.*

Following the competitive award process the successful partnerships will establish business boards to direct operations and hold ultimate accountability. The boards and / or the iNet Director will report to InnEM / *emda* on operational issues. iNet Steering Groups will also be established to advise on the overall strategic direction of the iNet activity.

The overall iNet programme will initially be established for three years and subject to an Annual Programme Review by an independent Programme Review Committee, who will report to both the InnEM Council and *emda* Board. It is envisaged that 3 iNets will be established over the initial 12 month period and an allowance has been made for a fourth iNet to be introduced from autumn 2008.

The iNets will drive interactions to support the different needs of their Corporate, SME and university stakeholders, for example through medium to long term research and development agreements, short term technology and know-how transfer and access to the best available technology and good practice.

iNet Stakeholders

While universities will be a key supplier of knowledge to meet business needs through the iNet, the role of business to business interactions, e.g. through supply chains, will also be promoted. iNets will work closely with public sector research organisations, including NHS Innovation East Midlands, British Geological Survey and the Public Health Research Laboratories involving them as stakeholders in the iNet as appropriate. The iNet will also need to ensure that where important sector or technology centres of excellence are located outside the region these will be associated with the iNet wherever appropriate.

Each iNet will be co-ordinated by their team who will be based in an iHub (*see Action 2 below*), ideally an existing high profile facility that ensures there is a clear point of focus for the network's activities.

Each iNet partnership will be charged with developing their own detailed implementation plans for the iNet consistent with the Strategy and with the drive to simplify and consolidate the number of initiatives supported by *emda* in the region. Each iNet will be required to ensure that existing activities being undertaken by other stakeholders in the region are integrated with iNets activities to maximise scope for

knowledge exchange. iNets should also offer the opportunity to build on and expand good practice around the region, bring a sector focussed interface with national networks, such as Knowledge Transfer Networks (KTNs) and to consolidate or simplify activities based on alignment with the Strategy.

In order to maximise their impact on regional innovation, iNets will devote part of their work to building links and developing collaborations between iNets themselves. This is expected to result in both long and short term benefits to members, and to the efficiency of the regional innovation system as a whole. Within a longer-term perspective, iNets will be encouraged to identify shared priorities or areas of common interest to the sectors they represent; for example they may wish to develop joint R&D agendas in specific areas of technology, or to explore the possibility for stimulating collaborations in horizontal applications or services, such as transport and logistics. Within a shorter-term perspective, iNets should work together to increase the scope and scale of technology transfers and knowledge exchange across disciplines and sectors. An important output, here, will be increased numbers of collaborative projects, particularly those involving SMEs. However, the success of collaboration between iNets does not need to rest solely on collaborative projects; iNets should exploit their in-depth sectoral and technology knowledge (so-called 'critical intelligence') to provoke debate and stimulate fresh thinking within established relationships between suppliers and customers, be they in manufacturing, construction or services.

What is the timing for implementation?

- **October –** Regional Innovation Strategy and Action Plan paper to *emda* Board

- **November -** Budget approval at BRG

    - Public strategy document launched and detailed action plans ready

- **December –** Begin the iNet competitive award process

- **February 2007 -** Appraisal of the submissions received by *emda*, negotiations opened with 'preferred iNet partners'.

- **May 2007 -** First approval made, implementation of iNet1 commences

- **September 2007 -** iNet2 operational

- **March 2008 -** iNet3 operational

- **May 2008 -** iNet evaluation through the Programme Review Committee

- **September 2008 -** iNet 4 operational

What costs, resources and outputs are expected?

See accompanying Microsoft Excel file 'master database' for up-to-date information on costs, resources and outputs.

Knowledge Exchange

ACTION 2: Establish innovation Hubs (iHubs)

The rationale for action

The establishment of iNets (*see Action 1*) will bring considerable focus to the drive to increase levels of innovation and awareness of innovation and knowledge support options across the region.

The creation of a physical focus for the iNet will help to support this objective. In particular, the establishment of iHubs at prominent locations and alongside recognised facilities and centres of excellence for the relevant iNet sector focus will increase the awareness of support on offer within the iNet and make interaction and exchange between businesses and researchers easier.

Initially, the key sectors identified for an iNet approach in the East Midlands Innovation Strategy align with those identified as offering greatest impact from public intervention in the region's RES. These include healthcare, transport, the environmental technology sector and food and drink.

What activities are needed?

The iNets, as part of their response to the iNet prospectus and competitive award process, will be encouraged to designate or propose a physical focus (iHub) for their iNet model.

In some cases this will be an existing innovation, research or technology transfer centre involving academia and business partners. The aim will be to use this hub to assist the iNet to establish and maintain close links with centres of innovation and technology activity across the region that are complementary to the technology and sector focus of the iNet, and to provide a visible 'presence' for the iNet alongside an established and recognised centre of excellence for the relevant sector.

In other cases, it may be more appropriate to organise the iHub around a series of physical facilities across the region that already operate at the interface between research and business. This networked (hub and spoke) approach may be most appropriate where the sector concerned embraces a wide range of technologies at the heart of its innovation activities and where the partnership in the region is able to maintain its focus without the need for a single hub.

Finally, the iNet partnership may consider that a significant investment in new capital infrastructure and facilities is both desirable and necessary to ensure that the full potential of the iNet and its contribution to the region's innovation activities in the relevant sector can be achieved. In such cases the iNet partnership will wish to ensure that its submission in this respect is both robust and deliverable, noting that *emda* is unlikely to provide full capital contributions to the development of a new facility to act as an iHub. Partners will therefore be required to make capital investment contributions accordingly.

The precise configuration of facilities in each iHub will be an item that the iNet partnerships consider as part of their submissions. At a minimum, the iNet will need to ensure that there is good quality office accommodation for the relevant iNet Team (*see Action 3*) as well as the opportunity to clearly identify the presence of the iNet by branding and professional presentation within the facility selected as the hub. In

addition, it is likely that meeting and workshop facilities will be necessary as will a small amount of exhibition space for the sector's use.

In some iNets it may be appropriate to consider incorporating the provision of technical facilities that are key to innovation and technology within the sector. Each sector iNet is lilkely to be different in this respect.

Which partners are required?

The lead partner from a strategic perspective will be InnEM with *emda* maintaining financial accountability for any iHub investment.

Extensive discussions have already taken place with a wide range of stakeholders and potential iNet partners across the region and letters of (in principle) support have been received from many of the potential implementers and partners in the iNets. It is clear that the availability of physical facilities and their incorporation or enhancement through the iHub model is likely to be a significant feature of the iNet tender preparation.

Likely key partners required for the development of physical hubs will be universities and local authorities.

How will the action be established, managed and implemented?

The establishment, management and implementation of the iHubs will be a key part of the iNet competitive award process.

Partners will wish to clarify their own objectives and the needs of the sector concerned for a physical hub for the iNet as part of their review of the prospectus. They will also need to identify the potential opportunities for designation or development of a physical facility and their own capacity to provide a capital contribution to the hub.

Appraisal of the iNet submissions, as they relate to investment by *emda* in the iHub, will be dealt with under *emda*'s established property investment appraisal processes including the UK Green Book methodology.

What is the timing for implementation?

Implementation of the iHub facilities will depend on a number of factors including the timing of the overall iNet award process (*see Action 1*) and the approach to the iHub provision that accompanies the iNet submissions. Therefore, an iNet that proposes designating existing facilities will be able, in all probability, to move ahead to implementation of the iHub much more quickly than an iNet partnership that proposes the development of a new 'greenfield' iHub facility.

What costs, resources and outputs are expected?

See accompanying Microsoft Excel file 'master database' for up-to-date information on costs, resources and outputs.

Knowledge Exchange

ACTION 3: Establish iNet Teams in each iHub to deliver the actions

The rationale for action

The research underpinning the Strategy reveals that many companies in the region, particularly SMEs, do not appear to invest in R&D. Nor is the translation of the region's knowledge assets into commercially successful products, processes or services widespread. The proportion of turnover accounted for by new or improved products in the East Midlands is amongst the lowest in the UK. Moreover, companies, particularly SMEs, find it difficult to access support from higher education institutions.

The challenge is therefore one of ensuring that the region's business needs for innovation support is met through a coordinated and dedicated response that bring together research expertise and businesses enabling knowledge exchange with the aim of increasing the rate and level of innovation in businesses and our research institutions.

What activities are needed?

Each iNet will be staffed by a core team (probably 4 initially rising to 6) of full-time, dedicated and specialised advisors who will act as market makers and drive interactions to raise the level of knowledge exchange and innovation for the economic benefit of the sector in the region.

The iNet Team will interact with businesses from the relevant sector for the iNet to ensure that they receive the appropriate and necessary innovation support and broker interactions between these businesses and the knowledge base of the region.

The iNet Teams will be closely integrated into the East Midlands Business process and will be fully integrated into the Regional Business Support Information System (RBSIS) for reporting and monitoring purposes. The iNet Teams will not provide in-depth business support themselves but will perform an "account manager" role for their client businesses in the specific sector focus of the iNet and will be able to refer businesses directly into the region's intensive business support providers or to specialised innovation and technology support providers as appropriate.

The iNet Teams will maintain regular contact and network with iNet teams in other iNets and with innovation advisors across the region engaged by other intermediaries (SSPs, universities etc) and assist businesses seeking research collaborations and research funding for innovation and technology projects by working closely with national and regional technology initiatives and programmes in the relevant key sector area.

The iNet Teams will develop (or build on existing) innovation networks for their iNet sector providing a regular conduit for the exchange of information, advice and referrals on specific sector and technology topics and a forum for the sharing of best practice and creative problem solving. iNet teams will also undertake 'outreach' activities to other relevant sector groups and organisations across the region and establish specific innovation, technology and sector focused knowledge and intelligence.

They will also provide a link into international, national and other sector focused networks and resources. This critical intelligence will form the basis of a regional

innovation knowledge base, shared and accessed via the regional innovation portal (the Portal - see *action 8*) and will be supported by a diary of network events and activities to facilitate supply and demand and drive interactions between stakeholders.

Which partners are required?

The lead partner from a strategic perspective will be InnEM with *emda* maintaining financial accountability for the iNet investment.

Extensive discussions have already taken place with a wide range of stakeholders and potential iNet partners across the region and letters of (in principle) support have been received from many of the potential implementers and partners in the iNets.

Likely key partners required for the development and specialised staffing of iNet Teams will be the region's universities and existing sector networks and other sector resources e.g. MAA; Food and drink Forum etc.

How will the action be established, managed and implemented?

The iNet Teams will be independent of any institution and their activities will be transparent and open, ensuring businesses receive the most appropriate solutions to their needs. Teams will have a high level of knowledge and experience of the technologies and industry sectors relevant to their iNet. This will be balanced from both the industry and academic perspective.

All iNet teams will be connected and will work cooperatively, allowing the shared expertise and knowledge to be used to appraise and respond to opportunities emerging from outside of the initial iNets. This will include working closely with national initiatives such as Knowledge Transfer Networks and the National Technology Strategy.

The iNet teams will be established and operated by the partnerships that come together to form each iNet. They will be resourced and managed from within the agreed iNet budget that will be awarded to the iNet consortium (*see Action 1*).

Each iNet Team will be located within the relevant iHub (*see Action 2*).

The iNet Teams will operate in a number of areas: innovation support for businesses, knowledge exchange activities and more generally in delivering the actions set out in the Strategy themes and actions.

In order to ensure clarity of purpose and to avoid confusion with East Midlands Business the iNet model has been integrated into the Business Support Strategy. iNet actions in the priority sectors should not duplicate, or be duplicated by Information Diagnosis and Brokerage (IDB) activities of East Midlands Business, or the intensive support offered through programmes such as MAS and the High Growth scheme. A Service Level Agreement (SLA) will be established with East Midlands Business to confirm the activities of the iNets and to clarify the working relationships.

For innovation support for businesses, iNet teams will:

- Respond to a sector-focused client base, identified following discussions with East Midlands Business, conducting IDB activities (as defined in the SLA) for their client businesses within the specific sector focus of the iNets. The iNet teams will be required to conform with the requirements for professional

competencies as described in the National Common Standards Framework for Business Support and Brokerage to conduct these IDB activities. Refer client businesses to specialist innovation and technology support as required in the specific sector concerned or via East Midlands Business for other available business support (finance etc) or for sector specific advice, for example marketing advice as available.

- Not provide in-depth business support themselves but will perform an "account manager" role for their client businesses (subject to demand and resource availability) in the specific sector focus of the iNet, moving clients on to High Growth programmes as appropriate.

- Have access to innovation and technology support and advice budgets that may be used on similar terms to East Midlands Business grants for particular services. iNet Teams will establish a restricted and qualified list of specialist consultants for this purpose.

- Maintain routine working relationships with teams in other iNets, with innovation advisors across the region engaged by other partners (e.g. universities) and with East Midlands Business to answer specialist innovation queries from businesses outside the specific sector focus.

For knowledge exchange activities, iNet teams will:

- Assist businesses seeking research collaborations and research funding for innovation and technology projects by working closely with national and regional technology initiatives and programmes in the relevant key sector area.

- Undertake 'outreach' activities to other relevant sector groups and organisations across the region and establish specific innovation, technology and sector focused knowledge and intelligence.

- Promote innovation and technology collaborations between relevant sector businesses and the region's sector and technology knowledge base, assisting in the bid making process as required.

- Ensure iNets link in to national and EU technology strategies to maximise funding opportunities for the region, providing support to SMEs and universities to access research and technology funding.

- Participate in international and national sector and technology fora to ensure that they and the region's researchers and sector businesses have regular updates on sector and technology trends and developments on a timely basis.

- Develop (or build on existing) innovation networks for the iNet sector providing a regular conduit for the exchange of information, advice and referrals on specific sector and technology topics and a forum for the sharing of best practice and creative problem solving. iNet teams will provide a link into national and other regional technology focused networks and resources.

For delivery of the remaining Strategy themes and actions, the iNet teams will:

- Create an effective environment for innovation the iNet teams will *encourage a culture of, and positive attitude to innovation,* in the region. In particular the Strategy's aims and objectives must be communicated to SMEs, the media and opinion formers of all kinds, intermediaries and partner organisations. A

further key group that the iNet team should communicate the innovation 'message' to are the young people (school children to young trainees in business), the public sector and University postgraduates.

- Use their critical intelligence to work with partners to contribute to the development and delivery of activities to stimulate a positive attitude towards innovation across the region. In particular they will support the *annual Innovation Festival and awards* (see annex II for more details).

- Contribute to the delivery of the *Young Foresight programme* to stimulate and challenge the young people in the East Midlands to think about and imagine the future to which they would like to aspire (see annex II for more details).

- Work with higher education partners to *support innovation and entrepreneurship as part of all students' core studies*. It will be an aim to introduce creativity skills training into the primary and secondary level curriculum and to lobby to extend placement opportunities in industry for undergraduates.

- Work to identify *innovation role models* drawn from local communities, who have been both willing to innovate and successful. These role models will, supported by the iNet teams, visit schools, colleges and community groups to talk of their own first hand experiences in innovation.

- Work closely with stakeholders and contribute to develop and implement criteria for *selecting and prioritising emerging technologies* for support including the identification of funding sources to support the academic and business stakeholders.

- Establish and operate a *shared fund for supporting HEI collaborations* around significant research programmes and establish an Emerging Technologies Equipment Grant Fund for specialised equipment or facilities for Healthcare.

- Provide access to **bid support** for research and development programmes

- Ensure that the role of *enabling technologies* are embedded within the activities of all iNets

What is the timing for implementation?

Implementation of the iNet teams will depend on a number of factors including the timing of the overall iNet tendering and approval process (*see Action 1*) and the specialised staff resources that are available to the iNet partners.

The iNet recruitment and appointment process cannot begin until the iNet has been approved; however, it may be feasible that, in cases where partners have proposed to second or transfer existing specialised staff to the iNet Team, recruitment will be a shorter process.

- **May 2007**   First iNet approved and recruitment process begun
- **Spring 2007**   First iNet Teams in place
- **September 2007**   Second iNet Teams in place
- **March 2008**   Third iNet Teams in place
- **September 2008**   Four iNet Teams in place

What is costs, resources and outputs are expected?

See accompanying Microsoft Excel file 'master database' for up-to-date information on costs, resources and outputs.

Delivering high quality innovation support for businesses

ACTION 4: Stimulate the demand from business for innovation support

The rationale for Action

Innovation performance in the East Midlands presents a mixed picture. The evidence shows that only a small fraction of businesses invest in innovation and much of this is centred on a few R&D intensive organisations.

Furthermore it is evident that few companies, particularly SMEs, engage with the region's universities or seek other forms of business support. Evidence, however, suggests that new businesses that do seek professional, external advice increase their chances of growth and survival[1]. Businesses therefore need support to help them access the knowledge and ideas that can help them grow and prosper in higher value markets.

The problems noted above are compounded by the lack of understanding amongst companies of what 'innovation' is, and how it can contribute towards economic performance. Raising awareness of innovation is therefore a central prerequisite to stimulating demand for innovation support services.

What activities are needed?

iNets will be tasked to stimulate demand from business for innovation support. This will include the development of clear and effective communication channels to promote innovation support and respond to business needs.

iNet critical intelligence will be used to identify target companies and utilise the expertise and knowledge of iNet teams. This will help to identify companies and deliver targeted innovation support that is distinct and incremental but also integrated into the existing non-specific business support in the region.

Which partners are required?

Key partners will include: InnEM, *emda*, Business Link, SSP's, esp, AOC, LSC, NTI, and HEFCE

How will the action be established, managed and implemented?

The iNet teams will stimulate demand and facilitate delivery of innovation support by raising awareness of innovation amongst their sector specific clients, and providing information on innovation support opportunities in the region.

This action will be delivered through face-to-face meetings with client companies from the iNet sector with innovation and technology needs, and through the creation of a diary of network events and activities to facilitate supply and demand and drive interactions between the various stakeholders. The iNet Teams will also utilise the Portal (see *Action 8*) to promote these services and stimulate take up by SMEs in the region.

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[1] *emda* (2006) 'Supporting business: a strategy for business support in the East Midlands'.

The operational delivery of innovation support will be done through a register of accredited specialised innovation support providers – typically consultancies or university commercial providers. The iNet Teams will perform an "account manager" role for their client businesses in the specific sector focus of the iNet moving clients on to High Growth programmes as appropriate.

The iNet teams will include a diagnosis of innovation needs in their discussions with the client companies in order to identify the most appropriate type and source of support available, and make introductions as appropriate. They will also organise, in association with partners, innovation network events for companies and stakeholders, designed to raise awareness of innovation good practices and opportunities for support. This will utilise the experience of successful innovators. A key part of all network events, however, will be the opportunity for SMEs to interact with their peers, discussing innovation issues and making contacts with iNet advisors.

The iNet teams will acquire a strong base of intelligence from the region that will become a valuable resource in helping the innovation support providers to react to shortcomings in the current provisions and bridge gaps in the region's support portfolio. Therefore to both ensure that the IDB service provided is accurate and that the support offerings are optimised the iNet teams will need to work in close liaison with the various stakeholders in the region to further develop and promote the support mix. This will include a review of the availability and gaps in the current provision of support specifically for innovation.

The iNet teams will be able to provide a contribution to the costs to the company for the take-up of intensive innovation support. The iNet teams will be able to provide contributions towards either basic support (3 days) or advanced support (10 days) depending on requirements and growth potential.

The iNet teams will also develop and promote innovation case studies to raise business awareness of the benefits of innovation in conjunction with the actions identified in *Action 9*.

What is the timing for implementation?

- **March 2007:**   In line with the establishment of the iNets and the recruitment of the iNet Teams, this action will begin immediately and will be 'rolled out' as the iNet Teams come 'on stream'

What costs, resources and outputs are expected?

See accompanying Microsoft Excel file 'master database' for up-to-date information on costs, resources and outputs.

Delivering high quality Innovation Support for businesses

ACTION 5: Stimulate the demand from business for innovation finance

The rationale for Action

The evidence shows that in the East Midlands the levels of investment in innovation are relatively high but are concentrated in only a small number of businesses conducting R&D intensive activities. There are specific market failures around accessing finance that need to be addressed, particularly for businesses with early stage technology and high growth potential.

A key challenge, here, is the relative lack of sources of finance available specifically for innovation. Moreover, as the HM Treasury Report 'Bridging the Finance Gap' notes, it is easier to borrow £10 million than it is to borrow £10,000[2]. Support to help SMEs raise development funding is also a key part of *emda's* Business Support Strategy.

What activities are needed?

emda is seeking to address the financial gap through creating a regional 'escalator' of funding products and sources. These funds, which are drawn from both the public and private sector, will ensure that businesses always have access to the finance that is most appropriate for their needs as they invest and grow - for example, the £30m Regional Venture Capital Fund (RVCF) to support high growth companies to raise development funding (between £100,000 and £500,000). In addition the Growth Investment Network East Midlands (GINEM) is a network of private sector organisations to stimulate business growth through private equity investments, in the range of £50,000 to £2 million.

The iNet teams will liaise closely with those fund managers that form part of the regional Finance Escalator and will in particular seek to improve access to these funds for the client companies within their target sector, creating demand for appropriate and targeted financial support packages.

The iNet teams will also act as promoters and brokers of other R&D-based funding programmes from EU, national and specific regional funding programmes including those schemes that are a direct *emda* responsibility in the region such as Selective Finance for Investment (SFIE) and Grants for Research and Development.

Which partners are required?

Key partners will include: *emda*, East Midlands Business, Finance Escalator managers and regional fund managers including the Regional Venture Capital Fund, Regional Connect InvoRed programme and those providers involved in Growth Investment Network East Midlands.

How will the action be established, managed and implemented?

The iNet teams will stimulate demand and facilitate delivery of these escalator products through their face-to-face meetings with client companies with innovation

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[2] Ref: Business Support Strategy…

and technology needs related to their specific sector, and through events, seminars and programmes organised and coordinated by the iNets teams. They will also use the Portal (see *Action 8*) to promote the regional Finance Escalator products and stimulate take up by the SMEs in the region.

The role of the iNet teams is essentially to perform an account manager role for their sector specific clients through an IDB service.

The iNet teams will facilitate delivery by providing information on the financial products and opportunities that exist in the region for their sector specific client companies and by including a diagnosis of financial needs in their discussions with the client companies.

The iNet teams will effect introductions to appropriate financial providers in the region, and make introductions to relevant sources of grants or subsidy opportunities available. The iNet teams will also link with existing Business Support activities, including Connect InvoRed to ensure that the iNet client SMEs are adequately 'investment ready' to maximise opportunities available to them to raise finance.

In order to carry out these IDB activities the iNets will acquire a strong base of intelligence from the region that will become a valuable resource in helping the financial support providers to react to shortcomings in the current provisions and bridge gaps in the region's financial support escalator products range. Therefore to both ensure that the IDB service provided is accurate and that the financial product offerings are optimised the iNet teams will need to work in close liaison with the financial stakeholders in the region to further develop and promote the financing mix. This action therefore will include provision for a detailed review of the availability and gaps in the current provision of finance specifically for innovation.

The iNet teams will also implement schemes to enhance SME take-up, such as a feasibility study to test if opportunities exist to create a faster and easier approach to the delivery of products through the Portal. The study will involve in-depth consultation with the various financial product providers in the region.

Finally, the iNet teams will promote capital equipment investment schemes for FE/HEI's that improve the development of technical level skills and research skills.

What is the timing for implementation?

- **March 2007:** In line with the establishment of the iNets and the recruitment of the iNet Teams, this action will begin immediately and will be 'rolled out' as the iNet Teams come 'on stream'

- **April 2007** Work with financial stakeholders to further develop and promote the financing mix, beginning detailed review of products

- **June 2007** Commission a feasibility study to examine opportunities to implement schemes to enhance SME take-up

What costs, resources and outputs are expected?

See accompanying Microsoft Excel file 'master database' for up-to-date information on costs, resources and outputs.

Delivering high quality Innovation Support for businesses

ACTION 6: Stimulate the demand from business for innovation skills

The rationale for Action

Business demand for skilled people is comparatively weak in the East Midlands. This is associated with the relatively small number of businesses engaged in high value production and services activities. If the East Midlands' businesses are to remain competitive then they will need skilled individuals to deliver the new products, processes and services to their customers. The results of the Third Community Innovation Survey report that 83% of businesses that had introduced product and process innovation identified a lack of qualified personnel as a hampering factor compared to 76% nationally[3].

Such weaknesses are compounded by the low number of graduate-level employees in the East Midlands workforce. More generally, research indicates that skills shortages as a percentage of employment are amongst the highest in the UK[4]. In this respect the challenge facing the region is one of upgrading skills as the basis for stronger levels of innovation.

One of the main drivers for increasing the demand for skills is for businesses to adopt business strategies that will move their products and services up market. To seek out domestic and international opportunities and to prosper in higher value markets, businesses need support to be more innovative and enterprising. Fundamental to achieving these developments are strong leaders and competent managers.

What activities are needed?

The iNet teams will, through their interactions, with sector clients, gather critical intelligence to support the aims of the Employment, Skills and Productivity (esp) programme which seeks to deliver a more knowledge orientated regional economy with employers creating more successful and sustainable businesses and better quality employment. For example, raising the level of take up from iNet businesses for technician skills training and working with the region's universities and colleges to promote the role of Foundation degrees.

By developing stronger linkages between education providers and employers, the iNet teams will ensure that they give people the right opportunities to remain in the region and that SMEs are supported to recruit and benefit from their skills and expertise.

Which partners are required?

Key partners will include: InnEM, *emda*, East Midlands Business, SSP's, esp, AOC, LSC, NTI, and HEFCE

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[3] See *emda* (2006) 'A flourishing region' Regional Economic Strategy for the East Midlands 2006 – 2020'.

[4] See *emda* (2006) 'Supporting business A strategy for business support in the East Midlands'.

How will the action be established, managed and implemented?

The iNet teams will improve information on and access to skills development needs and opportunities in their target sector companies - particularly in their innovation and technology needs through regular face-to-face meeting and the Portal.

The delivery of skills development training will continue to be done by the accredited innovation support organisations in the region in line with and complimentary to the business support structure of East Midlands Business. The unique role of iNet teams is essentially to perform an account manager role for their sector specific clients through an IDB service.

The iNet teams will facilitate delivery by providing information on the skills development opportunities that exist in the region for their sector specific client companies. This will be based on a brokerage model that entails diagnosis of innovation skill needs and introductions to appropriate training providers in the region. It will include referrals to training programmes in the management skills necessary to develop innovative businesses, e.g. Intellectual Property Rights (IPR) management, product and technology strategies and programme/project management skills. The iNet teams will have a budget for training events.

Through their IDB activities the iNets will acquire a strong base of intelligence from the region that will become a valuable resource in helping the skills training providers to react to shortcomings in the current provisions and bridge gaps in the region's skills development support offerings. Therefore to both ensure that the IDB service provided is accurate and that the product offerings are optimised the iNet teams will need to work in close liaison with the skills development stakeholders in the region to further develop and promote the skills training mix. This will include a review of the availability and gaps in the current provision of skills development specifically for innovation

The iNet teams will encourage entrepreneurship for young graduate scientists and engineers by liasing with the region's universities and HEFCE to promote increases in the level of Foundation Degree development.

What is the timing for implementation?

- **April 2007:**   Raise the innovation capability of businesses through support for training programmes

What costs, resources and outputs are expected?

See accompanying Microsoft Excel file 'master database' for up-to-date information on costs, resources and outputs.

Innovation Environment

ACTION 7: Ensure iNets are appropriately integrated into investment plans for innovation facilities

The rationale for Action

An economy based on knowledge-focussed businesses requires an environment in which those businesses are able to flourish. Such an environment must have the physical infrastructure assets in place to maximise the potential growth of innovative businesses throughout their development. Provision of physical infrastructure for innovation across the region will help to ensure that innovative, knowledge-based businesses are not lost to the region because of a lack of appropriate facilities.

Both desk research and feedback from stakeholders indicates a desire in the East Midlands to agree what direction infrastructure and associated investments should take. Findings from a good practice review suggests that the presence of a regional strategy for physical innovation infrastructure can help provide a framework within which partners can best structure their own activities in support of regional objectives.

A prominent feature of an innovation infrastructure strategy will need to be a shared understanding of what constitutes physical innovation infrastructure. The findings of the review commissioned by *emda* suggest a range of important criteria that will be appropriate and *emda* should take a lead by identifying and stating such criteria explicitly. By doing this *emda* will help to provide the transparency required by regional stakeholders. It will also help to address the definitional confusion evident amongst regional stakeholders at present.

A physical infrastructure strategy in support of innovation will allow *emda* to assess the progress of physical infrastructure towards its overall objectives and by identifying the competencies necessary for inclusion within the *emda* innovation infrastructure map, *emda* will have the ability to assess funding applications based on progress made against this framework.

The iHubs and associated iNet facilities should be given a demanding framework of competencies to meet as part of the prospectus used in the competitive award process by *emda*. By placing iHubs at the forefront of this infrastructure strategy, the status of the framework within the infrastructure strategy will be clear and transparent to all stakeholders.

What activities are needed?

The iHubs will be a core resource available to support future investments in innovation infrastructure; however these should not exist in a 'vacuum'. *emda* should therefore develop a strategy for physical infrastructure for innovation as an integral component of the innovation strand of its RES.

A prominent feature of an innovation infrastructure strategy will need to be a shared understanding of what constitutes physical innovation infrastructure. A 'competency framework' including competencies relating to the innovation support available through the physical facility, as well as the provision and management of the physical facilities themselves, will give *emda* the ability to assess funding applications based

on progress made against this framework. It will also make *emda's* developmental requirements and the expected 'direction of travel' explicit for regional stakeholders[5].

In order to ensure effective management of the strategy it will be important that *emda* works closely with the SSPs, which are the major conduit for funding on infrastructure. By working in partnership, *emda* and the SSPs will be able to monitor, assist and improve the competency of facilities according to strategic objectives. Indeed, they will also be able to identify the most relevant competencies according to local needs, and shape the regional direction of the strategy accordingly. It will also become possible to critically assess and reappraise the necessary competencies as relevant.

Finally, the innovation infrastructure strategy development process can be used to help potential environmental technology iNet partners to assess the most advantageous location option for an environmental technology iHub.

Which partners are required?

The lead partner from a strategic and financing perspective will be *emda* with InnEM providing guidance and advice.

Extensive discussions have already taken place with a wide range of stakeholders across the region and included many letters of (in principle) support from existing providers of key elements of the region's innovation and technology infrastructure. Close consultation with these stakeholders notably SSPs, universities and local authorities will be vital in developing and agreeing the innovation infrastructure strategy.

Potential partners in iNets should also be identified early and consulted on the development of the innovation infrastructure strategy.

How will the action be established, managed and implemented?

The findings and recommendations of the *emda* review of physical infrastructure for innovation in the region[6] will need to be disseminated and endorsement gained within all areas and directorates of *emda*. The key strategic recommendations and priorities established within the review should be adopted as the strategy for physical infrastructure for innovation in the region.

The criteria suggested within the review as the basis for supporting physical infrastructure investment for innovation should be adopted and incorporated within the strategy after a consultation within *emda* and InnEM. The criteria can then be communicated to stakeholders across the region and the status of major infrastructure provision and plans agreed. In particular the innovation strategy and criteria adopted for physical infrastructure for innovation will identify obvious areas and locations where investment should be concentrated (for example, in areas where key knowledge base assets exist, such as universities or research centres).

If all relevant stakeholders are encouraged to apply the criteria to existing and planned infrastructure within their areas of responsibility and interest a 'map' of infrastructure, similar to that used within the review, can be developed and incorporated within the strategy establishing RES based targets for physical

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[5] The competency framework approach would also respond well to *emda*'s requirements in light of the Independent Performance Assessment (IPA) process

[6] Undertaken by CM International; March 2006

infrastructure across the region. This will assist in determining how the iNets, supported by the iHubs, can be incorporated into existing innovation infrastructure and make it easier to determine the location and specification for the Environmental iHub.

A 'competency framework' approach should be considered, in consultation with SSPs and other infrastructure providers, and populated by reference to existing provision. A target plan for development for each piece of physical infrastructure for innovation against the competency framework can then be agreed with each SSP. The plan should establish, with each piece of existing provision, a 3 to 5 year action plan agreement that will allow the infrastructure to meet the desired criteria established by *emda* and InnEM through achievement of the competencies set out in the framework. Progress towards the achievement of the competencies of each piece of existing provision can be monitored in collaboration with the SSPs.

What is the timing for implementation?

- **October 2006:** Dissemination of the physical infrastructure review (inline with Strategy adoption)

- **November 2006:** Begin consultation on criteria and competence framework with stakeholders

- **January 2007:** Complete agreed 'map' of existing and planned infrastructure provision with stakeholders across the region

- **January 2007:** Determine the location and specification for the Environmental iHub

- **January 2007:** Finalise agreement on the 'competency framework'

- **March 2007**: Integrate iHub proposal into the infrastructure criteria, competency framework and infrastructure strategy

- **March 2007:** Agree 3-5 year facility competency development plan with SSPs and other stakeholders and providers

What costs, resources and outputs are expected?

See accompanying Microsoft Excel file 'master database' for up-to-date information on costs, resources and outputs.

Creating an effective environment for innovation

ACTION 8: Develop and maintain a regional innovation portal

The rationale for action

Good practice research suggests that virtual innovation portals are being increasingly set up in the UK by Regional Development Agencies to raise awareness and facilitate delivery of a range of innovation support products and materials.

Companies in the East Midlands do not currently have a central online point of reference on innovation issues. The creation of such a portal would fill this gap by creating a mechanism for delivering flexible regional-wide information and support accessible to any of the iNet companies and partners anywhere, at anytime. It will also act as a natural point of contact and showcase for innovation in the region.

What activities are needed?

The portal will allow businesses and HEIs to access information and support services around innovation, technology and sectors virtually, and in an integrated manner, by improving the effectiveness of signposting and referrals. The portal will also provide a regional marketing focus for innovation and technology facilities thereby strengthening demand for such services and facilities from innovative companies across the region.

The portal will make use of digital technology and will support iNets and their stakeholders, enable collaboration across iNets and allow iNet teams to respond to innovations that have wider applicability, or arise from outside of the initial iNet focus.

The portal will not duplicate existing information portals and will link closely with other regional and national portals providing specialist information and support in both innovation and other business areas.

Which partners are required?

The portal will act as a 'window' on the region and the key sectors for InnEM but the establishment and management of the portal will initially be the responsibility of *emda* with support and advice from the iNets.

In due course it may be appropriate for *emda* to transfer the maintenance and operation of the portal to the group of iNets to operate in partnership.

How will the action be established, managed and implemented?

The design and implementation of the portal will be the subject of a competitive tendering process conducted by *emda* in conjunction with InnEM. The specification will need to be developed based on other portals that currently exist in the region and in other regions. In addition, a recent evaluation of the Alliance SSP Platform, carried out on behalf of the Alliance SSP, should be closely studied.

This action will require specialist IT capacities for initial programming and installation, and thereafter regular IT support for maintenance and updating. The portal will, in all probability, act as an extension of the InnEM website, offering full remote connectivity via the web, and be fully compatible with the major IT systems used by *emda.*

The portal will, for the most part, have open access to anyone requiring information advice and links to other sources of information and advice. This will include Business Link and *emda*. However, to help make the portal more exclusive and valued it will be appropriate to create restricted 'member' or 'partner' areas where detailed information, added value resources and discussion fora can be hosted. In this sense, companies from within the relevant iNet sectors can access bespoke information and advice and exchange discussions and debates with other companies and researchers working in the sector in the East Midlands.

In order to access the members' areas, users will need to 'sign in'. This will produce valuable intelligence on the active members and the areas of the site that are most relevant to the needs of businesses in the sector. This intelligence can be used by the iNet in order to design improvements to the various innovation support services delivered or designed by the iNets.

It is not envisaged that any of the portal services or access points will levy a charge, although this possibility will need to be kept under review especially if the operation of the portal is transferred to commercial or quasi-trading bodies such as the iNets.

The portal will include the delivery of appropriate tools and technologies to support the activities of the iNets, the sharing of good practice and common innovation resources and supporting communication and co-ordination of iNet activities to stakeholders. It will also involve the investment in marketing and PR to launch and promote the portal as the focus for showcasing innovation in the East Midlands.

The iNet teams will promote the portal and its information and services through the diary of network events that they will deliver across the region (*see Actions 3 and 4*). In addition, users will be attracted to the portal by a number of hooks, such as access to productivity tools and services, for example on-line support for grant funding applications.

The portal will assist the iNets to develop and build on existing innovation networks in their sector, providing a regular conduit for the exchange of information, advice and referrals on specific sector and technology topics and specifically a forum for the sharing of best practice and creative problem solving between the players in the region.

Stakeholders can approach the portal either with a specific problem they are looking to solve or from a generalist point of view as a means of keeping abreast of sector specific innovation activities in the region. Either way the portal should become an indispensable first point of contact for all players in the region and UK wide.

What is the timing for implementation?

- **November 2006**:   Development of a specification
- **December 2006**:   Award of portal design and implementation contract
- **February 2007**:   Working model of a portal tested
- **March 2007**:   Regional Innovation Portal launched (to coincide with announcement of first iNet)

What costs, resources and outputs are expected?

See accompanying Microsoft Excel file 'master database' for up-to-date information on costs, resources and outputs.

Creating an effective environment for innovation

ACTION 9: Encourage a culture of and positive attitude to innovation

The rationale for action

Regions with good innovation performance have within them a community of people who thrive on innovation and a strong culture and tradition of innovation and entrepreneurship, with these often come economic and social prosperity. This is well illustrated by the growth that has taken place over the last 20-30 years in places such as Silicon Valley (USA), Singapore and the Cambridge area in the UK, which has led to a concentration of innovators and innovative behaviour.

However for a range of reasons many people are reluctant to take the career or financial risks that innovation often implies. It is therefore necessary to seek ways of encouraging innovation and demonstrating that the risks can be managed and that success brings personal, career and financial rewards.

A vibrant culture of innovation does not currently exist in the East Midlands, though the roots of a successful innovative economy are evident in the region - the Design Council's Design in the East Midlands report[7] found that one quarter of businesses say they compete through innovation, which is the highest in the UK. However to embrace this fully and for the region to achieve its innovation objectives there needs to be action to create an improved environment for innovation in which innovators and more innovative behaviour is encouraged and supported.

What activities are needed?

The primary activity in encouraging more innovators will be to ensure that key messages regarding the opportunity to be gained from innovation and an innovative attitude to business and career development are clear and relevant.

Therefore it is essential to market the Strategy and its innovation 'message, widely. In particular its aims and objectives must be communicated to SMEs, the media and opinion formers of all kinds, intermediaries and partner organisations. A further key group are the region's young people - from school children to young trainees in business and the public sector to university post graduates.

It is also important that the region identifies and promotes its innovators as role models in their own communities, localities and business networks.

Which partners are required?

Key partners for this action will include: InnEM and *emda*, In addition the SSP's, local Authorities, universities and FE colleges have important roles. Finally, the Learning and Skills Council (LSC) will be the pivotal enabling body in the region particularly where young people are concerned.

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[7]Design Council- 'Design in the East Midlands' report www.designfactfinder.co.uk/design-council/showRegionalReports.do

How will the action be established, managed and implemented?

The iNet teams will work with partners to contribute to the development and delivery of activities to stimulate a positive attitude towards innovation across the region and in particular they will co-operatively support an annual Innovation Festival and Regional Innovation Awards targeted at schools, colleges, universities and SMEs. This activity will help to attract maximum publicity and celebrate the region's strengths and achievements.

The iNets will also work together to adopt the Young Foresight programme to stimulate and challenge the young people in the East Midlands to think about and imagine the future to which they would like to aspire. Various materials and tools are available from www.youngforesight.org. The Young Foresight exercise will be conducted, in conjunction with schools, colleges and HEIs and delivered by the iNet teams with the support of experienced facilitators as necessary.

The results of the Young Foresight exercise will be examined and analysed to ensure that the specific and unique characteristics of the region's young people are taken into account in the design of future education, training and careers services in the region.

The iNet teams will also work with higher education partners to support innovation and entrepreneurship as part of all students' core studies. It will be an aim to introduce creativity skills training into the primary and secondary level curriculum and to lobby to extend placement opportunities in industry for undergraduates.

A number of innovation role models drawn from local communities, who have successfully innovated, will be identified and promoted. These role models will, supported by the iNet teams, visit schools, colleges and community groups to talk of their own first hand experiences in innovation.

What is the timing for implementation?

- **March 2007:**　　　　　First Innovation Festival held
- **May 2007:**　　　　　　iNet Teams begin work on raising profile of innovation in region
- **September 2007:**　　　iNet Teams begin liasion within schols and FE College
- **December 2007:**　　　First Innovation Award Scheme launched
- **January 2008:**　　　　Commence search for region's Innovation leaders and role models
- **March 2008:**　　　　　Innovation Festival held and Innovation Awards made
- **September 2008:**　　　Training of teachers, ambassadors, role models to work in schools

What costs, resources and outputs are expected?

See accompanying Microsoft Excel file 'master database' for up-to-date information on costs, resources and outputs.

Fostering enabling and emerging technologies

ACTION 10: Identify Emerging technologies where the region can establish a leading position

The rationale for action

The most successful economies of the future will be those that are able to respond quickly to rapid technological and market changes and that are entrepreneurial, innovative and productive. It is essential that we recognise, and develop our research and industry strengths and are able to quickly identify future technology and market opportunities. But equally we must have the capability to exploit these opportunities to ensure the survival and growth of our businesses, create more sustainable jobs and in so doing deliver enhanced economic prosperity in the medium to long term future.

What activities are needed?

The iNet teams working with stakeholders and partners will identify emerging technologies where the region can establish a leading position on a national or ideally an international basis. Further they will identify gaps in enabling research areas important for future technology development.

Which partners are required?

Key partners will include: InnEM, *emda*, universities, businesses, and business organisations e.g. MAA.

How will the action be established, managed and implemented?

The iNet teams will work in close liaison with the region's key stakeholders to develop and implement the criteria for selecting and prioritising emerging technologies, as well as the identification of funding sources to support the academic and business stakeholders. This approach will result in the selection of emerging technologies being fundamentally driven by the stakeholders, who are the most appropriate players to provide knowledgeable insights into the topics.

The iNets will then utilise the intelligence gathered from the region, drawn from a range of sources including market analysis, technology trends, business demand, university research expertise and knowledge exchange experience to identify emerging technology opportunities.

Where possible the iNets should look to build on university experience and industry relationships already developed, for example through EU and national research programme funding. It will be important to look at how such programmes, with potential to nurture emerging technologies, can bring together different funding sources such as Research Council and regional grants to support the academic and business stakeholders.

InnEM will adopt the role of the Regional Technology Strategy Board (RTSB) as part of the iNet steering responsibilities, supported by the iNet intelligence gathering activities and an Annual Emerging Technology Review. This review will enable InnEM to monitor and give guidance on technology developments from both within

and outside of iNet activities. The review will provide another piece of critical intelligence for the region and could be used to plan longer-term public and private sector investment in emerging technology areas where the region could potentially establish a leading position.

As noted above it is proposed that InnEM will adopt the role of the RTSB to provide technology guidance and steering to the iNets. Their role will be to consider the results of the study and identify promising areas to recommend. This will also provide a natural two-way link, to both inform the National Technology Strategy (NTS) on priorities in the East Midlands and to promote the NTS. For example, the proposed £10 million NTS "Innovation Platform" initiative for Intelligent Transport Systems and Services will have clear connections with the proposed Transport iNet.

What is the timing for implementation?

- **April 2007:** InnEM to adopt the role of a regional Technology Strategy Board as part of iNet steering responsibilities

- **June 2007:** Identify Emerging Technologies where the region can establish a leading position on a national or ideally an international basis

- **December 2007:** Identify gaps in enabling research areas important for future technology development

What costs, resources and outputs are expected?

See accompanying Microsoft Excel file 'master database' for up-to-date information on costs, resources and outputs.

Fostering enabling and emerging technologies

ACTION 11: Provide support for Research and Development programmes that can deliver sustainable competitive advantage for the region

The rationale for action

In order to compete in a global economy, the region needs to make best possible use of its intellectual assets, which will require greater investment in science and innovation, together with development of stronger relationships between business and the knowledge base.

In the East Midlands, public sector investment in R&D is lower than average, which makes it harder for HEIs in the East Midlands institutions to attract additional research funds from other sources, including private sources. Although private sector investment in R&D as a percentage of GVA is higher than the UK average, this investment is concentrated in a relatively small number of companies.

In responding to emerging technology opportunities the East Midlands will need to be at the forefront of research and technology development. This will require funding and support to be available for identified opportunities. It will also require companies and universities to win higher levels of public funding for emerging technology investment than they currently do.

What activities are needed?

The iNets will provide support for the development of collaborative Research and Development programmes that can deliver sustainable competitive advantage for the region. In doing so they will strengthen the ability of universities to lever in additional research funding by investing directly in a series of Research and Development Programmes. The iNets will also stimulate academic-industry collaborations, particularly between HEIs and SMEs and large firms in the region.

Which partners are required?

Key partners will include: InnEM, *emda*, universities, businesses, business organisations e.g. MAA

How will the action be established, managed and implemented?

A shared fund will be established for supporting HEI collaborations around significant research programmes and will be delivered through iNets. This fund will then lever additional funding on a competitive basis from other research and development sources such as HEFCE, National Technology Strategy Calls, HEIF and FP7. A key first implementation step will need to be the criteria and procedures to be used for allocation and management of the funds.

The iNets will also be tasked with maintaining a link to national and EU technology strategies in order to support SMEs and universities to maximise the level of research and technology funding won by the region. To aid this the iNets will deliver a shared fund for HEI collaborative research and development. This is expected to support new research that will lever in aditional research funding from EU and

national programmes. The iNets will also provide access to funding support in the compilation of bidding documents.

It is recognised that new technology development may often require investment in specialised equipment. Therefore, in order to support the drive to increase the region's research and development activities the iNets will build on the New Technology Initiative (NTI) and establish a Regional Emerging Technologies Equipment Grant Fund for specialised equipment or facilities. This will be available to the iNet stakeholders, specifically SMEs and HEIs, and based around the area of Healthcare[8] and criteria for selection developed by the iNets.

What is the timing for implementation?

- **December 2006:** Develop shared fund criteria and procedures in conjunction with partners and stakeholders
- **March 2007:** Launch shared fund
- **April 2007:** Commence operation

What costs, resources and outputs are expected?

See accompanying Microsoft Excel file 'master database' for up-to-date information on costs, resources and outputs.

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[8] To be delivered in cooperation with the East Midlands NTI. This programme covers the remaining iNet sectors/technologies

Fostering enabling and emerging technologies

ACTION 12: Promote the benefits of enabling technologies and processes

The rationale for action

The diffusion of technologies across the economy is driving new markets and products and accelerating changes in business processes. Technology is enabling more efficient and flexible production in both manufacturing and services. The East Midlands can only remain competitive by bringing to market or making use of the latest available technologies.

Enabling technologies such as ICT are becoming increasingly important to the economy. A quarter of European GDP, and 40 % of productivity growth is attributed to ICT. Further the Design Council Regional report 2006 found that East Midland's businesses are the lead users of digital and multimedia design in the UK. However many companies in the region are still slow to adopt modern enabling technologies[9]. Such problems are not only acute in the manufacturing sector, where diffusion of technology is driving new markets and products and accelerating changes in business processes, but also in the services sector – key users of design and digital technologies, and an increasingly important part of the East Midlands economy. By supporting and promoting benefits of such technologies the iNets will provide a key role in ensuring the future competitiveness of the region's economy.

What activities are needed?

The iNets will be tasked with promoting the benefits of enabling technologies, with a particular focus on design and digital technologies.

Which partners are required?

Key partners will include: InnEM, *emda*, Design Council

How will the action be established, managed and implemented?

The iNet teams will ensure that the role of design and digital technologies as enabling tools are embedded within the activities of all the iNets. To this end they will organise a series of events for companies and stakeholders, designed to raise awareness of the benefits of enabling technologies, specifically digital and design technologies. A key part of all network events, however, will be the opportunity for SMEs to interact with their peers, discussing enabling technology issues and making contact with providers of enabling technologies.

InnEM will further consider if and how a Design and Innovation Hub, identified in the Cox Review, can be integrated into the iNets. This action will be managed with close cooperation with the Design Council.

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[9] *emda* (2006) The East Midlands in 2006: evidence base for the East Midlands Regional Economic Strategy 2006-2020.

What is the timing for implementation?

- **April 2007:** Begin awareness raising activities as the first iNet is launched

What are costs, resources and outputs expected?

See accompanying Microsoft Excel file 'master database' for up-to-date information on costs, resources and outputs.

Integrating Action

ACTION 13: Ensure that iNet teams build clear connections, responsibilities and working relationships between sector focussed iNets and other regional activities

The rationale for the action

The introduction of a number of new delivery mechanisms and the need to avoid confusing the users and stakeholders makes it imperative that significant efforts are made to ensure greater coordination in the delivery of innovation support and knowledge exchanges. This is necessary to both raise the profile of such opportunities amongst SMEs, but also to reduce the potential for overlap and inefficiency.

A key challenge, here, will be to coordinate the support provided by iNets with Business East Midlands services and knowledge exchange actors working in the region, and to ensure that activities in the region are seamless and efficiently delivered.

What activities are needed?

The role of the iNets, and in particular the iNet teams that they host, is to ensure that innovation services, innovation support and knowledge exchange activities are delivered to their stakeholders. They should also ensure that maximum impact is achieved from brokerage, networking and coordination of activities and efforts across the region.

iNets will work to ensure that in all areas of their work relevant existing activities and stakeholders are integrated into iNets to ensure the delivery of co-ordinated support to business and other stakeholders.

Which partners are required?

Key partners will include InnEM and *emda* but essentially all stakeholders will need to be engaged in the action. These include, SSPs; local authorities; universities; Colleges; East Midlands Business; Learning and Skills Council; sector groups and leading innovating companies; innovation centres and technology incubators; venture capital fund managers and national research bodies and Government departments etc.

How will the action be established, managed and implemented?

The prospectus for the iNets outlines the necessary connections, responsibilities and working relationships between sector focussed iNets and other stakeholders.

The performance measures for each iNet will include significant reference to the achievement of the iNet in networking with other stakeholders on a regular and productive basis; the extent to which iNet clients have been referred in and out of the iNet and the success of the iNet in 'levering in' additional resources and finance for the benefit of its stakeholders as a consequence of its coordinated efforts with other stakeholders in the region and beyond.

What is the timing?

The coordination effort must begin immediately and indeed pre-date the launch of the iNets. Implementation of the action therefore continues indefinitely.

What costs, resources and outputs are expected?

See accompanying Microsoft Excel file 'master database' for up-to-date information on costs, resources and outputs.

Integrating Actions

ACTION 14: Provide an updated and appropriate InnEM secretariat

Internal issue for emda to resolve with review of innovation management

Integrating Actions

ACTION 15: Provide marketing support for iNets

The rationale for action

A key objective will be to promote the many opportunities, products and services that exist in the region to help businesses drive up their economic productivity through innovation. iNets will be the route to market to deliver our innovation messages to business so that they become recognised as the gateway to innovation support within those sectors.

The intention is to promote a market place driven by the iNets where the support on offer from suppliers (e.g. *emda*, East Midlands Business, regional partners, universities, finance providers, B2B networks) can stimulate and readily connect with the demands of businesses. The barriers to innovation need to be broken down, making clear its benefits and demonstrate that with the right connections all businesses can innovate.

What activities are needed?

The marketing and communications strategy will be built around establishing the InnEM name to raise the profile of innovation and clarify the messages through consistent marketing. The focus will be on supporting and promoting the iNets with specific activities in line with the four Strategy themes.

The *emda*/InnEM marketing team will provide marketing services to the iNets to enable them to communicate effectively with their audiences. These services will provide for consistent delivery across the iNets in terms of producing marketing collateral and event management. To support the delivery of consistent messages and to build a higher profile for the Strategy activities opportunities for badging all *emda* supported innovation activities with InnEM marketing and graphics will be investigated.

In summary marketing activity through the iNets will:

- de-mystify what innovation is

- enthuse more businesses to do it

- raise awareness of the support available to businesses and connect them to it

Which partners are required?

The primary target audience for InnEM-led communications will be our national and regional stakeholders and key partners. The role of InnEM communications to this audience will be to influence the adoption of the Strategy and Action Plan, encourage collaboration and promote regional innovation successes.

For the iNets their main target audiences will be individual businesses, particularly SMEs; universities; public sector researchers and entrepreneurs within their sector.

How will the action be established, managed and implemented?

The marketing action will be implemented using a 5 stage strategy:

*1. **Use powerful innovation messages to enable iNets to engage their audience(s)***

The messages will describe how innovation relates to the business and public sector audiences by creating an overarching innovation message that is supported by a tailored message for each iNet. Cutting across all iNets will be a market-focused definition of the four innovation themes so that each iNet talks about the themes in a consistent way. These messages will run through all relevant communications to constantly build awareness and help create an environment in which innovation is recognised and celebrated

*2. **Create a Regional Innovation Portal***

As well as co-ordinating the activities of the iNets, the portal will be used to communicate regional innovation messages and event material. It will be developed as the focal point within the region and the natural point of contact for anyone outside of the region with an interest in innovation

*3. **Work with supplier and business networks***

By developing relationships with existing networks – for example, EMBF, East Midlands Business, EMUA, sector networks communication channels will be fostered to help deliver the innovation messages. The relationships that these networks typically hold with their members can be used to influence the adoption of innovative practices across the region. This will be a two-way relationship as these networks will perform the role of sounding boards and as a route to seeking views from their members

*4. **Develop a pro-active schedule of activity***

In support of the iNets a rolling 12-month diary of communications activity will be established to ensure innovation is at the forefront of businesses minds. This will include regional events developed by InnEM and iNet specific events, both of which will be supported by marketing collateral and PR activity. An annual Innovation Festival, the "iFestival", will be established with partners to raise the profile of innovation across the region. The "iFestival" will be the cornerstone annual innovation event; it will be a focus for annual awards, high profile activities and collaboration with partner organisations

*5. **Showcase innovation***

Each iNet will encourage SMEs to engage in innovation by using case studies to illustrate the four innovation themes. These will demonstrate how innovation has transformed businesses in the East Midlands, enabling them to be market leaders, improve productivity and become more profitable.

What is the timing?

- November 2006: Recruit event manager
- March 2007: Establish key communication channels for activities – generic & iNet specific
- February 2007: Develop and launch Regional Innovation Portal
- April 2008 Plan and manage the iFestival

What costs, resources and outputs are expected?

See accompanying Microsoft Excel file 'master database' for up-to-date information on costs, resources and outputs.