Central Transdanubian Regional Innovation Agency (CTRIA), Hungary

How to integrate a new EDIH into the regional ecosystem

Follow-up note

Policy Learning Platform matchmaking session

Date: Tuesday 22 November 2022 – 18:00-19:30 Cet+1

Beneficiary: Central Transdanubian Regional Innovation Agency (CTRIA), Hungary

Topics: Governance and services of EDIHs

Participants

Host

- **Dr Ákos Szépvölgyi,** Managing Director of CTRIA

Peers and Experts

- **Christina Koch,** aws (Austria) – RCIA, DigiBEST
- **Juan Carlos Martinez,** CEEI-Burgos (Spain) - ATM for SMEs, Bridges, Interventures
- **Ari Lainevuo,** Helsinki-Uusima Region (Finland) – 4.0Ready
- **Aiga Irmeja, Latvian Digital Innovation Hub -** EDIH Latvia – DigiBEST
- **Ingrid Hindrikson,** Tallinn University (Estonia)
- **Michal Muhl,** Slovak Innovation and Energy Agency
- **Andrzej Stępnikowski,** Lukasiewicz Research Network – Institute for sustainable technologies (Poland)
- **Miriana Bucalossi,** Tuscany Region (Italy), 4.0Ready

Interreg Europe Policy Learning Platform

- **Luc Schmerber**, Interreg Europe PLP Thematic Expert, SME Competitiveness
- **Elena Ferrario**, Interreg Europe PLP Thematic Manager
- **Eugénie Suplisson**, Events Expert
- **Sorush Brandenburg**, Thematic Assistant

Interreg Europe Secretariat

- **Ilaria Ramaglioni,** Policy Officer
- **Laurentiu David,** Policy Officer

Objectives of meeting

Ákos Szépvölgyi started the meeting with an introductory presentation on the context of Central Transdanubia with respect to innovation, SME competitiveness and the new DigitalTech EDIH, in which CTRIA is involved as consortium partner:

- Central Transdanubia is a moderate innovator (EC Innovation index) with moderate RDI activities.

- Important economic sectors in the area are manufacturing industry, sustainable innovation, digital health, agriculture and food, ICT. However, the sectoral diversity in the region is strong so that there is no real leading industry from a statistical perspective.

- There are good national strategies in place as well as a positive quadruple helix cooperation in the region. However, as Hungary has no regional government structure, there is no public support for the regional innovation ecosystem, which has developed bottom-up in a self-governed manner. This is to be considered as an opportunity for developing new initiatives.

- The digital and green transition is a new topic in the region. Major issues to be considered are:
  o The new Industry 5.0 paradigm: Putting R&I at the service of the transition to a sustainable industry.
  o Flexibility and resilience: Importance of a high degree of digitalization, which supports economic resilience and adaptability.
  o More efficient production processes, also involving a change in business models

The DigitalTech EDIH shall contribute to the above transformation. While the EDIH has a technology focus on data science, artificial intelligence, cyber security and fintech, the overall approach is to target a broad range of companies (broad sectoral approach) and deliver also 'basic' services related to the digital transformation.

Ákos listed 5 challenges relevant to the discussion with the peers during the matchmaking session

1) **Ecosystem:** How to define the operational collaboration model between the EDIH and the other regional actors – how to choose between an open collaboration mode and a top-down approach.

2) **Sectoral diversity:** The EDIH is addressing several sectors and has KPIs requiring a broad approach. However, the regional diversity is too broad to address all sectors. How to focus?

3) **Financial support schemes**: I3 and other schemes (vouchers) are in place. How to connect the activities of the EDIH with these supporting schemes? A related question is how to handle the income generated by the EDIH.

4) **Mixture of services**: EDIH does not want to duplicate existing services but needs to offer a full range of services. A kind of competition might occur with other actors not involved in the EDIH and offering potentially competing services. EDIH needs to decide if a cooperation is possible.

5) **Target audience**: Working with start-ups and scale ups is easier, as they are open. But 95% of the regional companies are more traditional and need to be involved in order to achieve the strong KPIs. How to reach them?

More generally, CTRIA is interested in all kinds of experiences and good practices from other EDIHs.

Insights and takeaway messages

- Positioning of the EDIH in terms of services:
  o The EDIH must find as much as possible a unique selling point in terms of competences and service offer, in order to rapidly reach a larger target and position itself in the regional and national spectrum of stakeholders. In Fintech, this could be, for instance, risk assessment.
  o Specific needs of SMEs have to be identified and services built around them. This could be done along specific value chains. For EDIHs it is also relevant to look for future trends and new topics not well covered by other organisations in general. The human-centred approach defined in Industry 5.0 is one of those.
  o The test-before-invest service, which EDIHs can provide for free to companies, appears to be a potentially strong asset for attracting SMEs, since it is not often available in other SME support environments. This can very well be combined with training and coaching activities and turned into a strong offer for SMEs.

- A further approach is the establishment of national platforms for EDIHs for the definition of standardised services, which can be offered to SMEs seamlessly across EDIHs. They can also support the exchanges on the administrative challenges of EDIHs. This will help to increase the visibility and transparency of the offer for all EDIHs. Such platforms have already been established in Poland and the Slovak Republic.

- Positioning of the EDIH in terms of ecosystems:
  - A pragmatic approach is to first define the objectives of the EDIH, including in terms of KPIs, and then look for partners able to support the planned achievements. Experience shows that this helps to sort the potential partners; only the ones able and willing to deliver will stay.

  - Beyond looking for organisations to collaborate with, it is crucial to look for persons willing to help and create a strong network of people willing to embrace the objectives of the EDIH. Specific informal activities shall be offered to those people, following e.g. a "club" approach.

- Positioning of the EDIH in terms of policies and strategies:
  - Beyond the initial uncertainties about EDIHs, their funding and their strategic positioning in national policies, it is important for EDIHs to ensure full support from the relevant policy makers and develop a joint vision. Otherwise, EDIHs might at some point become too dependent from external policy expectations.

Other policy learning platform resources

While not addressing specifically the new EDIHs, the following resources offer insights to the topic of Digital Innovation Hubs and the digital transformation in general:

- Policy brief "Digital innovation hubs and demonstrators"
- Policy brief "Fostering the digital transformation of SMEs"
- Results of the workshop "SMEs digitalisation"
- Results of the workshop 'Industry 4.0"