



Introduction

Young SMEs is an INTERREG IVC project involving 12 transnational partners from across the EU, lasting from 2012-2014.

The **main objective** is to jointly develop local and regional development strategy recommendations and instruments to support SMEs during their early years of operations with particular emphasis on SMEs in years 3-5 of their operations.

Specific goals include - to identify, collect, analyse and disseminate good practices in the field of support programmes for new SMEs between partner regions and develop policy orientations and approaches to be adopted by and

applied in the other European regions, to improve SMEs policies and practices in the partner regions, to raise exchange levels, enriching good practice transferability for future users, to advance recommendations for future policy designable to improve support programmes for young SMEs at regional or local level.

This newsletter is designed to talk more about Working Group's SMEs & Academic aims, key findings in the field and present best practices found in partner regions.

Working Group SMEs & Academic focuses on the issue of the **cooperation of SMEs with Academic** and the relevant transfer of knowledge are under discussion with special reference to the problems and opportunities that SMEs face in such cases. Visible benefits, listed practical issues related to successful SMEs and Academic collaboration are the main outputs of WG.

COLLABORATION OF SCIENCE AND BUSINESS

Starting from the early childhood we tend to classify all phenomena, actions and deeds based on the following two criteria: good and bad. On a frequent basis we make these judgments without even giving some thought to it.

In Lithuania the cooperation between science and business is regarded as a necessity and there is a tendency to seek it because of its good nature. However, when both scientists and businessmen are asked about reasons for collaboration, there is no unanimous opinion.

Thus, when we talk about the partnership between science and business, it is important to remember what we want to achieve, what results we expect or why a partnership is better than a separate existence. By carrying out research, each scientist seeks to prove a hypothesis and to create something new, and not

every scientific novelty finds its area of application in the contemporary world.

The businessman's goal is to make a profit. If there is no profit, it is more likely a charity or a hobby. In order to gain profit, it is necessary to expand market share and to create new products. Market survival is ensured through novelty and speed. It looks as if novelty relates science to business; however, there are different perceptions of it. The businessman wants to create a new product as fast and cheap as possible. The scientist wants to find the best solution. The problem is that the scientist does not take time and investment in research into consideration. Meanwhile the businessman does not have time to wait for a product when he/she does not know anything about it and does not know when to expect it. Here we do not talk about work which is performed on the basis of separate agreements, commitments or projects in the case of cooperation between science and business.

SCIENCE AND BUSINESS COLLABORATION: LITHUANIA'S CASE

When the partnership between science and business is viewed from the above mentioned perspective, it is good to know that Lithuania already has a number of measures which help to unite such different sectors.

First, we would like to introduce an **innovation support infrastructure** which was established more than 15 years ago. Currently, 10 science and technology parks and 2 innovation centres are operating in Lithuania. The **main goal** of these institutions is **to create a space that enables the dialogue and collaboration between science and business**. When common points of contact are found, there is room for collective work visions and innovation creation projects.

Lithuanian Agency for Science, Innovation and Technology MITA plays a crucial role in this infrastructure. It implements the following programmes:

1. National scientific research and experimental development programmes:
 - High-Tech Development Programme for 2011-2013
 - Industrial Biotechnology Development Programme for 2011-2013
2. International scientific research, technological development and innovation programmes
 - The Seventh Framework Programme for Research and Technological Development (FP7)
 - Eureka
 - Eurostars
 - Competition and Innovation Framework Programme (CIP)

Including the implementation of measures for innovation promotion:

- Innovation vouchers
- Intellectual property
- Clusterization
- Technology transfer
- Joint research programmes

The direct cooperation between science and business can also be ensured through the EU programmes, which are supervised by the abovementioned MITA or

other institutions (e.g. Educational Exchange Support Foundation), and financial assistance projects of the European Union Structural Funds. In addition to the creation of new products for business, projects also focus on raising the level of general knowledge. New educational programmes are implemented for this purpose, for instance, the educational programme for scientific entrepreneurship *From Research to Market* (the Leonardo da Vinci Programme coordinated by the Kaunas Regional Innovation Centre) or the educational programme for creativity Tractors (the Regional Science Park of Kaunas University of Technology). The project *Space for the Spread of Knowledge and Innovation*, which was funded by the European Union Structural Funds during the period of 2009-2011, was also intended for collaboration purposes. The project involved a number of events for the promotion of the partnership between science and education and produced the **interactive database of scientific competences**, which allows companies to **find scientists for problem-solving individually or through consultation**.

The programme "InnoVoucherLT" has been successfully implemented for the second year in Lithuania. An **innovation voucher** is a measure introduced by the Ministry of Economy and aimed at small and medium-sized entities that wish to begin or already pursue innovative activities. This measure entitles small and medium-sized entities to receive the fixed size of target-oriented financial aid for the purchase of services provided by educational institutions. The main features of this measure are **quick money for business and simple non-bureaucratic procedures of financial support grants**.

The cooperation between science and business is also promoted by other Lithuanian organizations. The Lithuanian Chamber of Commerce, Industry and Crafts has been in operation since 1991. It manages the activities of the Enterprise Europe Network in Lithuania. The Enterprise Europe Network is the largest network across Europe, rests on the One-Stop-Shop concept, provides financial assistance for business and

unites almost 600 organisations in 54 countries. Network organizations supply services for small and medium-sized business using databases and considerable experience of mutual collaboration. Public, free of charge services include: new event invitations provided by European joint scientific research programmes, evaluations of company's technological possibilities and international technological databases for technological development.



The mission of Public Institution Versli Lietuva (**Enterprise Lithuania**) is to assist businesses, which are able to compete, in generating and expanding activities in Lithuania and exporting them through the supply of training, consulting and business partner search services, and the use of the effective structure of an organization and the partner network. Versli Lietuva prepared the following measure: **baskets for the start of innovative business, which involves 6-month consultations on business development issues.** *Innovative business is perceived as business with big growth potential and local and/or international market, which is based on high technologies (information and communication technologies, electronics, biotechnologies, pharmacy, robotics and other technologies).*

The implementation of the innovation policy in Lithuania foresees the purposeful introduction of innovations within business and educational systems. **The cooperation of science and business is a significant constituent element of innovations, which is necessary for the innovation-oriented development of student preparation, scientific research and**

business. For this purpose five new projects were launched by **Integrated Science, Studies and Business Centres (Valleys).** The goal of these projects is to create conditions for the generation of brand new knowledge based on the high-level scientific research, to promote the development of science-oriented economic sectors and the creation and commercialization of the latest innovative products, to generate and renew scientific research and experimental development and innovation, study and education - oriented infrastructure and to create conditions for its effective use. The Centres are planning to pursue activities in 2014.

During the period of 2007-2013 Lithuania witnessed rapid **clusterization processes** and was mainly focused on the creation of favourable conditions for the formation of clusters. There are two obvious strategic directions in the EU industrial policy: orientation towards high value-added activities through innovation and clusterization. Each country sees clusterization as inevitability and one of the national priorities of economic governance. Clusterization is one of the crucial priorities of the Lithuanian economic (industrial and business) development strategy. Clusters also **encourage orientation towards innovations** and contribute to their fast emergence simply due to the fact that there are favourable conditions for experimentation with low prices and avoidance of binding obligations until companies are confident about the success of an innovative project. The importance of non-formal exchange of ideas among cluster specialists is also recognized.

The creation of collaboration and communication networks, the cluster membership and the cooperation with business companies and scientific institutions having similar interests contribute to more effective problem-solving related to company's efficiency and innovatively.

THE THEMATIC SEMINAR ON SMES INDUSTRY/BUSINESS LINKAGES WITH ACADEMIC SECTOR TOOK PLACE IN KAUNAS (LITHUANIA)

Event Overview The thematic seminar on *SMEs Industry/Business linkages with academic sector* was focussing on typical problems and possible solutions for closer cooperation between Science institutions (universities, colleges, institutes, research centres etc.) and Business. The thematic seminar have provided some good practices of such so called intermediary

welcomed the delegation of 20 foreign guests (partners of Young SMEs project) - representatives of municipalities, the Chamber of Industry, Commerce and Crafts and business support institutions. Dr. Pranas Bernardas Milius, the director of the Regional Science Park of Kaunas University of Technology, began the event by giving a welcome speech. It was good to know that the event attracted foreign and Lithuanian specialists who promote the creation of future-oriented business – innovative and creative business based on international collaboration.

Ona Šakalienė, the senior specialist of the Department of Business and Science Cooperation of the Ministry of Economy, also made her contribution to the greetings speech. Ona Šakalienė emphasized that innovations are one of the main priorities of the country's economic



which helps the two sides – science and business, to communicate and be in constant contact (it helps define SMEs needs and makes resolve the problems, usually “closed in an eternal circle”).

For successful co-operation of SMEs and Academic, for promotion of such closer co-operation a number of other instruments are established and implemented (Innovation Vouchers, brokerage events etc). The detailed good practices were presented and provided to the target group (SMEs, Academic, Local and regional Authorities) as the result of that Working Group.

On 25th of September 2013 Public Institution Kaunas University of Technology Regional Science Park



competitiveness and surveyed the following Lithuanian financial aid measures intended for the development of innovations: financial, fiscal and consultational/informational measures, including innovation vouchers and public procurement of innovations.

The representative of the Ministry of Economy devoted a great deal of attention to clusters. There are two obvious strategic directions in the EU industrial policy: orientation towards high value-added activities through innovation and clusterization. Clusterization is one of the crucial priorities of the Lithuanian economic (industrial and business) development strategy. The creation of collaboration and communication networks, the cluster membership and the cooperation with business companies and scientific institutions having similar interests contribute to more effective problem-solving related to company's efficiency and innovativity.

The other presenters shared their experience in Science and Business cooperation by providing the concrete examples and existing support instruments that help.

It is worth mentioning Good Practice very well evaluated by the audience of the Seminar.

Rūta Valušytė, the head of the Design Department of the Faculty of Kaunas of the Vilnius Academy of Visual Arts, together with students introduced the art project **Newidea**, which is a perfect example of science and business cooperation. The project is implemented in



association with Italian Design School Scuola Italiana Design (SID). On 6-13 September 2013 a creativity workshop was organized in Nida. Under the supervision of professional designers three groups of students and young designers from Lithuania, Italy and Russia generated ideas for the following Lithuanian

companies: UAB „Eneka“ (outdoor furniture), UAB „Vandens linija“ (coil pipe design) and UAB „Eneka“ (outdoor flowerpots). The event left everyone happy: students gained priceless experience and company directors received about 25 design ideas. The Faculty of Kaunas of the Vilnius Academy of Visual Arts expects this event to be a continuous initiative which will contribute to the further close collaboration with business.



Study visit. Project Partners at the round table in Kaunas University of Technology Innovation and Entrepreneurship Centre

Key findings. *The successful cooperation between science and business communities determines the spread and establishment of innovations in all areas of life and the effective use of innovations in business encourages economic and export development and increases performance efficiency and the country's economic competitiveness.*

Science and/or technology parks play the leading role in the promotion and popularization of innovations and the encouragement of the emergence of new innovative enterprises, the innovative development of already existing companies and the innovative partnership between science and business, and the execution of activities involving the provision of financial support for innovations.

The seminar on Cooperation of Science and Business in Lithuania was organized in Kaunas on the initiative of the project Young SMEs implemented in accordance with the Interreg IVC programme.

EXCHANGE OF EXPERIENCE – THE BEST EVALUATED GOOD PRACTICES FROM THE PARTNERS

INNOVATION VOUCHERS (Good Practice / Lithuania)



An **innovation voucher** is a measure introduced by the Ministry of Economy and aimed at small and medium-sized entities which embark on or already pursue innovative activities. This measure entitles small and medium-sized entities to receive the fixed size, target-oriented financial support for the purchase of services provided by educational institutions. The main features of this instrument are **quick money** for business and **simple, non-bureaucratic financial aid procedures**.

Innovation vouchers are more in line with the philosophy of today's companies, where small, short term projects dominate. So far, an innovation voucher is the best way to support this by affording quick money. The **main objects** of the innovation vouchers in Lithuania are:

- Cooperation between SMEs and R&D institutions;
- Acceleration of knowledge procurement between the research and business and commercialism of the scientific research results;
- Increase the amount of enterprises carrying out innovation activities.

Knowledge providers: innovation vouchers finance intended to finance 20 R&D national institutions, which have provided the list of possible technological, consulting services.

Eligible activities:

- (1) **scientific research** (industrial or engineering research);
- (2) **technological development** (experimental development or tentative activities of construction and technologies);
- (3) **consultations** on and preparation of documents regarding tenders on industrial property and other documents for the registration of industrial property;
- (4) **studies** on technical possibilities.

One company may receive one voucher per year. Support in innovation vouchers is provided for acquisition of technological (applied) or basic research solutions, as well as for advice on the relevant innovation questions which businesses may obtain from research institutions.

One small and medium-sized entity receives financial assistance in the form of an innovation voucher the value of which is LTL 10,000, when *de minimis* aid is 100 percent, or LTL 20,000, when *de minimis* aid is 75 percent, and the remaining portion of *de minimis* aid is covered by the small and medium-sized entity using its own funds.

Innovation voucher helps to ensure business and scientific co-operation, speed up research, knowledge transfer, innovative business ideas and commercialization of research results. Companies are encouraged to use the latest scientific achievements and research.

NEW FRONTIERS ENTREPRENEUR DEVELOPMENT PROGRAMME: YOUNG SMES BEST PRACTICE 'ACADEMIC THEME' (Good Practice / Ireland)



Enterprise Ireland is the national government organisation responsible for the development and growth of Irish enterprises with export capability. They run a national entrepreneur development programme delivered at a regional level by Universities and HEI's (Higher Education Institutes).

In South-East Ireland this programme is run directly by the Institutes of Technology in Waterford & Carlow (www.wit.ie and www.itcarlow.ie). The programme is co-funded by the EU's ERDF under the terms of Ireland's National Strategic Reference Framework 2007-2013.

The programme is aimed at people planning to establish and run an innovative, scalable business. It provides participants with a range of skills and supports for business growth in key areas such as:

- Business training (financial management, market research, product, sales),
- Mentoring and advice,
- Office and other business incubation facilities,
- Networking,
- Entrepreneurship best practice and skills,
- Peer learning and academic expertise,
- Exposure to early seed capital networks.

Who is eligible?

'New Frontiers' is targeted at entrepreneurs and early stage businesses located across Ireland. It is a cross-sectoral programme open to a diversity of sectors so long as they have a capacity for growth and export potential. Businesses must intend establishing manufacturing or internationally traded services

business, be ambitious promoters with capability and commitment to develop a sustainable business, and be Growth orientated - planning to achieve in 3-5 years sales greater than €500,000 and creating more than 5 jobs. Ideally a business will be built upon strong foundation of innovation and/or technology and show evidence of a commercial market for proposed product/service.

3 Phases

The programme has 3 distinct but related phases:

Phase 1 – early stage **Business Feasibility** lasting 6–8 weeks (part-time).

Phase 2 - Business Development 6 months full-time (Participants who successfully make it to the second phase of the programme may be eligible for a maximum €15,000 payment from Enterprise Ireland, to offset loss of earning during what is a full-time 6 month commitment. This payment is made to the individual as opposed to the business).

Phase 3 - Business Commercialisation lasting 2–3 months

Success

Although 'New Frontiers' was only launched in February 2012, previous versions (Enterprise Platform Programmes) have supported more than 260 businesses, creating more than 400 jobs in the South-East region. Nationally the programme aims to support the creation of 100 businesses each year.

More information:

www.enterprise-ireland.com/en/Start-a-Business-in-Ireland/Supports-for-High-Potential-Start-Ups/New-Frontiers-Entrepreneur-Development-Programme

Final thematic group comments...

In order to achieve commercialization of scientific research, it is necessary to encourage different forms of long-term collaboration one of which includes projects implemented by Integrated Science, Studies and Business Centres. It is expected that the execution of the joint projects will continue until the successful commercialization of a scientific idea is achieved.

***Intermediaries** between science and business should receive exceptional attention in the scientific and commercial collaboration process, when it comes to their **training and maintaining of qualifications**. They are the personnel of the innovation support infrastructure and have all the competences necessary for the creation and maintenance of the successful*

partnership between science and business. These specialists do not receive institutional training. They acquire competences through work and improvement, therefore they have to have access to continuous training possibilities, which were provided by the programmes of the European Union Structural Funds during the period of 2007-2013.

***In the near future** it is necessary to seek better scientific research application to industrial activities by encompassing the entire value chain. When it comes to the education system, it is imperative to increase the motivation of the future work force to create added value through the use of the latest scientific achievements.*

Project Partners:



For more information on the YOUNG SMEs project visit www.youngsmes.eu.