

Strengthening capacities of business support centres - How to increase innovativeness of the local companies?

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&

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Agenda

- **What we are doing?**
- **What are current trends and recommendations from EU?**
- **Where are we now?**
- **What to do?**



**It always seems impossible,
until it is done.**

About BSC & NCDIEL

- Established in April 2006 (BSC) and November 2009 (NCDEIL), with financial support from the Austria Development Cooperation (ADC) Macedonia.
- Designed as centre opened for innovative, technology-based and profit-orientated ideas.
- **Vision:** To become key actor in Macedonia in the processes for creation of a competitive knowledge-based economy.
- **Mission:** Promotion, support and development of innovation and entrepreneurial learning, with aim to decrease unemployment through the creation of new innovative businesses and strengthening the SMEs sector in the Republic of Macedonia.

Domestic partners

- **Public partners:**
 - Presidency of the Republic of Macedonia
 - Prime-minister of the Republic of Macedonia
 - Ministry of Education and Science
 - Ministry of Economy
 - Ministry of labor and social affairs
 - Ministry of local self-government
 - Agency for Promotion of Entrepreneurship of the Republic of Macedonia
 - Faculty of Mechanical Engineering, Ss. Cyril and Methodius University
 - Bureau for Development of Education
- **Business partners:**
 - Macedonian Chambers of Commerce
 - Economic Chamber of Macedonia
 - Economic Chamber of Northwest Macedonia
 - Centre for Research, Development and Continuous Education
 - Macedonian Clusters
- **NGOs**
 - Macedonian Foundation for Enterprise Development
 - Macedonian Innovation Center

International partners

- Austrian Development Agency
- World Bank
- OECD
- European Commission
- UNCTAD
- CEI
- USAID
- World Bank
- GTZ
- Norwegian Government
- British Government
- European Training Foundation
- South East European Center for Entrepreneurial Learning
- Transnational program of IPA

Key outcomes (1)

- Support to more than **54 start-up companies**
- Trainings of more than **3000 students** on entrepreneurship related topics.
- Support to the Ministry of education and science for development of program for “**Innovation and Entrepreneurship**” for secondary schools – 1st, 2nd and 3rd year and “**Innovation**” for primary school – 9th grade
- Training of > **2000 high school professors**
- Organization of the **National best business plan competition for high school students since 2007**
- Support to development of **National Innovation Strategy 2012** and **National Strategy for Entrepreneurial Learning 2014 - 2020**

Key outcomes (2)

- Establishment of the **National Accreditation System for Consultants**
- Founders of **National Cluster Academy**
- Co-organizations of “**EU SME week and GEW**”
- Organization of the **National most innovative business plan competition for university students and recent graduates - 2012**
- **European Innovation Scoreboard** implemented in Macedonia (on-site analysis of innovation capacities of 2000 MK companies)
- **Global Entrepreneurship Monitor 2008 – 2015**
- **International Conference for Entrepreneurship, Innovation and Regional Development - ICEIRD 2008 – 2016**





Current trends

According to Mr. Markku Markkula, President of the European Committee of the Regions (June 2015):

- A **bottom-up** movement is needed to stimulate targeted investment into real economy
- Exchange of **best practices** is crucial
- **Focus on :**
 - Digital Agenda
 - Smart Specialization
 - Boosting the entrepreneurial spirit.
 - Maximizing the growth potential.
 - Boosting the research and innovation capacity of the regions.

All of these could lead to new skills and knowledge, innovation and employment.

Current trends

- **Regional innovation strategies** are systematic, goal-oriented exercises carried out by regional partnerships with the aim to define or revise regional innovation policies (OECD)
- Regional actors targeted by the RIS cover the **whole range of stakeholders** involved in innovation on a territory: universities, technology - oriented enterprises, knowledge - intensive business service firms, other firms, start - ups and new technology – based firms, **regional and local government or administration**, public funding agencies, **intermediaries** (e.g. technology transfer offices, advisory bodies, etc.) and their networks, venture capital firms, non-university research institutes, etc.
- Regions must present a robust **clear innovation strategy** based on Smart Specialization

Current trends

- **National/regional research and innovation strategies for smart specialization (RIS3)** are integrated, place-based economic transformation agendas that do five important things:
 - They focus policy support and investments on key national/regional priorities, challenges and needs for knowledge-based development, including ICT-related measures;
 - They build on each country's/region's strengths, competitive advantages and potential for excellence;
 - They support technological as well as practice-based innovation and aim to stimulate private sector investment;
 - They get stakeholders fully involved and encourage innovation and experimentation;
 - They are evidence-based and include sound monitoring and evaluation systems.

Development of Macedonian NIS

- **Four periods of development of Macedonian National Innovation System (NIS):**
 - before '90s,
 - between '90s and 2001,
 - between 2001 and 2008, and
 - after 2008.
- NIS will be analysed from triple helix perspective.

Development of Macedonian NIS

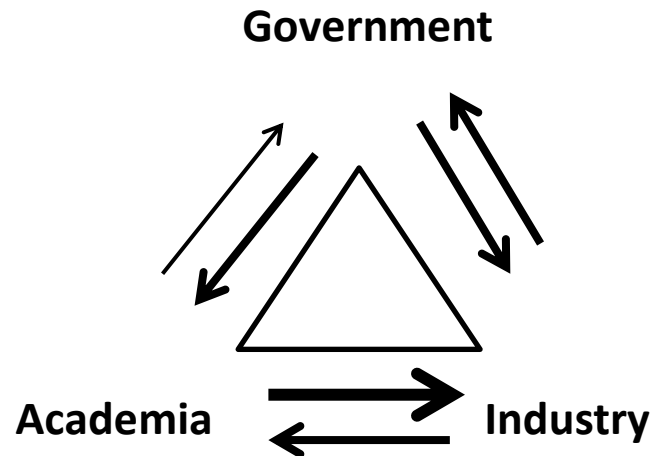
Macedonia before 1990 (first period)

- Part of Yugoslavia
- Centrally planned economy based on big organizational systems (> 1000, 5000, ... employees)
- 20.000.000 citizens – big domestic market and huge export
- Public companies (very limited private sector)
- Relatively strong economy
- Decent standard of living
- Poor system of free labor market, but low level of unemployment

Development of Macedonian NIS

Macedonian Universities before 1990 (first period)

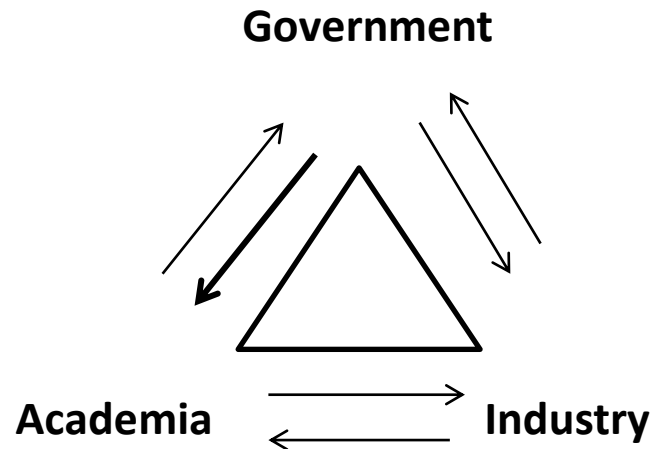
- Triple helix exists (but, without this name, and not well structured, not centralized)



Development of Macedonian NIS

Second period: between '90s and 2001

- Triple helix activities were on the lowest level (except MoES support for scientific projects)



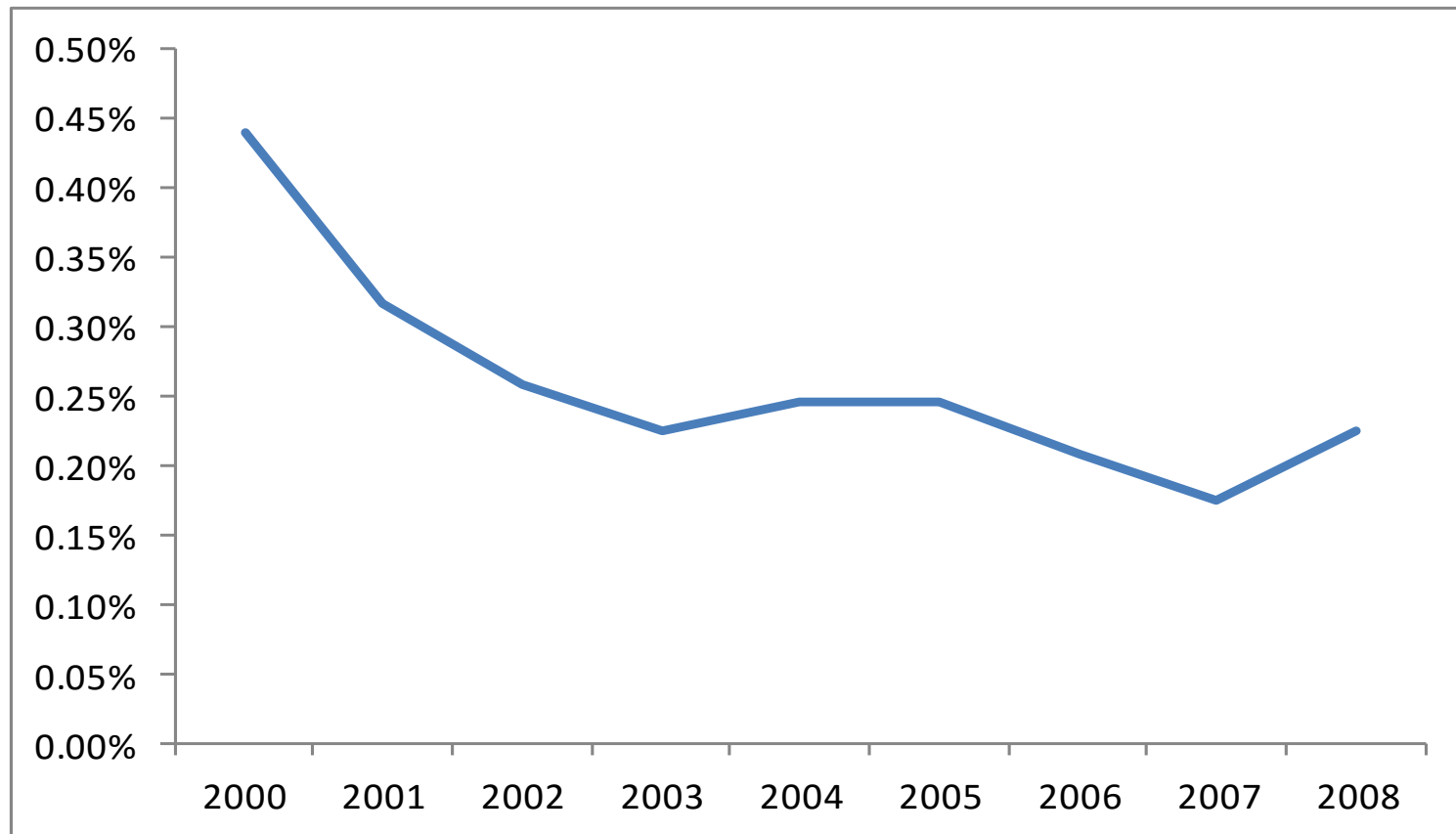
Development of Macedonian NIS

Third period between: 2001 and 2008

- Period after resolving the insurgency with the Ohrid Framework Agreement
- Attempts to re-develop an ecosystem for innovation and re-establishing the links between the industrial and academic spheres
- Still, there was no clear responsibility who will be in charge for establishing (re-build) a NIS in Macedonia
- Key innovation infrastructures that were established before 2008 are: industry clusters, technology and innovation centres and other related organisations for entrepreneurial support (mainly with donor support)

Development of Macedonian NIS

- **Gross expenditure on R&D – third period 2000 - 2010**



Source: World Bank, 2013

Development of Macedonian NIS

Fourth period: after 2008

- ✓ **Established National committee** for innovation and entrepreneurship chaired by Prime-minister (on strategic level)
- ✓ **Deputy Vice Premier** for economic affairs (responsible on operative level)
- ✓ Established Sector for innovation support at the MoES
- ✓ **National Innovation strategy 2013-2020** with action plan adopted and new supportive legislative developed
- ✓ **National innovation fund** was established
- ✓ Significant Governmental funding for **equipping 80 laboratories** in public institutions (Universities, Hospitals, state institutes...) in total ~ 60 m EUR

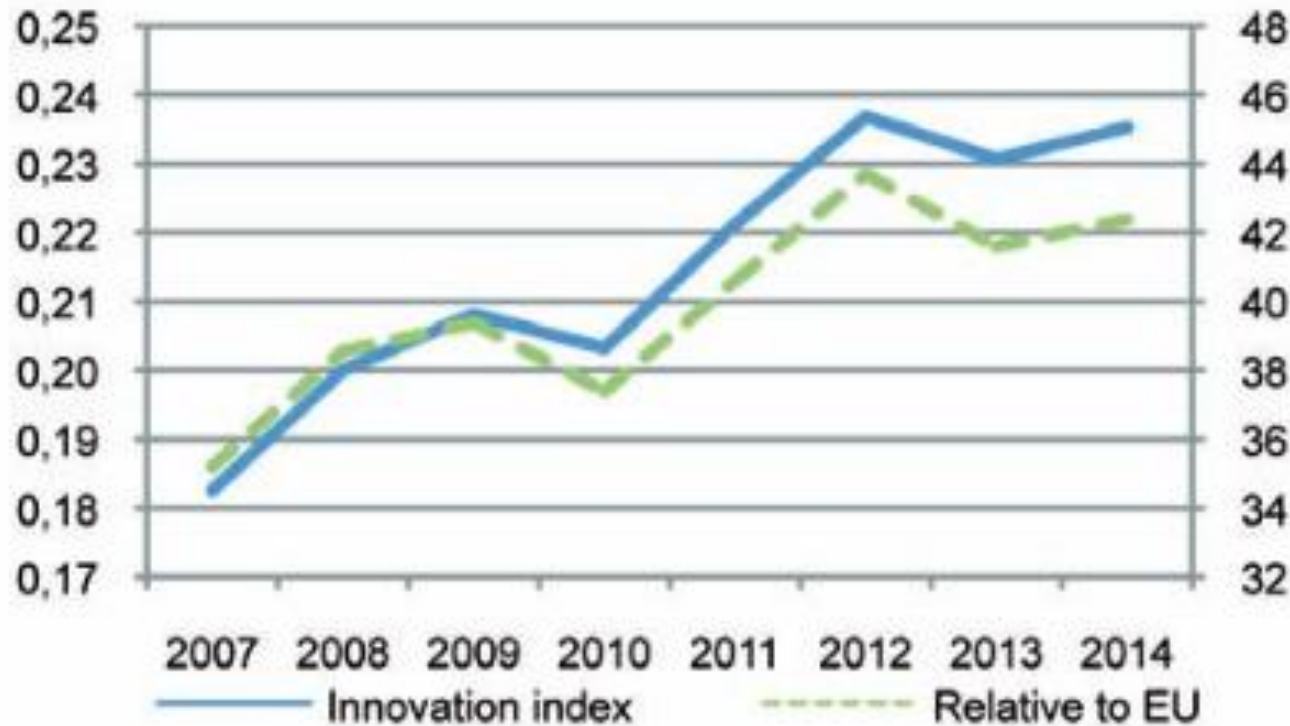
Fourth period: after 2008

- ✓ From 2012 the government financially is covering all expenses for studying on the top 100 Universities world-wide
- ✓ Strong PR program for support of entrepreneurship and innovation is in place from 2012 (TV, radio, newspapers...)
- ✓ **Course “Entrepreneurship and Innovation”** became obligatory course in 1st, 2nd and 3rd year of secondary education from September 2012. In 4th year there is a course “Business and Entrepreneurship”. Intensive training of 1300 high school teachers was also conducted.
- ✓ Specific content from “Entrepreneurship and Innovation” are implemented in 6 subjects in primary school (maths, art, biology, chemistry, physics and informatics). 2000 teachers passed 2-day training.
- ✓ Introduced course “Innovation” in IX grade of primary schools

Most recent developments

- **Innovation and technological development fund (ITDF) - established in December 2013**
- **Instruments:**
 - Co-financing grants for start-ups, spin-offs and innovation activities
 - Co-financing grants and conditional loans for innovation commercialization
 - Co-financing grants for technology transfer
 - Technical assistance through business-technology accelerators

Situation 2015



- Innovation Union Scoreboard 2015
- Unemployment rate dropped from 38% (2006) to 26.8% (2015)

Key economic sectors

1. **ICT – software industry**
2. **Agribusiness & food processing**
3. **Apparel**
4. **Automotive components**

Clusters:

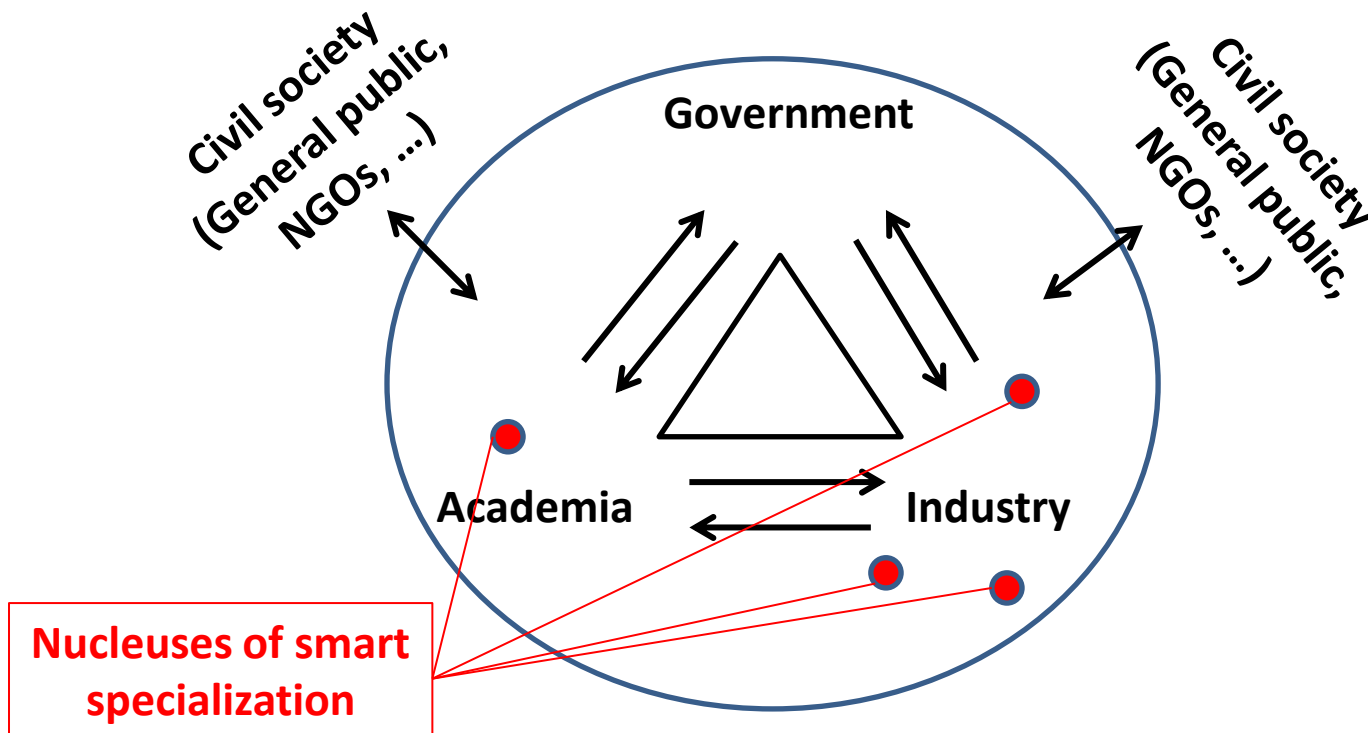
- Automotive
- Fashion and Design
- MASIT
- Textile
- Cluster for Processing Fruits & Vegetables
- Cluster for Wine

“Smart” in Macedonia?

- **Software industry**
- **Agribusiness and food processing (organic food...)**
- **Apparel (clothing)**
- **Automotive components**
- **Pharmaceuticals (generic)**
- **Tourism**
- **Craft**
- **???**
- **No Strategy or other serious policy document or support yet on smart specialization ...**

Next . . . Macedonia towards 2020

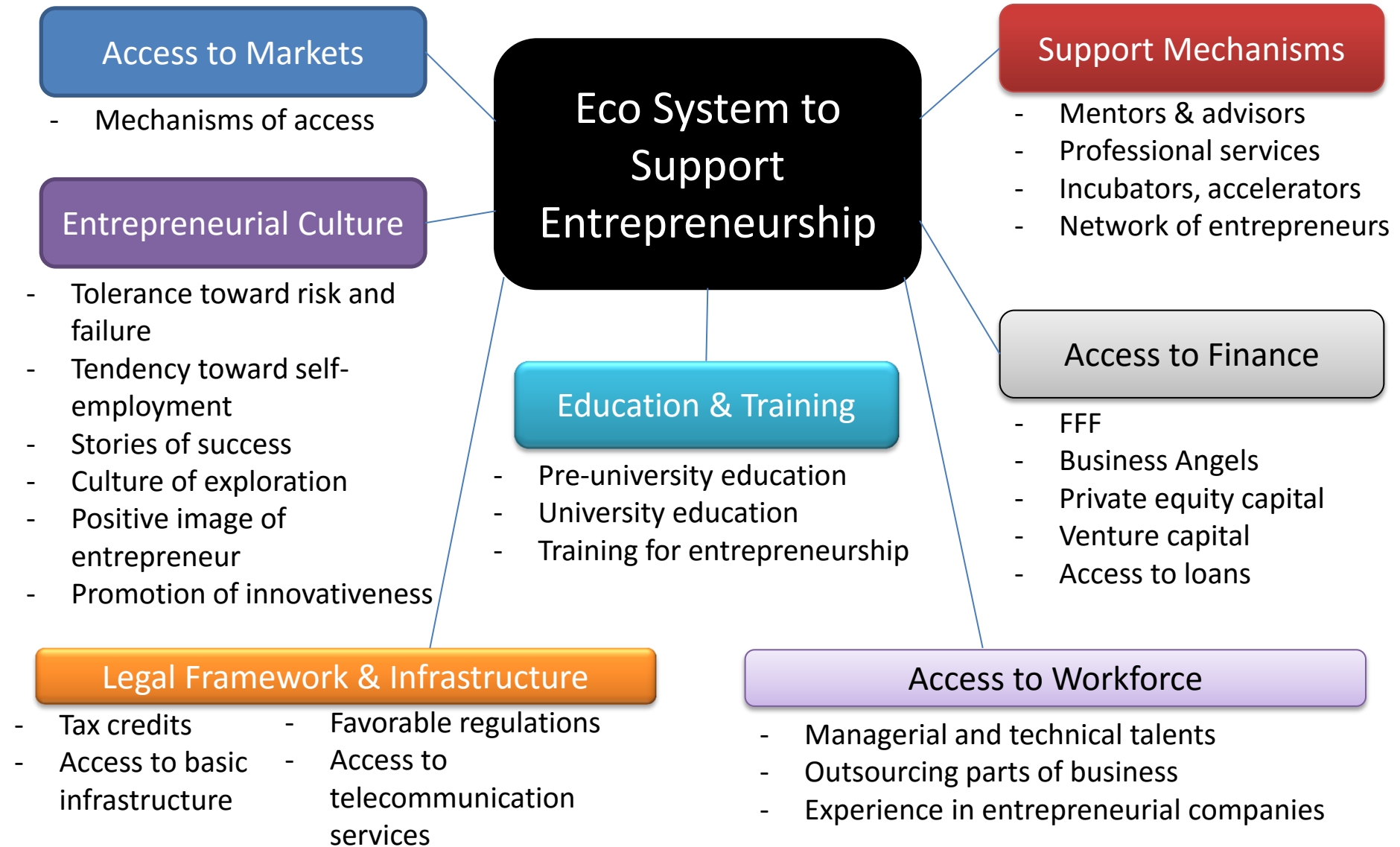
- Triple helix activities should be strengthened with links from/to Civil society (Quadruple helix)
- Smart specialization should be on of the key weapons for greater competitiveness of Macedonian economy



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On a strategic level

- Prepare regional innovation strategy for you region based on digital agenda and smart specialization principles. **Define priority areas!!!**
- Focus on long-life learning of your staff
- You should be the driver for development of whole **eco-system for innovation and entrepreneurship support** in your region



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On a operational level

- Provide space (co-working space, single space, etc.) for start-up companies and basic **mentoring/coaching system**
- Use CBC funds and other EU programs to make things happen
- Develop closer **collaboration with educational institutions** in your region (Universities for R&D activities; schools for entrepreneurial learning activities)
- Try to work with **best companies** in the region in order to support their supply chains, or use them as a mentors
- Focus on **open innovation**
- Develop links with **clusters** from your region



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You are all invited to



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Thank you very much for your attention

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