

Operating in the network: Advantages and disadvantages

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Content

1. Where does this speaker come from?
2. Why networking
3. How to
4. Examples



Development company of Helsinki Region, founded 1995

- 40 employees

Innovations & networking

- 9 Centres of Expertise in Helsinki Region
- 3 Local development teams

Sovereign development platform

- Triple helix –ownership
- Non-profit
- Funded by
 - Municipalities
 - Ministry of employment and economy
 - Projects

Science Community 34%

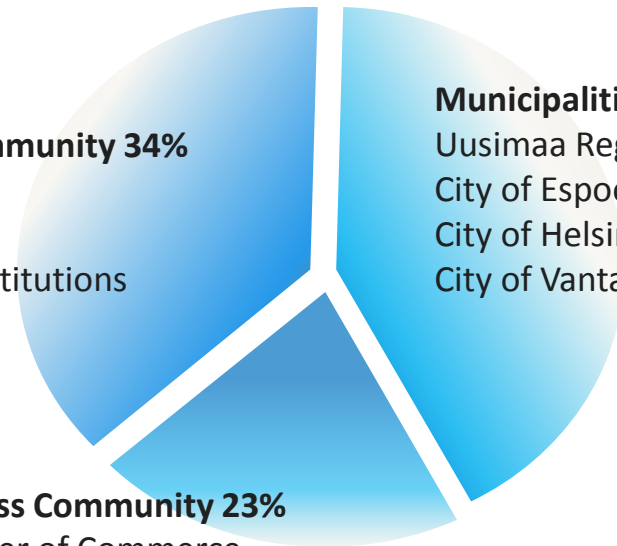
Universities
Polytechnics
Research institutions

Municipalities 43%

Uusimaa Regional Council
City of Espoo
City of Helsinki
City of Vantaa

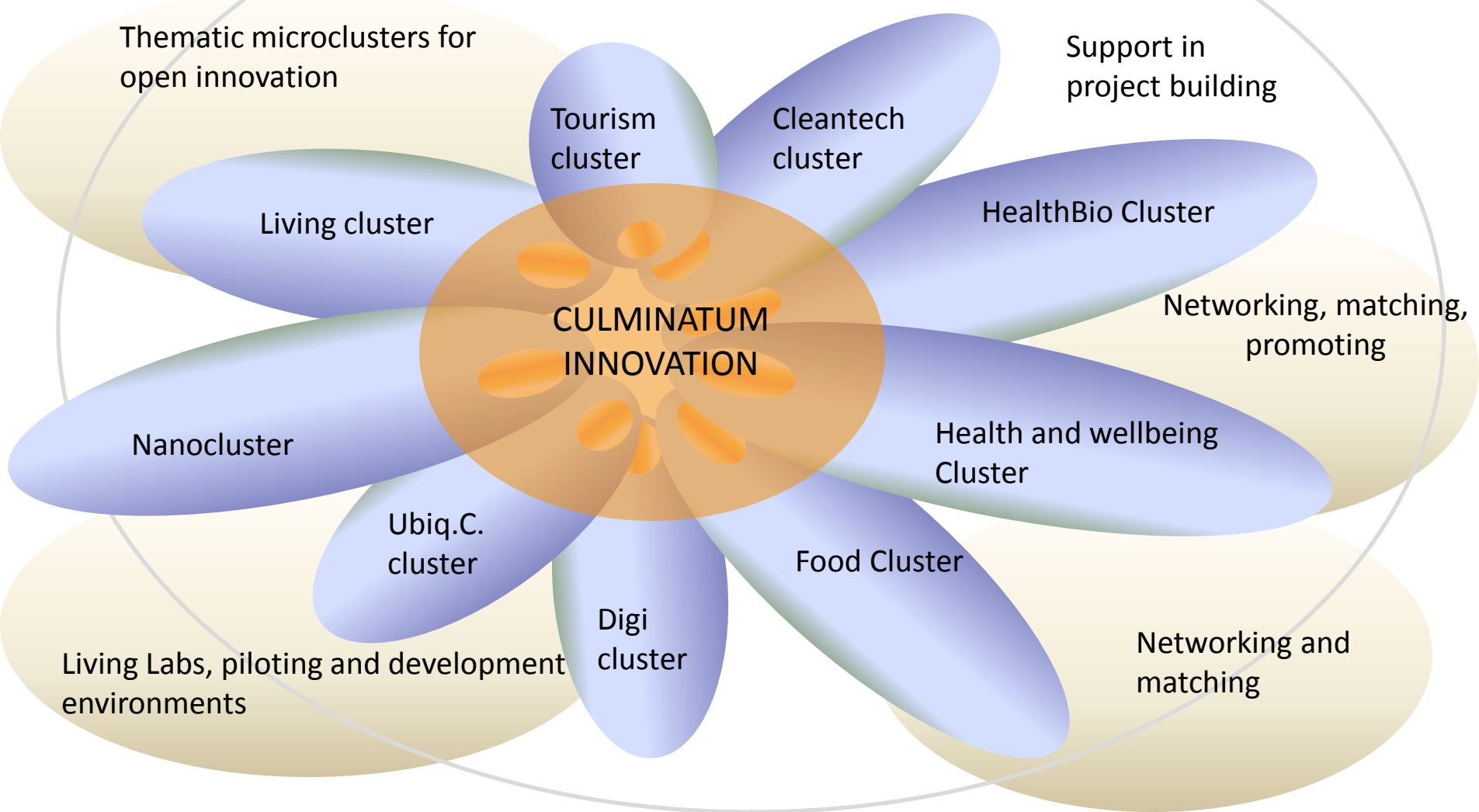
Business Community 23%

Chamber of Commerce
Science Parks
Companies
Financial institutions





**Culminatum Innovation with 9 Clusters within Helsinki Region
provide a hot spot for recognizing
multidisciplinary potential and development needs –
i.e. huge potential for innovation systems**



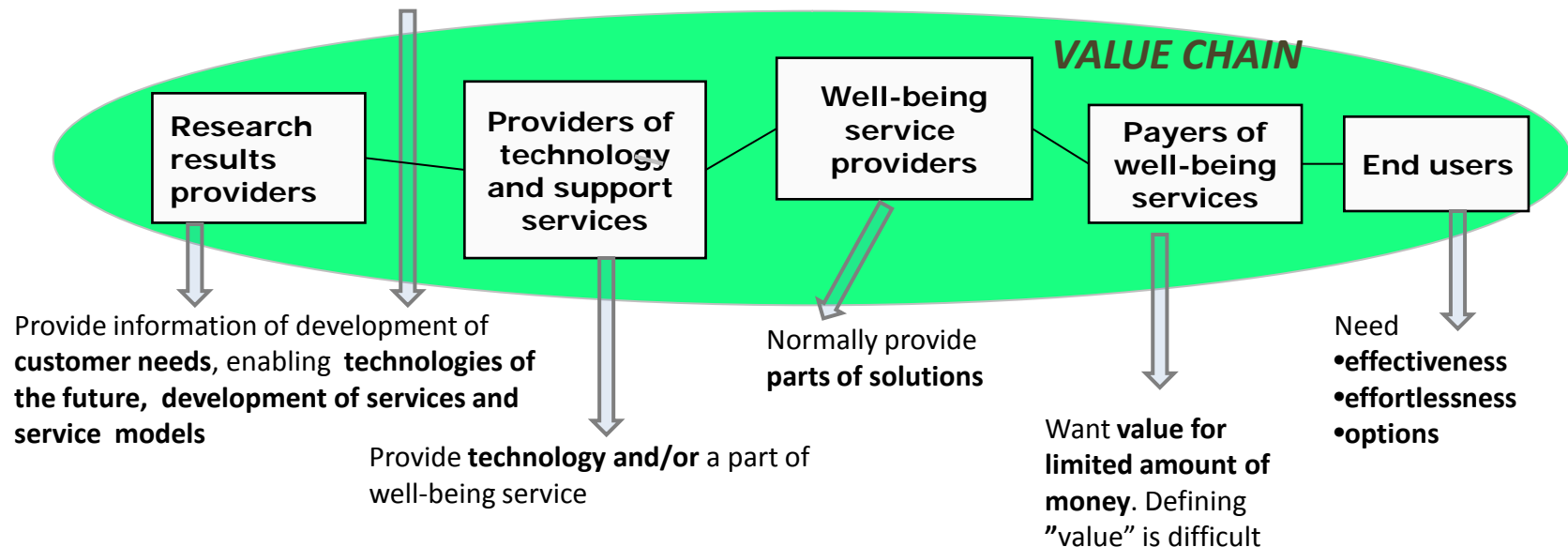


Helsinki Centre of Expertise for Health and Wellbeing

Focus areas:

1. New solutions and business to support independent living
2. Product and service piloting and development in real life environments (living labs)
3. User-centric service innovation

CENTRE OF EXPERTISE CATALYSES THE VALUE CHAIN



We build sustainable service business in health care and well-being by combining knowledge from private, public and research sector. Our work is based on user-centricity and innovation.



Services

Projects

- Project ideation and preparation
- Project partner search & matching (local → global)
- Financing information
- Project management and coordination, advisory role

Innovation and commercialization

- Business development services for SMEs
- Innovation activation happenings

Networking

- Identification of potential cooperation partners
- Cross-disciplinary networking
- Networking within a business field

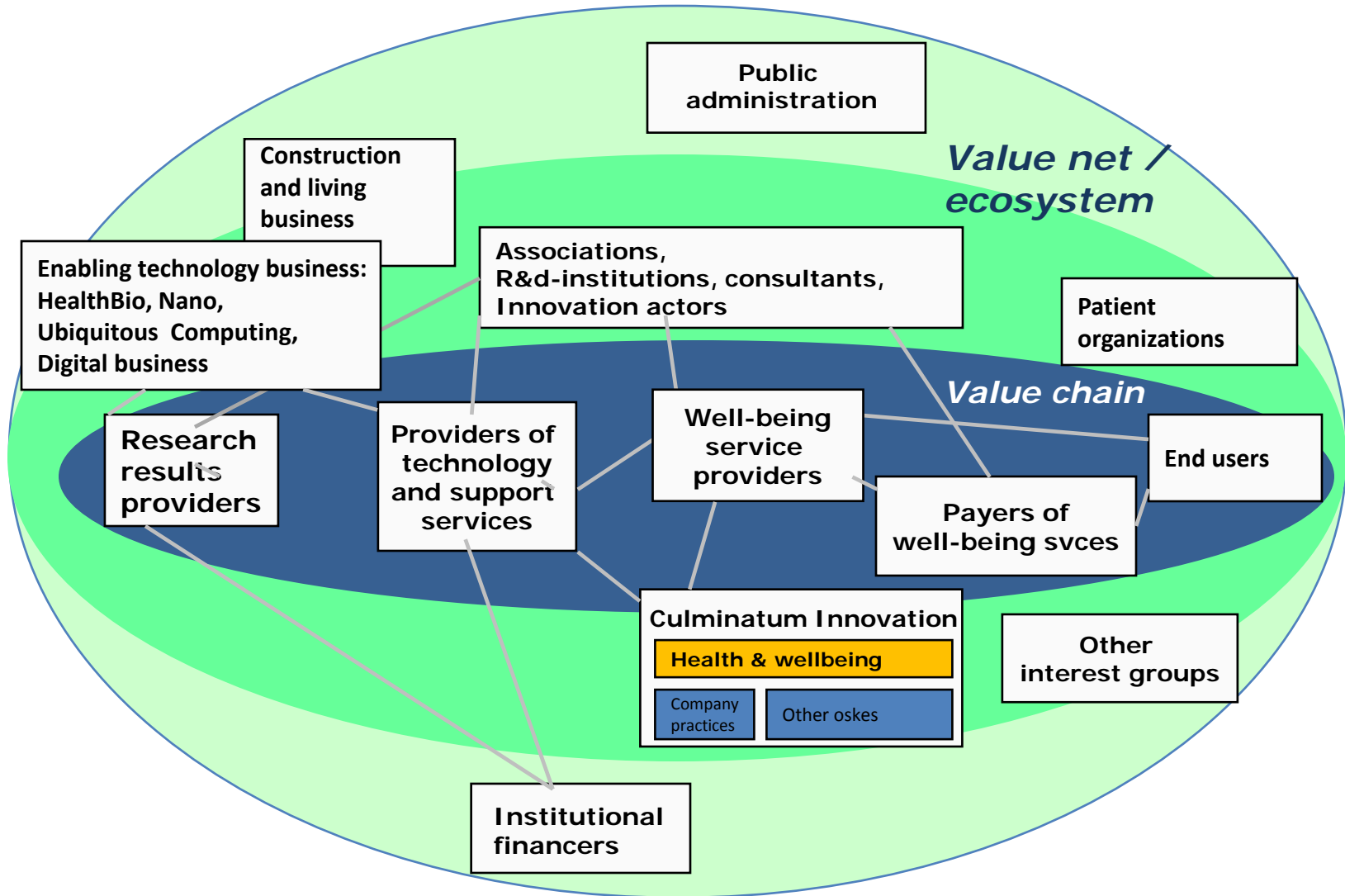
Other services

- Innovative public procurement
- Service design
- Competitiveness and innovation strategies for municipalities → regions





Why networking?





Open innovation

Closed innovation principles	Open innovation principles
The smart people in our field work for us.	Not all smart people work for us. We need to work with smart people inside and outside of our company.
To profit from R&D, we must discover it, develop it and produce it ourselves.	External R&D can create significant value: internal R&D is needed to claim some proportion of that value.
If we discover it ourselves, we will get to the market first.	We do not have to originate the research to profit from it.
The company that gets an innovation to market first will win.	If we make the best use of internal and external ideas, we will win.
If we create the most and the best ideas in the industry, we will win.	Building a better business model is better than getting to market first.
We must control our innovation process, so that our competitors do not profit from our ideas.	We should profit from others' use of our innovation process and access the innovation process of others whenever it advances our business model.



Cluster evolution in Finland

1994-2006 Local development

2007-2009 National clusters

2010- Transnational clusters

Strategic idea:

Becoming an internationally acknowledged and attractive innovation hub in strategically prioritized areas

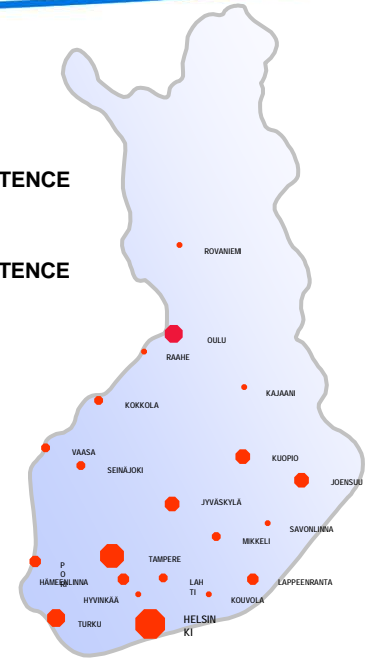
Main impacts:

- I. Critical mass in world-class experience
- II. Access to global value chains

Targets:

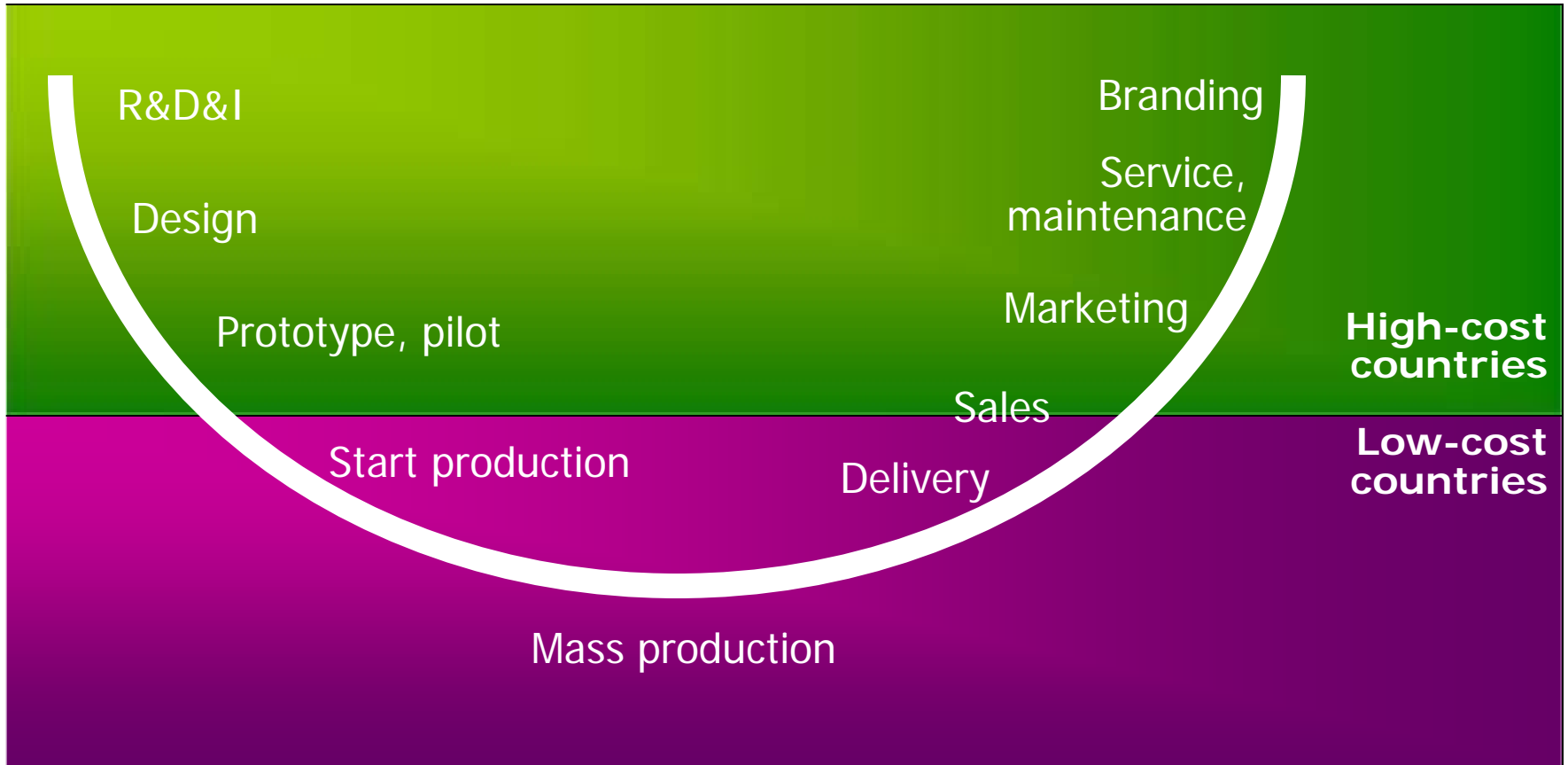
- I. Establishing strategic partnerships
- II. Networking across disciplines and sectors

● IN 1 COMPETENCE CLUSTER
 ● IN 9 COMPETENCE CLUSTERS





Is your value chain still smiling?





How to network?



Services to right partnering - food for renewal

Thematical networking

- Within business field or multi-disciplinarily
- Forums, workshops etc.
- Peer support, new ideas, new partners, open innovation

Information sharing

- On user needs, demand, industry foresight, research, development, businesses, other actors
- New expertise to be exploited

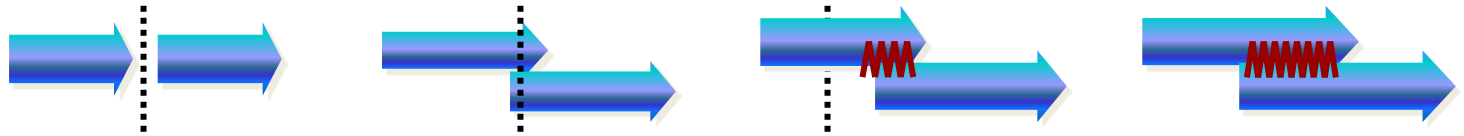
Tailored partnering and "opening doors"

- For R&D&I and business
- For creating new business





Who to network? What KIND of relationships are we targeting?



	Level 1: Transaction-based	Level 2: Contractual	Level 3: Cooperation	Level 4: Real partnership
Time span and subject of contracts	Short, one-time product / service provision	Frame agreements; Partial solutions	Long-term contracts; Solutions	Long-term contracts; Joint business
Roles	Compete to get the best deal each time	Long-term calls and purchases	Cooperation	True win-win cooperation, long-term
Process Integration	A defined interface	Processes connected in some domains	Processes connected in key domains	Processes renewed and integrated
Information sharing	Little	Some	Focal	Strategic
Investments to relationship	None	Little	Some	Considerable
Alignment of goals	None: suboptimization	None: suboptimization	Goals somewhat aligned	Optimization and sharing the benefits
Trust and risk-sharing	Low	Moderate	Quite ample	Wide, "open books", shared risks



Theses for networking

The theses are simple and based on experiences from the daily hands-on work with clusters:

1. Know the **ecosystem**
 2. Define a **strategy, value proposals, focus themes, services** and tools to deliver them
 3. **Thematic clusters** are the key to continuous interaction with the field
 4. Tailor the activities based on **needs and proactive thinking**
 5. Recognize and respect the **key players** 'near' you
 6. Recognize the **possibilities of the existing structures** (like centre of expertise program)
 7. Face the boundary conditions (**not all ideas work with all communities**)
 8. Respect the (indirect) feedback, be **ready to reconsider**
 9. **Share ideas**, you'll get new ones in return
 10. Clarify the roles within the innovation system to get the **mandate** to operate
- N: Remember where your salary comes from ;-)



Examples, good and bad



Example from Helsinki Nanotechnology Centre of Expertise: Networking activities based on needs, proactive thinking – and resources

- **Annual main event: Autumn seminar**
 - Internationally acknowledged Finnish fine particle know-how matching the global market 27.10.2009, 90 participants
- **Mini seminars & excursions**
 - eg. Nano safety and security in Tampere 11.5.2009
- **FAST for companies** (From Aerosol Science To Industrial Applications)
 - researchers visiting SME's,
 - thematic meetings: Start-ups, Funding, IPR
- **Societal activities & Public events**
 - Fine particle Pub 22.4.2009
- **Fine particle work award**
- **Web page fineparticleforum.com**
 - members, news tips, fine particle links, articles, FAQ
- **PR, promoting**
 - press releases, brochures, roll-ups
- **Newsletter monthly**
 - 220 recipients



**Fine particle award
2008 : FMI**



Bad!

Regional environmental technology cluster:

recycling several forms of waste into new products

+ World-class competitive advantages in a rural setting in Finland

+ Compact size: about 8 core companies

+ Common brand

— Chemistry between two CEOs very bad because of politically-coloured competition in the history

→ could not overcome this or find any way out

→ no real partnership nor network could evolve, stayed on level 1 / 2



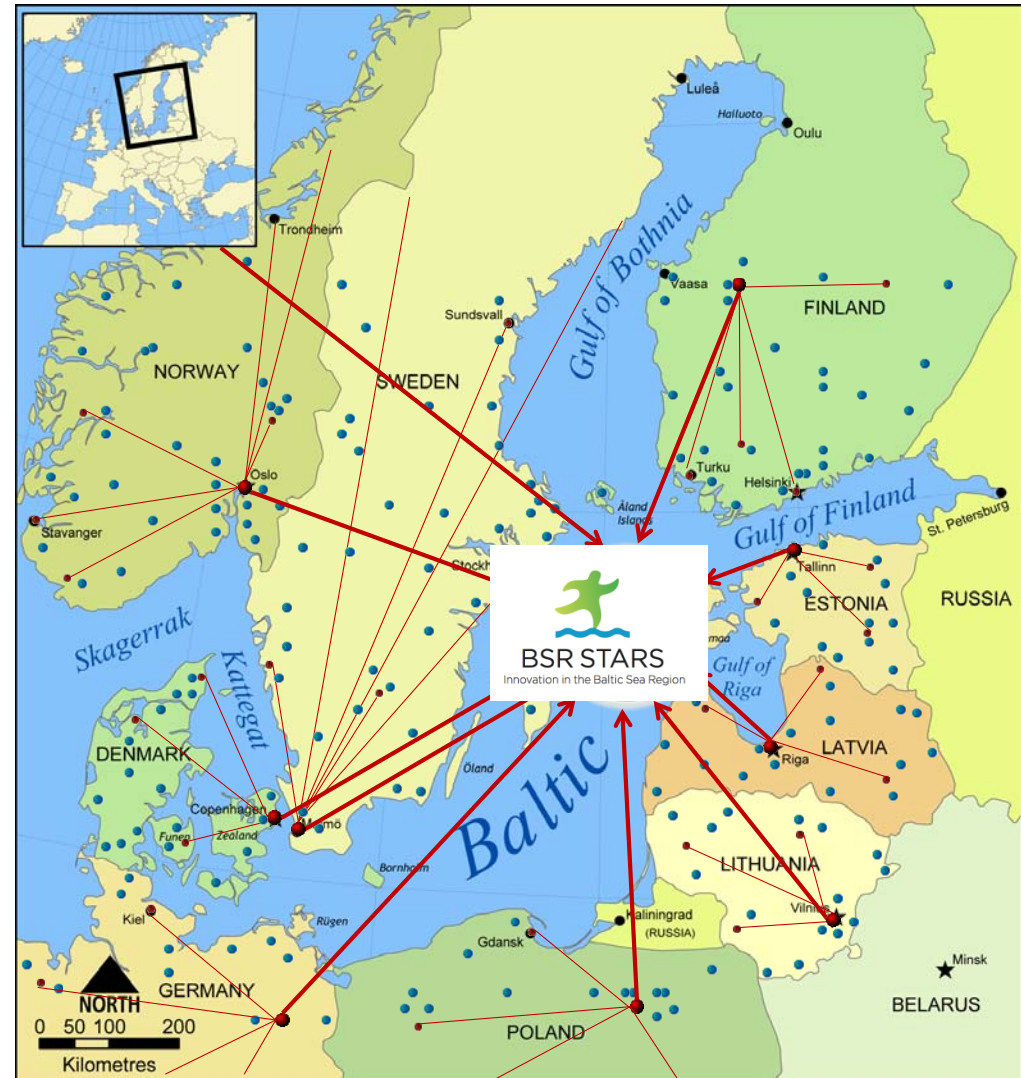
Baltic Sea Region STARS

Purpose:

to create a number of
world leading innovation
hubs

in the Baltic Sea region by
linking strong expertise

- which has global demand = large future market potentials
- with existing strengths in more than one country
- potential to create added value in the BSR
- strong leadership & innovation focus





BSR Active for Life 2010 -

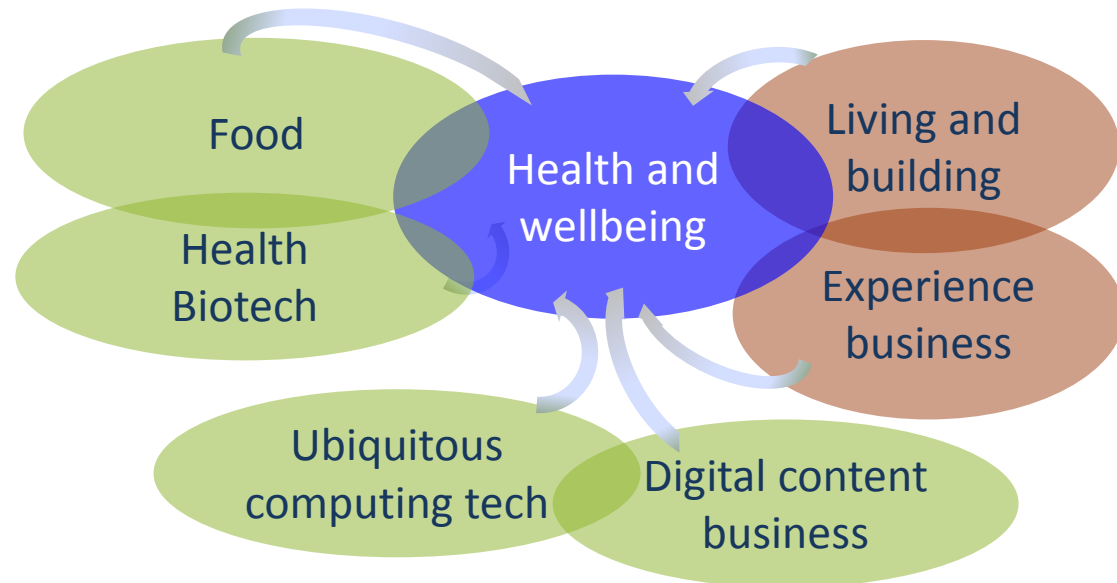


To Provide innovative cross-disciplinary solutions and transnational business partnerships and concepts

TO KEEP THE AGEING POPULATION AN ACTIVE PART OF SOCIETY

To Build a strong mutual springboard for cooperation with selected Asian markets

*Based on
a holistic view of users
and their future needs,
seen through all
factors of quality of life.*

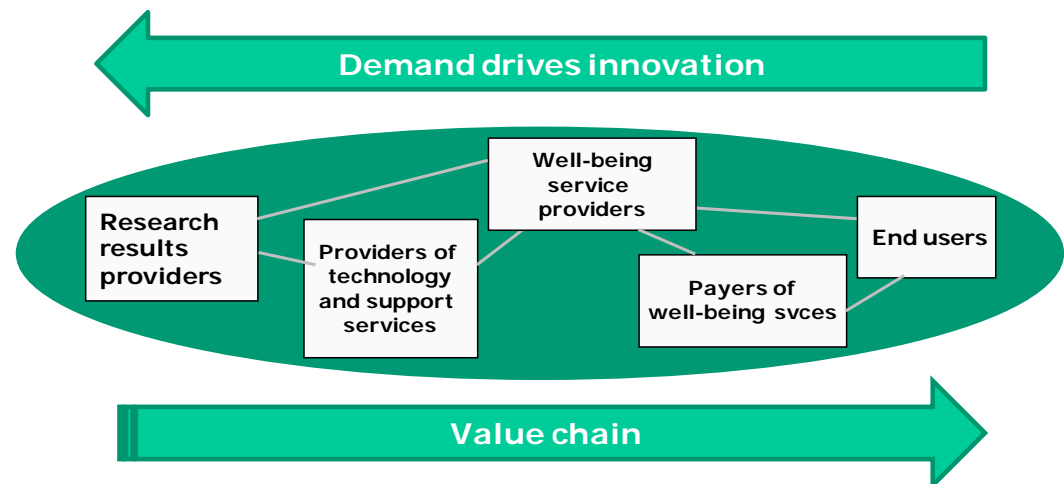




Active for Life: how and what's new?



- **Open innovation** platform for new service models
- **National activation of all interested actors** to create and strengthen cooperation in research, service development and service provision





Pieces of advise

- Show the path forward – what is to come and potential benefits to be achieved
- Do not expect to change top management thinking overnight
- Do not think you can change a company culture
- Competences take a while to develop (when and after being developed)
- Try to identify and target motivated companies with foresight (or with eagerness to get some) plus who are Willing, Able & Ready to move forward
- It's (becoming) a borderless world!

Thank You!

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