



INNOSUP-1 Projects Coordination Meeting

24 October 2018, Brussels, Belgium

Minutes

The meeting gathered 21 representatives from the 13 projects selected further to the calls for proposals "H2020-INNOSUP-1- Cluster facilitated projects for new industrial value chains" of 2015, 2016 and 2017. The project officers from EASME and DG GROW in charge of this action were also present.

To start with, Anna Sobczak (DG GROW) gave an overview of the European cluster policy and provided key reminders on the objectives of and expectations from the INNOSUP-1 projects. This presentation, as well as all the other presentations from the meeting, is available in the annexes.

Virginie Perron (EASME) then introduced the objectives of the meeting:

- To exchange good practises / success stories / experiences with and between the projects;
- To discuss the most frequent and common concerns from the ongoing projects and;
- To collect feedback from the current projects for the future INNOSUP-1 calls and projects to be managed, and for the design of the future generation of EU cluster initiatives.

After a brief introduction of all the participants, the approach for the operation of the meeting was recalled:

- ⇒ Each of the 13 projects had to prepare 9 Powerpoint slides on the following topics: **1**-Picture of the project; **2**-KPIs of the project; **3**-Building new cross-sectoral partnerships and value chains; **4**- Supporting innovation ideas from SMEs; **5**- Awareness raising and dissemination on project activities and results; **6**- Leveraging additional funding; **7**-Sustainability; **8**- Project management; **9**- Any other idea / suggestion
- ⇒ For the topics 3 to 8 above, rapporteurs from the 13 projects had been assigned prior to the meeting (2 rapporteurs per topic). For the topic he/she had been assigned to, the rapporteur was requested to report for all the projects on the main points, present his/her insights and address questions to the participants in order to launch the discussions on the topic.

Please find below a summary of the discussions under the 6 topics:

Topic 1: Building new cross-sectoral and cross-regional partnerships and value chains

ACTTIVATE and INNOLABS were the 2 projects assigned as rapporteurs for this topic.

Main points and common patterns reported for the topic for all the projects:

- 1- Bring stakeholders together using a bottom-up approach, eg through matchmaking activities (b2b and c2c meetings, matchmaking events, hackathons, bootcamps and other events)
- 2- Use dedicated tools
- 3- Critical to be close to the SMEs receiving the innovation support services
- 4- Narrow the scope of the services (e.g. limit number of selected types of innovation vouchers and services). Less activities but with higher budget and focused on a limited set of technologies.

Challenges faced and lessons learnt:

The schemes proposed were excessively ambitious. The timeline for implementation was too short.

Main points of discussion and contributions from the other participants:

Participants stressed the importance of the matchmaking component in the successful implementation of the action. Moreover, the bottom-up approach is considered key; services need to be adapted to the specific requests from SMEs. The level of readiness of SMEs to go for cross sectoral / cross regional innovation varies a lot from one sector to another (eg it was said that SMEs in the agrofood sector are usually less innovative than those in the ICT sector). The role of a Key Account Manager in facilitating the cross-sectoral cooperation is thus, of the utmost importance.

Other issues highlighted were the need of identifying the right SMEs (the “good players of the future”, those which need a push for innovation) and the importance of applying existing ideas to new sectors as strategy for success.

DG GROW recalled that, in terms of building new value chains, INNOSUP-1 projects are expected to report, at the end, new or significantly improved services, products, processes developed thanks to the support provided. Just bringing different players together without any tangible partnership outcome will not be enough.

The discussion was facilitated by Anna Sobczak.

Topic 2: Supporting innovative projects led by SMEs

Iot4Industry and Inclusilver were the 2 projects assigned as rapporteurs for this topic.

Main points and common patterns reported for the topic for all the projects:

1. The complexity of the supporting mechanisms is excessive and thus difficult for SMEs to understand.
2. Almost all projects offer direct financial support (vouchers) but the purpose of those vouchers is varied. Best practice- Small-value vouchers (e.g. travelling) are to be discouraged.
3. Services offered by most INNOSUP-01 projects include vouchers, KAM, mentoring and matchmaking.

Challenges faced and lessons learnt:

Travelling vouchers based on actual costs are less attractive than initially thought for SMEs and they add significant complexity to the management of the schemes.

It is difficult to identify cross-border partnership opportunities and to clearly identify the actual needs of SMEs.

Main points of discussion and contributions from the other participants:

The debate was structured around the need to properly market what makes the INNOSUP-01 scheme attractive, and to differentiate it from regional support schemes. It was suggested that the key messages to SMEs shall be the freedom and agility of the mechanism, the international dimension and the possibility of testing potential solutions in a friendly environment before going to the market.

However, it was stressed that while the key messages to be used could be harmonised, the set of specific services to be provided have to remain a case-by case decision of the project (own value proposition), as it is of the utmost importance that those services are what SMEs in the concerned sectors demand (bottom-up perspective).

The discussion was facilitated by Daniel Ugarte.

Topic 3: Awareness raising and dissemination

Cross4Health and C-Voucher were the 2 projects assigned as rapporteurs for this topic.

Main points and common patterns reported for the topic for all the projects:

- 1- Most projects use social media with various degrees of success. However, those who do not question if those tools are really working to attract SMEs.
- 2- All projects confirmed that the face-to face contact with the SME is crucial for establishing the cooperation and providing the innovation support services to them.
- 3- All projects organise on-site events, but shouldn't the focus be on big events, exclusively?
- 4- Importance of using existing communities such as Enterprise Europe Network and especially the European Cluster Collaboration Platform to attract relevant stakeholders.

Challenges faced and lessons learnt:

The timeline for implementation is rather short for creating trust between potential partners.

Main points of discussion and contributions from the other participants:

- It is suggested to combine pan-European virtual tools with the organisation of locally oriented physical events.
- It is suggested that building a digital identity is critical but, it pays off only in the long-term. It was mentioned that social media works at their best when building from existing communities. Starting new communities within the big social networks (twitter, LinkedIn, etc.) risks having a smaller impact to attract SMEs.
- The most important thing to do is to identify at an early stage what are the key stakeholders in the concerned fields and to build your community involving them.
- Workshops in which supply and demand meet are highly successful. They shall be challenge-based conceived and linked to open calls, though.
- Regional bootcamps linked to the open calls are also attractive because they give potential applicants examples of projects which could be implemented in the context of INNOSUP.
- For awareness-raising about the project and for communicating results and outcomes it is highly relevant to convey messages that are tailored and adapted to the needs of different audiences.
- As the INNOSUP projects are “cluster facilitated”, it is also of the utmost importance to involve cluster organisations in the dissemination strategy as the relevant intermediaries of SMEs.

The discussion was facilitated by Anna Sobczak.

Topic 4: Leveraging additional funding for the SMEs' innovative projects

Katana and VIDA were the 2 projects assigned as rapporteurs for this topic.

Main points and common patterns reported for the topic for all the projects:

- 1- Link with the smart specialisation strategies / public authorities for structural funds.
- 2- Try to raise additional private capital from the venture capitalist community, large companies and organise ad-hoc events to reach such investors (eg investors bootcamps, pitching events).
- 3- Identify new opportunities of funding at EU level (eg SME instrument, FTIs, Eurostars)
- 4- Crowdfunding also used by some projects

Challenges faced:

Many SMEs are not mature enough for further investment. When an SME is investable, it takes time to leverage additional funding so this may not be reported by the end of the project. The question was raised on how to keep track of the progress for the SMEs, after the end of the INNOSUP-1 project. It was also mentioned that revolving funds could put too much pressure on SMEs, sometimes with limited administrative resources.

Main points of discussion and contributions from the other participants:

- Some projects (eg NEPTUNE) focused on the financial support and innovation services provided to the SMEs and not on identifying further funding opportunities; only SMEs members of the clusters in the consortium were eligible to apply to support, so the clusters will continue to follow them up after the end of the INNOSUP-1 projects. Other projects (eg INNOLABS), while not applying such a limitation, would invite the SMEs supported to become members of the clusters to accompany them afterwards.
- C-Voucher explained that they included in their consortium 6 innovation agencies located in all the regions where clusters in the project are present.
- Several participants mentioned the possibility to create a “seal of excellence” for the projects supported by INNOSUP-1, to facilitate access to additional funding. ACTTIVATE elaborated on the agreement that was signed between Investment and Seed Capital Management of Andalusia SICCA, SA and PTS- Granada (one of ACTTIVATE’s partners) to provide SMEs supported by ACTTIVate access to funding instruments under preferential conditions.
- EASME recalled that an SME that received financial support under an INNOSUP-1 project may well apply to the open call of another INNOSUP-1 project, if eligible, as the 60.000 € limit applies per third party’s grant.

The discussion was facilitated by Virginie Perron.

Topic 5: Sustainability of the INNOSUP-1 projects and partnerships

SuperBIO and NEPTUNE were the 2 projects assigned as rapporteurs for this topic.

Main points and common patterns reported for the topic for all the projects:

- 1- Continue the network of stakeholders generated during the lifetime of the action.
- 2- Keep the tools used during the action alive.
- 3- Capacity-building within the consortium partners, other involved clusters and with other innovation stakeholders.
- 4- Build a business model, providing tailor-made services for which demand has been noted during the action’s lifetime. Best-practice: Fee-based models are to be preferred. Freemium schemes could be considered as an alternative.
- 5- Differentiation in the market is the most relevant issue to consider.

The discussion was facilitated by Daniel Ugarte.

Topic 6: How to manage an INNOSUP-1 project effectively and efficiently?

Impact Connected Car and DIVA were the 2 projects assigned as rapporteurs for this topic.

As part of this topic, EASME also made a presentation to provide clarifications on the most frequent issues faced by the projects: **1-** rules applicable to calls and contests (financial support to third parties); **2-** financial management of the INNOSUP-1 projects (based on the guidance note of 17/09/2018); **3-** further clarification on the 75% requirement; **4-** GDPR (General Data Protection Regulation) issues; **5-** IPR (Intellectual Property Rights) issues and **6-** Brexit.

Please refer to the presentation for details on the clarification points.

Main points and common patterns reported for the topic for all the projects:

- 1- Request for common tools (IT tools and templates) notably to manage the financial support to third parties (from open call publication to monitoring of the sub projects, including reports and payments)
- 2- Challenge to report on the 75% requirement, as the Excel table changed several times in the past few years.
- 3- Issues with GDPR (quite complex)
- 4- The management of the open calls is challenging
- 5- The overall management of an INNOSUP-1 project, more complex than other EU funded projects, is also quite challenging for the coordinators.
- 6- Issue of liquidity for non-profit organisations part of the consortia due to the fact that the remaining 10% of the EU grant amount are only paid after evaluation of the final report.

Main points of discussion and contributions from the other participants:

- Validation of the SMEs status by applicant to the call / services was discussed. Several projects explained that they request documents (eg statutes, balance sheets, etc) from the applicants to verify they fall into the SME definition.
- To the question about what would happen if an entity was an SME when it applied for support but during the implementation of the project, became a large company, EASME replied that the status at the time of signing the agreement with the entity should be considered.
- EASME explained that with its current resources, it is not possible to develop common tools or templates for the INNOSUP-1 projects. Several participants then suggested the Commission to launch a CSA (Coordination and Support Action) under H2020 or COSME that could develop such tools.
- VIDA proposed an amendment to the Grant Agreement through which the share of the EU grant that should be allocated to financial support to third parties would be fully paid to the coordinator during the project implementation, while, for the other categories, the rule of one pre-financing, one interim payment and one final payment would continue to apply. EASME expressed doubts about the feasibility of the proposal but will investigate.
- Concerning the 75% requirement, EASME explained that in case this percentage, or the one the consortium committed to reach in terms of the share of its budget dedicated to support innovation in SMEs, is not reached, a case by case approach will be applied. The reasons for not reaching the percentage will be examined, as well as whether corrective actions, recommendations from the PO, etc were applied. If not satisfactory, this may lead to a reduction of the grant.

The discussion was facilitated by Virginie Perron.

As a **conclusion**, participants were thanked for their preparatory work and active contributions to the discussions.

Annexes

- Agenda and list of participants
- Powerpoint presentation of the cluster policy and objectives of INNOSUP-1 projects
- Powerpoint presentation of clarification points