

Concepts and Financing of the European Innovation System

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Setting the stage

**“Research is making knowledge out of money –
innovation is making money out of research”**

(Per Eriksson, Director General, VINNOVA)

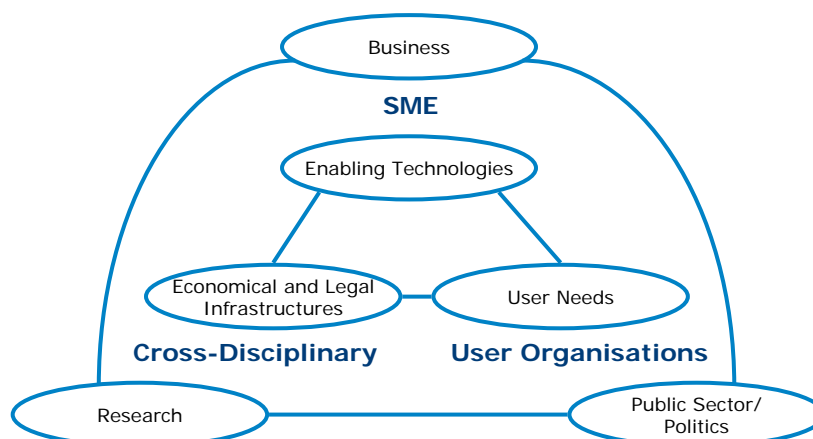
The development of effective innovation systems is all about making investments in R&D profitable, as well as identifying bottlenecks, challenges and possibilities

Research transforms money to knowledge
Knowledge is a foundation for innovation
Innovation transforms knowledge to growth, new jobs and money

- Challenge: to increase ROI in Research
- Promotes sustainable growth through the development of effective innovation systems and financing of needs-driven R&D
- Sustainable growth requires collaboration and interaction between business, research and politics/public sector → Triple Helix
- Annual budget of close to € 140 million



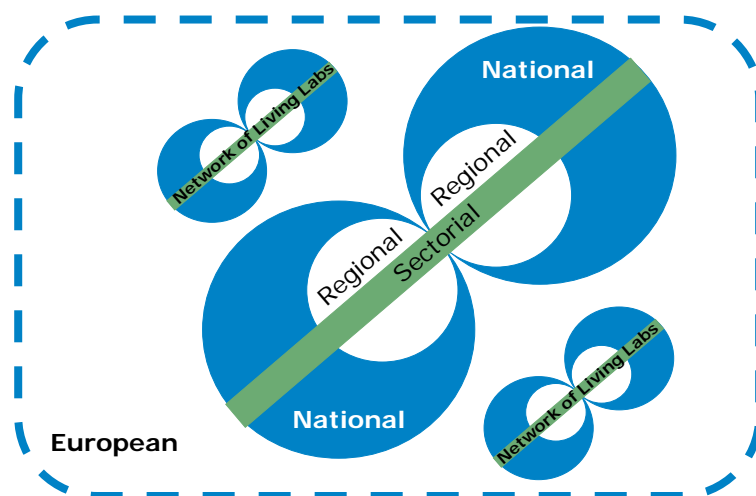
Triple Helix and three dimensions in an Innovation System



6 Functions to describe an Innovation System (Staffan Jacobsson)

- **Entrepreneurial Experiments** – The promotion of product and business development in both new and existing companies
- **Market Formation** – The creation of new markets, (re)formation of existing markets and the drivers of their development
- **Knowledge Development and Diffusion** – The promotion and fostering of research and its broad dissemination
- **Influence on the Direction of Search** – The guidance of stakeholders' direction of search for knowledge, and how and to what extent the IS is attractive to them
- **Legitimation** – The extent to which the new technology/service is legitimate
- **Resource Mobilisation** – The providing of capital and expert competence

Living Labs are Innovation Systems



VINNOVA Living Labs are Innovation Systems

"The collective intelligence in a [network] is greater than the sum of the individual intelligences" (Juanita Brown)

VINNOVA Open Innovations Systems – User-centric Innovation Systems

The diagram features a central white circle containing the word "INNOVATION" in bold, black, uppercase letters. Surrounding this central circle are four blue, teardrop-shaped petals that overlap each other. Each petal contains a label in white text: "Business" (top-left), "Research" (top-right), "Public Org./ Politics" (bottom-right), and "User" (bottom-left).

The 6 C of User-centric Innovation Systems

- **Capability** – have faith in the users' capabilities to contribute; but communication is crucial
- **Commitment** – users that are an active part of the experience of creating become committed
- **Contribution** – if it's for something needed the users will contribute
- **Continuity** – user involvement must not be one-time solutions, a continuous involvement of the users ensures the above
- **Collaboration** – an open information climate drives and facilitates collaboration among all stakeholders in the system, reaching the critical mass of users necessary for growth
- **Conscience** – each stakeholder in the system must participate on equal and fair terms, with ethics and mutual respect for the knowledge provided, creating a conscience of the system

The 7th C

- **CO-FINANCING** – each consortium forming a research and innovation project should contribute with 50 % of the total budget – BUT in kind must be countable as co-financing

The funding body's role(s)

- Fund research and innovation projects
- Foster and participate in the development of effective innovation systems
- Catalyse the collaboration and cross-fertilisation process
 - VINNOVA Catalyst Model
(Proactive process of "R&D Match Making")

Public AND Private funding

Open vs. "closed" innovation

- Can open and "closed" (traditional) innovation co-exist in the European Innovation system?

Thank you for your attention!

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Additional statements

Innovation systems evolves in an interactive process, where collaboration between institutions and markets, individuals and organisations, is central

In each European country only a smaller portion of its knowledge stems from the country itself

In an open (networked) innovation system the process of innovation and the result of innovation is a collaborative work of intelligences, hard to match by any individual company

A European Innovation System should convene and host collaboration among diverse stakeholders to explore core questions and emerging possibilities, invite individual and collective reflection as well as cross-fertilisation of ideas

Additional statements cont.

Absorption and development of knowledge on an international level is essential for all actors in an innovation system

Open collaboration is far better than absorption

70 % of all research results that can be commercialized are dependant on the active participation of the researcher
(Jensen & Thursby, 2001)

"Creating a positive future begins in human conversation. The simplest and most powerful investment any member of a community or an organization may make in renewal is to begin talking with other people as though the answers mattered" (William Greider, 'Who will tell the people')