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## Innovation via collaboration - an article from **EUREKA**



by Jacques Magen 16 April 2013

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Using working clusters of public, private and research institutes, innovation can be seen through from lab to market, explains EUREKA's Jacques

The European Union (EU) was created more than 50 years ago with two main goals: to ensure peace among European countries and support a common economic development. Joining forces towards common objectives is indeed an essential means to achieve peace, as was recognised by the recent Nobel Prize for Peace awarded to the EU. It is equally important to work together in industrial research and innovation in order to ensure a sustainable development both for businesses and society.

It has more recently become a European priority to engage industry, particularly SMEs, into increasing their research and innovation cooperation with partners all around Europe. It is important to encourage industrial companies to work together, with the underlying idea that we are stronger together than separately. Strategic grouping of businesses with similar aims and specialities, as exemplified in EUREKA Clusters, allow experts to share knowledge and expertise in areas such as microelectronics, information technologies and communications, and energy and water technologies.

For many years now, these strategic partnerships have built a full industrial research and innovation ecosystem, each in their domain. Now they are also starting to realise that cross-sector cooperation is becoming increasingly important and have decided to address that together as one of their new challenges.

Experts have realised that industrial collaboration is a very good instrument to trigger partnerships among industrial partners, performing common research activities towards European industrial innovation. Potential ecosystems include large companies, mid-sized companies, SMEs, and also research institutions and universities, as well as other public or private entities. These organisations learn to work not only with partners bringing complementary skills and expertise, but also with competitors. Indeed in some cases this is the only way to create innovative solutions that can be adopted worldwide. Papers such as 'The value of co-opetition and EUREKA Clusters' by Okan Kara, for example, extol the virtues of such collaborations.1

The existence of these ecosystems, which will increasingly interact with each other is essential for SMEs and mid-sized companies. Not only can they find research partners that will help them develop their future products and solutions, but they can also work with some of their future customers. Working together with partners all around Europe is also very helpful to develop a better understanding of the diversity of the European marketplace.

However, it is increasingly being understood that cooperation through Europe is not enough, and that the borders of the EU were sometimes too limited. Beyond the

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appalling.

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■ Now that non-Western countries are submitting research, the theories are so adolescent and basically infantile in logic and misogynistic prejudice, it's

Commented Christina Richter on Menopause down to men's preference for younger women? European countries, which the French President Charles de Gaulle once described as 'from Atlantic to Ural', <sup>2</sup> businesses need now to collaborate more and more with countries such as South Korea and Canada as advocated by EUREKA.

One important factor in managing collaborative projects is sharing investment between the private sector and national governments. This joint funding for industrial research projects is a key element for success. On the one hand, it allows industry to decide on the strategic research priorities and the main objectives to be pursued in each sector, for the benefit of European competitiveness. On the other hand, the public authorities and innovation agencies can check that the return on investment will be in line with their own priorities, at national and European level – in particular in terms of employment and job creation; education and development of high-level skills; and economy and competitiveness of industry.

At the same time, however, it can prove to be a challenge to combine these priorities, as national strategies are not always in line with what participants want to achieve together, and the return of investment is sometimes beyond the countries providing public funding. This critical issue can be overcome by being in permanent contact with the national public representatives, though this is not always successful. In such a case, flexibility may allow the partners to find partners in other countries, but this is often a tedious process that could be overcome only by a better coordination between public authorities.

A further challenge is the time to market. Being innovative is important; bringing an innovative product on the market at the right time makes the difference. When Thomson introduced the first connected TV on the market in 2000, no-one was ready to adopt it. The internet was not as widely spread as today, connection was too slow and consumers not willing to spend additional money for the few services that were available. Nevertheless, from a technological perspective, these products were not different from the 'smart connected TVs' that are being sold nowadays – and unfortunately there is no longer a European industry player in this field.

But be late on the market and you miss it as well. Particularly in today's world innovation race, it is crucial to be the first on the market – when the market is ready. This is why it is important to facilitate a 'bottom-up approach' where industry can decide which project to start and when. However, getting an agreement from both industry and public authorities on a common project often takes too much time, especially when several countries are involved. A better synchronisation among public authorities could certainly help in this matter.

Research and innovation is always a risky business. No-one knows the outcome of the work that is performed to develop a new system, a new product, a new solution; industry has to invest without knowing whether the result will be innovative and attractive enough to customers. Still, outstanding results are observed. The achievement can be in terms of direct sales of products derived from the project; often, one or several of the partners involved are the main beneficiaries, along with the countries in which they are located. It can also be in terms of new business creation: a spin-off company triggered by the outcome of the project, which, for example, is not in the core business of any of the partners. But the most important achievements are often in the area of technological development leading to new standards, providing Europe with a leading edge on new products and solutions. This can be achieved only with the main industrial actors involved in international cooperation.

At a time when the European economy is faltering, it is of utmost importance that industry and public authorities carry on their investment in industrial research and innovation, to lead the way towards a sustainable society of the future.

<sup>1</sup> 'The value of co-opetition and EUREKA Clusters', by EUREKA Chairman Okan Kara, http://www.eurekanetwork.org/press/-/journal\_content/56/10137/1871937. EUREKA has an annual rotating Chairmanship from 1st June to 31st May; Hungary preceded Turkey, which will be followed by Norway

<sup>2</sup> For more details see www.charles-de-gaulle.org/pages/l-homme/dossiers.thematiques/de-gaulle-et-le-monde/de-gaulle-et-lrsquoeurope/analyses/ lrsquoeurope-de-lrsquoatlantique-a-lrsquooural.php (in French)

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