

THINGS+ policy takeovers

A holistic approach to boost servitization in small manufacturers



One of the new global trends providing this advantage is servitization or the transition from Product Systems to Product-Service Systems (PSS). This is why there is a growing need to assess, analyse, and demonstrate the impact innovative services might have on industrial change. Service innovation is part of smart production transformation and should not be neglected by mainstream innovation support schemes.

MULTI-LEVEL POLICY DIALOGUE

Lodz, Poland, March 2019



TAKING COOPERATION FORWARD



MULTI-LEVEL POLICY DIALOGUE

Brno, CZ, October 2019



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- Barriers
- Opportunities
- Target groups
- Intervention logic
- Measures
- Tools

- A. Preparatory digital innovation awareness-raising initiatives**
- B. Vouchers and loans to lower risk during the go-to-market phase**
- C. Services development and implementation support measures**

AN HOLISTIC APPROACH



A LIST OF RECOMMENDATIONS

Policy recommendations targeting SMEs

R1.1 Increasing entrepreneurs' awareness with regard to the benefits of servitization by implementing information programmes presenting good practices in various industries

The dissemination of new solutions, especially among companies from the SME sector, is important, due to the fact they usually have limited opportunities to obtain information on new trends and innovations being implemented.

R1.2 Stimulating research teams to develop innovative solutions on the border between production and services

Without the involvement of scientists, the processes of servitization will be much slower and will be mainly replicative in character. To overcome such situations and increase the level of benefits for enterprises, and provide the expected level of competitiveness, cooperation with the research sector is needed.

R1.3 Pushing manufacturers in the leading industries of each region towards implementing service innovation.

Regional Smart Specialization Strategies (RIS3) constitute the development base of regions. Therefore, it is advisable to support the industries that are particularly important for regions by making it easier for companies to implement new solutions in the field of servitization.

R1.4 Increasing the export potential of products through their servitization, using regional programmes focused on this area of enterprise activity.

In the era of globalization, companies are constantly looking for opportunities to increase the competitiveness of their products. For manufacturing companies, the implementation of servitization processes is not only an opportunity for the company's development in the domestic market but also creates the opportunity to enter foreign ones too.

R1.5 Organizing the logistic support for enterprises entering new development paths through BSOs' consulting and infrastructure support.

Policy recommendations targeting BSOs

R2.1 BSO capacity building for a new KIBS focussing on servitization/smart products

New Knowledge Intensive Business Services devoted to the service innovation support also require new competencies among BSO staff, to secure the high-quality services provided to entrepreneurs.

R2.2 Supporting BSOs in creating and developing a network of contacts to provide better quality services to enterprises.

The involvement in supporting servitization processes can bring significant added value to companies' engagement in implementing new services if BSOs take advantage of their wide network of contacts and cooperative links with other entities in the marketplace.

R2.3 Engaging BSOs in the creation and monitoring of Regional Operational Programmes.

For a better understanding of market changes as well as insights into the directions of development of enterprises and their needs, BSOs should take an active part in the creation and monitoring process of Regional Operational Programmes and procedures. This is why BSOs should have their representatives on Monitoring Committees and participate in the regional debates concerning the allocation of EU finances.



A PRAGMATIC ANSWER

TOOL TITLE	RECOMMENDATION/S
Incubation programme to develop product-based services	R1.1 , R1.3, R1.4, R1.5
Further incentives to boost service design combined with investment in technology	R1.1, R1.2, R1.3, R1.4, R1.5
Small grants for companies for the implementation of the servitization concepts	R1.1, R1.3, R1.4, R1.5,
Dedicated programme for financing the digitization of manufacturing companies	R1.1, R1.2, R1.3, R1.4, R1.5
Dedicated calls for service innovation launched within the framework of ERDF ROP 2021-2027	R1.1, R1.3, R1.4, R1.5
Revolving fund for pilot servitization projects	R1.1, R1.2, R1.4, R1.5
Service Innovation Academy (SIA) - co-financed training for SME management staff, scientists and BSO experts	R1.1, R2.1, R2.2
Capacity building vouchers for Business Support Organizations	R1.1, R1.5, R2.1, R2.2, R2.3



T2. Extra incentives to boost service design combined with investment in technology

GOAL	Maximize the return on technology investment in manufacturing companies using a leverage effect
DESCRIPTION	<p>Special incentives for companies implementing services in addition to production processes are a tool tailored to the needs of production companies interested in implementing a new technology, but dedicated only to those technologies that are closely connected with services. This need arises from the fact that manufacturing companies often invest significant resources in new solutions to improve the production process, but engineers do not take into account investment in services.</p> <p>Additional incentives in the form of investment grants should help manufacturing companies assess the boundary conditions necessary to implement a service innovation, develop ancillary services (for a new technology or products along with a prototype of an innovative service - for companies that want to test or certify new services) and integration inside the processes taking place in the company.</p> <p>Twice a year (pre-defined cut-off dates) SMEs that have the potential and readiness to implement servitization (e.g. that have successfully completed a co-financed tech innovation project) can ask for a grant.</p> <p>The amount of the grant should depend on the size of the technological investment planned to be incurred by the company, e.g. a €500k investment, a grant of 20%. Financial incentives available to entrepreneurs must comply with the provisions on public aid for companies.</p>
TARGET	The special help should be dedicated to firms that plan to integrate new services with new technology or product.
IMPLEMENTING BODY	ERDF regional managing authorities responsible for smarter Europe connected actions
BUDGET	<ul style="list-style-type: none"> The minimum budget (grant) per project €75,000 – the maximum €100,000 A pre-defined amount of funds could be saved yearly by the ROP ERDF managing authorities
IMPACT MEASURES	<p>Results indicators:</p> <ul style="list-style-type: none"> n°. of technologies or products developed with new services % decrease in the time needed to reach the BEP of the tech investment



THANK YOU!



Francesca Pozzar
Friuli Innovazione
THINGS+ Coordinator



<http://www.interreg-central.eu/Content.Node/THINGS-.html>



francesca.pozzar@friulinnovazione.it



+39 0 432 6299 23



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