

# The Regional Action Plans

Regional Action Plans have to be prepared for each one of the 9 ERMIS regions (not each one of the partners!) according to the three steps indicated below

**Deadline for submission: 30 June 2012**

Partners: P11, P12 (Greece)

## 1. Short description of the SWOT

Greece is in the middle of a serious economic crisis which has stressed the country's resources. This has an obvious impact on the regions, their policies and their capacity to approve and implement new initiatives, even those that could have a directly positive impact on the local economies.

At the same time, a number of weaknesses are present and certain of them were actually further highlighted due to the crisis:

- Entrepreneurship performance - There is low degree of cooperation among the industry sectors active in North Aegean, local firms are focusing on local markets (which are small), and highly educated personnel is not offered enough opportunities to enable them to reside permanently in the region.
- Innovative outcomes - There is low adoption of new information technologies.

The threats that were identified in the SWOT analysis remain and create added pressure:

- Entrepreneurship performance - Local businesspeople and entrepreneurs find it difficult to differentiate their products and services from those offered by the competition (within and outside Greece).

The above issues exhibit increased complexity in our region, as North Aegean is a highly fragmented region, due to the multiplicity of islands that comprise it.

## 2. Best Practice(s) that have been visited and that have generated an interest and potential for implementation in the receiving region

The BP that the two partners from Greece have found as most promising for adoption is ECOBIZ (BP from the Lead Partner's region).

ECOBIZ is the network of economic networks in Cote d'Azur. One of the key reasons behind its creation was the lack of interaction among local firms because they "did not know each other". For example, a pharmaceutical company in Nice may hire an IT firm from Paris for implementing and managing its IT infrastructure, instead of partnering with a local IT firm which has the same knowhow (and potentially

better pricing options). The obvious negative effect on the region's economy is that a number of local firms could be struggling for customers, highly educated personnel may move to other regions in France, local authorities could experience lower revenues, etc. Hence, a number of requirements emerge for alleviating these effects and making SME creation an attractive option in the region:

- Local SMEs must cooperate more, both for helping each other in addressing their own needs as well as for jointly developing new products and services
- They should be able to easily exchange ideas and work together on business opportunities
- They should be able to be in touch with experts and entrepreneurs in other economics sectors and other professions (e.g. intellectual property lawyers, accountants, etc.)

The solution that ECOBIZ implements is the creation of online communities of same-interests organizations rather than vertical communities of same-sector organizations. This enables cross-fertilization of ideas and increases the potential for cooperation among SMEs that may have never been in contact before. These communities may be communities of interest, communities of practice or communities of project, in increasing order of collaboration.

The attractiveness of ECOBIZ for our region lies with the fact that it addresses the same core issue that we face: in an environment where it is difficult for SMEs to physically communicate and collaborate with other organizations in the region, there is a side approach in the online world, through a 'Facebook for enterprises' concept that ECOBIZ embraces. The successful implementation of ECOBIZ makes it even more relevant for our region, assuming that we can adjust its key success factors to the realities of our region. These key success factors may refer to:

- Context. Admittedly, the financial and legal context of Cote d' Azur may be significantly different than that of North Aegean. This, however, is not negative. It should force the local actors to think about new ways of learning from the Cote d' Azur experience and to be more flexible in finding the right resources. For example, the financial capacity of the regional government for directly funding such an implementation is limited, due to budget cuts that the financial crisis necessitated. The same holds for business agencies such as local Chambers of Commerce. Instead of putting a stop on this effort, local government agencies, local business agencies and the local university could share resources (human, financial, etc.) and make this happen.
- Actors. Our understanding is that in Cote d' Azur, the main actor involved in ECOBIZ is the Chamber of Commerce. As mentioned above, however, we do not have the luxury of having one local actor running everything, as multiple stumbling blocks will need to be removed by multiple and collaborating actors. A reasonable approach would entail a leading actor (e.g. the local university, as a centre of innovation), with a number of other actors supporting and working together with the leading actor:
  - The local university provides expertise in designing and implementing both the management and technical side of the ECOBIZ adaptation to our region. There is relevant academic personnel, as well as graduate and undergraduate students, who could undertake such development, at least in its initial stage, while keeping costs low.

- Local government agencies identify and secure funding from non-government resources, such as EU research or regional development projects.
- Local business agencies (e.g. Chamber of Commerce of Lesvos) may provide financial resources and should actively promote this effort to their members, so that this effort is embraced from the beginning and shows its potential for success.
- Venture capital firms who may have an interest in such an endeavour. This, of course, would affect the legal standing of this effort (i.e. it may be set up as a separate, for-profit organization from the outset).
- EU partners, such as the Chamber of Commerce of Cote d' Azur, who could provide relevant expertise and guidance.

**3. Based on the above each partner who has indicated an interest in a BP transfer should develop one A4 setting out its ACTION PLAN**

Our plan for the next 5 years for adopting ECOBIZ (and other best practices) is comprised of the following phases (project codename: AEGEAN-BIZ):

1) Pilot Phase. The pilot phase will focus on creating a proof-of-concept prototype that will showcase both the business capabilities and the technical infrastructure needed for AEGEAN-BIZ's implementation. During this phase, we will engage in the following broad activities:

- a. Pilot the development of the AEGEAN-BIZ platform, as an adaptation from ECOBIZ's approach. This should include both a proof-of-concept development of the technical infrastructure as well as of the business infrastructure (management structure, etc.). The business infrastructure may include 2-3 communities, supported by Steering Committees, Administrators, etc. The technical infrastructure may be based on open-source software, wherever possible.
- b. Develop a business plan for the post-pilot viability of the AEGEAN-BIZ proof-of-concept. This should provide a blueprint for scaling up AEGEAN-BIZ to its full implementation and may include other best practices that can further enrich its services. New services may include consulting/advisory services, as exemplified by VALLOR'INNOV (LP – France) and United Brains (P5 – Netherlands). We believe that AEGEAN-BIZ communities will receive added value through such services, thus leading to higher adoption of AEGEAN-BIZ.

2) Benchmarking Phase. We will use the outcomes of the ERMIS project and the ERMIS methodology to have an initial assessment of how the Pilot Phase outcomes will affect our region's ERMIS profile of innovation. This will be also used as a key communication tool for engaging stakeholders, especially local government actors, who may have significant involvement in the following phase.

3) Implementation Phase. If the previous phases are successful and the key actors agree to provide the necessary resources, then we will proceed to full implementation and scaling up of the AEGEAN-BIZ infrastructure. Key areas to address include:

- a. Communities
  - i. How to create and promote communities
  - ii. How to develop and sustain a community's management structure (roles, incentives, required skills, etc.)
- b. Technical infrastructure
  - i. Technology development roadmap
  - ii. Required skills and capabilities
- c. Business plan
  - i. Financial highlights (key assumptions, cost drivers and headline figures, revenue drivers/pricing structure and headline figures)
  - ii. Key performance indicators
  - iii. Offered services
  - iv. Strategic alliances/partnerships approach
  - v. Promoting user lock-in
  - vi. Growth plans
  - vii. Overall required skills and capabilities
  - viii. Marketing and communications
  - ix. Risks and their management
  - x. Overall critical success factors

The overall success of this approach will heavily depend on the collaboration among different actors/stakeholders, as discussed in the previous section. We expect that at the end of the Benchmarking Phase, we will bring all relevant stakeholders around the same table to define the parameters that will govern collaboration among them:

- Overall resourcing. The business plan to be created at the end of the Pilot Phase will provide hard facts on the scale of the necessary resources that will need to be allocated. This should include financial resources, human resources, IT resources, etc.
- Organizational structure. This will depend on the type of stakeholders that will decide to participate. For example, if venture capital firms decide to (partially) fund the full implementation, then a for-profit legal entity may need to be agreed, as a governance mechanism among participating stakeholders. Or, a joint development agreement may be enough, if only the University of the Aegean and the North Aegean local government decide to proceed.
- Project management. The implementation of the project may necessitate the development of joint teams, regardless of the organizational structure. For example, business management experts from the University of the Aegean may work together with IT contractors for developing the business and IT infrastructure of AEGEAN-BIZ. Local government officials may promote the project to the central government for additional funding, in cooperation with firms participating in the AEGEAN-BIZ. Such joint teams will provide an additional collaboration governance mechanism with the hope of increased efficiency and problem-solving capacity.

Focusing on local policymakers, a key ambition is to make AEGEAN-BIZ part of their vision for the innovation future of our region. The ERMIS methodology and the results of the pilot phase will provide an 'objective' description of the current state of innovation of the region, as well as a path for developing its future. Relevant messages should include:

- We are not as innovative as we should be, compared with a number of regions across Europe. A key determinant is the geographic dispersion of the region, which leads to fragmented markets, industry segments and economic actors in general that are isolated from each other.
- We are not alone. In facing similar types of issues, regions across Europe have tried and tested approaches and best practices that exploit online and offline services, leading to proven positive results on local economies.
- We have the right tools to move forward. The ERMIS methodology is a proven way to depict our current state and define development paths.
- We have a multiplicity of best practices to adopt. The ERMIS project exposed us to a number of innovative initiatives across Europe and the project's methodology provides a structured way in adopting such BPs. In addition, we had the chance to link with a number of experts who can provide advice and expertise going forward.
- We have a clear development path for adopting a specific BP that addresses a root cause of our lack of innovation, i.e. lack of collaboration. It is called ECOBIZ, it is successfully implemented in Cote d'Azur, we can adopt it and pilot it in North Aegean.
- You have the power to make a difference. ERMIS put in our hands a structured way to map our innovation future. It provided the tools and the BPs to kickstart the innovation process and revitalize the economy of the North Aegean. It provided the network to learn from and link into it for future help. Now it is your turn to bring all stakeholders around the same table and lead the change.