

Developing cluster organisations in Northern Central Sweden
SLIM-report 10: 2010



RegioStars 2011

The SLIM Project entry for the RegioStars 2011 Awards

The regions of Dalarna, Värmland and Gävleborg are together conducting the SLIM Project (system management and learning related to cluster processes/innovative environments in Northern Central Sweden) in order to support the development of cluster organisations and innovative environments. The project covers cluster organisations in the three regions, and comprises some 700 companies with a total of approximately 60 000 employees. The cluster organisations cooperate with each other and with the universities, institutes of higher education, municipalities and public sectors within the regions. The goal is to increase the level of growth and competitiveness in the three regions.

Within the framework of the SLIM Project, **new knowledge is being developed concerning regional growth, clusters and innovative environments**. The report entitled “RegioStars 2010” – the Slim Project entry for the RegioStars 2011 Awards – is part of a series of reports that have been produced by analysts, researchers and consultants on behalf of the project. The opinions expressed in the reports are the responsibility of the authors themselves and do not necessarily reflect official views.

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Digital versions of the report series are available at www.regionvarmland.se/slim.

We trust that the reports will help to develop knowledge in the fields of regional growth and regional innovation systems. We would be grateful to receive your comments on the material.

RegioStars 2011

The SLIM Project entry for the RegioStars 2011Awards

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RegioStars 2011 - The Awards for Innovative Projects

APPLICATION FORM for category 1 to 4

(Please see separate application form for Category 5)

This application form should be sent **by 16 July 2010** to:

regio-stars@ec.europa.eu

Please read the Guide for applicants

SUMMARY OF INFORMATION

1. PROJECT TITLE: SLIM-PROJECT, SYSTEM MANAGEMENT FOR INNOVATIVE PLATFORMS (SLIM)

2. REGION: NUTS 2 in Northern Central Sweden in the regions of Värmland, Dalarna and Gävleborg

MEMBER STATE: SWEDEN

3. PROGRAMME WHICH FUNDED THE PROJECT:
(*TICK AS APPROPRIATE*)

- European Regional Development Fund
 Cohesion Fund
 Instrument for Pre-Accession Assistance (IPA)

4. IDENTIFY THE AWARD CATEGORY FOR WHICH THIS PROJECT IS BEING SUBMITTED
(*TICK AS APPROPRIATE*)

- 1)** Networking and cluster initiatives supporting regional growth and SMEs access to global markets
 2) Anticipating economic change
 3) Promoting sustainable energy in cities ("CityStar" category)
 4) Integrated, clean urban transport projects ("CityStar" category)

5. START DATE OF THE PROJECT (MM/YY) 01-01-2008
(*STARTING DATE MUST BE AFTER 01-01-2000*)

END DATE OF THE PROJECT: (MM/YY) 12-31-2010

6. COST OF THE PROJECT IN EURO

EU: 1 302 002

NATIONAL PUBLIC: 1 302 002

NATIONAL PRIVATE: 0

TOTAL: 2 604 004

7. CONTACT DETAILS

Regional Authority* submitting the application:

Regional Authority: Swedish Agency for Economic and Regional Growth (Tillväxtverket) – Regional Structural Fund Programme Northern Mid Sweden

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Project management:

Name of the organisation: Region Värmland, SLIM-projektet

Contact person: Staffan Bjurulf

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8. Description of the project (maximum 5 pages)

PLEASE NOTE: Your application will be the basis of the jury's assessment of your project; therefore, it is in your interest to provide as **clear and comprehensive a description** as possible.

In your description of the project please include the following information:

8.1 Provide a **summary description** of the project

In Northern Central Sweden, in the regions of Värmland, Dalarna and Gävleborg, there are some 60,000 employees in 700 companies, gathered into 15 cluster organisations. Here, enterprises from strong traditional Swedish industrial sectors, such as steel and engineering, pulp and paper, ICT and the service sector, account for a large share of the Swedish export sales. This is achieved through close cooperation with Karlstad University, the University of Dalarna, the University of Gävle and Mid Sweden University. These universities serve as important partners for the 700 companies, with 55 000 researchers, academic employees and students on their very doorstep.

The SLIM-project is based on a model for system management that contains the three components; policy learning, process support and evaluation. A fundamental concept of the project is the common learning on how regional innovation environments can be built up,

* or Member State where the entire country is a NUTS II region

supported and further developed in dialogue between the cluster organisations, the regional business communities, universities and institutes of higher education, politicians, and national growth players. The aim is to increase the understanding for long-term investments as a pre-condition for the structural changes and renewal that are needed in order to develop business life in the regions.

8.2 State the key objectives and whether they have been met

The SLIM-project enhances the development of cluster initiatives and innovation environments in the Northern Central Sweden from a system management perspective. SLIM-project is divided in 3 components; Policy learning, Process support and Evaluation, everyone with its own objectives.

Below are the key objectives for each component and how these have been met.

Policy learning

Actively support and deepened understanding of policy learning according to the Triple Helix Model and other models of cooperation. SLIM together with the universities in the region plan to start a Research Institute on Innovation Leadership, (RIIL) located at Karlstad University. RIIL is going to offer four distinctive profiles on innovation and cluster research; 1) *Focus on actor-driven, "bottom up" perspectives to innovation and innovation clusters*, 2) *Inter-disciplinary research on innovation cluster implementation and management*, 3) *Effective "fused" approach to the study of innovative leadership in innovation clusters that involves the full strategic involvement of innovation policy-makers and non-academic partners in research design* and 4) *Studies of innovative leadership with an emphasis on engaging new international agendas on innovation, such as Europe 2020 and "Innovation Union" concepts*.

SLIM also finances Three PhD-candidates as process tracers with somewhat different scopes on the cluster innovation theme.

Process support

To give adequate and efficient process support to the cluster managers based on their needs.

The cluster managers need more knowledge about business intelligence, financing, internationalization, leadership, communication and strategies. The crucial point here is interaction, the meetings among the different actors in the regions. On these occasions the knowledge and skills mentioned above are essential. SLIM strives to have a common business strategy how these competences should be met and how the important meetings should be arranged to create trust and social capital for further future cooperation. It's a learning process where good examples from the three regions are highlighted to increase the knowledge on process support.

Through SLIM and process support by the cluster leaders, strategies are developed for each cluster organisation to promote increased internationalisation by the cluster organisations going abroad for

example business trips to China, Korea and Japan among the cluster organisations and their companies to invite delegations to Northern Central Sweden and invest and develop cooperation on a company level. This has led to new cooperation with China Pulp and Paper Research Institute. There are also set up business meetings among companies from different companies to develop new business cooperation.

Evaluation

Annually measure and evaluate the effects of the regional investments on a business- and actors level.

A survey has been done annually in Värmland since 2005 and from 2007 also including Dalarna and Gävleborg. It's very welcomed among policy-makers and cluster managers as an important instrument for better understanding and for efficient future allocation of the public funding.

8.3 What was the **strategic context** of the project?

By establishing trust and social capital between entrepreneurs from the enterprises and well-educated and inquisitive academics, growth and competitiveness are created and the products and services of tomorrow invented.

Co-production between companies gathered in cluster organisations, regionally located universities and regional public actors stimulate development of a common vision, shared goals and strategic cluster action plans. This in turn, increases cooperation between actors in the triple helix perspective and results in an improved knowledge transfer and cooperation between academia and cluster companies. This results amongst others in new products and services, increased sales and new jobs, which also can be verified in the annually assessment made within the SLIM project.



SLIM wants to be a reliable and competent actor on a national level. When IVA, (The Royal Swedish Academy of Engineering Sciences) initiated a project to build a national Business Plan for innovation systems in Sweden sanctioned by The Ministry of Enterprise, Energy and communication SLIM will be a part of that process together with VINNOVA (The Swedish Governmental Agency for Innovation Systems) and Tillväxtverket (Swedish Agency for Economic and Regional Growth).

8.4 Highlight the **innovative character** of the project.

Within the SLIM-project four innovative characters are highlighted:

- Development of common research agendas

- Development of open innovation platforms
- Development of common strategic educational agendas
- Development of cluster rooms at Universities

For each of the four innovative characters above there is an example from the project added.

Development of a common research agenda between cluster organisations and university

With a critical mass of companies in cluster organisations connected to the university with adequate research it is possible to respond on the companies innovation demands and also possible to support activities to accelerate innovation. An example of a common research agenda is the Research Institute on Innovation Leadership, RIIL at Karlstad University.

Development of open innovation platforms for academia, companies and public actors

An open innovation platform is a geographically located test environment for a specific industry or sector, hosted by a cluster organisation who works in cooperation with a public actor and a regionally located university with globally connected researchers. The platform builds on the triple helix principal with academia, companies and public actors linked together striving for the same vision and goal. At an open innovation platform, different companies connected to the cluster organisation can rent space, specific equipment or unique human competence in order to test and/or develop products and services. The open innovation platforms increase the involved companies' competitiveness on a global market. The partnerships and strengthen links between business and research promotes innovation. An example of an open innovation platform is The Future Position X in Gävle, the leading cluster initiative on Geographical Information Technology in Europe.

Development of a common strategic educational agenda between the cluster organisations and the educational providers in the region.

The renewal of industries and new innovations and future technologies demand new knowledge in the companies. And also new requirements for future employments. There are needs of new skills to produce and deliver the new products and services. The cluster organisations can transmit these needs and be part of the planning of new educations and programmes at the universities and together with other educational providers. The cluster organisations can also contribute to internship and informal work practice for young professionals. An example of a common strategic educational agenda is the Triple Steelix in Borlänge with focus on the steel industry. Together with the University of Dalarna they have built up a Master programme in 3D roll forming.

Development of cluster rooms at Universities.

Together with the Principal and the Board at Karlstad University there

has been an agreement to set up an open area on the Campus: The Cluster Room. The University provides the room and a booking system and the cluster organisations host the room. The purpose of the cluster room is to facilitate meetings between SMEs in the cluster organisations and students at the University. Activities provided are seminars, project meetings and product and innovation development activities. The aim is to decrease the barrier between entrepreneurs with a low level of university education to come to the University, but also for students to get in contact with representatives from the business life.

8.5 What has been the **impact** of the project in the region, locality or urban area?

To be able to create long-term growth in a region it is of importance to have a tracking system assessing the impact of public funding and gaining knowledge on an annually basis to detect areas of improvements, areas to improve and areas of consideration, to allocate the public funding in the most efficient way.

In the SLIM-project a survey is undertaken annually since 2007. The target group for this survey is the cluster managers and companies belonging to 15 different cluster organisations in Northern Central Sweden. Four growth indicators are measured; growths in existing companies, new business establishment, increase in near-industry research and long-term competence provision.

Some of the results from the 2010 survey are given below:

90 % of the companies indicate a big interest to strengthen the connection to the academic sector to gain new knowledge into the cluster companies.

85% of the companies want to grow in turnover and employees. And thereby contributing to a raise in the employment rate in the population aged 20-64.

75 % of the companies predict innovations and new products as a result of a cluster membership.

60% of the companies can find the right skill needed through the cooperation with a cluster organisation.

30 % of the cluster companies have increased their sales during the economic recession thanks to being part of a cluster organisation.

(According to the 2010 assessment by Ramböll Management Consulting)

8.6 What is the **expected sustainability** of the project?

From the start of SLIM each region was responsible for one component, Gävleborg – Policy learning, Dalarna – Process support and Värmland – Evaluation and also the project management. But now there is an integrated innovation strategy for all three regions with adjustments to local prerequisites.

But also between cluster organisations and the locally based universities, which contributes to Europe 2020 - a smart inclusive and sustainable growth.

The outcome of the project so far is very satisfactory. And an application for a successor for the period 2011-2013 is done and will be sent to

Tillväxtverket (Swedish Agency for Economic and Regional Growth).

8.7 Describe the **partnership** and how it worked.

The built up knowledge on cluster innovations over the years and the structural working methods is now paying off. The three regions, Gävleborg, Dalarna and Värmland and the SLIM project is looked upon with respect. When IVA (The Royal Swedish Academy of Engineering Sciences) wants to build up a national strategy, a national Business Plan for innovation system in Sweden sanctioned by The Ministry of Enterprise, Energy and Communication SLIM will be part of this process. During 2010 SLIM will host a study visit for politicians and official clerks involved in the work with the national Business Plan. In the beginning of 2011 SLIM will host a conference on innovation systems and cluster management together with The Ministry of Enterprise, Energy and Communication and IVA (The Royal Swedish Academy of Engineering Sciences),

SLIM has not only been engaged in building partnerships and networking on a national level but also on EU level. In March 2010 the project manager for SLIM where in Brussels on a meeting with DG Regional Policy, Thematic Coordination and Innovation to inform about the project. After the presentation SLIM where asked to arrange a workshop on the Open Days October 5th 2010 on the theme: *Frontrunners in innovation and sustainable growth: cluster organisations in European regions.*

SLIM has together with European Cluster Observatory arranged an education called "On Clusters" divided in three sections; Cluster Dynamics, Cluster Policy and Cluster Management. In conjunction to this education a DVD has been produced free of charge which can be ordered from European Cluster Observatory's website.

8.8 Is an **evaluation report** available? Yes No

(No need to provide it at this stage)

Cluster cooperation creates growth and competitiveness

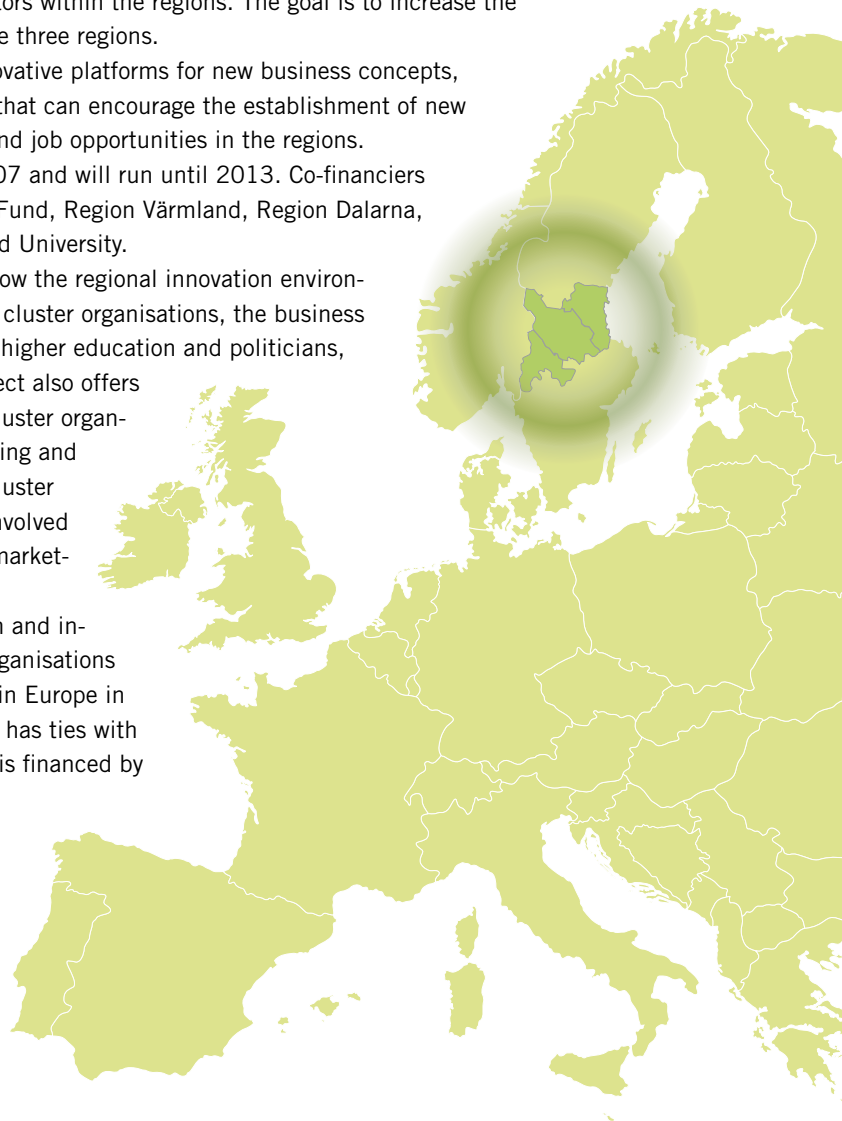
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The cluster organisations provide innovative platforms for new business concepts, research work and development projects that can encourage the establishment of new companies, new products and services, and job opportunities in the regions.

The SLIM Project was initiated in 2007 and will run until 2013. Co-financiers are the European Regional Development Fund, Region Värmland, Region Dalarna, Region Gävleborg, VINNOVA, and Karlstad University.

The project entails joint learning on how the regional innovation environments can be developed in dialogue with cluster organisations, the business community, universities and institutes of higher education and politicians, as well as with national players. The project also offers process support to the managers of the cluster organisations in the form of mentorship, coaching and competence development. Through the cluster co-operation, small companies become involved in new business solutions, international marketing and R&D work.

The SLIM project also has a European and international perspective and the cluster organisations taking part cooperate with other clusters in Europe in order to learn from each other. SLIM also has ties with the European Cluster Observatory, which is financed by the EU Commission.



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