# OP 3.4.1

# PP10 - Regional development plan

**CENTRAL EUROPE Programme 2007 – 2013**

**PRIORITY 1: Facilitating innovation across Central Europe**

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| **Authors** | *István VALOVICS,*<br>*Budapest University of Technology/ Biometrical Knowledge Center* |
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| **Summary** | To ensure sustainability of the project each partner will develop a Regional development plan in order to show how the project can get access to the target groups (see 2.1 Relevance) of the regions. |

# REGIONAL DEVELOPMENT PLAN FOR ENSURING SUSTAINABILITY

## THE GOAL OF THE PLAN

The goal of the regional development plan is to determinate those InTraMed-C2C activities which can help to set up a sustainable system for helping the innovation transfer. To reach it, we have to plan such procedures and institutional background which ensures the economic and methodological background of InTraMed-C2C.

## THE OPERATIONAL ENVIRONMENT OF INNOVATION-TRANSFERING

Within the region, some of the essential areas of hospital and clinical innovation have been explored, and we have heard about the local status of innovation from specialists. We have learned by contacting transfer offices operating at universities that the offices can move out the innovations of academical researchers from the "seed" status only partially. The greatest help from their part is to provide planning guidance and make contact with industrial partners. We have also heard from the representatives of capital investors that it is hard to send innovational thoughts from the idea phase to the development phase since the minimal investment volume of the capital investors far exceeds the necessary capital of this term. The capital investors expressed their opinions: an investor can only measure the feasibility of an idea from its preparedness: does it have any project (and project organization) built around it? If the idea has not enough project management, the investor will become mistrustful for he does not see the feasibility of the idea guaranteed.

One of the biggest edification of thematic workshops was that the innovation of medical profession had become monotonous, for it had turned toward high-tech applications and thought few about the existing technology. The source is the technical intensity of medical areas and the existential uncertainty of medics.

So the regional state of hospital innovation is not satisfactory, the environment prevents it from free evolution. The government's priorities about health care are far from the problematic of innovation, it is the optimal evolving of alimentation, the regional evolving of alimentation activity which is in the center of approach. The industrial environment of innovation transferring is not always suitable to be involved, the technological readiness of national manufactures is very low, excluding some fields which have enough national tradition (radiology, image-diagnostics).

To summarize, the innovation transfer is only imaginable in the region if:

– we strengthen the innovation susceptibility of medical fields with appropriate motivation system;

– we supply the owners of the innovation with marketing knowledge (with guides including marketing knowledge);

– we work out a methodology guide for the innovation rules;

– we apply the internationalism of InTraMed-C2C to acquire missing industrial-technological partners;

– we persuade the medical government with lobby activities that innovations can be cost-cutting, so it is important to support them;

– we are looking for a suitable investor group that can finance the innovation in its initial (low-costing) state, and we finance the unsuccessful outcomes from a central risk fund;

– we attain the academic technology-transfer offices to support original (local) innovations;

– we draw the attention of industrial-technological clusters about opportunities of medical innovations, we support the evolving of the original idea with medics.

## TOOLS OF SUSTAINABILITY

We discuss each point based on the list above.

*Motivation system*

It is important to work out such a motivation system (regulated on the level of medical innovation) that inspires properly both the owner of the innovation and the employing institution to admit innovations morally and financially. The evolving of the motivation system takes place within the InTraMed-C2C project; it has to be implanted locally. In the motivation, we have to discuss about the proper defense of the idea.

*Tools of marketing knowledge*

Experience shows that researchers possess lots of things but not with the necessary knowledge to place the idea into projectable environment. The inventor person or team is not capable to manage the innovation along with their daily work. At this point, we have only to options left:

– to work out and publish a guideline which includes the description of process whose intercession can turn the idea into a project;

– to train and employ independent advisors who are able to work out and manage the projected environment of the idea.

Both of these versions takes much time to build up. Moreover, they include countless complications:

a) the description of the guideline does not substitute the experts who are occupied with the management of the innovation. The owner of the idea is not helped, he still does not have time to go along the process. The guideline provides only controlling and monitoring opportunities to control the manager dealing with the project;

b) the training of independent advisor managers takes time, the initial activities are not financed and the working out of marketing opportunities also takes time and work as long as we do not find financial investors.

Summarizing all these, it is necessary to build up an innovation-management organization owning financial investment potentials which is able to finance the initial process. The organization could be the innovation-coordinating agency mentioned above. However, establishing the agency means more time and money as long as we do not find financial investors.

To summarize all these up, our goal is to establish an innovation-management organization capable to ensure the initial capital-pretention or the governmental invention-fund. This organization would be the innovation-coordinating agency mentioned above. But establishing the agency takes time and money. This is the point where we could find a role for the medical government: it should work out the organizational unit taking the core of the agency in the limits of a functioning central organization, and when the operating is rentable, it establishes the independent agency.

*Hospital innovation rules*

The establishing of the hospital innovation rules must be based on the existing ones. For the work-out, we have to set up a work-group, which includes: the Hungarian Association of Hospitals, the Organization of Medical Economic Managers, the Bureau of Copyright Laws and the representatives of the major technological transfer offices. The innovation rules must be presented on a professional conference and through the discussion the definitive version must be accepted and set to mandatory for all of the hospitals. As for the defense of intellectual works, the Bureau of Copyright Laws must be involved.

*International relationships*

The international professional-technological database formed within the InTraMed-C2C project could provide indication for professional relations.

*Tools of central supporting*

We have to prove the economical benefit of innovations for the central administration. In that case, if we present to the government that local innovations, researching-development results have business plans behind them which are financing the lead to the market, we can

prove that central controlling can only win in this case since the innovation-transfer does not mean mandatory investing. The only task is to ensure “place” for the agency and to apply to set up the organization of the agency. The facts above are matching with the goals of the Semmelweis Plan:

**“… One of the conditions to ensure competitiveness for Hungary is to treat the health government as key sector, in comparison to the former remainder principle. The recognizing of the role of medical industry, to liberate the traditional high quality innovation-scientific capacity and to esteem the group of persistent experts is part of the complex cognition…”**

The description above closes the innovation from the side of the medical industry but there is no medical/clinical innovation without functioning innovation.

*Investing solutions for the initial part of innovations*

Let’s assume that the Innovation Fund ensures the necessary sources for the set-up of the innovation agency. To ensure the sources for the initial process, risk investors must be involved. The investor will hope some return which is also provided by the Innovation Fund in the first 3 years of the incubation stage. The agency calls the necessary capital provided by the investor in extent of the supported innovations, the rest of the capital stays in investment to secure some return for the total sum.

Among the borders of the InTraMed-C2C project, the whole construction must be built up with governmental and fundamental representatives.

*Connection with the transfer-offices*

The functioning offices (for example the **Semmelweis Innovations**) have already collected a lot of experience at the area of innovation management. Unfortunately, for them this kind of intellectual capital-accumulation means livelihood, so the experiences are not communal. Still, we think that if they plan out their future working method with the innovation agency, they will get a much larger clientele and they can share their knowledge with the agency.

This connection may also be hierarchic. The agency can collect his projects and the ones of the transfer-offices, so the financing can keep up with the risk investing limit. The offices can communicate with the medical government about their researching-development strategies and the government could define their development ways.

*Cluster relationships*

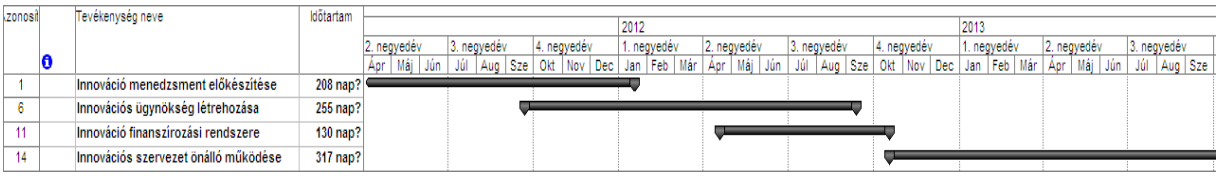
Technological clusters are compressing companies and organizations representing technological possibilities. Leading these clusters into the innovation workshop is the core-business of the InTraMed-C2C project. At this time, the clusters are organizing to increase market and to represent their interests. The involving has been almost impossible until now for the lack of capital. With the creation of fiancé, the connection between technology and innovation will be more active.

*Regional development plan*

The tools mentioned above will only convert to activities during the development plan. The plan is the totality of those processes which controls the presented tools and its consequence is a functioning, self-supporting innovation-management.

The plan has a 3-year horizon (2011-2014) allows the accordance with the development plans, the results can be expected at the beginning of 2013. We describe the plan along with the timeline:

The full deduction is the following (beginning the second quarter of 2011.):



| zonosít | | Tevékenység neve | Időtartam |
|---|---|---|---|
| 1 | | Innováció menedzsment előkészítése | 208 nap? |
| 6 | | Innovációs ügynökség létrehozása | 255 nap? |
| 11 | | Innováció finanszírozási rendszere | 130 nap? |
| 14 | | Innovációs szervezet önálló működése | 317 nap? |



**PHRASE ONE: PREPARING OF THE INNOVATION MANAGEMENT**

The success of the development plan depends on the one of the preparation. The preparation contains four main goal:

– Funding a motivation system. This system is very simple but takes all basic interests into consideration. Both the owner of the idea (and its institution) and realizing company are interested in the enhancement of the innovation from the stage of idea. The motivation system must take charge of the enforcement of the interests of innovation management.

– Innovation regulation for hospitals/clinics. The regulation rules the functioning environment of the interest-system, the responsibilities, the authorities and the legitimacies within the institution. The regulation describes the tasks connecting to the innovation as a clear and understandable process, until the formal description of the idea.

– Working out innovation guides. The guides must contain the thematically processing of the life-cycle of an innovation. For the owners of the ideas, the guides are carrying indispensable cultural knowledge, uncovering the conditions of effective innovation management.

– Creating and uploading international database. The result of the development plan is the system of reaching the target area. To reach it, we need to set up a database which will come up with possible hits for the searches about technological requirement. To defend the information of the company, a keyword definition is needed to set up for increasing the hits of the database.

The realizing of Phase One exceeds ¾ years a bit. The three processes overlaps each other. The critical point is the work out of the international database.

**PHASE TWO: CREATING AN INNOVATION AGENCY**

The institution of innovation agency ensures the reaching of the target area. Given the fact that the initial financing of the activity of the agency must be ensured, it is worth to create it within the borders of a state institution, by assigning an initial source, and at the start of the functioning we should fund it as an independent organization. The sessions of the phrase:

– Selecting a central institution. We have to complete the task of the central medical institution evolving the initial organization of the agency with the field of innovation management. In the budget of the institution, the task must be supplied with goal-financing. This is very hard to achieve in the present stage of budget but if the initial finance is refundable later or EU-competitions are available, the realizing is much easier.

– Working out the regulation of the organization. When a new department is funded, the Organizational and Operational Regulation (OOR) of the institution must be completed with the new operational area. The OOR determinates the manpower, the functioning structure, the authority and the responsibility of the organization.

– Establishing legal environment. This is one of the most important tasks. The legal system – as we have seen it before – does not contain clear regulation about innovation. This must be completed as soon as possible: there will be no functioning without it.

– Searching for experts and filling up the organization. The filling-up can only begin after state financing (Innovation Fund) has started. After the necessary manpower – we think about 10 people – has become available, the work can begin.

Phase Two can begin overlapping Phase One: its start is determinated by the innovation regulation and guideline. The whole Phase Two will last a year. The critical points are: the selection of recipient institution and the work-out of legal environment.

**PHASE THREE: FINANCIAL SYSTEM OF INNOVATION**

The start of the institution's operation begins with the work-out of the financial system of innovations. First tasks are: to get in touch with possible investors, to search up the options for connecting competitions, to do agreements and competitions. The sessions are:

– Working out the investor environment. The researched innovations' incubating stages, developments and marketing finances must be resolved by capital investors who are willing to finance low capital-outsourcing and unsure results with the lowest interests. Other solution is to place governmental commitment behind the construction, which will be made from the innovation fund.

– The other source would be the Innovation Fund. But this needs another law-making work. We think that it is enough if we display the fund as governmental assurance.

The phase needs about half year to be completed. The critical point are the financing of the institution and the Innovation Fund.

**PHASE FOUR: THE INNOVATION INSTITUTION'S INDEPENDENT FUNCTIONING**

The three processes to stabilize the innovation institution:

– The gathering of incubational experiences. The institution begins its work with searching up the first innovation and starting their incubations (finding the necessary documents and finances). Our goal is to start at least 5 innovation during the half-year.

– Building up an independent organization. After the first five innovation's starting and the gathered experiences, we can make the decision about funding the independent organization. This process does not prevent the continuous activity of the institution but the legal background of the work must be done. The financing of the organization must also be composing.

– The innovation management begins its own activity.

The first two process of the phase takes half year to complete. The continuous operation makes institutional borders for the innovation transferring in the later times. The InTraMed-C2C project created a sustainable and functioning regional system by working out the methodology of innovation management, which can be extended to all of Hungary.

Sessions above are presented on the detailed time-line: