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1. INTRODUCTION

ISSUES / PROBLEMS / OPPORTUNITIES

A key issue highlighted by the Innovation Union Competitiveness Report 2011 is the lack of SME growth:

“European SMEs (...) do not grow sufficiently. The United States has shown a much better capacity to create and grow new companies in research-intensive sectors over the last 35 years. Weaker framework conditions for business R&D and a fragmented European market for innovation are hampering private R&D investments and affecting the attractiveness of Europe.”¹

This is due to many factors, to name only two as research has shown:

- the general lack of a European entrepreneurial spirit in particular in creative/innovative business development ('right brain approach')
- the lack of regional support ('framework conditions') for emerging entrepreneurs.

An answer to the dominance of the US are innovative European cooperation networks for education and training research, knowledge development and entrepreneurship – such as the project SMART i.e.

Creativity and its counterpart innovation are the source of progress and thus fundamental to the dynamics of economic systems. The new European Economy calls for sustainable, creative, smart and inclusive economic development. SMART i.e. will strengthen the competitive capacity of the European Economy by building on the creative capital of European citizens in business development.

The power of innovation lies with the entrepreneurs. SMART i.e. will nurture European ideas, inspire European minds and create European futures by stimulating the so called 'right brain approach' to entrepreneurship and innovation.

How does SMART i.e. stimulate innovation? - What is the 'right brain approach'?

Roger Sperry won the Nobel Prize in 1981 for his work on 'what-happens-where-in-the-brain'. Scientists have since developed even more sophisticated models, and technology permits more subtle analyses. Still...

“The left brain is analytical, logical, precise and time-sensitive. The right brain is dreamier, it processes things in a holistic way...is more emotional...”²

In the last century, machines proved they could replace human muscle. In this century, technologies are proving they can outperform human left brains – they can execute sequential, reductive, computational work better, faster, and more accurately than even individuals with the highest IQs.

¹Innovation Union Competitiveness Report 2011 - http://ec.europa.eu/research/innovation-union/index_en.cfm?pg=executive-summary§ion=competitiveness-report&year=2011 (11.07.2011)

² Rita Carter, "Mapping the Mind", 1998

So where can the human individual excel?

The US thinker Daniel H. Pink postulated that the global economy is in a paradigm change caused by the transition from the Information to the Conceptual Age. We are experiencing a shift from an economy built on the logical, sequential abilities of the Information Age to an economy built on inventive, empathic abilities of the Conceptual Age. In this new era right brained skills such as creativity, inventiveness, empathy and big picture thinking will become far more crucial than traditionally left-brained skills such as analytical, logical, linear and computer-like skills.

Pink says:

“...the future of global business belongs to the right-brainers”³.

In the future, left brain abilities will be still absolutely necessary. But they are no longer sufficient. Right brain skills will become the competitive difference.

Education and training in Europe has generally tended to favour left-brain modes of thinking, while downplaying the right-brain ones. With our current economic challenges, many experts agree that infusing right brain skills into entrepreneurship education and training can create powerful innovative solutions. Creativity, inventiveness and empathy are skills that can be improved with tools and knowledge.

SMART i.e. aims at linking the creative industry sector with other industries in a way that would benefit the development of Europe's knowledge-based economy. The right brain is stimulated by pictures, emotions and stories. By bringing 'right brain coaches' – e.g. creative experts, such as visual artists and writers – into entrepreneurship training and education the innovative/creative behaviour of new emerging entrepreneurs will be stimulated and an innovative/creative approach to tackle problems in business and society will be promoted.

SMART i.e. is new in that it is the first cooperation network in CENTRAL EUROPE following the Lisbon and Gothenburg agendas, and supporting the EU 2020 strategy that will implement a new 'right brain' type of education and training research network for innovation and entrepreneurship, particularly in sustainable emerging sectors in CENTRAL EUROPE.

New sustainable emerging sectors in CENTRAL EUROPE

Based on research results of the Directorate General: Enterprise and Industry of the European Commission, SMART i.e. has identified, as an example, three common sustainable emerging sectors in the SMART regions:

- **Creative industries** – As the European Commission posits *“Europe's creative industries are becoming ever-more important to the rest of the economy”⁴* Creative industries have not only economic potential, but also innovative capacity. This innovation capacity combined with their 'spill over' into areas of business means that the creative industries are vital to the long-term health and competitiveness of the entire economy. SMART i.e. will take full advantage of the creative industries' potential to combine arts and creativity with entrepreneurship and innovation.
- **Green economy** – The European Commission promotes eco-innovation and environmental-friendly products and production processes in SMEs. They are essential alternatives to fossil fuels. The growth of the green economy sector also

³ A Whole New Mind: Why Right-brainers Will Rule the Future, 2005, Daniel H. Pink

⁴ http://ec.europa.eu/enterprise/magazine/articles/innovation/article_10043_en.htm (12.07.2011)

stimulates employment in Europe, the creation of new technologies and improves our trade balance.

- **Green ICT** - The Information and communication technologies sector accounted for a substantial part of EU GDP and employment. As general purpose technologies, ICT goods and services are important drivers of productivity growth and economic performance across all sectors. ICT can improve environmental performance and address climate change across all sectors of the economy. Smarter and cleaner environmental and economic strategies will contribute to 'green growth' and clean innovation in Europe.⁵

SMART i.e. not only supports the development of the sustainable emerging sectors in CENTRAL EUROPE, but it also supports a sustainable, constructive paradigm of entrepreneurship for ecologically aware/sensitive businesses for the future. A paradigm that seeks positive returns. Future entrepreneurs should not only measure their performance in profit and return, but also in communal benefits and eco-effectiveness. Therefore SMART i.e. will train awareness and green skills to new emerging entrepreneurs.

Who are SMART i.e.'s target groups?

- Emerging new entrepreneurs in the SMART regions.
- Existing entrepreneurs in the SMART regions representing one of the sustainable emerging sectors (creative industries, green economy, and green ICT).
- Stakeholders of the regional management structures – key players from policy-making, economy/labour and education/training ('knowledge triangle')

How will SMART i.e. reach out to these different target groups?

- To reach emerging new entrepreneurs, the project will use existing regional databases as well as connections to regional educational/training systems, in particular in areas where entrepreneurship education is already being offered.
- To reach existing entrepreneurs, the project will use existing regional and transnational databases, as well as connections to regional Chambers of Commerce and other institutions concentrating on innovation and entrepreneurship.
- The partnership already reflects the regional 'knowledge triangles' (policy, economy/labour, education/training) in the SMART i.e. project environment. In each partner region there is one project partner representing the 'knowledge triangle' and one that is specialist in the area of innovation and entrepreneurship of one of the sustainable emerging sectors (creative industries, green economy, and green ICT). The active partnership is supported by an extensive network of over 30 associated institutions also representing different levels of the regional 'knowledge triangle'.

⁵http://ec.europa.eu/information_society/activities/sustainable_growth/docs/com_2008_241_all_lang/com_2008_241_1_en.pdf (13.07.2011)
<http://www.oecd.org/dataoecd/25/55/42911620.pdf> (13.07.2011)

2. GENERAL AND SPECIFIC OBJECTIVES

What are the SMART i.e. general objectives?

- SMART i.e. will support the three pillars of the EU 2020 Strategy ('Smart Growth', 'Sustainable Growth', and 'Inclusive Growth'), in particular 'Smart Growth' with a focus on the Innovation Union.
- SMART i.e. will support policy development as a *"key means of turning the priorities of the Innovation Union into practical action on the ground"*.
- SMART i.e. will contribute to SME growth and encourage R&D and knowledge-intensive investment.
- SMART i.e. will particularly focus on the EU 2020 Strategy pillar 'Smart Growth' (development of the economy based on knowledge development and innovation), and the 'Innovation Union'. *"As highlighted by the European Council, Regional Policy can unlock the growth potential of the EU by promoting innovation in all regions, while ensuring complementarity between EU, national and regional support for innovation, R&D, entrepreneurship and ICT."*⁶

What are the SMART i.e. specific objectives?

Building on existing regional management structures consisting of the key players from (1) policy-making (2) economy/labour (3) education/training ('knowledge triangles'), SMART i.e. will develop and implement within the project lifetime an education and training research network for innovation and entrepreneurship, called the SMART network.

The SMART network will provide regional and transnational education and training, and foster and support knowledge development for new entrepreneurs with a focus on 'right-brain' activities and awareness raising for corporate social responsibility, communal benefits and ecologically aware businesses for the future.

The SMART network consists of interlinked regional SMART points.

What is a SMART point?

A SMART point is a regional centre of competence, which serves as an on-site advisory / training facility identifying new emerging entrepreneurs for sustainable emerging sectors.

The SMART point will offer based on the 'right brain' training approach, coaching, mentoring for emerging new entrepreneurs in business plan development, business plan implementation, regional and EU legislation and financial legislation. The training programme also focuses on awareness building and green skills.

Initially, the development and implementation of regional SMART points will be financed by SMART i.e. A project partner institution in each SMART region will establish a centre of competence – a SMART point. The trainers of the 'right brain' training will be the staff of the regional partner institution. To ensure knowledge development within the regions, the staff of

⁶ Council of the EU EUCO 13/10, 17th June 2010

the regional partner institutions will themselves be trained in 'right brain' coaching. In this way, SMART point staff will become the creative experts that will be able to stimulate innovative/creative behaviour of the new emerging entrepreneurs.

SMART i.e. aims to integrate the SMART points into regional policy by the end of the project lifetime.

3. METHODOLOGY

What is the SMART network and what will it do?

As mentioned, the network consists of interlinked regional SMART points, which will concentrate on the regional and transnational sustainable emerging sectors (creative industries, green economy, and green ICT) in the SMART regions and train citizens for entrepreneurial 'right-brain' development and awareness building in these sectors.

Overview

SMART i.e. will follow a 10-point Action Plan:

1. Transnational training event led by European (even US) external experts in the area of 'right brain coaching' in innovation and entrepreneurship to train the trainers of the SMART points in 'right brain coaching' is implemented
↓
2. Regional SMART points as parts of the transnational SMART network are implemented
↓
3. Transnational SMART site is implemented for new emerging entrepreneurs and existing entrepreneurs in the identified sustainable emerging sectors. The platform will offer the opportunity to set up business profiles, to post new business ideas, to find business partners in the SMART regions, to exchange education material, and to hold virtual innovation and entrepreneurship discussions and briefings.
↓
4. Regional SMART point trainings for new emerging entrepreneurs are carried out
↓
5. After completion of the regional trainings at the SMART points, regional screening events are carried out by the SMART points to identify the 5 best business ideas in the region
↓
6. With the support and participation of European (even US) external experts in the area of 'right brain coaching' in innovation and entrepreneurship an on-site transnational SMART campus is established in one of the SMART regions
↓
7. The five selected new emerging entrepreneurs from every SMART region attend the transnational SMART campus together with existing entrepreneurs in the identified sustainable emerging sectors ('business angels'), 'right brain' coaches / innovation trainers / creative coaches, advisers on EU legislation and financial legislation, representatives of EU subsidy programs for SMEs, and potential investors. The aim of the SMART campus is to establish transnational connections, fine-tune business plans, discuss ideas with experienced entrepreneurs, and present them to representatives of EU subsidy programs and potential investors

- ↓
8. During the transnational SMART campus the existing entrepreneurs in the identified sustainable emerging sectors ('business angels'), 'right brain' coaches / innovation trainers / creative coaches, advisers on EU legislation and financial legislation, representatives of EU subsidy programs for SMEs, and potential investors will work together to produce a transnational strategy and action plan (SMART plan). This plan will address a regional and transnational 'right-brain entrepreneurial approach' to the development of viable business ideas in the sustainable emerging sectors
- ↓
9. In order to pilot the complete SMART training programme (i.e. SMART point trainings and SMART campus) representatives of EU subsidy programmes and potential investors will be invited to attend the SMART campus. The evaluation will be based on the individual business ideas. If the SMART ideas are successful and viable, they should be financed by the evaluation committee. This could not only lead to a professional evaluation of the project, but also to the creation of new companies and new jobs in the SMART regions
- ↓
10. The SMART plan is presented to regional authorities with aim that it is adopted into regional policy

4 CORE OUTPUTS

- I. **SMART network:** A Transnational Educational and Training Research Network for Innovation and Entrepreneurship in the Sustainable Emerging Sectors creative industries, green economy, and green ICT (integrated into regional policy), including a policy document.
- II. **SMART points:** Regional Centres of Competence in the SMART regions (integrated into regional policy), including a policy document. Know-how of the SMART point staff on 'right brain' coaching.
- III. **SMART campus:** Transnational training campus that brings together new emerging entrepreneurs, existing entrepreneurs in the identified sustainable emerging sectors ('business angels'), 'right brain' coaches / innovation trainers / creative coaches, advisers on EU legislation and financial legislation.
- IV. **SMART site:** Transnational online networking platform for new emerging entrepreneurs and existing entrepreneurs of the identified sustainable emerging sectors. The platform offers the opportunity to set up a business profile, post new business ideas, find business partners in the SMART regions, exchange ideas and materials.
- V. **SMART plan:** transnational strategy and action plan that will be worked out by existing entrepreneurs in the identified sustainable emerging sectors, 'right brain' coaches / innovation trainers, EU subsidy programme representatives and potential investors. It will address a regional and transnational 'right-brain entrepreneurial approach' to the development of viable business ideas in sustainable emerging sectors. This document will introduce to regional stakeholders of the regional management structures – key players from policy-making, economy/labour and education/training how to sustain the SMART network and the regional SMART points.

5 EXPECTED RESULTS

- Acceptance and spreading of the 'right brain approach' – SMART training in all involved regions for strengthening the competitive capacity of the European economy
- New successful innovative SMEs in the regions
- Ecologically aware SMEs in the SMART regions
- New jobs in the SMART regions
- Reduction of the mortality rate of SMEs

6 PROJECT PARTNERSHIP

10 – 12 Project Partners:

The project will build on existing regional management structures in 5-6 CENTRAL EUROPE regions consisting of the key players from (1) policy-making (2) economy/labour (3) education/training ('knowledge triangles') .

The project calls these regions: SMART regions.

In each partner region there is one project partner representing the 'knowledge triangle' and one that is specialist in the area of innovation and entrepreneurship of one of the sustainable booming sectors (creative industries, green economy, and green ICT).

There is also the possibility that there could be an expert institution outside of the CENTRAL EUROPE region, which has the Europe-wide recognised expertise in the field of 'right-brain' innovation and entrepreneurship.

The active partnership is supported by an extensive network of over 30 associated institutions also representing different levels of the regional 'knowledge triangle'.

7 PROJECT DURATION

28 months: September 2012 – December 2014

8 PROJECT BUDGET

ca. 2.3 MEUR