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Strategy for a network of regional branch observatories

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SMART_watch

D.T3.1.6 Strategy for a network of regional branch observatories

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1 Executive summary

In Central Europe, regional innovation strategies and the real needs of end-users for smart specializations and new technologies are often not well aligned and coordinated yet. Thus, our vision is to develop an operational model of innovation cluster between regional branch observatories as well as create a transnational network of smart specializations stakeholders in Central Europe. Our collaboration is aiming at monitoring the latest technology trends and market developments in the fields of innovative technologies and smart sectors. Although our project will not be able to provide completely new infrastructure in the form of equipment, it will bring something valuable and highly required to the participating regions and business entities: potential and linkages for the creation of innovations. That includes knowledge and technology transfer as well as cross-border collaborations, business contacts and services that enterprises, universities, administrations and technology cluster can use for implementing innovation systems and improving their competitiveness. This working paper deals with the frame conditions and elaboration of a functioning strategy for a network of regional branch observatories based on the outcomes of workshops and study visits, collected data and knowledge within the SMART_watch project activities.

2 Introductory statement

The approach of the SMART_watch project is, to significantly contribute to a transnational network based on regional branch observatories and key players of innovation sectors to increase their efficiency in terms of monitoring technology trends and market developments. That will be elaborated by a functional strategy approach targeted at emerging cooperation between promotors and stakeholders of the economic, scientific and public sphere of intelligent markets in Central Europe. This strategy concept includes the organizational structure, key factors and values as well as different stages for the implementation of a cooperation network. Also, next operational steps/activities, as well as a set of usable management tools (e.g. online competence map), will be outlined in this paper. In the end, a comprehensive

summary for a functioning network based on the project-gained knowledge and outputs of all collected data and developed deliverables will be presented. Thus, this working paper shall help to strengthen the trustful working relations between the project partners beyond the project lifetime and ensure the implementation of a long-lasting and well-functioning network.

Strategy process – our roadmap establishing a transnational network of regional branch observatories and smart specialization promotors

2017/18

- Start of SMART_watch cooperation, Kick-off meeting in Gliwice/Poland,
- Elaboration of an action plan derived from the project goals and timeline,
- SWOT-analysis to identify strengths, weaknesses, opportunities and threats in the project process,
- discussing institutional framework conditions and project vision, collection of needed actions.

2019

- Elaboration of an online competence map of smart specialization promotors located in the project regions,
- Consultations with regional policymakers by all project partners on a regional and national level to receive indicators to the prospective network's strategy,
- Strategy-workshops held in Kapfenberg/Styria and Torino/Piedmont,
- Collection of final inputs and needed actions for the strategy implementation.

2020

- Development of benchmarking tools and the RIS3 monitoring system,
- Consultations with regional and European policymakers and experts,
- Development and establishment of a cooperation network model,
- Final conference in Katowice/Poland, signing a memorandum of understanding.

3 Background and vision

The concept of smart specializations implies that technology and research centres, SMEs, colleges and universities as well as private and state research institutions agree and focus on the strengths and comparative advantages of a particular region. The SMART_watch project aims to promote this concern by making smart specializations to a pillar of regional innovation strategies (RIS) in Central Europe. According to the project's assumptions, business support organizations, R&D institutes, regional institutions and administrations close to business and economy operate as branch observatories. We believe that they should be provided with a comprehensive set of monitoring and benchmarking tools to gather relevant economic data and serve as regional observatories regarding technology trends and market innovations. On the one hand, they recognize the real needs of the economy and transmit them to scientific institutions, local decisionmakers and regional authorities. On the other hand, they serve as required links between science and economy and contribute significantly to a well-functioning transfer of knowledge, services and best practices. Also, they foster and accelerate the development and implementation of new technologies and innovation-driven markets.

The SMART_watch project served as a transnational "think tank" entity for developing and sharing a unique approach called "Regional Branch Observatories" that helps SMEs and technology provider to find best ways to implement smart specialisation strategies as well as transfer them to the market and other regions. Also, that should contribute to enhancing innovation-driven growth in the regions and strengthening the capacity of transnational technology transfer as well as reduce regional disparities. Within the SMART_watch activities, we have developed, shared and maintained a cooperation platform between key participants of the innovation sectors in Central Europe. The establishment of this innovative database is one visible outcome of the extraordinary commitment of many involved actors and like-minded partners across European borders, who have put their advanced knowledge and entire creativity into the implementation of this transnational undertaking. It shall combine the cross-innovation approach with cross-border activities and help to bring the strengths of the involved regions together. Besides, it shall make better use of limited resources through strong partnerships, matching research fields and

market needs as well as offer better and time-saving services for all topic-related stakeholders.

The basis of the network and its activities is the following vision of future development: In the year 2025, the Central Europe region is characterized by a lively exchange of knowledge and services, new technology trends and innovative ideas. ROs and research institutes, universities, business promotors and SMEs are jointly working together to bring the latest scientific findings and technologies into practice and industrial use. The digitally connected and minded economy, as well as the science and research institutions, are supported by a functional transnational SMART_watch monitoring system. A network of regional branch observatories and promotors of innovation sectors provides a wide service portfolio to initiate new projects and cooperation across the borders. To reach that vision, we aim to establish a functioning and self-sustaining cooperation network of smart specializations stakeholders and business promotors located from all of Central Europe. We aim to bring all these key players and promotors of smart specialization sector in a network together to make the process of knowledge and technology transfer more effective and comprehensive.

4   Organizational structure

The importance to implement transnational collaboration between business entities, public administration, non-governmental, scientific and research institutions is growing steadily. Such networks help to build trust across borders, merge ideas, enhance capacities and bringing together likeminded stakeholders to address common challenges.

The SMART_watch network is supposed to be heterarchically organized (heterarchy, greek: ἕτερος, is a system of elements that do not stand in a relationship of superiority and subordination, but on an equal level next to each other), stable and target-oriented to defining regional economic characteristics as well as deriving appropriate options for action to policy. The focus should be on the creation of an ideal setting that facilitates the initiation and implementation of economic strategies for smart technologies as well as the dynamic exchange of information,

knowledge and experience between the network participants. For this purpose, a pool of autonomous professionals, knowledgeable Regional Observatories and renowned institutions specialized in smart technologies is desirable. They all together will work on precise agreed cross-border objectives (e.g. making new contacts, initiation of competence development processes, implementation of a network of ROs in Central Europe) that are too complex and challenging to be handled by a single actor. Resources and contributions of different members are therefore combined and coordinated. The targeted network should be characterized by a high degree of commitment and create a positive impact on the business processes of the involved actors as well as public benefits and values for regions involved. Within the ROs network, different subsystems should be distinguished:

1) In the **performance system**, the network participants and associated stakeholders work together to achieve the network objectives (e.g. implementation of a network of ROs in Central Europe) formally.

2) For this to be achievable, a functioning **social and organizational development system** has to be creating. This system deals with questions of identity formation, motivation promotion and the development of strong network culture.

3) The **decision-making system** forms the framework for action for the professional performance system. This includes the development of a mission statement, the definition of internal rules and network control.

4) The **operational management system** is responsible for controlling the overall workflow and project progress (e.g. specifying performance measures, selecting alternative strategies, carrying out an evaluation).

5) Finally, a well-functioning **information system** (e.g. information procurement, knowledge management and documentation) is required to ensure a high degree of transparency and effective communication between the network participants.

Next to these subsystems, the development and implementation of an ROs network will be successful if the existing framework conditions are taken into account and if a favorable environment is created for the members and associated partners involved. Since every collaboration has specific characteristics, it should be

examined which factors of success are of particular importance to reach the project goals and how this is reflected in the concrete design of the SMART_watch collaboration. During the workshops and study visits in Kapfenberg and Turin, we discussed elaborately the expectations and wishes concerning the network as well as identified and defined common key factors with ROs from all partner regions for strategy implementation. Three key points arising from these consultations will be briefly highlighted at this place:

Committed actors: The network must involve those actors who can contribute to the achievement of the cooperation objectives through their specific capabilities, resources and relationships. The more accurate the selection of members is, the more useful and efficient the collaboration will be, and the more productive the network is, the more attractive it will be evaluated by its stakeholders. The ROs are expecting an active role of all participants to share knowledge and experiences and influence the smart specialization system.

Moderation: A neutral and facilitating moderation of the network should steer the cooperation development, mediate between the different interests in the network, support the implementation of the basic principles and contribute to overcoming conflict situations. There is no doubt that the network of ROs needs certain moderation, a hub for the spokes – especially in the initial phase. There must be a team or a single person to be accountable for the moderation/management of the network. All the regulatory items and issues regarding resources need a point of contact. The members need one single place to ask questions and get answers, guidance and advise – mainly in the beginning. Even interested or new participants need contact to talk and place them into suitable projects or focus groups.

Mutual trust: Successful cooperation in networks requires the exchange of (sensitive) information. A necessary precondition for the willingness to exchange such information is that the actors gain trust - both the individual members of the network among themselves and the network members vis-à-vis the network as an organization. Such basic trust prevents the retention of information for fear of "abuse", helps to reduce insecurity and contributes to the development of

cooperation. The desirable "common feeling" must be created through regular meetings of the network members, through the planning and implementation of concrete measures and the experience that expectations are fulfilled and inputs are not misused. As the ROs during the workshops clear stated: The informal exchange and relationships are as useful as the formal.

5 Initial stage

The ROs network is started with a smaller group of ROs, who took part in the workshops, exchanged and discussed expectations and decided to work together to attract more ROs to join and enrich the network. This small group is linked to the community, they know each other already, have the same vision for their cooperation and can grow faster than a newly aligned group. This is the core group. It exists through the project Smart Watch and will work and grow further as framework with common understanding of how to work together – and on what: a goal, common objectives or projects. It is crucial in the initiation phase to set an aligned direction in which the network wants to go. Every social group need, in the beginning, a direction and a loose set of guiding principles in which the group can act and develop. Surely within the core group, some participants want to work on different projects and tasks than others. This can be done at ease by building working groups for different sectors/regions.

In this early and initialing phase the face-to-face communication is vital. This period had to be conducted during workshops and meetings of the ROs when the main "drivers" of this community where together and discussed challenges and hurdles to cope with. The objectives, vision and mindset are set sustainable by personal contact and discussions during the workshops. The alignment to the overall direction between the core group participants is made and trust built among the core group. Figuring out how to cooperate efficiently, suggestions from the group have to be collected, discussed and decided regularly. This must be figured out by the group itself to rise the commitment to the set-up and stick to the own framework while working on it. There must be a general and common understanding of these topics

to put all the other activities beneath it. A big picture/understood vision for the network to aim at and build the base.

For example, it is possible that one subgroup is international and decides to use Microsoft Teams for communication within this subgroup and another working group is located in only one country and working by mail, phone calls and personal meetings instead. One group needs more direction and a closer framework than others who can work in loose conditions well together. But all groups are linked to a common "performance system" of the network. The objectives are connected and the big vision is growing and emerging. Important: It has to be feasible for the group who works with it because then it is accepted and work without much effort on steering. This kick-off meeting/starting workshop should be conducted and moderated by an external professional to ensure that everybody is treated the same and the results are not in the way of the "loudest speaker" of one group. To foster the spirit of this a ritual should be carried out. It does not have to be something special – but something the early members can remind of, like signing a together drawn picture.

6 Stabilization stage

After the foundation of the SMART_watch network, the network architecture and the creation of its capacity to act are in the foreground of further activities. An open dialogue is essential to take into account suggestions and requests of the actors involved and thus to promote identification with the network. Also, a name or reference should be found for the network, which can be used to uniquely identify the collaboration. The name should already indicate the character and nature of cooperation. Finally, it is advisable to give the network a face or point of contact to represent it externally by one or two actors (board of directors). This increases the recognition value and communicates unity. The challenges and tasks to be mastered in this context are:

1. **Formation of focus groups**: As long as a network consists of a manageable number of actors (approx. 15-20), they can meet and work together on the relevant topics. With an increasing number of actors and an increasing diversity of thematic focuses

(e.g. development of mission statements, quality assurance, public relations, event organization), the introduction of structures based on the division of labour makes sense. This should be done to reduce time-consuming and energy-intensive development and decision-making processes in plenary sessions. The working groups should be composed according to the competencies and capabilities of the members. Beyond this, the corresponding work assignments must be underpinned with clearly defined goals and time horizons. Building on this, detailed task catalogues can then be drawn up within the respective working group.

The interim results and outputs of group work must be regularly reflected the entire network (e.g. via minutes, protocols) so that their work can be continued at any time. Besides, a control function is installed which can help to discover whether a group is working past its work assignments or competing with another group or providing redundant services. The results achieved in the group are finally presented at a decision-ready stage during a network conference, where they are acknowledged accordingly. If a working group has sufficiently fulfilled its tasks, it should be dissolved to release the resources tied up in it. With these resources, new working groups can be formed if necessary.

2. **Implementation of network conferences**: Once the cooperation network has been establishing, a conference should be held at least once a year with all the network participants involved to debate on the further developments and possibilities for action. At the same time, network conferences serve as a basic component of maintaining cooperation. They promote exchange between the actors and open up opportunities for them to get to know previously unknown network actors as well as establish and expand relationships. Besides, network conferences provide a platform for passing on information and communicating the successes achieved to date. The organizational framework, agenda and thematic focus of a conference should, therefore, carefully considered, as a conference will only motivate stakeholders to participate if the framework and the topic arouse their interest.

3. **Establishment of an information system**: The establishment of an information system is a central precondition for open and transparent communication and participation processes among the actors, allowing the members of the network to obtain information as and when they need it and promoting the exchange of experience.

The flow of information has to be realized shortly and should involve all actors. One possible form of communication is personal meetings in working groups and network conferences. Usually, these meetings cannot be attended by all actors, so that the most important points of discussion and decisions must be recorded and made available digitally. In this way, it can be ensured that all network members are equally informed, and opportunities for subsequent participation are opened up. However, some issues are not relevant for all actors, so it might be appropriate to set up additional, smaller distribution lists.

In addition to personal meetings are newsletters, circular mails, interim reports, doodles, websites and online platforms very suitable for exchanging and coordinating information. All communication and information measures are associated with tasks that either has to be mastered by the network actors themselves or – in case the available competencies and resources are not sufficient - handed over to the network management or external stakeholders.

7   Continuation stage

Once the SMART_watch network has established itself, the main task of network management is to maintain or deepen the relationships between the partnership, if required to win new members and evaluate the development of cooperation by carrying out evaluations to tap optimization potentials.

Evaluations should examine whether the objectives formulated at the beginning have been achieved and the costs for the establishment and further development of the network are proportionate to the benefits achieved. To this end, data is systematically collected, analyzed and evaluated so that conclusions can be drawn on this basis to improve network activities. The evaluation of the network is carried

out based on concrete indicators, which in the best case have already been defined in the course of formulating the objectives. These indicators must be compared and coordinated with the needs' analysis carried out before the network was set up. In the course of the evaluation, quantitative and qualitative data should be collected. Quantitative data come from statistical surveys, while qualitative data reflect the subjective perception of the respective target group. Above all, qualitative analyses require the support of external evaluators to ensure sufficient objectivity. It is difficult and not a sign of professionalism to be both observer and object of observation at the same time. In particular, for the evaluation of networks or the evaluation of complex interrelations whose benefits cannot be determined based on economic variables. The so-called utility value analysis is a useful tool. Relevant indicators are worked out together with the partnership and their significance is weighted. Then, the indicators are evaluated about their degree of fulfilment to calculate the utility value of each indicator for the participants. In general, depending on the focused segment of the network, specific indicators and suitable evaluation methods (e.g. benchmarking tools) must be used.

Compared to other forms of organization, networks are characterized by their high flexibility, the division of labour structures and the fact that actors with different competences and resources are brought together. With each reorientation of the network or in the course of the constantly occurring change processes, it may become necessary to involve further actors in the cooperation activities. If such a necessity becomes apparent, it should first be discussed with the network actors whether and in which area or in which function the network should be expanded. Based on the needs' analysis, a minimum requirement profile can then be drawn up and suitable partners pre-selected via formal and informal contacts of the network members, visits to events or Internet research.

The candidates' willingness and ability to cooperate can then be explored in personal interviews/audits (e.g. objectives, expectations) and the benefits of cooperation clarified. The new actor must then be integrated into the existing collaboration structures. It is necessary to operationalize his role, to clarify the framework

conditions of his participation (e.g. responsibilities, competencies) as well as to integrate him into the existing communication system and the operative network activities. After some time, the evaluation of the stakeholder involvement must take place to determine the quality of the integration process and the achievement of agreed objectives.

8 Essential tools for strategy implementation

The importance to foster transnational collaboration between business entities, public administration, non-governmental, scientific and research institutions is growing steadily. Such networks help to build trust across borders, merge ideas, enhance capacities and bringing together likeminded stakeholders to address common challenges.

In the following, we propose a set of tools that facilitates the implementation of a network of regional branch observatories (ROs). The tools are primarily aiming at exploiting all possibilities to come into contact with the ROs and to generate interactions and knowledge exchange according to the strategy – to build and grow a sustainable ROs' network. The described toolbox will be a useful vehicle to increase the synergy effects and the range of regional branch observatories.

Personal exchange of experience

For the initiation of cooperation and the exchange of experience, great importance is attached to personal contacts. Thus, opportunities for the personal exchange of experience should be regularly offered. Round tables or jour fixes in different cities of the network region, as well as the at least annual general assembly, are planned.

Network website and cooperation platform

These both tools are effective ways and methods for connecting people and business partners, promoting and launching new products, offer services and strengthen collaborations as well as attracting the interest of target groups. The internet is now the primary portal through which people, companies and institutions communicate and present themselves. The purpose of the website is to offer the target audience

a group-specific and appealing presentation of the network as well as its services to create contact possibilities. The target audience for the website, in this case, is both: the RIS managers in the regions as well as regional branch observatories and innovation promotors. The publicly available section deals in particular with the presentation and publicity of network activities and the awakening of interest among the target group to participate in the active exchange.

A user-friendly and customizable cooperation platform could be an effective tool to develop and share best practices as well as attract and gain new network members. It should provide and put together the main contents, activities, results and final outputs of project work and aim at facilitating the initiation of follow-up projects at any time. Besides, technology profiles and competence information on all the involved stakeholders as well as reports about study visits, events and workshops will be presented via the platform. Divided into various categories and themes, one platform category could be strongly focused on innovation trends and market developments related to the project and field of smart specializations. Also, the platform could facilitate the approach and communication to target groups as well as accelerate finding project partners and attracting new members to the network. The platform will offer a depository of knowledge, competences and business contacts for all users and thus, highlight the synergies of a network of ROs. Using this infrastructure and business services will be free of charge and accessible to all end-users, only membership and engagement to the intended network activities should be required. In particular, the ongoing involvement of all members and associated stakeholders will be crucial for the creation and maintenance of a high-quality cooperation platform. In sum, the potential to create a well-functioning model of operation and sustainable network of regional branch observatories, monitoring technology trends and market developments in the field of smart specializations, will be enhanced by providing an elaborated platform.

Competence map

The map of regional branch observatories (ROs) and facilitators of intelligent markets provides an overview of the main actors, promotors and institutions monitoring technology trends and market developments in the field of smart specializations in

Central Europe. This tool will enable regional branch observatories and all the intelligent market stakeholders to aggregate information on new technologies and smart specializations as well as to monitor RIS in all regions involved in the program. The competence map as a visual feature combines thematic and territorial dimensions of the project goals, as it will provide reports and findings for each sector of smart specializations and each region. It provides a valuable resource for the first approach to potential new network members and serves future candidates as a guideline for their implementation to the network. Beyond this, the map offers cross-sectoral and cross-regional benchmarks analysis enabling all the stakeholders to define the potential for interregional exchange of knowledge and to establish cross-border business activities. Regional observatories and business support organizations in intelligent markets benefit from the competence map and its demand overlayer through learning on the real needs of business and searching for other regional observatories to discuss their success stories or to start collaboration. Also, the policy-makers can benefit from the demand side overlayer as they can identify the niche and existing problems with access to current and future services/datasets needed by a business.

Even market structures, professional expertise and services corresponding to existing market niches and actual needs of end-users will be bundled. The competence map aims to make contact initiation more efficient through the possibility to search in different categories like country, type of organization (university, public institution, research institute, company or facilitator), offered services and main objectives (company size and geographical orientation) in the directory.

Thematic events (workshops, study visits)

During the last decade, the number of transnational collaborations and actions have increased significantly. These activities inspire and connect people and regions for common causes. Project and business partners implement and participate in thematic events to deepen the exchange of experience, share good practice and different points of view as well as address potential customers/new network members. Therefore, involving in workshops, study visits, trade exhibitions and related events can be a rewarding experience and an important learning tool – not

only for participants but also or the organisers. They offer a direct way for an organization or project team to boost motivation, solve thematic problems, tap into methods, become more international as well as raise its profile in the community and demonstrate its achievements to partners and target groups. Beyond this, thematic events are an effective tool for establishing cross-border cooperation schemes, for learning about examples of good practice in other regions and countries as well as delivering territorial cohesion. All project partners should organize and participate in thematic events during the whole duration of the project with the following objectives: attract the project to potential ROs and new target groups, make the project as much visible as possible to the public, exchange and discuss experiences, benefits and synergies, weaknesses and outputs. As part of thematic events and campaigns provide face-to-face communication and informal meetings opportunities to get in touch with the target audience (ROs) and potential network members. These activities help to build up trust and a sense of community, reducing disparities, understand objections, to spread information and keep the target group involved and interested in the progress of the project.

Benchlearning

Benchlearning is not just a tool about comparing performance figures, it goes way beyond that by trying to initiate a dialogue with partners and institutions that provide examples of best practice. Benchlearning aims to learn from the knowledge and experience of others and then objectively analyse one's activities and assess the means of action, methods and results used. Besides, benchlearning also involves establishing partnerships that enable all partners to learn from each other and improve their performance. In practice, regarding the SMART_watch project, each region already collects a wealth of data on technology trends and market developments but does not necessarily evaluate them carefully or has no facilities or methods for effective monitoring and analysis. However, there may already run national or international projects that deal with similar challenges and questions. Thus, there may already exist a pool of experience of successful practices that can be used for project improvement. Benchlearning is a tool in which the participants learning from each other, identify similarities and differences to a given topic or

challenge finding out best practices. 1) The method seems to be particularly suitable for the project because the topic of SMART_watch is highly relevant (so-called "hot topic"). 2) The issue is still poorly researched. 3) Various business venture and previous projects, within or outside the technology sector, have already developed solutions and achieved results in practice (e.g. success stories of cross-border technology projects). Therefore, benchlearning would be a structured tool for quickly developing successful practices on specific research issues as well as communicating them vividly to partners and associated stakeholders. Benchlearning methods are generally practice-oriented and have proven their worth in continuous day-to-day work. Finally, the findings of bench learning activities should be summarised and published in a learning report – both a public version and a more detailed one for the participants.

Action plan

An action plan sets out the need for action, sets out the objectives to be achieved, prioritises them or sets priorities, and bundles existing or new measures to achieve them. It is intended to coordinate, implement, control and evaluate all network actions with the proviso to achieve benefits for all network members. The action plan drawn up by the network consortium will include fields of activities aiming to promote the transnational collaboration of science and businesses in the monitored regions and beyond.

The plan is drawn up and approved annually on the occasion of the general assembly of the network. It includes all activities to which the fellow members want to devote and commit themselves together. Possible contents may include:

- the content design of the network's website or changes,

- the planning of joint events,

- the joint presentation of the network at events and trade exhibitions,

- the agreement to implement study visits,

- the agreement on general meetings and more points. The action plan serves as a basis for members to work together on network activities.

This overview does not provide a completed process and therefore the proposed examples should be seen as a living document. It will be validated and constantly updated by the network. New tools and channels will utilise emerging opportunities. For example, social media has become a common form of communication. It allows for real-time feedback with a written record of what has been communicating. The project will also take advantage of new measures and impacts introduced by the action plan. Within the framework of cooperation, further tools will be developed and used because it is a dynamic and continuous process.

9   Key factors and project values

Successful networking does not happen by itself. For the potential of a network to be exploited to the full, several key pillars need to be set. In practice, it will hardly be possible to ensure all factors at the same time. Also, some success factors will be more or less relevant to a network. They do, however, provide an orientation as to where there may be a need for optimization.

The further development of the ROs network will be successful if the existing framework conditions are taken into account and if a favorable environment is created for the members and associated partners involved. Since every collaboration has specific characteristics, it should be examined which factors are of particular importance to reach the project goals and how this is reflected in the concrete design of the SMART_watch collaboration. During the workshops and study visits in Kapfenberg and Turin, the partnership discussed elaborately the expectations concerning the network as well as identified and defined common key factors with ROs from all regions for a successful network implementation.

1) **Creating value for customers/market orientation:** At the centre of the cooperation is the target group (e.g. Regional Observatories). Network activities have to be efficient and transparent to generate as much benefit as possible for the target audience (e.g. access to potential partners, access to knowledge and best practices). Market orientation means that the network (effectively and efficiently) implements those activities that create superior customer benefits and thus a competitive advantage for the cooperation.

2) **Benefits/using the network internally**: The network actors must benefit from the engagement in the collaboration so that they can continue to engage themselves over a long period. In the discussions, the ROs emphasized the importance of benefits to all network members. A first visible success (e.g. new contacts) should have been achieving as soon as the network has been establishing to strengthen the collaboration between the partners, to secure their long-term cooperation and to generate external effects. Support needs to be given to all the network participants' creation, utilization and transfer of knowledge. Subsequently, all participants should have easy access to information resources to assist them in the knowledge creation process. The needs and skills of the different stakeholders of the network should be taken into consideration for successful networking.

3) **Competence platform**: The exchange of knowledge and experience is an essential key element of network activities. The network continuously develops and maintains an information portal to provide network members with developments in SMART_watch-related subject areas. For this purpose, an elaborated platform is required that is easy and uncomplicated to access and on which relevant data, funding programs and knowledge can be stored and retrieved.

4) **Transparency and innovation**: A targeted, continuous innovation culture is necessary, especially for collaborations that have been establishing for a longer-term. The ROs network must be open to new ideas, impacts and developments; the network services and the network processes must be regularly reviewed and adapted according to their innovation needs. As a result of the realized workshops, the establishment of different focus groups could be a successful way to work on diverse fields of innovation or identify and sort out obstacles. Transparency should be created by establishing clear structures as well as decision-making and control systems. This promotes the development of trust and thus contributes to reducing existing competitive pressure and strengthening cooperation relations.

5) Network identity: An ideal network identity is given when the project actors involved not only represent their interests but also consider the consequences for the network when making decisions and implementing measures. An effective network should have a common and shared purpose that is explicit to all members. The development of a network identity takes place by defining a clear profile and positive cooperation experiences; it can also be promoted by externally visible symbols (e.g. names, logos). To develop a common identity and reduce competitive pressure, networks need a positive culture characterized by trust, balance and transparency, open communication as well as mutual support. Fairness and respectful interaction also play an important role. During the Turin meeting, the ROs emphasized the importance of committed members and working together without pressure and strong regulations.

6) Flow of Information: The aim is to communicate network events as quickly as possible within the network (e.g. sending central documents by e-mail, publishing information on an Internet platform). Information and agreements of general interest should be shared with all actors in the network. On the other hand, the concrete implementation of individual measures or the development of the associated concepts should be taking place in smaller subgroups. Besides, a common language should be found to prevent misunderstandings, especially between actors from different countries and sectors.

7) Leadership/flat hierarchy: In many collaborations as in this ROs network, it makes sense to establish a flat management hierarchy which takes the bottom-up approach into account. A stable core of actors can take over network management. This core should already have management experience or take advantage of concrete offers to train such competencies (professionalism). Decisions should be made by consensus and on short, direct routes. To this end, various rules and standards must be established and decision-makers determined.

8) **Distribution of tasks**: For most network actors, networking means additional work to achieve jointly agreed objectives. The tasks must, therefore, following the application form and project goals, carefully coordinated and distributed. This leads on the one hand to the fact that the different authority and resources are used effectively and parallel, redundant working is prevented. On the other hand, the actors involved are motivated to cooperate and assume responsibility. As a result of the workshop in Turin, the ROs emphasized the importance of having professional management, clearly defined tasks and goals, shared responsibilities and determined changes if needed as well as a common vision for network's well-being.

9) **Ability to cooperate**: This is understood to mean the ability to work together with others in a division of labour, but with common goals and strategies. In this way, the different strengths of the individual actors are combined and weaknesses are compensated. Besides, profits can arise that cannot be achieved by the individual. For this need, the ROs agreed to use B2B solutions and the network platform.

10 Next operational steps

The SMART_watch network represents a form of organization in which organizational learning processes, as well as an expansion of the service spectrum, will take place. It will be shaped and maintained by the regional network actors. The network object is strategically directed towards the situation in the regions. To be able to design these processes optimally, the network needs the competences and abilities of all the individual actors. Those must be developed and made available for network operations through appropriate network management measures.

The RO network will have a dynamic and innovative-driven orientation. It is aimed at generating added value for the network members as well as for the innovation strategies of the regions and companies involved. It will be a flat aligned network that requires the active participation of all members and is accessible and open to new members. In the first steps after the project period, the network will establish

itself as project-independent cooperation, agree on working methods and attract more/new members through the broadcasting of the network.

Kick-off meeting/initial video conference

An initial meeting or video conference of the network should take place after the project activities have been finished. This meeting will serve to select and introduce the network management, agree on a working plan and schedule for the first year, discuss the focus and direction of the work and debate on planned events and the external appearance of the network.

Possible steps to make cooperation work in and beyond 2020:

- online kick-off meeting (one-hour online event)

- Participation of network partners, promotors and national coordinators

- a survey among members on what are their expectations and needs

- defining of focus groups (e.g. Health, ICT, Industry 4.0)

- appointing of group leaders

- updating the SMART_watch website (Who will be responsible?).

Choice of network line

The members choose from their circle two network leaders who represent the network externally, organize and distribute the content-related activities within the network together with the focus group leaders and invite them to joint activities.

Work schedule

The members of the network jointly determine the intervals at which meetings should take place - physically or virtually, which topics should be brought into focus for the next period, which ways of cooperation should be preferred and which measures should be organized for the public.

Network members

On the background of the preconditions discussed in this report, the personality profile of a network member can be described as follows: The network actors are prepared to strive for cooperative solutions and actively engage in it. The network

actors recognize that each partner has a benefit from the network, and are actively committed to this. The network actors are prepared to accept the risk of longer-term strategic cooperation. They are aware, that this is the only way to ensure the development of value creation processes. They know that this leads to new, valuable network Know-how in the end. Inside the SMART_watch network, each network actor acts at the same time as a learner and lecturer and thus enables the synergetic interaction of risk-taking and value creation that is typical of strategic networks.

Focus groups

Following the defined working flow, focus groups will be formed, which are dedicated to working on particular topics. Each focus group determines one or two focus group leaders from their group, who will lead the content work in the group and operate in close coordination with the network leaders. Possible topics for focus groups could be:

- S3 strategies: further development, monitoring, benchmarking,
- Exchange of experiences of all network partners,
- Promotion of smart specialization-website, print advertising, mail campaigns, social media use etc.,
- Development of new joint projects,
- Attracting more members.

The list is not exhaustive. The working groups are formed when several network members express their need and interest. It will be checked at regular intervals whether the existence of the working group is still sensible and desirable, whether other topics may be recommended, or whether the group should be dissolved.

Interregional innovation focus

On May 29th 2018, the European Commission proposed, as part of the European Territorial Cooperation INTERREG regulation, a new INTERREG component 5 on Interregional Innovation Investments. This new component 5, financed at 970 million €, aims to develop European value chains across Europe through two strands:

1) support for investments in interregional innovation projects;

2) support for the development of value chains in less developed regions.

This new component builds upon the work that is being carried out in the S3 platforms with currently 180 regions registered. Even more clearly, the two strands proposed by the European Commission illustrate the added value of this instrument for the whole of Europe. The component enables synergies with other EU programs like Horizon Europe and Digital Europe. The main European added value and the main characteristic of the component are to co-finance Smart Specialization driven common projects of different EU regions. SMART_watch network could benefit from building a consortium for effective participation on the future calls focusing on interregional innovation investments. The competence platform could be used to match network members with compatible references, whether from the same sector or across different sectors. Successful projects would contribute to long-term network sustainability.

Another possibility for international cooperation is a connection with other initiatives, for example with Crowdhelix network. Crowdhelix is an open innovation platform connecting 528 international networks of universities, research organizations and companies. Crowdhelix could be used as an opportunity to cooperate in EU research projects (Horizon Europe), either for searching of project partners or offering expertise for joining other consortiums.

Marketing

The objective of the marketing activities is to raise awareness of science and business to the offerings of the network. An essential part of the marketing strategy is to develop SMART_watch as a brand for smart specializations in Central Europe. Another important goal that the members of the network should tackle is to attract additional members from other regions to broaden the basis for an exchange of experience and knowledge. To achieve this, the members seek contact with other networks dealing with similar or the same issues and are also interested in an expanded exchange. In the course of such an expansion, new focus groups will emerge and further tasks will be discussed and worked on together.

11 Summary

This paper is strategically directed to set the formally secured frame for a cooperative transnational partnership of regional branch observatories and associated innovation promotors. The network is intended to be an approach to connect Central Europe by reducing regional disparities and closing gaps between the Regional Innovation Strategies (RIS) and real needs of end-users of smart specializations and new technologies. As each region in Central Europe collects relevant economic data in different structures and using different methods, the SMART_watch collaboration will create an elaborated methodology and benchmarking tools to improve the current situation and make it more comparable. In concrete terms, an online cooperation platform between key participants and associated actors of the innovation sectors in Central Europe will be elaborated. It will offer a common understanding of monitoring processes and serve as a valuable database of the required information about smart specializations in the partner regions involved. Also, it helps to accelerate and increase the initiation of innovation processes and concrete follow-up projects from science and research to business and collect best practices of successful transregional cooperation. Finally, joint marketing activities shall help to raise awareness of science and business and win new members for the network.

The establishment of network structures offers numerous benefits for the members of the network, for example, the use of synergies, reduction of costs through the exchange, bundling of resources and the rise of political awareness for the topic of smart specialization. In the end, the implementation of a network of regional branch observatories and innovation-driven players across borders will contribute to maximizing their competitiveness in the field of intelligent markets and smart specializations. Also, the cross-border transfer of knowledge and technology between economic and scientific sphere will contribute to the development of innovation as well as secure regional prosperity. Nevertheless, there are still some barriers, that hamper the exchange and cooperation between those two spheres. Therefore, it will require systematic monitoring and permanently adjustments as well as support through smart specialization promotors and national decisionmakers to overcome those obstacles.

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