

# BUSINESS ECOSYSTEM FOR **TRADITION** AND **INNOVATION**

**WESTBIC AND NORTHERN & WESTERN  
REGIONAL ASSEMBLY IRELAND**

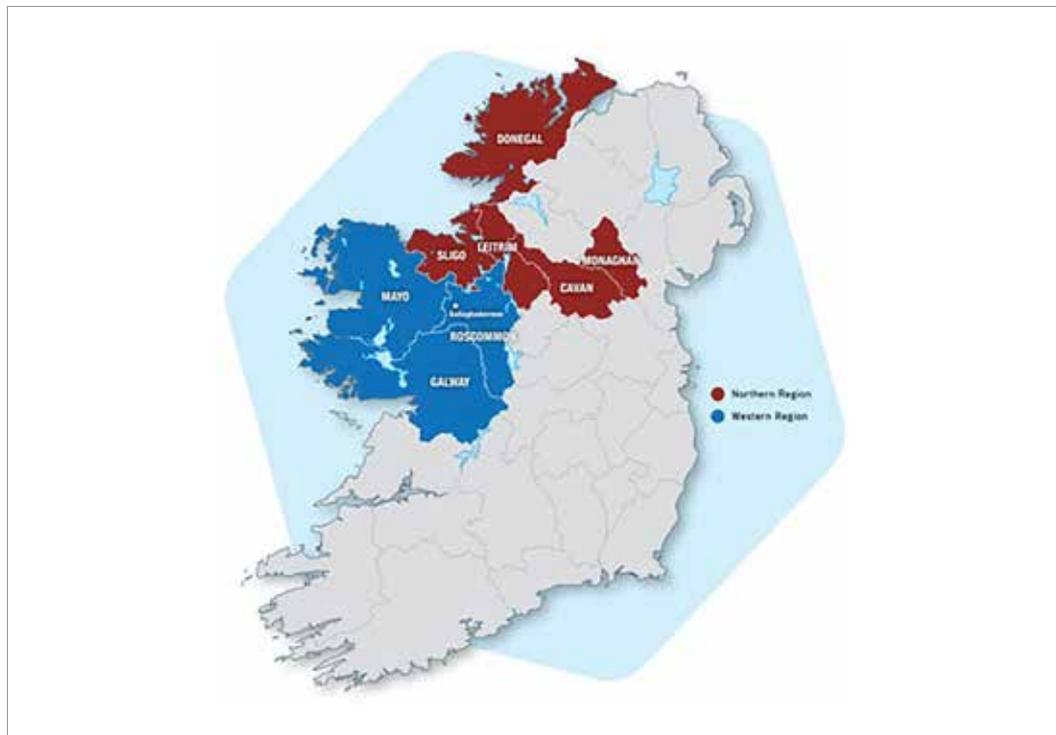


# PROMOTING COMPETITIVENESS OF TRADITIONAL SECTORS THROUGH DIGITAL INNOVATION

## ACTION PLAN FOR REGIONAL POLICY IMPROVEMENT NORTHERN AND WESTERN REGION OF IRELAND

*strand 1: SME promotion and capability development: value added food sector*

*strand 2: regional enterprise action plans: linked regional innovation/incubation hubs*



## ADMINISTRATIVE INFORMATION

*project name*

TRINNO - Business Ecosystems for Tradition and Innovation

*country*

Ireland

*nuts2 region*

Border, Midland and Western region

Northern and Western region

*partner organisations*

WestBIC

Northern and Western Regional Assembly

*contact person*

James Donlon | WestBIC | jdonlon@westbic.ie | +353 906 625 196

Barry Guckian | NWRA | bguckian@nwra.ie | +353 949 862 970

*other main regional stakeholders involved*

Roscommon County Council

Leitrim Local Enterprise Office

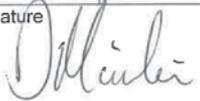
Longford Local Enterprise Office

Roscommon Local Enterprise Office

Upper Shannon Erne Future Enterprise Initiative (USEFE)

Castlerea Food Hub

**Official Signature(s) on behalf of Northern and Western Regional Assembly as Managing Authority for the BMW Regional Operational Programme 2014-2020**

Date	26 <sup>th</sup> July 2019	Stamp of the organisation 
Name	David Minton	
Capacity	Director	
Signature		

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## INTRODUCTION TO ACTION PLANNING

The TRINNO project focusses on competitiveness promotion in EU regions through improving policy instruments for business support ecosystems that focus on applying digital innovation and entrepreneurship as drivers to improve the local economy. During the project development, these two main concepts (business support ecosystems and digital innovation in traditional SMEs) have been discussed in relation to the partners' specific context, and used to frame the development of their action plans. For each region, the issue of digital innovation was approached in relation to the specific regional policy identified concerning the issues to be addressed within the project.

This introduction briefly presents these two concepts, and how they have been applied in the TRINNO context, followed by a brief overview of the inputs achieved during the first phase of the project.

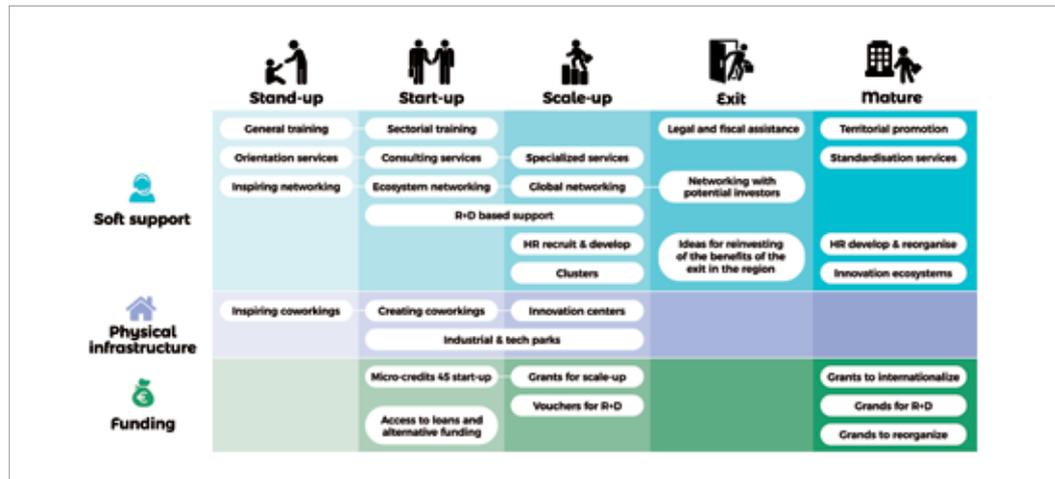
The last decades have witnessed the progressive generalisation of innovation policies at local level. The dissemination of concepts such as innovation ecosystems, territorial innovation systems or open innovation have led to a growing interest in the innovative capacity of territories and their different components - companies, universities, technology centres, even population. The EU2020 strategy and its objectives of sustainable, smart and inclusive growth, within the new funding period of ERDF 2014-2020, have reinforced this trend, putting innovation at the centre of the European development model and the creation of wealth and employment.

It is common amongst those dedicated to economic development policies to hear about the challenge of encouraging SMEs of traditional and mature sectors to innovate and engage with the support initiatives available to them from the public sector. Either they are not interested, or they do not know how to address their needs for the development of new products and services, making their transition to innovation-based approaches a difficulty. TRINNO's partners are confronted with such challenges, in different activities linked to the traditional economy such as agri-food, crafts and jewellery sectors and traditional SMEs in general, specifically linked to the need to promote business support systems that focus on applying digital innovation in the local economy.

After review of the main concepts linked to the business support ecosystem and consultation with regional stakeholders, the TRINNO partners developed a framework that addressed different company needs, the stakeholders who should be engaged, common challenges and the necessary elements to make the service a success. Support is adapted to the company's development phase as follows:

- | stand-up phase, when individuals or groups are equipped with the entrepreneurial attitudes and skills to attempt the creation of new company
- | start-up phase, when resources are mobilised and regulatory requirements fulfilled to start a new company
- | scale-up phase, when successful companies expand their businesses to new markets or in innovative ways
- | exit phase, when a business owner or an investor decides to cash out an investment made in the company
- | mature phase when a company is well established (founded for a number of years), but requires support to continue to adapt and grow particularly in times of transition and decline

The figure below summarises TRINNO's list of business support services to link digital innovation with tradition.



*business support services focussed at various development phases of enterprises*

In each stage, the support system must include the various agents of the triple helix to successfully implement the different services offered. The public administration can often play a coordinating role, fostering the roles of each individual agent to fulfil the service requirements, creating an ecosystem where all agents interact to fulfil the goal of promoting innovation (digitalization) of traditional companies.

During the first phase of the project, partners identified sectors and digital innovation objectives in their regions, selecting also a diversity of good practices related to the project's topic. The goal was to provide examples which partners could apply to their own context, with local adaptations. These two processes have been the basis for the elaboration of the “dream action plan”, in which partners described the ideal activities they would like to implement in their existing policy framework to address the challenge of digital transformation of traditional business.

Specifically, the listed services included in the business support ecosystem, were used to find concrete tools to support digital innovation within the policy instruments addressed by the project, according to the sectors chosen by each partner. The goal was to identify which and how these services should be used to boost (and put directionality to) digital innovation in TRINNO regions (e.g. training on digital skills; digital innovation, specialised incubators; specific funds for digital start-ups, etc.).

After this process, partners completed their final action plan in conjunction with their regional stakeholders, which were discussed in the different inter-regional learning events (ILE) of the project. Each action plan is, therefore, the result of a thoughtful process of reflection and adaptation of the concepts used, policy frameworks and specific realities of each participating region.

## STRAND 1: VALUE-ADDED FOOD SECTOR

### POLICY CONTEXT: POLICY INSTRUMENTS ADDRESSED

*main policy instrument*

**EU Regional Operational Programme / priority 3 of BMW Regional Operational Programme 2014-2020**

**PRIORITY 3, SME SUPPORT PROMOTION AND CAPABILITY DEVELOPMENT:** the objective is to grow a cohort of entrepreneurs with the skills and resources to accelerate the start-up and expansion of their enterprises - delivered through the local enterprise offices within each of the local authority areas in the region in collaboration with other support agencies.

*relevance to other national / regional policy*

**NATIONAL POLICY, ENTERPRISE 2025 RENEWED:** increasing the emphasis on Irish owned enterprises and deepening resilience across the enterprise base. The ambition is to deliver a step change in the performance of Irish owned enterprises, through a programme of investment, innovation and capability development. The business environment will continue to be enhanced so that it is conducive to entrepreneurship, start-up and growth of Irish owned enterprises.

**REGIONAL SPATIAL AND ECONOMIC STRATEGY:** underpinning the national planning framework / Ireland 2040, the draft regional spatial and economic strategy (RSES), for the Northern and Western region includes a focus on sectors and clusters, including the agri-tech / agri-food as a key priority for the region.

Regional Policy (Enterprise Action Plans 2020):

- | **WEST:** enhance the growth potential for AgTech (including food sector) in the West region, which offers potential for job creation, job retention, and specialisation. Opportunities to be pursued include: network companies that are operating separately; bring sub-suppliers into food production; and to explore potential of collaboration in the West and beyond.
- | **NORTH-WEST:** support the digitalisation of SMEs and start-ups, including targeting sectors that could increase their competitiveness by utilising digital services.
- | **MIDLAND REGION:** harness the potential of the food and beverage industry, including regional collaboration, linking of food hubs, and support for artisan producers.

**LOCAL ECONOMIC AND COMMUNITY PLANS:** these local level policy plans developed by local authorities include sector specific goals, including support for business sectors (e.g. agri-food) including infrastructure and ecosystem supports across the region.

*the policy instrument that the action plan aims to impact is*

- | investment for growth and jobs programme: YES
- | european territorial cooperation programme: NO
- | other regional development policy instrument: YES

## NEED ADDRESSED

Food is a key productive sector in Ireland, with 150,000 employed nationally. This traditional sector has huge potential for further growth as outlined in the National food strategy - Food harvest 2020, which aims to increase output, increase added value and foster export growth.

Approximately 4.000 people are employed in the food sector in the largely rural West region, and whilst it contributes substantially to the local economy, activity mostly consists of primary production with limited added-value, meaning that a lot of the economic potential is lost.

Additionally, a lack of investment in infrastructure and eco-system services puts the region at a competitive disadvantage compared to other regions. A regional mapping exercise, illustrated in the adjacent figure, highlights the gaps in service provision in the northern and western region of Ireland, particular for enterprise incubation and commercial kitchen units.



gap analysis - mapping exercise highlights the lack of food incubation infrastructure in the western region of Ireland

The development of a variety of digital technologies increases the possibilities for supporting and growing the sector in a smart and cost-efficient way, so that rural regions can fully benefit from its development and growth. Examples include digital innovation in manufacturing, marketing, sales / distribution and other possibilities.

This will also require the development of a more comprehensive regional support ecosystem that can focus on building the sector into the future. Specifically, at a local level, the local economic and community plan states, that, “whilst not always self-sufficient in terms of resources and support services, there is potential to leverage economies of scale and multiplier effects through collaborative development of the food sector and promotion including regional initiatives”.

A particular focus is required in digital innovation across the following ecosystem services, according to the agreed TRINNO classification:

- | training / orientation
- | inspired networking
- | clusters
- | advanced incubation / innovation centres
- | specialised services - including digital platform for collective distribution approaches
- | territorial promotion



## OVERVIEW OF POLICY INSTRUMENT(S) ADDRESSED

### CURRENT ERDF BMW ROP (2014-2020) - SME SUPPORT PROMOTION AND CAPABILITY DEVELOPMENT

A more focused approach on specific sectors of strategic and regional importance and with growth potential offers a way of fostering and accelerating their development and maximising their impact, taking a RIS3 approach. For the food sector, the proposed approach related to Local enterprise funding (LEO). A more targeted approach from the Local enterprise offices (funded measure of the ROP), addressing key sectors for development (e.g. food), rather than a more general approach at present, has the potential to generate increased growth and sustainability for the sector. This will be done through the following steps:

- | AT NATIONAL LEVEL: through participation in the LEO national strategy groups - propose policy improvements to foster specific support to prioritise the food sector. This group meets every 3 months and can propose changes to their funding instruments and funding approaches. Roscommon LEO, a member of the RSG, currently sits on this group and will propose relevant improvements
- | AT REGIONAL LEVEL: LEO's in each county to work collectively to combine their available funding in a collaborative way as a new approach to develop the sector, to build on opportunities and successful pilot initiatives. Each LEO has an annual budget of approximately €1million, spread across support measures and administration per county. A pilot action is underway in terms of digital innovation to foster artisan food distribution on a regional basis. This initiative will finish in Q2 2019 and the results will be analysed as a demonstration project that can foster policy improvement through similar collaborative LEO funded regional initiatives.

### ERDF / REGIONAL OPERATIONAL PROGRAMME FOR POST 2020 PERIOD

With the ROP Responsible organisation - the Northern and Western Regional Assembly (NWRA), participating as both a TRINNO partner, as well as on the RSG, the project learning will feed into the next ROP so that policy improvements can take place to prioritise relevant sectors. Along with NWRA personnel, other stakeholders will also engage in this policy improvement process, with direct inputs to the next ROP to be provided during the consultative process that will take place for the drafting of the next OP.

### OTHER REGIONAL POLICY

Given its strategic importance, one of the priorities at regional level is artisan food within the wider AgTech / food sector. Recently launched regional enterprise action plans are the ideal forum for policy engagement in this regard, along with the regional spatial and economic strategy, led by the Northern and Western regional assembly. Through their involvement on steering and implementation groups of these instruments, which will have regular progress meetings, the relevant stakeholders which are also part of the action Plan RSG (NWRA, local authorities, local enterprise offices, etc) will play a role in promoting policy improvements aimed at prioritising relevant actions to ensure the inclusion of measures targeting the traditional food sector as identified in this action plan.

At local level, to agree with LEO's, USEFE, LEADER and other relevant stakeholders about prioritising the food sector for funding initiatives and to develop the necessary ecosystem services identified. This can be included in local economic and community plans (LECPs) in each county, which are prepared by the local authorities with the support of the relevant stakeholders. These will be used as the opportunity to influence and prioritise the artisan food sector for support - a bottom up approach to foster improvement and targeted approaches that can be promoted at regional, national and ROP levels.

## LESSONS LEARNT FROM TRINNO PROJECT

### GENERAL LEARNING FROM THE TRINNO PROJECT

The TRINNO project puts a useful structure on the ecosystem services required to develop sectors at different stages of their life cycle. The structure was developed and discussed during the first two years of the project, firstly looking at business support services in general and then identifying specific services required to help boost digitisation. The structure was developed by the consortium through inter-regional workshops and was subject to regional and interregional consultations to validate its content. For the value-added food sector, the following are the relevant services identified:

- | TRAINING / ORIENTATION SERVICES: e.g. animation supports to foster food sector and accelerate its growth - this will include both technical skills as well as entrepreneurship / business development training.
- | INSPIRED NETWORKING: developing critical mass of enterprises to learn from each other. This will include creation of links with other food centres to expand network opportunities and increase numbers.
- | INCUBATION / INNOVATION CENTRES: e.g. there is a need to invest in infrastructure and support services to attract, retain and grow food enterprises in the region. The proposed centre at Castlerea is identified as a key priority.
- | SPECIALISED SERVICES: e.g. shared / collective distribution model with digital innovation platform to foster efficient growth and sustainability. Other specialist services to encourage digital innovation in the sector.
- | INNOVATION ECOSYSTEMS: this will include a more coordinated approach amongst stakeholders / service providers focused on growing the sector in the region.
- | TERRITORIAL PROMOTION: promoting the region as an attractive location to develop artisan food businesses to facilitate cluster effect. A digital-based approach to branding and promotion is proposed in this regard.



### SPECIFIC LEARNING FROM TRINNO GPS

Staff exchanges were aimed at identifying success stories / good practices in some of the areas above, including inspired networking, other collective measures and cluster-based models, training and other support services relevant to this sector which are included in the finalisation of this action plan. References to these GPs can serve to influence decision makers and policy in a positive way towards improving current supports and measures in the sector.

Specifically, the TRINNO staff exchanges focused on the following, which are summarised overleaf:

- | staff exchange to Barcelona / Bergueda region of Catalonia
- | staff exchange to Tuscany, Italy

### OTHER EXCHANGES / LEARNING AT REGIONAL LEVEL, MADE POSSIBLE THROUGH THE TRINNO PROJECT

Exchanges were also undertaken with other regional focused initiatives across Ireland, including Drumshanbo food hub, Irish food co-op and the Food 360 regional distribution model to provide further learning and inputs to the action planning and policy implementation process. Specific inputs to the action plan include:

- | cluster approaches in conjunction with regional food centres
- | digitisation to support artisan food distribution as a response to a social challenge in rural regions; this has led to the undertaking of a pilot project, the results of which will be analysed and built upon as part of this action plan to develop collective funding initiatives



## TRINNO GOOD PRACTICES IN FOOD SECTOR

### STAFF EXCHANGE TO BARCELONA / BERGUEDA REGION OF CATALONIA

*date*

11/07/2018 - 13/07/2018

*focus*

training / orientation services, inspired networking / clusters, specialised services, territorial promotion

*points of relevance / lessons learnt*

useful discussions with various actors / participating organisations, of particular interest were 2 main points that were of relevance to the local situation:

- | THE CLUSTER APPROACH for support food sector, not so common / formalised in the Irish context, which needs more consideration.
  
- | THE INTEGRATED VALUE / SUPPLY CHAIN AND CIRCULAR ECONOMY approach to business models deployed by many successful enterprises in rural areas is not so common in Ireland where a more fragmented supply chain exists, with some major players within supply chains dominating the market, pricing aspects etc. in Ireland. This makes market entry more difficult for new food-based entrepreneurs due to high costs, accessibility issues etc. The need for specialised services, and innovation / incubation space to address these issues is further necessary in this context.

*concrete actions inspired by GP*

The collective 'cluster' based approach has potential to be adopted as much as possible. It will not have the same formalised format as in Spain, but through more concrete collaborative measures across relevant stakeholders (and enterprises) in the regional ecosystem. The local enterprise offices can consider within their funding measures to support these cluster-based approach as part of the ecosystem support services.

## STAFF EXCHANGE TO TUSCANY, ITALY

### *date*

26/09/2018 - 27/09/2018

### *focus*

training / orientation services / inspired networking, specialised services, innovation ecosystems, textured promotion

### *points of relevance / lessons learnt*

There were wide ranging inputs / discussion from a variety of actors in relation to the regional agri-food sector, from training needs, policy and delivery to collaborative initiatives, networks, collective marketing / sales and agri 4.0 research projects, with a wide agenda of exchange topics covered. From the value-added aspects, the Logge del Grano GP provided the most interesting learning, with a network of 75 producers involved, and the range of activities stretching to include not just marketing / sales but also other activities that support rural areas including employment and other initiatives. This overall / integrated approach provides some thoughts for the action plan in the Irish context.

### *concrete actions inspired by GP*

In terms of lessons learnt, we were inspired by different aspects from Tuscany region and how they may be tailored and applied in the Irish Regional context. On that basis, for the action plan, the focus includes the following elements:

- | training and animation aspects, focusing on needs
- | developing producer networks as part of a sustainable model
- | wider engagement with more stakeholders to support the food sector

## SPECIFIC ACTIVITIES TOWARDS IMPROVEMENT AND POLICY CHANGE

<i>mar 2019 complete</i>	Overall Action plan agreed and actions prioritised within the overall vision for the sector, taking into account existing local, regional, national policy.
<i>mar 2019 complete</i>	USEFE forum agreed as structure for RSG for Phase II implementation and monitoring of TRINNO action plan, with quarterly meetings.
<i>june 2019 and quarterly</i>	NATIONAL LEVEL: member of RSG to participate in LEO national strategy group meetings, to encourage prioritisation of food sector for clustering, training and other identified supports through LEO ROP funding. Member to report back to RSG at quarterly meetings and review outcomes so that future activities can be prioritised.
<i>quarterly meetings beginning july 2019</i>	REGIONAL LEVEL: meetings of regional steering group to take place every three months through the USEFE forum to pursue the cluster based activities, inspired by Interregional GP learning, the following agreed items that may be funded through the LEO priority action of the ROP (and other funding measures where appropriate): <ul style="list-style-type: none"> <li>  food hub initiative to foster clustering and networking</li> <li>  collective food distribution, learning from the evaluation of pilot distribution project.</li> <li>  food training initiatives</li> <li>  collaborative funding models for ecosystem and specialised services</li> <li>  producer networking initiatives</li> <li>  territorial promotion for food sector</li> </ul>
<i>july 2019 and every 6 months</i>	Monitoring system to be established and implemented through the USEFE forum, to capture national and regional actions above, including: <ul style="list-style-type: none"> <li>  number of food enterprises supported</li> <li>  funding allocated, including rop funding, to food initiatives</li> </ul>
<i>aug 2019 2019 / 2020</i>	CURRENT / FUTURE ROP: RSG members will engage with the NWRA to influence and improve relevant policy through existing and new fora, including the following methods: <ul style="list-style-type: none"> <li>  Current ROP: direct meetings with NWRA to update on TRINNO action plan and potential for policy improvement in current programme.</li> <li>  Stakeholders will participate in consultative process for next ROP, led by Barry Guckian (NWRA), prioritising the food sector and ecosystems services etc., with reference to TRINNO action plan.</li> </ul>
<i>jun 2019 - mar 2021 2020 / 2021</i>	Other policy improvements: RSG members will engage with relevant organisations to influence and improve other relevant policy through existing and new fora, including the following methods: RSG stakeholders will participate in regional enterprise action plans implementation groups for their regions (West, North West, Midlands) to propose and prioritise relevant policy initiatives. <p>Inputs to next local economic and community plans (LECPs) in each county - with active participation from local authority stakeholders and other RSG participants to prioritise relevant actions for food sector.</p>



# Company's Growth



## GLOBAL BUSINESS REVIEW



Stock Market  
85%

Category	Q1	Q2	Q3	Q4	Annual
Revenue (USD)	120,000	135,000	150,000	165,000	570,000
Profit (USD)	30,000	35,000	40,000	45,000	150,000
Market Share (%)	15%	16%	17%	18%	17%
Customer Growth	10,000	11,000	12,000	13,000	46,000

## RELEVANT STAKEHOLDERS

### LOCAL AUTHORITIES

Lead organisations to foster local economic development, including policy development and actions within LECP's and regional enterprise action plans. Inputs to regional action plan, lead for flagship projects, support with action plan implementation.

### LOCAL ENTERPRISE OFFICES: E.G. ROSCOMMON LEO, LEITRIM LEO, LONGFORD LEO, CAVAN LEO

- | participant at LSG meetings to input to action planning and implementation monitoring
- | agree priorities and integration into ecosystem services
- | propose policy improvements through participation in LEO national steering group quarterly meetings
- | propose policy improvements through participation in regional enterprise action plan implementation group
- | propose / deliver local actions through LEO instruments - e.g. collective funding of actions as part of implementation activities through ROP funded measures

### ARTISAN PRODUCERS

- | survey of producers, done in parallel, to identify needs to be addressed, with results integrated into action plan
- | beneficiaries of actions through ecosystem supports, including parallel pilots and implementation phase

### LEADER COMPANIES / LAGS E.G. ROSCOMMON LEADER PARTNERSHIP

- | engagement about regional priorities as part of action plan development and implementation measures, through bi-lateral and group meetings and through participation at LCDC structure within local authority, in conjunction with RSG stakeholders
- | agreement about priority financial supports in line with proposed policy improvements and in parallel, to fund relevant actions - e.g. recently agreed to fund initial food starter units

### EXISTING FOOD CENTRES / HUBS / CLUSTERS E.G. DRUMSHANBO FOOD HUB, AN CHISTIN, CASTLEREA

- | provision of relevant expertise to local action plans, including cluster approaches, with regular meetings
- | collaborative measures as part of implementation actions, including infrastructure, animation activities, digital innovation for distribution services and other clustering / networking activities

#### OTHER FOOD DEV. AGENCIES. E.G. AN BORD BIA, TEAGASC

Provision of expertise, advice and support for ecosystem services for action plan delivery as necessary.

#### REGIONAL EDUCATION AND TRAINING BOARDS (ETBS)

Training support, as part of ecosystem services - including technical and entrepreneurial / business skills.

#### NORTHERN AND WESTERN REGIONAL ASSEMBLY (NWRA)

Project proofing from ROP policy perspective - feed into new RSES and ROP drafting, to take on board project outcomes and priorities identified.

#### UPPER SHANNON ERNE FUTURE ECONOMY PROJECT (USEFE)

Engagement with the stakeholder group for the North West region through regular meetings concerning action plan implementation and inputs to regional policy improvement through this forum.

#### WESTBIC

Engagement with key stakeholders, action plan development, monitoring of important activities and contribute to policy improvement through participation in consultative processes.

#### LOCAL COMMUNITY ACTORS

Regional role to foster growth in traditional food sector through digital innovation through implementation activities.

#### THIRD LEVEL SECTOR

Technical, digital innovation and other support services as part of ecosystem development, with bi-lateral meetings and existing regional fora.

## RISK AND CONTINGENCY PLANS

*description of risk*

### **poor engagement from stakeholders and enterprises**

*level of probability* low: they have already fully engaged in the action planning phase

*description of contingency plan* Maintain good communications with stakeholders; maintain good momentum to retain interest and motivation. This will be done through regular meetings, emails and other communications as part of implementation phase.

*description of risk*

### **lack of critical mass to achieve economies of scale**

*level of probability* medium: we need to include some 'champions' and enough participants to gain credibility for the action plan

*description of contingency plan* Expand regional approach to include greater economic area. Identify some 'champions / ambassadors' that may agree to participate. These will ideally be existing successful well-known food enterprises that agree to participate in the initiative.

*description of risk*

### **high project costing / ROI**

*level of probability* medium: high capital costs and resources required to implement the actions

*description of contingency plan* Evaluate innovative / creative financial models for implementation of actions. This will be done through discussions amongst stakeholders and reference to any identified good practice models.

*description of risk*

### **ROP and other funding from LEOs / other sources**

*level of probability* medium: limited resources that will need to be prioritised

*description of contingency plan* Present a persuasive case for supporting the action plan. Identify new sources of funds / resources to deliver actions if necessary.

*description of risk*

### **competitive activity from other regions in Ireland**

*level of probability* medium: other regions may have similar plans and undertake related activities that give them a greater competitive / regional advantage

*description of contingency plan* Regional partnering, including collaborative measures where necessary / appropriate. 'First-mover' advantage with strong regional branding approach.

*description of risk*

**revised national policy / priorities**

*level of probability* medium: some new policy approaches, e.g. National planning framework (Ireland 2020) targeted more towards established urban centres. Others retain regional focus - regional enterprise plans, REDF / RRDF etc.

*description of contingency plan* Tailor proposals to fit evolving priorities / consider strategic partnering to maximise potential with collaborative approaches.

*description of risk*

**BREXIT issues**

*level of probability* high: economic fallout of UK exit from EU may cause revision to funding priorities

*description of contingency plan* Promote food sector as key to sustain economy of rural regions and encourage increased investment to mitigate risk, pursue opportunities and foster growth.

## COSTS AND POSSIBLE FUNDING SOURCES

*envisaged costs*

**regional food animation / inspired networking and clustering**

€250k over 5 years (€50k per year, based on regional approach)

*potential funding sources / possibilities*

- | ROP funding via LEOs in each county through SME competitiveness measure on a collaborative basis. LEO competitive fund or similar funding stream
- | LEADER funding - e.g. co-operation projects, maybe including other TRINNO regions
- | local authorities

*envisaged costs*

**regional flagship food hub project**

€2.5 million capital project

*potential funding sources / secured*

- | €500k secured / underway - from local authority, local community and LEADER funding

*potential funding sources / possibilities / national funding sources*

- | rural regeneration development fund (dept. of rural and community development)

*envisaged costs*

**specialised services, including collective food distribution and other digital innovations**

- | €30k pilot (secured)
- | €100k implementation project(s) - to mainstream and deliver other digital technology driven solutions

*potential funding sources / secured*

- | social challenges fund - secured to pilot collective distribution model - successful application made

*potential funding sources / possibilities*

- | LEO / ROP funding for mainstreaming and other initiatives
- | LEADER funding
- | local authorities
- | other national or ERDF funding

## MONITORING

### output indicators

- | food sector prioritised in local and regional action plans
- | funding: € secured / invested in food sector through policy improvement / initiatives - target €3m
- | incubation: total space developed for food enterprises - target space: 10.000 sq. ft.
- | training / animation: no. of trainees on food courses - target: 50

### result indicators

- | Number of food enterprise engaged/supported by end of implementation phase: (target: 40 as per TRINNO application form). This will include their involvement in collaborative measures, start-up support, business development and scaling and other ecosystem supports.
- | Number of new jobs created in supported enterprises in regional food: target +50.
- | Increased sales in supported enterprises: target +20%.

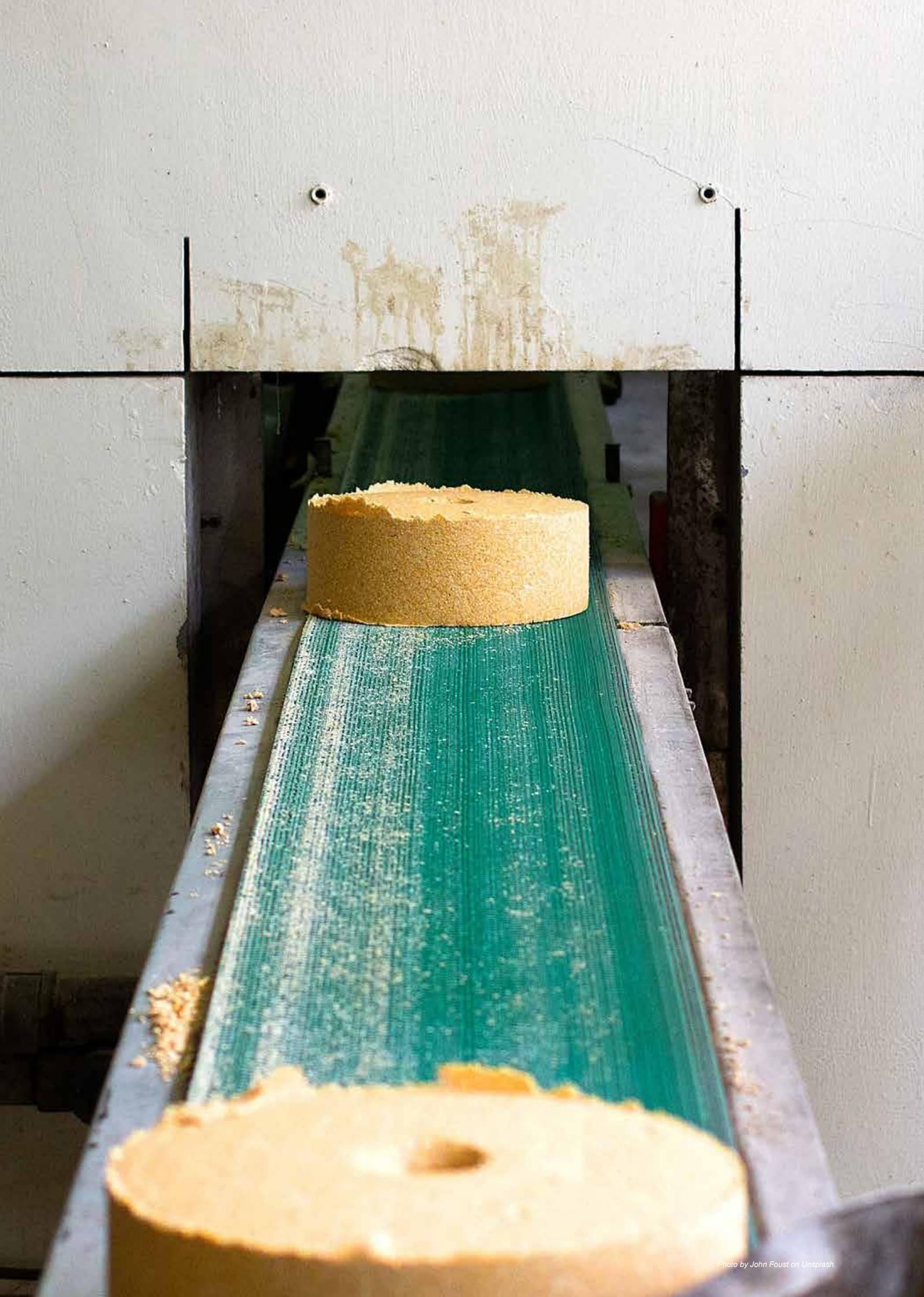
### monitoring tools

Through agreed forum, RSG will communicate quarterly to provide inputs and feedback on progress at regional level.

This will directly feed into the monitoring tool for phase 2 of the TRINNO project.

Activities and targets will also be reviewed in light of opportunities that emerge, prevailing regional circumstances, proposed policy improvements, etc.

Opportunities to further influence /improve policy from ROP perspective and at national, regional and local level will be discussed and actions agreed as appropriate.



## STRAND 2: LINKED REGIONAL INNOVATION & INCUBATION HUBS

### POLICY CONTEXT: POLICY INSTRUMENTS ADDRESSED

#### *main instrument*

REGIONAL ENTERPRISE ACTION PLANS: Project Ireland 2040 has targeted a goal of achieving a one-third increase in levels of entrepreneurship and survival of start-ups trading in all regions that can be delivered through regional enterprise action plans. The availability and quality of suitable enterprise space will be important to supporting this ambition, with well serviced, connected locations for businesses and individuals to work serving as an attractive force for locating or starting a business.

ENTERPRISE ACTION PLAN - WEST REGION: enhance the quality and availability of enterprise space: under this objective, the committee will ensure that appropriate assets are available to harness the entrepreneurial potential in the West region. The West region has a number of existing assets: part of this work will be to ensure that the region's existing portfolio of spaces is fit for purpose to attract start-ups and small businesses. In addition to enterprise space, there is an emerging understanding of the importance of assets that can facilitate remote working - which can benefit both businesses and individuals and is of particular relevance outside core urban areas. There is also an opportunity to build the functionality and improve the sustainability of existing assets, through digital innovation and by connecting enterprise spaces to other relevant ecosystem offerings such as mentoring, finance facilities, and business development supports.

#### *relevance to other national / regional policy*

MIDLAND ENTERPRISE ACTION PLAN: enhance the collective offering as a place to live, work and invest in - including establishing and marketing a network of hubs and enterprise landing space in the region, including "second site"/ remote working locations.

NORTH WEST REGION ENTERPRISE ACTION PLAN: focus on entrepreneurship and enterprise promotion and retention through key projects including networked e-hubs, co-working space and 2nd site value propositions.

LOCAL ECONOMIC AND COMMUNITY PLANS: these local level policy plans include high level goals to enhance strategic infrastructure that support economic development, including enterprise and innovation facilities, which can be further enhanced through digital innovation and improved ecosystem services.

#### *the policy instrument that the action plan aims to impact is*

- | investment for growth and jobs programme: NO
- | european territorial cooperation programme: NO
- | other regional development policy instrument: YES

## NEED ADDRESSED

Rural regions of Ireland suffer from a number of economic issues including:

- | intense competition from city regions, as places to work and live with better opportunities
- | resultant out-migration of entrepreneurs, graduates and talent
- | poor broadband capacity to support current / next generation of new enterprises
- | lack of suitable incubation / innovation space to attract / anchor and retain new enterprises
- | limited support ecosystem, especially compared to more developed regions

From an enterprise development perspective in particular, there is a significant regional gap in the availability of modern incubation infrastructure and connectivity as digital hubs to attract and anchor the next generation of knowledge enterprises. The support-ecosystem in rural regions is similarly restricted.

Therefore, as part of the enterprise support ecosystem, the development of a network of regional fibre-enabled incubation / innovation centres with latest digital connectivity in the main towns across a largely rural region can address some of these issues. These will incorporate co-working, office space and key ecosystem services dedicated to promoting entrepreneurship, attracting and retaining talented entrepreneurs (including skilled graduates) and innovative enterprises. They will be targeted at growth sectors of ICT, medtech, etc., that can benefit from the type of space offered, fibre connectivity, services to support innovation, scaling and internationalisation, central location and clustering effects, and therefore will not be hindered by locating outside larger city locations. Direct linkages to urban based centres, as part of the clustering and networking approach can overcome any regional bias that may exist, thereby providing specific benefits and advantages to attract enterprise to these regions.

These can be collectively branded on a territorial basis and linked together with common management and operations, with flexible usage across all sites, thereby giving capacity, critical mass and credibility to the network of centres that supports regional development, which is a key aspect of Govt / EU policy.

This will allow predominantly rural regions, characterised by smaller towns (5-10.000 inhabitants) and more limited services compared to larger more congested urban areas which already have the infrastructure, services and critical mass of 'clusters', to compete more effectively to attract and retain innovative enterprise and thereby maintain/grow regional economies with a focus on smart specialisation.

## OVERVIEW OF POLICY INSTRUMENT(S) ADDRESSED

This action is related to regional policy in Ireland, as follows:

**REGIONAL ENTERPRISE ACTION PLANS:** these identify deficits/gaps and opportunities that may be addressed. Amongst these is the need to enhance the quality and availability of enterprise space, including digital hubs and enterprise landing space to foster and attract new enterprise into the regions. The availability and quality of suitable enterprise space will be important to supporting this ambition, with well serviced, connected locations for businesses and individuals to work serving as an attractive force for locating or starting a business. A collaborative approach including regional networking and territorial promotion are critical factors to be considered, along with the provision of the necessary ecosystem support services targeting entrepreneurship, start-ups and existing enterprises.

Through the participation of the relevant TRINNO stakeholders involvement in the development and implementation of these regional enterprise action plans, the potential for improvement to meet specific needs identified is enhanced. This will focus on the following:

- | fostering the development of the necessary incubation infrastructure based on needs, and inspired by TRINNO GPs
- | put in place the ecosystem services to support these centres, with a focus on digital innovation; in this regard, the NWRA also have a role through the ROP in the provision of broadband in rural areas through priority 2 - ICT infrastructure

It also links to local policy through the following:

- | **LOCAL ECONOMIC AND COMMUNITY PLANS:** these include high level goals to provide the necessary strategic infrastructure to foster enterprises, digital innovation, etc.. The involvement of the main stakeholders for those on the TRINNO project, will serve to influence local policy in a positive way.

Relevant actions may be funded through a range of relevant instruments including the following:

- | rural regeneration development fund (RRDF) - department of rural and community development
- | regional enterprise development fund (REDF) - department of business, enterprise and innovation
- | urban regeneration development fund (URDF) - department of housing, planning and local government

## LEARNING FROM TRINNO PROJECT

### GENERAL LEARNING FROM THE TRINNO PROJECT

The TRINNO project puts a useful structure on the ecosystem services required to develop sectors at different stages of their life cycle. The structure was developed and discussed during the first two years of the project, firstly looking at business support services in general and then identifying specific services required to help boost digitisation, the structure was developed by the consortium through inter-regional workshops and was subject to regional and interregional consultations to validate its content. For the development of a linked network of regional incubation centres, the following services are identified to address needs:

- | training / orientation: as part of animation activities to encourage more entrepreneurship in growth sectors
- | inspired networking / co-working: with deskpace infrastructure, networking events, critical mass across the centres, etc.
- | innovation centres / incubation space: as part of the infrastructure and services offering, the aim is to expand capacity through new projects and re-developed facilities across the region
- | clusters: critical mass across the linked centres will be generated through a networked approach including regional branding
- | territorial promotion / innovation ecosystems: collective branding, promotion and shared services / innovation supports, coordinated across relevant actors, to achieve economies of scale
- | global networking: supporting internationalisation, export potential etc., through linkages with international hubs, etc.

To consider how best to develop appropriate policy approaches to deliver on these, inter-regional learning was undertaken - through staff exchanges and analysis of good practices, summarised as follows:

### SPECIFIC LEARNING FROM TRINNO GPS

Staff exchange was focused on identifying success stories / good practices concerning some of the areas above with a particular focus on latest trends in innovation / incubation centres located in the Barcelona region. This staff exchange is profiled overleaf.

### OTHER EXCHANGES / LEARNING AT REGIONAL LEVEL, MADE POSSIBLE THROUGH THE TRINNO PROJECT

Through other ILE events during the TRINNO project, other centres were also visited, which were also of particular interest. These included:

- | Artex creative centre, Florence, Italy, with specific sectoral focus, and combining training, incubation and other service.
- | Kik-starter centre, Kamnik, Slovenia, co-working and community space for creative sectors
- | CoLabs entrepreneurial space, Florence, Italy

## TRINNO GOOD PRACTICE IN LINKED INCUBATION CENTRES

### STAFF EXCHANGE TO BARCELONA ACTIVA, PIER 1 AND OTHER DIGITAL HUBS

*date*

11/07/2018 - 13/07/2018

*focus*

inspired networking, territorial promotion, innovation ecosystems, innovation centres / innovation space

*points of relevance / lessons learnt*

This staff exchange included visits to a range of centres with modern facilities and following the latest trends in innovation / incubation centres - layouts, shared spaces, co-working, innovative use of various buildings, digital innovation, community and networking approaches etc. were particularly inspiring for stakeholders. This followed on from the initial kick-off of TRINNO which took place in Barcelona 30 - 31st May 2016, where a range of facilities were showcased which inspired participating regional stakeholders. This staff exchange went deeper into the background to these centres and introduced new concepts / facilities, along with the linked urban-rural approach of relevant to the local region.

Additionally, the various discussions held about territorial promotion - different approaches, urban-rural links, etc., served to put better context and provide long-term vision for the action plan.

*concrete actions inspired by GP*

- | development of modern workspace to foster regional entrepreneurship and digital innovation
- | pursuing the concept of linked centres and territorial branding approaches

These experiences serve as useful reference points for promoting similar approaches in relevant Irish regions, around which the planned activities are focused.



## SPECIFIC ACTIVITIES TOWARDS POLICY IMPROVEMENT

<i>mar 2019 complete</i>	Overall action plan agreed and activities prioritised taking into account existing local, regional, national policy.
<i>jul 2019 and quarterly thereafter</i>	USEFE forum agreed as structure for RSG for phase II implementation and monitoring of TRINNO action plan strand 2. Quarterly meetings agreed as part of implementation phase.  Assign lead actors for relevant regional actions and initiatives, on behalf of the stakeholder group, based on sub-regional approach:
<i>mar 2019</i>	Border / Midland proposal - Longford / Leitrim / Cavan LEOs
<i>mar 2019</i>	West proposal - Roscommon Galway local authorities
<i>jun 2019</i>	territorial promotion (USEFE / RSG)
	Foster and pursue the identified funding sources for relevant actions as appropriate. e.g.:
<i>2019 - 2020</i>	incubation capital funding - e.g. RRDF / URDF (WestBIC / local authorities and community stakeholders)
<i>2019 - 2020</i>	collaborative proposals for ecosystem services (LEOs, RSG members)
<i>mar 2019 - mar 2021</i>	RSG will support the implementation of relevant initiatives with the secured funding through project teams assembled in each area
	Activities to foster other policy improvements:
<i>apr 2019 - mar 2021</i>	REGIONAL ENTERPRISE ACTION PLANS: LEO and LA stakeholders in their respective areas will participate in steering meetings and encourage prioritisation of regional innovation hubs with supporting ecosystem services according to TRINNO action plan, to prioritise policy initiatives in line with the action plan.
<i>2020 - 2021</i>	LECPs: Active participation from RSG stakeholders during consultation process for next local economic and community plans of local authorities to prioritise linked innovation hubs and ecosystem services.
<i>2019 - 2020</i>	ROP: Stakeholders will participate in consultative process for next ROP prioritising digital innovation in regional incubation hubs as part of economic priorities for the region.
<i>apr 2019 - mar 2021</i>	Undertake monitoring through USEFE as the RSG structure, with quarterly meetings to ensure timely feedback and analysis.

## RELEVANT STAKEHOLDERS

**LOCAL AUTHORITIES IN THE REGION, E.G. ROSCOMMON COUNTY COUNCIL, GALWAY COUNTY COUNCIL, LEITRIM COUNTY COUNCIL, LONGFORD COUNTY COUNCIL, CAVAN COUNTY COUNCIL**

- | lead organisations to foster local economic development
- | policy development / implementation at regional and local levels through regional enterprise action plans, local economic and community plans (LECPs) and contributions to other regional level policy development
- | inputs to TRINNO action plan and support with action plan implementation
- | project leaders / facilitators for collaborative projects in their regions

**LOCAL ENTERPRISE OFFICES (LEOS): E.G. ROSCOMMON LEO, LEITRIM LEO, LONGFORD LEO, CAVAN LEO**

- | participant at RSG meetings to input to action planning, implementation and monitoring
- | propose policy improvements through participation in regional enterprise action plan implementation groups with regular meetings planned
- | partners / stakeholders as part of support ecosystem - proposed lead partner roles for individual projects, including funding potential for some ecosystem aspects (ROP)

### **WESTBIC**

Partner in innovation support ecosystem, engagement with key stakeholders, action plan development, monitoring of important activities and contribution to policy improvement through participation in consultation processes.

### **CHAMBERS OF COMMERCE & EXISTING HUBS / CENTRES WITH GROWTH POTENTIAL**

Project members / supporters - both as lobby group and for the implementation of actions.

### **INDUSTRY / PRIVATE ENTERPRISES**

Potential sponsors / supporters.

### **REGIONAL THIRD LEVEL SECTOR (E.G. AIT, GMIT, NUIG, IT SLIGO)**

Support partners integrated within the ecosystem, innovation support for client enterprises as part of ecosystem, once established.

### **NORTHERN & WESTERN REGIONAL ASSEMBLY**

Regional policy organisation for regional proofing. Regional policy drafting (ROP), regional spatial and economic strategy and role in regional enterprise action plans.

## RISK AND CONTINGENCY PLANS

*description of risk*

### **poor engagement from stakeholders**

*level of probability* low: key stakeholders already engaging

*description of contingency plan* Maintain good communications with stakeholders, maintain good momentum to retain interest, motivation etc. This will be done through direct contacts, bilateral meetings, regular stakeholder meetings and project updates by email, telephone, reports etc as part of the implementation phase.

*description of risk*

### **lack of critical mass to achieve economies of scale**

*level of probability* medium: rural region, dependant on relatively slow organic growth to date

*description of contingency plan* Expand regional approach, including regional branding to attract new enterprise. Incentives to attract new enterprise - link to other regions, including urban centres.

*description of risk*

### **revised national policy / priorities**

*level of probability* medium: some new policy approaches, e.g. new national planning framework targeted more toward established urban centres. Others retain regional focus - via regional enterprise action plans, REDF / RRDF, etc.

*description of contingency plan* Tailor proposals to fit new policy priorities / strategic partnering, etc. e.g. align / integrate with other urban based centres to provide a suitable balance urban-rural approach as a new good practice model.

*description of risk*

### **high project costing / ROI**

*level of probability* high: if costs are too high and resources are limited, it may become prohibitive

*description of contingency plan* Evaluate innovative financial models for delivery of action plan, through dialogue with relevant actors, including public and private organisations, investigation of suitable good practices.

*description of risk*

### **lack of funding**

*level of probability* high: unsuccessful bids for funding recently

*description of contingency plan* Phased development may be possible, alternatives to be evaluated as appropriate.

*description of risk*

**competitive activity from other regions of Ireland**

*level of probability* high: other regions may undertake similar activities that give them competitive advantage; city regions already have critical mass which is very difficult to overcome

*description of contingency plan* Regional partnering, including collaborative measures where necessary / appropriate, with strong regional branding approach to gain advantage.

*description of risk*

**BREXIT issues**

*level of probability* high: economic fallout of UK disorderly exit from EU may cause revision to funding priorities

*description of contingency plan* Promote regional incubation centres as key to develop and sustain economy of rural regions and encourage increased investment to mitigate risk, pursue opportunities and foster growth.

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## COSTS AND POSSIBLE FUNDING SOURCES

*envisaged costs*

**digital hubs - incubation / innovation centre infrastructure**

€5m - across multiple locations

*potential funding sources / national possibilities*

- | REDF - department of business, enterprise and innovation
- | URDF - department of housing, planning and local government
- | RRDF - department of rural and community development
- | other relevant funds

*potential funding sources / regional possibilities*

- | local authorities

*envisaged costs*

**ecosystem services and other support programmes**

€250,000 (5 years)

*potential funding sources / possibilities*

- | LEO's (ROP funding); including collaborative funding

*envisaged costs*

**territorial promotion**

€100,000 (5 years)

*potential funding sources / possibilities*

- | local authorities
- | national funds, as above

## MONITORING

### output indicators

- | policy improvement, with regional bias for linked incubation / innovation hubs
- | € funding secured for incubation / innovation hubs and support ecosystem - target €5m

### result indicators

- | enhanced regional innovation ecosystem through stakeholder collaboration, with national and international linkages
- | no. of new / expanded hubs, supporting digital enterprise across Northern and Western region - target: 4
- | no. of new digital enterprises supported in hubs by 2021: target: 20
- | no. of jobs created in new digital enterprise: target 50

### monitoring tools

Through agreed USEFE forum, RSG will communicate quarterly to provide inputs and feedback on progress at regional level. This will directly feed into the monitoring tool for phase 2 of the TRINNO project.

Activities and targets will also be reviewed in light of opportunities that emerge, prevailing regional circumstances, proposed policy improvements, etc.

Opportunities to further influence / improve policy at national, regional and local level will be discussed and actions agreed as appropriate.

*author*

WestBIC / Northern and Western Regional Assembly

*concept*

Development Centre of the Heart of Slovenia

*design*

zadruga.traparij z.o.o.

*photos*

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