

# Innovation in Western Scotland

Presentation to IRE  
Liverpool October 2005

# Who we are

- O'Herlihy & Co Ltd
  - specialise in innovation and business competitiveness
    - development & evaluation
  - evaluated WofS RIS in 2000
  - clients include EC, European Partnerships, DTI, RDAs, Scottish Executive, 'Enterprise Networks' and private sector
- Why us today?
  - Previous presentation in Tartu
  - SEP not available

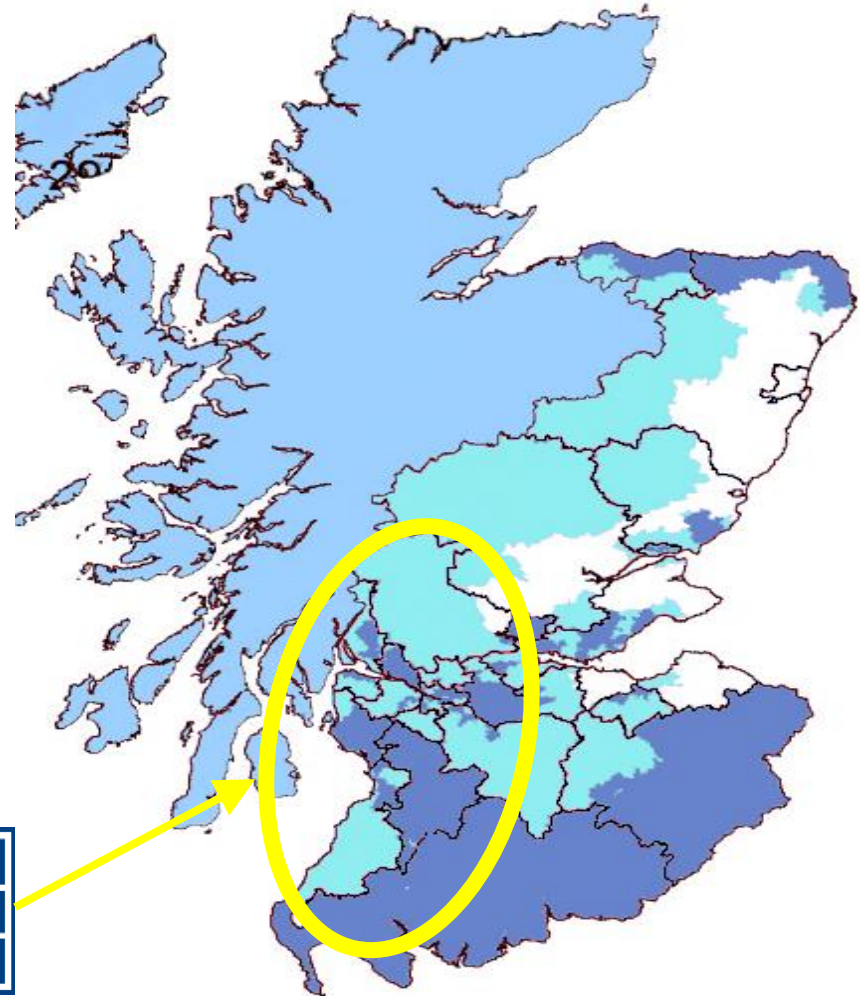
# Focus of presentation

- Background to WofS RIS
  - Where is West of Scotland
- 1. Why Innovative Culture?
  - The Research
- 2. The Culture Projects
- 3. What worked with firms?
- 4. Outcomes of RIS
- 5. Learning from RIS

# Europe



# West of Scotland



# Background

- Steering Group
  - representation from firms and public sector
    - led by firms
  - ‘loose’ definition of innovation
    - not ‘all product and process’
    - if new to firm, then ‘innovative’
- Desire to establish key ‘innovation’ issues in advance of agreeing RIS project design

# 1. The research

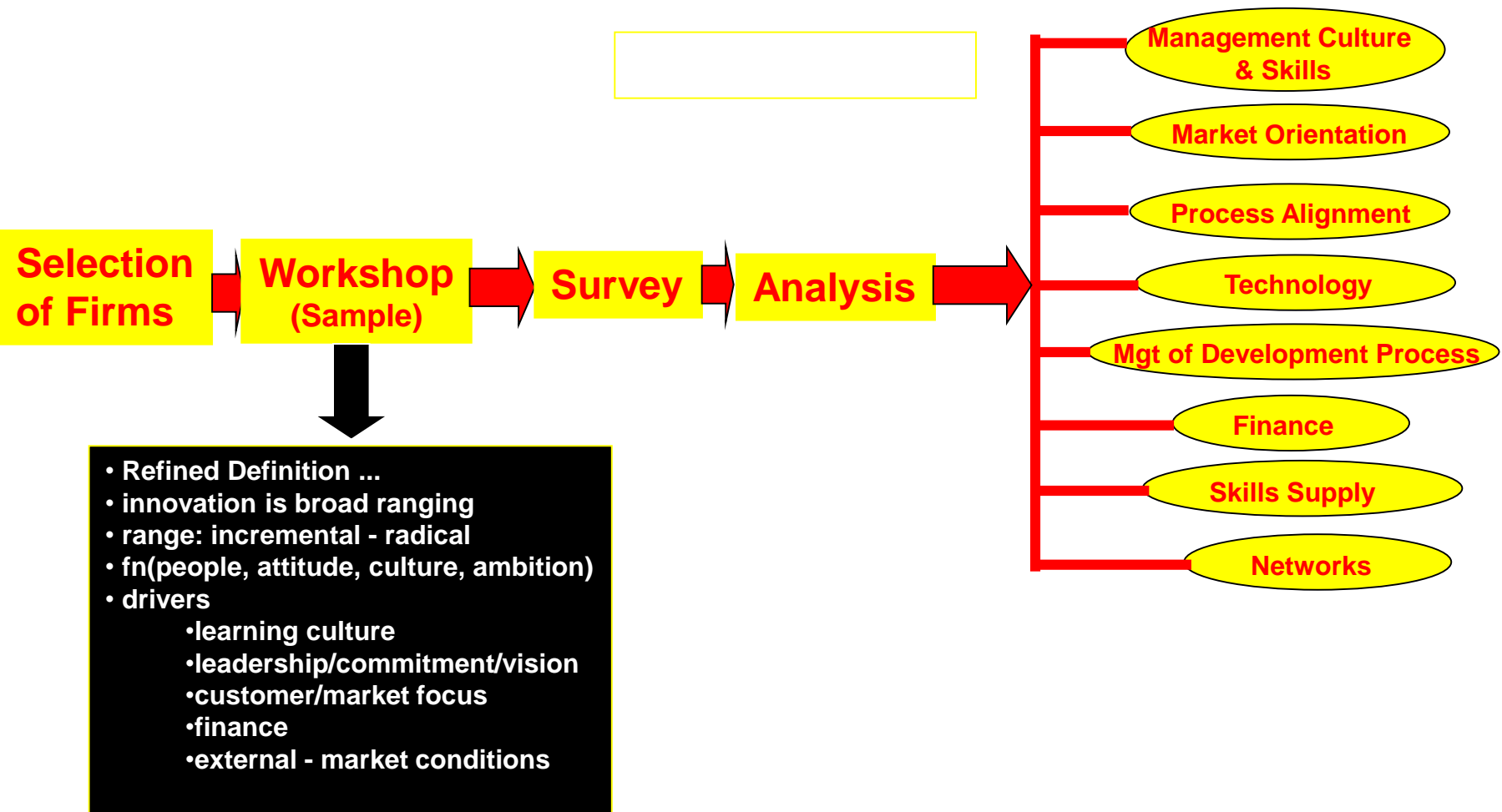
# Why Innovative Culture?

- Research phase
  - 55 firms in total
    - some of whom were on Steering Group
  - Mix of workshop and survey
  - Aim:
    - to identify in more depth issues relating to innovation in the West of Scotland
    - to ‘build’ intelligence throughout the research process



# Why Innovation Culture?

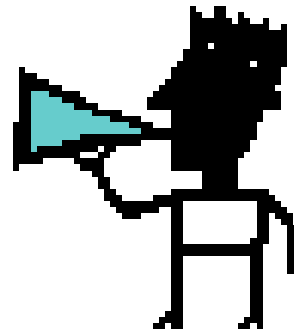
## 8 Key issues



# Why Innovation Culture?

- Another workshop with SMEs to review findings

**Management Culture  
& Skills *THE* priority**



# Management Culture & Skills

- The priority - ranked well above the rest
  - good communication critical
  - managers must *lead*, not just manage
    - trust and delegation
- Fear of Change biggest barrier
- Encourage networking
  - learn from peers
- ‘ideas person’ as change agent
- train managers and staff on lateral thinking

Attitude

# Management of the Development Process

## • Incremental versus Substantive Change



- Managers free to make 'quick' decisions to meet customers' needs



- Managers lack skills to manage the process for substantive change
- Defined process usually lacking also (esp. true where owner/manager has high influence)

- Pool of Business Mentors
- in-company assistance to implement new processes
- education and training on process development
- idea generation & brainstorming with non-competing firms

# Finance

“A pioneer - someone lying face down in the sand with an arrow in his back”

- Being innovative = seen as risky
  - by banks, investors, management teams

- Public sector guarantee fund (gives security)
- tax breaks for innovation (now exist)
- support to protect IPR
- seed capital funds with delayed payback

# Skills supply

- Firms recognised the need for ‘new blood’
  - but fresh graduates need direction
  - need links to academic institutions
  - staff with correct attitude difficult to attract
    - older people more attractive

- life skills and business training for graduates
- skills bank of older people
- proactive marketing of FE colleges competencies to business
- human resource timeshare

# Networking

- Experience sharing
- Partnering for specific business opportunities
- Opportunity to share experience with others
- Opportunity to learn from other sectors

## 2. The Culture Projects



# The 'Culture' Projects

- Agreed that Culture should be at heart of all 5 projects
- 5 Project Groups given autonomy
  - some looked 'local' others further afield
  - very different approaches taken
  - all coordinated by Steering Group
- Engage the 'unusual' suspects
  - as mentors (consultants)
  - as participants
- Significant benefits & impacts identified

Area	Recruitment	Firms	Process	Benefits	Comments
<b>Glasgow</b>	General recruitment Non selective	<b>6 firms</b> £55k – £2.2M 2-30 emp X-sector	SWORD Group based Focus on idea generation Advisors to assist with implementation	Idea generation Some Implementation	Highly structured process
<b>Lanarkshire</b>	Press Advert 'Big Idea' Attracted inventors  Low response	Focus on small firms  <b>7 firms</b> Max £800k, 12 emp X-sector	3 mentors 1-1 working	3 projects taken forward by participants Techniques TX	Random mentor - firm matching
<b>Dunbartonshire</b>	Presentation at Business Networking event  Innovative approach to managing the business	<b>6 Firms</b> £350k - £200M 15 – 1,100 emp	Group Workshops Company projects Foreign visit 1- working + email	Lots! Competitiveness Changed firms' focus Techniques Perspective change Techniques TX Thoughtstorm Ltd.	Different approach Mix of bespoke & structured 'Off the wall' = uncomfortable for some
<b>Renfrewshire</b>	Innovation 'sold' to firms – firms did not compete  Target firms new to innovation	<b>6 Firms</b> £200k – £12.7M 7 – 650 emp	Academics but practical 3 mentors 1-1 inputs	Competitiveness Cost control Customer service Communication	
<b>Ayrshire</b>	Location, size, sector, strong financially Target creative firms PRISM assessment Engage a 'slice' BUT local politics	<b>6 firms</b> £250K - £12.7M 6 – 160 emp mainly electronics & engineering	2 mentors 1-1 working Known tools, tailored to firms (Rhodes TIP)	Techniques TX Changed perception of 'innovation' (5/6) Managing the unexpected Managing change	Group working Mentor-firm contact at appraisal

# Dunbartonshire



- 10 times growth
- Worse is better
- Superhero

# Perception Change

## **Before:**

*You're either creative or you're not!*

*Innovation is incremental change*

*Innovation is the generation of ideas*

*Innovation is the practical application of ideas*

## **After:**

*People need assistance to unlock their creativity and there are **tools** available to help this*

*Innovation is a process of breakthrough and constant change*

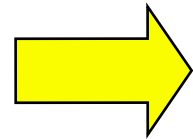
*Innovation is the generation and application of ideas*

*(No change)*

3. What worked with Firms?

# Project Success Factors

- Clearly defined brief for mentors
- Objective mentor & firm selection
  - what do you want to achieve?
- Firms-mentor contact *prior* to start
- Firms selected based on
  - *individuals attitude & openness*
  - *their interest in mentor's presentation*
- Group based learning
- Techniques learned & practised
- Foreign visit which altered perspective



COMMITMENT

# Sample Benefits for Firms

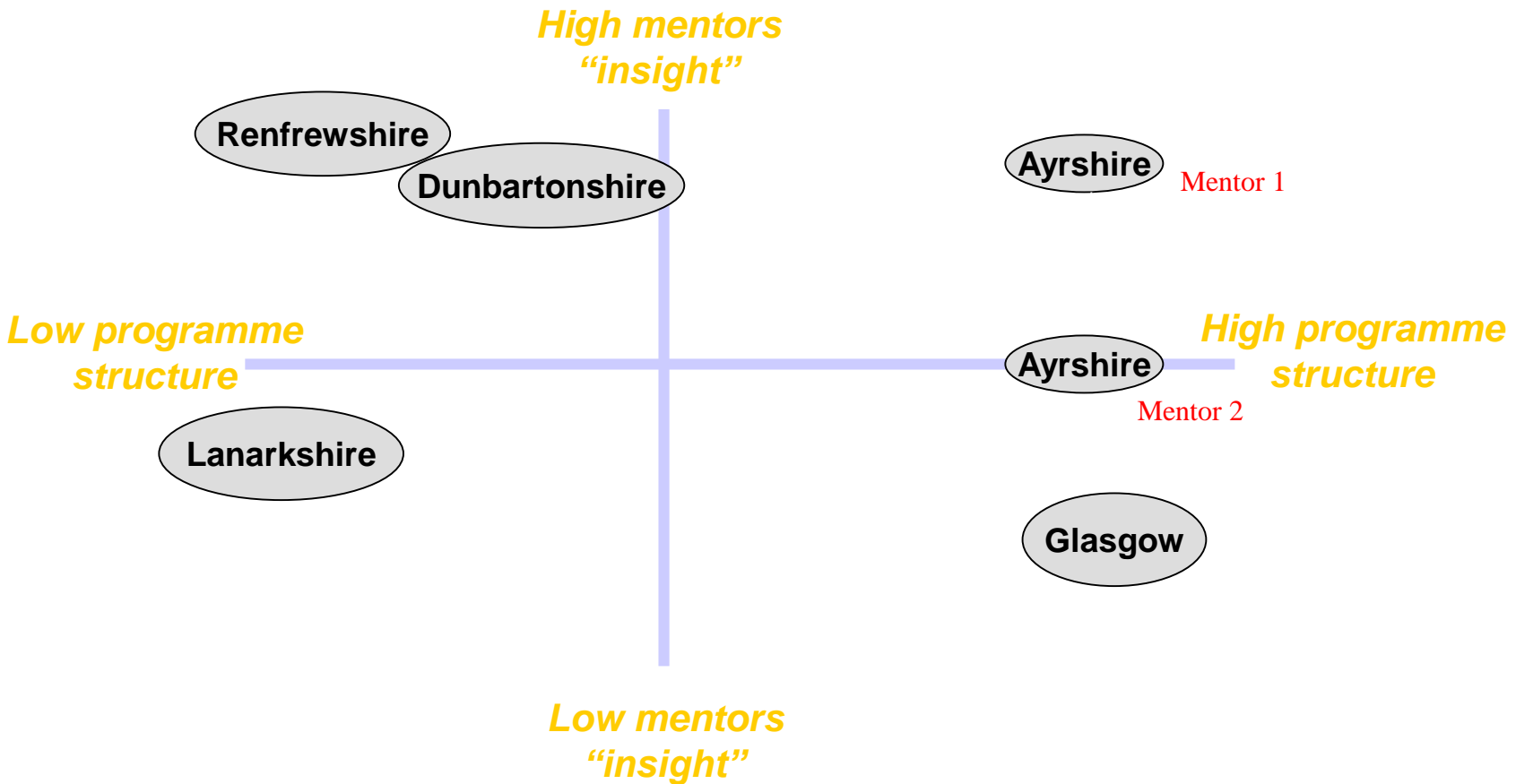
- ‘Betty the Bookkeeper’
- Large Company ‘Slice’ 5 teams X 5
  - Three new products (global)
  - Raised profile of Scotland plant in USA
    - we want you guys over here in all our plants
- Reverse takeover : £750K - £15M (~20 times)
- New business unit id by staff (not MD)
- Thoughtstorm Ltd

# Impacts

- More Sales
  - 2/3 firms identified quantitative impact
  - £8M by end of participation
  - £21M anticipated within 3 years
- Thoughtstorm continues to operate
  - works with members
  - works with others



# Insight vs Structure



## 4. RIS Outcomes

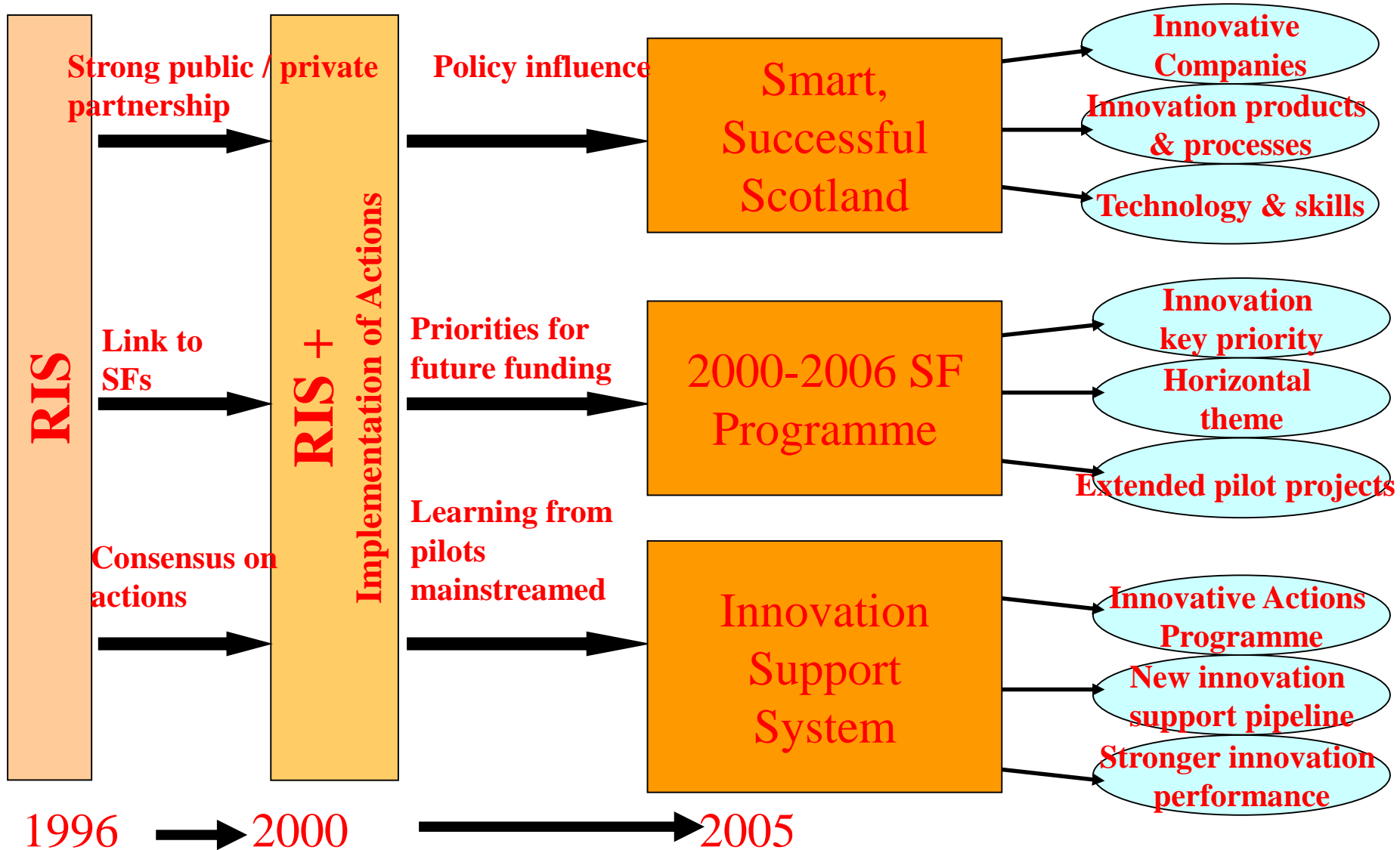
# Outcomes

- Action Plan
- Broad Definition of innovation adopted in Region
- New networks created
  - Public & Private
- 8 Priority projects developed
  - 5 focused on innovation culture
  - 1 finance for innovation
  - 1 skills supply
  - 1 strengthening innovation networks & partnerships

# More Outcomes

- Private sector champions in Region
- Tangible benefits to private sector
- Influenced policy, strategy and project development
  - ‘innovation’ at heart
- Innovation new key priority for EU SF
- Extensive networking with other Regions in EU
- Lots of practical learning

# Influence of RIS



# 5. RIS Learning

# Learning from RIS

- Regular communication between all parties
- Ownership by motivated individuals
- Use right language to create clarity of vision
- Company involvement at all levels of project design and delivery



**WE NEED TO PUSH OURSELVES TO.....**

- **Think Differently**
- **Plan Differently**
- **Act differently**

# Learning from RIS

- Promote an innovation oriente<sup>d</sup> culture
- Strengthen inter-regional exchange
- build capacity of support netw



**Be enthusiastic and  
have FUN !!!!**





