



# CASE STUDIES ON INNOVATIVE ENTREPRENEURIAL ORGANISATIONS IN EUROPEAN REGIONS

## SUMMARIES

FIERE WORK PACKAGE 4

*Reykjavík, June 2015*



This project has been funded with support from the European Commission.  
This communication reflects the views only of the author, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

**Editor:** *Árni Helgason*

**Authors:**

1. *Árni Helgason, Austurbrú chapter 1*
2. *Assoc. Prof. Todor Todorov, ICY chapter 2*
3. *Emanuela Salvo, Libera Terra chapter 3*
4. *Prof. Joseph Hassid, Improve my city chapter 4*
5. *Sean Keating, Tipperary County Council chapter 5*
6. *ACIB - Associação Comercial e Industrial de Barcelos, InCubo chapter 6*
7. *Dr. Valerie Brett and Prof. Bill O' Gorman, Waterford Institute of Technology, ArcLabs chapter 7*

# FIERE Case Study summaries

---

Following are short summaries of the case studies developed in the FIERE project (Furthering Innovative and Entrepreneurial Regions in Europe). Full texts of each case study can be found in English on project website [www.fiereproject.eu](http://www.fiereproject.eu). The summaries are available in all partner languages, that is in English, Icelandic, Italian, Portuguese, Greek and Bulgarian, and these can also be found on project website.

## 1. Summary of Austurbrú case study (Iceland)

Austurbrú is a self-governed non-profit institution which provides interdisciplinary services. Austurbrú was founded through the amalgamation of The East Iceland Knowledge Network, The East Iceland Development Centre, The East Iceland Tourism Office and The East Iceland Cultural board and which also managed The East Iceland Federation of Municipalities. Austurbrú had 32 founding partners and had initially a board with 7 members, 3 from East Iceland municipalities and 4 from different fields a) representing innovation and regional development, b) representing lifelong learning, c) representing university and research and d) representing culture and tourism. In addition to the board there was a council of 15 members who worked with different departments and experts within the organisation.

The key objective behind the foundation of Austurbrú was to enhance interdisciplinary cooperation to benefit the rural communities in East Iceland while at the same time establish a strong institution that could work directly with ministries and government on implementing regional agendas and other national incentives in East Iceland.

The formal preparation work for Austurbrú started in 2008 and came to fruition in May 2012 with the formation of Austurbrú. An extensive level of professional work was put into the preparation by more than one steering committee. The development of the process went from collaboration of independent entities partly or wholly owned by the municipalities that formed the SSA (SSA is the Federation of Municipalities in the East of Iceland) to an formal entity that would provide an umbrella over the existing structure to enhance efficiency and reduce cost and finally to a merger of the existing structures into one entity, Austurbrú.

The goals set out in the beginning look more like a mission statement rather than achievable, measurable goals and therefore it is difficult to measure the success of the project. However, the financial goals were not achieved; in fact the cost of operation increased by about 23% instead of being reduced as was supposed.

Training of personnel was not high on the agenda as it was seen as more a formal structure being put over an existing operation. This resulted in a less coherent organisation than was anticipated and a very high turnover in the post of Managing Director of Austurbrú affected the coherence of the new entity.

The implementation process was not carried out in detail (at least there is no evidence of that) even though a lot of work was put in by the steering committees in analysing what was needed in the implementation process.

The project failed to reduce cost but it seems that it delivered the services it was supposed to even if the lack of measurable goals in the beginning and then a comparison study afterwards prevents us from making a judgement on that. The merger of the existing entities into one did not go as planned and Austurbrú has now a new organisational chart and new management that is meant to improve its status, that process is still on-going and too soon to tell if it will work. What made the project fail was the lack of preparation of the personnel that were supposed to take the project forward and a lack of a sense of togetherness in Austurbrú among board members, stakeholders and employees.

As mentioned above the training of personnel in order to implement the new order was lacking. An extensive involvement of personnel and the new MD from an early stage would have enhanced the viability of the project.

The lessons to be learned from the project is that it is paramount that a common understanding between the owners/stakeholders and the people on the ground is necessary to bring the project to success. Even if the analysis and preparation among the stakeholders in the beginning was extensive the lack of training of personnel and involvement from early on in the process did have negative effects on the project.

There were innovative steps involved in the process in the way that it was trying to bring a number of different entities into one large organisation that would be able to serve the community better than small individual organisations.

Austurbrú ses is an interesting project for the FIERE project because of what made it fail. It underlines the importance of keeping the people on the ground involved in the process of change in order to make it happen. Ambitious projects will not succeed without the commitment of the people meant to carry them out.

## **2. Summary of Innovation Centre for Young people (ICY) case study (Bulgaria)**

In 2013 Business Incubator, Gotse Delchev initiated a project entitled Innovation Centre for Young People – ICY, financed under the IPA Cross-Border Programme Bulgaria-Macedonia 2007-2013. The goals of the initiative were to facilitate the development of a pro-innovative environment in the partner regions through supporting the generation of innovative ideas by young people and turning these ideas into business and social ventures. The project addressed a number of issues in the cross-border region associated with:

- 1) the lack of innovative environment, supporting structures and special services to encourage young people in the region, incl. those from minority and other vulnerable groups, to develop their innovative ideas;
- 2) the very limited implementation of innovations in SMEs in the region of Gotse Delchev;
- 3) the unsatisfactory coverage of innovation in the educational system.

The outcomes of the initiative were associated with creation and development of innovative environment and services for young people, so that they were able to develop their own ideas. This was done through organisation of trainings and workshops in each of the partner regions for young people on topics such as creativity, elaboration of innovative ideas, team work, knowledge transfer and sharing of experience in the area of innovations; mentorship and innovation networks; cooperation with SMEs.

The long experience of the staff of Business Incubator ‘Gotse Delchev’ in supporting SMEs, entrepreneurship education and innovations in the regions proved invaluable in the process of implementation of project activities. A very positive aspect of the initiative was the fact that the youth, involved in the project, which generated innovative ideas, received the opportunity to further develop those ideas with the help of mentors and present them to company managers, potential investors and local administration.

The case study provides an example of an initiative aimed at supporting innovations and entrepreneurship among young people in the region of Gotse Delchev. The actions undertaken will prove invaluable in the process of capacity building among the management staff and the employees of the Business Incubator and facilitate their further efforts to contribute to improving the competitiveness of business entities at local level and support the development of the entire local community.

### 3. Summary of Libera Terra case study (Italy)

Libera Terra is a network of social cooperatives that was established in order to socially, economically and legally boost agricultural lands that traditionally yielded profits only to criminal organisations to the detriment of society as a whole. Its main goal is to demonstrate to civil society how the re-use of confiscated goods for social purposes can generate concrete benefits to the entire territory and the local population. Since its outset, an important role has been played by civil society's motivation in requesting a law that would allow for the social use of confiscated real estates. Moreover, important steps in the creation of the first social cooperative of the network have included the training of its members, the production of high quality products and the management system. In fact, Libera Terra has created "Libera Terra Mediterraneo" Consortium that supports its merchandising phases and a brand regulation to involve other farms in the production of goods with the "Libera Terra" brand. Today Libera Terra consists of ten social cooperatives. The entire implementation process and especially its start-up phase were difficult. However, the factors that made Libera Terra a success were the perseverance of its founders and the fact that the project was a result of good team-work, whose ideals were shared by the different actors involved.

#### Lessons to be learned (both positive and negative)

Libera Terra provided an economic alternative to the mafia system, based on the idea that legality is convenient and on the respect of human resources and organic kinds of farming; this ensured the respect of the environment, also because of the fact that Libera Terra's lands are public goods, and as such, need to be a positive example of social and environmental protection for citizens. This also led to a social "redemption" of citizens and the communities which have become socially and economically stronger thanks to Libera Terra's achievements. Lastly, the profit is redistributed in the community as workers and suppliers are also part of the same community in which Libera Terra works.

#### Innovative/entrepreneurial aspects

The main idea is that the best way to give back value and dignity to lands starting from the use of confiscated goods is to create plausible and self-sustainable entrepreneurial bodies. The main way to reach this is through quality and a path that leads towards excellence of the products, of processes, relations and management.

#### Conclusion (why interesting for the FIERE project?)

Because Libera Terra is a local organisation that combines entrepreneurial spirit with an ethical drive for developing a mafia-free and sound market.

#### 4. Summary of “IMPROVE MY CITY” case study (Greece)

The “Improve My City” Good Practice refers to an “innovative and entrepreneurial” initiative developed and implemented by the Municipality of Themi, situated in the east side of the Prefecture of Thessaloniki (region of Central Macedonia); at a distance of fifteen (15) km from the metropolitan centre of Thessaloniki. The Municipality of Themi consists of fourteen (14) local communities and it occupies an area of approximately 386 km<sup>2</sup>.

The Improve my City service enables the citizens of the Municipality of Themi to report existing and/or developing local problems such as potholes, illegal trash dumping, faulty street lights, destroyed tiles on sidewalks, and illegal advertising boards. The submitted issues are displayed on the city's map. Users may add photos and comments. Moreover, they can suggest solutions for improving the environment of their neighbourhood.

The “problems” that the Municipality was facing, were causing were rather severe:

- Poor communication with citizens,
- Negative sentiments against the Municipality,
- Perpetuation of problems and
- Deterioration of local environment.

Through an organised Plan of newly designed interventions, largely based on The Municipality’s staff creativity and use of technology, it was attempted to improve the situation and remedy the “problems”. In short, the main “innovative” solution devised and implemented was the creation of a fully interactive Data Base for citizens’ reporting of problems, monitoring of action taken by Municipal services and real time feedback to citizens.

In general, the implementation process is considered to be successful! Since 2011, when the new service started operating, more than 1000 citizens’ reports have been received and the reported “problems” were, in most cases, successfully resolved.

The Application has been widely publicized and several local authorities across the country, as well as organizations from other European and non-European countries, have contacted the Municipality and inquired on transfer and adoption possibilities.

Problems that had to be overcome related to understandable and expected internal “resistance to change”, mainly attributed to some of the operators’ reluctance to undertake additional tasks that they were not familiar with. On the other hand, the main factor which allowed overcoming such hurdles was the “political will” demonstrated by the Municipality’s Mayor to proceed and implement the “Improve my City” project.

It has to be noted however that availability of earmarked EC funding for the project and the element of transferable transnational technical expertise and assistance, were also important factors mitigating “risks” and inhibitions. “Political will”, by itself, might not have been sufficient, if scarce resources had to be diverted from other uses. Similar comments may be made with regard to the time schedule applied for the project as a whole.

## 5. Summary of merger of North and South Tipperary County Councils case study (Ireland)

This case study reviews the merger of the former North and South Tipperary County Councils into Tipperary County Council (TCC) which took place in June 2014. It is extracted from a more detailed review carried out in late 2014 by the Institute of Public Administration<sup>1</sup> at the request of the management of the unified TCC.

County Tipperary, Ireland's largest inland county, has a population of 158,754 and covers an area of 4,282 km<sup>2</sup>. Tipperary had been administered as two separate local government units since 1838 when the county was split for the purposes of Grand Juries, established by the English parliament, which then governed the island of Ireland.

In July 2011 the Irish Government announced the establishment of a unified county council in Tipperary, with effect from the 2014 local government elections, to replace the existing North and South Tipperary County Councils. The merger was to be part of a wider local government reform initiative.

The general objective of the merger project was to deliver the merger effectively and on time, maintain delivery of services across the county and to maximise resource deployment and savings.

The management process put in place to undertake the amalgamation project utilized the resources of the existing councils and allocated them to best advantage in terms of their input to task completion. The merger was managed by a joint management team (JMT) comprising the management teams of the two councils. A project support team was established and supported the implementation group and coordinated the actions agreed by the JMT. The support team comprised a project co-ordinator at director level, appointed to work on the project full-time, the two HR managers and two senior staff from corporate services. Management sub-groups were also established on a function by function basis (e.g. IT, finance, roads) in order to progress issues such as the merger of policies, procedures and protocols.

The government announced further local government reforms in October 2012. As a result, the merger project became a far bigger and more complex one. Whereas previously it had encompassed the merger of the two local authorities and the incorporation of the Library Committee, it now also involved the dissolution of the county's seven urban councils and incorporation of their staff and functions into the new council.

The project took place over two inter-related phases – (1) a planning phase and (2) an implementation phase. The planning phase encompassed the period from July 2011 through to the acceptance in July 2012 by the Minister of the merger implementation plan. The plan detailed the approach to be taken in delivering on the terms of reference prescribed by government. The objective of the implementation group was to produce a comprehensive implementation plan that set out the steps required to ensure that the merger would happen on schedule.

The implementation phase then ran to the official merger date of 3 June 2014. It encompassed a focus on the merger of systems and procedures. Overall, there were 128 mini merger 'projects' ranging from the integration of major systems like pay-roll, financial management and planning, through to minor processes such as parking fines. The approach adopted was that a project team was put in place drawn from the section with responsibility for the system or procedure.

Innovative features of the project include a new service model for delivery of services; introduction of customer service desks; development of a new public-facing website; energy-saving/carbon-reduction improvements in building facilities; and risk management planning.

---

<sup>1</sup> [www.ipa.ie](http://www.ipa.ie)

Given the scale of the project, the number of stakeholders involved, and the wider challenges arising from reform of the overall public service, the merger was managed very effectively. The administrative, legal, financial and political merger was achieved on time and within budget. Savings of €6.1m per year were to be achieved over an extended period. By February 2015, savings were already in excess of €3m. The costs of the merger including one-off expenditure on IT harmonisation, office improvements and corporate branding amounted to €1.7m, lower than the anticipated figure.

Communication with stakeholders – staff, elected representatives, trade-unions and other local organisations – represented an important aspect of the merger.

Social inclusion was a significant priority that guided the merger of the two councils. Marginalised communities, and the marginalised within communities, now have the opportunity to participate in local decision making and to influence and shape local decisions through new structures developed as part of the merger process.

The consolidation phase encompasses the period from legal merger (June 2014). This is focused on moving past the technical merger to building a new organizational culture. Removing divisions and developing a new culture around a shared understanding of the aims of the new organisation is fundamental to any merger. The first step in this process has been the development of a new corporate plan for the period 2015-2019, which sets out a clear vision for the whole county.

The merger of two large local authorities had not occurred in Ireland prior to 2014. Learning from the experience has been identified as a key outcome that will provide guidance to other public service organisations engaged in similar reorganizations in Ireland and across the wider E.U.

## **6. Summary of In.Cubo Incubadora de Iniciativas Empresariais Inovadoras (Incubator of Innovative Business Initiatives) case study (Portugal)**

The In.Cubo project was successful; it started from a strong involvement with the various partners at a local level, including municipalities, inter-municipal communities, local development associations, higher education units with the ultimate aim to intervene at all the municipal territories surrounding the region of Minho-Lima.

In.Cubo emerged to fulfill the need to qualify and attract human resources for the region, to foster the entrepreneurial capacity, to promote a business background and to strengthen the collective business function.

One of the most important benefits that In.Cubo offers to the region and to its promoters is the support and monitoring of individual promoters through the intervention of a team with extensive experience and high level of skills in the entrepreneurial sector.

In.Cubo revealed widely innovative aspects such as: the coordination of the various partners to act together in the region and pursue common objectives to support entrepreneurs; the intervention in various municipal territories that comprise the region of Minho-Lima; and the important technical consensus on the evolution of the various stages of the programs, seeking to frame the projects selected with the objectives of the programs.

In.Cubo offers new generation incubation services, based on territorial and relational symbiosis synergies. It is more than just a physical infrastructure, with a specific geographic location, it is assumed as a high potential tool to create and exploit synergies and contribute actively to the revitalization of the region's economy.

Therefore, In.Cubo has great relevance for FIERE project because it is able to attract and foster a new generation of business activities and investment-oriented technologies and to contribute to the creation and operation of interfaces and networks of cooperation and innovation.

In.Cubo focuses on entrepreneurs by providing them a physical space with reduced costs and the support of specialized teams in the business startup. It is based mainly in the community, since the communities provide the environment in which entrepreneurs can thrive and be guided to the area, intending to stimulate it economically.

This entrepreneurial spirit that encourages innovation and networking is, without doubt, essential for the FIERE project, as it is a great example of encouraging entrepreneurship in Portugal.

## **7. Summary of WIT's ArcLabs Research & Innovation Centre: Creating an Ecosystem of Open Innovation case study (Ireland)**

The ArcLabs Research & Innovation Centre case study explored the role key individuals played in the establishment of ArcLabs Research & Innovation Centre and its progression towards becoming an ecosystem of open innovation. The core concept of innovation in the ArcLabs model is the dynamics created by the co-location of academics and researchers within the Telecommunication Software Systems Group (TSSG) and the Centre for Enterprise Development and Regional Economy (CEDRE), engineers (in TSSG) and entrepreneurs (in CEDRE) and startups in the incubation centre. The purpose of the case study is to illustrate how individuals with a complimentary vision and focus on the development of the region's economy can support economic development through enhancing the research and innovative absorptive capacity of a region.

The goal of the ArcLabs Research & Innovation Centre is to provide entrepreneurs (with high growth potential) and early-stage ventures with the support required to achieve success in national and international markets. ArcLabs aims to accelerate business growth by providing business advisory services, mentoring and access to the R&D resources of Waterford Institute of Technology. WIT has developed a successful model for co-locating research, business incubation and entrepreneurship training through the ArcLabs model. The key to this applied approach is enabling the movement of human capital between the three elements as research generates know-how and intellectual property, and helps early-stage companies to develop technologies. Business incubation provides the physical infrastructure and advisory services for spin-outs, spin-ins and entrepreneurs. Specific entrepreneur development programmes provided in ArcLabs are a pipeline of companies that are interested in accessing research and utilising business incubation services.

Creating such an environment takes considerable time, dedication and foresight and the ArcLabs model provides a road map for small and lagging regions on how they can build open systems of innovations and develop regional specialism's and support regional economic development (O'Gorman and Donnelly, 2014). ArcLabs Research & Innovation Centre, since its establishment in 1996 has secured over extensive levels of national and European Union funding for basic and applied research and the commercialisation of research. The ArcLabs model has generated over 10 spin-out and 4 spin-in companies, and developed an extensive international network across the globe.