Regional Innovation Policy

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Type A: Unaware/Passive

- These firms can be characterised as being 'unconscious' or unaware about the need for technological improvement.
- They do not realise or recognise the need for technological change in what may be a hostile environment and where technological know-how and ability may be vital to survival.
- They do not know where or what they might improve, or how to go about the process of technology upgrading.

Type A: Unaware/Passive

- Unaware of potential problems or of resources which might help deal with them
- Lack motivation to change
- Lack managerial skills to prioritise and planning for change
- Lack implementation skills
- Lack awareness or access to national or regional innovation system
- Lack resources (often aggravated by inefficient use of what is currently available)

Type B: Reactive

- These firms recognise the challenge of change and the need for continuous improvements in manufacturing and other technological capabilities.
- Because their internal resources are limited — and they often lack key skills and experience in technology – they tend to react to technological threats and possibilities, but are unable to shape and exploit events to their advantage.
- Their external networks are usually poorly developed. Most technological know-how comes from their suppliers and from observing the behaviour of other firms in their sector

Type B: Reactive

- **Lack detailed awareness of innovation challenges**
- **Lack awareness of broader market and competitive drivers**
- **Unaware of full range of technological options to upgrade capability**
- **Lack awareness of distinctive competency or the need to identify and build such competency**
- **Lack internal resources or the awareness of full range of resources available within the national or regional innovation system**

Type B: Reactive

- **Lack of measurement ability**
- **Lacking capability in articulation core problems and a tendency to treat symptoms rather than deal with root cause issues**
- **Awareness of strategic orientation to technological change – piecemeal innovation**
- **Lack of frameworks for prioritising innovation or of ensuring that changes support the business strategy**
- **Lack of implementation capability**

Type C: Strategic

- They are highly capable in implementing new projects and take a strategic approach to the process of continuous innovation.
- They have a clear idea of priorities as to what has to be done, when and by whom.
- They have strong internal capabilities in both technical and managerial areas.

Type C: Strategic

- They tend to lack the capabilities to re-define markets through new technology, or to create new market opportunities.
- They tend to compete within the boundaries of an existing industry and may become 'trapped' in a mature or slow growth sector.
- Sometimes, they are limited in knowing where and how to acquire new technologies beyond the boundaries of their traditional business.

Type D: Creative

- Have fully-developed sets of technological capabilities and are able to help define the international technology frontier.

- In many areas, they take a creative and pro-active approach to exploiting technology for competitive advantage.

- They are at ease with modern strategic frameworks for innovation and take it upon themselves to 're-write' the rules of the competitive game with respect to technology, markets and organisation.

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Type D: Creative

- Strong internal resources are coupled with a high degree of absorptive capacity that can enable diversification into other sectors, where their own skills and capabilities bring new advantages and re-define the ways in which firms traditionally compete, or wish to compete.

- Their technology and market networks are extensive so that they are kept informed about new technological opportunities and remain in touch with suppliers of equipment and ideas.

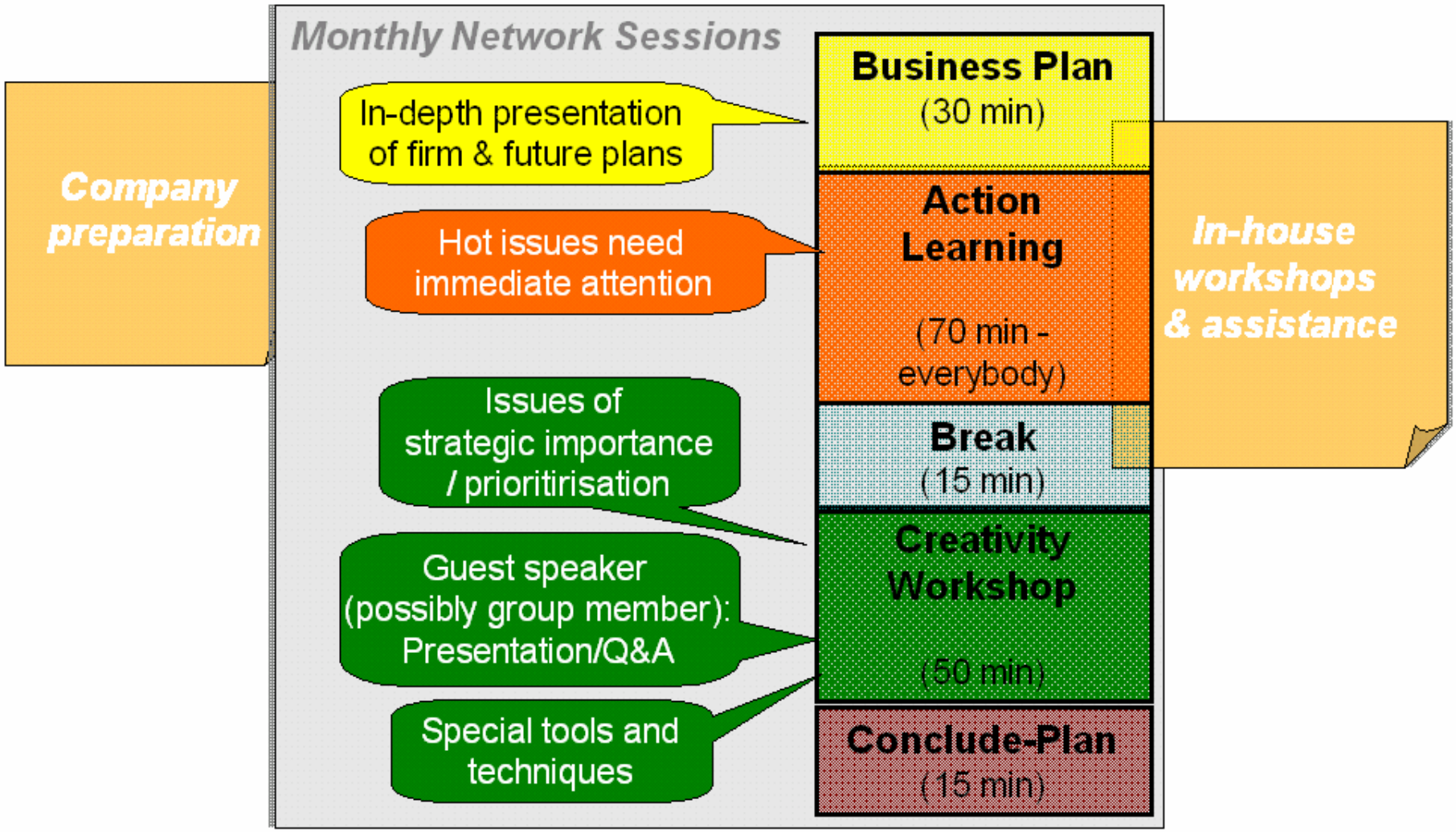
Implementation

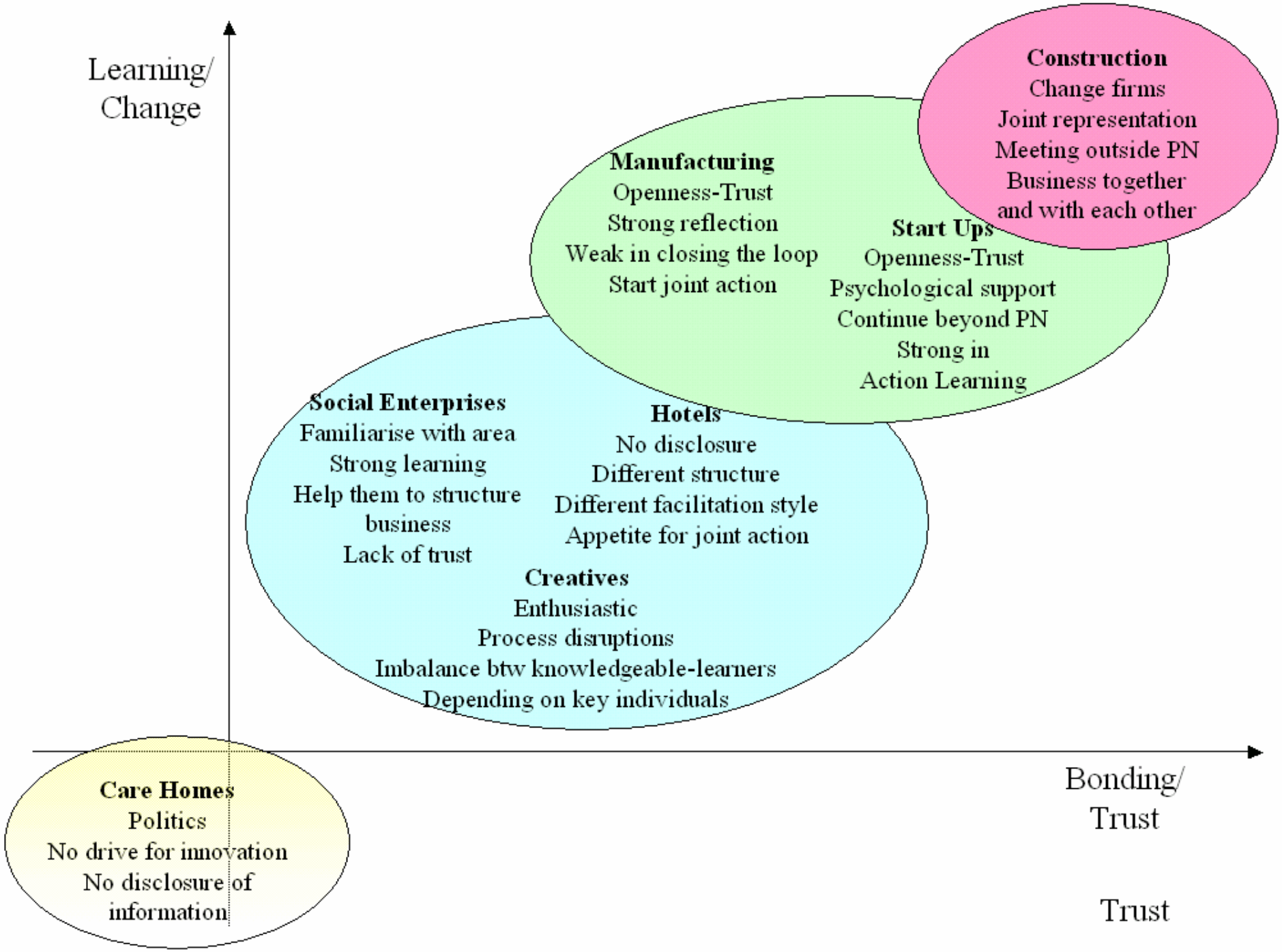
Question	Underlying themes	How to interpret the response
How do you manage the process of implementing technology-based projects?	Successful firms have skills and experience in project management.	If the firm is inexperienced or incapable of project management there is a high risk that projects will run over time or budget.
How do you manage risk in development projects?	Successful firms operate some form of risk management — such as the use of a 'stage-gate' framework to guide product development.	Without a suitable risk management framework the firm may find itself unable to monitor progress or to stop projects which have run into difficulties or no longer fit the strategy.
How do you ensure co-operation and communication between different functions in the firm Ń R&D, engineering, production, marketing, etc.?	Successful firms are able to engage cross-functional expertise (e.g. marketing, production, quality) to create new products/processes.	If the firm is unable to bring different functions together during the project there is a risk of costs and time problems.

Summary

Score	1	2	3	4
Typical characteristics	The firm has little project management experience or structure. Projects can easily drift out of control.	The firm has some project management expertise but has no framework for risk management or continuing assessment of project progress.	The firm makes use of a risk management framework and has project management skills.	The firm has a well-developed framework for risk management and is experienced in project management. It has structures and processes in place to enable cross-functional co-operation and early involvement.
Your assessment				

ProfitNet: Interface With Firms




Learning/
Change
Construction
Change firms
Joint representation
Meeting outside PN
Business together
and with each other
Manufacturing
Openness-Trust
Strong reflection
Weak in closing the loop
Start joint action
Start Ups
Openness-Trust
Psychological support
Continue beyond PN
Strong in
Action Learning
Social Enterprises
Familiarise with area
Strong learning
Help them to structure
business
Lack of trust
Hotels
No disclosure
Different structure
Different facilitation style
Appetite for joint action
Creatives
Enthusiastic
Process disruptions
Imbalance btw knowledgeable-learners
Depending on key individuals
Care Homes
Politics
No drive for innovation
No disclosure of
information
Bonding/
Trust
Trust

Automotive Component Benchmarking Clubs

- **confidential diagnostic reports which measured their operational performance on each of the key measures**
- **a confidential report benchmarking each firm against international competitors**
- **a monthly newsletter**
- **quarterly workshops**
- **interplant visits**

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Automotive Component Benchmarking Clubs

- **different needs and requirements during different phases of implementation (set-up, operation, sustaining)**
- **building trust**
- **the role of neutral external intermediaries (with real knowledge)**
- **the presence of key players and internal change agents**
- **challenging inherited mindsets**
- **critical mass**