

Innovation and Business Support Program

In 2018, the Innovation and Business Support Program focused its activities in the following fields:

- **Supporting SMEs to establish international partnerships and enter markets in third countries.** 2018 was marked by Bulgaria's Presidency of the Council of the EU. ARC Consulting as Coordinator of Enterprise Europe Network (EEN) – Bulgaria co-organized key European business events on the Network's calendar and facilitated nearly 70 international negotiations of more than 40 Bulgarian companies. As a result of the integrated support, eight international agreements with Bulgarian companies were signed in 2018.
- **Consulting SMEs.** There were three main areas of interest among businesses: Access2Finance, focusing on the SME Instrument within Horizon 2020; access to new markets; and innovation management. More than 70 Bulgarian companies benefited from the services and expertise of EEN in these areas. With the support delivered, four SME projects were developed and submitted to the H2020 and LIFE programs, one of which was awarded a grant contract under the SME Instrument. ARC Consulting experts are among the few in Bulgaria licensed by the IMP³rove International Innovation Management Academy. Nearly 30 SMEs approached ARC Consulting and benefited from In-depth IMP³rove analysis and consultations, resulting in optimized management of their innovation processes.
- **Efficiency of financial instruments for SMEs and innovation.** In 2018, ARC Fund took part in a series of capacity building and interregional learning events with business and public institutions on improving the efficiency of national and European financial instruments for SMEs and innovations, involving the National Innovation Fund and the Innovation Fund of Sofia Municipality. Measures and recommendations were drawn up in Action Plans based on internationally recognized good practices and on the assessment and opinions of experts, stakeholders and partners from Austria, Spain, Portugal, Italy, Poland, France, Spain, Germany and Estonia.

Assisting SMEs with International Partnerships and Entering New Markets

EEN – Bulgaria, coordinated by ARC Consulting, offered to Bulgarian companies new opportunities for access to finance, international partnerships and entering markets in third countries.



In the year of its Presidency of the Council of the EU, Bulgaria was in the spotlight in terms of promoting growth, competitiveness and innovation.

TCI’s Sofia conference broadened the debate about EU cluster policy

In partnership with EEN at ARC Consulting, on March 20-22 the global practitioners’ network for competitiveness, clusters and innovation TCI held its 2018 annual conference in Sofia entitled “Turning challenges into opportunities through clusters in South Eastern Europe”.

Despite its regional focus, the conference brought together delegates from more than 20 countries, including New Zealand and Canada. Participants discussed the way clusters can become drivers of broader change in local competitiveness and the right approach to achieving greater impact, while remaining anchored in cluster dynamics and regional context. Some of the notable conference speakers were Ulla Engemann, Head of the Advanced Technologies, Clusters and Social Economy Unit at DG GROW, Madeline Smith from the Institute of Design Innovation at Glasgow School of Art, and Alberto Pezzi from ACCIÓ-Catalan Government.

WATIFY: Inspire to Transform in Sofia stimulated the technological transformation of European business

Digitalization was one of the EU priorities on the Bulgarian Presidency agenda. Core to this campaign was **WATIFY: Inspire to Transform**, an interactive high-policy profile event of DG GROW, co-organized by ARC Consulting and EEN Bulgaria on May 2. EEN also partnered in the high-level conference on “Smart Specialization and Technology



TCI annual conference with delegates from more than 20 countries, Sofia, 20-22 March 2018

Transfer as Innovation Drivers for Regional Growth” on May 3-4.

WATIFY brought together innovation leaders and policy-makers from across Europe, amongst which Malina Edreva, Vice President of the European Committee of the Regions Bureau, and Markku Markkula, First Vice-President of the EU Committee of the Regions. Particular focus was placed on the creation of intelligent communities where citizens empower each other with innova-

tion-driven societal solutions. The event provided opportunities to pitch projects and ideas and to exchange experience with innovative European SMEs that showcased on site their technological transformations. **SmartFabLab**, the first digital fabrication laboratory in Bulgaria, presented the making of prototypes with a 3D printer, demonstrating the printing of the WATIFY Award live. **Bächer and Bergmann** won the 2018 award for the best WATIFY technological transformation.

Bulgarian innovators and entrepreneurs shared success stories on the National Radio

For a second year in row, the Enterprise Europe Network at ARC Consulting publicized a program specifically dedicated to innovation via the Bulgarian National Radio. Bulgarian innovators and entrepreneurs talked about their challenges and achievements in a series of broadcasts organized in partnership with the International Business School, Sofia and Botevgrad. The program featured ARC Fund senior expert **Dr. Todor Galev**, who pointed out that Bulgarian SMEs outside the ICT sector are 3 times less digitalized compared to the EU average. Their poor performance or market failure are often due to the lack of long-term strategy, vision and market insight. In counterpoint, Innovative Enterprise of the Year contest participants shared their success stories, such as smart

technologies for optimized waste management, specialized car services for people with disabilities and mothers with children, and a social network where volunteers, NGOs and businesses join in to build social responsibility. Another major challenge entrepreneurs face is the lack of skilled labor force. Interaction between the educational system and business should be enhanced and the education process should encourage students to create sustainable businesses. As put by **Prof. Teodora Georgieva**, education is complementary to the development of the innovation environment. It is important to link the support of family, state, business and education entrepreneurs, so that the educational system does not remain an island.

Consulting SMEs

In 2018, 35 SMEs and newly established companies benefited from ARC Consulting's integrated services covering Access-2-Finance, IPR, and Innovation Management, access to new markets, innovation and tech-transfer brokering. As a result, four project proposals by Bulgarian SMEs and clusters were submitted under the *Horizon 2020* and *LIFE* programs, addressing challenging issues such as the capacity of banks and other investors to evaluate energy efficiency projects, new methods for beekeeping and biodiversity preservation, and new legislations in bioenergy in the EU regions. An innovative marine technology designed by a Bulgarian SME was granted financial support by *H2020* and is currently tested in diverse aqua environments. The support to Bulgarian companies' participation in specialized brokerage events and business missions such as **Digital Health B2B** in Bristol and **Chii 2018**, and in the interactive EEN database, triggered more than 65 negotiations on business and technological partnerships in a variety of sectors such as digital and creative technologies, construction, metal processing, environmental protection and ICT outsourcing. In 2018, the

SME support achievements led to eight successful partnerships and entries on EU and third-country markets, amongst which Ger-

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many, Romania, and Montenegro.

During the year, ARC Consulting was entrusted by EASME to act as EU IPR Helpdesk Ambassador for Bulgaria. ARCC hosts three senior experts, among the very few in Bulgaria, licensed to consult SMEs using assessment tools by the ATKerney Innovation Management IMP³rove Academy. The Innovative Enterprise of the Year contest with its Innovation Management IMP³rove-based award category were recognized a good practice and accepted as part of the Interreg Europe Program repository of good practices. ARC Consulting is one of the four organizations in Bulgaria authorized by the European Commission to act as Key Account Manager (KAM) to SMEs awarded a grant contract under the *H2020* SME Instrument.

Leveraging policy efficiency

Under the **Effective Financial Instruments in Support of SMEs** initiative, eight European regions from Poland, France, Spain, Germany, Estonia and Bulgaria have joined efforts to analyze the challenges to effective SME support, in particular, the mechanisms for monitoring and evaluating SME support instruments. ARC Fund was commissioned by the Bulgarian SME Promotion Agency to assess the National Innovation Fund and develop an Action Plan for improving its efficiency and impact. The key challenge to the Agency as the Fund's managing authority was found to be the lack of monitoring

mechanisms ensuring the sustainability and impact of the invested financial support.

ARC Fund launched public consultations with representatives of innovative businesses and institutions titled "Business opinion matters". The views and ideas shared in the discussions are translated by ARC Fund into an Action Plan with a set of improvement measures. The policy initiative was selected and showcased as a good practice at the pan-European Interreg Europe Experience Fair in Sofia within the Bulgarian Precedency of the Council of the EU in the first half of 2018.

InnoBridge brings together European regional practices to make research and innovation a market success

Another eight European regions work under the **InnoBridge** initiative which aims to make research and innovation a market success and leverage the efficiency of policy and financial instruments that support the transformation of R&D results into commercial assets. ARC Fund is the methodology and process advisor to the group. In 2018, ARC Fund together with Lower Austria's regional

government, designed and facilitated interregional learning workshops in Krakow, Bolzano and Baden to foster new ideas of mid and long-term measures to feed into Improvement Action Plans. The InnoBridge Concept Paper summarizes the approach and the lessons learnt and provides policy recommendations to the EC and the participant regions.



Interregional Learning Workshop, Baden, Austria, 27 November 2018

InnoSupport initiative for enhancing the SMEs competitiveness of FYROM

In 2018, ARC Fund was commissioned by the Ministry of Finance of Republic of North Macedonia to transfer knowledge, experience and good practices to the local SMEs and enhance their innovation-driven competitiveness. ARC Fund made the research editorial and finalization of the guides on *Basic Tools To Support Innovation In SMEs* and *Innovation Financing*, drafted by the Youth Entrepreneurial Service Foundation and the Foundation for Management and Industrial Research.

On 20-21 September, a capacity building workshop on „Financing of research and innovation projects through the EU program Horizon 2020” was held in Skopje. ARC Fund trained young entrepreneurs from 30 local SMEs to draft H2020 project proposals. The workshop focused on R&D&I results, intellectual property and protection, as well as on the specifics related to their dissemination, transfer and licensing. ARC Fund shared its experience in innovation project management under *H2020* in several practice-oriented sessions.



H2020 training, Skopje, 20-21 September 2018

The local partners were welcomed to the National Innovation Forum and the Innovative Enterprise of the Year 2018 contest to get deeper insight to the process of entrepreneurial discovery. As a follow-up, ARC

Fund was assigned the development of a roadmap for transferring the methodology of the Innovative Enterprise of the Year national contest in 2019.