WP5 – Deliverable 5.6.2
Operational e-manual to deliver innovation services in the F&A cross-value chain

Deliverable Number D.5.6.2.

Project Acronym	INVESTINFISH
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Work Package Title	Knowledge transfer and long-term sustainability
Activity Number	5.6
Activity Title	Coordination procedures for transferring of knowledge
Partner in charge	SVIM Sviluppo Marche
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1 INVESTINFISH PROJECT

INVESTINFISH - “Boosting INVESTments in INnovation of SMEs along the entire FISHery and aquaculture value chain” is a project funded by the Italy – Croatia CBC Programme under the Priority Axis 1 “Blue Innovation”, Specific Objective 1.1 (S.O.1.1) “Enhance the framework conditions for innovation in the relevant sectors of the blue economy within the cooperation area”.

INVESTINFISH sees the cooperation of n. 6 Partners from 5 Different Regions: T2I (LP – Italy – Veneto), Sviluppo Marche (PP1 – Italy – Marche), D.A.Re. Puglia (PP2 – Italy – Puglia), Punto Confindustria (PP3 – Italy – Veneto), Istrian Development Agency (PP4 – Croatia – Istria), Zadar County Rural Development Agency (PP5 – Croatia – Zadar).

INVESTINFISH main objective is strengthening of competitiveness of F&A production system through promotion of investment programs aimed at acquisition of innovation services. INVESTINFISH implements pilot actions providing some IT-HR F&A SMEs with a roadmap to innovation instruments & services, boosting creation of marketable innovative products and/or processes that will improve the SMEs potential market positioning.

Expected benefits for enterprises are: accelerate time to market, increase linkages with innovators, increase F&A enterprises R&D expenditures in new & greener components/technologies/services, to boost HR-IT competitiveness. INVESTINFISH intends also to offer to the F&A sector to substitute the value chain concept with value network, proposing a shift from traditional value chains towards more collaborative value networks.

2 Preliminary activities

In order to ensure the effective deliver of innovation services, it is important to carry on some preliminary activities, setting up the approach and the role of the innovation facilitator.

2.1 The approach to be used

This document presents a methodological approach to be followed to design the WP5 deliverables, according to input and contributes gathered from PPs and developed during the WP4 phase - testing innovative solutions and assessing effectiveness.

Within the WP4 -TESTING INNOVATIVE SOLUTIONS AND ASSESSING EFFECTIVENESS SVIM proposed to draw up of a guideline to analyse, model and design a platform that helps the methodological transferring among public, private, public-private funding platforms.

Study of a cross-border investment platform through the combined use of ESIF and EFSI funds for the benefit of F&A SMEs. It will also include a focus on the potential from EFSI Thematic Investment Platform for Italian SMEs.

INVESTINFISH project activities, and especially pilot cases, show that innovation in the F&A sector is strictly connected with **sustainability** and **circular economy**. This happens for a number of reasons:

- Satisfy the new requests from the markets, coming from increased attention for the issue.
- Reduce long-term costs, as a sustainable system usually allows savings in this timeframe.
- Develop new market niches, to differentiate oneself from competitors.
- Fragility of the marine eco-system, especially after years of over-exploitation.
- Need to match the requirement of manufacturing, fishing, and tourism industries.

Therefore, when delivering innovation services in the F&A cross-value chain, the goal should be the following:

Innovate firms' economic model for overcoming dilemma between competitiveness and wellbeing sustainability

2.2 Current Worldwide scenario

In the current worldwide scenario, variable geometry globalization is prevailing, i.e.:

- «Strong liberalization of movements of goods, services, capitals not adequately balanced by a universal sharing of rules and rights»

This usually translates in two common strategies, that should be avoided:

A	B
•**Race to the Bottom, that is, competition played through dumping policies: Economic -Environmental - Social**	•Segmented Approach to innovation •product •process •market •resilience actions (recycle, reuse, etc.) only to counterbalance externalities from abover wrong choices

The resultant from «A» and «B» strategies is a negative impact on Availability and Quality of Capital Stocks (economic, social, natural, human), i.e. satisfaction of people's need without taking care what is today the major necessity: Stakeholders' contribution to transition toward Sustainability.

In other words, it is necessary to pursue a dynamic balance between territorial capital and society's fundamental wellbeing issues:

- Health
- Social and territorial cohesion
- Climate change's mitigation
- Inter-generational equity

So, dumping strategies carrying to a Race to the Bottom and/or a segmented approaches to Innovations, should be considered no longer viable with respect to transition towards Wellbeing Sustainably.

2.3 Role of Innovation Facilitator

their competitive positioning to this new scenario i.e., an integrated approach to Innovation acting on both two variables of Competition Index:

$$CI = \frac{value\ perceived\ by\ demand}{price}$$

In other words, Firms need to overcome dilemma between competitiveness and Wellbeing Sustainbility.

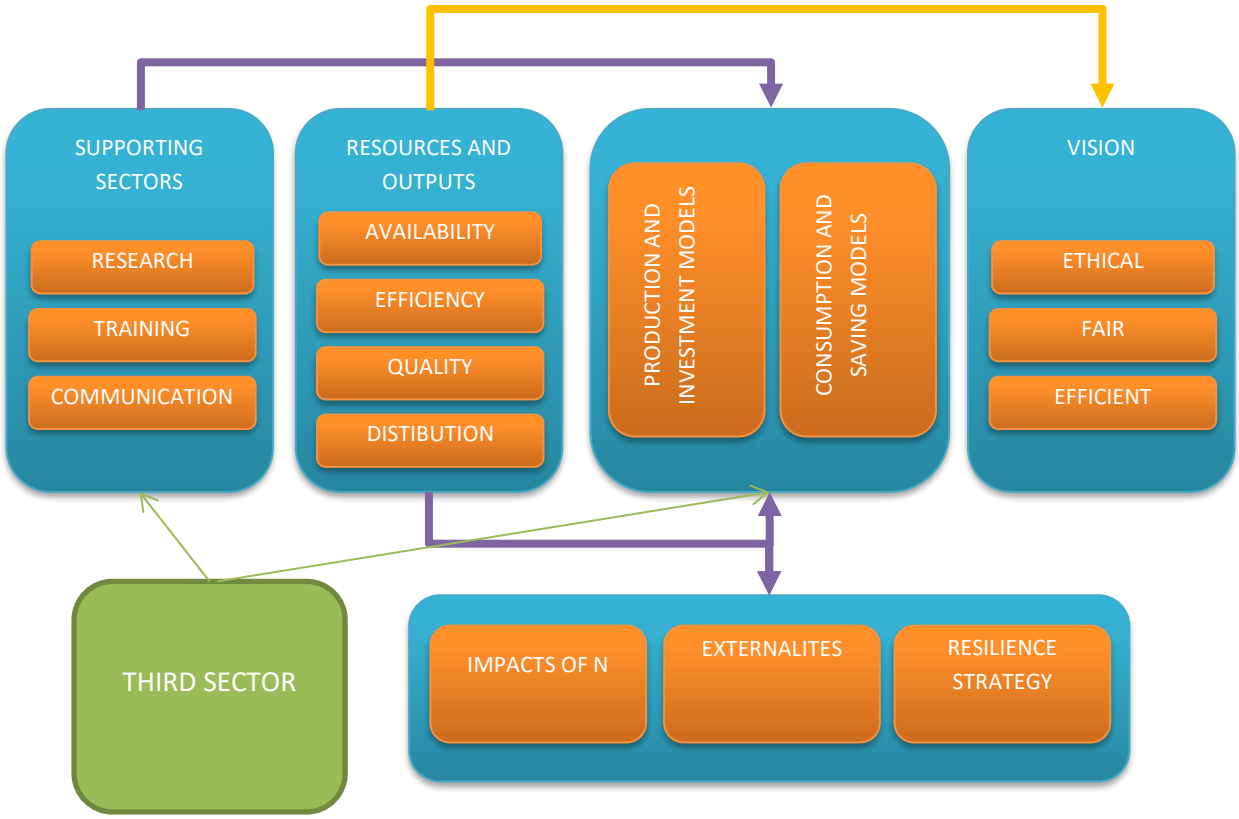
The role of innovation facilitators should be educating, advocating and advising firms in direction of a Innovation integrated strategy able to adapt to complex scenarios.

3 Developing the Innovation integrated strategy

3.1 Analysing Circular Economic Model

Innovation in the “blue sector” should be sustainability and implementation of circular economy approaches.

The elements that impact the ability to adopt an effective circular economic model are several, and their interaction can be quite complex: they should be all examined and taken into account.



3.1.1 Supporting sectors

these sectors impact on the ability to implement sustainabile business models. These are mostly environmental conditions that the company alone cannot impact in the short-term.

If needs related to these factors are identified, the innovation support actor should consider to activate specific actions to address them at a wider level.

- **RESEARCH** ← Are solutions avilabile?
  Do solution fit the needs?
- **TRAINING** ← Does the company understands opportunites?
  Is the company capable of implementing existing solutions?
- **COMMUNICATION** ← Is the company aware of the general problem?

3.1.2 Resources and outputs

These factors represent the “technical elements” of the product and of the process. These elements are stricly related with Vision.

If issues related to these factors are identified, both in terms of criticalities and inconsistency with the vision, a technical innovation process should be started.

- **AVAILABILITY** ← Are the resources (capital, technical, human, …) available in the needed quantity and timeframe?
- **EFFICIENCY** ← Are there wastes of resources / energies / time / …?
- **QUALITY** ← Do the inherent characteristics of the product/service/process fulfill requirements?
  What is the degree of variance in the quality?

3.1.3 Production/investment and consumption/savings models

Production and investment models should fit the consumption and savings model: the use of **design thinking** or similar model are useful to explore the consumption/savings models.

The production/investment model is strictly interrelated with the Resources and output, and the Vision.

In order to develop new production/investment models, we should consider tools such as the Business Model Canvas, Value Proposition Canvas, Team Alignment map.

3.1.4 Engaging the third secor

“Third sector” is a term that covers a range of different organisations with different structures and purposes, belonging neither to the public sector (i.e., the state) nor to the private sector (profit-making private enterprise).

Third sector organisations include:

- Charities
- Voluntary and community organisations
- Social enterprises and cooperatives
- Think tanks and private research institutes (this does not include universities and colleges)
- Some organisations, such as housing associations, have been spun off from government and are considered quasi-third sector groups, even though they deliver public services.

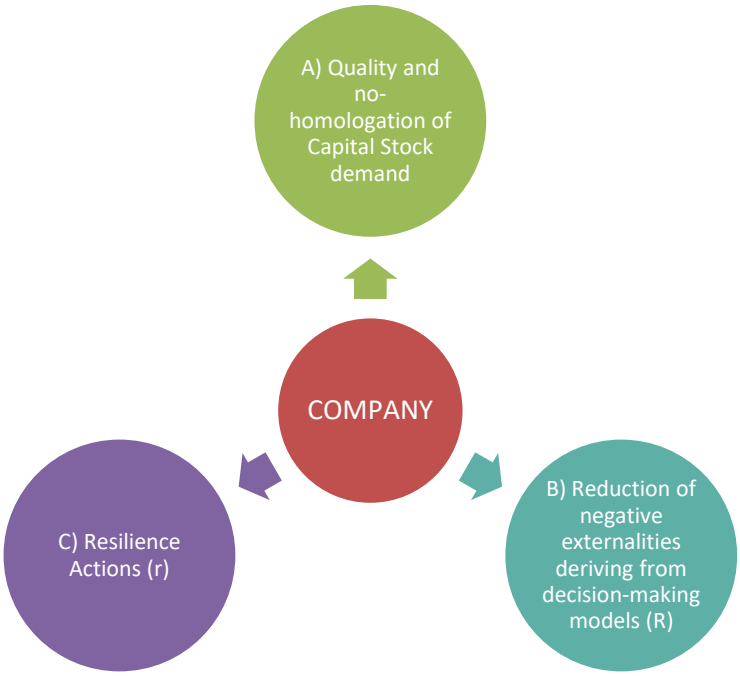
Engaging the third sector is extremely effective in the introduction of innovation, and it should be approached as a key stakeholder to understand needs, requirements, and benefits of innovation.

The extent to which this sector should be engaged, as well as the specific type of actor to be reached, depends on the particular innovation.

3.2 Lines of action for Circularity

To enact a Circular Economy strategy, the company has three main action categories that should be explored and analysed:

- Quality and non-homologation of Capital Stock demand
- Reduction of negative externalities deriving from decision-making models (R)
- Resilience Actions (r)

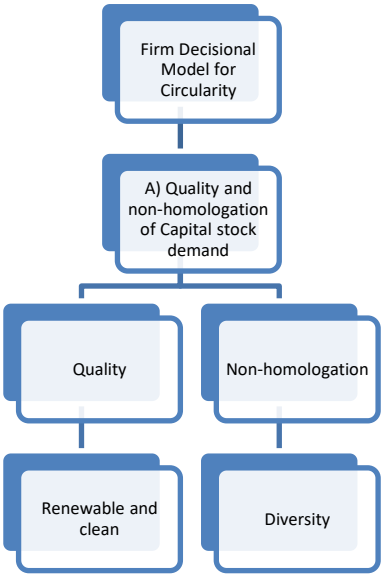


3.2.1 Quality and non-homologation of Capital Stock demand

The first strategic element to consider is about the resources, starting from the Capital Stock. Even we could argue that the capital stock determines the Company's decisional models, in fact also the opposite

it is true, as the decisional model of the firm will in general "attract" a specific type of capital stock, and more specifically could activate specific actions to collect specific type of capital.

Additionally, the approach should be adopted also when the company is investing its own capital.

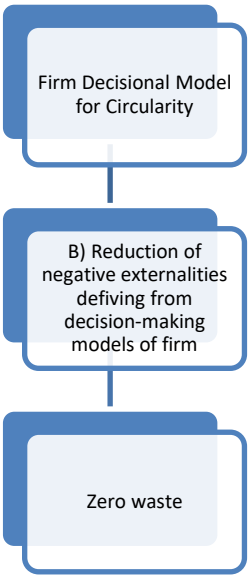


To allow an effective sustainable approach to innovation, there should be a focus on the quality and non-homologation of Capital Stock demand. This means:

- There should be a common vision between the capital stocks owners that focus on "quality investments" (i.e. that are able to generate revenues in the long term, and have a reasonable risk), and should reward product/processes that are renewable and clean.
- There should be a "non-homologation": on one side, contamination is crucial to generate innovation as it often comes from mixing different skills and experiences; on the other side, diversification a key concept for all businesses: The rationale behind this technique is that a portfolio constructed of different kinds of assets will, on average, yield higher long-term returns and lower the risk of any individual holding or security.

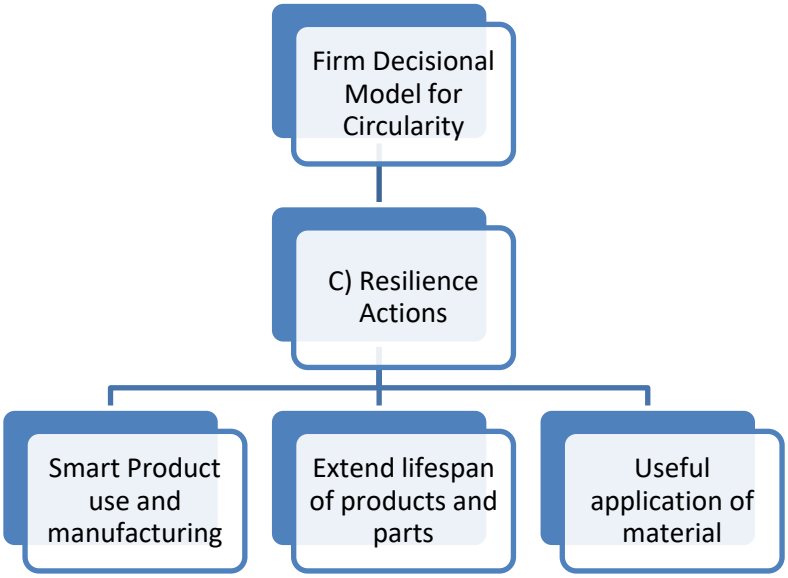
3.2.2 Reduction of negative externalities deriving from decision-making models

Another strategy to implement sustainabile innovation is to reduce negative externalities deriving from decision-making models. The concept is quite self-evident, however the typical issue comes from a limited analysis of externalities: a full examination of the product/process externalities should be ensured, possibly in the first stages of the innovation process.



3.2.3 Resilience Actions

There are three category of resilience actions that can be implemented through circular economy innovation. The final goal is to reduce wastes (of resources of any kind). An assessment of the strategies already implemented and a discussion of the opportunities and possible benefits of each strategy should can be an useful step to identify concrete actions.



These three strategies can be translated in the "9R" circularity strategies, presented in the table below.

Smart Product use and manufacturing	R0 – REFUSE	Make product redundant by abandoning its function or by offering the same function with a radically different product
	R1 – RETHINK	Make product use more intensive (e.g. product sharing, multi-functional products)
	R2 – REDUCE	Increase efficiency in product manufacturing or use, consuming fewer resources
Extend lifespan of products and parts	R3 – REUSE	Reuse by another consumer of the discarded product (that is still in good conditions and fulfils its original functions)
	R4 – REPAIR	Repair and maintenance of defective product so it can be used with its original function
	R5 – REFURBISH	Restore an old product and bring it up to date
	R6 – REMANUFACTURE	Use parts of discarded product in a new product with the same function
	R7 – REPURPOSE	Use discarded product or its parts in a new product with the different function
Useful application of material	R8 – RECYCLE	Process materials to obtain the same (high grade) or lower (low grade) quality
	R9 – RECOVER	Incineration of material with energy recovery

3.2.4 Integrated Approach to Innovation

It is important that effective sustainable innovation requires to act simultaneously on all variables of competitive index it is necessary to look at these lines of action presented above as a whole.

3.3 Best practice identification

A key role of innovation facilitators is identifying **best innovative solutions for each typology of firm.** Best practices identification should be formalised as a process. The recommended steps are presented below.

1. **Identifying User Requirements**

- This step is often overlooked, and it is not uncommon to start by designing a database. You should instead start by considering where best practices can really add value, for example looking at which areas of the organisation need attention, or to who should benefit most from a better knowledge and understanding of good practices. Also how best practices will be accessed and used should be considered.

2. **Discovering good practices**

- There are several ways to identify good practices. The critical part will be however to determine which parts of the approach or methodology represent good practice. This is likely to be done best if people are familiar with the relevant practice, but can also be achieved through communities of practice, retrospective reviews, interviews, or comparison with other organisations in the same field.

3. **Validating good practice**

- The good practice need to have a clear and demonstrable link between it and the benefits achieved. However, businesses are very complex and several factors influence the end results. Therefore, a system should be put in place to evaluate a potential good practice.

4. **Documenting good practices**

- Descriptions of good practices should be placed in a database. A template can include the following:
    i. **Title**. Short descriptive title. It may be accompanied by a short abstract.
    ii. **Profile.** Short sections(s) describing processes, function, author, key words, etc.
    iii. **Context.** Where the best practices is applicable, and what problems it solves.

iv. **Resources.** Resources (including skills) needed to implement it.
v. **Tools and techniques.** A description of the tools and methodology used in developing the good practice.
vi. **Description.** Processes and steps involved. If possible, include performance measures.
vii. **Lessons learnt.** Focus especially on possible obstacles and difficulties that should be considered.
viii. **Links to resources.** Add a link to relevant resources such as articles, whitepapers, contact details of experts, etc.

5. Disseminate

- Databases are not enough to widespread good practices: face-to-face knowledge sharing is needed, especially for SMEs. Communities of practice, quality circles, study visits can be effective to disseminate the best practice

3.3.1 Critical aspects in good practices

To successfully ensure diffusion and implementation of good practices, several aspects should be carefully taken into account.

- Good practices should not be considered a “quick fix”: setting up the required processes can require lots of resources.
- Good practices are always evolving.
- Organisational culture is important as much as the technical aspects, if not more.
- Keep in mind that explicit knowledge is only a small part of knowledge, and often a small one.
- Good practices should not be “forced” and should be shared on a voluntary basis.
- Allow an easy contact with the good practice actors, for whoever wants to implement it or to have more information.
- Monitor the use of the good practice system you put in place.