

# INSPIRING EXPERIENCES FROM TRANSNATIONAL INNOVATION BROKERAGE SYSTEM – TIBS

## About GoSmart & Excel BSR and TIBS

The 'GoSmart BSR' project (2018–2020) with its extension 'GoSmart & Excel BSR' (2021) aims to identify the joint strategic innovation fields with internationalisation potential in the Baltic Sea region and improve the access of companies to international markets. In practice, the project has developed a methodology to identify the joint economic priorities of various regions set in the regional Research and Innovation Strategies for Smart Specialisation (RIS3). Based on the knowledge on priorities, competitive strengths and business cooperation needs of the partner regions, the project has created a 'Transnational Innovation Brokerage System – TIBS'.

TIBS is a network of trained innovation brokers in the Baltic Sea region that provide personal and practical help for small and medium-sized enterprises (SMEs) to support innovations, strengthen their international efforts and guide their transnational cooperation offers.

Brokers are hosted by organisations that are partners of GoSmart & Excel BSR project. The brokers are professional business coaches with a solid background of working with companies. During the project, they are trained to gain good knowledge on strategic sectors and business, research & innovation cooperation needs of TIBS regions, build trust and long-term network with other brokers, support internationalisation process of SMEs and initiate collaboration between SMEs and other innovation actors using specific TIBS methodology.



**This article describes the experiences, added value and challenges of TIBS. The article is based on interviews with the following brokers from Estonia, Germany and Finland:**

- Laura Gredzens, Valga Municipality Government, Estonia (located on the Estonian–Latvian border)
- Steven Dehlan, Artificial intelligence Centre, Hamburg, Germany
- Jukka Antila & Marina Sorokina, Kouvola Innovation Ltd., Finland



## TIBS service delivery process and added value

TIBS can be of help for companies when they have innovative ideas to create new or higher value, enhance products or services with internationalisation potential, search for a new technology, look for a supplier, are interested in development of new products or services together with foreign companies or research institutions or when they look for partners for their research & development activi

### TIBS service delivery process consists of the following steps:



When a company is interested in TIBS services, a meeting with a broker is agreed



Company's needs are discussed and, if needed, company's operations are analysed in order to define a potential innovation agenda



Based on the discussion, a cooperation offer is developed and presented to other TIBS brokers



Brokers look for potential partners using their networks



In case a potential partner is found, companies are introduced to each other and a first meeting is organised



In case both companies are interested in cooperation, the broker checks funding possibilities and provides recommendations

The added value of TIBS is a transnational network of brokers that have good personal contacts with other TIBS brokers and very good knowledge on the strengths and cooperation needs of other BSR regions, which has been created during the GoSmart BSR and GoSmart & Excel BSR projects. The brokers have regular trainings and meetings with other brokers in the network to keep updated on cooperation offers and relevant information regarding the strongest sectors and joint interests.

# Most important personal features and competences of brokers

The key practical tasks of brokers include calling and meeting companies, organising and visiting business and entrepreneurship events, asking right questions, pitching company offers to other brokers and helping companies in all questions related to innovation, funding and internationalisation.

Brokers need to have good awareness of companies' needs. According to the interviewed brokers, the most important personal feature of a broker is a positive and open attitude and own personal interest to help companies. A good broker is a good listener with analytical skills. These personal features enable brokers to understand and interact with various actors as well as deal with cases that are not familiar.

## The most important competences of brokers were summarised as abilities

1

to communicate with many different people

2

facilitate discussions

3

translate the needs of a company to other companies and research partners in a different country.



**Broker is a needed intermediary and a 'translator' between various actors and always knows who to contact.**

# Successful TIBS cases



**01** One of the first Estonian TIBS cases is a small company from Valga that produces smart multi-functional furniture from wood. The Estonian broker has helped the company with many useful contacts and found potential suppliers of raw materials, logistic companies and furniture certification providers from Poland and Latvia.

**02** A Finnish company has developed an app that helps brains to take a short break during a working day to perform better. The company is interested in adding new languages to the app and entering new markets. The company was looking for professional voice actors abroad who could record the texts for the app as well as for efficient ways to promote the app. The Danish TIBS broker has identified several professional voice recording companies in Denmark that could provide the needed services for the Finnish company and acquired price offers from them. The Finnish company has also used an online service platform developed by an Estonian company and found suitable partners for promoting the app in the social media.

**03** A Lithuanian company that develops drones for aerial monitoring and diagnostics was looking for partners from Estonia, Latvia and Poland to apply EU-funding for testing the drones for agricultural purposes and optimisation of e.g. use of pesticides and detect irrigation flaws. The company was matched with an Estonian start-up that provides farm management software for grain producers.

**04** Estonian broker found in cooperation with the Polish broker a fabric supplier in Poland for a local sewing company in Valga that manufactures women's and children's clothing. A Polish company offers special material that the company needs for its production of sweaters and dresses.

**05** An Estonian manufacturer of chaga mushroom products was looking for an RDI partner who could conduct analysis of bioactive substances in chaga mushrooms. The Finnish TIBS broker has found a Finnish research institution that is ready to perform such research for the Estonian company.

**06** A Lithuanian apparel manufacturing company was looking for innovative yarns to enhance sustainability of their products. The Finnish TIBS partners have identified a number of Finnish organisations working on development of innovative sustainable materials for the textile and fashion industries and helped the Lithuanian company to connect with some of them.

**07** A German company that combines artificial intelligence with cameras was matched with Latvian IT cluster and AI center in Lithuania.

Companies can also have very specific concerns, for example, regarding certification, shortage of skilled workers or sustainable packaging. A major challenge related to finding suitable partners and completing cooperation cases between SMEs is the fact that the involved countries have differences in their innovation cultures and price-levels.

## Value of TIBS for the BSR cooperation

As the brokers are professional business facilitators, many of them have a motivation to use the TIBS network also after the project. Furthermore, the GoSmart & Excel BSR project is currently working on creating interest among Enterprise Europe Network (EEN) members and other relevant business development organisations to become TIBS service providers and extend the TIBS network.

The interviewed brokers underlined that is important to understand that SMEs need time and support to develop their business to be ready for international market and cooperation. Often SMEs do not identify their innovation needs and are typically just looking for suppliers of raw materials. An important and valuable task of a broker is therefore to push companies to identify their innovation needs in e.g. marketing, digitalisation and development of new products or services. Broker can just provide new perspectives and – for example – provide contacts of entrepreneurs that can help with upgrading websites and developing online shops. Brokers can be efficient facilitators when a company tries to find innovative ways to survive Covid19-period.

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*Experience has proved that if an innovation broker manages to build trust-based relationships, this cooperation will last for a long time. It means that the role of innovation broker could also be compared to the role of a psychologist and it is a big value for companies.*

– Laura Gredzens

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Transnational Innovation Brokerage System is a strategic asset in facilitating the business cooperation in the Baltic Sea region. Its' value and further support should be acknowledged at regional, national and macro-regional levels.

