



**DIHNET.EU**

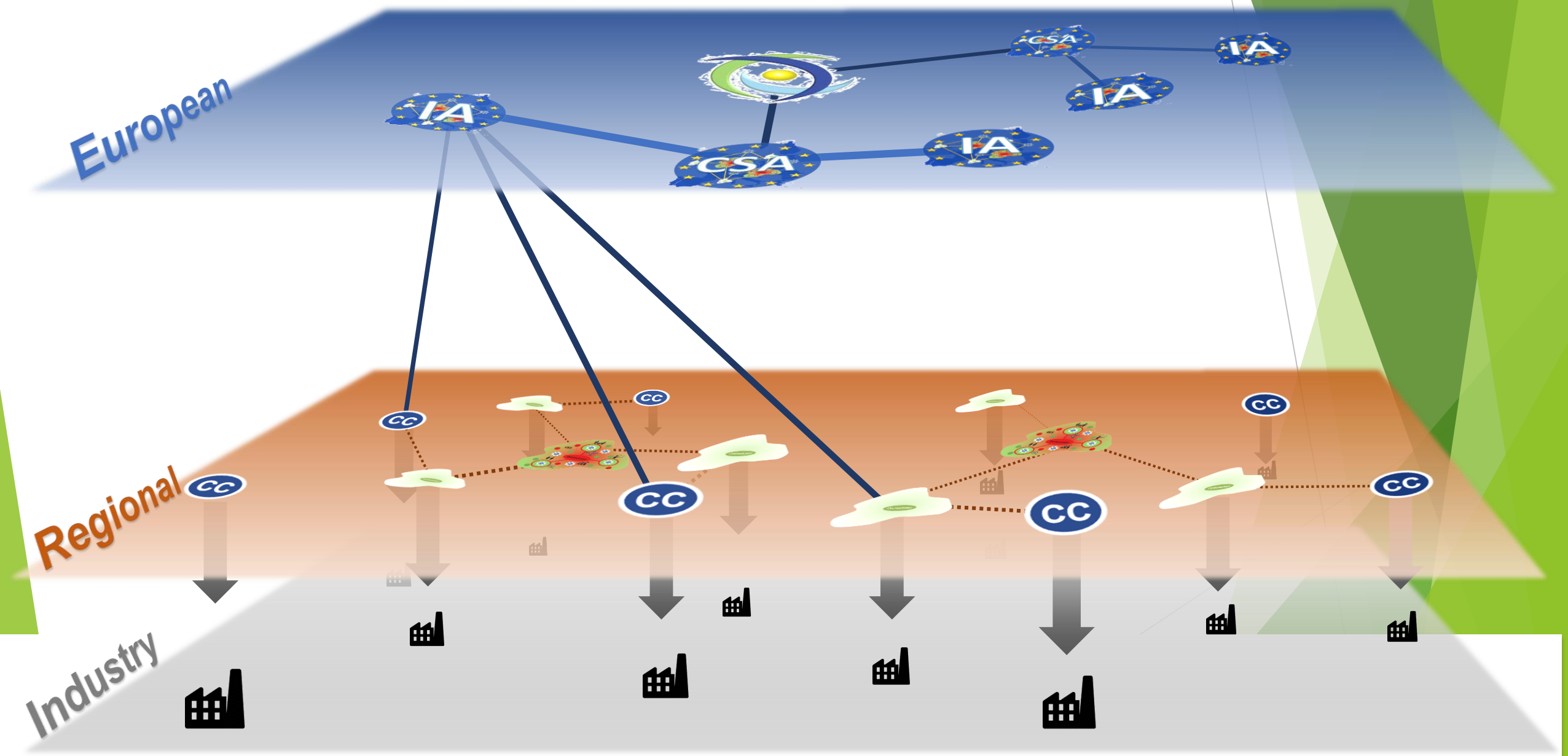
Europe's Network of Digital Innovation Hubs

# A view on post-project sustainability of European networks

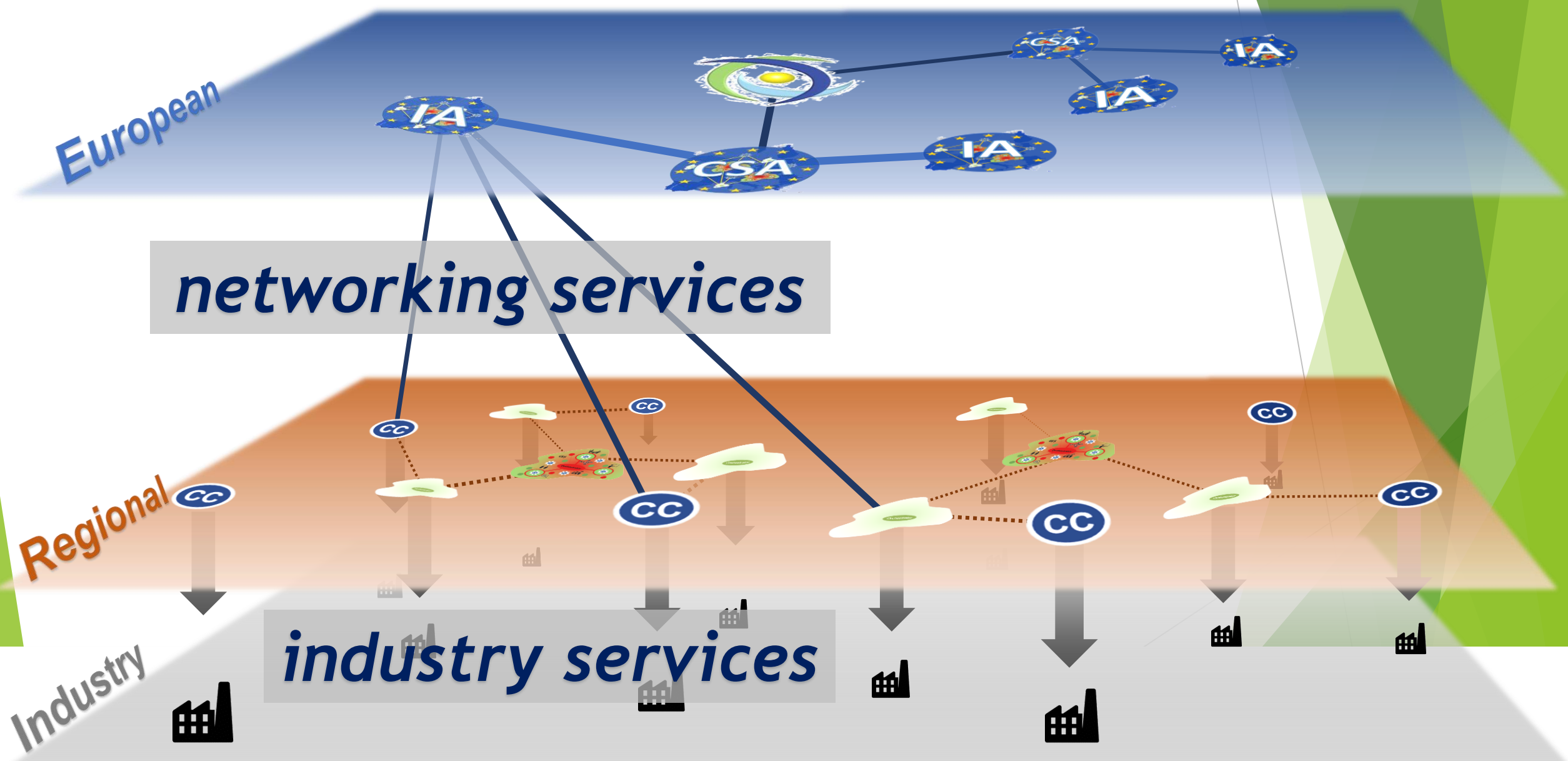
17<sup>th</sup> of November 2020

Maurits Butter

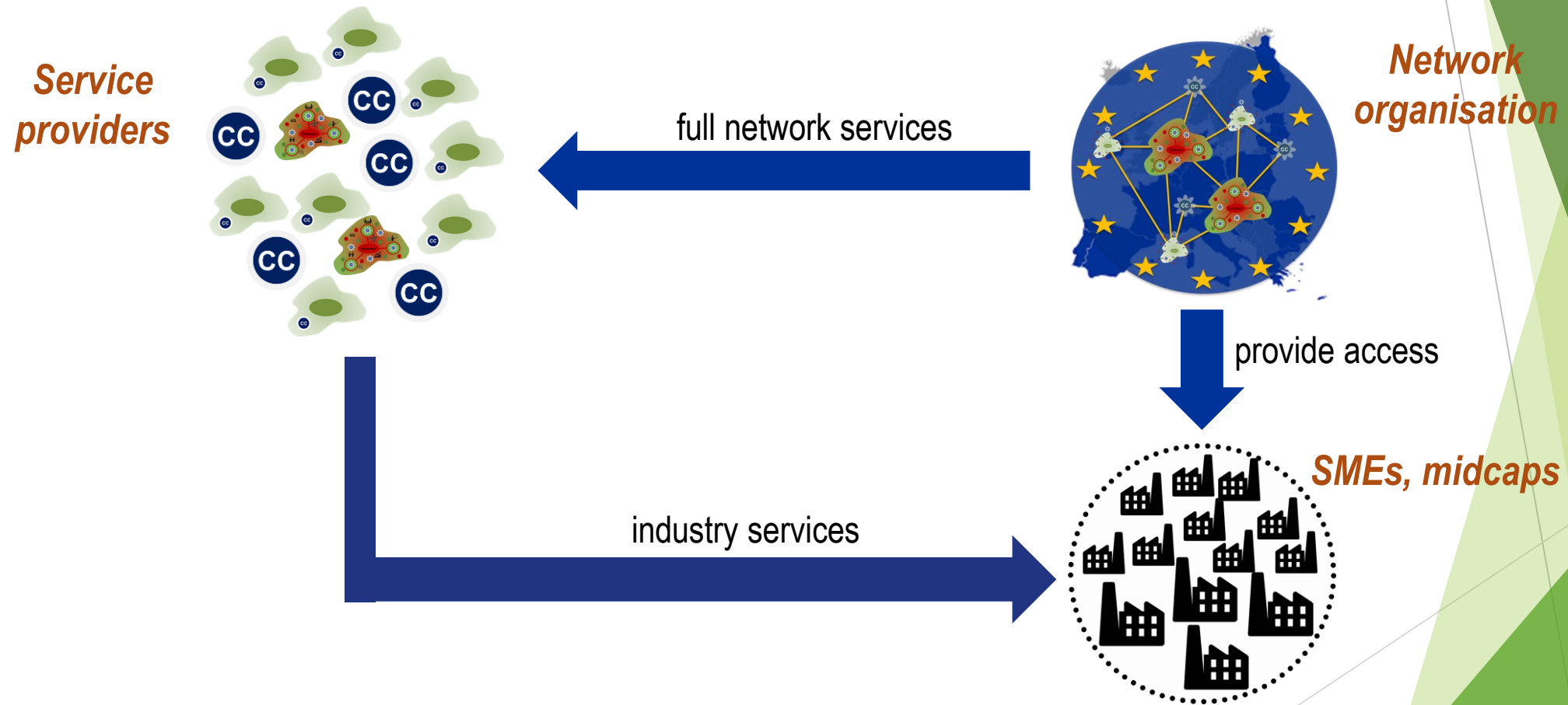
# Setting the scene



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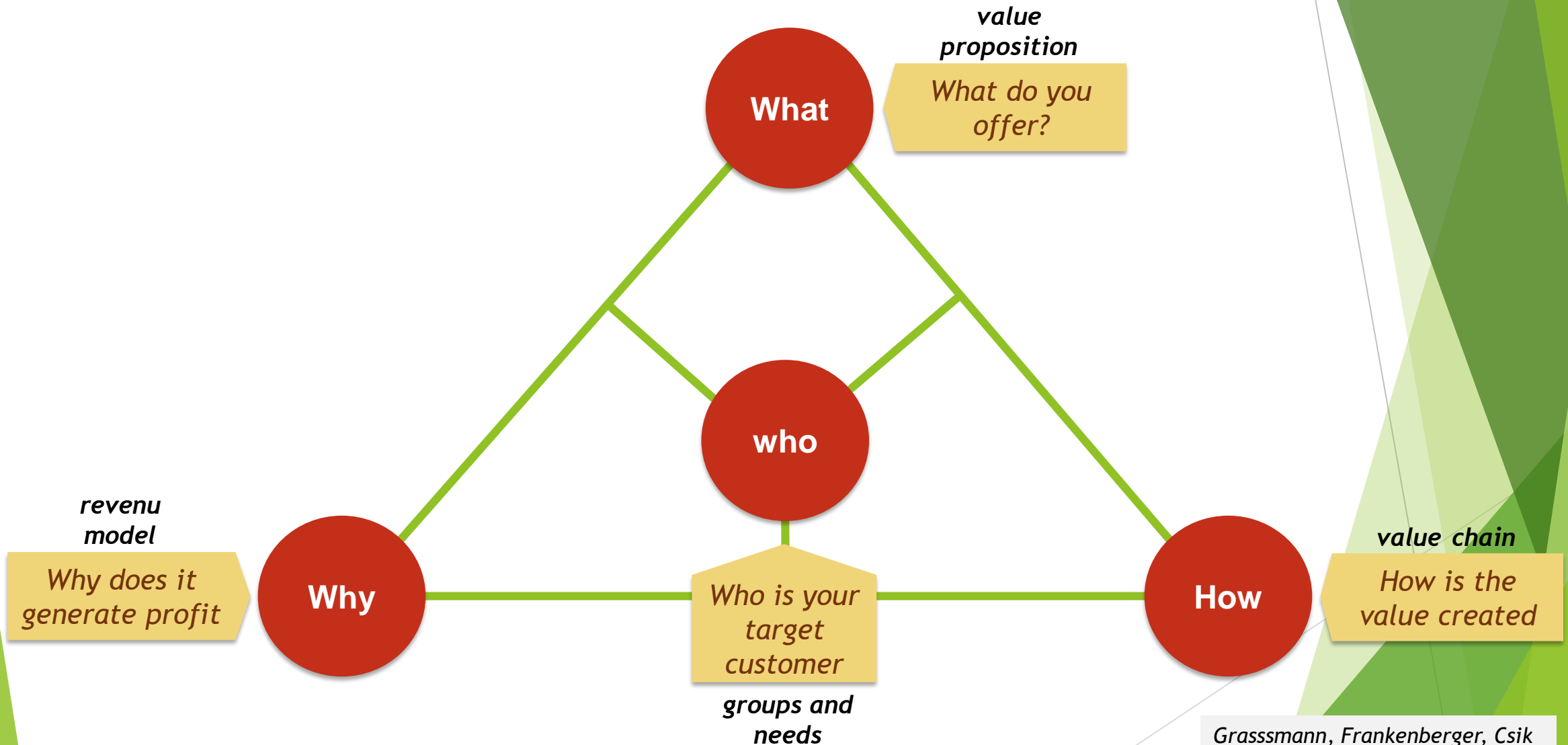
# An EU-network core strategy



# Network mission versus, service providers

		<b><i>Industrial services</i></b>	<b><i>EU network services</i></b>
<b><i>Prime mission</i></b>		Support the digital transformation in the <b><i>region</i></b> and increase their competitiveness	Maintain EU competitiveness by enhancing <b><i>the EU-collaboration</i></b> on digital transformation
<b><i>Services</i></b>	<b><i>Ecosystem</i></b>	Improve the community collaboration in <b><i>the region</i></b>	Improve the European community and <b><i>interregional</i></b> networks
	<b><i>Technology</i></b>	Providing technological support to the <b><i>regional</i></b> industry on digital transformation	Aligning the <b><i>pan-EU collaboration</i></b> on research and innovation between service providers
	<b><i>Business</i></b>	Supporting <b><i>regional industry</i></b> to transform technology into business	Support research and industry to engage in <b><i>cross-country</i></b> initiatives
	<b><i>Skills and training</i></b>	Train <b><i>industry and research</i></b> on specific digital technologies	Enhance the <b><i>EU-wide capacity and capabilities</i></b> for service providers to engage in digital transformation

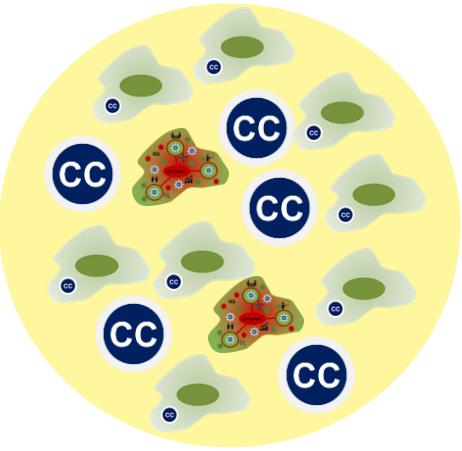
# Approach to PPSEU: Business model



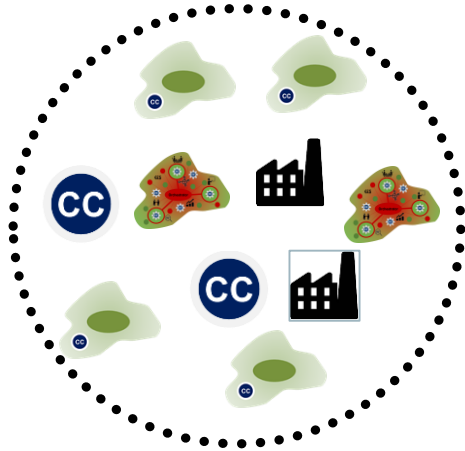
Grassmann, Frankenberger, Csik

# Who: Four stakeholder groups and their needs

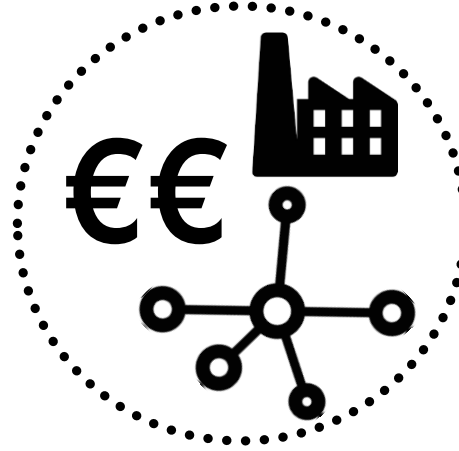
*Members*



*Non-members*



*Third parties*



*Public authorities*

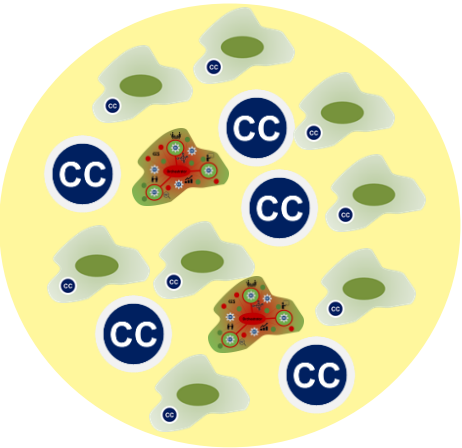


*SMEs, midcaps*



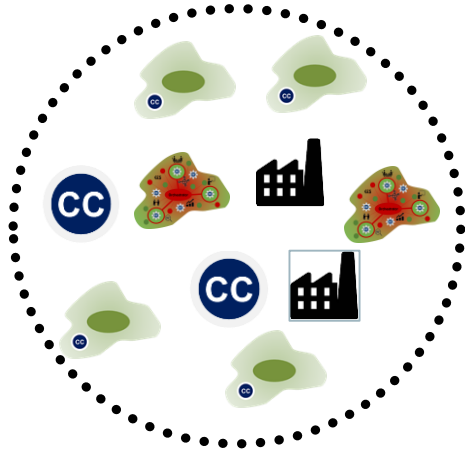
# Who: Four stakeholder groups and their needs

## Members



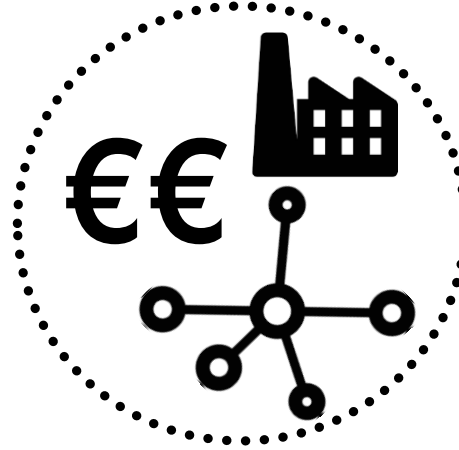
- Access to the industry markets
- Support for EU-collaborations
- Funding for EU-collaborations
- Pan-EU learning

## Non-members



- Access to EU capabilities
- Access to the markets
- Support creating EU-collaborations

## Third parties



- Access to EU capabilities
- Access to the markets
- Support creating EU-collaborations
- Information about FWE initiatives

## Public authorities



- Addressing market failures
- Support of Smart Specialisation
- Initiation EU-collaborations

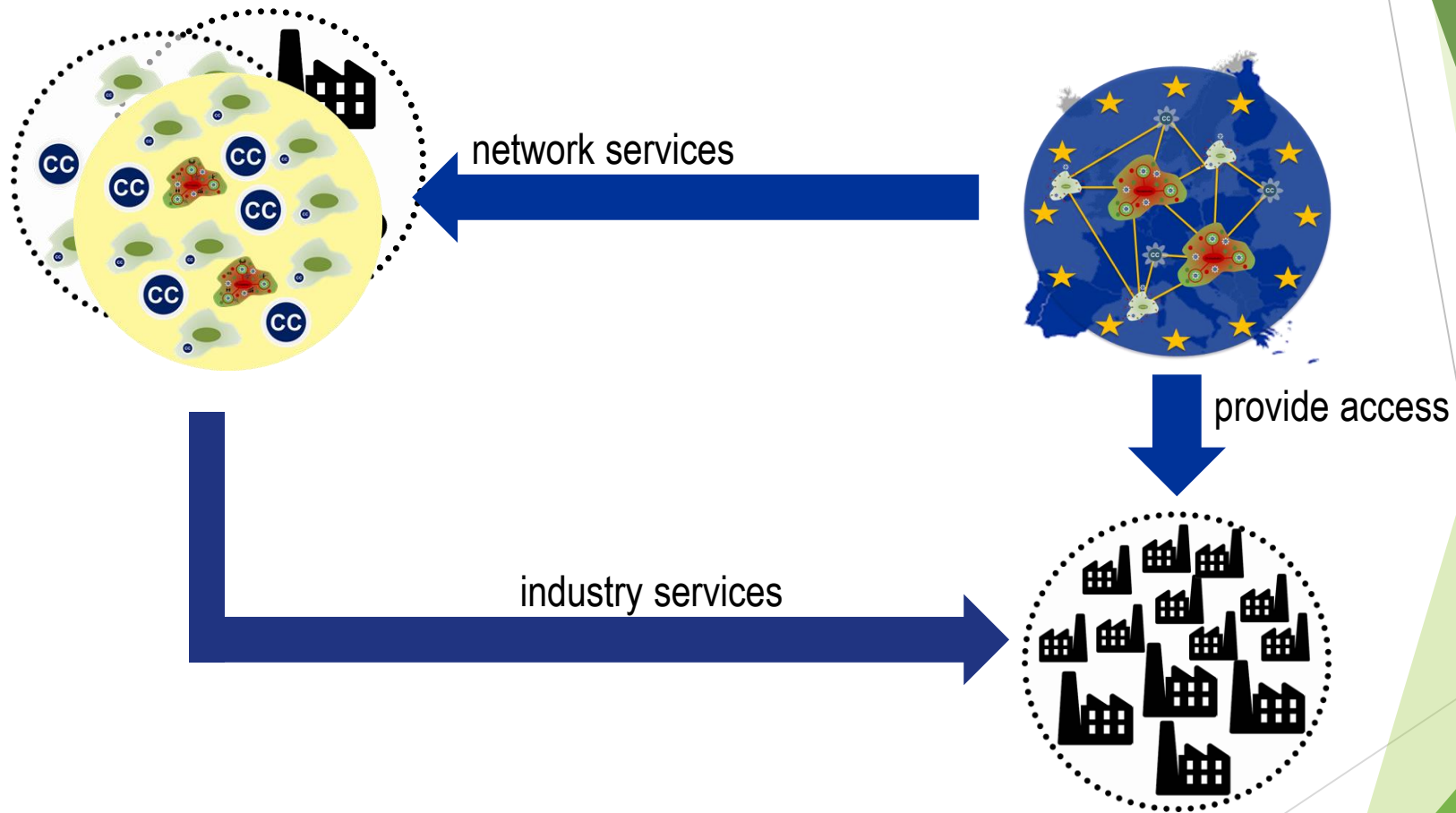
## SMEs, midcaps



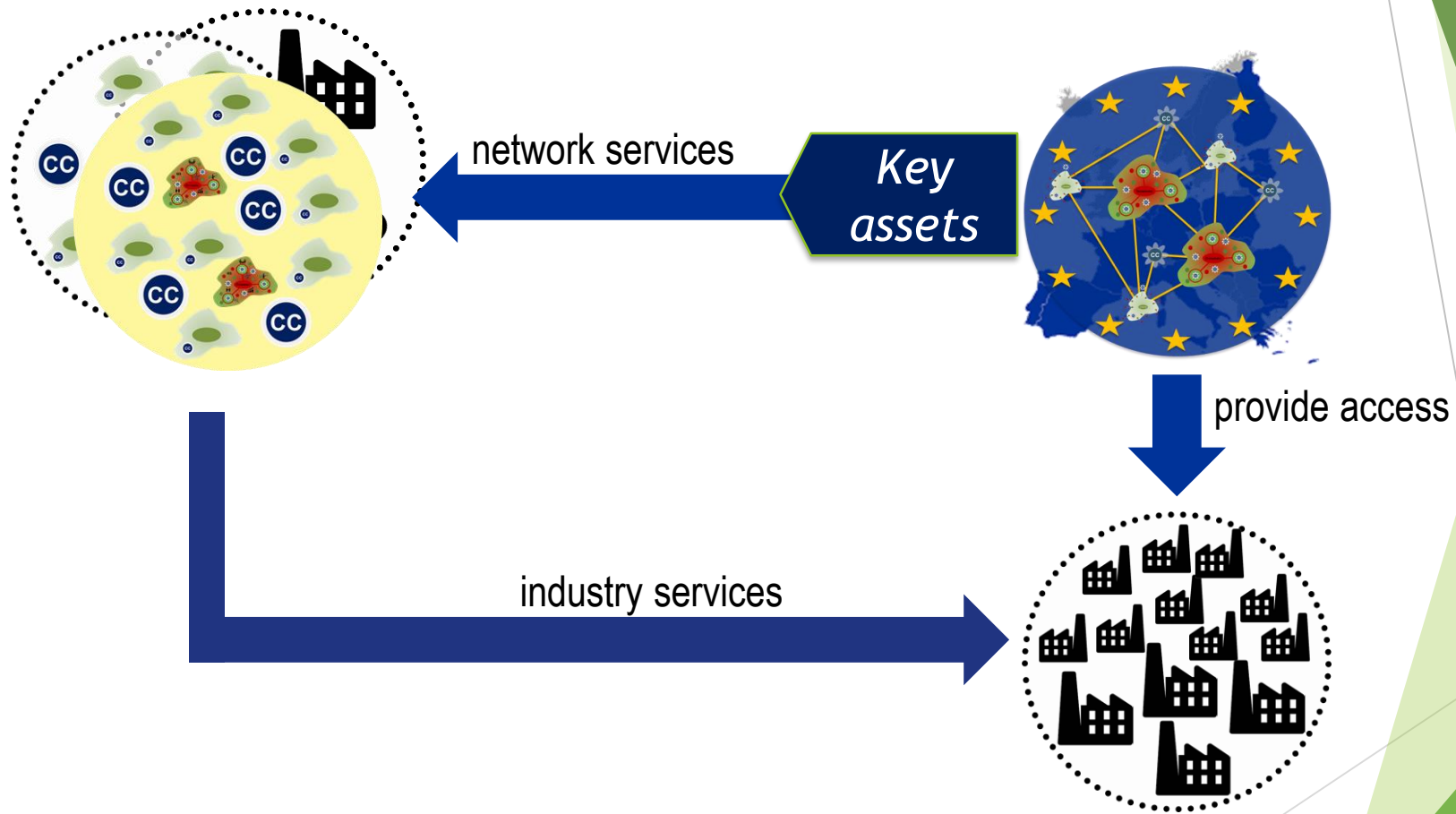
- Access to state-of-the-art innovations, infra and expertise
- Access to industry markets
- Support for EU-collaborations



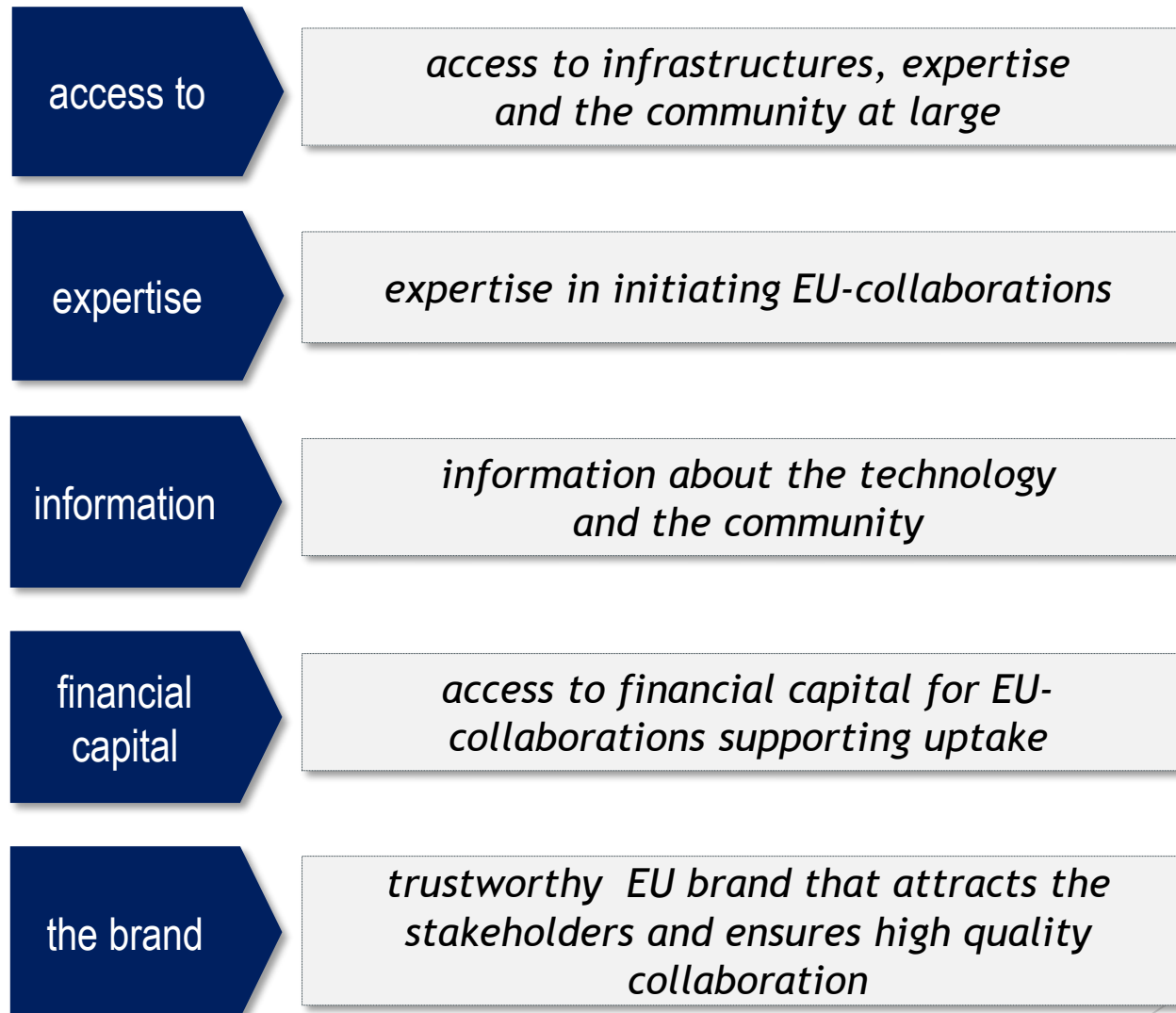
# What: Assets are the source of the USPs



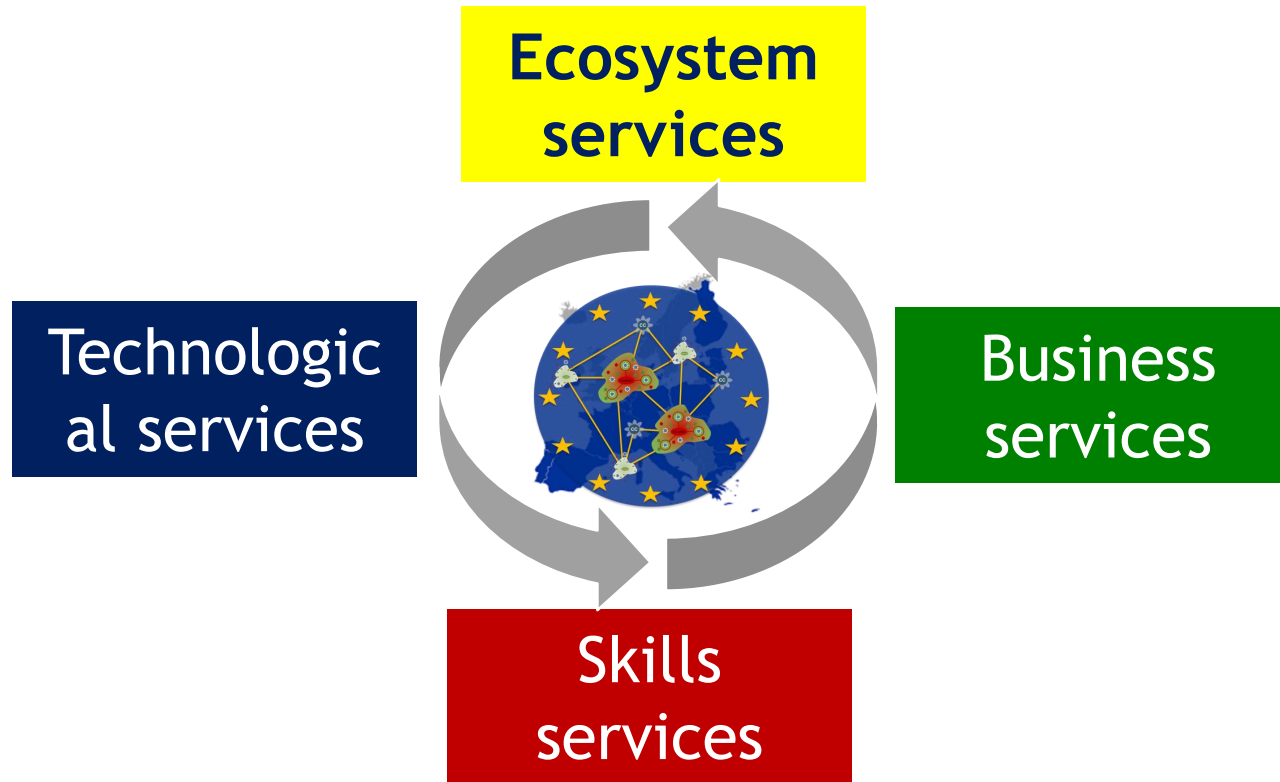
# What: Assets are the source of the USPs



# Five key assets of EU networks



# From USPs to value: Four types of services



# Value proposition (1)

<b>Ecosystem</b>	EU-community building
	EU-strategy development
	Strategic EC advice
	Collaborative EU awareness creation
	EU wide promotion and representation

*Aim: Creating a structured and collaborative community that is activated to take up and available for interregional collaborations*

*Activities: Providing information, workshops, website, conference representation, EU-policy papers*

<b>Business</b>	Development of EU-proposals
	Initiating interregional collaborations
	Individual RDI business support
	Creation of interregional corridors
	Access to finance for EU-collaboration
	Digital Maturity assessment
	Organisation of pan-EU calls

*Aim: Initiating and supporting concrete, ad-hoc and structural EU-collaborations taking up the technology*

*Activities: bi/multi-lateral contacts, concrete tools, advise, consortium activities, market place*

# Value proposition (2)

Technology	Standardization
	Mapping
	Organizing pan-EU collaborative research
	Aligning regional RDI investments
	Pan-EU scouting for research collaboration
	Technology trendwatching
	Technology assessment

*Aim: Aligning and synchronization of RD&I activities*

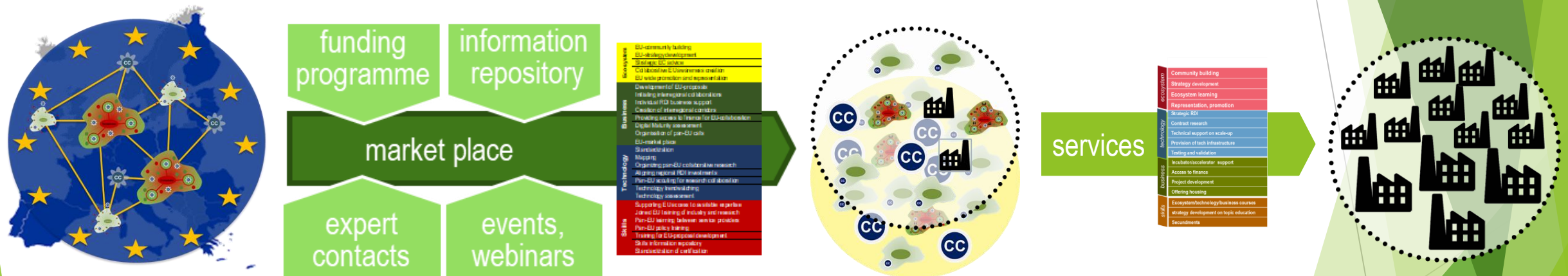
*Activities: Workshops, bi/multi-lateral discussions, desk research, advise, newsletters*

Skills	Supporting EU access to available expertise
	Joined EU training of industry and research
	Pan-EU learning between service providers
	Pan-EU policy training
	Training for EU-proposal development
	Skills information repository
	Standardization of certification

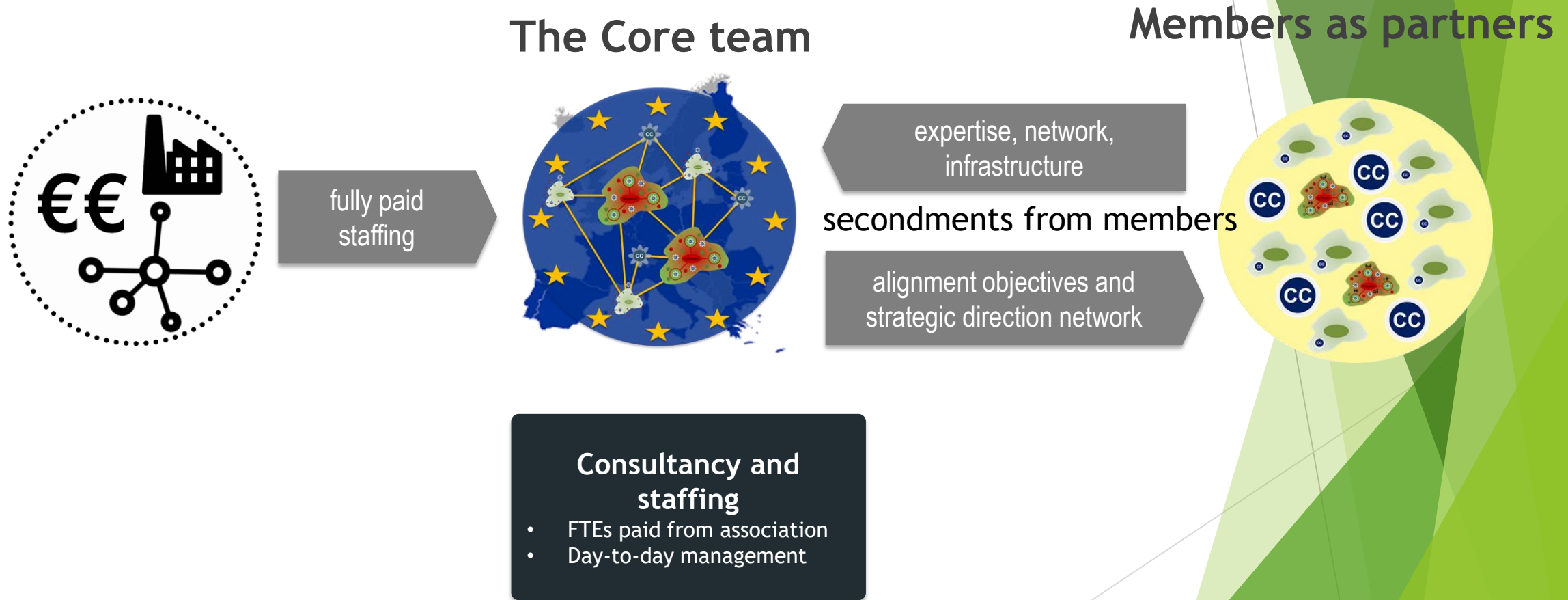
*Aim: Increasing the capabilities of industry, research and governance to engage in pan-EU collaborations*

*Activities: bi/multi-lateral contacts, HR-scouting, advise, webinars, information documents, website/market place*

# How: Deployment mechanisms



# How: The organization





# Why: Two types of funding

## ***Public funding:***

- ▶ **information asymmetry:** stakeholders do not have a level playing field on information
- ▶ **externalities:** secondary organisations benefit from primary investors
- ▶ **public goods:** developing expertise/infra for the good of society at large
- ▶ **time-inconsistent preferences:** important societal investments pay off in the long run

*Funding for the community  
(market failures)*

# Why: Two types of funding

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*Funding for the community  
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## **Private funding:**

- ▶ Efficient identification of new market opportunities
- ▶ Access to **expertise** and **infrastructures**
- ▶ Economy of scale to **import/export**
- ▶ Creation of pan-EU **value chains**
- ▶ Easy access to information for **decision making**
- ▶ Access to **funding** take-up

*Funding of direct services  
(value for individuals)*

# Why: Twelve revenue models for the network



## Public co-funding

*Getting funded for reducing market failures*



## Partner co-funding

*In-kind contributions from core partners*



## Subscription/membership

*A periodic fee to access standard services*



## Integrator/orchestrator

*Being paid to put things together*



## Add-on, razor and blade

*Additional services connected to membership*



## Tit for tat

*No money is changing hands*

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## Commission fees

*Act as a sales office for the community*



## (Indirect) Branding

*Using the SmartEEs brand as an income*



## Digitalization and mass customization

*Virtualize products, reducing costs of delivery*



## Crowdsourcing

*Using the community expertise for free*



## Performance based

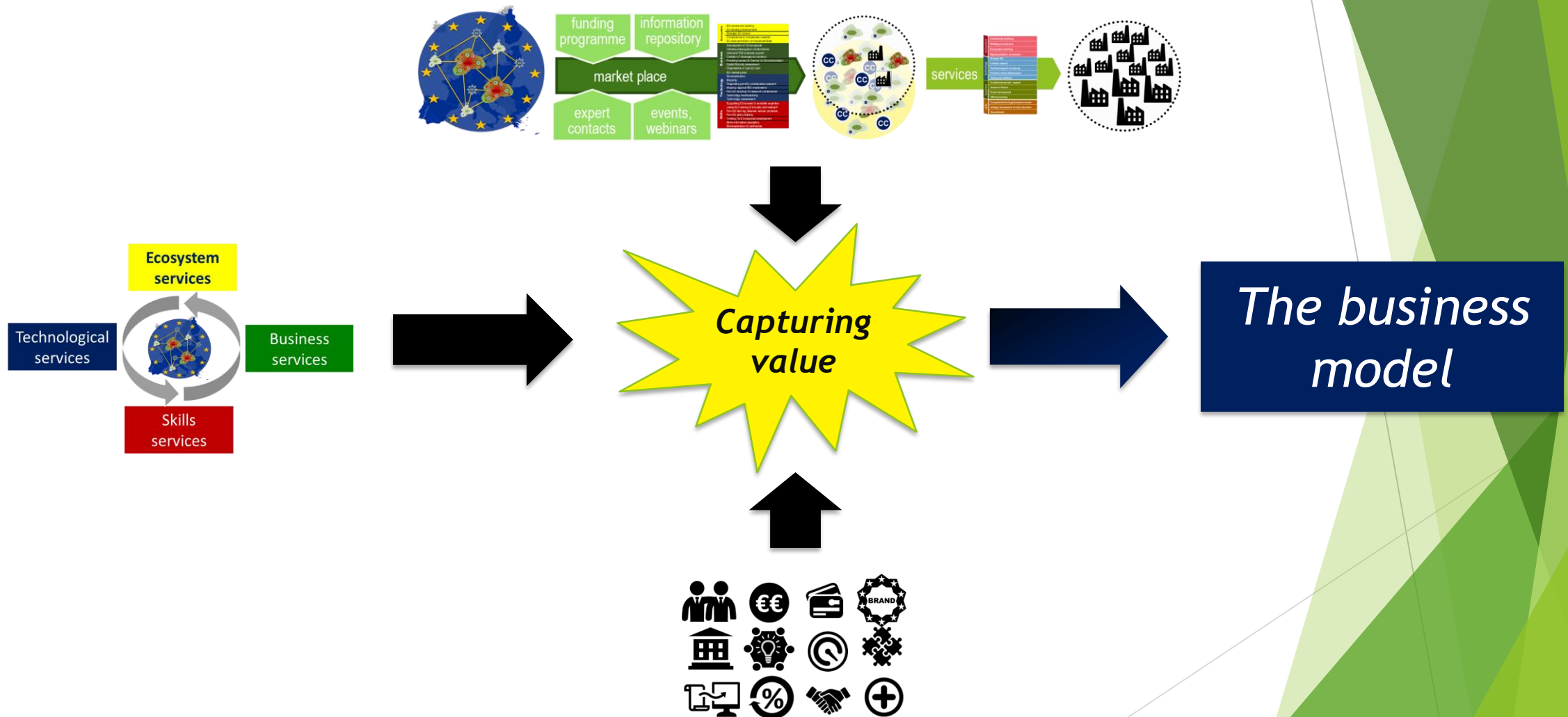
*Individual services, paid based on rate of success*



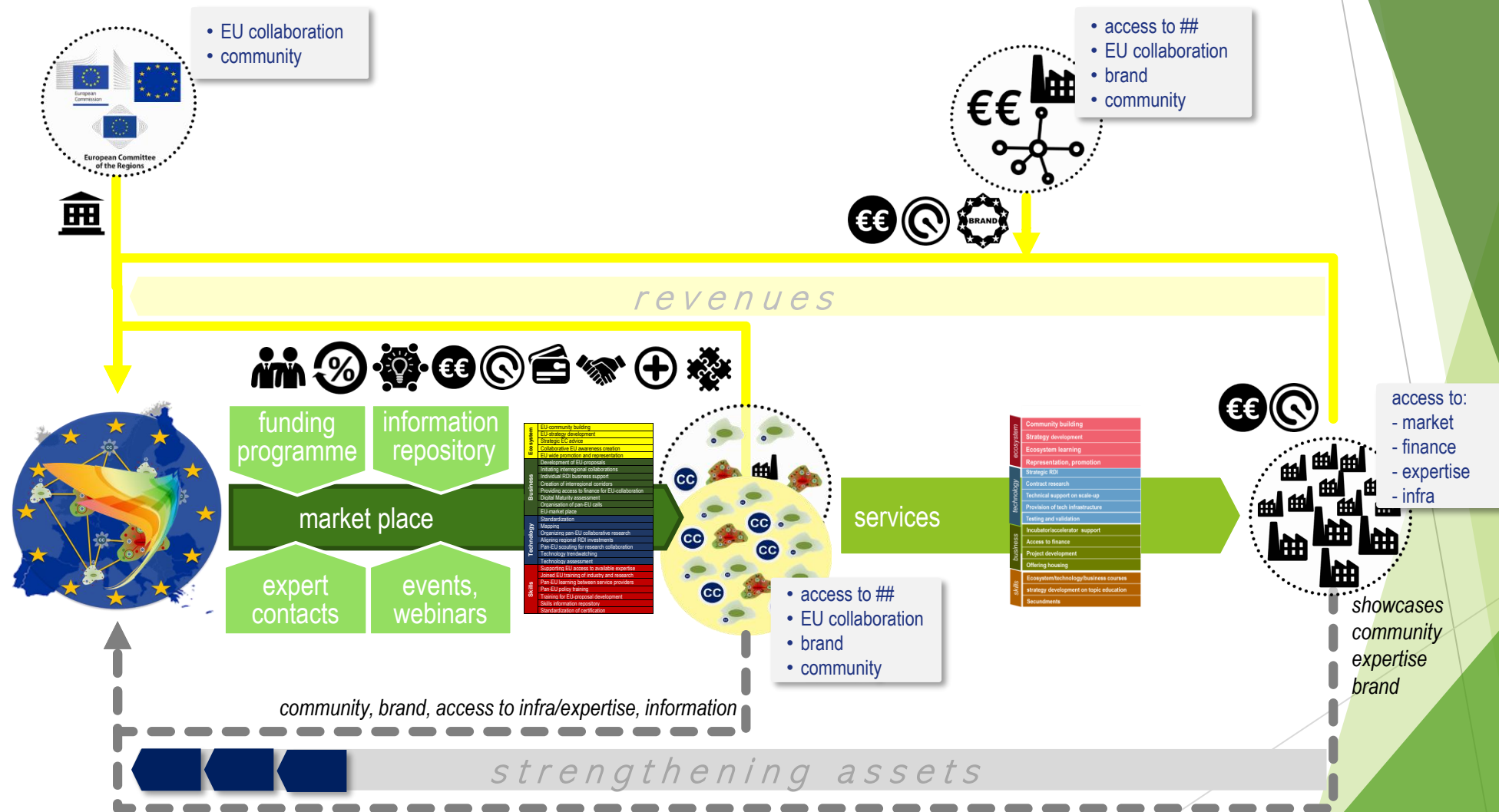
## Full cost service provision

*Individual services paid in full (+ profit)*

# Connecting revenues to services delivered



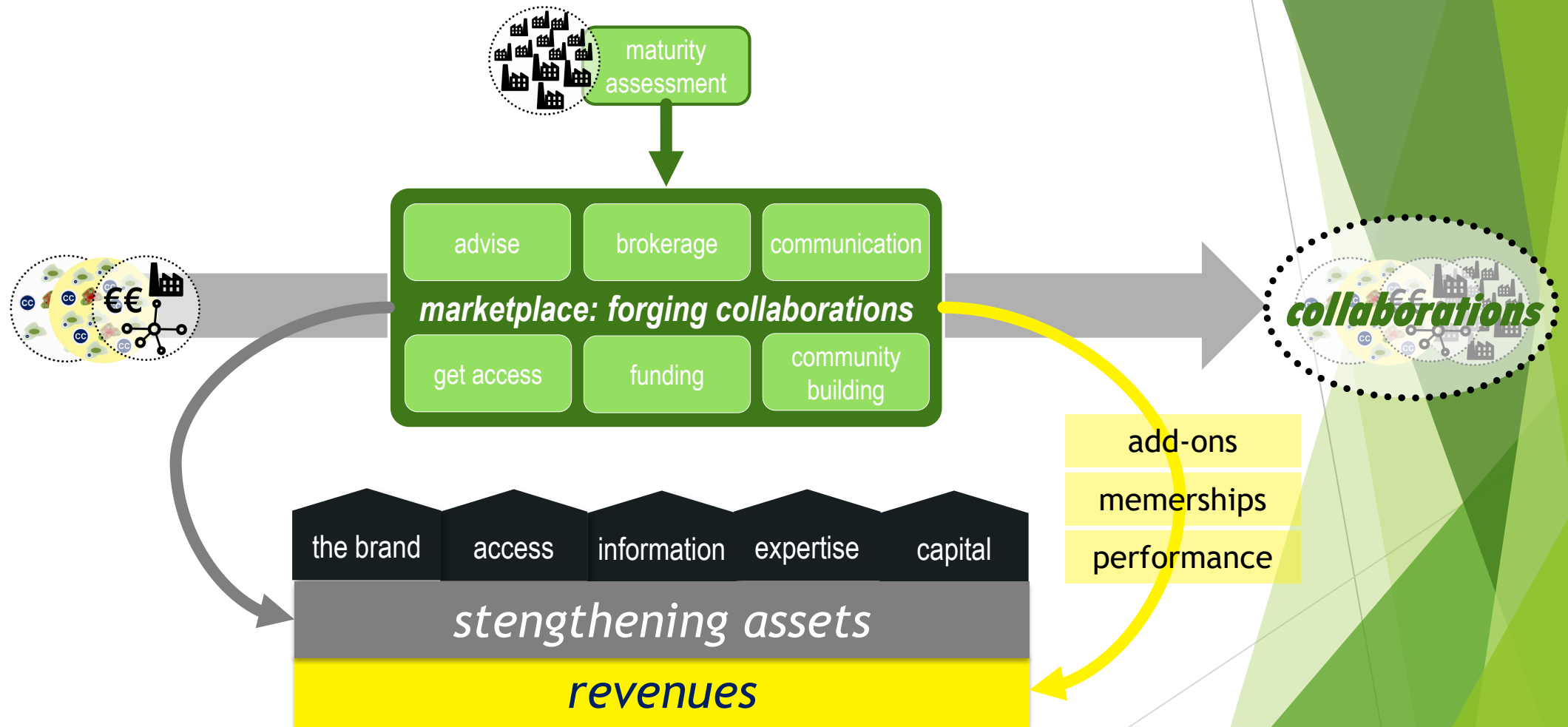
# The integrated SmartEEs business model



# So, 4 main pillars in the business model

1. The association membership structure  
*Creating a sustainable foundation for paying service provision*
2. The market place  
*Core mechanism to organize the deployment of services*
3. A funding programme  
*Creating a critical value to for stakeholders to participate*
4. The brand  
*Creating a critical mass for the community attraction*

# One pillar highlighted: The market place







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Europe's Network of Digital Innovation Hubs

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