Regional SMEs & Regional Universities: an innovative partnership for regional development

SEGRA 2011
Some key themes …

• What is innovation?
• What role has innovation play in regional development?
• Do regional SMEs maximise innovation potential?
• Do regional universities lead and enable innovation?

…..How can regional SMEs and universities work together for innovation?

• Central Queensland – a case study
What is innovation?

New ideas + entrepreneurship
= new (regional) value

...doing something new that results in an improvement
Australia's innovation policy is entering a phase of renewal and refocus – ‘collaboration and connectedness’

A shift in nature from technological, to industrial/scientific, to systemic

The introduction of regional innovation systems

Innovation policy paradigms are moving toward a holistic interpretation of ‘innovation’... introducing the possibility of overlap with many other policy areas
Innovation and regional development

• Both agendas under close national scrutiny
• Both are operationalised within ‘regions’

Strong policy overlaps – a need for integration
The policy implications – *a need for integration*

**Innovation policy**
- promoting an innovation culture and economy

**Regional development policy**
- Better productivity, diversification & economic development

**Sustainability policy**
- A healthy, protected and resilient natural environment

**Regional innovation systems**

**Eco-innovation**
Regional SMEs

- < 150 FTE staff and/or $200M annual turnover
- Flexible and responsive in regional supply chains
- 46% of GDP in 2006

- Yet SMEs remain largely an unknown quantity.... SMEs and Gross Regional Product?
Regional SMEs and innovation

- Innovation as key to productivity/growth
- SMEs as a key source of innovation
- Fastest growing share of R&D spending is by SMEs

- SMEs have different innovation needs compared with big industry
Regional universities and innovation

- Are key regional employers and economic drivers in their own right

- Not competitive with Go8 for ‘traditional’ R&D, but
  - **industry collaboration** is a speciality
  - **perform engagement** across government, business, industry and regional development stakeholders
  - Not ERA but EIA
Research performance – ‘RoI’ universities

- University of Wollongong
- University of the Sunshine Coast
- University of Southern Queensland
- University of South Australia
- University of Newcastle
- University of Ballarat
- The University of Western Australia
- The University of Queensland
- The University of Adelaide
- Southern Cross University
- Queensland University of Technology
- Murdoch University
- Griffith University
- Deakin University
- Curtin University of Technology
- Charles Sturt University
- CQUniversity Australia

% funds from Industry
% funds from CRCs
A role for regional universities

The key objectives of DoRA:

1. Increase regional productivity, economic development & diversification
2. Regional Leadership and representation
3. Improve regional service delivery
4. Improve return on federal investment spend
5. Coordinate across tiers of govt and across portfolios

Now consider: teaching learning, research and innovation, engagement, advocacy, regional citizenship…. a large organisational footprint… a multidisciplinary organisational focus
Where does that leave us ...?

- There is a need to utilise regional SME capital (regional coordination)
- Cross-disciplinary innovation is a likely enabler of maximum regional value (multidisciplinary approach)
- There is a need to assist regional SMEs, and develop and adopt new metrics (research and its applications)

A role for university-SME partnerships... ?
Pursuing partnerships …

… is not as easy as it seems

- Little is known about regional SME's beyond baseline counts
- HE has a poor record of engagement with SME's
- SME's are willing to partner but struggle with costs, resources and entry points
- Multiple benefits apparent for Uni's and SME's
- More work needs to done to define the value proposition for both; tailored strategies needed
A comprehensive body of work to identify and realise the potential for innovation to intersect with regional development — especially through SMEs and CQU
Understanding that regional businesses want help…

I would like to receive support to help me innovate in the form of:

- Networking and alliance building
- Forums for ideas exchange
- Training in leadership
- Access to venture capital
- Training in IP/commercialisation
- Business advice - planning for the future
- Business advice - financial
- Access to R&D providers
- Other

**Percentage of respondents**

[Bar chart showing distribution of preferences]
And that CQUni might be missing this opportunity…?

I would like CQuni to help shape business innovation in the region.

My business would be an active partner with an Innovation Centre if one were available in CQ.

My business would benefit from employing CQuni graduates that are taught innovation skills.

There are ways for my business to be involved with the teaching programs offered by CQUniversity.

I would choose CQUniversity first if I needed a research project done.

Innovation in my business has been helped by having CQUniversity in the region.

I know what research services CQUniversity can offer my business.

I know who to contact at CQUni for information on starting a research project.

Strongly disagree

strongly agree
I’m just getting to know you …
... getting to know the things you do...

- Blast hole measuring device
- Brake testing system
- Microbes for remediation
- Service improvements
- Improved design capability
- "Transportable" office
- Expanded springs!
- Proximity alarms
- Software for carbon mgt.
- Bulk buy of solar panels → BMI
- Cattle IVF
- Modelling impact of carbon tax

Pineapple business innovation
- Health services
- Visual recognition for cropping
- Affordable housing innovations:
  - Concrete
  - Solar energy mgt
  - Wind
  - Grey water treatment
  - Managing design for building regulations
Getting to hope you like me too...

- Contract research
- Grad students
- Undergrad students
- Joint grants
- Uni as focal point of P2P networks
- Modelling the unknown
- Diversity of skills
- Source of skill sets
- Networks
- Community education
- Software/tools
- Testing & facilities
- Knowledge of REGULATIONS + regulators + their assumptions
- OHS
- Lower cost (local)
- Trusted, independent Validation/credibility
- Shared market intelligence
- Expertise in local markets & needs
Putting things our way, nicely....

WIRP - Work Integrated Research Program
- multidisciplinary, ambassadors
- door to door brokers
- don’t know what you don’t know

- Funding
- Mentor program - informal sharing
- CQU culture - relational, welcoming
- Single entry point - concierge, industry liaison office
- Social events to build networks/functions/seminars
- CQU should leverage other industry events to showcase e.g. DEEDI

- Business people: guest lectures, mentors, etc.
- Promote dual sector pathways: mechatronics, etc.
A good start for ‘day by day’;
...but how can regional SMEs and universities influence regional direction?
Establishing a **regional collaborative**...

**Principles:**

- Not to duplicate or replicate
- Recognise the free market as the 'doer'
- Focus on tangible outcomes
- Shared investment, shared benefit, shared risk
- Agglomeration of supply and demand (human capital) through collaboration and connectedness
- Playing to the strength of every participant
The model for the future (2012)

national objectives: regional value

The CQ Regional Collaborative will establish a structural mechanism by which innovation can be used to deliver sustainable regional development in Central Queensland

(piloted from “Innovation Central” at the CQUni Research and Innovation Precinct, Rockhampton)
A new approach to regional development through collaborative decision-making and investment

Where the flow of ideas, issues and/or information...

...is captured through an accessible regional entry point

...developed collaboratively through open innovation

...assessed using a standardised regional development tool

...and given the necessary support to succeed
Multiple outcomes

- Knowledge creation (research) and capture (e-warehouse)
- Capacity building (training and skilling)
- Implementation (on-ground activity)
- Linkages, engagement and regional profiling
- Policy development and influence
…a national pilot (demonstration) in Central Queensland

- A template for interactions between business, industry and regional stakeholders
- Leading research into assessment and prioritisation of regional investment and development projects

Our approach
- Stakeholder engagement – building consensus on the model
- Creating buy-in with lead organisations
- Creating a working party – confirming mechanics, funding and support
- Establishing the Innovation Board
- Moving to first operations: co-funding for the model and the investment pool
Questions?