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Background for the survey

CHT has been building networks of high end cluster partners in health and wellbeing businesses in the Global Innovation Networks in Health and Wellbeing project. During the project different cluster actors around the world have been scanned and met, and with those meeting the needs and profiles of Oulu's own ecosystem best, actions have been taken to develop cooperation further. Some of the partners have had cooperation with Oulu already for longer time, but this project has brought new branch of business to the partnership by incorporating health and wellbeing.

The objectives of the projects were, as defined in the project plan:

- Unite European ICT-knowhow to promote world leading ICT-health innovations and to build a world class network to speed up the emergence and commercialization of new ideas
- Develop cooperation model within the European innovation ecosystem
- Strengthen the participation of CHT and Oulu's ecosystem in European networks and thereby in research program preparations

During the project CHT has participated in finding and building new contacts and networks. CHT has also been involved in preparation in signing of Memorandum of Understanding –agreements with partners in Northern Ireland, Baden-Württemberg and Tallinn, and contacts have been built also in Scandinavia with Aalborg, Skåne, Uppsala, Oslo, and NRI network. These contacts are already well in use with many separate organizations of the Oulu ecosystem in their own project preparations.

In terms of evaluating the project's success through its objectives, next conclusions can be made:

- The cluster network has potential to grow to world class network combining health and wellness with ICT, but future collaborative operations need to be of value to all participating organizations and companies, and create new opportunities in research and business
- Comprehensive and defined cooperation model in European innovation network has not been developed yet, but there seems to be intent and interest towards creating it and cooperation is happening (e.g. Cosme project preparation)
- CHT's and Oulu Ecosystem's participation in European networks is strengthened and there are increasing number of project preparations with international partners

Objectives of the survey

The purpose of the survey conducted during the last six months of the projects was to find out and learn how the companies and partners in Oulu, and also international cluster partners, have experienced the cooperation and actions, and what kind of expectations they have for the future development of the cooperation. The focus was especially in finding out what kind of needs the companies in Oulu region have regarding the international cluster cooperation, and what kind of actions could fulfill those needs. The focus was in research, development and innovation (RDI) actions of companies, but other aspects were not excluded.

Though this survey is conducted by CHT, it covers wider ecosystem in Oulu, because efforts in international cooperation and network building are generally made in cooperation with other local actors under mutual Oulu or OuluHealth brand.

From the partners abroad we learned about Oulu's strengths, factors of interest and gained understanding about areas of improvement. Knowing what makes Oulu an interesting cluster partner for strong European players makes it easier to emphasize the strengths Oulu has, and on the other hand knowing the areas of improvement could give tools for developing operations in Oulu locally.

As results of this survey we gained understanding of the usefulness and value of the cluster cooperation and actions within for the companies and other organizations in Oulu and abroad, vision on the willingness and readiness of the companies for international network cooperation in R&D, vision on expectations of actors, and a justified view for mutually beneficial project planning and cooperation development in the future.

In this report the results of the survey conducted as part of Global Innovation Networks in Health and Wellbeing –project are presented and discussed. The focus is in companies' and international partners' point of views about international cluster cooperation and partnering with Oulu-based organizations and companies, and these matters will be summarized also in the final report of the whole project.

Methods

The methods of conducting the survey were freeform interviews with companies and partners in Oulu, gathering information from partners' websites and discussions at Future of Cluster Cooperation –workshop.

Interviews

The interviews were of free form, constructed with short introduction to surveys objectives, themes to discuss about and a few questions to get conversations going. The idea in free form interviews, or more like discussion moments, was to avoid guiding the answers too much and to let interviewees speak out their own thoughts without limiting them with strictly formed questions.

11 health and wellbeing SME's were invited to take part to this survey, in the end 7 interviews were conducted with companies. Also 6 partners from universities, BusinessOulu, hospital and Technopolis were interviewed.

Conducted interviews:

Companies

Haltian, Jyrki Okkonen and Heini Tuorila

Medanets, Juha-Matti Ranta

Mediracer, Yoko Keränen

9solutions, Mikael Szücs
Mawell, Kai Juusola
SelQee /Valkee, Juuso Nissilä
ProWellness, Mika Sipilä

Partners in Oulu

Oulu University of Applied Sciences, Helena Heikka and Allan Perttunen
BusinessOulu, Tuula Palmén
University of Oulu, Timo Jämsä (researcher)
University of Oulu, Hanna Honkamäkilä (project services)
Oulu University Hospital, Juha Korpelainen
Technopolis, Jouko Uusitalo

Future of Cluster Cooperation –workshop 12.3.2015

The Future of Cluster Cooperation –workshop was organized in March 12th 2015. The aim of the workshop was to discuss what we have learned about cluster cooperation so far, how cluster cooperation will be developed in the future, and what the needs and expectations are for individual organizations, clusters, and companies that cluster cooperation should meet in the future. In the workshop there were partners from Tallinn, Estonia (Estonia Connected Health Cluster / Külle Tärnov) and Tuttlingen, Germany (Medical Mountains / Yvonne Glienke) sharing their valuable insights on cluster cooperation in general and their views about Oulu as a cluster partner. In addition to their keynotes there were group discussions considering what actors in Oulu have learned about cluster cooperation and how it should be developed further. Participants in the workshop were from local partner organizations and companies.

Findings

International cooperation is necessary for the innovation ecosystem, companies, research institutes and support organization, in Oulu if the objectives are to become a world class ecosystem in health and wellness business, participate in international research projects and be on top of the development. For individual companies the needs are versatile and always depend on the type of product and state of business. In educational institutions there are two types of international partnerships: researchers' own networks and partnerships in more higher, strategic level. The needs for cluster cooperation in these cases are varied.

For business development organization the need for research and development -focused international cooperation is mostly to identify and define the different roles of organizations and find the cooperation models that can benefit also businesses in Oulu region in practice.

The results of this survey are presented in more detail here, first going through the experiences and expectations of the interviewed companies, then local partners and finally the lessons learned from the international partners.

Experiences and expectations of companies

The experiences of the companies are variable, mostly depending on their own activity and participation. They also have different sorts of needs for networking and cluster cooperation, but the differences in needs depend mostly on the types of their business, products and services, and customers. For most of the companies the needs focus on finding customers and partners or getting funding, but some also find valuable the possibility to gain knowledge on latest trends, develop professional knowhow, and build their own networks through cluster cooperation.

In companies' experiences about coordinated, cooperative cluster network actions one concern arises clearly. Companies see that cooperation between cluster organizations is probably working well, but the deployment of the cooperation to the business level is still deficient. The business benefits of cluster cooperation are often elusive for companies, which hinders their participation in cooperation actions. International cluster cooperation actions are time- and money consuming operations, and time and financial resources are often sparse for SME's. When the direct business benefit isn't obvious, it involves long-term vision but also a certain risk of losing resources to participate and so needs to be considered carefully.

On the other hand, international cluster cooperation offers possibilities for developing and maintaining professional knowhow, enables following and keeping up with the latest trends in one's area of business and also for connecting with top researchers. There is also a great opportunity for learning from experiences of those who have tackled similar issues, and also for finding new angles for solving present challenges. Cluster cooperation can also help in finding suitable partners and reference cases, and creating business networks of SME's to meet the needs also of larger customers, that wouldn't be possible to fulfill for individual SME.

Companies' participation is needed in many publicly funded research projects, but participation in them is not always so appealing for companies. The benefits of participating seem elusive and hard to achieve, and the costs are high in terms of bureaucracy and time consuming meetings and reporting. The projects' timespans are often too long to actually benefit companies' current RDI. From SME's point of view the focus already in project preparation should be more in the actual need for concrete actions and development, and finding the right funding tools for the real issues rather than adapting the objectives for each funding instrument at hand.

In Oulu area there are several supporting and research organizations that work with companies. For companies the different roles of organizations were unclear, and it is hard for them to figure out who does what and what organizations to approach with specific issue or need. These roles should be

defined and communicated more clearly for all internal and external stakeholders including all involved organizations, companies and partners.

The underlying need of companies for cluster cooperation, or any kind of coordinated international networking, is to make it easier to find references, customers and partners. They expect the cluster cooperation to provide knowledge on gateways to different market areas and concrete and targeted actions for different types of companies. What is important is to target the operations by matching the participants and so providing opportunities to real sales leads for specific target groups. The actions don't need to be targeted for each company separately, but for suitable groups of SME's whose products or services together could provide a solution for more extensive issues. By forming and targeting actions for this kind of groups of companies support organizations could help them in building reference cases and finding customers.

One point that has been mostly neglected so far is integrating investors and more funding channels to these networks, and delivering information in both ways between companies and investors.

Experiences and expectations of local partners

The local partners covered here are University of Oulu, Oulu University of Applied Sciences, Oulu University Hospital, BusinessOulu, and Technopolis. All of the partners have also other international cooperation, but here the focus is on health tech cluster cooperation and in the networking connected to the Global Innovation Networks project.

According to the partners, the project has increased the cooperation locally in Oulu, between different organizations. This is beneficial for all, as Oulu is a small region in international comparison, and appearing as a whole, functional ecosystem of different organizations makes Oulu more appealing and interesting partner.

Project has successfully brought new international partners to cooperative projects of organizations, both in public and private sector. At the moment, there are partners connected by the project in already ongoing projects and projects in preparation phase. These connections are valuable also in future when planning for new projects and looking for international partners. For university researchers the value of this kind of upper level, strategic partnerships is not that pronounced, as they tend to value more the personally build, research area specific networks. Nevertheless, these partnerships can be precious when entering new, disruptive themes of research and development.

Shared experiences of most partners were the concern of Oulu's offering for mutual benefit in cluster cooperation, and the need to clarify and communicate the roles of Oulu-based organizations. Oulu being a small market area, the concern was what we have to offer for companies from bigger, international market areas and for cluster partners with their own, wide networks. Some were also concerned about Oulu's offering in term of professional and business competence. In Oulu there is

extensive ICT knowledge which is applicable also to healthcare solutions, but for example companies in medical technology are sparse in Oulu.

The national networks should also be sound, so that international partners can be connected to research and company fields also elsewhere in Finland via Oulu. When building future projects, some actors like VTT and Technopolis and their extensive networks could be better exploited and taken into account when planning the actions.

In many discussions with the local partners also the need for communicating the roles of supportive organizations rose up. By clarifying the roles, also internally, synergies and balance in different actions (e.g. help in business development, internationalization, support in RDI, etc.) could be found. The roles should also be communicated more widely and precisely outside. For future projects expectations seemed to focus around concrete, measurable objectives and established results.

Experiences and expectations of international partners

From the international partners we expected to learn about their experiences of cooperation with Oulu, factors that make Oulu an interesting partner for them, Oulu's strengths and weaknesses from their point of view, and about their expectations for the future cooperation. These questions were discussed in Future of Cluster Cooperation –workshop held in Oulu in March with our international and local partners.

The strengths of Oulu as partner in international cluster cooperation focus around ICT expertise, and activity and positive attitudes towards cooperation in various actor levels from startups to support organizations and public governance. Oulu's strong background in ICT offers an appealing mix of professional knowhow, skilled employees, and infrastructure for partners, whose strengths might be more on the hardware of medical and health technology and , and could use support in the software development. Thus the suitably divergent areas of expertise between Oulu and the partners is one factor making the partnerships beneficial and worth further development.

Oulu has also a comprehensive and cooperative ecosystem of all stakeholders in healthcare sector, which makes it an interesting partner and can enable testing of ideas within the whole infrastructure. Oulu's strong and vivid startup scene is another factor making it appealing. Combined with the wide healthcare ecosystem and ICT skilled workforce, the entrepreneurial development in Oulu is interesting to clusters and other partners abroad. In addition, the world class research in different areas of health technology can provide innovations and support the research, development and innovation actions of the companies.

Another strength of Oulu is the attitude among the actors in health ecosystem towards international cooperation. Oulu is seen as an active and serious partner with genuine will to develop joint projects with its partners. This is seen in practice with fast reactions in providing help and further contacts when needed. Also the previous experience in international partnerships is a benefit, providing knowledge of the processes and actions necessary to maintain the relationships.

Even though Oulu has many strengths, there are also some challenges and areas of improvement. Possibly the greatest challenge is the geological distance and time consuming travelling needed in order to meet face-to-face. Maintaining active partnerships involves also personal and financial resources, but ensuring them can be challenging for all parties because of project based funding and operations.

In mutually beneficial cooperation learning from each other and sharing information are important. Based on the previous experiences of our partners, we could develop agility to react faster to upcoming trends, specialization to certain focus areas to raise awareness and interest of the most relevant partners and companies, and communication of the specialization, different roles of actors, and support/service offering.

There are also some common challenges that need to be taken into account in planning and executing collaborative projects. First, the resources and funding have to be secured, for the project organizations and companies involved. The role of private funding is quite non-existent, but it might be worth discovering whether private investors were interested to invest in collaborative international development projects, or at least be involved in the networks. Second, in cooperation projects the parties need to be aware of each other's areas of expertise and roles, as well as the parties have to know and have good connections in their local networks to provide and involve accurate contacts for the projects. Finally, in projects with business oriented objectives, the initiatives should build up on the base of real needs of the companies, rather than the idea of collecting funding.

The participation of companies in the other partnering countries is one factor making the international cluster cooperation interesting for companies in Oulu. For example in Germany, which is one the interesting areas for many Oulu-based companies, having companies aboard in cluster cooperation is challenging. Those companies having the resources and interest for international cooperation are already doing it by themselves, and the others lack the interest and/or resources needed.

Conclusions

For successful and mutually beneficial cluster cooperation it is important to know the participating organizations' and companies' basic actions, objectives and target groups. This enhances the ability to provide and suggest valuable and better targeted information, operations and connections locally in Oulu, and also for the international partners. The need to clarify and especially communicate the roles of the organizations in Oulu came up in most of the discussions during the survey.

The connections are already quite well adopted by many actors in Oulu, as there are numerous project preparations up and running. In these ongoing and in forthcoming processes business orientation needs to be emphasized maybe even more, of course depending on the objectives of each project. This could be done by really finding out and listening to the underlying needs of companies, and thus making the projects more interesting and appealing for them to participate. The challenge is how to identify the needs, as often it is hard for the companies themselves to know what kind of actions would be beneficial for them.

The needs of the companies are diverse depending on their business area, target groups (B2B/B2C) and products. Based on the conversations during this survey, it is safe to say that targeting, coordination of company groups to enable development as part of bigger consortium, and support in finding the first customer (preferably among some of the multinationals) are important areas of development in future business oriented projects.

Deep down cluster cooperation is based on interactions between individuals, and personal relations and active communication are at core in building, maintaining and developing partnerships. Without these formal agreements lack realization and success. Enduring relations between people in organizations is a key element in achieving continuity of cooperation and trust between all stakeholders.

Suggestions for further actions

1. Support for internationalization for startups and SME's at early stages

Finding and/or building instruments to encourage and support startups and SME's in their internationalization efforts at their early phase. Due to the limited amount of resources startups and SME's often have, it seems to be necessary to be able to provide financial support for cooperative internationalization efforts.

For example Business Oulu's Global Oulu -funding provided for 50% of costs for companies participating for example in international trade fairs, but this funding instrument is not available anymore. Challenges were that the low threshold funding for travelling attracted also those who were not that motivated in developing their businesses, and there should have been also more support in preparation for big fairs with finding and contacting the right people and setting meetings already in advance. These challenges need to be taken into account when finding or building new funding instruments by targeting actions, utilizing existing networks, preparation, and support for these.

Financial support for early stage internationalization is a good and needed incentive to get more startups and SME's putting their efforts towards international partnerships and increased exports, but funding alone is not enough as it need other forms of support offering alongside it.

2. Deepening the cooperation with Baden-Württemberg area with better utilization of companies' diverse expertise areas and development of Invest in –actions

Bringing forward and finding the really strong areas of expertise in Oulu by reflecting to the more established companies in Baden-Württemberg area. Finding the companies in Baden-Württemberg that could benefit from expertise in Oulu, connecting and supporting the emerging cooperation long enough to ensure the establishment of relationship (e.g. until joint project preparation has started and people are actually working together).

Support organizations need to shift focus from general level operations to individual cases. By building successful example cases starting from needs identified among companies or research projects and building up to successful international business through innovation processes, more companies can be attracted to participate and supported in their research and development efforts.

Actively drawing investors from Baden-Württemberg area to participate in development, funding, research consortium cooperation, and eventually investing in Oulu-based companies through collaborative actions with organizations and companies in B-W area. Emphasizing the possibilities to leverage Tekes-funding for joint development projects of Finnish and international companies.

3. Enforcing the OuluHealth actions and role

OuluHealth has a strong and positive brand that works well in an international setting, but internally it needs systematization, organizing and more definitive responsibilities. OuluHealth already works as an umbrella for all actions in health and wellness sector in Oulu, but its role should be strengthened.

The stronger leading role of OuluHealth would help in defining and communicating the roles of all involved organizations (e.g. BusinessOulu: utilization of networks in marketing and sales support and development, EU SME instrument's communication; CHT: enforcing utilization of networks in RDI cooperation, promote matchmaking between research and business), which at the moment are obscure for many.

OuluHealth could also have leading role in Oulu's participation in national level operations (TeamFinland Health, actions of enterprises such as GE, Bayer, and Samsung in Finland). Locally its profile could be enhanced for example with OuluHealth Forums, which could provide forum for local networking, sharing and pitching business- and research ideas, and enforcing the shared OuluHealth identity.

Developing an organization for OuluHealth has no intrinsic value as such, but strengthening the actions, roles and brand require resources, clearer structures and ownership with defined responsibilities.