

# BMW Regional Innovation Audit

Minister for Enterprise, Jobs and Innovation Richard Bruton T.D. stated his commitment to work more closely with the BMW Regional Assembly to review the impact and recommendations of a key strategic regional innovation report, which was launched by the Minister at the Assembly's Conference in Athlone on Friday 6th May 2011. The report commissioned by the BMW Regional Assembly, *'Audit of the Innovation System in the Border, Midland and Western Region'* examines the innovation and economic performance of the BMW Region and sets out the key challenges and opportunities for jobs creation and economic growth in a range of emerging high value economic sectors (knowledge-intensive services (KIS)).

Welcoming the launch of the report, the Minister stated his desire for regions to fully understand their economic assets and to maximise their impacts on jobs both locally and regionally. The Director of the Border, Midland and Western (BMW) Regional Assembly, Mr. Gerry Finn emphasized in the foreword of the Report that "A strong and well functioning innovation system has long been recognised as central to regional economic development and the foundations of a dynamic and diverse economy. It is therefore vital that the BMW Region maximises its innovation capacity and the extent of the knowledge-intensive services available in the context of the challenging economic conditions that currently prevail." Mr. Finn who presented the findings of the report to the delegates at the conference emphasised the Assembly's continued commitment to raising innovation levels in the Region. The Assembly has provided €200m under the Innovation,

ICT and Knowledge Economy Priority of its Regional Operational Programme, which is 50% co-funded by the EU.

The report found that there were dynamic knowledge-led sectors emerging in the BMW Region worth close to €1bn to the local and regional economy. Further opportunities were identified for job creation in the areas such as Medical Devices, Computer and Communication Hardware, Pharmaceuticals and Software and Communication Services. Graduate employee levels were found to be high (78%) across these sectors. Further analysis of the regional innovation system found a 78% satisfaction rating amongst companies who engaged with the public sector, which compares unfavourably (92%) to those who employed the innovation services of the private sector. The BMW Region share of public R&D investment remains low however, since 2000 the Region has benefited from the following levels of R&D funding: 19% of Enterprise Ireland, 13% of Programme for Research in Third Level Institutions and 11% of Science Foundation Ireland awards.

The report also recommends that a more explicit regional dimension should be expressed in national innovation policy to reflect local and regional economic realities and existing networks and linkages. It argues that regional innovation strategies can take national considerations into account but also form a more effective level of implementation at the regional and local level, e.g., in the medical devices sector in the West Region. The report also strongly advocates the development of technology transfer intermediaries bodies between industry and academia which can help overcome the 'culture gap' that currently persists. A

particular area of concern highlighted in the report is the underwhelming share of public R&D investment directed towards the BMW region over the past decade by Enterprise Ireland, the Programme for Research in Third Level Institutions, and Science Foundation Ireland. The report recommends that national innovation policy should include a more explicit regional dimension to reflect local and regional economic realities and existing networks and linkages. It argues that regional innovation strategies can both take national considerations into account while also fostering a more effective level of implementation at the regional and local level. The report also strongly advocates the development of technology transfer intermediary bodies between industry and academia which can help overcome the 'culture gap' that currently persists.

The Report outlines that "since the 2004 Audit of Innovation in the BMW region was published, much has been achieved in respect of the capacity and performance of the Region's innovation system and its innovation activities. The current Audit, which has focused on the KIS and their role and contribution within the Region's innovation system, suggests that the BMW Region has been able to put in place the beginnings of a so-called 'smart economy'; one where there is a wide range of KIS businesses trading nationally and, increasingly, internationally and employing mostly highly qualified and comparatively well-paid graduates." The Report notes that "this progress since 2004 and the picture that is presented in this current Audit is however only the beginning of the process. More now needs to be put in place if the vision of the Region and the

capabilities of its people, businesses and institutions are to be fully realised. Further investment and focus on increasing the Region’s innovation and enterprise capacity, and achieving greater impact from its innovation outputs, is required.” The Report sets out a number of recommendations under three main headings designed to provide the basis for

the investments that are required post-2013 to ensure that the BMW Region’s objectives are achieved:

- 1. Developing the comparative advantages of the BMW Region**
- 2. Utilising the Region’s innovation assets**
- 3. Focusing on enterprise**

It is noted that these recommendations are preceded by an important and necessary set of underpinning conditions that are referred to here as **‘Framework Conditions’** (note: framework conditions are, for the most part, set and implemented at a national level, underpinning almost all of the other recommendations).



*In the photo are from l-r, Dr. Kieran Moylan, Assistant Director, BMW Regional Assembly Minister for Enterprise, Jobs and Innovation, Richard Bruton, TD Cllr Joe Flanagan, Chairman, BMW Regional Assembly Mr. Adrian O’Donoghue, Researcher & Policy Analyst, BMW Regional Assembly*

	No.	Recommendation	Responsible Bodies
Framework Conditions			
	1	Continued investment in the BMW Region's education, research, transport and telecommunications infrastructure is needed to accelerate the shift to higher value economic sectors and convergence with national and European levels of innovation activity. The findings of this study should feed into the work being undertaken by Forfás on infrastructure prioritisation. Forfás & Department of Enterprise, Jobs and Innovation	Forfás & Department of Enterprise, Jobs and Innovation
	2	National innovation policy (e.g. Innovation Taskforce) should incorporate a more explicit regional dimension of innovation to build the regional innovation and research capacity. The regional allocation of resources and the spatial impacts of support programmes should be given greater attention at a national policy level and regional targets should be set by the main support agencies as an aid to strategic planning and review.	Department of Enterprise, Jobs and Innovation & Enterprise Agencies
	3	The EU co-financed BMW Regional Operational Programme post-2013 should continue to prioritise innovation, ICT and the knowledge economy, aligned with a smart specialisation strategy for the Region, with the potential for experimental actions to pilot initiatives in support of greater levels of interaction and technology transfer. This should be pursued by the Regional Assembly in planning the post-2013 programmes and in furthering the Innovation Union flagship initiative under the EU 2020 Strategy BMW Regional Assembly	BMW Regional Assembly
	4	It is critical that indicators of innovation and knowledge economy development for the BMW Region should be better available to Improve understanding of the Region's innovation performance. It is also important that other indicators of innovation and technology in Ireland (for example, the Community Innovation Survey) are available at a regional and national level.	CSO & Forfás
	5	Opportunities to exchange experiences and best practices through participation on Interreg projects and in trans-national networks of innovating regions should be explored. This also enables benchmarking with comparator region.	BMW Regional Assembly

	No.	Recommendation	Responsible Bodies
Framework Conditions			
Developing the comparative advantages of the BMW Region	6	A process should be undertaken to identify the evident comparative advantages of the BMW Region (e.g. Medical Devices, Digital Media) and the innovation and KIS capability needed to support this. In particular, it is important that the Government's Research Prioritisation Group should adopt a regional and a sectoral approach in identifying future priorities.	Forfás & Research Prioritisation Group
	7	The BMW Regional Assembly and its partners in the Region should build on the existing Collaborative Strategy. The development of a joint research and innovation strategy by Lónra is a step in this direction and Lónra should be reinvigorated to fulfil this important role. Lónra's collaborative research agenda should be rolled-out with a commitment of support from central Government agencies and opportunities to collaborate with similar networks abroad should be explored.	Lónra & BMW Regional Assembly
	8	National initiatives that are available to support RTDI investment in the BMW Region should be targeted and maximised helping to build on investments to date in areas such as, R&D infrastructure; high quality and responsive knowledge transfer services and arrangements; networks for interactions with KIS providers; excellence in human and knowledge capital provision in the Region; and, commercialisation of innovation within HEIs and incubators and the absorptive capacity for innovation within the Region's companies. It is essential that the Office of Science and Technology take explicit account of the BMW Region's needs and capabilities with regard to innovation as they review public sector funded innovation and RTD support programmes.	Department of Enterprise, Jobs and Innovation

	No.	Recommendation	Responsible Bodies
Framework Conditions			
Utilising the BMW Region's innovation assets	9	The role of HEIs in knowledge transfer and as specialised KIS providers themselves should be expanded, supported by national and EU funding schemes, and extended to all ITs. For example, the Medical Devices sector in the Midlands and West and Creative Industries and Renewable Energy sectors also in the West, should be supported by sector-specific technology transfer arrangements where appropriate.	Enterprise Ireland
	10	The BMW Regional Assembly and its partners in the Region should ensure that each significant element in the Region's innovation system (including the innovation centres and incubators) has in place a rigorous programme of business development that will increase their effectiveness and impact on the innovative businesses of the Region and help to ward off threats imposed by more general funding cuts. These programmes should also be networked and coordinated to further improve and consolidate the returns that may be achieved from the investments already made.	BMW Regional Assembly & HEIs
	11	BMW Regional Assembly and L�onra should examine suitable models for subregional innovation networks and hubs as the basis for future delivery of innovation and knowledge transfer support where the incubation centres should be recognised as key nodes and components for technology transfer interactions with companies in the BMW Region.	BMW Regional Assembly & Lionra
	12	In the context of the important role of the innovation centres within the innovation system, Enterprise Ireland should further examine the need for innovation centre capability to ensure balanced availability and responsiveness to clearly identified needs, e.g. expansion of the Midlands Innovation and Research Centre at Athlone IT. Consideration should be given to developing a common brand, greater collaboration between, and specialisations within, the Centre.	Enterprise Ireland

	No.	Recommendation	Responsible Bodies
Framework Conditions			
Focusing on enterprise	13	The existing research centres of excellence and specialised facilities must be sustained in NUI Galway and in the ITs.	Higher Education Institutions
	14	Financial incentives are required to promote greater levels of collaboration and interaction between knowledge institutions, private KIS suppliers and companies in the Region in order to enhance the ability of companies to absorb and exploit new innovations and technological developments. The further roll-out of collaborative postgraduate scholarships or the extension of graduate placement programmes could, for example, be one such approach.	HEA and Enterprise Ireland
	15	The BMW Regional Assembly should examine the potential for an information portal to provide innovative companies with access to current information on the services and support available from all elements of the KIS sector, including private sector providers and further options for better participation by SME KIS providers in Government procurement of innovation support. Similarly, private sector research users should be facilitated to competitively seek KIS providers, possibly by extending the research voucher approach to other RTDI funding programmes.	
	16	Greater use should be made of knowledge and innovation intermediaries such as WESTBIC and development of the capacity of technology transfer offices within HE institutions. Such intermediaries should be encouraged to have access to national and international networks.	WESTBIC

Source: p.103-104, Border, Midland and Western Regional Assembly (2011) *Audit of the Innovation System in the Border, Midland and Western Region*

Sources: [http://www.bmwassembly.ie/feeds/news\\_items/6may2011auditlaunch.html](http://www.bmwassembly.ie/feeds/news_items/6may2011auditlaunch.html). The full report is available at: <http://www.bmwassembly.ie/publications/>

[other\\_reports/Audit-Report-Final.pdf](#)

For further information, contact: [AODonoghue@bmwassembly.ie](mailto:AODonoghue@bmwassembly.ie)