



# Stakeholder Consultation Workshop Report

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Annex 1 to D4.1 A review paper on the extension of the GEDI-indicator with additional indicators on financial, labour and knowledge institutions

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**WorkPackage**

4

**Lead Beneficiary**

LSE



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## Place, Date and Time

Entrepreneurial Ecosystem Academy, Utrecht, 28-01-2016, 13:00-17:00

## Stakeholders

The academy is organised for a diverse set of stakeholders including managers of incubators, consultants, regional economic boards, city and national level politicians and civil servants and academics involved in managing, supervising or studying entrepreneurial ecosystems in the Netherlands.

| Name                    | Affiliation  |
|-------------------------|--|
| Jan Schuur              | Min. Economische Zaken & Planbureau voor de Leefomgeving |
| Kalle van Seeters       | Provincie Noord-Holland                                  |
| Leonie van der Kruk     | Provincie Noord-Holland                                  |
| Edgar van Leest         | Brainport Development                                    |
| Matthijs Hammer         | Saxion Hogescholen                                       |
| Marijke van der Veen    | Kamer van Koophandel                                     |
| Jaap Docter             | Kamer van Koophandel                                     |
| Carine Verheggen        | Stedendriehoek   |
| Hinne Paul Krolis       | Gemeente Almere  |
| Rob Olthof              | Fontys Hogescholen                                       |
| Gerard den Boer         | Gemeente Amsterdam                                       |
| Sander Kes              | Ministerie van Economische Zaken                         |
| André Roos              | Ministerie van Economische Zaken                         |
| Wilbert Pontenagel      | Kennispark Twente  |
| Martijn Prent           | Gemeente Emmen   |
| Paul Levelink           | Ministerie Economische Zaken                             |
| Steeff de Looze         | Gemeente Haarlem   |
| Gerrit Brill            | Provincie Overijssel                                     |
| Frank Bongers           | Gemeente Ede   |
| Monique Roso            | Economic Board Utrecht                                   |
| Joost van Hoorn         | Platform 31  |
| Marc Hameleers          | Ministerie van Economische Zaken                         |
| Erik Stam               | Utrecht School of Economics                              |
| Sjoerd Romme            | TU Eindhoven   |
| Jan-Peter van der Toren | Birch Consultants  |
| Bas van der Starre      | Birch Consultants  |

## Format

The program (in Dutch) below involves a lecture on the concept of an entrepreneurial ecosystem and presentation of earlier research results on various Dutch ecosystems that were studied in a pilot project for the OECD. The presentations are followed by a very interactive discussion on how to improve and facilitate the entrepreneurial ecosystems.

|       |   |
|-------|---|
| 12.30 | Inloop met lunch (Groene Zaal, 2 <sup>de</sup> verdieping, kamer 213) |
| 13.00 | 1. Welkom, kennismaking, introductie op het programma                 |

|       |   |
|-------|---|
| 13.15 | 2. Introductie op het concept :<br>- hoe benader je je regionale economie als een ecosysteem  |
| 14.00 | 3. Governance van de ecosystemen in drie onderzochte regio's<br>- presentatie van de onderzoeksresultaten en analyse<br>- reflectie vanuit regio's                          |
| 15.00 | 4. Pauze  |
| 15.15 | 5. Gezamenlijke analyse en discussie<br>- verschillen en vergelijkingen tussen regio's<br>- waar staan de regionale ecosystemen<br>- wat is nodig voor verdere ontwikkeling |
| 16.45 | 6. Vervolgafspraken: op welke wijze willen we met elkaar in gesprek blijven en vervolgvactiteiten inrichten (onderzoek, intervisie, coaching)                               |
| 17.00 | 7. Afsluiting   |

## Main Question(s) put to the Stakeholder(s)

The main questions put to the participants were how they feel a successful entrepreneurial ecosystem should be governed. That is, what institutional framework and governance structure should be in place for an entrepreneurial ecosystem to function optimally?

Upon sharing the results of a pilot study into the ecosystems Brainport Eindhoven, Twente and Amsterdam the questions put explicitly to the stakeholders are: do we have a complete picture? Are the studies useful for policy makers and what lessons can be drawn?

## Executive summary



Prof. Stam kicked off the workshop with a short introduction into the concept of an entrepreneurial ecosystem. He first sketched out the development in the debate: 1. Linear model: knowledge-innovation-profit to 2. interaction over that chain (circular) to 3. a triangle of education, innovation and business in which knowledge circulates. Then the concept of entrepreneurial ecosystem adds the regional dimension. Although it remains rather unclear where the ecosystem boundaries can be drawn.

The big trend in which to position this debate is the development from managed to entrepreneurial society, from big business, big labor and big government to a much more diverse and resilient

entrepreneurial ecosystem. Question is how to now manage the entrepreneurial society, making the transition from government to governance. From dictating to facilitating and combining bottom up experimentation with top down (democratically legitimate) vision and mission. The aim of that exercise is to promote productive entrepreneurship (not only high-growth start-ups). More important are intrapreneurs, rejuvenation of existing SMEs and creating innovative networks. So not to copy Silicon Valley but to build our own (Dutch) model. In this debate the focus was on entrepreneurs as individuals and that is good. But the ecosystem concept also involves (the management of) the context, the ecosystem, in which individuals drive the knowledge triangle.

Entrepreneurship is not a goal in itself but an instrument. See slides. The entrepreneurial activity in a region will increase productivity, employment, GDP and well being, but only under a set of supportive system characteristics and fundamental factors. The former are subject to policy.

Prof. Stam stresses the importance of leadership and networks (governance) for the efficient operation of the knowledge triangle. Input of local business leaders is key in managing regional ecosystems and the network needs to be dense and diverse enough to create the spillovers and complementarities.

Then Prof. Stam goes into the design of the study. The cases were selected on maturity of governance structure and performance, where Amsterdam has young governance and high performance, Eindhoven has high performance under mature governance and Twente has low performance under mature governance. Then we go into the details of the differences. Brainport has high R&D, differences in scale and weight. Labor is an important carrier of knowledge into and between firms. This is part of the research. New entrants bring knowledge into firms but also through job mobility. At the system level the adjustment of labor over firms and sectors is also an important mechanism of updating knowledge. Interesting data on job mobility and occupational mobility. In the studied regions about 15% is in the same occupation and employer. In the Netherlands the occupational mobility over 10 years exceeds 40%. Employer mobility is around 30%. A flexible labor market is essential for a healthy ecosystem. For FIRES we should ask ourselves: Can GEDI/REDI incorporate such job and occupation mobility data?



There is a dominant model for organizing the governance of the strategic management of place. But causal relations between such models and their outcomes are hard if not impossible to uncover empirically. And although there seems to be consensus among the ecosystem managers that networks are important and interaction is a key success factor, it is not so clear what exactly the network should look like and what kind of interaction is required.

Van der Starre presents the network analysis for these three regional ecosystems. The functioning of the network is of course very closely related to the outcomes and context of entrepreneurship. Productive entrepreneurship benefits from a more connected network (hypothesis). Networks for knowledge database is developed by Birch. 3000 publicly funded research projects. EU, RAAK, NOW etc. etc.. 8366 organizations, 14700 project participations. Mostly firms, about 200 knowledge institutes and government. They have address and many more data from the KvK. Beautiful graphics.

Knowledge institutes are very central in the network but the intensity is very different. But this is because the projects require involvement of the knowledge institutes. Large corporates work on a lot of projects but cooperate with only a few counterparts. Knowledge institutions work together with a



lot of partners. Compared to Eindhoven the Amsterdam region has the universities much less connected. And very few large corporates are part of the network. Amsterdam is less high tech and has less connected network. Twente is small but very, very connected, where Twente University is less central but more dominant in innovative projects. And consortia in Twente are bigger than Amsterdam and Eindhoven. Utrecht has more public and medical players and Zuid Holland is centered around TUDelft.

The question that remains, also after comparing the Dutch ecosystems on

many dimensions, is what drives success. To answer that question requires the clear definition of success and statistical analysis of output and input measures that the case study approach presented here does not allow. For FIRES this will prove one of the major challenges. As scientists we need to go beyond the mere description of ecosystems and also bring to bear what we know matters for productive entrepreneurship.

It is also clear from the discussion that details that differentiate Dutch ecosystems are very likely to become insignificant when we zoom out and compare ecosystems across European regions and even across continents. A first indication that such zooming out is probably justified comes from the fact that in the Dutch network analyses it was shown that between 75-80% of contacts in the networks would cross the ecosystem boundaries. This suggests that zooming in on very small regional economic boards, although administratively logical, does not strongly correlate with the actual entrepreneurial ecosystem boundaries. The high levels of labor mobility within, but certainly also across ecosystem boundaries also suggest a larger scale might be more relevant in economic terms. Labor, knowledge and finance circulate at higher aggregation levels. And this is hopeful. Because where it is impossible to say what constitutes an optimal ecosystem architecture with highly specialized and differentiated regional Dutch ecosystems (high tech in Eindhoven and Twente, more ICT and creative industries in Amsterdam and Utrecht), perhaps at higher aggregation levels and with more diversity on common fundamental factors, the GEDI-REDI approach will be better able to distinguish good from bad and better from best. The proof of that pudding is in the eating. That is, we will certainly have to link the ecosystem architecture as represented and captured by the GEDI-REDI-indicators to economic development and performance.

## Follow Up

The input from the stakeholders was collected and appended to our deliverable's first version. Comments and insights from the workshop are reported in this document and worked into the final version of the deliverable and the report in the internal reviewing process. The workshop was organized and attended by Erik Stam (UU) and Mark Sanders (UU) who were also responsible for reviewing the draft report. The feedback of the practitioners in this workshop served as input into their reviewing process and led to several suggestions and improvements to the main report.