

Lessons Learnt Supporting SMEs in Eco-Innovation

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Background

As a business-focussed research centre at the University for the Creative Arts in Surrey, UK, The Centre for Sustainable Design ® (CfSD) has partnered in several business-support projects providing new opportunities for small business in the UK South East through eco-innovation (resource efficient and low carbon innovation). Learning points are available for wider application and are now being applied by CfSD to new business support projects applied to stimulate the 'Green Economy'.

The 'Green economy' is underpinned by SME suppliers of eco-innovative products, technologies and services, broadly composed of manufacturers, consultants, distributors, agents and other services across a range of product/market sectors. This includes a mix of a) 'start ups', b) 'businesses in transition' (e.g. existing SMEs that are incorporating eco-innovation in new and existing products, technologies and services) and c) 'growth' companies. It is important to recognise that the sector is broad based and does not just include cleantech and/or environmental technology companies.

There are no dedicated agencies in the South East of England that provide support to SME suppliers of eco-innovative products, technologies and services covering R&D, Intellectual Property Rights (IPR), commercialisation and funding. There is a need for increased 'capacity building' amongst eco-innovative SME suppliers in the South East region, if there is to be growth in Gross Value Add (GVA), sales turnover and jobs in this sector. The experience and lessons learnt from EcoMind and SUSCIN reinforce many issues highlighted in the European Commission's Eco-innovation Action Plan published by the European Commission (EC) in December 2011. Where support exists it tends to focus on cleantech or environmental technology companies and is available on a national rather than regional basis. Cleantech and environmental technology suppliers were a relatively small proportion of the SMEs that CfSD engaged with through EcoMind and SUSCIN projects and the supply base in the South East region of the UK is much broader.

Introduction

The Centre for Sustainable Design® (CfSD) at the University for the Creative Arts (UCA) and partners have provided eco-innovation business support to over 590 SMEs in the South-East of England between 2009 and 2012. This paper shares the findings, lessons learnt and conclusions from two European Commission (EC) funded projects, EcoMind and SUSCIN (see Appendices A and B).

Since 2009, 566 SMEs benefitted from eco-innovation business support provided by the CfSD-led Sustainable Supply Chains through Innovation (SUSCIN) project funded through the European Regional Development Fund (ERDF) and South East England Development Agency (SEEDA) - now the Department of Communities and Local Government (DCLG). In parallel, between 2009 and 2011 CfSD supported 30 SMEs in more depth through the INTERREG IVA '2 Seas' Environmental Market and Innovation Development' (EcoMind) collaborative project.

CfSD worked with EcoMind partners in the South East of England, France and the Netherlands providing business support to a range of small and medium sized enterprise (SME) suppliers of eco-technologies, products and services. This also included creating partnerships between UK, French and Dutch SMEs. EcoMind partners together held 121 events and provided one-to-one assistance for 271 businesses.

Within EcoMind, CfSD led a series of OpenGreen© innovation and eco-design workshops, product development meetings, made introductions and connections leading to both business development event attendance, for example in The Netherlands, and to partnerships being built. CfSD also prepared reports and presentations responding to SMEs specific needs and where appropriate referred to complementary business support addressing funding, IPR and procurement.

Also in South East of England, the SUSCIN project led by CfSD provided business support, events and activities aiming to build skills and innovation capacity in SMEs and social enterprises in relation to developing eco-innovative products, services and technologies through: training workshops, one-to-one business support which included 'Meet the *Green Buyer*' events, Greenthink!© and Forward Commitment procurement services. Through SUSCIN, 204 SMEs were provided with more than 12 hours of eco-innovation business support through various interventions. A series of 'Meet the *Green Buyer*' brokerage events and '*Green Dragon*' workshops were organised offering SME suppliers of eco-innovative products, technologies and services the opportunity to pitch to buyers from private and public sector. The '*Green Dragon*' sessions were designed as a follow-up to the brokerage events and led to around 15 leads for eco-innovative SME suppliers, with commercial benefit resulting from around half of those. CfSD organised 36 GreenThink!© *green* innovation workshops (rated 88% overall by participating SMEs) that led to the identification of a significant number of new product/market opportunities and novel concepts. Through SUSCIN, CfSD also held 17 events (attended by 182 SMEs) addressing eco-innovation and related topics such as green marketing, Intellectual Property Rights (IPR) and ISO14006 (the new eco-design standard).

Business support provided through both EcoMind and SUSCIN enabled SMEs to accelerate the development of eco-innovative products, technologies and services and helped SMEs better apply sustainability thinking to their business and *products*. Typically this related to:

- a) existing eco-innovative solutions: enhancing eco-business aspects, market links; improved market research and marketing material, and,
- b) new eco-innovative solutions concepts: providing external input and referrals e.g. to potential collaborators, customers (or those representing their interests) and potential funders.

The following paper provides the findings, lessons learnt and conclusions from EcoMind and SUSCIN related to the application and diffusion of eco-innovation amongst SMEs. A survey of the 'impact' of SUSCIN on SMEs is discussed and conclusions from the lessons and implications from both projects are highlighted.

CfSD support for eco-innovation in SMEs through EcoMind and SUSCIN

Environmental Market and Innovation Development (EcoMind)

The Environmental Market and Innovation Development (EcoMind) was three year EC funded programme designed to support sustainable business growth, facilitate the development and market

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penetration of the new sustainable products and services and is aligned to the European Union's pledge to tackle climate change through innovation and sustainability whilst promoting business growth. The EcoMind Programme was co-funded by the EC under the Interreg IVA 2 Seas Cross Border cooperation Programme 2007-2013 (<http://www.interreg4a-2mers.eu/en/>) – further background is provided in Appendix A.

EcoMind was delivered across the South East of England, France and the Netherlands by the following partners:

In the UK: BSK-CiC, The Centre for Sustainable Design, EnviroBusiness and WSX Enterprise.

In France: CD2E and La Chambre de Commerce et D'industrie Grand Lille

In the Netherlands: Enviu and Delft Technical University

Each partner worked with a range of small and medium sized enterprises (SMEs) on eco-technologies, products and services and offered business support that included creating partnerships between UK, French and Dutch SMEs.

Over three years, EcoMind partners together held 121 events attended by 7,489 visitors, sponsored 128 individuals to attend trade fairs and workshops abroad, and provided one-to-one assistance for 271 businesses, ranging from marketing guidance and design support to assessing sources of suitable finance.

Initially SMEs interested in EcoMind support were asked to profile their needs. The results from 88 SME profiles from 2009/10 compiled by CfSD (Figure 1) showed a strong desire to develop new markets through eco-innovation (69% of respondents). 49% wanted to understand how to design for sustainability and assessing the business potential for new products was an ambition for half of the SMEs. Finance for commercialisation and research, also how to apply for grants, was also a key interest, given the financial challenges in raising finance during a period of economic downturn in the UK.

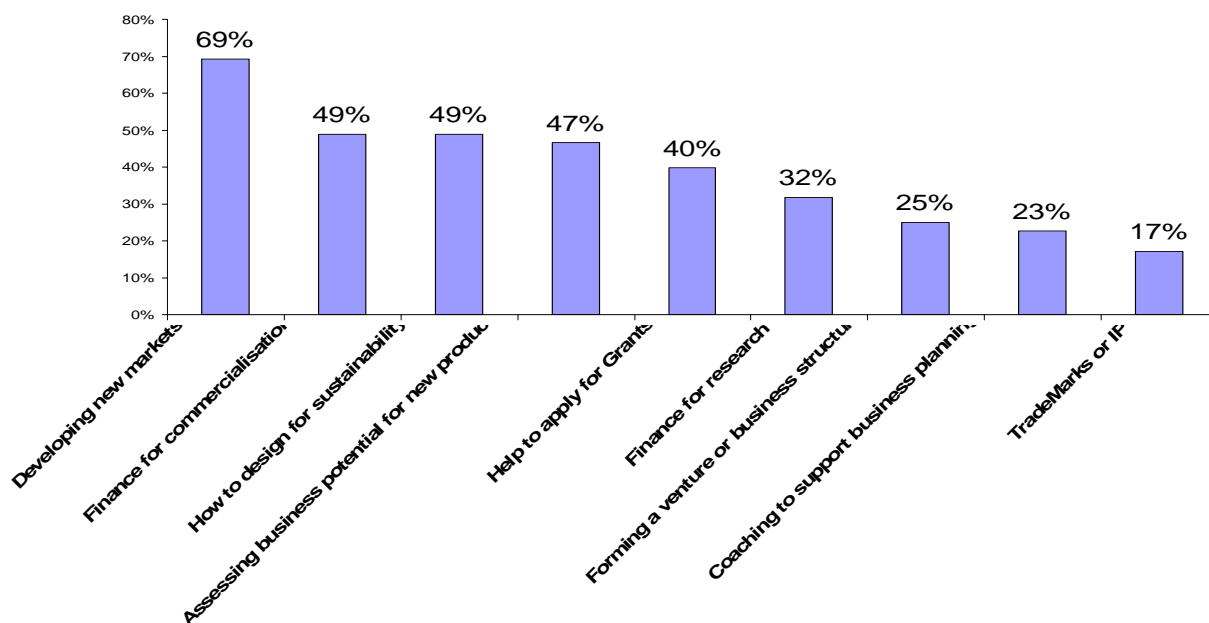


Figure 1 – SMEs' needs for eco-innovation support (88 SMEs in South East England interested in EcoMind support).

From 2009 to 2011, CfSD provided one-to-one support for 30 SMEs responding to their needs. Commonly support was in the form of:

- Consultation on new greener business areas for development (17 SMEs)

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- Eco-product/service marketing advice and research on market aspects (14 SMEs)
- Product/service specific research e.g. eco-materials availability/supply, new or competing applications (14 SMEs)
- Signposting suitable eco-product/service development funding sources (12 SMEs)
- Networking introductions and referrals to specialist services e.g. advice on meeting sustainable procurement requirements (8 SMEs)
- Training on eco-design, both strategic opportunities and principles and more detailed specific learning examples, checklists etc. (4 SMEs)

Overall, CfSD led 10 workshops on themes ranging from remanufacturing, eco-building/retrofit and wider eco-innovation cases, 4 company-focussed workshops identifying sustainable innovation opportunities or providing eco-design training and led 2 product development meetings. CfSD made introductions to contacts for 8 SMEs leading to 16 meetings. Introductions to contacts made by CfSD led to both business development event attendance for 7 SMEs at 8 events and to 3 partnerships being built by 3 SMEs. For example, 8 UK companies were introduced to eco-innovation networking hubs (Enviu and Syntens) in the Netherlands through a 2 day EcoMind visit to Rotterdam. CfSD also prepared 20 reports and presentations and arranged promotional materials for 3 company cases. Referrals to complementary business support were typically made in the areas of funding, Intellectual Property and Sustainable Procurement.

Through providing companies with intensive business assistance, as well as a series of workshops and networking events, CfSD facilitated a number of successful improvements in eco-innovative product development processes, fostered collaborations and helped generate business for SMEs, in what was a very challenging period for many companies involved in bringing innovations to market.

Sustainable Supply Chains through Innovation (SUSCIN)

SUSCIN was a South East England Competitiveness programme funded by ERDF and SEEDA (now DCLG) providing business support, events and activities aiming to build skills and innovation capacity in SMEs and social enterprises in relation to developing eco-innovative products, services and technologies. Support offered to SMEs in the SEEDA region (Oxfordshire, Buckinghamshire, Berkshire, Surrey, Hampshire, Isle of Wight, West/East Sussex or Kent) through the SUSCIN programme included:

Training workshops including sessions on Marketing your Eco-Products, Selling to the Public Sector, Understanding the Green Buyer and Research & Development.

One to one business support in areas such as development of sustainability policies and action plans, writing successful pre-qualification questionnaires and tenders, marketing, selling sustainability and interview techniques.

Meet the Buyer events, giving the opportunity to meet face-to-face with buyers and procurement managers of large public and private sector companies actively looking to source sustainable products and services.

Greenthink!© - A programme focussing on the development of innovative sustainable products and services, providing a mechanism for small companies to increase their competitive edge by linking resource and energy efficiency to product and service innovation.

Forward Commitment Procurement services aimed at stimulating the development of environmental products and services - a new and innovative approach to matching demand with supply, now being used to stimulate new sustainable solutions and better value for money to improve public services.

The 'Meet the (Green) Buyer' brokerage events were an adaption of the conventional 'Meet the Buyer' format but focused explicitly on brokering the buying and selling of eco-innovative products, services and technologies. The format was very well received.

'Green Dragons' was set up as a practical approach to complete Forward Commitments. It is a unique workshop and consultancy process designed to enable pre-vetted eco-innovative SME suppliers to pitch to buyers. Follow-up consultancy then helped to facilitate the buyer-supplier relationship with a view to converting interest into sales.

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GreenThinks!© are a unique innovation workshop designed around the individual needs of SMEs that highlighted new business opportunities and helped to develop new eco-innovative solutions. 36 workshops, customised to SMEs needs, were delivered and were very well received (rated 88% by participating SMEs). Further feedback and a video is online at www.cfsd.org.uk/sids/greenthink/

Eco-innovation workshops were designed to provide high levels of 'added value' to SMEs with a range of presenters, panel discussion, networking and an innovation workshop session. Through SUSCIN, CfSD held 17 events for SMEs (attended by 182 SMEs) addressing eco-innovation and related topics such as green marketing, IPR and ISO14006.

Feedback from qualitative research by CfSD indicated a range of benefits were achieved through SUSCIN support. SUSCIN partners used semi-structured questionnaires to collect data on 'results' and 'impacts' of the project. Qualitative data was received from three primary research methods:

- 'Indicator' questionnaires: questionnaires were distributed to 566 SMEs and 195 responses (34%) were received including 90 comments on the benefits received.
- GreenThink questionnaires: questionnaires were distributed to 36 SME 'clients' of CfSD-UCA led GreenThink workshops with 36 responses (100%) with 36 comments on the benefits received.
- Event questionnaires: questionnaires were distributed at 17 CfSD-UCA led Events with 161 responses from 301 delegates (253 SME attendances) with 141 comments on the benefits received.

The count of the benefits cited in comments from the open-ended questions in the above questionnaires indicates the key benefits that SMEs achieved through the SUSCIN project. The top ten benefits cited by SUSCIN participants based on 267 comments overall were as follows:

- Networking/collaboration or introduction to support networks (88 comments / 33%)
- New business/product/service ideas (54 comments / 19%)
- Applying sustainability to products/services/business (26 comments / 10%)
- Further motivation (19 comments / 7%)
- Assistance with focus (18 comments / 7 %)
- Proposal for developing business strategy and vision (18 comments / 7 %)
- Ability to better apply 'intellectual property' (18 comments / 7 %)
- Buyer engagement (15 comments / 6 %)
- Improvements in marketing (14 comments / 5 %)
- Planning of next steps (10 comments / 4 %)

Considering the value reported of networking/collaboration or introduction to support networks, Meet the Green Buyer and SUSCIN Centres at Meet the Buyer events are recognised as important central platforms for commercial relationship building between buyers and sellers. Meet the (Green) Buyer events were also valuable for CfSD and SUSCIN partner Action Sustainability in engaging SMEs in follow-up workshop and one-to-one activities – activities which led to new business/product/service ideas and applying sustainability to products/services/business.

From the semi-structured questionnaire sent to 566 SMEs, data was collected on 'results' and 'impacts' resulting from SUSCIN. As at 1st October 2012 there were 195 responses to the 'indicator' survey which represented a response rate of 34% of the total (566 SMEs) and 60% (122 SMEs) of those that had received 12+ hours of business assistance (204 SMEs).

From the responses from SMEs, the following data on SUSCIN Outputs, Results and Impacts was compiled – Table 1.

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| SUSCIN Outputs, Results and Impacts | Cumulative value for project |
|---|--|
| Business won | £2.3m |
| Net increase in Gross Value Added (GVA) | £0.99m |
| Additional employment directly related to SUSCIN (Additional employment among SMEs engaged in SUSCIN) | 3.27 Full Time Equivalent (FTE) jobs (114.35 FTE jobs in 31 SMEs) |
| Number of businesses improving performance | 18 |
| Number of businesses increasing percentage of turnover attributable to new and improved products by 5% | 17 |
| Number of SMEs tendering for public sector contracts | 50 |
| SMEs tendering/bidding for public or private contract opportunities or tenders for in next 4-6 months | 23 (11 identified indicative values totalling £9.4m) |
| Number of businesses within the region engaged in new collaboration with UK knowledge base | 249 documented links |
| Number of businesses in the region developing R&D links with other businesses | 53 documented SME-SME links |
| SMEs confirming SUSCIN helped to identify reductions in the environmental impacts of products/services/technologies | 44 |
| Buyers engaged reducing the sustainability impacts of their supply chains | 340 buyer attendances from over 120 buyer organisations |

Table 1. SUSCIN Outputs, Results and Impacts

SUSCIN supported a range of SMEs in reducing the environmental impact of *products* – highlighting the value of the project in the early stages of the innovation process. However, 12 hours of support is a short time period to help SMEs improve business performance. Key benefits from SUSCIN were seen in the early innovation stages where a) networking and b) new business/product ideas are of most value. Marketing workshops were offered, however many eco-innovative SMEs were often identified as being very *product* and not customer oriented – which meant that attendance was lower than anticipated.

Severe economic recession between 2009 and 2012 has meant many SMEs were focused on survival rather than growth. Despite this £2.3m business was won (£1.9m identified as public sector contracts, £0.4m as private sector) and the creation of 3.27 Full Time Equivalent (FTE) jobs was directly attributed to SUSCIN.

SUSCIN was successful in supporting SMEs tendering for public sector and public sector supply chain contracts especially through ‘Meet the Buyer’ and ‘Green Dragons’ activities. Despite the economic recession, a high value of public sector contracts was generated via SMEs and a number of SMEs indicated that they would be tendering for future contracts.

SUSCIN also engaged with a high number of buyers through a range of interventions.

There was a high level of interaction of SMEs with the ‘Knowledge Base’ with 249 documented links. After participating in SUSCIN, 39 SMEs are moving to a deeper level of engagement with CfSD through participation in separately organised and funded projects.

Through both the EcoMind and SUSCIN projects CfSD and partners have provided eco-innovation business support to over 590 SMEs in the South East of England between 2009 and 2012 through targeted workshops, creative Greenthink© sessions and further one-to-one support according to companies’ needs. This interaction builds on the CfSD team’s understanding of SMEs’ position in often difficult start-up and trading conditions, as well as how to enhance their capabilities in

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responding to a range of eco-innovation challenges and opportunities. The lessons learnt are summarised below.

Progress was made in SMEs' eco-product, service and technology development and better applying sustainability to their business, typically either, a) with existing eco-products/services; enhancing eco-business aspects, market links; improved market research and marketing materials, or, b) with new eco-product designs or product/service concepts; providing external input and referrals e.g. to potential collaborators, customers and potential funders.

CfSD is continuing to work with SMEs that received business assistance through EcoMind and SUSCIN as part of an EC Interreg IVA funded eco-innovation project titled FUSION (2012-2014) seeking to apply some of the lessons learnt through EcoMind and SUSCIN – 27 SMEs are engaged to date with a further 13 registering their interest.

Lessons Learnt Supporting SMEs in Eco-Innovation

Lessons from EcoMind drawing on CfSD and broader EcoMind evaluation (Birch 2012) related to delivering suitable SME support, include:

1. **Helping SME businesses capitalise on evolving market needs is of most value:** SMEs seek market intelligence on market trends, particularly as some green market niches become more mainstream. Some SMEs need Forward Procurement to fund development prior to wider launch.
2. **Seeking external funding is a common interest and challenge:** Some specific funding is available and some is targeted at eco-innovation, but application processes are a (perceived) challenge.
3. **Product, service or technology development takes time and business support needs to be flexible in breadth and depth:** Often CfSD intervention has been at an early stage to get *green* innovation going and results take time to come to fruition, particularly in terms of commercialisation of new solutions – longer than the EcoMind target of 1-2 days business assistance per SME. Some flexibility is needed to provide lighter touch support for a larger number of SMEs and greater duration of deeper support for a smaller number of SMEs with particular needs - to build/develop solutions in more depth. A portfolio of services should be communicated early to enable SMEs to access support of the right type and depth, dependant on their interests and need.
4. **Tools to evaluate progress needs to be developed:** There needs to be a suitable process for SME-friendly product-related environmental evaluation beyond basic eco/design comparisons. Evaluation would ideally help establish the baseline performance before making changes and the specific level of environmental improvements achieved by SMEs.
5. **SMEs have common interests but want a tailored service:** Core topics (finance, marketing, market access) were often raised, though eco-entrepreneurs prefer to receive what they perceive as a customised service adapted to their motivations and time pressure.
6. **Clusters and SME-SME partnerships can be effective when established and maintained:** French partners in EcoMind worked effectively on supporting events and networking through two themed clusters; TEAM (environmental technologies applied to materials and the recovery of industrial waste and by-products) and AquaPRIS (water efficiency). "Clusters provide long-term benefit for SMEs and for the region by supporting innovative SMEs, access to funds, new jobs, and solutions to reduce environmental impacts, increased competitiveness and skills" (Birch 2012).
7. **Cross-border working needs stimulation and resources:** By working with contacts in different countries the EcoMind partners were able to gain market awareness and introductions for supported SMEs, helping them with their internationalisation. For example CfSD-supported UK companies interested in trading on the continent were able to meet and discuss the eco-innovation markets particularly with Dutch peers and experts. EcoMind subsidies enabled 124 individuals to attend events outside their country – without subsidies and facilitation many SMEs would not have travelled. Enabling networking across a cross-border partnership however did require time to promote effective understanding and suggest the most suitable SME-SME matches.

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Lessons from SUSCIN drawing on CfSD evaluation (Charter 2012) include:

1. **Product, service and technology development takes time:** As with EcoMind, it takes time for support to show results, particularly in terms of product development success being realised and measurable in the marketplace. The time to enable this was beyond the targets of SUSCIN funding, designed to reward only 12 hours business assistance per SME.
2. **Intervention early in eco-innovation is most beneficial:** Responses highlighting the benefits from SUSCIN showed particular value in the early innovation stages from support activities incorporating networking and the stimulation of new business/product ideas. The SUSCIN GreenThink!© process seemed to act as catalyst to motivate SMEs to start a more strategic and focused approach to eco-innovative product, service and technology development processes.
3. **Many eco-innovative SMEs are product rather than customer-focused:** Many eco-innovative SMEs are very 'product or technology focused' and weak in marketing/sales skills. Green marketing workshops were offered through SUSCIN, and many participating SMEs were challenged in changing from a product to a customer orientation.
4. **Business support may need to adapt to broader economic and market conditions:** When SMEs' focus is on cost reduction and business survival, there is also a challenge to raise SMEs' ambitions to respond to support partly designed to enable growth.
5. **Eco-innovation workshops which are interactive deliver most benefit:** Key SUSCIN activities that generated 'outputs', 'results' and 'impacts' were 36 GreenThink!© workshops, 5 'Green Dragons' workshops and 6 Eco-innovation events which benefitted from interaction particularly through the integrated OpenGreen© session – an open innovation ideas and development process that CfSD adapted from the GreenThink!© process.
6. **Greater SME engagement tends to enable more significant results to be achieved:** The SMEs that reported the most positive 'results' and 'impacts' from SUSCIN generally attended a broader mix of events and those increasing turnover and winning contracts, typically received higher levels of support hours.
7. **There are many and varied opportunities to achieve environmental benefits:** 20% SMEs identified finding opportunities to reduce the environmental impacts of products/services/technologies as a benefit from their interaction with the SUSCIN project.
8. **Regional focus or clustering could help business support be more effective:** A more integrated model of delivery of business assistance to SMEs focused on key cities and/or regional clusters in South East England would have provided more sustained engagement with a higher proportion of SUSCIN-supported SMEs and would have potentially built more lasting capacity in those geographical areas.
9. **Complementary forms of communication are needed to engage busy SMEs in new processes:** Experience from implementing the SUSCIN project has highlighted the need to utilise a full range of communication tools to: a) raise awareness, and b) attract SME to the project e.g. website, e-marketing, telemarketing, direct mail, press releases, videos, e-newsletters and social networking activities. Experience through SUSCIN suggests that e-marketing coupled with social networking activities followed-up by telemarketing are essential tactics to attract and engage SMEs, as many SMEs need to be reminded several times from multiple sources as to the benefits of SUSCIN activities due their busy schedules and competing priorities. GreenThinks©, OpenGreen© and 'Green Dragons' were all new and innovative workshop processes that were developed and implemented within SUSCIN. Videos were produced for all three processes to improve understanding www.cfsd.org.uk/sids/videos.
10. **Spreading sustainable procurement skills is beneficial for buyers:** Procurers still lack the training to implement sustainable procurement. Benefitting from SUSCIN partner Action Sustainability's links to buyers and knowledge of procurement processes, six SUSCIN sustainable procurement training sessions were well attended and well received (on average 94% delegates' expectations were met).
11. **SME suppliers need to look more holistically at procurement processes and their offers.** SME suppliers benefit from advice on how to engage buyers. Even B2B suppliers need to be aware of final market and competitive drivers, to get beyond competition based mainly on price. SMEs need an awareness of the wider group and the dynamics of individuals involved in the procurement influencing and decision-making process - not just the Procurement Team. SMEs need support to help them break through the internal and process barriers in procurement in large companies. Another key lesson learnt was the need to facilitate collaboration between trades and

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SME suppliers to ensure that 'total service' packages can be offered to customers. Through SUSCIN, Action Sustainability organised workshops prior to the 'Meet the (Green) Buyer' events where SME suppliers were briefed about how 'pitch' to buyers to improve sales presentations. The 'Green Dragons' process included follow-up one-to-one support to get the right messages through to a broader set of buyer representatives. The process takes time to generate hard commercial benefits, however there were a number of successes in SUSCIN.

12. **Supplier-buyer brokerage delivers benefit and greener procurement, notably through public sector contracts, is open to SMEs:** Suppliers of eco-innovative products, services and technologies still often struggle to develop and market their products effectively. Key SUSCIN activities that addressed this and generated 'outputs', 'results' and 'impacts' were: 'Meet the (Green) Buyers' brokerage events; SUSCIN Centres in mainstream 'Meet the Buyer' events and the 'Green Dragons' process. 8 SMEs identified Business won as Public Sector (supply chain) contracts during SUSCIN (2009-2012) with a total value of £1.9m.
13. **Forward Commitment is a new and valuable concept:** Forward Commitment links eco-innovation to procurement – practised through the 'Green Dragons' workshops and follow-up one-to-one support within SUSCIN. Some of the 'Green Dragons' work related to existing products which developed commercial transactions and some related to new projects. Follow-up research indicated potential new business in the pipeline attributable to the 'Green Dragons' process.

Next Developments

CfSD is continuing to work with a number of SMEs that received business assistance through EcoMind and SUSCIN as part of an EC Interreg IVA funded eco-innovation project called FUSION (2012-2014). Within the Interreg IVA funded eco-innovation project FUSION (2012-2014), CfSD will work more intensively with a smaller number of companies and seek to apply some of the lessons learnt through EcoMind and SUSCIN, such as those above. The CfSD target is to assist 16 SMEs in start-up, 16 in transition and 4 in the growth phase of business development.

Outside of SUSCIN, CfSD has developed a commercial version of the OpenGreen© process that it has been delivered to Taiwanese, Finish, Swedish and Spanish companies. CfSD is also actively looking to commercialise the GreenThink!© and OpenGreen© processes targeting larger companies and international business networks.

In collaboration with CfSD, Action Sustainability submitted a proposal to expand the 'Green Dragons' approach on a wider European basis. The proposal was submitted for European Commission funding through the CIP Eco-innovation programme. Both are looking to build on the lessons learnt from 'Green Dragons'.

Conclusions

Business support provided through both EcoMind and SUSCIN enabled SMEs to accelerate the development of eco-innovative products, technologies and services and helped SMEs better apply sustainability thinking to their business and *products*, typically relating to:

- a) existing eco-innovative solutions; enhancing eco-business aspects, market links; improved market research and marketing material, and,
- b) new eco-innovative solutions concepts; providing external input and referrals e.g. to potential collaborators, customers (or those representing their interests) and potential funders.

Several of the lessons learnt from the EcoMind and SUSCIN projects are similar or related, for example the particular benefit of intervention at an early stage to get *green* innovation going and the results taking time to come to fruition, particularly in terms of commercial success being realised and measurable in the marketplace. Considering the above lessons:

- There is need for catalysts that can provide independent and objective support to eco-innovative SMEs from idea generation through R&D to commercialisation. SUSCIN also reinforced the important role of these catalysts in bringing direct and additional knowledge and experience to SMEs from a broad network of business, research, technical and funding contacts.
- Interactive intervention early in eco-innovation with a customer (rather than product) focus is most beneficial with the combination of networking and stimulation of new business/product ideas

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embodied in the SUSCIN GreenThink!© process. Feedback showed SMEs participating in GreenThinks!© commonly achieved a more strategic and focused approach to development of new eco-innovative products, services and technologies which respond to market demands and broader economic/market conditions.

- Experience of business support targeted at 1-2 days (EcoMind) or 12 hours (SUSCIN), shows this is not enough time to build a relationship with SMEs to help them access new markets, understand market dynamics and/or develop new eco-innovative products, technologies and services. Business support needs to be flexible in breadth and depth.
- Enabling responses to evolving market needs are of most value and seeking external funding or buyer engagement are common interests and challenge. Applying for funding targeted at eco-innovation, is a (perceived) challenge and achieving cash flow is not necessarily reliant on external funding. SUSCIN reinforced the need for events and activities that bring together buyers and SME suppliers of eco-innovative products, technologies and services, also the need for sustainable procurement training for buyers and (until they become more established) facilitation of new Forward Commitment processes.
- Cross-border working adds a valuable dimension to support for SMEs seeking internationalisation but needs stimulation and resources. Enabling networking across a cross-border partnership needs subsidies for travel, also time to promote effective understanding through carefully matched introductions and brokering facilitation. Given these, a number of the project beneficiaries introduced through EcoMind networking are still working together on new solutions; several established commercial relationships.
- Networks of complementary (eco-)innovation services – potentially with a regional or cluster focus - need to be renewed and sustained given the on-going need for specialist advice on eco-innovation (and related resources), business initiation & development, marketing (including market research), business formation and IP. Sustaining this support benefits from integration with complementary SME-focussed institutions, clusters and regional networks
- A range of 'innovative' workshop processes were developed during SUSCIN that have potential commercial application.
- The Eco-innovation event format was developed to 'add (more) value' to SMEs to justify time 'out of the office'. The Eco-innovation events delivered in 2012 included keynote speeches, case studies from eco-innovators, a panel discussion, a number of Pecha Kucha style presentations, networking and an OpenGreen© innovation workshop.
- 'Green Dragons' primarily focused on construction and building sectors in SUSCIN. The sector is conservative, short-termist and price-driven and therefore perhaps does not have the highest potential for eco-innovative Forward Commitment procurement. A new strategy might be target specific 'green' leadership companies directly as they increasingly have a competitive interest in identifying and accessing new eco-innovative solutions.

The Eco-innovation workshop and 'Green Dragons' Forward Commitment support processes within the SUSCIN model are potentially replicable to other regions and countries, targeting cities/larger towns and building relationships with the networks already operating locally. A more integrated model of business assistance, that could benefit from a regional or cluster focus, potentially layered to build results beyond the effects from the sum of the parts, could be:

- 1) 'Meet the (Green) Buyer' brokerage event and/or SUSCIN Centre within a mainstream 'Meet the Buyer' event located in city/regional cluster, targeting SMEs and regional buyers
- 2) Eco-innovation event located in city/regional cluster, targeting SMEs
- 3) Follow-up one-to-one activities, with additional 'added value':
 - a) GreenThink!© workshops, targeting SMEs
 - b) 'Green Dragons' targeting SMEs and selected buyers prepared for forward procurement.

CfSD is bringing the experience, knowledge and lessons learnt from SUSCIN into existing and future projects. For example, some of these learning points are being pursued in a current business support project, FUSION. FUSION project partners are able to spend longer with each client, develop and apply shared business support tools and use webinars to reduce time out of the office.

FUSION support is open to SMEs in the UK South East through 2012-2014 – see www.cfsd.org.uk/sids/fusion/

References and Sources

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Appendix A: Outline of the Environmental Market and Innovation Development (EcoMind) project

EcoMind - budget € 7,057,117, duration 48 months (02/01/2008-31/10/2011), ERDF Priority 1 (Creating an economically competitive, attractive and accessible area) Objective C (Supporting innovation, research and cooperation between universities, knowledge institutes and businesses.)

“The overall aim of EcoMind is to support SMEs seeking to develop innovative products and services in taking full advantage of the growing market for more environmentally acceptable products.

To achieve this, ECOMIND partners address the specific support needs of over 270 SMEs within the cross-border area covered by the project partners, and extend their reach to a further 600 through workshops, clinics, exhibitions and other cross-border activities. By linking up their expertise across the 2 Seas area, SMEs benefit from more development opportunities.

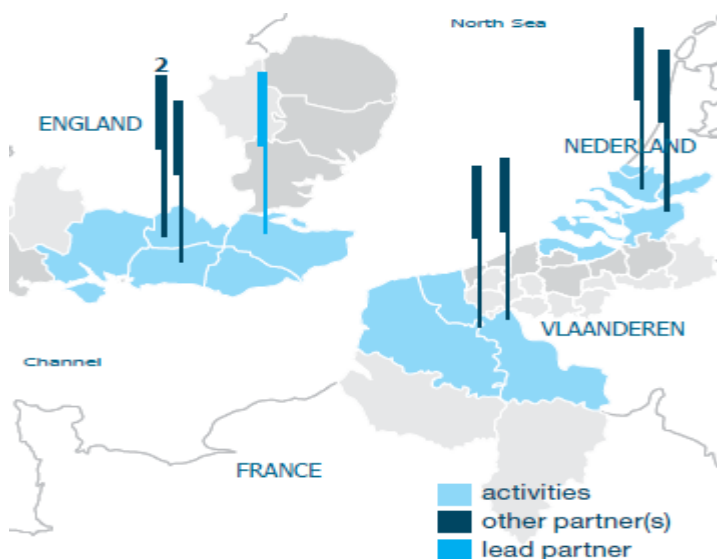


Figure 2. EcoMind project cross-border area showing partners locations - CD2E (FR), Chambre de Commerce et d'Industrie Grand Lille (FR), ENVIU – Innovators in Sustainability (NL), Enviro Business South East Ltd (UK), WSX Enterprise (UK), The Centre for Sustainable Design, UCA (UK), Technische Universiteit Delft (NL) - and the area for activities with eligible SMEs

Encouraging the public and in particular these SMEs to make full use of renewable energies is an important aspect of the project. The project will therefore profile the companies with the most environmental and economic impact, analyse the needs of eco-enterprises, define market opportunities, constitute a team of eco-innovation support specialists from across the 2 Seas area, deliver a customer support programme, and last but not least, make policy recommendations to regional and national authorities concerning future eco-innovation support priorities, the suitability of existing support provision, and how 'gaps' in provision might be addressed." [Interreg IV A Programme Authority 2012]

Over three years, EcoMind partners together achieved the following:

- 121 events ranging from thematic/knowledge based workshops to exhibitions were organised and attendees by 7,489 visitors.

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- 128 individuals were sponsored to attend trade fairs and workshops abroad, helping them assess potential markets or find partners.
- 271 businesses benefitting from in-depth expert assistance, ranging from marketing guidance, design support, finance assessments...etc

The partners worked with many inspiring businesses such as 4 award winning companies: Kypple (France) – eco-innovation award 2010, Virus Free Air (Netherlands) – eco-innovation award 2010. , Pavegen (UK) – eco-innovation award 2011, and Aquaread (UK) - Start up Business of the Year – KEIBA 2011.

Appendix B: Outline of the Sustainable Supply Chains through Innovation (SUSCIN) project

The CfSD-led Sustainable Supply Chains through Innovation (SUSCIN) project was strongly aligned with two European Regional Development Fund (ERDF) Environmental Sustainability objectives: a) market development and support for the environmental support; and b) environmental awareness.

From 2009 to 2012 566 SMEs and 119 buying organisations benefitted from the SUSCIN project. SUSCIN helped build eco-innovation capacity amongst:

- SMEs, through a) enabling networking, b) highlighting new business ideas and c) building awareness of opportunities to reduce product-related environmental impacts, and,
- buyers, through raising awareness of sustainable procurement.

SUSCIN provided notable meet-the-buyer opportunities and ‘Green Dragon’ events offering SMEs access to expanding ambitions for green procurement in the private and public sector. The SUSCIN project has provided more than 12 hours business assistance to 204 SMEs, organising four large Meet the (Green) Buyer events as well as workshops focussed on Understanding the Green Buyer, Writing a Winning Tender, Selling to the Public Sector and Winning Business in China and India. In addition four ‘Green Dragons’ sessions have led to around 15 leads generated with commercial benefit resulting from around half of those.

The key strengths of SUSCIN were: a) high level of engagement with SMEs; b) high level of interaction with buyers; c) positive feedback on Events from SMEs and buyers; d) significant innovation delivered through SUSCIN; e) success in helping SMEs tender for and win public sector contracts; and g) the positive ‘impact’ in a number of additional areas. The key weakness of SUSCIN was it was less successful in a number of ‘result’ and ‘impact’ areas due to a) economic downturn experienced during 2009-2012, b) the focus on 12 hours of business assistance which meant that it is difficult to achieve significant ‘results’ and ‘impacts’ in 1.5 days of support and c) innovation takes time to generate commercial benefits for SMEs. Nevertheless significant innovation was delivered through SUSCIN particularly from GreenThinks!®, ‘Green Dragons’ and Eco-innovation events. SUSCIN was also successful in helping SMEs tender for and win public sector contracts through project activities (Charter 2012).