

# How Do Clusters Contribute To Innovation ???

From National Projects To European  
Innovation Programs

The Israeli Bioregion As A Model For  
Innovation Driven Clusters



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# The European Innovation Policy

Never was innovation more needed than in times of economic crisis and dramatic change

Europe will address its challenges by innovating more

## The Objectives Of The European Innovation Policy:

To facilitate development and usage of Europe's innovation potential via **creation of an environment in which enterprises can start and grow**

## Research Driven Clusters

**Research driven clusters provide an ideal environment in which new enterprises can start and grow**



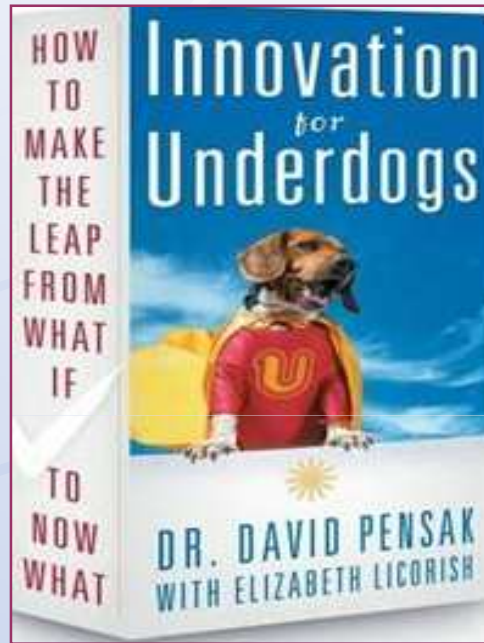
**Top 'research driven clusters' promote technological and scientific and excellence**

**Top RDC's are 'Dynamic Innovation Clusters'**

**“I know, because I have witnessed it in action,  
that clusters and innovation go hand-in-hand**

**It is now more important than ever to try and  
understand what makes clusters work”**

# A Small Associate Member w/o Natural Resources Miles Away From The Real Market



Innovation is taking existing technologies and processes and applying them to make a truly meaningful measurable and identifiable change in the way something is done \* Dr David Pensak

# The Israeli BioRegion

Israel is hotbed for life-science innovation: **7 Million people, 7 Universities, 4 leading clusters, 23 incubators**

- **First in Medtech patents per capita world-wide**
- **Fourth in Biotech patents per capita after US CH and DK**



Since 2000, over 400 Israeli life-science startups were founded. 90% of them started out in incubators !

**What makes our *Innovation-Clusters* so successful ?**

# Israel's Dynamic Innovation Clusters

People, science, entrepreneurship and opportunity,  
collaboration across borders, **willingness to take risks** and  
**“hands-off” Govt. support**

*Backbone of Govt. support - Technology Incubator Program*



Incubator startups **“think like a business”** and address  
market needs, **competing GLOBALLY** with other startups  
for the attention of **the biggest companies in their sector**

Israel's Incubators Are A Major Driving Force  
In The Success Of Its Innovation Clusters

In a knowledge-based Innovation Economy  
the science and technology provide the  
opportunity **but commercial interests**  
**always lead**



## The Missing Link In The Innovation Value-Chain

European Clusters' renown clinical research institutes, resident bio-pharma companies and academia and long tradition of development, present an *excellent environment for incubating startups*



Incubation focuses on **bringing together people and technologies** through to company creation based upon a *Sound Business Rationale*

Goal-Oriented Incubators Bridge The Gap Between Academia And Industry, Generating Its Future Innovative Pipeline

## What Can Europe Learn From Israel's Experience

Early-stage companies will require a clear vision and a focused strategy: **they will be given only one chance to get it right**



Guessing which innovative projects will succeed will not always pay off - **willingness to take risks is a MUST!**

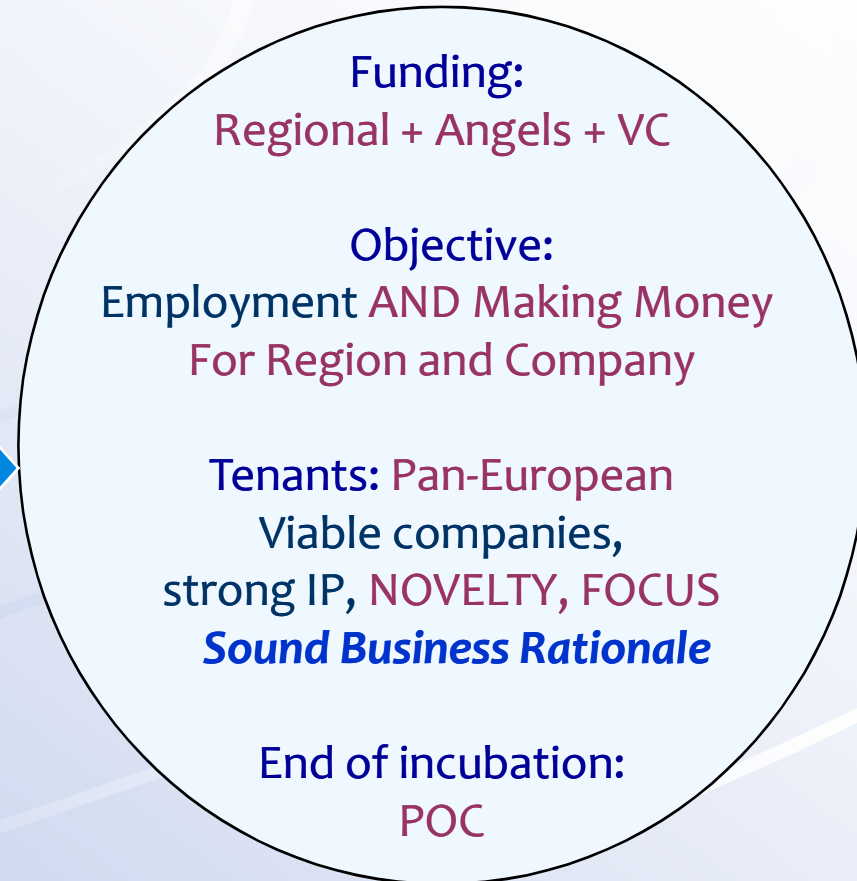
Startups vision is **making money and creating employment**

Clusters and incubators **“Think Global”**

# Refocusing Clusters To Foster Innovation



Currently Prevalent



Fostering Innovation



# “ A Cluster Policy Needs To Move Us From Being National To Being European“

Xavier Mendoza, ESADE

Policies are designed to **reduce risks**, while Innovation is **high-risk**

R&D creates knowledge, patents, know-how & publications. *True innovation creates real value*

How can policy help to create more innovation?

**OUT** : Holding on to IP, curbing tech-transfer, regional bureaucracy , startups for employment lack of sufficient pre-seed or post incubation funding

**IN**: Risk-taking, cross-disciplinary work, research driven clusters, border-crossing of ideas and resources, bold innovation and experimentation

## Openness To Foster Innovation IS A MUST

If Europe is to remain dynamic & competitive in a globalised knowledge economy, then it is clear that national, sectorial and organizational borders should no longer get in the way

\* José Manuel Barroso, President  
of the EC Formal opening of the  
EIT, Budapest 2008

**One Cluster's Weakness Is Another Cluster's Strength!  
Collaboration Between Clusters Is A Win:Win Situation**

**Open competition for talent, deal-flow, incubation and funding, together with collaboration, trans-regional incubation and cross - disciplinary work will convert regional success into European Excellence**

# Thank you

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