# HOW I LEARNED TO STOP WORRYING AND LOVE EU FUNDING

Horizon Europe and Strategic Importance for Corporate Growth

Pekka Rantala 22 September 2022



### A Lesson From The Great One

"I skate to where the puck is going to be, not where it has been."

- Wayne Gretzky -

### There's No Such Thing as Free Lunch (1/2)

"To create a competitive advantage or to maintain one, the company has to have a global strategy - eventually."

- Michael E. Porter -

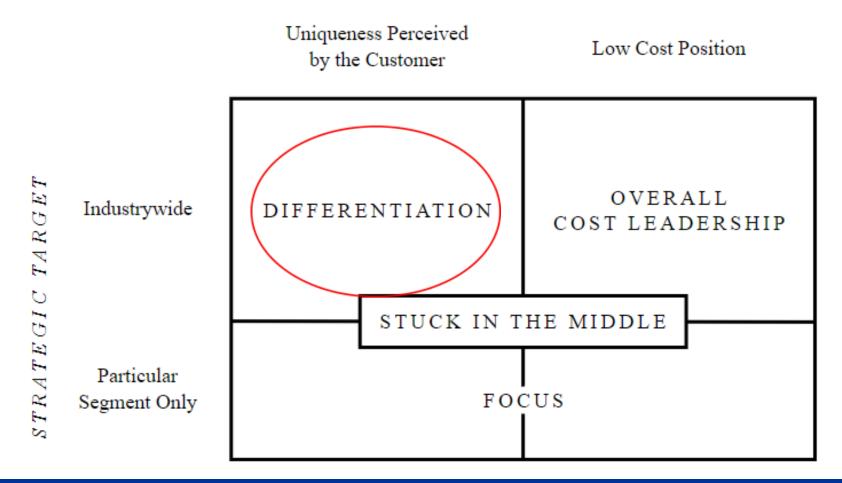
### There's No Such Thing as Free Lunch (2/2)

"To achieve a competitive advantage the company has to <u>severely question its own business strategy</u> unless it already has at least one foreign unit screening the state of art technology or developing beyond it."

- Michael E. Porter

### Three Generic Corporate Business Strategies

STRATEGIC ADVANTAGE



What is Your Type of Innovation (=New Value

Creation)?

Impact on the Market

=:

Low

#### Sustaining

A significant improvement on a product that aims to sustain the position in an existing market.

#### Incremental

Gradual, continuous improvements on existing products and services.

#### Disruptive

Technology or new business model that disrupts the existing market.

#### Radical

Technological breakthrough that transforms industries, often creates a new market.

High

**Technology Newness** 



### Let's Not Forget the Truth Out There

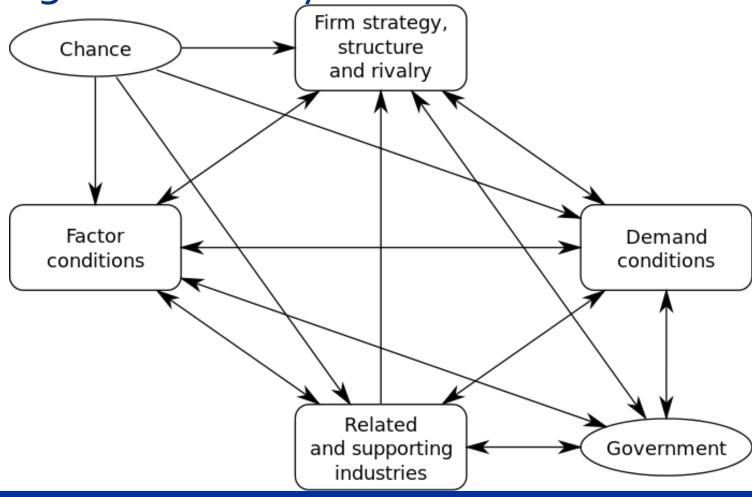
5 § Toiminnan tarkoitus

Yhtiön toiminnan tarkoituksena on tuottaa <u>voittoa</u> osakkeenomistajille, jollei yhtiöjärjestyksessä määrätä toisin.

- Corporate Law: 21.7.2006/624 -

The Diamond Model: 4 Sets of Interrelated Forces

Affecting Industrial Dynamics



## 4 Key Components to Form a Stronghold (1/2)

#### Firm Strategy and Rivalry

Commitment

Competition

Champions

Capacities

Creativity

Culture (corporate)

#### **Demand Conditions**

Quality (astute buyers)

Quantity (mkt size, number of buyers, mkt growth)

# 4 Key Components to Form a Stronghold (2/2)

#### Related and Supportive Industries

Coordination

Communication

Collaboration

Co-Innovation

Closeness

Culture (same type)

Commitment (goals, industry)

#### Production Factors (limitations lead 2 innovation)

Capital

Labor

Infrastructures (basic, advanced, specialized)

Intellectual Property

Natural Resources



### Competitive Advantages in Parallel Examination

COMPANY (Depth of Value Chain)		COUNTRY (4 Stages of Centricities)
Basic products/services	$\Leftrightarrow$	(Basic) production factors [Progression]
Machinery	$\Leftrightarrow$	Investments (cost efficiency) [Progression]
Specialized production factors	$\Leftrightarrow$	Innovation (differentiation) [Progression]
Services	$\Leftrightarrow$	Wealth [Regression]



#Ecosystems #Statistics

HORIZON EUROPE

EU RESEARCH AND INNOVATION PROGRAMME

### Accelerating Business Opportunity Development via Ecosystems

Input	Capability to Create Value for the Customer	Feasibility Study of an Opportunity	Business Concept	Business Model	Business Plan
Activity	Idea Generation and Opportunity Identification	Business Concept Design	Market Launch and Business Model	Business Planning and Development	Maintaining Strategic Options
Output	Feasibility study of business opportunity  • Understanding of the market attractiveness & sustainability  • Timing of scheduled activites  • Assessment of required competences and capabilities	Business concept     Identify customers and market segments     Definition of the customer benefits (value proposition)     Definition of the resources and competences     Analysis of the competition and the main competitors	Business Model     The methods to deliver value to customer     Customer relationships     Collaboration     Revenue model (cost & revenue structure)	Business Plan  Description of the business opportunity, concept & model  Strategy analysis & description of the strategy  Finance model  Risk and contingency analysis	New business opportunity identification (strategic options)     Continuous improvement (LEAN)     Observed capability to create value for customers

Source: Virtanen, M. and Pellikka, J., 2018. Integrating the opportunity development and commercialisation process. International Journal of Business and Globalisation, 20(4), pp.479-496.



### Systematic Approach on Ecosystem Building and Partner Selection

	Capabilities Facilitati		Vision		Business Environment				
	7.)	5.			4.)	2.)			
	Key Resources & Capabilities	Ecosystem Strategy	Vis	ion	Value Chain	Ecosystem Partner Segments			
Resources	What is needed to lead and facilitate innovation ecosystem development? What Open Innovation approaches can be used?	What are the key activities in each innovation ecosystem strategy cathegory*? How will the ecosystem activities and the regular	goals of the	on and the key innovation stem?	What are the key part of the current value chain? What are the key dependencies?	Who are the ecosystem partners and what are their roles and interactions?			
Reso	6. External Partners	interactions between the organization will be governed?		. )	Innovation Ecosystem Partners (IEPs) Goal				
	What are the external partners that will enhance further improvement of the innovation ecosystem?				Setting  What are the IEPs main motives to join the ecosystem?  What are the KPIs at the organizational level?				
	Monitoring Impact  How to measure the innovation ecosystem performance and conducted activities to capture value?			Change Management  9.  What are the potential changes on market, the technology & policy landscape?  How to proactively react to these changes?					
	Continuous Improvement and Growth								
	Continuous improvement and Growth								

Source: Pellikka et al. 2021. Fostering Innovation Ecosystem Development-Tools and Practices.



# HE Cluster 1 (Health) – 27 Topics in '23 (750M€ of 8.2B€)

Staying healthy in a rapidly changing society

 Living and working in a health-promoting environment

Tackling diseases and reducing disease burden

4. Ensuring access to sustainable and globally competitive health-related industry 5.Unlocking the full potential of new tools, technologies and digital solutions for a healthy society

6.Maintaining sustainable and globally competitive health-related industry

### Innovative Health Initiative (IHI) — 2.4B€

- The Innovative Health Initiative (IHI) is a public-private partnership (PPP) between <u>the European Union and the European life science industries</u>.
- ✓ COCIR (medical imaging, radiotherapy, health ICT and electromedical industries)
- ✓ EFPIA (biopharmaceutical industry)
- ✓ EuropaBio (biotechnology industry)
- ✓ MedTech Europe (medical technology industry)
- √ Vaccines Europe (vaccine industry)

### Top Beneficiaries in '21- (Horizon Europe | CL1/Health)

#### FINLAND - COMPANIES

iSTOC-489K€

Spinverse – 407K€

NHG Finland – 406K€

#### FINLAND - OVERALL

University of Helsinki – 4.8M€

Tampere University – 2.3M€

University of Oulu – 2M€

HUS – 1,4 M€

#### **EUROPE – COMPANIES**

Fabentech (FR) – 6.8M€

Metriopharm AG (CH) – 6.7M€

Exevir Bio (BE) – 6.6M€

#### **EUROPE – OVERALL**

Coalition for Epidemic Preparedness Innovation (NO) – 35M€

Agence Nationale De La Securite Sanitaire (FR) – 22M€

Umweltbundesamt (DE) – 17€M

## Official Public Support Services at Your Fingertips

- ✓ Official mandate gives access to <u>confidential information and data at the national and EU level</u>.
- $\checkmark$  Public <u>support services are available free of charge</u> to all interested in the EU Horizon Europe.

#### National Contact Points (NCP)

- Expert on the content and themes of the Work Programmes and calls
- Monitoring of the Finnish HE participation within their respective HE theme/subprogramme

#### <u>Programme Committee delegates and experts (PC)</u>

- Represent Finland (positions, views) in different HE Programme Committees
- Key experts in Finland participating in the preparation of HE Work Programmes



