Process Industry SMEs: Business Model Innovation and Internationalization of Process Industry SMEs

Vinit Parida, Professor
Entrepreneurship and Innovation
Luleå University of Technology

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Project information and partners

Priority area: Europeiskt territoriellt samarbete/Nord/2 Entreprenörskap/
EU funds: 873 191 EUR
Total budget: 1 343 321 EUR & 3 632 530 NOK
Project duration: 1 September 2016 to 31 August 2019
Project co-funders: *Länsstyrelsen, Norrbottensläns Landsting, Lapin liitto*

The measurable indicators are:

- **SME participation**
  - in the project activities 80
  - in European project proposals 15
  - Business model development 15
- **New business model tool pack** 1
- **Brokerage events** 10

- **Process Industry participation**
  - in the project activities 20
  - in European project proposals 3
  - in commercialized product-services offer 3
- **Renewed Roadmap** 1
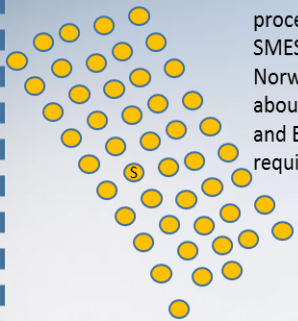
Background and purpose

- The northern parts of Sweden, Finland and Norway is home a to large number of *SMEs dependent on the process industries*.

- *Process industry* is *struggling* creating *uncertain market conditions which necessitates business transformation for SMEs.*

- Advanced service offerings coupled with new business model may change the whole ecosystem around the process industries.
    - Higher value creation by increased revenues and decreased cost for various actors in the ecosystems.

- Due to *strong technical experience* the region has a good *potential for taking a leading role in providing advanced service offerings* for the process industries globally.

- The purpose of this project is to ***improve*** the ***competitiveness*** of ***SMEs*** serving the process industries by ***supporting*** the ***development*** of new ***advanced business models*** and building ***European partnerships***.

Project logic

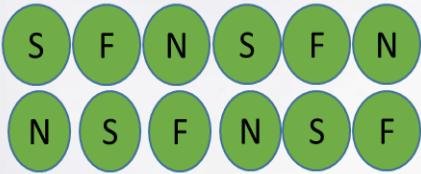**2016 Q3 -> 2017-Q4**

2018 Q1 -> 2018-Q3

2017 Q1 -> 2019-Q3

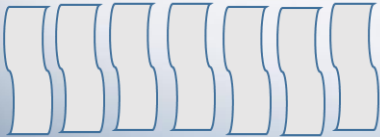**WP3.1: Interaction with SMEs on Business Model and Technology Development**

Interaction with 80 process industry SMES from Sweden, Norway and Finland about technology and BM requirements

Task 3.2. Interaction with Process Industry

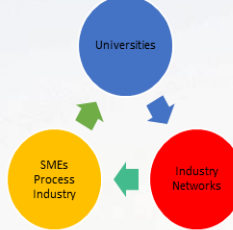Interaction with 15 large Process companies from Sweden, Finland and Norway about needs and challenges

Task 3.3. International Benchmarking

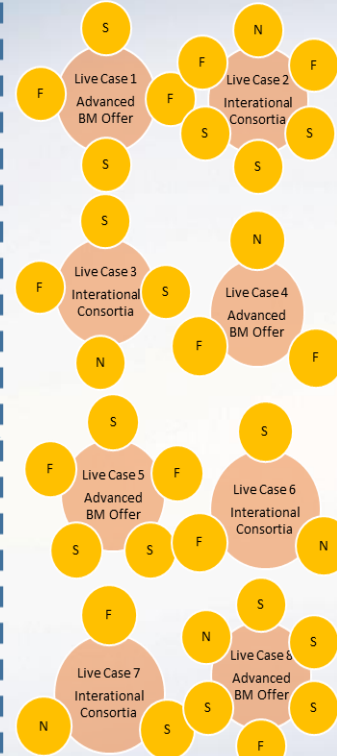Global "best practices" examples about new technologies and BMs

WP 4: Tool and Method Development

Development of business model tools and Process IT roadmap in joint interaction between Universities, industry network and SMEs

WP 5: Implementation

Live Case 1 Advanced BM Offer

Live Case 2 Interational Consortia

Live Case 3 International Consortia

Live Case 4 Advanced BM Offer

Live Case 5 Advanced BM Offer

Live Case 6 Interational Consortia

Live Case 7 Interational Consortia

Live Case 8 Advanced BM Offer

We will identify and support 4-8 live cases that will focus on capability development and business model commercialization. Live cases should include at least three SMEs and at least two countries represented and hold realistic commercialization value for the SMEs

Commercializing 4-8 advanced business model offers and capability development projects to regional and global markets

Acquire feedback from validation and implementation stage about further tool and roadmap development

WP1: Dissemination of project result; WP2: Project management and coordination

Throughout the research project dissemination of results will be undertaken through different formats- publishing practitioner papers, academic papers, holding workshops for process industry SMEs with industry network partners, and providing training seminars. Lapland UAS will take the project leadership responsibility and will coordinate relationships with Luleå University of Technology Oulu University, Norut, Narvik Science Park, IUC Norrbotten, Nivala-Haapajaärven Seutu NIHAK Ry, and Nivalan Teollisuuskylä Oy

Expected results

- Developed methods and tool for development and implementation of advanced business models

- Updated ProcessIT.EU Roadmap, which will impact policy/decision makers and RDI-funding bodies.

- Increased cross-border cooperation in region among SMEs, process industry, industrial networks and academia to enable advanced business models

- Knowledge and best practice implemented and disseminated in region continuously through industrial networks

- New methods used by SMEs which has commercialized advanced business models towards regional and global customers

- Increased internationalization of SMEs regarding business and research/development activities.

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What are the problems and challenges for business in the region? What are the causes	What is the overall objective? What do we want to achieve? What are the sub goals?	How will we get there? What activities will be done?	What are the expected results?
Challenges	**Vision**	**Project activities**	**Results**

Key challenges:
*Lacking capabilities for commercialization of advanced product-service combination among SMEs in process industry
*Need of capability and business model development to ensure long-term competiveness

Causes:
*Traditionally strong technological capabilities in process industry SMEs
*Position of dependence towards regional process industry
*Insufficient development towards long term competiveness
*Traditional focus on sales of specialized products and supporting basic services

Overall objective: *To develop, implement and disseminate tools and networks for business model innovation to support process industry SMEs and their ability to create and commercialize new advanced offerings towards global markets*

Goals:
*Increase the number of SMEs with border-crossing business model innovation and cooperation
*Increase level of internalization among the region's SMEs

WP 1: Dissemination

WP 2: Management

WP 3: Industry Opportunity Analysis
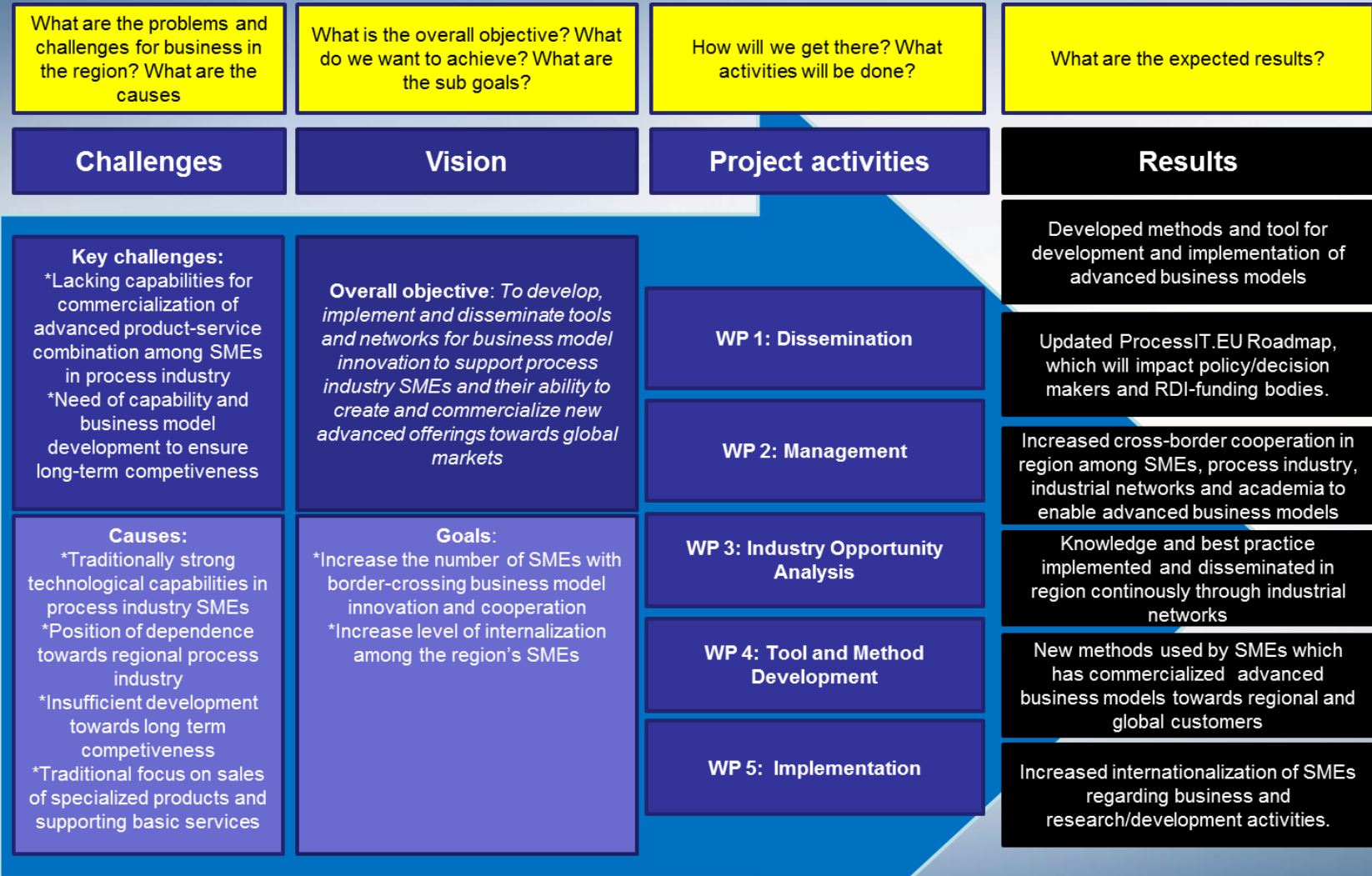
WP 4: Tool and Method Development

WP 5: Implementation

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Benefits of collaboration

- **What does a SME benefit from participating in the project?**

  - Build a holistic *understanding of own business potential and customer requirements*/trends related to advanced product-services.

  - *Support with transition* from offering simple product-services (e.g. installation support) to higher value adding advanced service offerings (e.g. managing part of customers process).

  - Potential to *gain access to new networks* and build collaboration with SMEs in north Finland and Norway.

  - Potential to access *EU-funding for capability development*.

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