# Round table on digitalisation, economic development and innovation

## 19-20 March 2019, Lyon

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**1. Regions fully assume their role**

Auvergne-Rhône-Alpes has an extensive economic apparatus. The region is growing, creates jobs and is a French stronghold. But the industrial fabric is under pressure. CESER President Antoine Quadrini stressed in his introductory speech the challenges posed by digitization to his region. Digital technology was sometimes dismissed in the past as a technical tool. Today we know better. Digitization changes business processes and thus impacts the heart of companies and firms.

At the same time, digitization offers enormous opportunities to radically change our society. Antoine Quadrini sees an important role for regional consultative bodies that are close to companies and their needs but that can also initiate and stimulate regional actions.

One of the messages from this round table is that regions are convinced of their central role and that they should assume this role in full. Different regions do so in varying ways, using perhaps similar instruments, but simultaneously adopting a specific economic and innovation policy. **Daniel Patiño** of the Econòmic i Social de la Comunitat Valenciana Committee gave an example with the RIS3 Comunitat Valenciana policy agenda. It encourages new activities in its region, supports research & development efforts, but also wants to make subregions specialize. The region helps companies with, among other things, a Valencian Innovation Agency and consciously - also given the diversity of the Spanish economy - focuses a lot on efforts for small and medium-sized companies.

The possibilities and strengths of regional cluster policy were prominently featured during the round table. Auvergne-Rhône-Alpes is proud of Minalogic, a network that brings companies, research institutions and funders together. Jean Chabbal (CESER-member) described this regional network of more than 400 members. Minalogic focuses on facilitating regional cooperation. It helps with patent applications, international contacts, but also brings smaller local businesses and start-ups in contact with large companies. Minalogic has supported more than 500 projects to date, which have together received 881 million euros in government support as a share in R&D investments that exceed 2.2 billion euros.

Auvergne-Rhône-Alpes also coordinates Minasmart, which focuses on technologies such as artificial intelligence, cyber security and connectivity. It does so through exchanges and supporting projects. An example is Act4Talents (see below).

Parallels with the Flemish spearhead clusters and innovative business networks are clear. Flanders also opts for cluster organizations that encourage companies and research institutions to work together on innovative solutions. **Koen Repriels** (ACV) pointed out the enormous economic importance of these clustering initiatives based on studies by the SERV on the topic. Today, clusters account for almost 40 percent of European jobs. Cluster-related companies also show stronger than average job growth and SMEs operating in clusters achieve more growth and innovation.

At the same time, however, a lot of work remains to be done. Cluster policy encourages local businesses, but digitization has the potential to change regions more radically. Jean Chabbal

sums up: smart mobility, smart health, smart energy, smart cities, smart education, ... The image of a sustainable region is emerging, with better health facilities that support citizens with personalized education ... But the road towards such a sustainable region is not clear. How can regions optimally make use of such comprehensive technologies?

**2. Digitalisation disrupts traditional activities**

Digitization causes disruption. **Julien Oger** (UMI) illustrated this with an innovative software approach from his company. UMI offers a fundamentally new solution for market research on B2B projects. These are complex and highly specific projects, for which the (few) potential users and buyers are spread around the world. Thanks to a worldwide database of experts and potential customers, *The Market Testing Tool* developed by UMI allows entrepreneurs to quickly test a new idea. An inventor of an idea receives about 60 market answers in less than one month, with estimates of strengths, weaknesses, potential markets, price; ... Enough for the developer to make an informed choice about whether or not to further develop its idea. As such, *the Market Testing Tool* uses digital technology to make the marketing credo "Fail fast, fail often, fail cheap" much more accessible. It does so for a fraction of the traditional price and roughly ten times faster. After three years on the market, the results led to four hundred tests, of which about 200 ended with the dissipation of the idea.

*The Market Testing Tool* is a textbook example of a disruptive technology. But the round table made it clear that digitization can also have a huge impact in traditional sectors and methods. **Kristel De Roy** (Verso) outlined how Flanders 'Care 2.0 uses digital possibilities to strengthen the quality of care. E-caring Flanders facilitates data sharing between care actors. The digital platform Vitalink provides a flexible and secure way in which Flemish care providers can view all kinds of medical data of a patient and thus enable a better tailoring of the care offer to the patient and his/her medical condition.

The Vulpia group is another example of digitization in a traditional sector. Vulpia provides housing facilities to older citizens. **Caroline Vande Sande** (ACLVB) used the company as an example to show that even in what appears to be a particularly stable sector - care for the elderly - digitization makes entirely new activities possible. The app Soulo registers life stories of residents and makes them accessible to care providers, which in turn reinforces the recognisability and bond between resident and care provider. Another example is the mobile platform Pyxicare. This provides care providers with a centralized and well-organized flow of information about each patient. It leads to person-oriented care, which supports care providers in their supply and approach to every patient.

**3. Additional attention to SMEs**

Large companies in particular are consciously working on their digital future. These companies have the resources to work with a long-run perspective, without needing immediate results.

Broadly supported in the round table was the fear of the future of smaller companies in the regions. **Juliette Jarry**, vice president of CESER, stressed the importance of regional attention and support for SMEs on their digital path. CESER, for example, works with local chambers of commerce to support SMEs. But the organization also brings accessible digital infrastructure to rural areas in the region.

Based on the Flemish experience, **Robin Deman** (UNIZO) confirmed the need for additional support. SMEs often neglect the full potential of digitalisation. On the one hand, smaller companies do not develop digital products themselves, and on the other they are not precursors in the use of existing digital technologies. Flemish employers' federations and governments are looking for ways to involve SMEs through, for instance, giving them an active role in clusters; but SMEs must also be encouraged to "consume" digital technologies.

Jean Chabbal confirmed the difficulty in trying to engage SMEs in a cluster policy. After all, clusters inherently support "precursors". Most members are companies that are somewhat larger and are already fully committed to the digital evolution. Although the operation of for example Minasmart (see above) is open to every entrepreneur, the initiative to participate ultimately lies with every company. But a cluster policy can fully include SMEs. It starts from a vision of cooperation between regional actors: research institutions, large companies but also small companies. 73 percent of the member companies of Minalogic are start-ups and SMEs from the Auvergne-Rhône-Alpes region.

With the Merseburger Innovations- und Technologiezentrum (MITZ), **Heike Gebhardt** illustrated how a regional government can support and stimulate SMEs on the path of digitization. The center uses a people-oriented digitization as a vision. To this end, the MITZ is not only a business center, but also focuses on training, seeking synergies and supporting public services.


### 4. Digitalisation is technology; but strong digitalization is people-oriented technology

Throughout the round table, the focus was on the human added value that digitization must deliver. Creative, people-oriented ideas are the foundation on which digitization builds. **Séverine Besson-Thura** (CESER-member) showed how startup Act4Talents - a project involving Minasmart - starts from a new training model and then uses the possibilities of digitization to realize that new model. The "human centered design" of Act4Talents offers training as a range of entry modules, freely selectable follow-up foci, progress at your own pace and concludes with an individual certificate. Act4Talents meets each student's own agenda: what does he or she want to learn? When? How intensively? What doesn't he or she nt need? Séverine Besson-Thura questions why training is organized so rigidly: the same program for each student, one entry time, fixed teaching hours, everyone follows the same rhythm, ... Digitalisation and the organizational model of Act4Talents break implicit barriers in traditional way of organizing training.

CDO **Eric Payan** from technology producer Bosch Rexroth agrees that his "Usine et produit du futur" should be more than a nice slogan. Bosch Rexroth involves its employees deeply in business innovations. Working groups of volunteers are responsible for finding and developing ideas. In the company, this involvement led to an initial list of ten promising proposals, which were further elaborated and tested for efficiency and a fast implementation time. Thanks to own employees, technicians are now provided with smart glasses, which project manuals and checklists during assembly activities. The working groups also took care of the introduction of 3D printing and the development of an in-house app that shows the progress on production indicators. The app makes the continued distribution of a whole range of paper documents superfluous.

Not all innovations are earth-shattering. But the ideas pay off. Also in the minds of people. Forty percent of Bosch Rexroth employees already participated in one or more of the meetings. This broad involvement is crucial. The Bosch Rexroth employees no longer see technology as a threat, but as a means to deliver better work. Eric Payan concludes: "Our employees now think it's normal to develop ideas."

### 5. Social partners are not sidelined

Using the example of energy manager SWH.EVH from Halle, **Freia Polzin** (QFC) showed how employees in the German state of Saxony-Anhalt are also deployed to make digitization a success. The active involvement of the trade union in that process was fascinating. The company set up a digitization department in 2017. That department must, among other things, create new digital business models. There was ample consultation with the works council about the new department. All of this must ensure that digitization is embraced by employees, such that innovation does not provoke fear among employees.

Freia Polzin quoted the chairman of the SWH.EVH works council, Burkhard Kocian. His experience makes him decide that digitization is a long-term process in practice, which therefore also allows for an adequate involvement of works councils and employees. Burkhard Kocian considers the existing German consultation processes adequate to safeguard "high-quality digital jobs" for employees.

**Silvie Vidicová** (ASO) emphasized the continuing and even increasing importance of social dialogue. Digitization carries a risk of polarization. More involvement and consultation of employee representatives is necessary to prevent this. ASO - the association of independent Czech trade unions - started an ambitious program to position itself as a trade union in a well-considered way. Seven studies provide ASO with insight into tricky issues such as income inequality, the role of social enterprises and how trade unions should guide educated employees. In the autumn of 2019, the trade union will devote a conference to the results and recommendations of the studies and draw conclusions on how the trade union should position itself in the future.

Finally, **Steven Genbrugge** (ABVV) stated that a "social" technology architecture requires consultation and dialogue. Based on the example of publishing company Sanoma, he outlined how a trade union can assume its role in digitization. The company increasingly opted for freelance journalists, although in practice they almost exclusively wrote pieces for the company. Digitization made more flexible work agreements possible, but the underlying employer-employee relationship between the journalists and Sanoma was retained. The union entered into discussions with the company and represented the journalists' interests. This led to a re-qualification as employees when journalists had a full-time day job with respect to their work for Sanoma. Steven Genbrugge referred to the collective labour agreement *CAO39*, which provides workers' representatives in Belgium with a great deal of social and economic information prior to the introduction of a new technology.

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**19 March 2019**

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| 08.45 - 09.15 | Registration |
| 09.30 | Opening by Antoine Quadrini, President of CESER Auvergne-Rhône-Alpes |
| 09.45 | Regional policy for the support of enterprises to digitalisation by a vice-president of the regional council |
| 10.00 | Round table on economic development, practices of SMEs about the impact of digitalisation on economic models, products and processes |
| 11.15 | Coffee Break |
| 11.30 | Round table on innovation: How digitalisation impacts the innovation process |
| 13.00 | Lunch |
| 14.15 | Experiences and good practices abroad |
| 15.45 | Discussion moderated by Tim Buyse (SERV) |
| 16.30 | End of conference |

**20 March 2019**

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| 9:30 | Visit of SOLVAY Research and Innovation Center (Saint Fons) – How digitalisation is used to speed up innovation |
| 13.00 | Visit of AXEL'ONE Analysis and IFPEN pilots (Solaize) – Digitalisation for pilot units |