



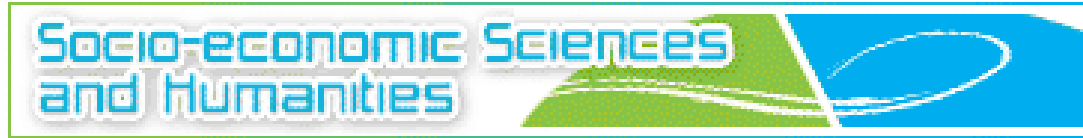
Budapest, 23-25th September 2009  
RESER-ServPPIN Conference



# Innovation and Services: What role for networking?

**Luis Rubalcaba**





## *The place of networking in new challenges*

### ***Change in services:***

- Services are more and more integrated in any economic activity
- Services face to new challenges like globalisation, ageing population, environment, increasing role in economic efficiency and social welfare
- Services are more vulnerable to economic crisis

### ***Changes in innovation:***

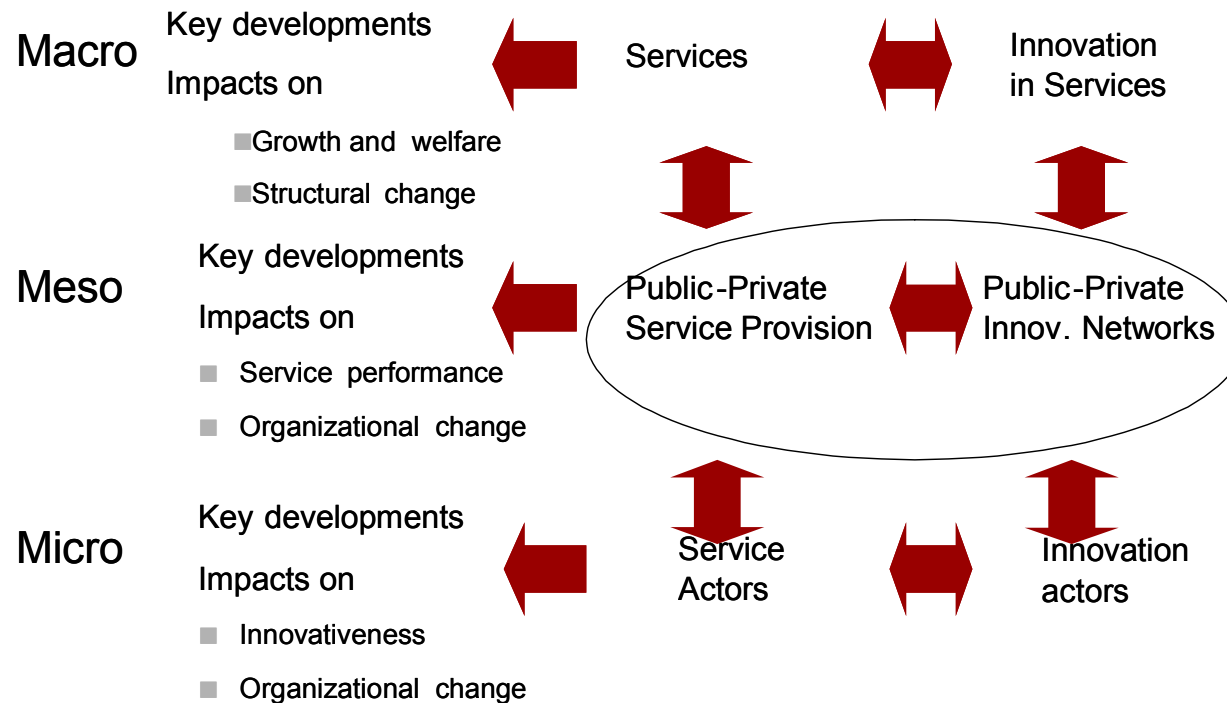
- Service innovation is more and more an interactive process.
- The role of users and clients is increasing as well as the role of the third sector /non-profit organisations in the provision of public services
- The role of public administrations is still essential in many respects: promotions of R&D, regulations, economic conditions, etc.

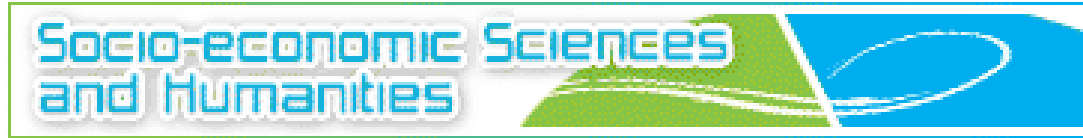
### ***The place of public-private networking***

- Public-private sector interactions work and may be important for the creation of new knowledge and services..
- ServPPINs can produce innovation having a have a high impact on growth, employment and welfare.



# Innovation networks in ServPPIN





## *Some key questions about Servppin*

### **At macro level:**

- Role of public and private services on economic growth and social welfare. TFP depending in service innovation. Welfare too. Mix services are increasing as well as the new ways of provision of public services. **Macro impacts?**
- Economic crisis is encouraging the role of public sector in a close follow up to service innovation, like those in financial services. **Can networking affect the cyclical behaviour of services?**

### **At meso/sectoral level:**

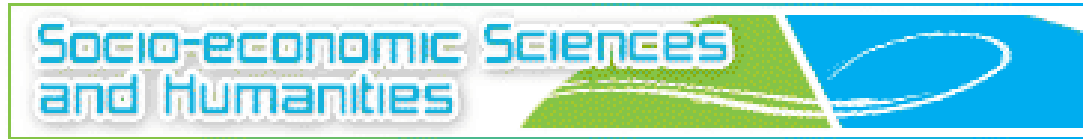
- The need for new competitive advantages and efficiency gains leads us to look at service innovation in the context of globalisation. **Can networking face to the global challenge?**
- Public intervention to boost innovations is going far beyond the traditional R&D funding or the promotions of business-support services. **Networking as a new scheme for public intervention?**

### **At micro level:**

- Companies and public administrations can benefit from complementarities in the service innovation process. **To what extent synergies can emerge?**

**ServPPIN**

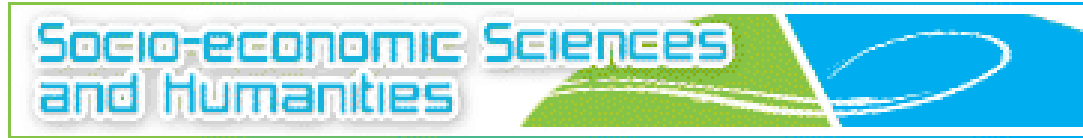




## Hypotheses

- Public-private sector interactions work and may be important for the creation of new knowledge and services. ServPPINs can produce innovation having a have a high impact on growth, employment and welfare.
- Servppin can be considered as a sort of non-technological “invisible” innovation that may lead to economic and social performance.
- Complementary effects between public and private services are surely much larger than hypothetical substitution effects. The increasing role of public and private interaction networks confirms.





## *The complementarities between public and private*

### **Good for the private sectors?**

➤ Networking with public gives resources, credibility, dissemination, prestige, benchmarking, access to policy environment, speeding up the process of agenda setting and decision making, more comprehensive view of the problems (e.g.: basic research, social implications, etc.)

### **Good for the public sector?**

➤ Networking with private public gives legitimacy, resources, open policy with stakeholders, efficiency, flexibility, public research more efficient, learning capacity, knowledge transfer, speeding up the process of agenda setting and decision making.

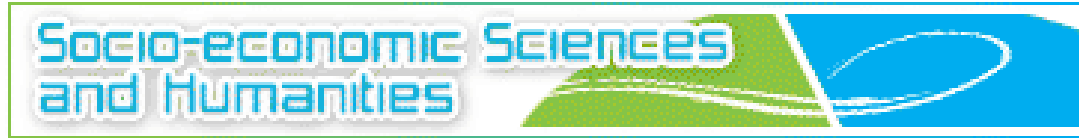
### **Role for the Third sector**





## Success factors for approaching complementarities and synergies

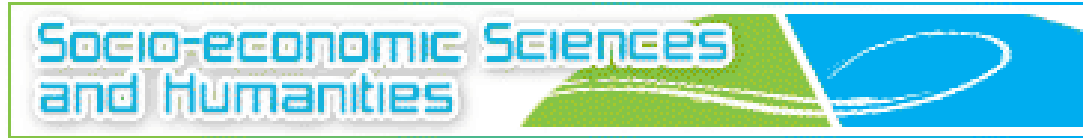
- Definition of joint business case: a common aim based on win-win
- Entrepreneurial fit, innovation promoters, success for locking-in,
- Flexible and open ways of cooperation and organization,
- Creativity, communication, skills for cooperation
  
- Trust among networking actors and users –final demand
- Transfer of good practices, benchmarking
- Business and policy life cycle and evolutionary efficiency: ServPPIN have their own life cycles as well
  
- Policy/institutional framework
- Heterogeneity of service providers
- Heterogeneity of / consumers-users-voters
  
- Third sector institutions and integration in local community,
- Individual networks and systemic networks
- Geographical mapping and implications



## Examples of problems

- Rigidity of public administrations
- Mistrust and expectations mismatch,
- Different interests and incentive systems
- Capture risks–predatory strategies
- Underskills for cooperation
- Appropriability issues
- Lack of formalization
- Weak expectancy life and risk aversion
- Too centralized planned network
- Too weakly coordinated network
- Free riders
- Asymmetric information
- Evaluation assessment

*The problems and challenges*



## *Preliminary policy implications*

- ServPPIN offers frameworks pushing beyond the traditional view of R&D and innovation programs
- Rigid programs are not good for networking
- Too centralized planned networks have a lot of risks but... spontaneous networks are not necessarily better
- Innovation & networking takes time. Life cycle matters
- Heterogeneity in networks, countries and sectors does really matter
- The mode of networks formations may not influence the outcomes per se so... Case by case..

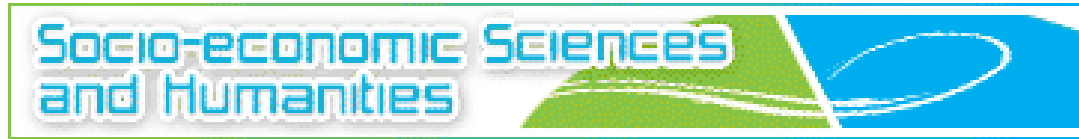




## *Examples of networking functioning*

- Many good examples: [servppin.com](http://servppin.com)
- The case of Budapest 2009, RESER and Servppin





## Contact

- More info on ServPPIN
- Other experts on service networking.

Steering group:

Andreas Pyka, Paul Windrum, Matthias Weber, John Sundbo, Faiz Gallouj, Luis Rubalcaba

- [www.servppin.com](http://www.servppin.com)

[luis.rubalcaba@uah.es](mailto:luis.rubalcaba@uah.es)

