



Executive summary of Periscope's Innovation and Business Development Survey, 2019-2020

Successful blue growth requires companies to innovate and invest. Periscope, being a blue growth innovation ecosystem, has from November 2019 to January 2020 undertaken a survey among 107 organisations in the North Sea region's blue economy in order to better understand their innovation strategies and their perception of the climate for business innovation. The two dimensions are considered key to successful innovation performance.

The conclusions clearly point towards an innovative sector, however with some resource challenges and issues surrounding innovation being connected with customization of products for specific customer needs. Anyhow, 8 out of 10 organisations do have an innovation or business development strategy, and even more impressively 9 out of 10 have engaged in innovation and business development activities during the last three years. Half of the respondents claim to have made important or major breakthrough product innovations, whereas 4 out of 10 have achieved similarly for service innovations. Production process innovations, business model innovations and other forms of innovations are less important. 4 out of 10 have created new products/services for new markets, but only 15% have created entirely new business areas. Most organisations do either incremental product/service improvements or new products/services for existing markets, and overall 2 out of 10 have registered new patents. Markets, in particular customers, trigger innovations, next to great ideas among staff. Competitors, which basically are centered around the North Sea region, are not spurring innovation and business development work.

Addressing the external factors influencing innovation in companies, there is a tendency that the innovation capacity is limited by financial resources. Time and money are scarce, and many organisations cannot afford to invest their time in innovation actions. Half of the respondents indicate that the cost of innovation and business development is among the most pressing issues the respective organisation is facing to achieve its innovation and business development issues. 36% of the respondents also list finding pilot customers as a pressing issue, which could indicate the need to get paid for innovation and business development. It could also imply that many organisations, like in the oil & gas sector, customize products for customers. Access to finance is equally a pressing issue, like availability of skilled staff and experienced managers. Despite the lack of internal skills, many organisations are sceptical about external collaboration when innovating. Five in ten organisations say that the biggest barriers to engaging in external interaction are lack of sufficient time or financial results and, and secondly, loss of control over valuable knowledge and difficulty finding the right partner.

Technology, access to test facilities, access to maritime space, lack of public support, regulations and permits do not seem to be major stumbling blocks for the innovation capacity of the organisations.

Diving into finance, 7 out of 10 are in need of getting access to finance to fulfill its innovation and business development strategy. 4 out of 10 respondents would need below 1 million euro, whereas 6 out of 10 would have sufficient funding within the limit provided by the Horizon 2020 European Innovation Council Pilot, i.e 2,5 mill euro. Only 9% would need above 10 mill euro, and around 20% are not in need of external finance.

Too high own co-funding, red tape and financing alternatives not matching the real needs are listed as the most important limiting factors to get financing. Grants seem to be a path many organisations have taken, with organisations preferring local, regional, and national grants over the EU grants. The challenging aspects of applying to both local/regional/national and EU grants are the same for the majority of the organisations. The application procedures and internal aspects, such as project administration and reporting plus own co-funding, are the most relevant barriers to grants.

Organisations seek external business support to help with finance and establishing useful partnerships. Access to finance and funding /grant proposal support are occurring most frequent as the most relevant external business support to fulfil the blue players' innovation and business development. Partnership search and matchmaking follows suit, then regulatory support.

As the Periscope ecosystem seeks to accelerate emerging blue market opportunities, the survey tested the interest of the organisations for an open innovation platform to interact with other market players and stakeholders providing grants. 55% indicate that they support the main idea of the platform to be an independent digital market where the organisations can search for and procure external expertise and solutions. 66% take an interest in promoting own expertise and solutions to external parties and bid for contracts.

From a societal point of view, the organisations' sustainability efforts appear sales and market driven. The most relevant matters are Company philosophy and values (68%), Market growth opportunities (49%), customer / consumer demands (41%) and reputational risks / benefits (38%). CEO / Executive management interest (13%) inside the organisation has very little influence. Worthwhile noting is that 3 out of 10 organisations rate sustainability efforts as a key aspect to attract talented workers.

Climate change, health & safety / wellness, plus ethics and integrity (including anti-corruption efforts) are the top three sustainability priorities over the next three years.

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The survey has been undertaken by South Norway European Office. For further information and copy of the full report, please contact:

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