



Implemented by **Giz** Butsche Besellschaft für Internationale Zusammenarbeit (612) 6mbH



Project Summary:

# **KRIN – Creating Regional Innovation Network**







#### Problem

Although ability to innovate is essential for maintaining and improving competitiveness of SMEs in sectors of metal and wood processing, innovations are on the minimal level, as far as practice of enterprises is concerned, and on negligible level, as far as policies and support institutions are concerned. Enterprises innovate as much as they must, being limited by their position and business management model that they apply in value chains in which they operate (being reduced to role of producer of (semi-finalized) products, without research and development and marketing function, with very limited management, professional and financial capacities). On the other hand, interactions between enterprises and support institutions almost don't exist, which could lead to better policies and support instruments regarding innovation and competitiveness of enterprises and sectors. As key problem, which should be observed as a starting point for searching for solution, lack of networking among enterprises and between enterprises and support institutions is identified, because neither any enterprise individually, nor support institution, can make significant change and influence creating innovative orientation and support in sectors of wood and metal processing.

#### Key Idea

Key idea of the project in regard to intervention is that, by strengthening interactions among enterprises and between enterprises and support institutions, significant improvement of innovation capability of targeted SMEs can be achieved, on one side, and to gradually develop regional innovation system (consisting of adequate legal and strategic framework, educational, technological and professional institutions in constant interaction with SMEs) for sectors of wood and metal processing in the following local communities: Prijedor, Kozarska Dubica, Gradiška, Laktaši, Prnjavor, Derventa, Banja Luka.

## **Objectives and Expected Results**

Overall Objective: Improved competitiveness of SMEs in sectors of metal and wood processing in local communities Prijedor, Kozarska Dubica, Gradiška, Laktaši, Prnjavor, Derventa, Banja Luka, through networking of key stakeholders and solving market failures – improvement of competitiveness will be measured by increase of value of sales and export and increase of added value (profit plus gross salaries) of SMEs included in the project.

Specific objective: Improved work of sector boards and developed initial regional innovation network for sectors of metal and wood processing in above defined project area - realization of this objective will be measured by number of agreed and initiated/realized interventions focused on business environment and support instruments for SMEs in these sectors, reduction of time needed for development and projecting of products, number of new and improved products and number of improved processes in SMEs included in the project, number of SMEs that introduced new business model/organizational changes that enable achieving of higher added value, and number of new methods and tools that SMEs are starting to use (for marketing, projecting, information systems, management and organization, etc.).





#### **Expected Results:**

- 1. Improved structure and functioning of sector boards for metal and wood processing;
- 2. Identified barriers and possibilities for improvements/innovations in SMEs and support institutions and for business networking;
- 3. Established and promoted interactive database of capacities of SMEs and support institutions in the region for cooperation and innovations;
- 4. Acquired new knowledge and created/improved services according to demand from innovation-oriented SMEs;
- 5. Promoted achievements of the boards and the network, leaders and practices of innovations.

# **Key Activities**

- 1. Activities of preparation and organization of meetings and study visits of sector boards, with advocacy, by initiating and monitoring of realization of agreed priority improvements of environment and support instruments for SMEs;
- Preparation, implementation, presenting and publishing of at least 2 researches (on barriers and possibilities for improving innovation orientation and innovation practice in SMEs, and on business networking and cooperation among SMEs, and between SMEs and support institutions);
- 3. Creating, promotion, use, updating and monitoring of interactive database of capacities of SMEs and support institutions;
- 4. Activities of preparation and realization of priority training and providing support to partners in improvement of their products, processes, business models and organization, and in introduction of new methods in their business operations;
- 5. Activities of promotion of project achievements, enterprises and directors as leaders of innovations, as well as innovation practices, through publications and organization of events.

# Roles in the Project

- Lead implementer: Eda Enterprise Development Agency Banjaluka
- Partners: TIKT manufaktura Gradiška, Spektra DMG Banjaluka, Drvoprodex Banja Luka, Metalna industrija Prijedor, Export City Prnjavor, Reflex Gradiška i Drvomehanika Banjaluka.

#### **Project Implementation Period**

3rd August 2017 – 3rd November 2018

## Source of Funding

Project is co-financed by the European Union within the joint programme of the European Union and the German Government for local self-government and economic development in BiH – EU ProLocal, which is implemented by GIZ. The project budget is 233.795 BAM co-financed by the European Union in the amount of 186.498 BAM.

This publication has been produced with the assistance of the European Union. The contents of this publication are the sole responsibility of the Enterprise Development Agency 'Eda', Banja Luka and can in no way be taken to reflect the views of the European Union.



