



Digital Business Ecosystem

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WP31: Regional Catalyst Action

Del 31.2: First version of the operative model of Regional Catalysts in DBE



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1 Introduction

1.1 The research process and the structure of the deliverable

This report is part of the evolutionary work on the concept of regional catalyst in the context of the DBE. In the evolution process, several phases and milestones have been anticipated in the project plan. From the formal project design point of view, the whole process has been designed to progress as follows:

1. Month 12: Deliverable 31.1.
 - Analysis and specification of current and potential regional catalysts
 - “the conceptual frame”
2. Month 19: Deliverable 31.2. (this report)
 - First version of the operational model of Regional Catalyst in DBE
 - “the proposition”
3. Testing and elaboration in practice
4. Month 34: Deliverable 31.x.
 - Revised and completed version of the operational construct of Regional Catalyst in DBE
 - “the manual”
 - the operational construct, emphasis in functional description

In this project framework, several iterations have been planned between phases 2 and 3 (planning and execution) as illustrated in Figure 1 below. These iterations will be documented in internal evaluation reports and other project documentation. The conclusions and lessons learned will be finally summarised in the deliverable 31.x in month 34.

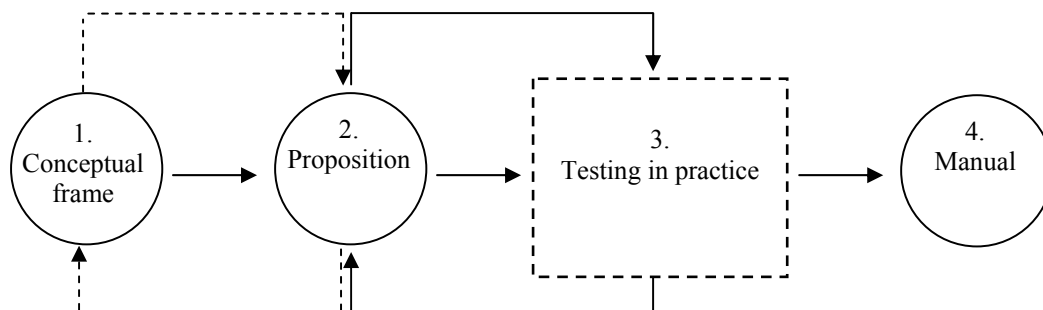


Figure 1. Research process.

This report summarises our current understanding about regional catalyst activities at the level of business operations. This proposition consists of three main building blocks:

1. Key Processes, describing the main objectives and results of RC action from customer perspectives
2. Main functions, describing the means and instruments enabling the achievement of the objectives from the internal RC point of view
3. Evaluation, identifying the mechanisms and areas of measurement and evaluation, allowing external monitoring and internal learning and management when organising and executing catalyst operations.

The following subchapter of this introductory chapter summarises the findings of the previous research work on RC action in the DBE project and thus provides a view on the foundations of RC action. Based on this introduction the focus of this document is further illustrated at the end of this chapter. The three above mentioned blocks are then described in their own chapters. However, as the two first blocks can be seen as a matrix of processes and function, they are described together in the second chapter. The third chapter then focuses on the evaluation aspects of RC operations.

1.2 Foundations for Regional Catalyst Operations

1.2.1 Customers

The main target groups of the DBE project, and accordingly regional catalysts are 1) the software provider companies (including software service provider companies) and 2) the software user companies. However, in order for the regional catalysts to fulfil the objectives and DBE requirements regional catalysts have to interact, and in one sense provide services, also to regional catalyst associates and policy influencers/makers.

In the deliverable D28.1 (DBE preliminary training resource plans and needs) the target groups were categorized into four groups according to their willingness to engage and ability to execute. The same categorizing can be used in segmenting the customers of regional catalysts. Examples of the customer groups and segmentation are presented in the following figure.

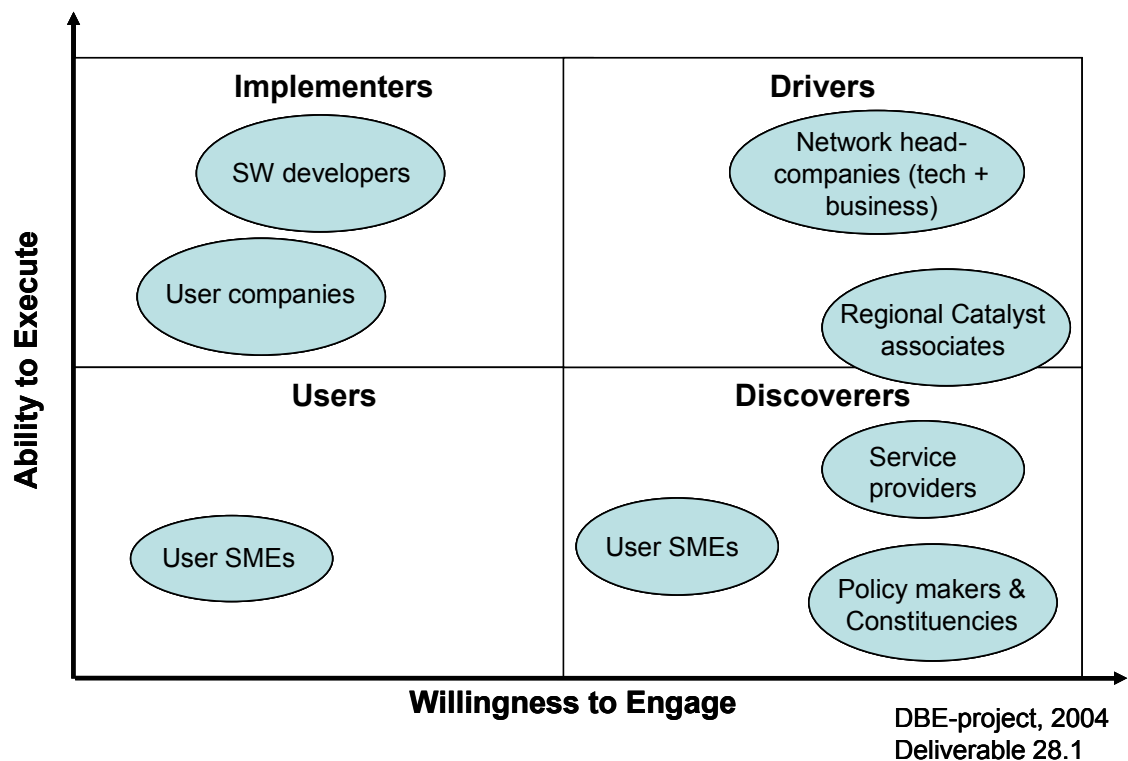


Figure 2. Examples of Regional Catalyst customers and customer segments.

Interactions of regional catalysts and the customer segments follow the sequence identified in the above mentioned deliverable. First, the main customer segments will be the drivers and discoverers. Later in the DBE development phase the target groups are implementers and finally users. Thus, the target segments vary across the project phases and DBE maturity.

The target customers also depend on the scope (domain vs. region specificity) of the regional catalysts. The influence is not so much on the target segments (drivers, discoverers, implementers, users) but the actual target organisations. The region specific catalysts and catalyst activities are directed to the local organisations, whereas the domain specific catalysts and catalyst activities are directed to organisations in a certain domain, opportunity space or industry. Thus, the target customers vary with regard to the domain vs. region specificity of the catalysts.

1.2.2 Services

The regional catalyst services have been defined in D31.1. The definition was based on the DBE project's preliminary expectations of the regional catalysts, the theoretical nature of regional catalysts discussed in the deliverable, earlier experiences in practice and evolving needs for regional catalysts specified during the DBE project (see e.g. Chapter 3.2.2). The services of regional catalyst include:

- network (community) building
- user & developer recruitment

- marketing & awareness raising
- communication between the DBE project and local SMEs
- training & support
- evaluation of training, community building and ecosystem evolution
- access control
- R&D tasks and collaboration during the project
- regional policy impact
- assisting with additional (national) funding .

The major changes in the service offering presented above compared to the service offering presented in the project preparation phase (Technical Annex) concern marketing, awareness raising and communication (between the DBE project and SMEs). The need for these services has been articulated by several instances.

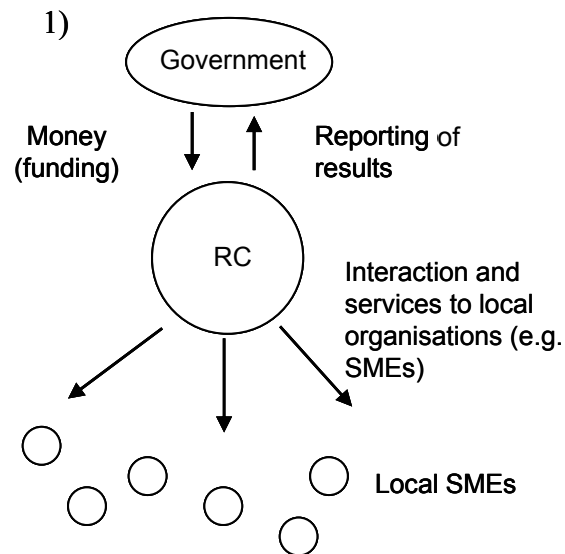
Another addition to the service offering is evaluation. The importance of evaluation is discussed in detail in the D28.1. Evaluation refers to evaluating training itself but more importantly to evaluating the community building (ecosystem formation) and making the evolution of the ecosystem more transparent. The third major addition to the service offering is the R&D tasks. This point was raised by the project partners and is a DBE project phase specific concern.

These tasks vary according to the project phase, or maturation of the DBE. For example, R&D tasks are project-related tasks, marketing and awareness-raising is emphasised in the build-up phase, and access control while the DBE is up and running. The tasks also vary according to the target customers and target segments. Driver SMEs need quite different services than user SMEs. The tasks also vary according to the domain vs. region specificity of a catalyst. For example, the task of policy impact is more of a task to be carried out by a region specific catalyst.

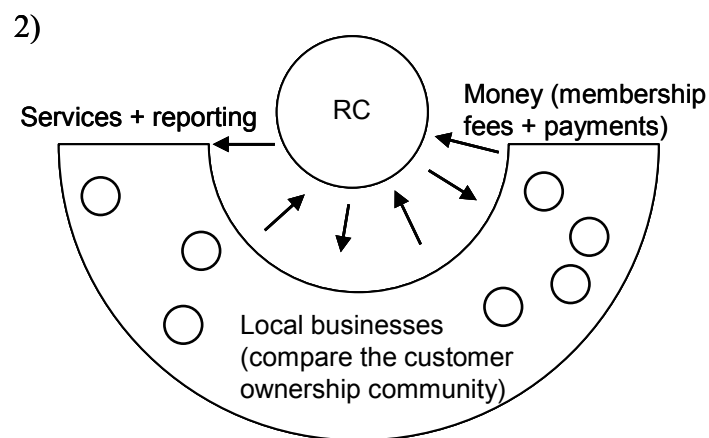
1.2.3 Organisational Models

As a conclusion from the interviews with current regional catalysts and discussions with some driver SMEs, in D 31.1 we have identified four organisational models for regional catalysts. The models describe different types of regional catalysts from a high-level governance perspective rather than from inside the organisation. The customer groups and service offering are somewhat similar between the organisations but the differentiating factors are in the governance issues: ownership, mission and legal form.

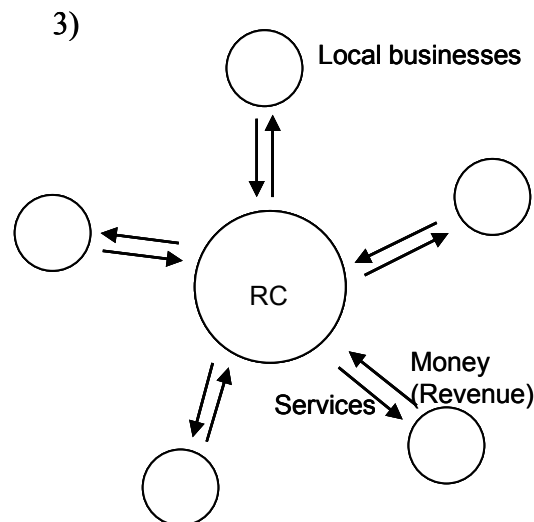
In the first organisational model the regional catalyst organisation works closely with governmental bodies. “Government” here refers to either local, national or European government or a public body. The regional catalyst gets funding from the government and reports on the results to the government. The services are provided to local companies, SMEs. The SMEs may or may not pay for the services. However, the actual (paying) client is the government.



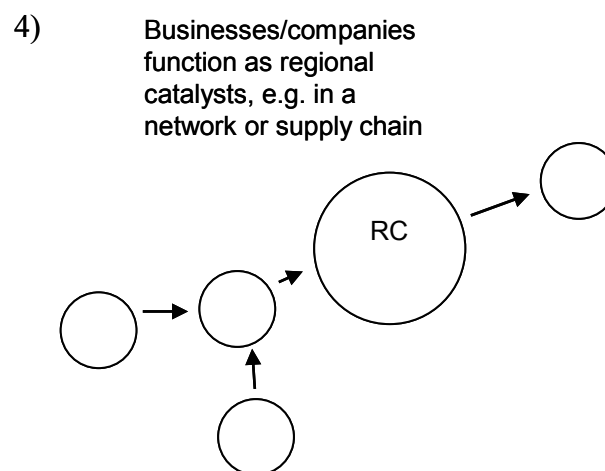
In the second organisation model the regional catalyst interacts with a community of local companies. The community could refer to a customer ownership model or association. The regional catalyst provides services and reports results to the customer community. The companies pay membership fees and possibly also for some services to the regional catalyst.



In the third model, the regional catalyst interacts with local businesses providing services to companies and companies pay for these services. The regional catalyst activity is purely market driven.



All the models above have included a third party carrying out the catalyst activities. In the fourth model, the regional catalyst is a local business itself. It may be a network head company influencing and catalysing the whole network (e.g. a systems integrator or a driver company in a network). In this model, business “catalyses itself”. This alternative for a model of regional catalysts was articulated by some driver SMEs.



The roles of catalyst organisations may differ according to DBE maturity; one model (and thus an organisation) might be most suitable for the DBE project phase, another for the build-up phase and a third for the sustained DBE. It may be that none of these organisational models (and thus an organisation) fulfil the expectations for regional catalyst even in different phases. Catalyst activities might be carried out better by a dynamic or evolving network of organisations than a single organisation: a changing combination (the combination changes with regard to the DBE maturity and domain vs. region specificity) of regional catalyst organisations with different models.

1.2.4 The evolution of Regional Catalyst models and operations

The most important research finding in the research process so far has been the identification of the evolving and changing nature of Regional Catalyst action in the DBE. This fundamental understanding is summarised as a business idea model in the figure below.

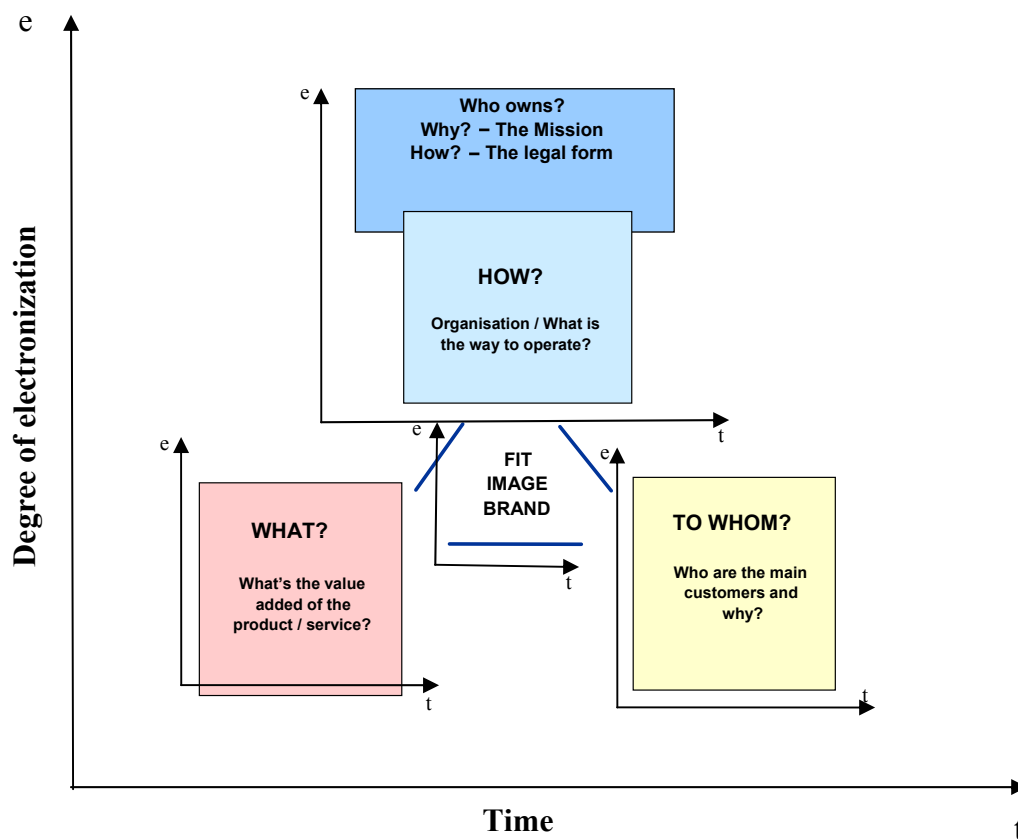


Figure 3. Evolutionary research framework for Regional Catalysts.

Based on the generic model described above we have identified three dimensions along which the regional catalyst concept can be further defined. The dimensions are the scope or specificity of regional catalyst, DBE phases and business model. These axes each include 2-3 basic categories. The figure below illustrates these axes and parameters.

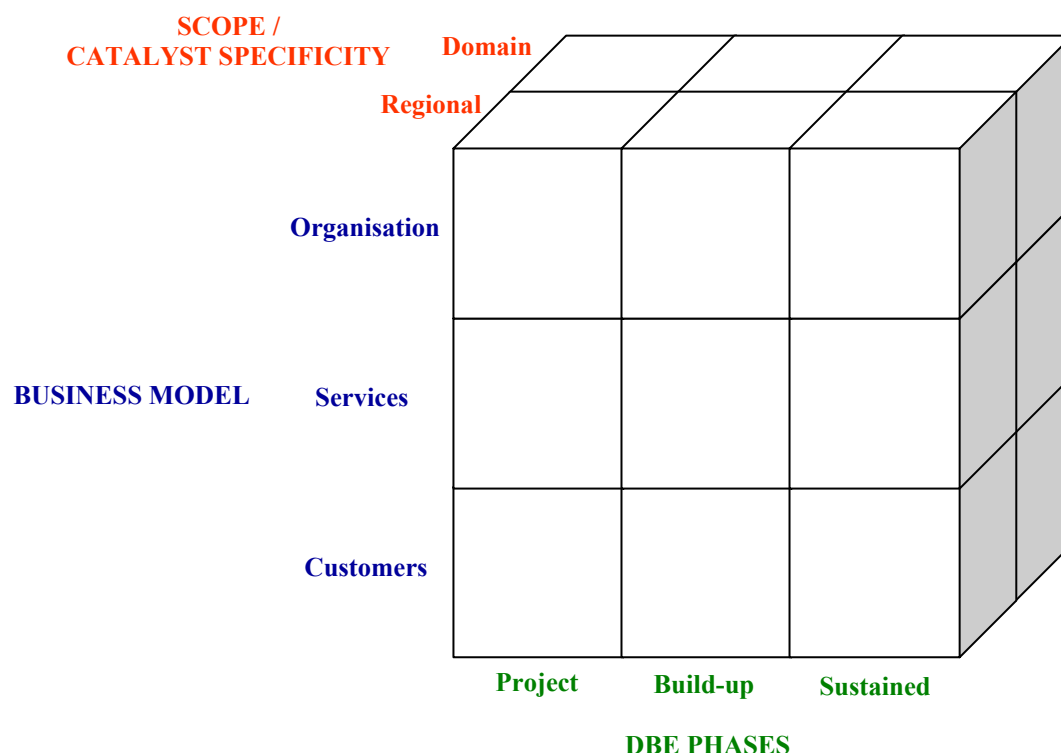


Figure 4. The Concept of Regional Catalyst in the DBE.

“Scope” and “DBE phases” set parameters in which the regional catalyst concept can be defined: the DBE phase is either in 1) project phase 2) build-up or 3) sustained and the regional catalyst scope is 1) domain specific 2) regional specific. In contrast to this, the parameters of the third axis change with regard to the two other axes: e.g. target customers change with regard to the scope and DBE phase and the (optimal) service range changes with regard to the scope and DBE phase (see Figure 8). The optimal values of the parameters on the business model axis also change with regard to each other: e.g. services vary according to the target customers. Each of the parameters of the business model axis also needs to have values at the same time: a regional catalyst must have a set of services, target customers and a model for organisation. Thus regarding cause effect relations, the DBE phases axis is the primary dominating axis, the scope is secondary dominating (scope is dependent on the phases) and the business model is the most dynamic (all of the parameters of this axis depend on the two other axes).

Due to the complexity expected from the Regional Catalyst entity illustrated in Figure 9, catalyst activities might be carried out better by a dynamic or evolving network of organisations than a single organisation unit. The Regional Catalyst concept sets

requirements of dynamic and evolving characteristics for the regional catalyst activity. A single organisation will most probably not meet these characteristics. However, a network or combination of regional catalyst organisations could form a Regional Catalyst entity meeting the features of complexity of the concept of the Regional Catalyst in the DBE presented in Figure 9. Hence a single organisation may not have extensive changes, e.g. changes in its organisational model or organisational form, while the catalyst activity takes place but the whole regional catalyst activity or regional catalyst entity evolves as illustrated above. This changing combination of regional catalyst organisations sets new challenges for the next step in the research process: constructing the operational construct for the Regional Catalyst in the DBE.

1.2.5 Social and institutional setting

The activities of Regional Catalysts are strongly influenced by the regional social and institutional environment. As presented in the deliverable 31.3, this social and institutional setting can be conceptualised as territorial capital of a region. Territorial capital is a measure of the DBE readiness of a region and is a combination of three dimensions:

1. social capital
2. level SMEs ICT development and
3. regional innovation capability.

Each of these dimensions can then be divided into sub-dimensions as illustrated in the figure below.

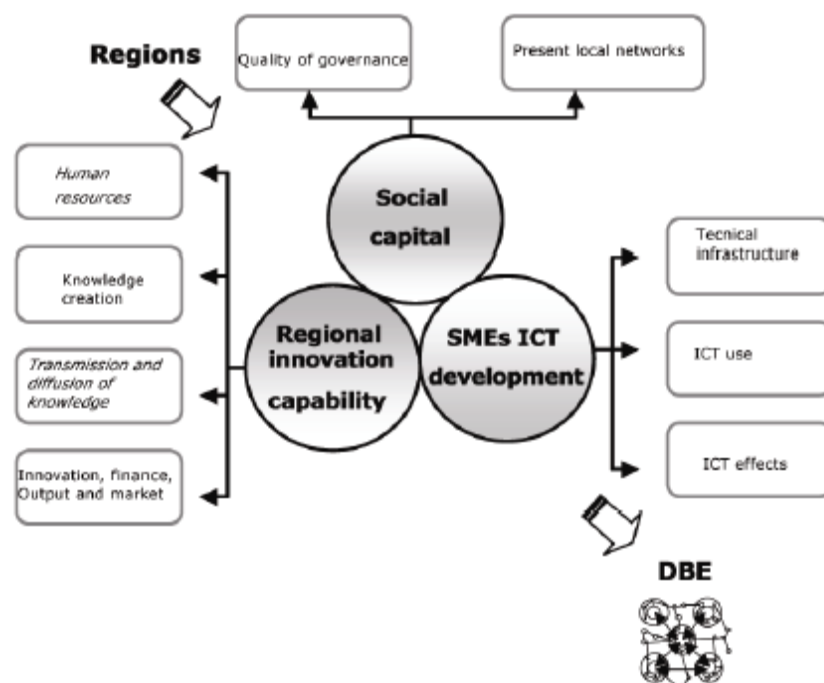


Figure 5. Elements of territorial capital in DBE.

In this social setting the mission of regional catalysts is clearly two-fold:

1. to match the generic potentials of DBE with the actual needs, opportunities and limitations represented in the territorial capital
2. to improve the territorial capital of the region in order to better utilise the potentials of DBE.

1.2.6 Focus of this document

As noted above, in the previous work on Regional Catalysts the foundations for RC activities have been developed from several perspectives. The social and institutional environment and the research framework and the key dimensions of RC action based on the classical business idea approach have been articulated. Especially related to training, a framework for the evaluation has been created.

In the business idea approach the key questions of analysis of any business, including regional catalysing business, are WHAT, TO WHOM and HOW.

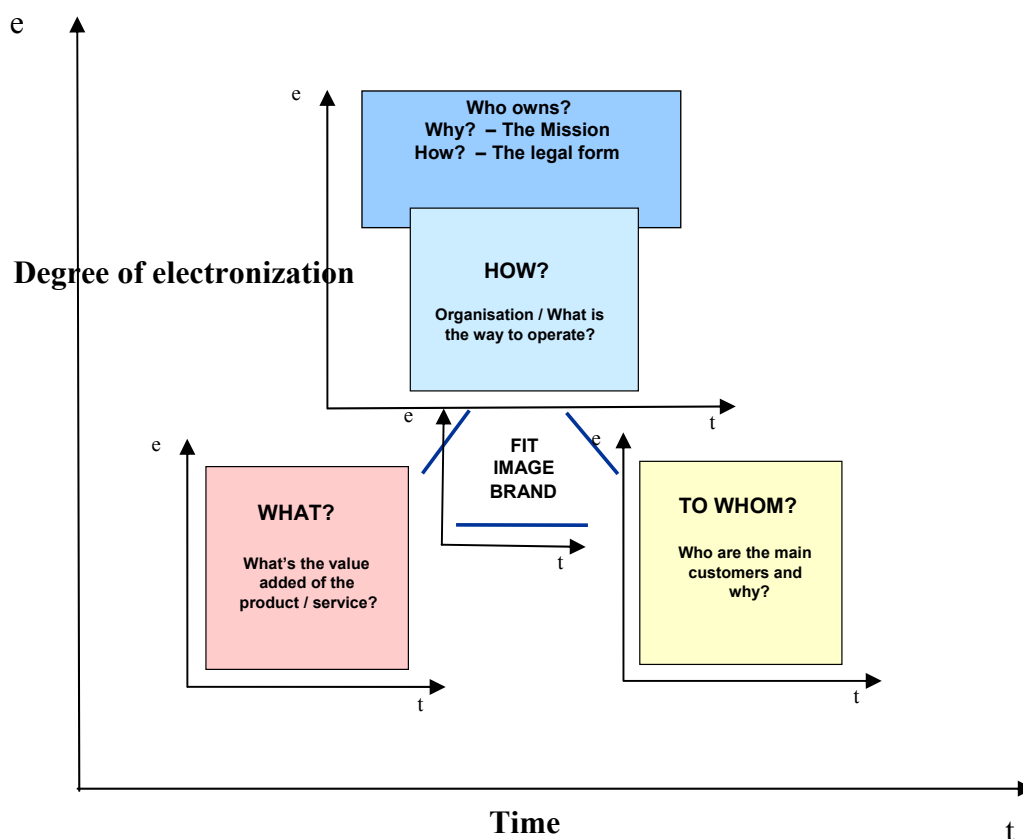


Figure 6. The main questions in DBE research framework for Regional Catalyst.

In D31.1 the focus of the empirical analysis was in the questions WHAT and TO WHOM. The document defined what regional catalyst action actually is and what are the services expected from and provided by a entity called Regional Catalyst in DBE. Also the customers and high-level governance and organisational model of such entity were identified. In D31.3 the focus of the analysis was in the territorial context of RC activities.

In this document, a closer look at the question HOW is taken. Following the basic ideas of Business Process (Re)-Engineering (BPR) approach, a complementary and a bit more detailed view on HOW-side of RC action is provided. This approach provides us with several advantages. It means firstly that instead of analysing what services are provided by whom and under what governance, the focus shifts naturally towards analysing how these services can be provided. Secondly, the BPR approach highlights the cross-organisational characteristics of business processes. This fits very with the fact that the RC services are typically not only provided by a single actor or organisation. As stated in the D31.1, in the context of DBE catalysing quite often requires collaboration of different organisational bodies. Thirdly the BPR approach allows us to describe RC activities as business operations, as larger entities and as measurable and sustainable business processes instead of single activities within the project. This is an important benefit when aiming at systematic evaluation and management of RC activities and looking for the means of sustainability of the DBE itself.

2 Core Processes and Main Functions of Regional Catalysts in Digital Business Ecosystems

2.1 Core processes

Core processes are an essential part of any business and are directly related to serving external customers. The external customers of Regional Catalysts in DBE, among which the core groups can be identified, include the following actors:

- driver SMEs
- expolorer SMEs
- implementer SMEs
- user SMEs
- regional catalyst associates
- regional policy makers
- national policy makers
- european policy makers, including EC officials
- open source communities.

Core processes also reflect the objectives of the business organisation. The objectives and concrete tasks of regional catalyst, as identified in D 31.1 and the technical annex of the DBE project can be listed as follows:

- Recruit 80-100 local SMEs.
- Support SMEs and populate the ecosystem
- Coordinate SMEs training at regional level
- Networks building
- Access control
- Marketing & awareness raising
- Communication between the DBE project and the local SMEs
- Disseminate results, transfer and adoption
- Activate local policy makers
- Mobilise indirect funds at national level.

Summarising the above mentioned customers and objectives, based on D31.1 and the practical lessons during the initial phases of DBE project, the core processes of RCs can be crystallized as:

1. SME engagement
2. Policy Integration
3. Cross-regional networking.

The SME Engagement process (E) aims at integrating different types of SMEs into DBE as users and developers. There are several levels of engagement, starting from being aware of DBE enabled business opportunities and ending to executing all business transactions within DBE. From the SME point of view the aim of the process is to fulfil the SME business needs when engaging with DBE and match DBE with the business requirements of the SME.

The Policy Integration process (PI) aims at linking DBE with the different policies of regions. The linked policies may include technology and innovation policies,

general economic policy, employment policy, structural policies etc. The local communities of policy making utilising DBE and contributing to it also evolve in time and there are several instruments that can be used in order to catalyse this two-way evolution. Policy integration takes place not only at regional level but also at national and EU levels.

Finally, the **Cross Regional Networking process (CRN)** aims at creating networks of local ecosystems, where the different actors and species in DBE can seamlessly interact and learn from each other. In the evolution of DBE, at first only local and closed ecosystems emerge. Cross regional networks must be created and encouraged first in the European context but after achieving the critical mass they may rapidly expand to other areas of the globe as well. CRN supports and enhances the possibilities of E and PI processes.

These processes are executed by several functions of catalysing. The main functions of can be named as

1. Regional positioning
2. Resource mobilisation
3. Technology advocacy
4. Business networking and business development
5. Provision of learning support.

The contents, roles and competence requirements of these functions can be best described in relation with the core processes.

2.2 Main functions

2.2.1 Regional positioning and awareness rising

Regional positioning and awareness rising is typically the starting point of all catalyst operations. This function produces the information, knowledge and interest needed in the following phases of each of the processes. For the E-process this function is mainly about analysing the needs and requirements of local SMEs and business networks in relation with the value proposition of DBE. In the PI-process the value proposition of DBE is matched with needs at the level of innovation and technology policies. In the CRN process the units of positioning are regions. In regional positioning different regional benchmark tools (like that developed by Censis in D31.3) are utilised as main tools.

In the E-process the both elements of positioning are extremely dynamic, which makes the function very demanding, continuous and resource-intensive. Especially this is the case during the build-up phase of DBE itself. In PI-process, in contrast, the policy aspects remain usually quite stable and in CRN the regional characteristics are typically not subject to rapid changes.

In most of the cases the first results of matchmaking are naturally far from perfect as DBE represents an advanced conceptualisation of business models and economical development and a new collection of latest technologies leading to new business models and collaboration relationships. Thus, education in the form of awareness rising is among the essential operations already in the starting functions of catalysing.

2.2.2 Resource mobilisation

When catalysing an innovation like DBE a significant amount of resources needs to be mobilised. Here two basic categories of resources can be identified: internal and external resources.

Internal resources are those human and financial resources that are under the direct control of the regional catalyst organisation. Typically, the availability of these resources is a matter of internal decision making and reflects the priorities of the catalyst itself.

In most cases, however, the businesses RCs are not based on investment of own resources, but on the ability to mobilise external resources for desired purposes. Publicly funded projects from regional, national and European sources constitute here the main pool of potentially available financial resources. In the context of DBE, where to main seed investment has been made by the European Commission, the main task in this function is to find complementary resource for the next phases of DBE innovation and diffusion. Here the ability to create a synergic mix of national, regional and European resources is the key issue.

Resource mobilisation is not only about acquiring funds to support the diffusion and evolution of DBE. Another aspect of that is the capability to manage and distribute these funds properly and with best possible return-of-investment. From this perspective the ability to identify the most promising and sustainable application areas of DBE becomes critical. Also the possibilities to link DBE with other innovation and development programmes of the regions may increase the effectiveness of resource usage.

Concerning the mobilisation of human resources, RCs may utilise two alternative strategies. Most traditionally, RC organisations may prefer to internalise the resources, i.e. hire the persons with competences needed if they are not in already in the possession of the RC. The other option is to utilise external resources and create partnerships with regional catalyst associates. In the dynamic build-up period, when the strategies and targets of DBE community development continuously evolve, the latter option may become the preferred one.

The managerial challenges of human resources are somewhat different in each of these strategies. In the case of internalised resources, the challenges are traditional HRM issues, that most organisations are quite familiar with. If the RC organisation relies heavily on the external resources, the situation is more complex. External resources must be found and become motivated for the DBE mission from different perspectives as individuals and domain or technology experts. In this case the RC must also be able to deal properly with the sourcing policies and procedures set by the public financing authorities.

2.2.3 Technology advocacy

DBE is based on a large and complex set of advanced information and communication technologies (ICTs). Some parts of the DBE technology family are well known mainstream components (like Eclipse), some have been under active development for years without yet reaching the mainstream (like FADA) and some are new innovation aiming to solve some of the most urgent challenges in software industry and computer science (like MDA and EvE). The whole DBE infrastructure will be licensed as Open Source Software.

One of the tasks of RCs in their core processes is to provide a solid picture of the various DBE technologies and the overall architecture of DBE. Also the Open Source - nature of DBE must be carefully explained. In all core processes DBE technologies, their potential benefits and limitations and their competitive advantages must be clearly and realistically communicated to various target groups. Especially this is the case in those early phases of the DBE take-up, when technologically oriented and competent target groups are centrally at stake. Typical example of these target groups are the Driver SMEs and some potential regional catalyst associates like technology universities. In addition to communication, technology advocacy may mean provision of direct technical support. In the PI process technology advocacy is about integrating DBE technologies into the innovation roadmaps and strategies of the region.

2.2.4 Business networking and development

The business benefits of DBE become most visible in highly networked business environments. In the first real business scenarios, DBE technologies will provide a more cost-efficient and flexible way for existing business networks to get integrated at the level of information systems. In this way, DBE bootstrapping will utilise the existing social capital of business. In the latter phases, however, DBE has the potential to become the enabling technology for new business networks.

Given the dual central role of business networks in DBE evolution the role networking activities as an enabling activity within the core processes becomes self-evident. In the E process of the early phases of DBE, for example, business networking activities take place at least at two levels

- The most interesting unit of SME recruitment for DBE is an existing business network interested to implement and utilise DBE compliant services. DBE funds and other benefits may become a motivational factor for companies to strengthen their mutual cooperation. RCs are required to identify existing networks and their development need and to successfully engage them to DBE.
- In the selection of driver companies one important criteria is the potential synergy between their software services. In this way participation may lead to new collaboration mediated by the commonly used DBE technology platform. RCs should understand the integration potential of different services and the potential customer base for new more integrated services.

On the other hand, DBE open us completely new and more competitive business model, firstly for SW-developers and later also for their customers, i.e. user SMEs. RCs are also expected to communicate, develop and evaluate these new opportunities together with SMEs, local policy makers and the regional representatives from other regions.

2.2.5 Learning support

One of the key elements in the anticipated DBE evolution is the creation of learning communities. At first this happens at the level of individual and networked SMEs that will work together to implement and utilise DBE technologies in their businesses (E process). Later on, learning communities are expected to expand and include also regional policy makers and influencers. Finally, also inter-regional learning communities are expected to emerge.

Learning communities can be supported by attractive training activities and events, user-friendly e-learning infrastructure and active marketing and communication. The main target groups of training activities are regional SMEs (developers, open source community members, users) regional catalyst associates and regional policy makers.

2.3 Summary

The operational model of Regional Catalyst can be seen as matrix of core processes and main functions (see figure below). The core processes focus to fulfil the needs of external customers, which in the case of regional catalysts are SMEs, policy makers and regions. The main functions then, are the means to fulfil these processes and achieve the objectives. The main functions can also be interpreted as support processes.

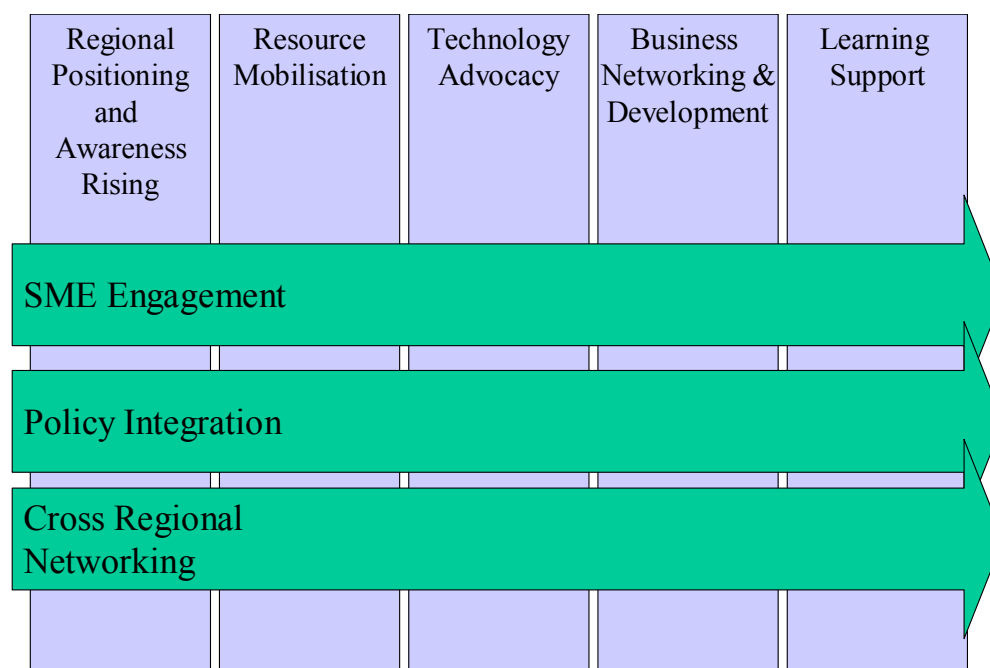


Figure 7. Core processes and main functions of regional catalysts in DBE.

By identifying the core processes and main functions Regional Catalyst organisations can focus their resources on the most crucial operations and identify the competencies that are needed. Core processes and main functions also provide a basis for internal and external evaluation of RC operations, that will be discussed in more details in the following chapter.

3 Evaluation of DBE Regional Catalyst Operations

3.1 Focus and purposes of evaluation

As part of the DBE project, a large set of evaluation activities will be carried out for. From the point of view of operations of Regional Catalysts a ‘balanced scorecard’ assessment of the Regional Catalysts themselves is proposed to be used as the main tool of evaluation. The purpose of this specific evaluation is to support the build-up and management of the regional catalyst activities, understand their present situation, and to set standards for future participation by additional regional catalysts. The work complements the more high-level assessments of the regions undertaken by Censis, and the social science interviews and observations undertaken by LSE and the activity specific evaluations (e.g. training).

Balanced scorecard is a strategic management technique invented by Robert Kaplan and David Norton of Harvard Business School. It seeks to make objective and quantitative measures using four headings or ‘perspectives’ in order to provide a comprehensive and balanced view of an organisation that is able to usefully inform management. The measures are determined by the organisation itself, and the names of the four perspectives are often adapted slightly to suit the type of organisation. In the case of the DBE we will use the four perspectives:

- Financial
- User
- Business process
- Development.

The evaluation template below sets out the metrics that will be used under each of the four perspectives. The metrics are linked with the core processes and main function of Regional Catalysts as presented above and are focusing on those processes and functions that have been most central in the first 18 month period of the DBE project. As the DBE objectives are the same in each region, we will use this single template for all RCs in order to provide consistency and comparability.

It is important to understand that balanced scorecard is a strategic management technique that should help the RC itself, as well as the DBE Project Management to improve the chances of achieving success. The idea is not to ‘test’ RCs, but to investigate, especially over the course of time, how the different characteristics of each RC influence the role and the success of performing the key processes and achieving DBE objectives. The results may also influence current, and especially future RCs, in terms of how they set up and manage their DBE operations.

3.2 DBE Regional Catalyst objectives

Central to our task is to assess how the situation of each Regional Catalyst impacts on the achievement of the DBE objectives. For our purposes, and by focusing strictly on the first 18 months period of the DBE, these objectives can be summarised as:

- Sensitise the region to the opportunity of the DBE (= Regional Positioning and Awareness Rising- function)
- Involve the regional software industry in pilot actions (= Engagement Process)
- Support the pilot actions including a major training development (= Learning Support - function)
- Encourage the formation of a long-term sustainable DBE community linked to other such communities internationally (= CRN Process).

3.3 Metrics

Strategic objectives and missions are normally defined in relatively ‘soft’ terms, while objective assessment demands ‘hard’ measurements. Expressing strategic performance in terms of hard measurements is perhaps the most difficult aspect of Balanced Scorecard. Numerical measurements must be used where possible, but where these are impossible or meaningless then other techniques can be used that give a quantitative measure. In this system we have used:

- Ratings - these are agreed assessments of a parameter on a scale from 0 - 5 (where 0=none and 5=max) unless a different scale is specifically stated
- List count - where we count the number of items that can be listed
- Traffic light - to identify elements that are green (good), red (bad), or yellow (marginal)
- Multipliers - where items of differing types are being counted and the type has a bearing, then the item count is weighted by using the stated multipliers,

The next four subchapters describe the metrics in detail for each of the four balanced scorecard perspectives. The data is then entered on a spreadsheet or database. Most of the sections can be completed by the Regional Catalyst themselves, or any organisation intending to become a DBE Regional Catalyst. Some of the sections on customer perspective require interviews (ideally independent) with other organisations.

3.4 *Financial perspective*

3.4.1 **Business model**

The sources of organisational income that enable the RC to operate

Total annual income - amount in euro	
--------------------------------------	--

Analysis of income by source:

<ul style="list-style-type: none"> Public sector direct funding - amount in euro 	
<ul style="list-style-type: none"> Public sector project funding - amount in euro 	
<ul style="list-style-type: none"> Private sector sponsorship - amount in euro 	
<ul style="list-style-type: none"> Earned income from private sector clients - amount in euro 	
<ul style="list-style-type: none"> Other income (list) - amount in euro 	
Annual operating costs - amount in euro	
Percentage of costs that are fixed overheads - percentage of operating costs	
Revenue growth - annual percentage	
Cost growth - annual percentage	

3.4.2 **Financial security**

The extent to which the organisation can have confidence in its future

<ul style="list-style-type: none"> Capital reserves - amount in euro 	
<ul style="list-style-type: none"> Funding horizon - years 	
<ul style="list-style-type: none"> Current or last year excess income over expenditure - amount as percent of turnover 	

3.4.3 Financial independence

The economic ability of the organisation to follow its own agenda

<ul style="list-style-type: none">• Disposable reserves - as percentage of turnover	
<ul style="list-style-type: none">• Access to capital - Y/N	
<ul style="list-style-type: none">• Constitutional constraints - limits imposed on financial freedom	

3.5 *User Perspective*

3.5.1 Size

Number of full-time personnel	
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3.5.2 Identification

Perceived organisational role in region

<ul style="list-style-type: none"> User's own definition of the organisation and its objectives/mission - scale rating of verbatim response judged against organisation's own statements 	
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Customer's definition of service quality

<ul style="list-style-type: none"> List customer's requirements from support organisations - rating of how well these are met by the RC 	
--	--

Level of competition

<ul style="list-style-type: none"> How many other organisations can be named that cover the service provision listed in previous item - count of list 	
--	--

3.5.3 Human capital

Local network connections - List count of links with other regional/national organisations factored by multiplier according to type of link:

<ul style="list-style-type: none"> Cross-ownership x5 	
<ul style="list-style-type: none"> Project partnership x4 	
<ul style="list-style-type: none"> Mass project partnerships x1 	
<ul style="list-style-type: none"> Joint meetings x2 	
TOTAL	

Connections with regional and national administration

- rating of quality of influence over regional administrative decisions	
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International connections

- list count of number of organisations with whom there is interaction	
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Open Source connections

<ul style="list-style-type: none"> Organisational - list count of links with OSS players 	
<ul style="list-style-type: none"> Functional - rating of influence over OSS groups and bodies 	

Face-to-Face SME contact - number of equivalent full time persons engaged in face-to-face activity with SMEs x multiplier for level of contact:

<ul style="list-style-type: none"> Chairman/Chief Executive/Owner x10 	
<ul style="list-style-type: none"> Directors/Senior managers x8 	
<ul style="list-style-type: none"> Managers x4 	
<ul style="list-style-type: none"> Workforce x1 	
TOTAL	

Role as a support organisation (ie. relationship with SMEs) - add scores from list

<ul style="list-style-type: none"> Provide financial support 10 	
<ul style="list-style-type: none"> Provide advice 5 	
<ul style="list-style-type: none"> Provide facilities 7 	
<ul style="list-style-type: none"> Provide information 2 	
<ul style="list-style-type: none"> Other services (rate on scale 1 - 10) 	
TOTAL	

Closeness to target SMEs

Knowledge of and contact with the types of SMEs sought by the DBE:

<ul style="list-style-type: none">• Drivers - traffic light	
<ul style="list-style-type: none">• Software and online service providers - traffic light	
<ul style="list-style-type: none">• Discoverer SMEs - traffic light	
<ul style="list-style-type: none">• Opportunity Space (sectoral) SMEs - traffic light	

3.6 *Business Process perspective*

3.6.1 **Mission critical processes**

Organisational objectives/mission

Closeness of organisational objectives or mission to project objectives - rating	
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Organisational structure

Strengths of the structure of the RC in terms of DBE objectives?

• Ownership - rating	
• Management - rating	
• Operations - rating	
TOTAL	

Physical location

Extent to which RC is close to or distant from key players

• Travel time to regional capital - time in hours	
• Travel time to furthest significant (pop >100,000) conurbation - time in hours	
• Location in relation to the regional demographics (especially software industry) - rating	

3.6.2 **Support processes**

Strength of organisational infrastructure:

• Access to legal and administrative facilities - rating	
• Internal administrative systems - rating	
• Secretarial, marketing, PR, accountancy, management - rating	
• ICT technical expertise - rating	
• OSS/DBE technical expertise - rating	

TOTAL	

3.7 *Development perspective*

3.7.1 **Culture**

Backgrounds of personnel

Number of personnel with prior experience in:

• ICT projects – count	
• Open Source Software - count	
• SME management – count	
• SME support – count	
• Training – count	

Qualifications of personnel

Number of personnel with higher education/qualification:

• Degree level – count	
• Postgraduate qualification - count	
• Professional qualification - count	

Working environment

Degree to which the working environment encourages change and progression - traffic light	
Strength of formal communication - traffic light	
Strength of informal communication - traffic light	

3.7.2 **Personal development**

Appraisal

- traffic light based on: Green - eg. Formal system for linking training to organisational objectives Yellow - eg. Formal reviews at least	
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annually Red - eg. no formal system of appraisal	
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Formal training (paid for or professional courses)

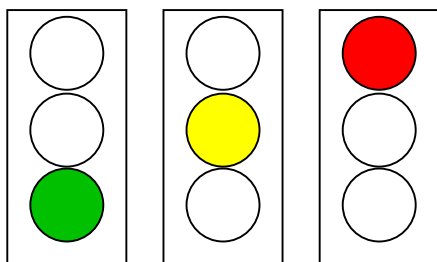
- traffic light based on: Green - Equivalent of more than 10 days/year training Yellow - >1 < 10 days/year Red – no formal training provided	
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3.7.3 Organisational development

Strength of change agents:

• Objective setting and reviews - rating	
• Market research/planning/forecasting - rating	
• Client feedback mechanism - rating	
• Transparent performance indicators - rating	
TOTAL	

Traffic light images



4 Conclusions

In the previous work on Regional Catalysts the foundations for RC activities have been developed from several perspectives. The social and institutional environment has been theoretically and empirically analysed and the key dimensions of RC action based on the classical business idea approach have been articulated. In the business idea framework, the key questions of analysis of any business, including regional catalysing business, are WHAT, TO WHOM and HOW .

In this document, a closer look at the question HOW was taken. Following the basic ideas of Business Process (Re)-Engineering (BPR) approach, a complementary and a bit more detailed view on HOW-side of RC action was provided. RC activities were described as business operations, as larger entities and as measurable and sustainable business processes instead of single activities within the project. Also, based on the Balanced Scorecard (BSC) approach, the first tool-set for the evaluation of RC operations was provided.

The operational model of Regional Catalyst can be seen as matrix of core processes and main functions. The core processes of RCs were named as:

1. SME engagement
2. Policy Integration
3. Cross-regional networking.

These processes are executed by several functions of catalysing. The main functions of were named as

1. Regional positioning
2. Resource mobilisation
3. Technology advocacy
4. Business networking and business development
5. Provision of learning support.

The core processes focus to fulfil the needs of external customers, which in the case of regional catalysts are SMEs, policy makers and regions. The main functions then, are the means to fulfil these processes and achieve the objectives. The main functions can also be interpreted as support processes.

The results of the work provide a crystallised basis for the management and evaluation of RC activities and thus strengthen the sustainability of the DBE evolution. The results will be used in the internal reporting of Regional Catalysts. Based on the lessons learned in the second phase of the DBE project, a revised model of RC operations will provided before the end of the project.

In the next steps of the research process on Regional Catalyst the focal area of activity will be evaluation. Firstly, the evaluation tool-set presented in this deliverable will be implemented in the regions and the results will be internally distributed. Secondly, a framework for the regional case studies, including several aspect of evaluation, will be developed and agreed within the DBE consortium. Thirdly, a set of regional case studies will be produced and published based on this framework. These case studies will look closer how the core processes are actually performed at the regions during

the course of the project and what can we learn from them. Based on these studies the revised version of operational model will be created.