

WP2 Knowledge Alliance and Center of Competence "HR for SME"

EXTENSION OF THE KNOWLEDGE ALLIANCE AND CENTER OF COMPETENCE "HR FOR SMEs"

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1. SUMMARY OF THE PROJECT

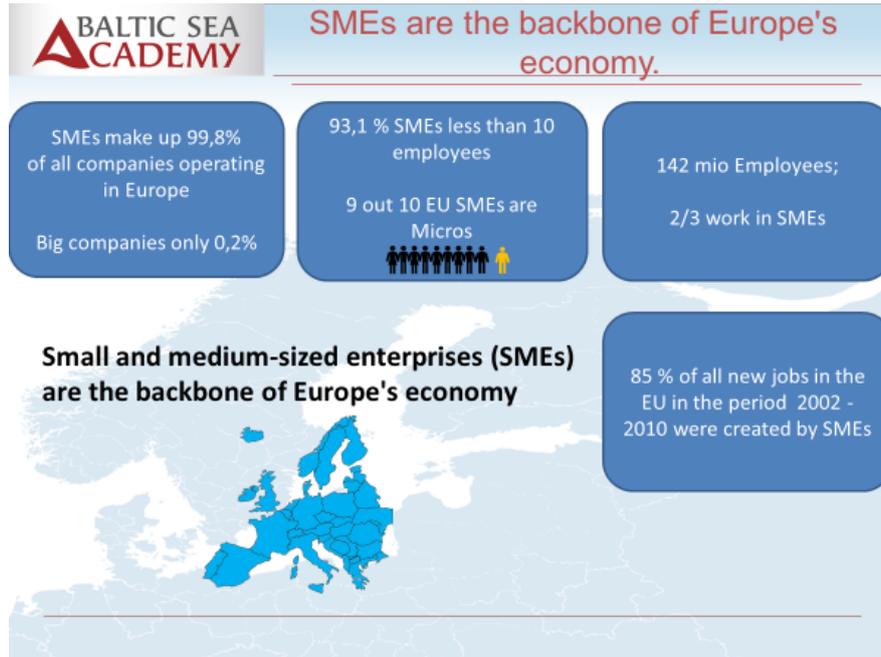
For SMEs in the Baltic Sea Region to remain competitive in the long term, it is necessary to increase their innovation capacity and reduce the gap between qualification requirements and demands. For this reason, the Knowledge Alliance "Human Resources and Organizational Development", consisting of eleven partners from four countries, relies on increased cooperation between universities and companies to realise education and innovation promotion. Chambers strengthen the partnership between universities and companies to reach as many SMEs as possible.

Human capital is the most important resource for strengthening innovation and productivity. Hence, the project focuses on the comprehensive promotion of Workplace Innovations. While there is a great need for further development in this area in the countries south of the Baltic Sea, Workplace Innovations are already more advanced in Scandinavian countries. Therefore, the project involves countries from both regions.

The alliance, which will be extended to 68 partners from 13 countries and permanently continued, focuses on cooperation in two areas. First, the development, testing, and implementation of SME-specific methods, instruments, and projects through R&D work at universities, that create workplace innovations in areas such as employee recruitment, motivation and digitisation, a more innovative working environment and more efficient use of human capital. Second, the strengthening of awareness and competences in this new area of innovation promotion for small and medium-sized enterprises in the Baltic Sea Region through qualifications. The project will develop and implement:

- a) three comprehensive continuing education programmes: "Digitisation & Cooperation", "Employees & Co-entrepreneurs" and "Innovation Processes".
- b) a dual bachelor's degree course: "Corporate Management 4.0."

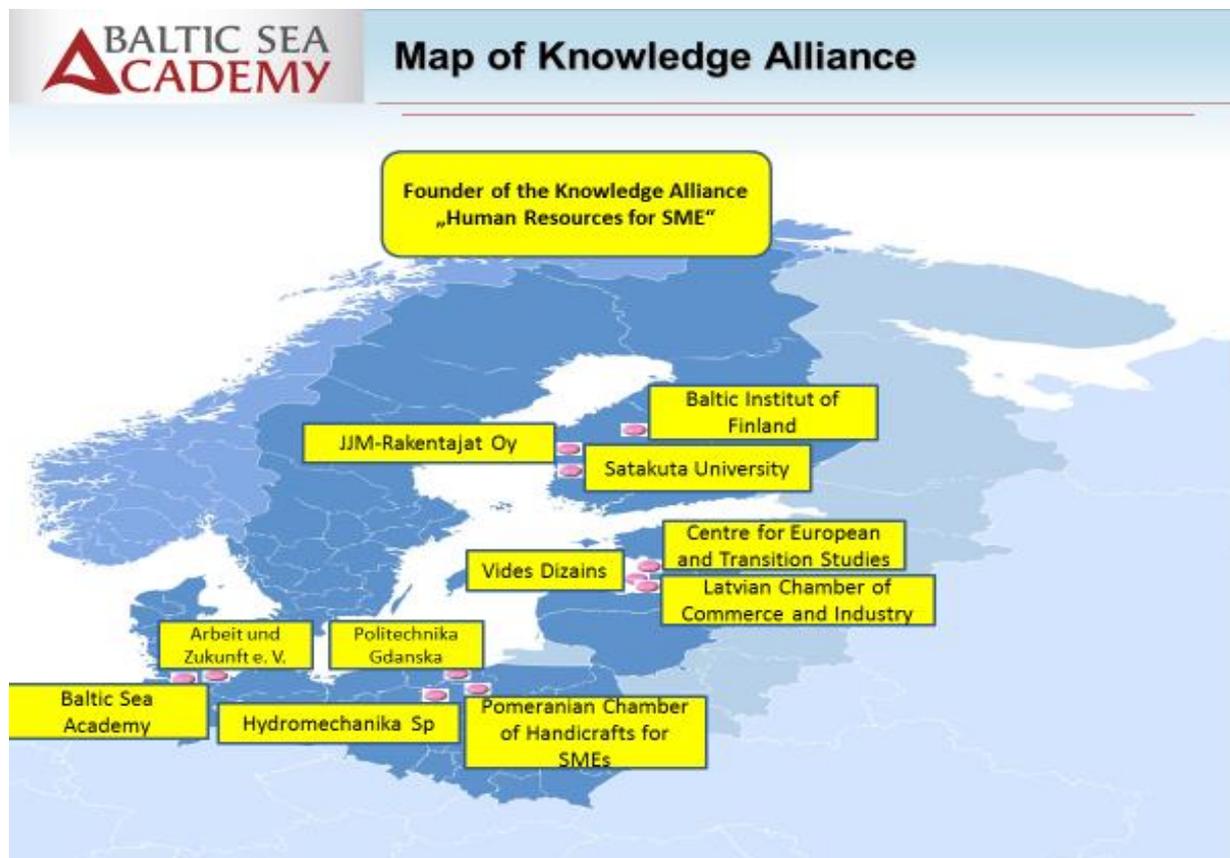
All products and further results will be transferred to 68 actors in 13 countries for implementation.



2. EXTENSION OF THE KNOWLEDGE ALLIANCE

The establishment of a Knowledge Alliance "Human Resources for SME" (HR4SMEs) with the eleven project partners from Finland, Germany, Latvia and Poland and with relevant actors, for example, economic chambers, vocational education and training institutions, universities, public institutions, etc. is part of the project KAforHR. The alliance is founded during the project, expanded to include other relevant institutions, systematically built up and further developed.

The Alliance, which started its work in the first months of the project, focuses on cooperation in two areas. On the one hand, through R&D work at universities, SME-specific methods and instruments are developed, tested and implemented that create innovations in areas such as recruitment, motivation and digitization, a more innovative working environment in SMEs and more efficient use of human capital through workplace innovation. On the other hand, further education and a dual study program will strengthen awareness and competence for this new area of innovation promotion for current and future SMEs in the Baltic Sea region.



The Knowledge Alliance was founded by eleven project partners involved in the project work from four Baltic Sea countries (Finland, Germany, Latvia and Poland). The aim is to extend the Knowledge Alliance to all Baltic Sea countries. This requires the acquisition of additional partners from the other Baltic Sea countries:

a) Higher Education Institution:

They are central partners of the Alliance, cooperate with each other across the Baltic Sea region, exchange experiences, implement joint development projects and carry out the following work at the local and regional level:

- Promotion of innovation and realization of R&D tasks with and for SMEs.
- Development of curricula and based on this permanent initial and further training of owners, managers and skilled workers of SMEs.
- Development of curricula for the permanent implementation of further training for SMEs by other training providers and SME promoters.
- Development and permanent implementation of Train the Trainer programs for
 - Teachers and counsellors of chambers and other VET providers.
 - Managers of SMEs who are involved in dual study programs as training partners and also teach at the university.
 - Own lecturers for the realization of educational tasks in the field of Workplace Innovations.

This will provide a sufficient number of qualified teachers at all participating institutions in all Baltic Sea countries.

Provision of lecturers for the implementation of educational and counselling programs by chambers and other educational institutions.

b) SME promoters, economic chambers and other educational institutions:

The large and colorful diversity of SMEs is contrasted by only a few higher education institutions which are concentrated in a few central locations. The higher education institutions have only limited capacity to establish contacts and exchange information with SMEs. Moreover, their workflows do not match the conditions of SMEs, which have minimal management capacities. On both sides, there is a fear of contact, speechlessness and lack of understanding. For this reason, the Alliance must include supporters of SMEs (in particular chambers and SME associations) who facilitate connections with SMEs on a needs-oriented basis, consult SMEs, provide SMEs with specific advice and further training, encourage SMEs to take part in dual study programs and participate in the implementation of teaching and development tasks.

Through the participation of the SME promoters, SMEs - also from rural regions - are involved in a large scale and connected to the higher education institutions. Also, the chambers are officially represented in political bodies at the regional and national level, so that they can achieve reform processes very well.

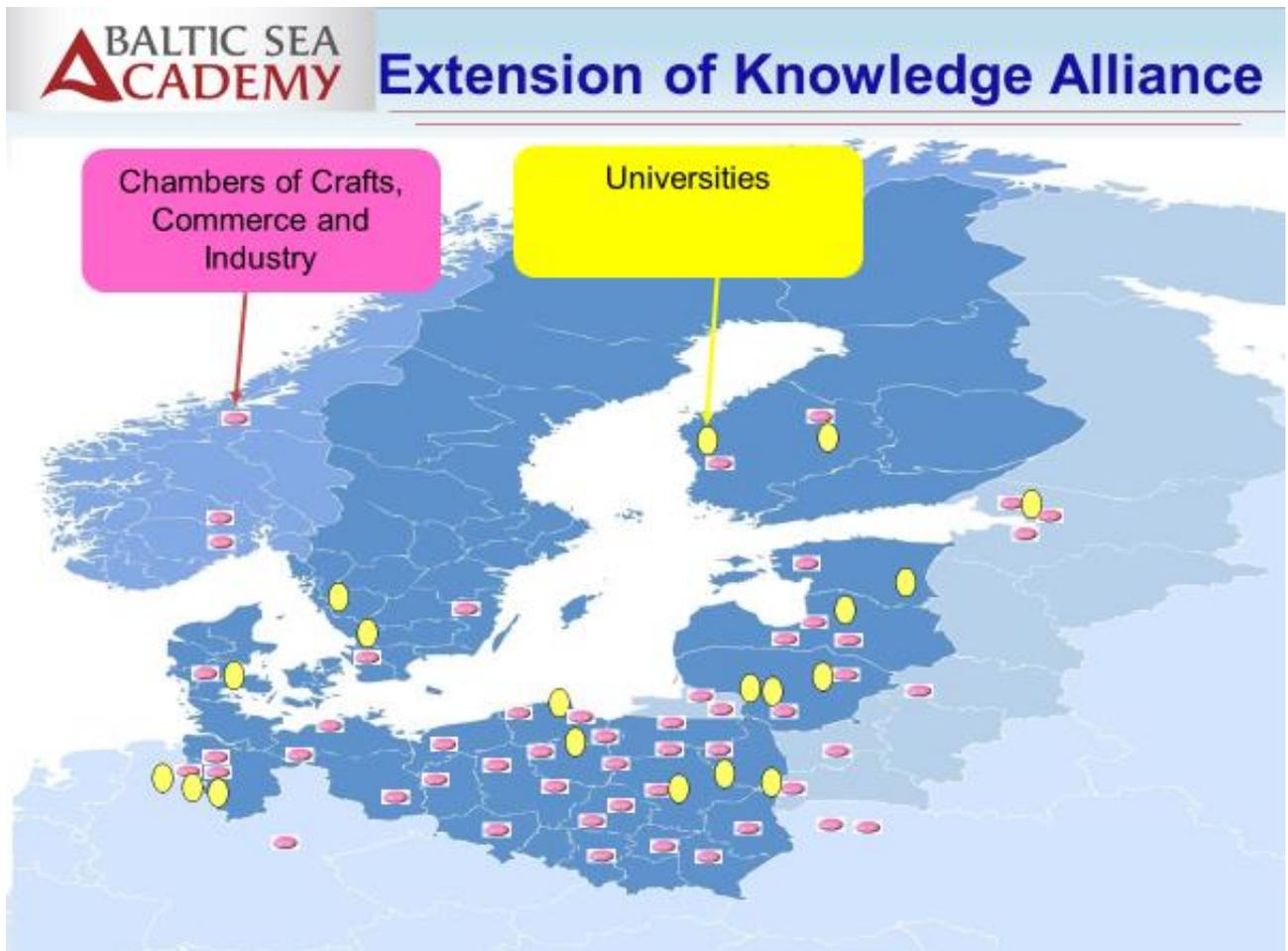
The chambers carry out the following work at the local and regional level:

- mediation between SMEs and universities
- advice and support for SMEs in the implementation of dual study programs
- Participation in R&D tasks in SMEs

- organizing initial vocational training and conducting courses on new technologies
- Implementation of further vocational training for SMEs and their employees
- acceptance of all examinations in vocational education and training
- advising and supporting SMEs on all relevant issues
- representing the interests of SMEs vis-à-vis all social groups

To cover all sub-regions, the Knowledge Alliance is to be expanded to include

- 50 economic chambers, SME associations, VET providers and other SME supporters (four of them are involved as project partners),
 - 18 higher education institutions (three of them are involved as project partners) and
 - 3 SMEs, who are involved as project partners
- from 12 Baltic Sea countries (see overview below).



Partner of the extended Knowledge Alliance

	Partner organization	Country	Type of organization
1	IPOSZ - Hungarian Association of Craftsmen's Corporations	Hungary	SME Support Institution
2	KONTIKI School	Hungary	VET Provider
3	Chamber of Craft Region Kaliningrad	Russia	Economic Chamber
4	Small Business Chamber Warsaw	Poland	Economic Chamber
5	Chamber of Crafts and SME in Szczecin	Poland	Economic Chamber
6	Chamber of Crafts in Opole	Poland	Economic Chamber
7	St. Petersburg Foundation for SME Development	Russia	SME Support Institution
8	Baltic Sea Forum e.V.	Germany	Regional Support Institution
9	Initiative Wirtschaft Mittel- und Osteuropa	Germany	SME Association
10	Craft Chamber in Rzeszów	Poland	Economic Chamber
11	Panevėžys Chamber of Commerce, Industry and Crafts	Lithuania	Economic Chamber
12	Dresden Chamber of Skilled Crafts and Small Businesses	Germany	Economic Chamber
13	Eastern Mecklenburg-Western Pomerania Chamber of Handicraft	Germany	Economic Chamber
14	Vilnius Builder Trainings Center	Lithuania	VET Provider
15	Estonian Chamber of Commerce, Industry and Crafts	Estonia	Economic Chamber
16	Chamber of Craftmanship and Enterprise in Białystok	Poland	Economic Chamber
17	Hamburg Chamber of Skilled Crafts and Small Businesses	Germany	Economic Chamber

18	Handicraft and Small Business Chamber Lublin	Poland	Economic Chamber
19	Handicraft Chamber Leningrad Region	Russia	Economic Chamber
20	Handicraft Chamber of Ukraine	Ukraine	Economic Chamber
21	Innovation Factory	Denmark	VET Provider
22	Kaliningrad Chamber of Commerce and Industry	Russia	Economic Chamber
23	Kyiv Chamber of Commerce and Industry	Ukraine	Economic Chamber
24	Kujawsko-Pomorska Chamber of Craft and SME's	Poland	Economic Chamber
25	Latvian Chamber of Crafts	Latvia	Economic Chamber
26	Latvian Chamber of Commerce and Industry	Latvia	Economic Chamber
27	Lower Silesian Chamber of Craft and Small and Medium-sized Businesses	Poland	Economic Chamber
28	Master Craftsman Committee Norway	Norway	SME Association
29	Nordic Forum of Crafts	Norway	SME Association
30	Organisation of Handicraft Businesses in Trondheim	Norway	Economic Chamber
31	Osteuropaverein der deutschen Wirtschaft	Germany	Business Association
32	Pomeranian Chamber of Handicrafts for SME's	Poland	Economic Chamber
33	Chamber of Crafts and SME in Katowice	Poland	Economic Chamber
34	Russian Chamber of Crafts	Russia	Economic Chamber
35	Schwerin Chamber of Skilled Crafts	Germany	Economic Chamber
36	Vilnius Chamber of Commerce, Industry and Crafts	Lithuania	Economic Chamber

37	Warmialand and Mazury Chamber of Crafts and Small Business	Poland	Economic Chamber
38	Wielkopolska Craft Chamber in Poznan	Poland	Economic Chamber
39	Hanse e. V.	Germany	Business Association
40	Belarusian Chamber of Commerce and Industry	Belarus	Economic Chamber
41	Schwerin Chamber of Skilled Crafts	Germany	Economic Chamber
42	Võru County Vocational Training Centre	Estonia	VET Provider
43	The Baltic Institute of Finland	Finland	Consultation Institution
44	Haus Rissen	Germany	Educational Institution
45	Arbeit und Zukunft	Germany	Consultation Institution
47	Wirtschafts-Förderungs-Institut Steiermark	Österreich	Economic Chamber and VET Provider
48	Marshal's Office of the Pomorskie Voivodship	Poland	Public Promotion Institution
49	Białystok Foundation of Professional Training	Poland	Educational Institution
50	Hanseatic Institute for Support of Small and Medium Enterprises	Poland	Consultation Institution
51	Hamburg University of Corporate Education	Germany	University of Applied Sciences
52	University 21	Germany	University of Applied Sciences
53	Hamburger Weltwirtschaftsinstitut	Germany	Research Institution
54	University of Latvia	Latvia	University
55	Centre for European and Transition Studies	Latvia	Research Institution
56	Brest State Technical University	Belarus	University
57	Saint-Petersburg State University of Service and Economics	Russia	University

58	VIA University College	Denmark	University of Applied Sciences
59	Tampere University of Technology	Finland	University
60	University of Lund	Sweden	University
61	University in Bialystok	Poland	University
62	Vytautas Magnus University	Lithuania	University
63	Panevezys University of Applied Sciences	Lithuania	University of Applied Sciences
64	International Business Academy	Denmark	University of Applied Sciences
65	Vilnius Gediminas Technical University	Lithuania	University
66	Gdańsk University of Technology	Poland	University
67	Satakunta University	Finland	University
68	University of Warsaw	Poland	University
69	JJM-Rakentajat Oy	Finland	Enterprise
70	Hydromechanika Sp. z o.o. Sp.K.	Poland	Enterprise
71	Vides Dizains	Latvia	Enterprise

Project Partners

The institutions of the extended Knowledge Alliance are involved in the project work as associated partners and participate in individual project activities (e.g. participation in workshops, train the trainer programs, etc.). They will receive all project results and personalized implementation advice.

The expansion of the Knowledge Alliance will be completed by formal resolutions of the 50 chambers and 18 universities/universities of applied sciences. The 71 partners from 12 countries manage the extended Knowledge Alliance and will jointly establish a Baltic Sea-wide Center of Competence "Human Resources for SME", which will continue the work of the Knowledge Alliance permanently after the end of the project.

3. SURVEY ON THE DEVELOPMENT OF CENTERS OF COMPETENCE

For the foundation and expansion of the Knowledge Alliance, the cooperation between universities, SMEs and chambers was examined. As a Center of Competence will be established in the course of the project which the members of the Knowledge Alliance will join, a study on Centers of Competence is included in this document.¹

3.1 COOPERATION BETWEEN UNIVERSITIES AND CHAMBERS/SMEs

SMEs often lag behind large enterprises regarding innovation. Large enterprises generally have their own research departments while SMEs are often too small to finance their own and suffer from limited access to research institutions (financial and non-financial barriers). Although there are a lot of activities and programs provided by the EU aiming at improving the cooperation between SMEs and universities, the success is still low. The application procedures for many programs are too complicated and time-intensive for the enterprises. And often, entrepreneurs do not even know about these programs.

A successful way of improving the cooperation between universities and SMEs is to start on the ground, i.e. at the level of the SMEs and universities. The present study follows this approach. First, the current situation, including the problems and good practices of cooperation between SMEs and universities, has been evaluated. Second, the aims and the next steps are elaborated.

This study does not only consider the cooperation between SMEs and universities but also between economic chambers and universities. Since the capacities are deficient in SMEs for communication and building up business contacts to universities, first contacts between universities and SMEs via chambers, which closely work together with SMEs in their daily work, are more practical. However, it has to be taken into account that membership in chambers is not mandatory in most of the BSR countries. Therefore, the role of the chambers differs accordingly.

3.1.1 STATUS QUO: COOPERATION BETWEEN UNIVERSITIES AND CHAMBERS/SMEs

What are the current problems of the collaboration between universities and chambers/SMEs?

Persons and Institution

There are huge differences between universities, SMEs and chambers concerning cooperation. The level of commitment varies widely, even within one group. When talking about improving collaboration among these institutions, one has to concentrate on the committed organizations instead of trying to get every institution on board.

¹ The surveys are based on the results of the project „Qualification, Innovation, Cooperation and Keybusiness for Small and Medium Enterprises in the Baltic Sea Region – QUICK“. Hanse-Parlament, Hamburg, Center of Competence for Innovation Support of SMEs in the Baltic Sea Region

Cooperation depends highly on the persons involved and is rarely institutionalized. Often, one very committed and motivated person in each institution keeps cooperation going. If this person leaves the organization (for example a professor retires), the partnership needs to be redefined by the successor. Furthermore, the cooperation between a university and an SME/chamber is highly related to one topic or research area. Therefore, several people in one organization might be involved in different forms of cooperation. But there is hardly one person or one department, which is responsible for the coordination of all existing cooperation of the organization and, thus, no single contact person is responsible for cooperation in general. This lack of structure creates a problematic situation, especially for outsiders who want to initiate collaboration with an organization but do not know who to contact. Some universities are establishing project coordination departments, which are responsible for gathering information about new research programs and share this information with the different departments. However, even those structures are missing in most chambers and SMEs.

The financial structure differs among universities, chambers and SMEs, and so does the wish to start cooperation. While universities mainly try to get funding for existing or new researchers, SMEs are interested in new products or outcomes, which increase the profit of the enterprise. These differences are also reflected in the preferred duration of projects. While universities try to get funding for projects with a longer duration, SMEs favor shorter projects with a fast delivery of results and outputs, which can then be capitalized. SMEs and even chambers have little experience and resources for complex project applications.

Universities, on the one hand, and SMEs and chambers, on the other hand, often talk in different languages. In the world of universities, project results are measured in number and quality of research papers published in various scientific journals. These research papers include a description of the theoretical background and the chosen approach as well as a detailed analysis. In contrast, SMEs and chambers need the results to be written in an understandable language. They prefer short reports instead of theoretical research papers. It must be possible to easily transfer the written results into action (improved processes, new products, etc.).

Both universities and chambers, offer seminars and other courses for SMEs. There is no coordination between the institutions so that it might happen that a university and a chamber in the same town offer very similar seminars. In doing so, they compete with each other.

Process

There is little communication between universities, chambers and SMEs. There are few possibilities where representatives of universities, chambers and SMEs meet by chance. Few universities take part in vision-processes of SMEs. Then again, SMEs and chambers also hardly take part in curriculum development of new study programs at universities. The interaction between universities and SMEs is low even though both institutions could contribute to the success of the respective other. Due to a lack of

possibilities for representatives of the different institutions to meet each other and thus to come in contact, it is increasingly difficult to start cooperation as meetings, and face-to-face communications are essential for it.

3.1.2 FUTURE AIMS

Persons and Institutions

The future objective is to share responsibilities among chambers and universities, to overcome the overlapping offers of universities and chambers, particularly seminars for SMEs but also consultation services. The two institutions should agree in advance on their offers for SMEs. That way offers become more attractive which is especially beneficial for chambers without mandatory membership. One possibility might be a division of the offers for SMEs according to the target group: universities provide seminars for the management level, chambers for the skilled workers. Another possibility is that the seminar offers can be divided according to content (management skills by chambers, technical skills by universities) or according to the degree/certificate that will be obtained.

It is desired that every institution has one post (or department) who is responsible for external communication, particularly for the cooperation with other institutions and SMEs. This does not only enable coordination of responsibilities between universities and chambers but also provides external institutions or SMEs with a central contact person to turn to. That way communication processes are institutionalized. This primary contact person can then pass on information internally. The name and contact details of this person must be available publicly, e.g. on the institution's website or newsletter. Internally, all employees need to support the communication manager, i.e. sharing cooperation activities of staff, relationships and contacts with other institutions and SMEs, as well as thematic orientation.

A second aim is aligning the interests of chambers, universities and SMEs to receive funding and make a profit. Currently, universities are looking for funding for research projects to finance present and additional employees. SMEs are looking for solutions which quickly result in additional profits. While universities generally look for longer research projects, SMEs prefer to have shorter projects with fast delivery of results.

Last but not least, research should be adapted better to work on the ground. This includes practice-oriented research topics. One way to better understand the problems of SMEs and to detect possible gaps for research is to send students in the enterprises (e.g. via an internship or for a bachelor or master thesis). Besides the main task of getting practical training, the students can act as intermediary between the enterprise and the university. This has already been carried out successfully by German universities, which provide dual study programs. Students are employed in an enterprise and concurrently study at a university. In doing so, they can apply their practical experience at the university and their theoretical knowledge to the company.

Processes

The face-to-face communication between universities, chambers and SMEs should be improved and institutionalized. Only face-to-face contacts can create a basis for sustainable cooperation. Conferences, workshops, fairs, etc. are places where universities, chambers and SMEs meet. However, it must be secured, that different institutions talk to each other instead of only being in the same room (e.g. round tables at conferences, etc.). Therefore, special side-events during larger events must be organized for craftsmen and professionals. Special forums are another possibility to bring together universities, chambers and SMEs. In these forums, the different institutions can exchange ideas, problems and experiences.

As mentioned before students can act as an intermediary in enterprises to transfer experiences from one institution to the other. However, it must also be possible for SME employees to gain experience at universities, e.g. through practical training or an internship at a university lab.

Especially cross-border cooperation requires good language skills, which is often a problem, particularly for smaller SMEs. It must be possible that SMEs can ask questions in their native language and not in English.

There are some excellent examples where universities support SMEs, e.g. via students working on specific tasks for the companies. The opposite, SMEs and chambers supporting universities, is rather uncommon. Because most students end up working in an enterprise, the qualification needs and wishes of enterprises must be considered in the curricula of universities. SMEs could, therefore, be included in the development of new or the adaption of existing curricula.

3.1.3 FIRST COOPERATION CONCEPTS FOR UNIVERSITIES AND CHAMBERS/ SMEs

1) The most important vision is close cooperation between universities and SMEs including

- Research that is more oriented towards the practice and needs of SMEs
- SMEs influencing activities of universities, e.g. development of curricula.

Particularly in Eastern European countries, systematic and closer cooperation between universities and SMEs must be initiated from the top, e.g. through political decisions or lobbying. Good PR could sensitize the relevant institutions to rapprochement and cooperation. In addition, round tables must be organized with representatives from all three institutions to elaborate on curricula or other study-relevant topics.

As mentioned above, joint conferences can bring together representatives from universities, chambers, and SMEs. In order to make them talk to each other, these conferences must include sessions with smaller working groups where the representatives of different institutions can exchange knowledge and experiences, and they can start to get to know each other.

Since there are some good examples for fruitful cooperation between universities, chambers and SMEs, an international exchange of these good practices is required. This exchange must not only be on the level of institutions (universities exchange with universities, chambers with chambers, etc.) but must go beyond. However, one has to consider that especially smaller SMEs have difficulties in freeing up employees (for practical training or even to knowledge transfer exchange events) since they need every single employee to cover daily work.

Last but not least, universities need to transfer scientific results in a more practical format for the enterprises (results written in an easy language on 1 to 2 pages maximum).

2) To improve the cooperation between universities, chambers and SMEs, every institution needs one central contact person.

First of all, the information about the right contact person must be available for external parties. This requires that there is a central contact person or department in each institution in the first place. If an institution has agreed upon one central contact person, the institution must build up awareness within the institution. All employees must know about this position and have to use it. An organigram must be developed with relevant information about the positions, names of the contact persons and their responsibilities. This organigram can be used both, for internal and external parties.

Round tables can be organized for persons with the same tasks or working area. These round tables can improve the cooperation between universities, chambers and SMEs on working level.

3) In order to intensify the cooperation between universities and SMEs, students must be more involved in the practical work of enterprises.

A stronger inclusion of practical work into the curricula must fit in the overall legal framework of the countries. For example, in Germany, dual study courses are permitted by law, which allows students to work and study concurrently. Another good example is the Satakunta University: here, the curricula include practical work in enterprises as part of the study courses.

4) Particularly in cross-border-cooperation, command of English is essential - not only for students but also for teachers.

In order to improve the knowledge of English of employees, English courses must be offered. At universities, participation in English courses should be accredited with credit points. In addition, it is not only necessary to talk about language courses, but also professional courses can be taught in English. Another possibility to improve English skills at university level is an exchange of teachers and the employment of foreign, English speaking teachers in the courses.

3.1.4 CONCLUSION

Although cooperation between universities and SMEs is a major concern of the EU, it still lacks behind set goals. A successful way of improving the collaboration between

universities and SMEs is to start at the basis, i.e. at the level of the SMEs and universities. The present study followed this approach. A small group of representatives of universities and chambers from countries around the Baltic Sea elaborated in a workshop (future workshop) existing problems of the cooperation between universities, chambers and SMEs, future aims (how would the cooperation look like) and first action concepts for the realization of the most critical objectives. In continuation of this work, the Hanseatic Parliament, which has been successfully promoting SMEs in the entire Baltic Sea region for many years, founded the Baltic Sea Academy, which currently comprises 18 colleges and universities from 9 Baltic Sea countries.



The Baltic Sea Academy promotes cooperation between universities, chambers and SMEs. In this respect, the most important problems that need to be addressed have been identified:

- lack of a central person/department, who/which is responsible for the cooperation with other institutions,
- different financial structures in universities, chambers, and SMEs,
- different aims of the institutions (research papers versus increasing profit),
- same offers for SMEs by universities and chambers without coordination between the institutions,
- little communication between universities, chambers and SMEs,

- little interaction between universities and SMEs,
- few possibilities for representatives of the different institutions to meet each other (little face-to-face-contact.)

Future aims for cooperation between universities, chambers, and SMEs:

- sharing responsibilities among chambers and universities (reduction of overlapping offers for SMEs),
- central contact person for external communication and the development of cooperation,
- mutual interest to get funding and profit,
- research should be adapted better to practice,
- improved face-to-face-communication between universities, chambers and SMEs,
- exchange of students and staff among universities and SMEs (in both directions),
- no language barriers (particularly for cross-border-cooperation),
- participation of SMEs in the development of curricula.

First activities were elaborated for the four most essential visions. The cooperation between universities, chambers, and SMEs through practical research and SME influence on university activities can be reached by:

- political decisions and lobbying,
- round tables for representatives of all three institutions to draw up curricula,
- joint conferences with smaller working groups,
- international exchange of good practice,
- scientific results in a short, understandable written form.

There is a need for a central person in each institution, who is responsible for cooperation and external communication. This person (or department) must be visible for staff members as well as for external parties (e.g. through an organigram). Round tables for persons in different institutions with the same working areas can improve the collaboration on working level.

In order to intensify the cooperation between universities and SMEs, students must be more involved in the practical work of enterprises, e.g. through a stronger inclusion of practical work in the curricula.

3.2 SURVEY ON THE DEVELOPMENT OF CENTERS OF COMPETENCE²

3.2.1 INTRODUCTION

Starting from the '90s in Europe, many Centers of Excellence (CoE)³, practically in all areas and disciplines, have been created. Although the concept of a Center of Excellence is often used, it is still somewhat ambiguous. Intuitively, each organization may be recognized as a "Center of Excellence", when it comprises and attracts excellent actors (ex. researchers, companies or others), earning a reputation as a significant resource for the progress of science and technology and the spread of innovation. In literature, the most basic definition of Centers of Excellence is "CoE is a team of people that promote collaboration and use best practices around a specific focus area to drive business result"⁴. A Center of Excellence is defined more broadly as "a premier organization providing an exceptional product or service in an assigned sphere of expertise and within a specific field of technology, business, or government, consistent with the unique requirements and capabilities of the CoE organization".

In literature, we can find a list of some key features which are part of the CoE concept. Each Center of Excellence should be characterized by:⁵

- a "critical mass" of high-level scientists and/or technology developers,
- a well-identified structure (mostly based on existing structures) with its own research agenda,
- an ability to integrate related disciplines or complementary skills, necessary to achieve strategic goals
- a capability of maintaining a high rate of exchange of qualified human resources
- a dynamic role in the surrounding innovation system (adding value to knowledge)
- high levels of international visibility and scientific and/or industrial connectivity,
- adequate stability of financing and operating conditions over time (the basis for investing in people and building partnerships) and, eventually, sources of finance that are not dependent on public funding over time.

CoE's activities include mainly conducting basic and applied research, implementation of projects and research programs and conducting educational activities, service and training.

Depending on the scope of activities, there are different types of Centers of Excellence: i.e. conducting research in a specific area, conducting broad interdisciplinary cooperation, engaged in research, based on research infrastructures, involving academic-industrial collaboration or developing the industrial implementation of R&D.

² Prepared by: Marzena Grzesiak, Gdańsk, Magdalena Olczyk and Marzena Starnawska, Gdańsk University of Technology

³ The term "Center of Competence" is hereinafter used to mean the name "Center of Excellence"

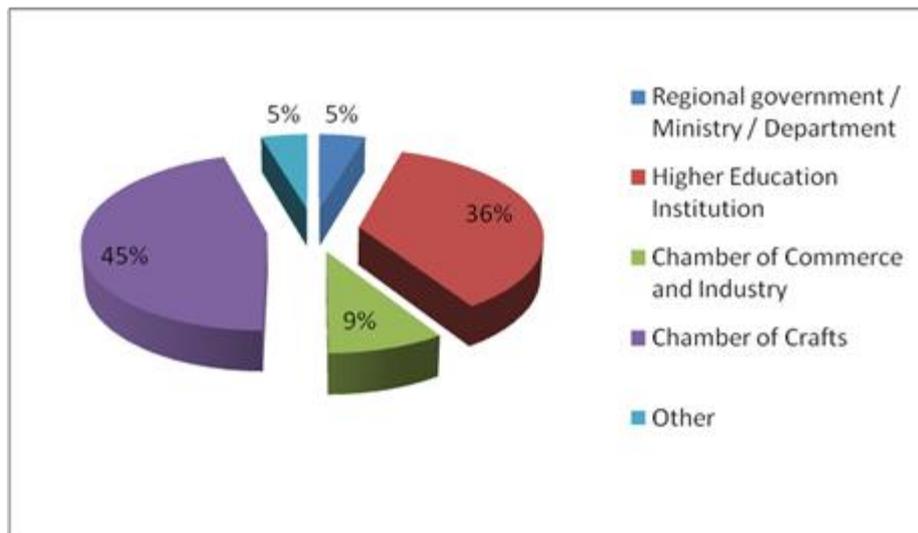
⁴ <https://agileelements.wordpress.com/2008/10/29/what-is-a-center-of-excellence/>

⁵ http://www.kpk.gov.pl/centra_doskonalosci/index.html

3.2.2 CENTERS OF EXCELLENCE –SURVEY RESULTS ANALYSIS

A written survey of all project and associated partners was conducted. As far as the organizations that responded to the Center of Excellence’s survey are concerned, there have been three main groups. Almost 45% of the respondents classified themselves as Chambers of Crafts, and only 9% as Chambers of Commerce and Industry. Slightly more than one-third of respondents were Higher Education Institutions. As a result, the opinions and interest in participation in different forms of CoEs are mainly based on the Chamber of Crafts and Higher Education Institutions.

Figure 1. Answers to the question: What kind of institution/organization do you represent?



NB: Percentage of answers (one respondent indicated two organizations)

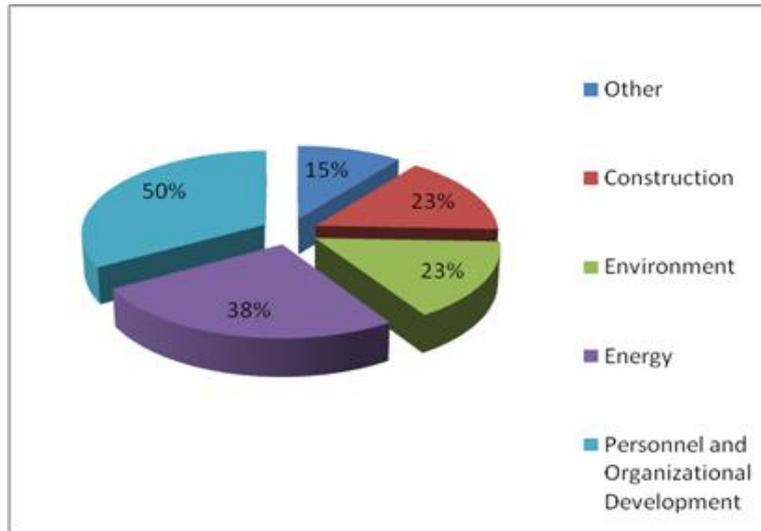
Respondents were asked what kind of CoE they would be interested and able to participate in. In the survey, they had a choice between five categories of CoE’s:

- “Environment”,
- “Energy”,
- “Personnel and organizational development”,
- “Construction”
- as well as “Other”.

The option “Personnel and organizational development” is represented in 50% of all answers given to this question. “Energy” is the second most frequent answer – 38% of all responses. “Environment” just like “construction” constitutes 23% of all answers. “Other” includes “vocational training (for SMEs)”, “SME management and financing”, “promotion of craft sector and entrepreneurship”, “service quality management”.

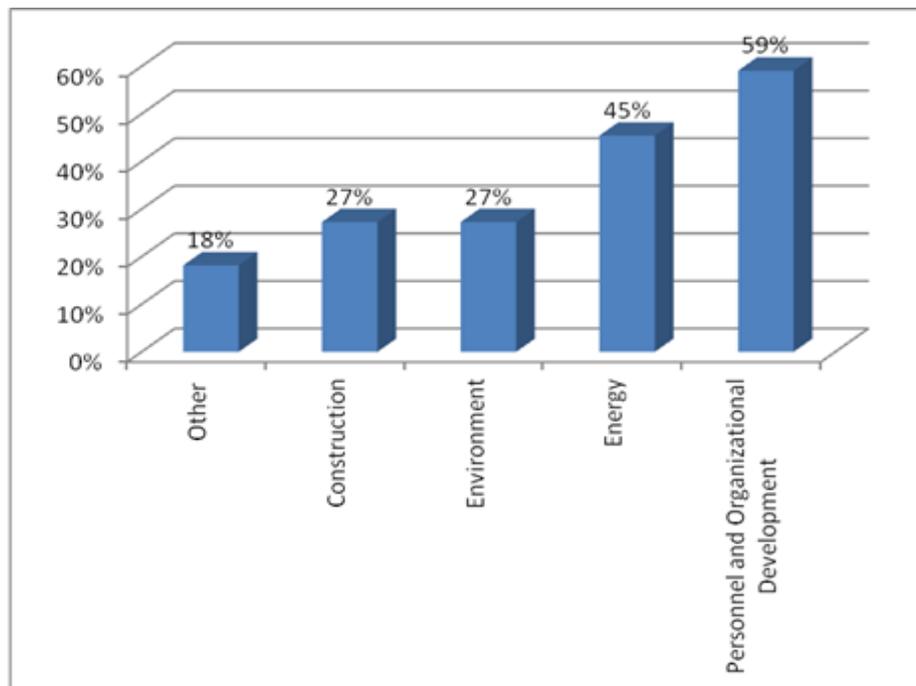
Figure 2. Answers to the question: What kind of CoE could you participate in?

Percentage of answers



Almost 60% of all respondents are interested in the participation in “Personnel and Organizational Development”. As for “Energy” – 45% of them choose it, and 27% of organizations can participate in “Construction”, as well as “Environment” CoEs.

Figure 3. Answers to the question: What kind of CoE could you participate in?



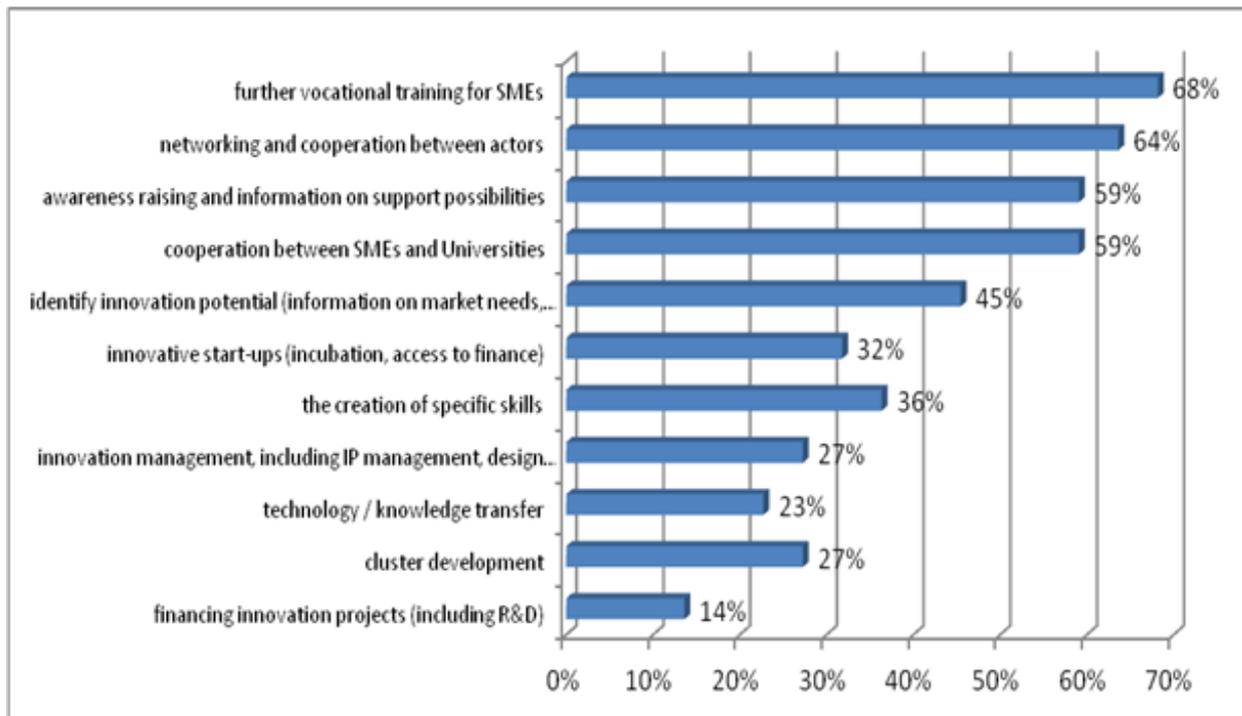
Percentage of respondents; Please mind respondents could choose more than one answers. Therefore, answers do not sum up to 100%.

We also asked what type of innovation support respondents’ institutions/organizations could be involved in (Figure 4). Almost seventy percent of respondents (68%), indicate that they can be involved in support of further vocational training for SMEs whereas 64% of organizations can be involved in support of networking and cooperation between actors. Almost 60% of the surveyed institutions can be involved in support of

raising awareness and information on support possibilities and in support of collaboration between SMEs and universities. Around 45% can do so in terms of supporting the identification of innovation potential. It is interesting to see that 27% can be involved in support of cluster development and innovation management issues, including IP management and design. Respondents display relatively high interest (36%) in their organizations supporting the creation of specific skills (Figure 4).

Similarly, the most frequent option chosen by respondents is the interest in “support for vocational training for SMEs” (15%), and “support for cooperation and networking between actors” (14%). Thirteen percent of all answers refer to “support for cooperation between SMEs and universities” and also “support for raising awareness and information on support possibilities” (Table 1).

Figure 4. Answers to the question: In the Center of Excellence, what type of innovation support could be your institution/organization involved in?



Percentage of respondents

Table 1. Answers to question: In the Center of Excellence, what type of innovation support could be your institution/organization involved in?

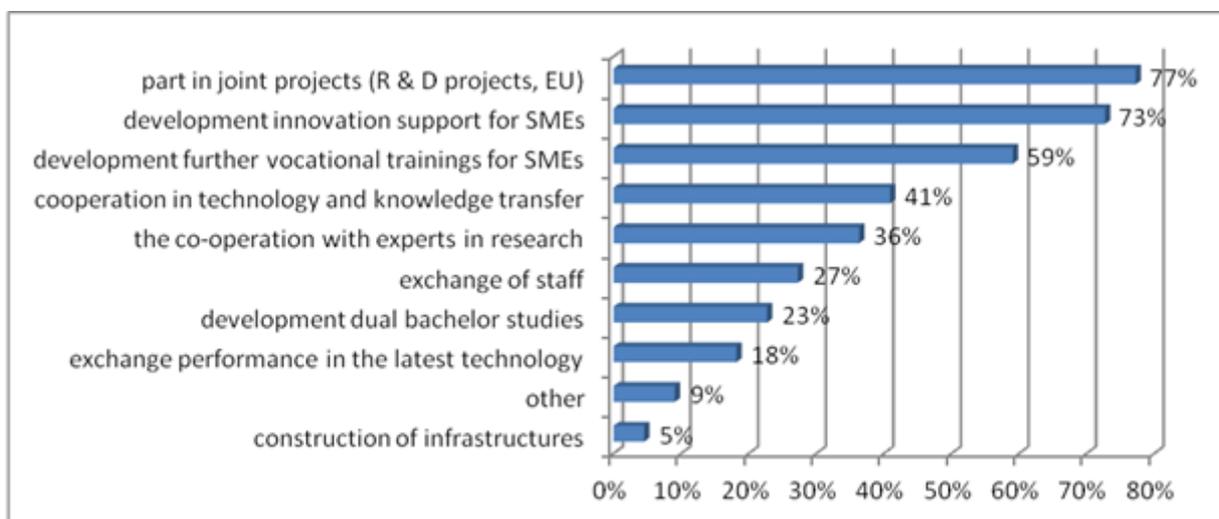
Involvement of the institution in the type of innovation support	Percentage of answers
further vocational training for SMEs	15%
networking and cooperation between actors	14%
cooperation between SMEs and Universities	13%

awareness-raising and information on support possibilities	13%
identify innovation potential (information on market needs, market conditions, new regulations, new technology, etc.)	10%
the creation of specific skills	8%
innovative start-ups (incubation, access to finance)	7%
cluster development	6%
innovation management, including IP management, design management and organizational innovation	6%
technology / knowledge transfer	5%
financing innovation projects (including R&D)	3%

Percentage of answers

Respondents were asked what benefits they expect from CoE participation. It is interesting to see that 77% of them expect participation in joints projects (e.g. R&D, other EU projects). Also, a little more than 70% expect the development of innovation support for SMEs. Almost 60% look forward to benefiting from the development of further vocational training for SMEs. Approximately 40% of surveyed institutions expect benefits such as cooperation in technology and knowledge transfer, whereas 36% of them would expect benefits in terms of cooperation with research experts. Only 23% would envision a benefit from the development of dual bachelor courses (Figure 5).

Figure 5. Answers to the question: What benefits do you expect in connection with participation in a Center of Excellence?



Percentage of answers

Similarly, the most frequent option, chosen as a benefit out of CoE is participation in joint projects (27% of responses), development of innovation support for SMEs (25%), development of further educational training (20%). Some respondents mention the exchange of contacts as well as international networking opportunities for cooperation in other markets (Table 2).

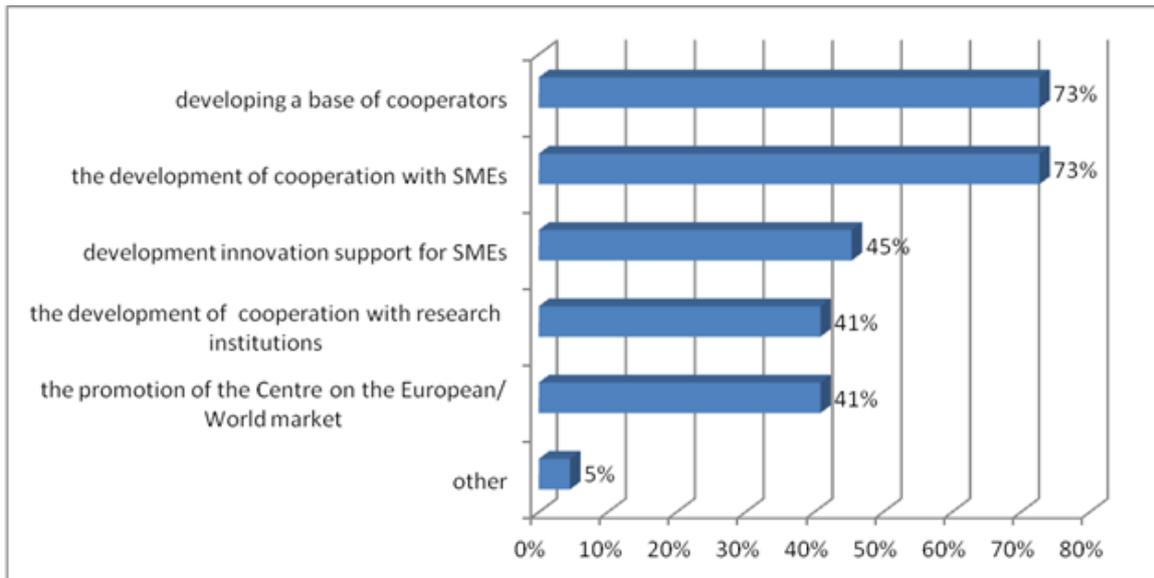
Table 2. Answers to the question: What benefits do you expect in connection with participation in a Center of Excellence?

Benefits expected by institution	Percentage of answers
part in joint projects (R & D projects, EU)	27%
development innovation support for SMEs	25%
development further vocational training for SMEs	20%
cooperation in technology and knowledge transfer	14%
the co-operation with experts in research	13%
exchange of staff	9%
development of dual bachelor studies	8%
exchange performance in the latest technology	6%
other	3%
construction of infrastructures	2%

Percentage of answers

Respondents prompted about actions that should be taken by members of CoE for their development acknowledge that “development of the base of cooperators” and also “development of cooperation with SMEs” is required (by more than 70% of organizations). 45% of organizations believe that CoE members should “develop innovation support for SMEs” as part of CoE activity. A little more than 40% of organizations believe that CoE members should “develop cooperation with research institutions” and “promote CoE on the European/World market” (Figure 6).

Figure 6. Answers to the question: What actions should be taken by the members for the development of Centers of Excellence? *Percentage of respondents*



Likewise, 36% of answers given to this question, stand for “developing a base of cooperators” and “development of cooperation with SMEs” (Figure 7).

One respondent indicates that members should make attempts at acquiring funds for CoE operation and promotion of CoEs.

For the surveyed institutions and organizations, “further vocational training” as a measure for promotion of innovations in SMEs is especially important – almost 70% of respondents acknowledge this. Nearly 60% find “cooperation between SMEs and universities” as important, and between 50-55% of them regard “technology and knowledge transfer”, “training and provision of management and professionals”, “information and exchange of experiences” together with “R&D for SMEs” as especially important.

Figure 7. Answers to the question: What actions should be taken by the members for the development of Centers of Excellence? *Percentage of answers*

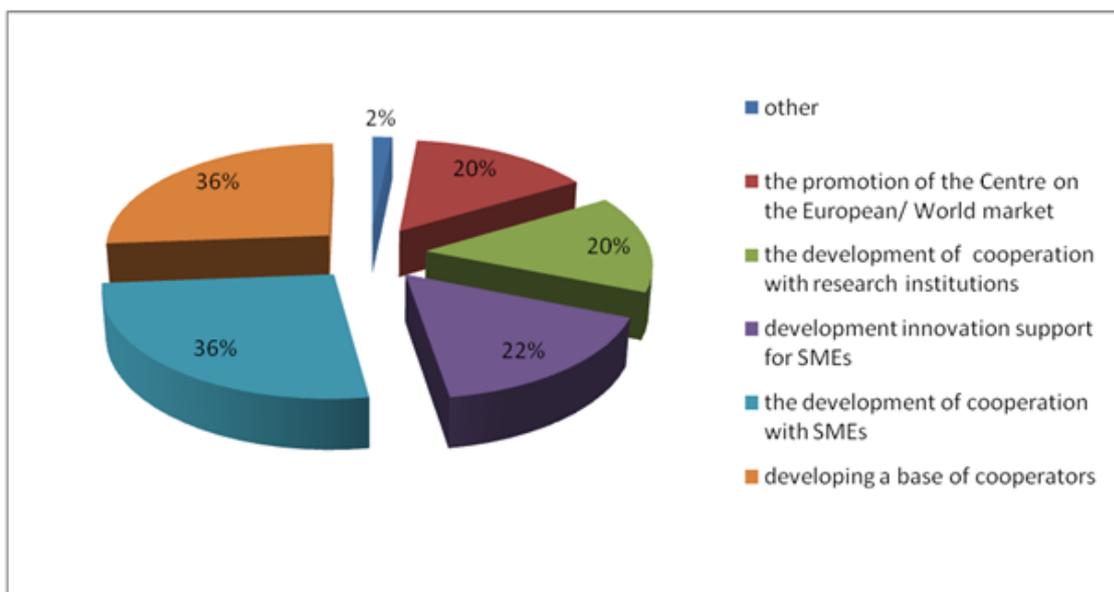
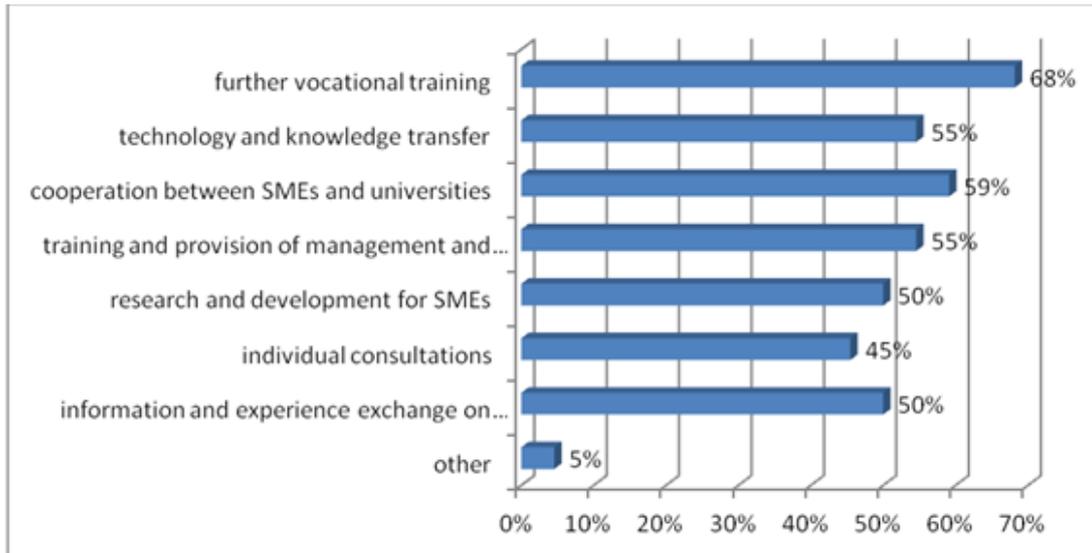
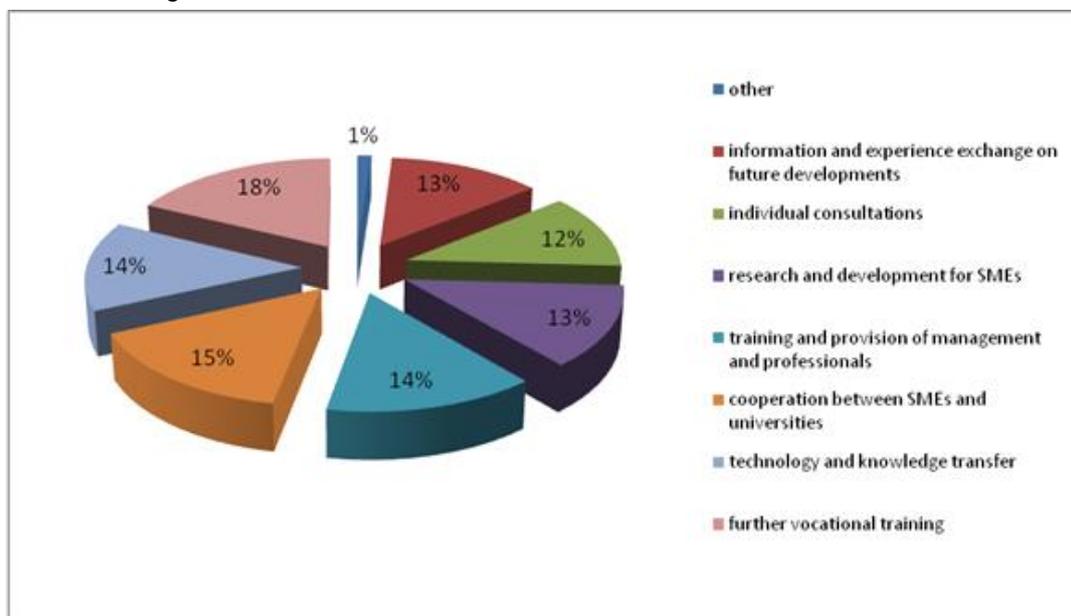


Figure 8. Responses to the question: What measures to promote innovations in SMEs, that should be realized by Centers of Excellence, are especially important? Percentage of respondents



Similarly, (Figure 9) the most frequent answer signifies the importance of “further vocational training” (18% of all answers), “cooperation between SMEs and universities” (25% of all answers), “technology and knowledge transfer” (14% of all answers) and “training and provision of management and professionals” for CoEs’ tasks and activities. One organization recognizes the importance of starting contacts between actors from different systems – there should be a body/person responsible for networking and cooperation for finding business partners and investors for universities. There should also be a larger emphasis on making bodies responsible for sustainable relationships between business and universities more visible and recognizable.

Figure 9. Answers to the question: What measures to promote innovations in SMEs, that should be realized by Centers of Excellence, are especially important? Percentage of answers



4. CONCEPT FOR CENTER OF COMPETENCE “HR FOR SMEs”

Basics

The Center of Competence is to be the approach to bring together science (teaching, research and development) and local/regional actors (e.g. chambers, SME associations, economic and regional development, etc.) as well as SMEs on a common topic in order to exchange experiences, carry out qualifications and design joint developments (product and process innovations).

Such a group (innovation incubator) meets at regular intervals. The group has a coordinating person who moderates the meetings and also ensures that topic-specific expertise (e.g. from a college/university) is called in. The demands on persons and institutions involved are above all, according to the underlying understanding of dialogues:

- Being open to interdisciplinary and transdisciplinary cooperation (i.e. also to the exploration of the interpretation/perception of the other disciplines and the operational practitioners).
- Being interested in a joint solution (winning together = win-win).
- Being able to translate technical language into understandable statements in order to facilitate joint learning.
- Being ready to understand the understanding of others (listening = to appreciate with head and heart the perceptions and statements of others in respect).

Partners of the Center of Competence are colleges and universities, chambers and other SME supporters and educational institutions. Local/regional politics including public funding institutions are to be involved for political support as well as for financial funding; further national and international funding is to be acquired, e.g. for investment funds, but also for the development of a personnel infrastructure including start-up financing for the coordinating institution as well as material resources and travel expenses. Potential companies must be acquired in good time and involved in the conceptual development.

It should be started rather small, which also means: accept normality with regard to demand, but create excellence in supply. In any case, this means using the existing networks, tackling rather low-threshold topics, not wanting to integrate all disciplines, not involving too many companies - but starting and testing are desirable and promising.

Concept

The international organisation Hanseatic Parliament embodies:

- Baltic Sea Chambers: An association of fifty chambers of commerce, SME association and VET institutions from thirteen countries, dedicated to promoting SME, in particular, implementation of dual vocational training and further education and strengthening of innovations.

- Baltic Sea Academy: An association of eighteen colleges and universities from nine countries, implementing dual Bachelor's degree programs and promoting vocational training and innovation in SME.

Over twenty years of experience of the Hanseatic Parliament suggest that measures on innovation promotion in SME should be broadly defined, covering and including all relevant areas, such as,

- ✓ implementation of research and development projects
- ✓ knowledge and technology transfer
- ✓ qualification measures for management and employees
- ✓ internal, inter-company, and international cooperation
- ✓ group and individual business advice

It is key for SME to receive funding and services from a single source, tailored and just in time. A pivotal task of chambers is to secure these parameters, for chambers are the first and regular contact partner for businesses. They establish networks promoting SME, bundling their forces for sharpening their focus on SME. In such networks, chambers undertake a lead initiative, they coordinate tasks and they are the central point of contact, also involving further funding institutions, especially universities and colleges. Having such a single point of contact, SME can draw upon the potential of an entire region.

In such networks, the task of chambers is also to ongoingly advocate SME-specific interests vis-à-vis policy makers, administrations, universities, colleges, etc.

Being a supportive network structure for the BSR, chambers, and by carrying out the mentioned essential promotional tasks for SME, the “Baltic Sea Chambers” of the Hanseatic Parliament is assuming central development work, promoting innovation and attracting also other institutions, mainly colleges and universities for a cooperative provision of funding.

Colleges and universities are indispensable institutions for qualification measures and promotion of innovation in SME. Consequently, together with eighteen colleges and universities, a second pan-Baltic-Sea funding network for SME was established, the “Baltic Sea Academy”.

Such established system of promoting innovation has turned chambers, united in “Baltic Sea Chambers”, into a first point of contact for businesses. Now, they are perfectly cooperating with high schools and universities, associated with the Baltic Sea Academy, involving them in development and promotional tasks to allow SME, under auspices of the Hanseatic Parliament,

a) to use funding of their local chambers via Baltic Sea Chambers, as well as to draw upon best practice, expertise and on potential of all further chambers across the BSR.

b) to secure via the Baltic Sea Academy knowledge, capacities, etc. of all involved colleges and universities across the entire BSR.

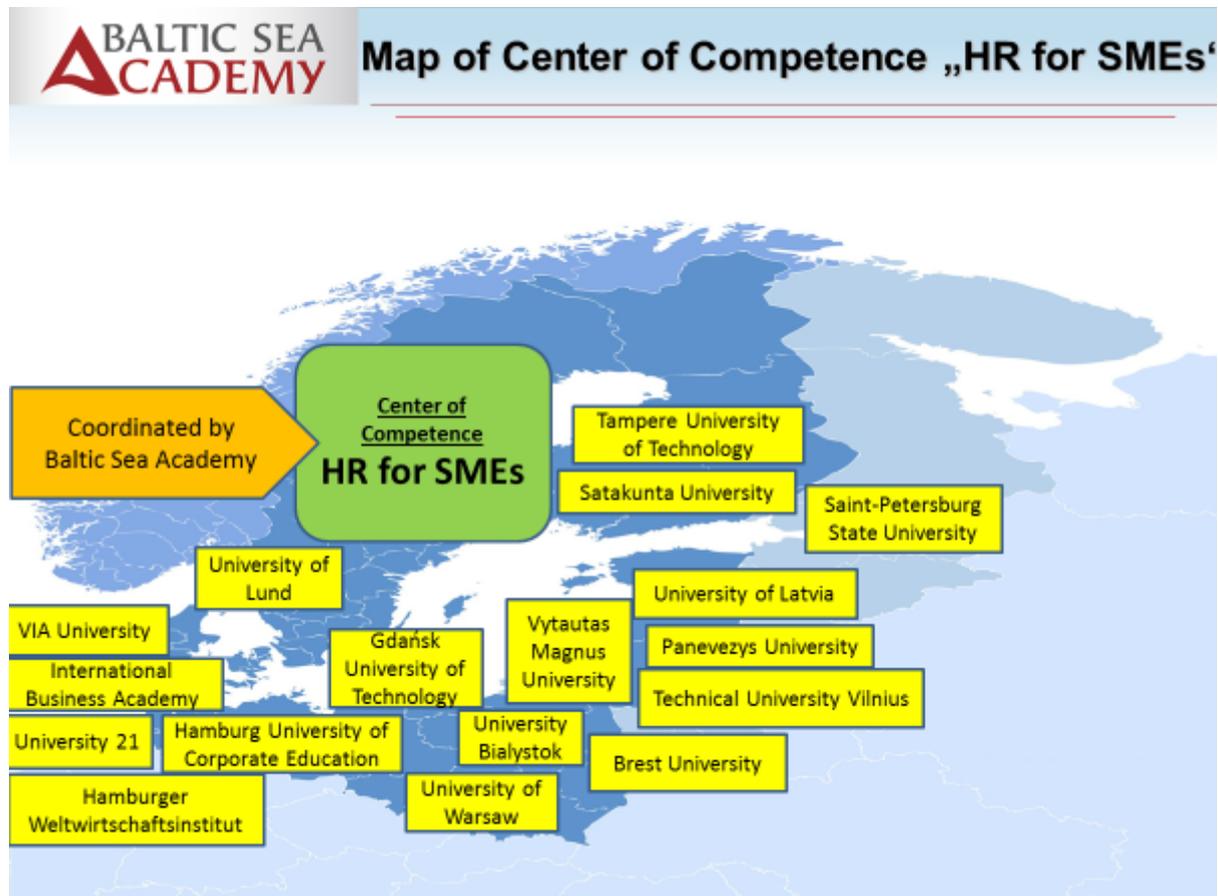
Thanks to an extensive network of chambers, colleges and universities, collaborating with the Hanseatic Parliament, businesses in all countries and in most regions of the Baltic Sea can be reached, giving SME tools, via their respective regional chambers, and regardless of their location, to exploit knowledge and funding capacities of the entire Baltic Sea Region.



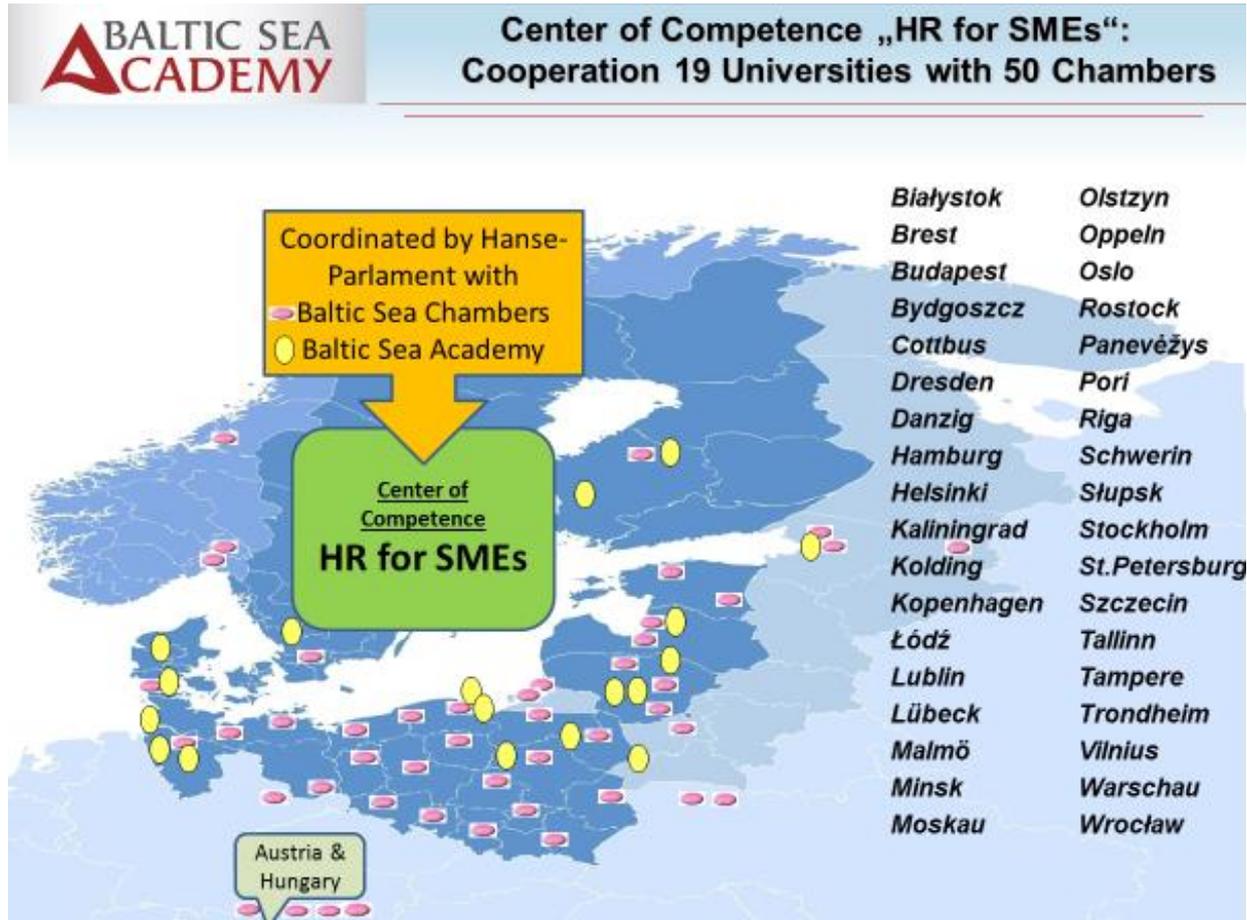
The existing, and over many years successful SME funding network, is maintained for the development of the pan-Baltic Sea center of competence “Human Resources for SME”, a driving force and hub for qualification and innovation development for SME in the field of workplace innovations, drafting educational measures, implementing knowledge and technology transfer, and performing R&D tasks.

The pan-Baltic-Sea Center of Competence “HR for SME” is strengthened by collaboration with colleges and universities from various Baltic Sea countries, united in the Baltic Sea Academy. The participating colleges and universities agree on a division of tasks, allowing individual Center partners for specialisation in certain areas of responsibility, and at the same time covering all relevant issues and questions on workplace innovation. The Baltic Sea Academy is the coordinating party in this CoC. As a command center, it ensures cooperation among the parties involved in the process, acting

as driving force, coordinator, think tank and service provider for the ongoing implementation of qualification and innovation strategies for SME. In this context, the Baltic Sea Academy will also take over ongoing operation of the “Information & Cooperation Workplace Innovations” platform, developed in the project, and ensuring regular updates and further development.



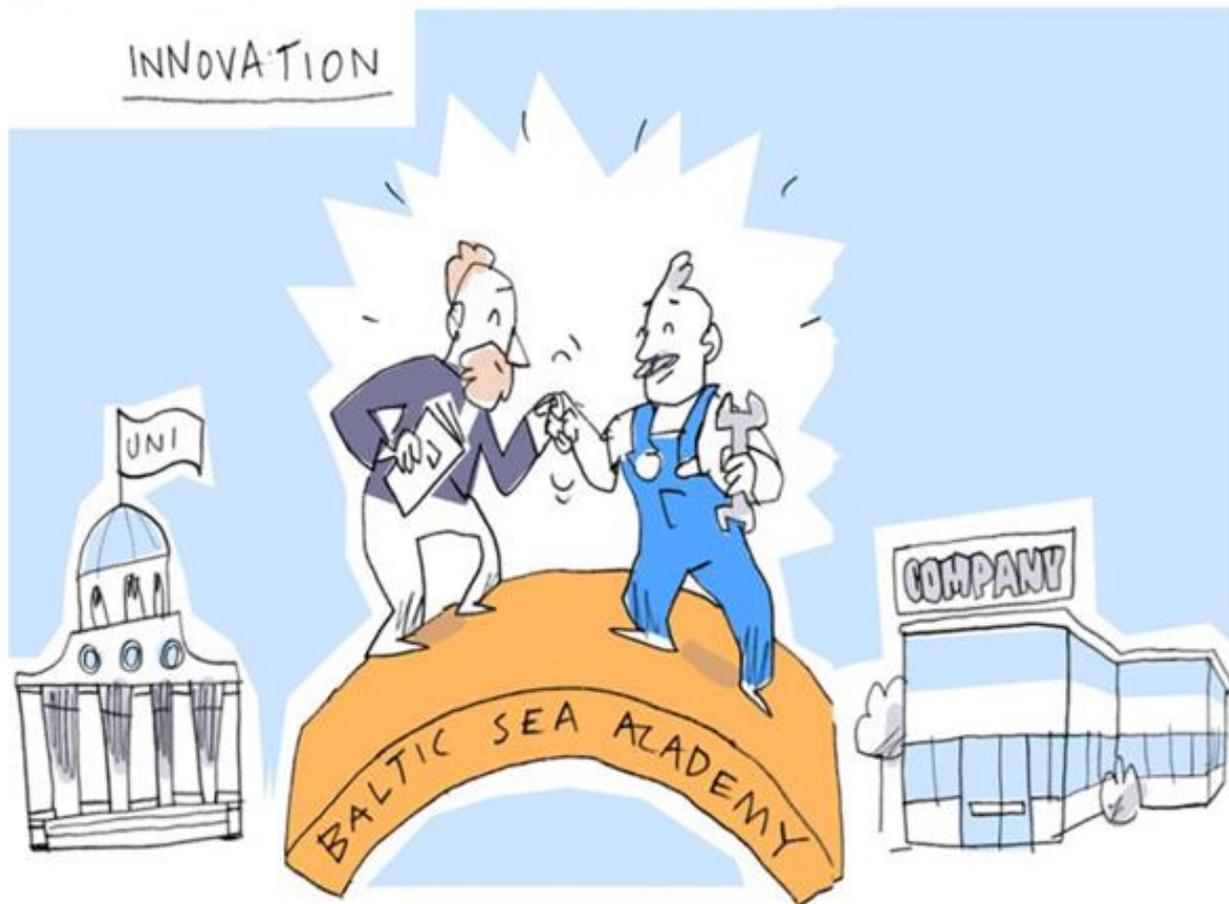
Fifty chambers of commerce, SME associations and other VET institutions, united in Baltic Sea Chambers, are associated partners of the CoC, acting as a hub between SME and the CoC. They are advocating concerns and needs of SME towards colleges and universities on an ongoing basis. They also transfer the results to SME, advising them on implementations, participating in development tasks, and continuously performing qualification tasks for SME, and participating in implementation of dual bachelor’s degree courses. Joint work in the Hanseatic Parliament ensures smooth cooperation among chambers and colleges/universities.



Individual CoC colleges/universities work directly for SME across the entire Baltic Sea region. They also carry out R&D tasks, e.g. by developing curricula or new innovation promoting tools. Furthermore, they support implementation of their results via train-the-trainer programs or via individual implementation advice. All CoC services, funding, results, etc. are available free of charge to all chambers and colleges/universities related to the Hanseatic Parliament, allowing them for implementing result-based innovation funding for SME across the BSR. In close collaboration among the partners and chambers, the CoC can propose ready offers from a single source, including transfer, advice, R&D, further education etc., providing all services required by SME.

The work concept of the CoC “HR for SME”,

- promotes an excellence-driven center of competence for individual SME, covering education, R&D and development, and promoting workplace innovation for SME in the BSR,
- allows for establishing an effective one-stop innovation funding shop for SME in all countries and almost all BS regions, coordinated by the Hanseatic Parliament, always in close collaboration within its dense network of SME sponsors,
- involves area-wide SME in innovation funding, irrespective of their location, thus ensuring access to innovative funding in peripheral regions.



The Center of Competence “HR for SMEs” is developing under the project “Innovative Entrepreneurs and Innovation Support for SME: Knowledge Alliance - Human Resources and Organisational Development” as a network for the BSR. It will commence its activities upon completion of the project, and continue project activities, ongoingly implementing and developing the following measures developed in the project,

- Operating the platform “Information & Cooperation on Workplace Innovations”, by Baltic Sea Academy,
- Train-the-trainer program for qualification of teachers and advisors of chambers and colleges/universities to generate a pool of always-available well-qualified staff for carrying out the support measures across all regions of the Baltic Sea,
- Implementation of best practices in workplace innovation and new methods and tools for SME on workplace innovation, by transfer to SME, advising them on implementation,
- Continuous training for SME and their employees, carried out by chambers
 - a) employees on the way to co-entrepreneurs
 - b) digitilisation and human capital
 - c) innovation processes
- Implementation of the dual bachelor’s degree program “Human Resources and Business Administration” by individual universities, with the support from respective local chambers.

In addition to continuing the project activities, the Competence Center “Human Resources for SME” will assume lighthouse functions for the entire BSR, implementing joint development projects. In this context, the universities will take over the following tasks:

- execution of complex research and development tasks
- ensuring the transfer of best practice, knowledge and technology
- execution of R&D tasks for individual SME or SME groups, e.g. industry-related projects
- drafting of curricula for related dual bachelor’s courses and implementations
- development of further training courses and support of implementations by provision of lecturers
- implementation advice and train-the-trainer seminars for all HP members
- development of related capacities and provision of experts and lecturers for tasks of chambers and involved colleges and universities
- carrying out development tasks for individual chambers, as well as for colleges and universities

As associated cooperation partners of the CoC, chambers, SME associations and other vocational training institutions, will assume the following tasks, in particular,

- communication between SME and colleges/universities
- transfer of best practice, new technologies, etc. to SME, and implementation support
- participation in R&D tasks in SME
- advising and supporting SME as training partners in implementation of dual study programs
- organisation of initial VET and implementation of courses on new technologies
- carrying out continuing VET for SME and their employees
- organising all VET examinations
- advising and supporting SME in all relevant matters
- representation of SME interests vis-à-vis any social groups

Based on the above concept, work and business plans for commencing activities and on implementation of complex tasks upon completion of the project will be developed, coordinated and adopted for the Center of Competence “HR for SME” during the project.

5. WORK AND BUSINESS PLAN OF THE CENTER OF COMPETENCE

5.1 CONTINUATION OF PROJECT ACTIVITIES

According to the concept (See Ch. 4), the Center of Competence “Human Recourse for SME” will commence its work on 1 November 2021. The following activities will be carried out in continuation of the project “Innovative Entrepreneurs and Innovation Support for SME: Knowledge Alliance - Human Resources and Organisational Development”.

- a) Baltic Sea Academy
 - coordination of all operations
 - supporting partners in implementations
 - ongoing operation, updating and further development of the “Information & Cooperation Workplace Innovations” platform
- b) Colleges and universities
 - further development of curricula for further trainings, and support in implementations by provision of lecturers
 - carrying out of the train-the-trainer program for teachers and advisors of chambers and universities
 - carrying out of the dual bachelor’s study program “Human Resources and Business Administration”
- c) Chambers and SME associations
 - carrying out three training programs for SME and their employees
 - participation in development projects in SME
 - best practice transfer, support in implementations and advising SME

5.2 FURTHER DEVELOPMENT AND EXPANDING THE CENTER OF COMPETENCE

Within the scope of further development and expansion of the pan-Baltic-Sea Center of Competence “Human Recourse for SME”, four main goals are pursued,

- enhancing international cooperation and a regular, profound exchange of experience, as well as an open information transfer to third parties (e.g. to companies, administrations, interested public etc.)
- implementation of new forms of cooperation between universities and SME. Implementation of R&D tasks for and together with SME, and comprehensive promotion of workplace innovations.
- development and implementation of innovative qualifications in vocational training, further education and higher education based on the work-based-learning approach, as well as tailored securing of the future generation of entrepreneurs.

- implementation of R&D work and further relevant funding projects for the development and implementation of new qualification and innovation promotion measures.

For achieving the above goals, the following activities in the field of workplace innovations are scheduled,

a) Hanseatic Parliament, Baltic Sea Chambers and Baltic Sea Academy

- management and coordination of the CoC by the Baltic Sea Academy,
- ensuring cooperation with chambers and coordinating cooperation with Baltic Sea Chambers,
- joint consultations, regular information exchange and mutual experience exchange at general member meetings and working sessions of the Hanseatic Parliament,
- providing information as part of day-to-day business; advising and providing documents dedicated to various target groups, e.g. companies, educational institutions, politics, public administrations etc.,
- transfer of ready funding concepts and curricula, including best practice examples, to relevant funding institutions and educational institutions
- demand-oriented implementation of process advice and support during implementations,
- Profound experience exchange, promotion and broad communication of details on needs, concepts and the implementation options of dual vocational and higher education.

At all general meetings and working sessions of the Hanseatic Parliament, collective consultations, feedback, further development of existing and new additional educational and support measures are subject of debates. For mastering of these extensive tasks, further related funding projects are executed.

b) Colleges and universities

- execution of complex research and development tasks
- ensuring the transfer of best practices, knowledge and technology
- execution of R&D tasks for individual SME or SME groups, e.g. industry-related projects
- development of curricula for relevant dual bachelor's courses and implementations
- development of further training courses and support in implementations by provision of lecturers
- implementation advice and train-the-trainer seminars for all HP members

c) Chambers, other SME sponsors and VET institutions

- communication between SME and colleges/universities
- transfer of best practice, new technologies, etc. to SME and implementation support

- participation in R&D tasks in SME
- advising and support for SME as training partners in the implementation of dual study programs
- organisation of initial VET and implementation of courses on new technologies
- implementation of professional development for SME and their employees
- advising and supporting SME in all relevant matters

5.3 BUSINESS MODEL FOR FUTURE WORK

The ongoing implementation of the above work is coordinated by the Baltic Sea Academy and the Hanseatic Parliament, as part of their day-to-day business. This work comprises joint consultations, regular information exchange and mutual sharing of experiences. As a result of such deliberations, decision are taken on further development of existing and new supplementary measures, including division of tasks among partners, under the guidance of the Hanseatic Parliament.

A regular exchange of information and experience, as well as manageable works are financed by the Hanse Parliament and its members. More complex undertakings and development tasks will be carried out under existing or under new funding projects.

The ongoing implementation of educational measures is financed from various sources:

- a) VET
As it is the case with all other recognised professional training courses, all measures are financed from national funds.
- b) Continuing VET
Participants are charged cost-covering fees covering the ongoing implementation of professional advanced training programs. If possible, existing financial grants are used to reduce participation fees, e.g. of employment services or other regional/national funding programs.
- c) University study courses
Dual bachelor's degree programs are financed by public colleges/universities from national funds. In the case of private universities, participation fees are charged. Usually the participating companies cover the fees, or they are split in equal proportions, among students and the participating companies.

Innovation funding and development projects are carried out in connection with advanced trainings and university degree programs and, accordingly, they are financed from sources described under b) and c).

For more complex undertakings, such as deep development work or R&D tasks, projects with funding from national and EU funds are developed, which are applied for and

carried out by the Hanseatic Parliament, together with individual colleges/universities and chambers of commerce from various countries.

Based on previous experience and available results, it was decided early on that major related funding projects would be developed and applied for under the guidance of the Hanseatic Parliament, in particular,

- three-level centres of professional excellence: qualification, entrepreneurship and innovation in Green Economy
- recruiting the Young Generation Workforce: innovative HR management
- customer-oriented innovations in SME
- Knowledge Alliance: promoting entrepreneurship and training for entrepreneurs

5.4 RECOMMENDATION FOR A VOTE

The present concept on expansion of the Knowledge Alliance “KA4HR”, as well as on the development and ongoing operation of the pan-Baltic-Sea Center of Competence “Human Recourses for SME” was developed under the project “Innovative Entrepreneurs and Innovation Support for SME: Knowledge Alliance - Human Resources and Organisational Development”. Together with involved partners, the concept was thoroughly discussed and adopted at workshops. Further consultations and coordination took place at an international consultative and transfer conference, including all CoC partners and representatives from companies, politics and administrations. On 8 June 2021, the members of the Hanseatic Parliament held their final consultations regarding the concept. Upon a conclusive debate, the concept was finally approved.