Expertworkshop Humboldt-Universität Berlin

Thursday 2nd December

1. **Successful vs. non-successful innovations**

Successful:

a. *Product innovation*: **Intermediary segment chicken**: a product segment between regular and organic chicken. Bridges a gap between the two segment and is successful in the sense that it is increasingly bought by consumers – despite the higher price. Thereby, it is improving the animal welfare of the industry and the 'licence to produce'. Factors in the success were: (1) stakeholders that connect their values, (2) right timing: regime under pressure, through which niche innovations can develop. (3) marketing/promotion: telling the story of your product.
b. *Proces innovation*: decentralised **combined heat and power plants** (CHP) in Dutch horticulture. From natural gas, the heat in the glass house is transformed into electricity. The technique is improved so much, that glasshouses are now producing more energy than using. In effect, horticultural businesses have become energy producers. Last year, they earned more through selling electricity than with their products (tomato, cucumber, etc.). Factors in the success were: (1) governmental incentives (subsidies), (2) financial arrangements (credit from banks) and (3) sharing information through networks.

Non-successful:

a. **Mobysant**: a new production method of flowers, applying the assembly line concept. Both economic and sustainability advantages. Major stakeholders involved. Critical factors in the failure: values of the stakeholders not connected, commercial application too soon (experimentation space limited), financial construction too rigid (not enough room for problems), market downturn due to economic crisis (prices under pressure).

2. Coordination of innovation processes

Lessons from TransForum system-innovation experiments:

a. Dynamic systems: complex/adaptive systems (events in the future)
b. Sustainable development requires system innovation (also infrastructure)
c. Non-linear learning process: 'mode-2 learning' – new role science: more interaction to create successful products. More interaction and feedback from users.
d. Requires a multi-stakeholder approach: finding a new balance between Triple-P's is responsibility of all actors: KOMBI-approach. Dutch acronym for Knowledge, Government, Civil society, Business.
e. Transdisciplinairy knowledge creation: requires integration of different perspectives.
f. New business models based on new knowledge lead to better Triple-P performance.

Third Space: 'leave your guns outside'. Experimentation environment to 'test' new concepts. Eliminating rules, habits or standards. (example 'Your concept Car' by Volvo – eliminating targets).

3. Innovation policy

Three tracks of instruments in agro-innovation policy:

a. Research & Knowledge: 'Technological Top Institute Green Genetics' (education and science)
b. Subsidy & investment arrangements: Small Business Innovation Research (SBIR), Innovation vouchers, Launching customer.
c. Interaction: networks and intermediaries.

Recent research shows that subsidies have positive effect on the input side of innovation (R&D investments), but that the effect on performance (e.g. profitability, revenue, employment) is hard to establish. Applying a policy-mix is crucial: both financial incentives and regulation is essential to enhance sustainable innovations. Also more attention to the output side of innovation (new products or processes). The launching customer initiative is a good example.

Bad innovation policy: subsidising profitable concepts (crowding out investment), focus on one aspect of Triple-P, quick effects, non-measurable outcome.