



## Country Source Book The Republic of Moldova promoting agriculture, women empowerment, youth, knowledge management, and best practices through Learning Route

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Science for resilient livelihoods in dry areas



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Project website: https://mel.cgiar.org/projects/SKiM

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### Case study 2

# Youth and knowledge management. Open innovations with Smart Caffe



#### Introduction. Background. Situation analysis

Fostering university-enterprise cooperation and entrepreneurship of students via SMART Caffes – SMART Project is part of the Capacity Building in the field of Higher Education, within the ERASMUS + Programme, more specifically to support the modernization, accessibility and internationalization of higher education in the Eastern European countries (EaPC): Armenia, Moldova and Belarus. The project will last for 48 months (from 10-15-2017 to 10-14-2021).

The "SMART Caffes" are conceived as open centers that welcome students, recent graduates who have initial ideas or creative potential, but who lack the skills and resources to realize it.

The core environment provides full hardware and software support, training, mentors and networks for the growth of student ideas. It also improves the educational experience of students in general and prepares them for an active role in the labor market.

Not only are the SMART Caffes physical rooms but virtual spaces where innovative products & services can be conceptualized and validated then spun out into new initiatives.

SMART CHANNEL is a knowledge repository & collaborative playground for generating ideas and linking students and companies. It will be the cornerstone for developing functional Market place for ideas at regional level.

#### What is your history? Past experience in the field

#### **Mission**

To accomplish a boost of new enterprises, the entrepreneurial vibe should be nurtured during education. In all levels, pupils and students can participate in projects, aimed at entrepreneurial thinking. In higher education at most, students should have all the necessary means to be



immersed in entrepreneurship, such as oneon-one business coaching, legal aspects of becoming an entrepreneur, business modelling... regardless of their fields of study, as in any of those, entrepreneurship can be stimulated.

#### Vision

The vision of the SMART CAFFES project is to create an entrepreneurial climate in which the threshold to start up a profit or non-profit business is lowered so that anyone feels up to the challenge. Next to that, people should feel empowered to undertake any challenge that they feel up to, because of the fostering of their entrepreneurial skills.

The SMART Caffes are expected to implement and use the open innovation concept as a tool to reach out and engage relevant external stakeholders such as business companies and non-governmental organizations for the purpose of generation and acceleration of innovation. In global terms, the notion of open innovation is not new at all and the first examples of crowdsourcing initiatives date back to the 18th century. Nevertheless, the reasoning behind the rise of open innovation and the increase of such initiatives across sectors and, in particular, in the Anglo-Saxon world during the last two decades are deemed rooted in a number of factors including globalization, product complexity, improved connectivity, the ICT advancement, etc.

In reality, companies engage in open innovation for either defensive or offensive reasons, hence they usually adopt open innovation as an avenue for reducing costs and risks or to leverage knowledge and expertise from outside the company to improve their competitiveness on the market (Brant & Lohse, 2014). An important



part of the SMART Caffes' portfolio includes research, liaison, and networking with a high number of companies and non-governmental organizations across Armenia, Belarus, and Moldova regardless of their motivation to adopt open innovation.

The concept of open innovation is considered a major novelty within the SMART project and the 13 SMART caffes are expected to introduce and proactively promote this business model across their academic communities, including SAUM.

The SMART Caffes are to operate as open innovation hubs linking SMART project universities' academic communities with potential innovation recipients from the business and nongovernmental sectors, which have the capacity and are open and mature to accept and rely on knowledge and innovation generated beyond their entity's boundaries.

#### Who are your target group and beneficiaries?

The "SMART Caffes" are conceived as open centers that welcome students, recent graduates who have initial ideas or creative potential, but who lack the skills and resources to realize it.

#### **Beneficiaries:**

- 2182 Students and young entrepreneurs;
- 1290 Companies and organizations;
- 436 Mentors

#### Essence of the case study. What activities and results/achievements have been made? What are the tools applied to reach the purposes?

*The general aim* of the project is to increase the employment and self-employment potential of EaPC graduates and improve the innovation capacity of companies through the promotion of entrepreneurship, the creation of companies and the open innovation approach in collaboration between universities and companies.

#### Specific objectives are:

• To set up, equip and network co-creative centers (SMART Caffes) which support students and researchers to generate, develop, market and commercialize their own innovative ideas through entrepreneurship and / or open innovation in three EaPC countries

SMART CAFFES are a platform for generating, developing and commercializing innovative ideas through entrepreneurial rout (start-ups) or in collaboration with companies (open innovation). It will bring students, researchers, entrepreneurs, SMEs, solution and service providers, users into co-creative environment, cross different perspectives and deepen understanding about complex interactions between technologies and market; and thereby substantially increase the likelihood for both high potential start-ups successful open innovations. SMART and CAFFES will be physical and virtual space where innovative products and services can be conceptualized and validated then spun out into new venture initiatives.



### • To foster students' entrepreneurship and creation of start-ups at university settings

SMART CAFFES will foster the practical involvement of EaPC HEIs in entrepreneurial education putting students on the focus. SMART CAFFES are conceived as open hubs that welcome students, recent graduates who have starting ideas or creative potentials, but who lack skills and resources to realize those potentials. SMART CAFFES in different parts of EaPC HEIs will join forces by sharing knowledge, expertise and resources to help to students to expand their activities / ideas to the regional or even global market.

#### • To introduce and implement open innovation as a new form of partnership among key stakeholders in the knowledge triangle in the region

SMART CAFFES are a new model of a publicprivate-people partnership that fits to EaPC context and uses a regional approach. This physical and virtual space will foster the process of education-research-innovation by straightening the cooperation between universities and entrepreneurial / industrial sector, students (directly) with industrial sector and its requests.



#### • To revise and adapt curricula to include entrepreneurial skills and problem-based learning

Trainings elaborated in collaboration with EU teaching staff, EaPC teaching staff and entrepreneurs for SMART CAFFES will be partly included in teaching process at EaPC HEIs. Inclusion of SMART CAFFES into teaching process, not only entrepreneurially oriented students, but students at large will become an integral part of new product and service developments, and new venture creation and thus get chance to enhance own employability. Additionally, to support entrepreneurial and work-based learning and inclusion of SMART CAFFES in teaching process at least 20 subjects from different departments will be revised and adapted. These revised curricula will be

supported with development and publication of university-enterprise cooperation adequate teaching materials. Besides serving as a crossdisciplinary and multi-stakeholder platform for entrepreneurship, collaboration with industry, innovation and commercialization, SMART CAFFES at EaPC HEIs will offer a unique environment for problem- and work-based learning and improve educational experience for students at large and prepare them for active role at labour market.

The first phase of the project has been dedicated to identifying good practices existing in the member countries of the EU (Spain, Greece, Bulgaria, Germany and Belgium) with respect to the finances of innovation and new companies, as well as the practice of incubating and accelerate the newly created entities. A report has been generated at the end of the investigation.

### <u>Reviewing best practice from EU (living labs, pre-incubators, business accelerators)</u>

The purpose of this document is to provide an overview of best experience from the EU participating countries in the SMART project regarding finance of innovation and start-ups as well as the practice of incubating and accelerating





start-up entities. The report provides a short introduction on the economy of each one of the participating EU countries, an overview of the start-up ecosystem in each one of them, a refence to funding mechanism and a presentation of a number of Best Practices in each country. Finally a list of contacts with mentors and coaches that can be potentially used by the EaPC partners is provided per country.

#### Also, was developed <u>SMART Caffes model for</u> <u>EAPC (structure & focus, virtual & physical)</u>.

The purpose of the Manual is to guide those partnerships within a city that aim at fostering entrepreneurship. Key partners in such a consortium are of course the higher education institutions as they are the pivotal centre of innovation and education. They are the first line of contact for students who have an idea. Other partners are institutions and industry federations that support entrepreneurs, the local governments and other organizations that sustain entrepreneurship.

In order to achieved the specific objectives there are implemented different working packages with activities, for example:

#### WP1 Modeling the SMART Caffes

1.1 Reviewing best practice from the EU (living labs, pre-incubators, business accelerators)

1.2 Assessing local needs for training & services (entrepreneurial & industrial)

1.3 Developing SMART Caffes model for EaPC (structure & focus, virtual & physical)

#### WP2 Establishing the SMART Caffes

2.1 Setting up the equipment

2.2 Developing the virtual segment of SMART Caffes

2.3 Training PC staff on entrepreneurial skills (training of trainers)

2.4 Developing a set of training sessions

#### WP3 The SMART Caffe operation

3.1 Training SMART Caffes' users (students & companies)

- 3.2 Mentoring students' ideas & start-ups
- 3.3 Developing open innovations
- 3.4 Establishing a marketplace for ideas

#### WP5 Exploitation

5.1 Developing a sustainability strategy

5.2 Including SMART Caffes in the teaching process

5.3 Partnering with companies & governments

5.4 Applying for membership in the European Network of Living Labs

The SMART Online Hackathon is scheduled to take place at the project's final stage, namely in July 2021. The hackathon represents the SMART project's culminating activity within the project's key component of open innovation. Along with the training of students' entrepreneurial soft skills and the provision of targeted business start-up support, the development and proliferation of open innovation at the 7 EaPC HEIs is at the heart of the SMART Caffes' agenda.

#### SMART Online Hackathon Objectives

The online hackathon will be organized at the consortium level and will aim to showcase and promote the open innovation capabilities developed at the 7 EaPC HEIs, including SAUM, as a result of the SMART Caffes' piloting operation. Typically, a hackathon is a competition that encourages participants to come up with relevant and innovative solutions to a business or social problem. Hackathons' goals vary and may include, inter alia:

- development of new products, services, or functions;
- adoption of new technologies and digital transformation;
- establishing partnerships with innovative start-ups;
- talent search by testing professional expertise and soft skills of potential new employees in the real-life environment;
- boosting own team's creativity;
- collecting original ideas for the company's new marketing strategies and communication campaigns, etc.

During the project's hackathon in July 2021, SMART Caffe students and student teams from across the involved seven EaPC HEIs, including SAUM, will be made to create through brainstorming and put forward ready-to-use solutions to issues identified by a real-life large company based in the EU that admits struggling to address diverse challenges linked to leadership, competitiveness, efficiency, financial sustainability, green agenda, etc. The two-day online event will aim to recognize the



#### Figure 1. The steps for successfull SMART CAFFE

most innovative and forward-thinking SMART caffe students from the 7 EaPC HEIs, including SAUM, who will then be named the SMART Open Innovation Champions. During the hackathon, participating students and student teams will be given the opportunity to collaborate and exchange ideas with peers in the framework of dedicated breakout sessions, thus fostering their creativity, critical analytical competencies, and teamwork skills. In addition, they will receive online support from mentors with proven professional expertise in the company's sector, thus expanding their professional knowledge.

Additionally, the hackathon will engage participating students in a large-scale training activity promoting learning-by-doing, and thus enhancing their practical skills and knowledge about the open innovation business model. Finally, the participants will be given the

opportunity to pitch the solutions they have come up with in the course of the hackathon, thus receiving a platform to promote their skills and competencies.

Successfully start-up SMART Caffes, you need first to establish the SMART Caffes partnership or consortium in your city. Next this partnership needs to find the physical location that can be transformed into a SMART Caffe. Then the partnership should appoint the necessary staff who can then prepare the services and prepare the website and communication. This will enable the promotion of the services and hence the recruitment of the start-ups and student entrepreneurs can begin.

Successful incubation programmes consist of several elements that cannot be embedded solely in the curricula:

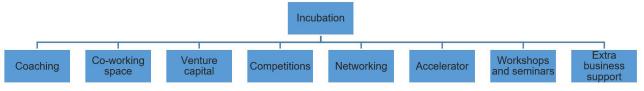


Figure 2. Elements of successfull incubation programme

#### 1.6. Who are your partners and what networks are you part of?

The project is coordinated by The International Hellenic University (IUH) along with State Agrarian University of Moldova (SAUM) and has a total of 15 entities associated with the project (12 higher education institutions and 3 NGO) and several project associated partners.



#### How do you ensure visibility, promotion, and knowledge management?

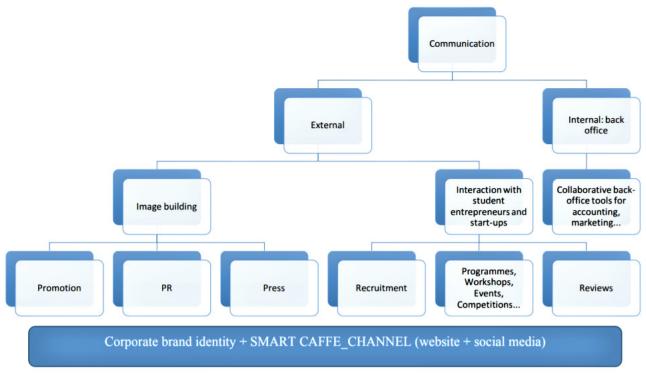
A dissemination strategy started with the launch of the project website and a series of activities in various fields and formats (e.g.: DW 4 Dissemination. 4.1 Developing & maintaining the project website; 4.2 Developing & publishing promo materials; 4.3 Organizing dissemination & networking events; 4.4 Running EaPC students' start-up competition; 4.5 Starting up an annual regional conference etc.).

The website was launched from the beginning

of the project in 2018 has several sections for its correct dissemination. Through the different pages, we find all the necessary information for entrepreneurs, the curricula of their trainers and the subject they will teach, or different success stories to motivate them <u>www.smartcaffe.eu</u>.

More information about the national Smart Caffes on the national Facebook group of the project in <u>Armenia</u>, <u>Belarus</u> and <u>Moldova</u>.

Also was created a communication matrix for SMART CAFFES.





#### External communication

The external communication for the SMART CAFFES consists of several elements. First, SMART CAFFES focus on their image building by investing in promotion, PR and press. Apart from that, SMART CAFFES maintain an open communication with their "customers", the student entrepreneurs and start-up that participate in coaching, events etc. Here they distinguish above-the-line and below-the-line communication. Above-the-line communication focuses on interaction with our target market for specific events and goals. Below-the-line communication is about image building and establishing the SMART CAFFES as a top of mind brand for entrepreneurship. All elements are summed up in a communication strategy and a communication plan, which consists of the following elements:

- communicative goals and objectives,
- target markets,
- (market research),
- strategy for image building and interaction,
- cognitive, affective, emotive, conative objectives,
- message: storyboard / moodboard,
- action plan: choice of media = what, where, when, how, how often...

#### Promotion

Promotion focuses on all channels that they deploy to communicate about the SMART CAFFES and its initiatives by using a 360° – degree approach and a multichannel strategy in order to reach all potential stakeholders involved. In the communication strategy, SMART CAFFES

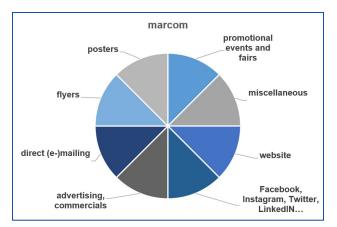
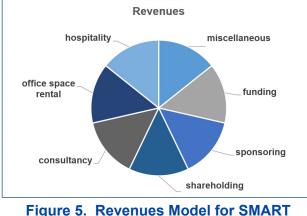


Figure 4. 360° Multichannel Strategy



CAFFES

choose the necessary media for promotion and to what extent they will be applied. At first, they focus on online communication (website and social media), along with printed communication (flyers and posters) and direct emailing (e.g. if possible, by using the existing university online platform or intranet). Whenever there is an opportunity, the business coach can also present the SMART CAFFE to students in promotional events and fairs, e.g. in the beginning of a new academic year or in classes.

#### What are the sources of funding?

SMART is a European project encompassed within the Erasmus + program, within the types of projects is included in the Strategic Partnership projects in the field of Higher Education – Capacity Building.

There are six sources of revenue for Smart Caffees.

#### What is your successful experience? What benefits of Open innovation?

The benefits of Open Innovation are:

1. With open innovation, a company can get very large input from students as individuals and start-ups, especially taking into account that the Network of Smart Caffes is present in Armenia, Moldova, Belarus, and Georgia;

- Engaging relevant audiences. Engagement of proper target groups with different skills and knowledge;
- 3. The overall costs in open innovation represent small investments in relation to the potential number of ideas and the potential input received from our students and start-ups, which is especially important for companies in the downturn;
- 4. Involving customers in Research and Development (R&D). Open innovation opens the door for involving students and start-ups within established Smart Caffe and those www.smartchannel.org registered on in the R&D process from the very beginning, namely in the process of designing products or services according to market need, as well as getting very valuable feedback and other types of inputs;
- 5. Improve Public Relations (PR) and brand value. Open innovation impacts improve considerably the marketing aspects of the company through the improvement of its PR and its brand recognition, including thanks to the promotion activities performed by the Network of Smart Caffes within its social and media channels;
- 6. Gain customer karma. Knowing that the company cares about the opinions and social development thanks to the collaboration with leading Higher Education Institutions around the world, the members of the society raise their commitment towards the brand, and thus open innovation is a tool for accumulating karma or "goodwill" within society in general;
- 7. Chance for lucrative partnerships. When collaborating with the students and start-ups of different profiles, the partnership can be very symbiotic in nature, enriching Higher Education Institutions, companies, students, and start-ups;
- 8. Finding new talent; Open innovation is a great tool for reaching talents outside the company.

## What factors have facilitated and posed obstacles for the experience? What are the main challenges?

*The factors have facilitated* – the core environment with full hardware and software support, training, mentors and networks for the growth of student ideas. It also improved the educational experience of students in general and prepare them for an active role in the labor market.

The table with the main risk and obstacle is below:

#### Table 3. The main risks and obstacles

	Growth driven	Free driven	Independent
Start-up phase	Scale-up	Start-up	Pre-start-up
Formats	- Accelerator programme - Investment - Use of office space	- Incubator coaching - Use of co-working space, meeting rooms	- Use of co-working space, meeting rooms - Courses
Risk	High	Medium	Low
Number of participants	Limited	Average	Open to anyone
Selectivity	High	Medium	Low
KPIs for SMART CAFFES	Internal Rate of Return (IRR) Valuation of participants Investment in participants	Occupancy rate Revenues from events and hospitality	Number of participants in coaching Number of start-ups Amount of activities embedded in courses in higher education Number of participants in competitions
Duration	Limited and intensive programme for a couple of month	On average, support could last up till a year or two	Not specified: not all pre-start-ups will launch

### What lessons can we draw? What can we learn from your experience?

Provide full hardware and software support, training, mentors and networks for the growth of student ideas. It will also improve the educational experience of students in general and prepare them for an active role in the labor market.

#### Estimated fields of intervention and collaboration:

- operational efficiency; new product lines;
- lower costs;
- · becoming more innovative from the core;
- building strategic partnerships.

#### From this experience you can learn how to:

- develop of new products, services, or functions;
- adopt of new technologies and digital transformation;
- establish partnerships with innovative start-ups;
- talent search by testing professional expertise and soft skills of potential new employees in the real-life environment;
- boost own team's creativity;
- collect original ideas for the company's new marketing strategies and communication campaigns, etc.





