

DOCUMENT TITLE:

REPORT ON 3rd FOCUS GROUP, 30-31 October 2018

Project: Green ICT Development

Acronym: GIVE 783398

Work package	WP 2
Activity	Focus Group 3: Internationalization potential and third markets
Deliverable	D 2.3
Date of issue	December 11 th 2018
Revision	
Document issued by	Petra SZÁVICS, Facilitator contracted by Cluj IT Cluster
Contributors	NA
Version	A1.0

Dissemination level		
PU	Public	x
PP	Restricted to other Programme participants	
RE	Restricted to a group specified by the consortium	
CO	Confidential, only for members of the consortium	

The content of this report represents the views of the author only and is her sole responsibility; it cannot be considered to reflect the views of the European Commission and/or the Executive Agency for Small and Medium-sized Enterprises (EASME) or any other body of the European Union. The European Commission and the Agency do not accept any responsibility for use that may be made of the information it contains.

INTRODUCTION

The 3rd Focus Group, having as a subject *Internationalization potential and third markets* was held on the 30th and 31st of October, 2018 in Kragujevac, Serbia, being organized by ICT Cluster of Central Serbia in the quality of Project Partner. The Focus Group is the last one in a series of a total of 3 such events, part of the 2nd work package of the **Green Ict deVELOPMENT (GIVE - Reference: 783398 — GIVE — COS-CLUSINT-2016-03-01)** project, coordinated by the responsible Project Partner (Cluj IT Cluster).

The present report gives an overview on the focus group scope and objectives in connection to the main aims of the project, as well as, offers details about participants, methodology and topics addressed. Furthermore, it describes the way the focus group was delivered and presents in detail the results obtained. Finally, it offers conclusions and recommendations that can be taken into consideration as regards future steps to be taken in order to maximize results.

Focus group scope and objectives:

The overall goal of the 3rd Focus Group under the 2nd Work Package of the project with the acronym GIVE was to identify the internationalization potential of SMEs from the three targeted areas – automotive, ICT, green technologies -, as well as potential third markets for scaling up.

The scope of the event was to:

- Create a tailored model for internationalization for the GIVE consortia,
- To match new products/processes/services generated at the 1st Focus Group with the suitable external markets.
- To feed in information and results in the market intelligence report that is going to be elaborated in the framework of the same work package of the project.

Focus group topics:

The focus group on *Internationalization potential and third markets* concentrated on the following topics:

- Identification of the most relevant criteria for assessing internationalization potential of SMEs from the target countries and areas, based on the results of the 2nd Focus Group (key areas of internationalization, critical barriers of internationalization and solutions to overcome these barriers), as well as 5 existing models of assessing internationalization potential of SMEs,
- Identification of the most suitable third (external) markets for the new (innovative) cross-industrial products/processes/services generated at the 1st Focus Group and completed with other products/processes/services collected through a 2nd questionnaire* elaborated under the project,

* NOTE: A 2nd questionnaire with the objective to get feedback and additional information from SMEs from the 3 sectors from the targeted countries linked to the results of the 2st and 2nd Focus Groups was ran in the framework of the project as a complementary activity based on the conclusions and recommendations formulated after the first two workshops.

An additional topic introduced was a discussion on the most relevant potential third markets the Project Consortia should focus on the overall in future activities and projects.

The final **agenda** of the focus group is under **Annex 1**.

Focus group methodology:

The methodology of the focus group was chosen in such a way to achieve the best possible results taking into consideration the project objectives and deliverables, but also to raise its impact, as well as put the bases for the multiplication of its results. Additionally, accent was put on interaction between stakeholders, co-creation and design thinking.

The first session of the focus group was based on a **structured brainstorming** process. Participants, based on 5 internationalization models presented beforehand, as well as a list of comprehensive internationalization criteria, had to go through the following steps in small groups:

- To select from the prepared comprehensive list in total a number of 35 internationalization criteria, 5 for each of the following groups:

- Management readiness,
- Product-service readiness,
- Organization and production readiness,
- Financial readiness,
- Employee readiness,
- Marketing and sales readiness,
- Business model readiness.

- To give importance for each criteria chosen, ranking them from 1 (less important) to 3 (very important),

- To rank groups of criteria, giving them a %, out of a total of 100%.

In order to prepare the selection of criteria and prioritization of criteria groups that led at the end to the Give model, a number of 5 different models of internationalization were presented to

participants. Additionally, main findings of the second Focus Group were also presented, as well as some key findings from the questionnaires.

The Give model of internationalization resulted from the joint interpretation of the results provided by the 3 smaller groups.

As regards the identification of third markets, the methodology put accent on **interactivity**. Using a table created for this purpose, each participant had to individually assess the potential of new products, processes, services on 6 potentially relevant third markets. The list of products, processes and services used was based on the ideas generated at the first Focus Group, as well as gathered through questionnaires. The potentially relevant third markets were chosen based on the analyses of questionnaire results. At the intersection of products/processes/services with one of the 6 potential markets participants had to assess, if considered relevant, the potential of the idea on that particular market, inserting 1 for possible/potential match, 2 for a good/fair match and 3 for a very good match.

SOLUTION'S MARKET	France	South Africa	Spain	Argentina	Turkey	China
WELL POSITIONED						
Application for route optimization in cities based on data collected through different systems/databases						
Platforms that follow the use of materials						
Processors for production processes in automotive industry						
GOOD POSITIONED						
Automation on the floor for real time feedback for material request planning						
Product which notifies automatically authorities in case of traffic incidents						
Application for optimizing route to the best option to charge electric vehicles						
Factory energy optimization - a BMS (energy) based on reinforcement						
LOWER POSITIONED						
Application to integrate transport modes based on destination and purpose of trip						
Mobile application for autonomous subway systems						
Systems for apartment owners						
Platforms on which the end user can get all information about type of most cost-efficient electric vehicle to rent						
POSSIBLE POSITIONED						
Auditing service for vehicles on safety against hijacking						
NEW PROSPECTIVE MARKET IDENTIFIED						
Heat pump systems for commercial electric vehicles						
Connected vehicles with machines using AR/VR and IoT						
Tracking of goods in special transportation conditions - frozen food						

The section was prepared by a presentation of the main results of the first Focus Group, the results of the two surveys, as well as the presentation of the potential third markets.

Results of individual work have been comprised together and discussed jointly with participants.

Detailed presentation of focus group activities - Key findings and results:



The focus group started with a welcome speech on behalf of the host, ICT Cluster from Central Serbia and an introductory round in order for participants to become familiar with each other. This was especially important for the new participants on behalf of local SMEs and project partners that did not participate in its activities up until now.

Especially for them a short introduction into the rationale, scope and objectives of the project was given, as well as the aim of the focus group presented and links with prior and upcoming activities underlined.

Information regarding the project was delivered in the form of a power point presentation that contains also the detailed presentation of the methodological aspects that were presented at the

beginning of each session. One additional presentation was prepared, containing the results of the two questionnaires.

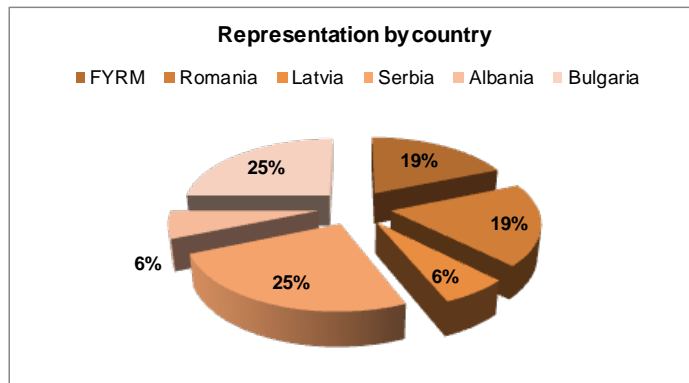
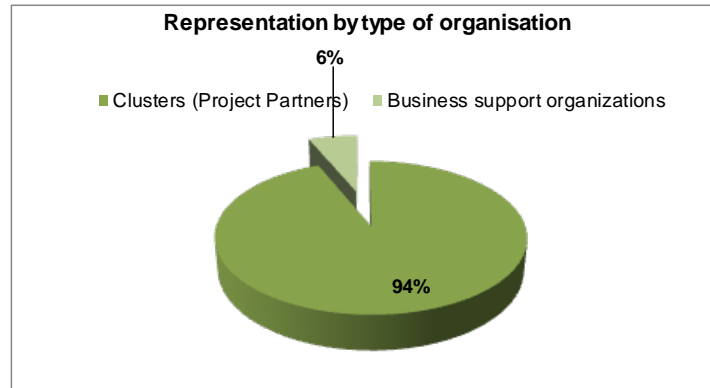
These **presentations** are to be found under **Annex 2 and 3**.

INFORMATION ABOUT PARTICIPANTS

In total 16 stakeholders attended the Focus Group. The vast majority of participants represented the cluster organizations that are partners in the project.

Besides the 15 participants on behalf of these clusters, 1 key actor representing a relevant company from Serbia also participated.

As regards Project Partners, all of them attended, being represented by one to three persons.



Concerning coverage of countries targeted by the project, Bulgaria and Serbia were represented each by 4 out of the total number of 16 stakeholders. Romania and the FYR of Macedonia were represented by 3 participants each. Not at last there was 1 participant from Albania and 1 from Latvia.

Linked to the coverage of project focus areas covered, most of participants

were representing the IT&C sector, followed by automotive and green technologies, thus: 9 persons participated representing IT clusters involved in the project, 6 represented the automotive sector, including the 1 company representative, and 1 participant was representing the green technologies area.

The **attendance sheets (list of participants)** can be found under **Annex 3**.

PRESENTATION AND KEY FINDINGS OF FOCUS GROUP SESSIONS

The Focus Group started with a Warm-up session in the framework of which a short presentation of the project and scope and objectives of the Focus Group was delivered, as well as the key findings of the previous two Focus group sessions were presented, including key findings of connected survey results.

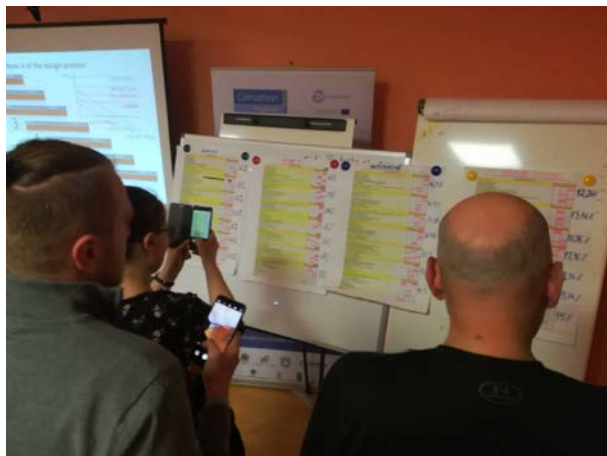
Presentations from the warm up session were followed by an introduction of participants into 4 internationalization models that are to be found in the relevant literature, as well as a 5th one developed in the framework of a project financed by the European Union for the internationalization of SMEs from Romania. This model was chosen, since it is relevant for the area targeted by the project.

According to the methodology, the presentation was followed by the structuring brainstorming session, resulting in the GIVE model of internationalization, comprising a set of assessment criteria and ranking of this criteria by relevance and by groups.

This model can be used in the future by project partners in order to assess the internationalization readiness of companies interested to scale up to third markets.



The ***Give internationalization model*** resulting from this session can be found under **Annex 5**.





For reaching the second main result of the 3rd Focus Group the next day kicked off with presentations delivered by project partners on 6 of the markets that were chosen based on the survey results, i.e. :

- Russia,
- Turkey,
- Egypt,
- Argentina,
- Saudi Arabia,
- China.

Regarding each market the following information was presented:

Target Market

- Population:
- Economic structure:
- Macro-economic indicators:

Business environment

- Starting a business:
- Useful links:

Labour market

- Employment:
- Education:
- Useful links:

Investment opportunities

- Sectors:

- Advantages:

ICT industry in the target market

- Results:
- Major players:
- Useful links:

Automotive industry in the target market

- Results:
- Major players:
- Useful links:

Green-tech industry in the target market

- Results:
- Major players:
- Useful links:



Presentations were followed by the interactive matching of new products, processes and services generated during the project implementation with these markets. Individual results generated by participants were comprised in one during the project consortia meeting and later on presented to participants.

The resulting **match between the different new products/processes/services and potential markets** are presented in **Annex 6**.

Joint, open discussions were held based on the comprised results, in line with the additional topic that was introduced with a view on future activities of the project consortia. The results of the discussions are presented in the next session.

CONCLUSIONS AND RECOMMENDATIONS

As a result of the last session the following ranking of potential external markets resulted based on the match between new products/processes/services and these markets, as well as based on the assessment of each match as being very good, fair or moderate:

1. China
2. Russia
3. Saudi Arabia
4. Egypt
5. Argentina.

During the discussions that have followed participants jointly realized and agreed on the fact that two of the markets should be eliminated due to quite pragmatic reasons:

1. Russia, due to the economic sanctions that were introduced by the Council, and at the moment are prolonged until 31 January 2019, targeting specific sectors of the Russian economy, as well as the import bans introduced by Russia as a response measure. The market was eliminated due to the fact that such measures might continue and thus choosing this market might represent some risks that cannot be handled by Project Partners or companies from the area covered by the Give project.
2. Turkey, since, as an enlargement country, participates in the COSME Programme as a third country, thus should not be counted as a third market.

Additionally, Argentina was also eliminated from the list as the least interesting market for the new products, processes, services that were generated during project implementation and Saudi Arabia for being a market with a very different organization than the one stakeholders



Co-funded by the COSME programme
of the European Union



from the countries participating in the project are used to (for example it is highly competitive with lots of restrictions on what can be imported, characterized by the presence of government led enterprises).

Regarding the remaining three third markets – China and Egypt – participants jointly decided that they should be treated as examples and as entry points, as well as potential links towards the larger geographic area they are representing, thus: Far East, Middle East and Northern Africa/Africa. By choosing this option a greater number of potential third markets would be opened and possibilities for future successful internationalization on these markets would be enhanced.