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## Best Practice Report

***Innovative center SLALEN***

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**Contact** : **lebed@mip.opu.ua**  
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## Best Practice Report

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Everybody please state revision index and short description of what has been done + partners involved and date.

<b>Final approval</b>	<b>Name</b>	<b>Partner</b>
<b>Reviewer</b>		

<p><b>1. Best Practice Title</b></p> <p>Innovative center SLALEN (<b>IC SLALEN</b>)</p>
<p><b>2. Location of Best Practice</b></p> <p><i>Country, region, town</i></p> <p>Ukraine, Dnipropetrovs'k</p>
<p><b>3. Best Practice Executive Summary</b></p> <p><i>Describe briefly (max 10 lines) the GP context (partnership, funding, objectives, approach followed, results)</i></p> <p>Innovative center SLALEN - is a public non-profit organization specializing in innovation management and technology transfer, IPR protection, evaluation and promotion of innovations, established in 2006 with the support of Co. Ltd Domstroy, Dnipropetrovs'k. The main aim of <b>IC SLALEN</b> – is to attract funding for innovative ideas, engineering and to take them to internal and external market. <b>IC SLALEN</b> uses in their work approach, based on supporting the chain “theorist – researcher-practitioner – researcher-engineer – technologist-production worker – marketing – seller” and at the same time luring in this process administration, press, bank and auxiliary manufacture. The main result of <b>IC SLALEN</b> practice is obtaining innovative products and implementation of scientific developments in the production made by our scientists and researchers from Dnipropetrovs'k and other Ukrainian regions.</p>
<p><b>4. Best Practice Classification</b></p> <p><u>Best Practice Theme</u></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> <i>Research Transformed to Innovative Product</i></li> <li><input type="checkbox"/> <i>Research Transformed to Innovative Service</i></li> <li><input type="checkbox"/> <i>Research Transformed to Innovative Methodology</i></li> <li><input type="checkbox"/> <i>Research Transformed to Innovative Production Process</i></li> <li><input checked="" type="checkbox"/> <i>Financial Mechanism for Transformation of Research to Innovation</i></li> <li><input checked="" type="checkbox"/> <i>Support Mechanism for Transformation of Research to Innovation</i></li> <li><input type="checkbox"/> <i>Other (describe)</i></li> </ul> <p><u>Best Practice Research / Application Areas</u></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> <i>Industrial / Manufacturing Systems</i> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> <i>Industrial Informatics and Communications</i></li> <li><input checked="" type="checkbox"/> <i>Intelligent Devices</i></li> <li><input type="checkbox"/> <i>Distributed Control Systems</i></li> <li><input checked="" type="checkbox"/> <i>Flexible Manufacturing Systems</i></li> </ul> </li> <li><input checked="" type="checkbox"/> <i>Embedded Systems</i> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> <i>Industrial Embedded Systems</i></li> <li><input checked="" type="checkbox"/> <i>Nomadic Environments</i></li> <li><input type="checkbox"/> <i>Private Spaces</i></li> <li><input checked="" type="checkbox"/> <i>Public Infrastructures</i></li> </ul> </li> </ul>
<p><b>5. Description of Best Practice</b></p> <p><b>5.1 Best Practice Context</b></p> <p><i>Overall background of the Best Practice. Location, socio-economic, technical &amp; policy background of the BP (max 10 lines)</i></p> <p><b>IC SLALEN</b> provides following services: <b>Registration of trademark;</b> Developments of Ukrainian</p>

scientists and inventors are included in the database, which now covers the investors from 52 countries and has about 30000 technologies. **Copyright registration;** Includes patent search and support for obtaining patents in Ukraine and abroad; **Search for an investor (partner) for the implementation of scientific development.**

**IC SLALEN** combines perspective technologies and inventions with people, companies and banks which has money and are ready to invest in the development. It should be noted that according to international experts every third new technology in the world has Ukrainian roots.

**- Researchers informational support**

Placing annotations of an invention or technology in the international database.

**- Customized technology development**

**IC SLALEN** takes orders from enterprises and individuals for the development and implementation of innovational technologies. The spectrum of specialists and designers is extensive. Customer will get the result he (she) needs.

### 5.1.1 Policy Elements

*What are the policy initiatives that have influenced the contextual environment of BP: innovation promotion policies, research funding policies, certification ect as well as relevant tools (max 10 lines)*

In accordance with the main directions of development of scientific and innovation activities of the Ukraine the task of the transition to innovation-oriented basic and exploratory research has been set. This means that it is needed to plan the results of basic research with a view to their further use in applied research and development stages.

State regulation of innovation activity in Ukraine shall be subject to resolution of the Government of Ukraine "On the concept of scientific and technological innovation development of Ukraine" dated 13 July 1999 № 916-XIV and Law of Ukraine "On innovation activity" of 4 July 2002 № 40-IV

The main purpose of the state innovation policy in Ukraine is a socio-economic, organizational and legal conditions for efficient reproduction, development and use of scientific and technical potential of modern software implementation of clean, safe, energy-saving technologies, production and sales of new competitive products.

According to the Law of Ukraine "On innovation activity" relevance fundamental principles of state policy innovation are:

orientation to the innovation way of development of economy of Ukraine;

a legal framework in the field of innovation;

creating conditions for the preservation, development and use of domestic scientific and technological and innovative capacity;

the interaction of science, education, manufacturing, financial and credit sector in the development of innovation;

effective use of market mechanisms to promote innovation, support entrepreneurship in the scientific sphere of production;

implementation of measures to support international scientific and technological cooperation, technology transfer, protection of domestic products in domestic market and its promotion to foreign markets;

financial support, supportive credit, tax and customs policy innovation; ect.

Based on these principles and laws the **IC SLALEN** was founded to support the innovative growth of Ukrainian science and technologies.

### 5.1.2 Socio-economic & Other factors

*Other contextual factors such as customer / target market addressed, international validity, customer density, economic conditions, customer values, research area addressed (max 10 lines)*

This BP is implemented in the following socio-economic conditions typical of the post-Soviet countries.

1. Transition period from the command economy to a market economy.
2. The main difficulty lies in the fact that technology transfer must engage in an almost complete lack of state support.
3. Knowledge-intensive nature of the invention requires understanding of the subject from the staff of centers or offices (marketing and patent specialists). Ukraine is in want especially of these specialists.

Therefore, most specialists in innovation management working either in private TTC (independent organizations, collaborating with several universities), or in venture funds, or perform the functions of technology brokers for major corporations-raiders.

4. In most cases, Ukrainian enterprises are not able (or don't have a vision) for large investments in research and development, so developers and researchers have to work for the offered amount of money, as they usually are very small in comparison with the international and European standards.

However, the positive socio-economic conditions may include understanding the importance of implementing of modern mechanisms, methods and strategies of technology transfer at the state level. Continuously upgradeable legislative and regulatory base in Ukraine is using the experience of advanced European countries and quite harmonized with the relevant laws of EU member states.

Another important factor is the continuing efforts of the Ukrainian government to combat the intellectual "piracy" and copyright protection for intellectual property.

## 5.2 Objectives

*Aim of the project, specific objectives & strategies to achieve these objectives (max 10 lines)*

The main objectives of the IC SLALEN are:

- Promotion technologies in the market

International partners provide the ability to use the searching system via Internet to promote developments of Ukrainian scientists and inventors in the world market of innovative products.

- Search for an investor is one of the most important aspects.

IC SLALEN join advanced technology and inventions with the people and banks who have money and are ready to invest them into the development process.

- Creation of Ukrainian INNOVATION PORTFOLIO

- UNITING an inventor and investor

- Developing mechanism for financing innovative projects and TECHNOLOGY TRANSFER into the industry

- POPULARIZATION OF INNOVATIONS in Ukraine

## 6. Process

*Describe the project including key concepts and the overall approach followed. Indicate project end users, target market, main project phases, problems encountered and solutions, problem resolution (max 10 lines)*

**IC SLALEN** interacts primarily with research groups and organizations of Ukraine and is opened to all Russian and Ukrainian researchers and authors of innovative ideas throughout the world. **IC SALEN** attracts investors funds, venture capitalists, "business angels" and also enterprise customers who are interested in innovative products and technologies.

Work of the Partner Search Centre DO NOT require prepayment by INVENTORS. Fees are paid to the Centre only in case of finding an investor and at the end of a successful transaction.

The second aspect is the provision of comprehensive services and support to promote innovation in the chain "theorist – researcher-practitioner – researcher-engineer – technologist-production worker – marketing – seller - consumer" including registration, legal copyright registration and an expert evaluation of an object of copyright.

This approach is very effective for both the authors of innovative ideas and for potential consumers of

these ideas (investors, industry, etc.).

## 6.1 Project Design

*Project design based on targeted market complete understanding, project structure, policies and procedures, management and implementation actions (max 10 lines)*

IC SLALEN provides the following services:

1 SEARCH AND DEVELOPMENT CUSTOM-MADE TECHNOLOGIES in the field of your interest.

IC SLALEN co-operates with universities, academies, research institutes and inventors from all Ukraine in different fields of science and techniques.

Fields of Key interest

Automatic Control and Systems

Engineering

Microelectronics

Energy-saving technologies

Telecommunications and Photonics

Computer Science and Networks

2 CREATION OF JOINT FIRM for

- the search for new Ukrainian technologies
- purchase technologies and equipment
- creation of prototypes
- their certification and sale
- realization of the venture projects

3 SERVICES IN INTELLECTUAL PROPERTY RIGHTS

Development of Ukrainian market increases its attractiveness to foreign entrepreneurs. But the successful promotion of goods and services is possible only when financial interest and business reputation of a manufacturer are surely protected from unfair competition.

- Protection of IPR
- IPR objects Estimation and Registration
- Consulting services of the experienced PATENT ATTORNEYS
- Translation patenting and technical documents

4 CONSULTING SERVICES

- Market analysis
- The compilation and distribution of information
- Development of a business offer
- Leading of the innovative projects
- Business planning

5 IT SERVICES

- Programming
- Designing and Implementing Databases
- WWW-sites, advertising e-materials creation

Main target groups are: investors, incubators, licensees, technology partners.

## 6.2 Project Management

*Activities relevant to project coordination and management, project documentation and reporting, quality control, validation and verification (max 10 lines)*

System of management of technology transfer in IC SLALEN is based on the following conditions:

IC SLALEN operates in a form of Small enterprise.

Number of employees of the enterprise is limited (less than 10 persons)

IC SLALEN operates in default of state support.

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In accordance with this the mechanism of management of innovation process is based on attraction of external experts – freelancers, which has status “sole proprietor”.

Each stage of the process (marketing services, patenting, licensing, legalization of copyrights, legalization of technology transfer) involves relevant experts under the contracting agreement. The benefit of this approach is conduction of high quality services at all stages of technology transfer process. Disadvantage of this approach is lack of directive management of each of the process.

As the feedback the mechanism of experts evaluation of proposed know-how or innovation is used in IC SLALEN. Based on the verbal interview of the IC SLALEN CEO Viacheslav Kuznetsov it is noted that such approach of control allows to sift out about 97% of incoming proposals and only 2-3% from these proposals are merchantable projects, which will be implemented

### 6.3 Project Implementation

*Main elements associated with the project implementation. Realization of new idea, or new technological realization or improvement / novelty to known technology and means to achieve this. Innovation associated with the project realization in terms of new products, services, methodologies. Marketing, advertising and customer service. (max 10 lines)*

IC SLALEN was one of the first private innovation centers in Ukraine. Working since 2006 in conditions of acting Ukrainian legislation IC SLALEN was enough effective enterprise in the field of technology transfer, as it proposed enough profitable conditions for technology transfer for enterprises and the work of partners' search center do not need a prepayment from the inventors. Commission charges are paid only in case of finding of investor and successful transaction.

Developments of Ukrainian researchers and inventors are included to the data base, which consists of investors from 52 countries and it has about 3000 technologies.

IC SLALEN conducts active PR actions both in international and national levels. IC SLALEN is a single representative form Ukraine at the annual conferences “Innovation and Development”, carrying out by European Association of Technology transfer, Innovation and Industrial Information.

### 6.4 Project Evaluation

*Project feedback mechanisms and evaluation mechanisms. (max 10 lines)*

Main characteristic of IC SLALEN is effective conduction of all functions in the chain “theorist – researcher-practitioner – researcher-engineer – technologist-production worker – marketing – seller - consumer”, in terms of small budgets which is typical factor for Ukraine.

Advantages of this project are following:

- ability to attract qualified and competent professionals;
- ability to perform services for a wide range of researchers who do not have large financial resources (individuals, small businesses, that has know-how's).

The disadvantage of this project is focusing of financial mechanisms to the specific features of Ukrainian legislation. Changes in legislation of Ukraine in the field of taxation, its harmonization with relevant EU legislation complicate the implementation of all functions and leads to the exclusion of such enterprises from the market of innovative consulting services.

### 7. Description of Research team/Institution

*Short description of R&D team and institution (max. 10 lines)*

IC SLALEN interacts primarily with research groups and organizations of Ukraine and is opened to all Russian and Ukrainian researchers and authors of innovative ideas throughout the world.

IC SLALEN took part in an annual conference “INNOVATIONS FOR DEVELOPMENT” held by European Association for Transfer of Technologies, Innovations and Industrial Information (TII) with

the support of UNESCO on May 3-4 2007 Paris.

IC SLALEN was the sole representative of the Ukrainian public at the conference, they presented their vision of the investment arrangements in Ukraine and cooperation with international programs and funds in support of innovation.

## 8. Applied Financial Mechanism

*Describe financial mechanisms applied in transformation of research into innovation within BP, as well as means of connecting scientific research team and financiers (max. 1000 char.)*

**IC SALEN** attracts investors funds, venture capitalists, “business angels” and also enterprise customers who are interested in innovative products and technologies.

## 9. Impact and benefits

*Describe achieved benefits of R&D team and/or enterprise implemented innovation, as well as impacts on institutional and policy levels. (max. 1000 char.)*

**ATTRACTIVENESS OF COOPERATION with IC SLALEN** for developers lies in the fact that the work of the Partner Search Centre DO NOT require prepayment by INVENTORS. Fees are paid to the Centre only in case of finding an investor and at the end of a successful transaction.

The second aspect is the provision of comprehensive services and support to promote innovation in the chain “theorist – researcher-practitioner – researcher-engineer – technologist-production worker – marketing – seller - consumer” including registration, legal copyright registration and an expert evaluation of an object of copyright.

This approach is very effective for both the authors of innovative ideas and for potential consumers of these ideas (investors, industry, etc.).

## 10. Sustainability

*Provide information on sustainability of innovation after financial aid within implemented financial mechanisms, and some multiplier effects as replication and extension of the action performed in BP. Expected use of Best Practice and lifecycle considerations. (max. 1000 char.)*

Sustainability of this GP is provided by active cooperation with industry, venture funds, private investors and “business-angels” organizations from Dnipropetrovs’k and Dnipropetrovs’k region, and also sustainability is provided by establishing new partnerships with other regions of Ukraine and by searching for new opportunities of implementation of innovative ideas at the national and international levels.

Sustainability is also ensured by promotion of innovative ideas in the chain “theorist – researcher-practitioner – researcher-engineer – technologist-production worker – marketing – seller – consumer”.

However the significant influence to the sustainability of this project has financial mechanisms, which were efficient in the terms of Ukrainian legislation. It is a presence of separate subjects named “sole proprietor”, that ensure to optimize the taxing of services

Since 2011 New Taxing Lawbook is acting in Ukraine, it foresees cancellation of preferences for these type of entrepreneur activities.

Thus functioning of IC SLALEN, using the previous financial mechanism, become impossible and all processes in organization should be reorganized.

## 11. Repeatability and transferability

*Lessons learned from the project implementation team. Repeatability and transferability of the project. (max. 1000 char.)*

**IC SLALEN** is a successful implementation of an integrated approach to innovation, which contributes to quick promotion of innovative ideas into industry. When upgrading this GP can be successfully implemented as a tool for international and regional cooperation in the field of industrial computer and embedded systems.

## 12. Evaluation

*Describe reasons and evaluation criteria why the described example is a best practice. (max. 1000 char.)*

**IC SLALEN** is a successful implementation of an integrated approach to innovation, which contributes to quick promotion of innovative ideas into industry. When upgrading this BP can be successfully implemented as a tool for international and regional cooperation in the field of industrial computer and embedded systems.

This BP is one of the most effective examples at the transitional stage from the though management economy to the market economy, in terms of minimal state financing and on preferential taxing terms for individual subjects "sole proprietor".

### 13. Contact of research team/institution

*Name, address, tel., fax, e-mail, URL*

**V`YACHESLAV KUZNETSOV**

25, Lenin ave.,  
01001Dnipropetrovsk  
Ukraine  
+38056-736-54-87  
+38067-563-54-87  
**sla-len@ukr.net**

**www.innocentr.com**

### 14. Contact of financial mechanism facilitator

*Name, address, tel., fax, e-mail, URL*

**OLENA ORYOL**

25, Lenin ave.,  
01001Dnipropetrovsk  
Ukraine  
+38067-562-61-10  
+38056-374-74-87  
**sla-len@ukr.net**

**www.innocentr.com**