

Competence Development Fund of Southern Norway

Strategy

1. Introduction

The foundation “Competence Development Fund of Southern Norway” (CDFSN) was established on 27th September 2000 by the 15 municipalities in Vest-Agder County. The Fund’s Articles of Association determine that the Fund shall serve the citizens of Vest-Agder in the long term by contributing to raising the level of competence in the county, in order to secure employment and good living conditions. The term “competence” encompasses the ability to establish and apply knowledge to practical objectives. The Fund shall contribute to the development of the University of Southern Norway.

Companies and institutions that receive support must develop knowledge at the university college /university level, to the benefit of the institutions' own development and/or local businesses and/or public and private companies.

The founders of the Fund have formulated general objectives for the community via the Articles of Association and have thereafter given the Foundation the task of drawing up specific objectives and plans for achieving long-term goals. The Board began its strategic planning at the start of 2000. In the autumn of 2001, a preliminary plan was approved. The plan was subsequently updated in 2003. Strategic discussions have been completed at meetings of the Board of Directors in 2006. The new strategic plan is hereby presented. Firstly, however, we would like to reiterate the Foundation’s vision and goals:

Vision

The vision for The Competence Development Fund of Southern Norway is derived from the articles’ § 4:

” The aims of the Foundation are to contribute to raising the level of competence in Vest-Agder and to establishing and safeguarding employment and good living conditions, including contributing to the development of the University of Southern Norway.

The region (Vest-Agder) shall be characterised by sustainable business and employment and good living conditions.”

Objectives

The overall and specific objectives in order to achieve this vision are also contained within the Articles of Association:

- *To establish and secure jobs and employment*
- *To create good living conditions*

Safeguarding and establishing jobs can be carried out in three ways; establishment of new businesses, development of existing businesses and the relocation of enterprises to our region. The goals have not been defined specifically in terms of numbers; however, they can be followed up via public statistics, both as absolute values and as relative values held in comparison to other regions.

Good living conditions are more difficult to define objectively and also have a certain correlation to economic development. The quality of life for individual citizens is a concept that is as inadequate as “good living conditions”, in terms of precise definition. On establishing the foundation now known as “The Competence Development Fund of Southern Norway”, the report “The Gloomy Life of Cheerful Southern Norway” from 1993 and the “Quality of Life Report” from the Agder Counties from 1998 were used as a starting point. With this background, it is natural to use the Statistics Norway Development Index as a basis for gauging the developments in standards of living in the region. The following indicators are part of the Human Development Index (ref. www.ssb.no): mortality rates, levels of social benefits, disability retirement, transitional benefits, rehabilitation benefits, registered unemployment, violent crime, indictments and level of education.

2. Strategic evaluations

Community objectives and value base

The founders of the Competence Development Fund of Southern Norway have drafted community objectives in the Foundation’s Articles of Association. The strategy is thus given a two-level structure; one set of community visions and goals and another set for the institution The Competence Development Fund of Southern Norway itself, derived from the first set. This document addresses the community objectives and associated strategies for the Fund. In regard to the base values and the Competence Development Fund of Southern Norway’s strategies for self development, these are complemented by the Fund’s communication strategy. In this document we will limit ourselves to presenting the basic values, which can be summarised thus:

Independent

We shall be steered by our goals and Articles of Association only. We shall dare to be controversial and to choose differently. We will seek out independent professional advice.

Open

The Fund’s enterprises are public and we will be open and available. We will seek out dialogue and encourage constructive criticism of our enterprises.

Clear

We will communicate and reiterate our objectives and our allocation criteria. We shall participate actively in social debate. We will be prominent and even controversial; however, we will never choose the easy path and always have a professional basis for our standpoints. We will have the courage to put our faith in the best and not merely distribute the Fund’s resources among politically correct or mediocre projects.

Energizing

We shall not forget our origins; we will shape the Fund into the same type of renewable source of energy and innovation as water power has always been. We shall dare to be measured and we will document the results of our allocations. We shall be a catalyst and stimulate cooperation by bringing different milieus and knowledge together. We shall be initiators of competence development.

Long-term competence development

The Competence Development Fund of Southern Norway is distinct from other business-oriented funds, in that the main focus shall be on competence as a policy tool. The Fund therefore supports only knowledge-based projects from which the result can be measured in terms of the recipients’ enhanced knowledge. Also, it is specified in the Articles of Association that the competence must have a long-term benefit for the region.

These circumstances mean that a number of public knowledge milieus are highlighted as recipients of support funds; however, private organisations may also receive support. The Fund, in addition to the articles' stipulation concerning the level of competence and practical benefits must also make adequate considerations for national and international competition regulations. Within the private sector, the Fund's primary target group is enterprises that can safeguard common competence-related interests in the region, for example via:

- Cooperating projects between several companies
- Cooperation between public knowledge institutions
- Pilot projects with knowledge distribution in the region.

Active fund work

Traditionally, funding in Norway has been characterised by an administration of the assets and allocation of funds to applicants that fulfil the fund's terms and conditions for allocation. The Competence Development Fund of Southern Norway will take a more active role by taking initiatives in areas, in which - based on a strategic analysis – lasting results can be achieved via more focused and active investment policies. Recent research data shows that good community-related results can be achieved by applying resources in the long term in relatively few areas and at the same time placing strict requirements upon the recipients of the resources in terms of progress and results. The financial support ceases when the projects have reached their objectives or when the major part of the premises for progress in the project has failed. In addition to financial capital for a certain period, the Fund can also offer support in the form of intellectual capital, guidance and support for planning, and social capital such as networks and coordination of resources.

This approach to the work of the Fund requires closer follow-up of each individual project and it demands long-term, dialogue-based cooperation between the Fund and the project owners. In addition, it will require ongoing information and analyses of the developments in the Fund's priority areas. In these areas, there will be a need for conspicuousness in regard to the region's collective need for initiatives from state, municipal and private sources.

3. Strategic main areas

The Competence Development Fund distinguishes between three main strategic areas:

- Establishment and development of competence bases
- Utilisation of the competence base
- Stimulation of new and existing businesses and enterprises

Establishment and development of competence bases

Competence is the Competence Development Fund's tool for achieving the objectives for economic development and good living conditions. Competence shall, in accordance with the Articles of Association, have a practical aspect for the benefit of the region.

The Competence Development Fund will apply a broad interpretation of competence as a basis for its work with competence bases in the region. In summary, competence in these terms is comprised of four elements:

- Scholastic knowledge
- Practical skills
- Attitudes, culture
- Network

Scholastic knowledge in a competence base is associated with persons in a professional milieu and can be measured in terms of the individuals' education, academic level and scientific production.

“Practical skills” in this context means the professional environment’s ability to exploit the knowledge in education, research and development, assignments for business and enterprises (often called technology transfer) or establishment of business enterprises.

In regard to attitudes and culture, the specific meaning in this context is the degree to which there is willingness and focus on collaboration with regional business.

“Network” means the opportunity to utilise other professional environments’ competence. This element has been of especially great importance in our region, that has traditionally had limited competence bases and is in a phase of growth.

The competence bases in the region are comprised of:

- Universities and university colleges
- Research institutions
- Other public competence milieus such as the schools sector, hospitals, skills centres etc.
- Private competence milieus such as companies with R & D capacity, consultancy companies and other bodies with special competence.

Utilisation of competence bases

For effective utilisation of the competence bases, the following conditions are required:

- Communication skills among knowledge sources
- Receptiveness among users
- Infrastructure

Experience from other regions shows that there is no automatic correlation between high levels of competence in university and research environments and the utilisation of the competence via innovation and economic growth. The issue is often described via the concept of “asymmetrical information” – i.e., the owner of specific information lacks the necessary knowledge in order to exploit the information commercially, and at the same time the recipient of the information does not have the necessary competence to understand the full content of the information. The problem can be solved by employing one of three ways as indicated above – or most often as a combination of the three.

Good competence in foreign languages is a premise for international contact, cooperation and access to competence. The Fund will support initiatives for improving foreign language competence associated with other competence development.

The Competence Development Fund of Southern Norway shall contribute both to raising the level of communication competence in the knowledge milieus and the receptiveness/utilisation competence of users in the region. In connection with this, it is important to establish an appropriate infrastructure, which in practice will function as a cooperation arena and as a network for special assignments and initiatives.

Stimulation of new and existing business and employment

The third strategic area concerns stimulation initiatives for business and administration. Initiatives of this type can fall under one of the two strategy areas that are described above; however, they can also be projects or programs directly aimed at individual users or groups of users. Initiatives may be, for example, support for product or concept development or special company-internal competence programs. A premise for receiving support is that a competence project shall have a certain regional dimension and that it is measurable. The Competence Development Fund can choose to cooperate with other organisations in connection with the implementation of this type of initiative.

4. Initiatives in the public sector

The funds that are available to the foundation are basically generated in the public sector. The founders, through the Articles of Association, have laid down certain community plans, among them the development of a university in the south of Norway. As many of the most important competence bases in the region are public institutions, it is natural that the public sector is favoured appropriately in allocations from the Fund. In addition, the Board believes that an effective public sector is an important premise for business development and good living conditions in the region.

An effective public sector has a need for a supply of major competence and the Fund gives priority to initiatives that improve knowledge development in the public sector, especially to projects in which the region's knowledge milieu can contribute with their competence. Since the very beginning, the Fund has allocated resources to action research in the social sector, in that Agder University College has assisted in providing skilled research personnel as advisors in difficult practical cases. These efforts have been extremely successful and will be continued. The Fund regards it as positive that public institutions can contribute to the development of new systems in cooperation with relevant competence milieus.

Science education is a neglected area in Norway. At the same time, businesses in the region have a constant need for superior skills in IT, mathematics, physics and other scientific subjects. The Fund has taken its own initiative within mathematics education in order to improve the cooperation between bodies throughout the entire education system, from the kindergarten up to university level. The aim is to provide the south of Norway with the best education environment in the country for scientific subjects. Another important field has been to bring university college opportunities to people who, for reason of geographical or employment situations have not been able to take higher education. Satellite university colleges have been established in the Lister region and in inner Vest-Agder, in which remote studies and regular lectures, along with local tutoring have been combined.

5. Business priority areas

Based on the region's existing businesses and opportunities in general, the Competence Development Fund has selected four priority areas:

- Maritime sector
- Process industry with main emphasis on materials technology
- IT sector
- Creative economy

Business development takes place most effectively in areas and sectors in which an already well-developed and strong professional environment exists. The Competence Development Fund seeks therefore to aim its initiatives at businesses and areas that already have a certain strength or critical mass. Allocations are made for pure competence-enhancing activities such as research, education and knowledge dissemination. At the same time, there is an awareness and understanding of the input factors and mechanisms that apply in business development. An already tried and tested formula for value creation in the knowledge community is a combination of three factors: research, infrastructure and risk capital – with a defined distribution of roles between university and university college sectors, public sector and finance/business. The Competence Development Fund shall therefore be able to make necessary interventions in the infrastructure side and thus has invested part of its total assets in risk capital funds and will continue to do so.

Maritime sector

The maritime sector is comprised in our case of the offshore industry, shipyards and maritime equipment industry. Southern Norway is a leading region within the production of drilling equipment and loading/unloading systems for the oil and offshore industry. Approximately 40 companies in this sector have established the project organisation NODE, which is currently working on joint initiatives to maintain a strong competitive force in the maritime sector.

Process industry

Southern Norway has a number of relatively large industrial companies within the metallurgy and chemical industries. One of the country's largest industrial research centres is located in Kristiansand. There is considerable potential for innovation in materials technology and other fields in this particular branch, and the Fund will be able to contribute with resources in connection with R & D and infrastructure.

IT sector

Information technology is currently an especially important element in business development in all sectors. In addition, IT in itself is a business sector with huge development potential. The Fund will support IT projects within the other priority areas - maritime sector, process industry and creative industry; however, it will also be involved in other initiatives.

Creative economy

The "creative economy" is an umbrella term for many established business that have the common element that they contribute to the creation and organisation of experiences. In the creative economy, the attention is moved from the product and service supply, over to the customer's experience as the value-creating element. Experiences are produced by companies and institutions associated with, among other things, culture, art, nature, sport, design, tourism etc. Enterprises with production in one or more of these areas have an exciting growth potential, through our increasing prosperity and tourist traffic. The creative economy is overstepping the boundaries. The creative economy is all about the processes and products that create an experience and identity for the customer, sectors that have experiences as a primary product – but also for the sectors that integrate experiences in their products and service provision, in order to achieve creative product diversification and added value. There is reason to believe that Southern Norway has an untapped potential in the coordination and cooperation of initiatives within this sector.

New areas

In order to incorporate promising initiatives in new areas, up to 20% of the allocation budget in any year can be utilised for competence projects that lie outside of the four defined priority areas.

6. Priorities

Business potential and living standards

The Competence Development Fund supports projects that give commercial results in the form of heightened competitive advantages for companies, business growth and secure employment. In addition, the Fund can provide support to more direct initiatives that will improve living standards, for example within sectors such as health, care, recreation school/education, culture etc.

Female participation

It is desirable that women, to a greater degree than at present, assume leading positions in the region. Several types of initiative are necessary in order to reach this goal. The Fund will support knowledge

projects, in which the objective is to give women greater opportunities for participation and qualification.

Internationalisation

The Competence Development Fund will place emphasis on the cooperation that the applicants establish with international institutions and companies that have the potential to engage in strategic cooperation with companies and institutions in the region, especially those that see advantages in joint investments in projects.

The Fund will support initiatives that will utilise international opportunities in new markets and via new distribution systems, for investments and intellectual capital.

The Fund is concerned that the region shall gain new competence on both a temporary and permanent basis. We will therefore give priority to applications that involve the import of major competence, to the advantage of several companies/institutions and in which the potential spin-off effects are well founded. The Fund can also assist with establishing contact with national and international funds for joint financing.

Contribution to the University of Southern Norway

The Fund regards Agder University College/Agder University as a central institution in the development of competence milieus in the region. The Competence Development Fund, in the period 2001-2006 has allocated considerable resources in order to develop competence in selected areas of the university college, such that it may, as rapidly as possible, satisfy the formal requirements of a university. For the new Agder University, the Fund will contribute to development in the areas that are considered to bring the greatest rewards for the region's public and private enterprises – i.e. the Fund's defined strategic plans and priority areas.

Network development

The Competence Development Fund will place decisive emphasis on the knowledge potential that can be developed in regional, national and international cooperation. The Fund will activate and support meeting places in the region in order to stimulate contact and network development. The Fund will be a catalyst for network building for competence development and transfer in the region. It may be relevant to bring in its own network, to contribute with guidance, organisation and operation of a network.

Joint financing

The Fund's resources are limited and emphasis will therefore be placed on whether applicants activate other investment in the projects, both their own investments and from external resources.

Business development and innovation

In order to achieve increased knowledge-based value creation in the county, it will be necessary to develop competence within innovation and creativity. Furthermore, there is a considerable need for risk capital in the early project development phase. The Fund will channel resources in two directions; the first will be long-term competence development in academia (research, education and teaching) on the one side, and the reinforcement of the support infrastructure for new business on the other. In addition, the Fund will continue its work in reinforcing risk capital in the region in cooperation with other investors.