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"**Learning from Existing Evaluation Practices on the Impacts and Effects of Intellectual Property on Development**"

Geneva
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Evaluation Section Internal Audit and Oversight Division (IAOD)World Intellectual Property Organization (WIPO)

Evaluating IPR support services for SMEs in a comparative manner
Methodological experiences from a benchmarking exercise

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INNO APPRAISAL

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Introduction – The assignment

■ In 2006, the European Commission, DG Enterprise and Industry, contracted a consortium consisting of the Austrian Institute for SME Research, Technopolis and 35 other research institutes to perform a study on IPR support services for SMEs.

➔ **Aim 1:** Identify and map out all existing support services in the field of IPR aimed at SMEs in the EU-27, the U.S.A., Canada, Japan and Australia

    ➔ *Key evaluation question:* What (type of) of IPR support services exist?

➔ **Aim 2:** Benchmark the offerings with the goal to identify "good practices"

    ➔ *Key evaluation question:* Which are better performing services and how do they perform?

➔ **Aim 3:** Thoroughly analyze and present 15 services as case studies for 'good practices'.

    ➔ *Key evaluation question:* What constitutes the best performing services which could serve as role models for implementation in other countries?

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Our evaluation working context (I)

- What do we **understand as evaluation**?
  - Our background is evaluation in the **domain of R&D and innovation policy**.
  - **Evaluation** in our working environment is…
    - „*Part of empirical research with the goal of judging measures and interventions*" (Bortz/Döring 1995)
    - „*Judgement of programmes, interventions, measures as well as development of formal rules and criteria for measuring success and effects*" (fteval 2003)

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Our evaluation working context (II)

- Evaluations are said to serve **five main functions**
  1. To **legitimate** (e.g., justifying the use of public funds)
  2. To **inform** (provide the public with information on how public funds are being used and to what effect)
  3. To **learn** (for those funding/implementing, decision-makers)
  4. To **steer** (planning measures, establishing objectives)
  5. To **control** (like in a private enterprise)
- In addition, sometimes evaluations also help to **mediate** between competing interests of various players in RTDI policy.
- Our evaluations are predominantly **formative in nature** (with close collaboration with the customers to improve offerings and allow for learning effects)
- Our way of thinking follows the argument that some **type of market failure or systems failure** must be present to prompt policy intervention.

The key challenges of the assignment from a methological viewpoint

■ Benchmarking exercise addressed primarily the **programme level**

■ There were **several key questions** that influenced the methodological design

1. Is there a market or systems failure, and if yes, how does this market failure relate to desirable outcomes and impacts (and hence to measuring those)?

2. How do you determine which activities constitute an IPR support service for SMEs and which not?

3. How do you make sure, in this context, that you achieve comparability of the service analyses while minimising the trade-off with the level of detail for the analysis of each service (given budget constraints)?

4. How do you identify, define and measure the relevant success factors (benchmarking indicators)?

5. How do you ensure equal quality of research in different states and broad acceptance of results?

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The methodological design in a nutshell
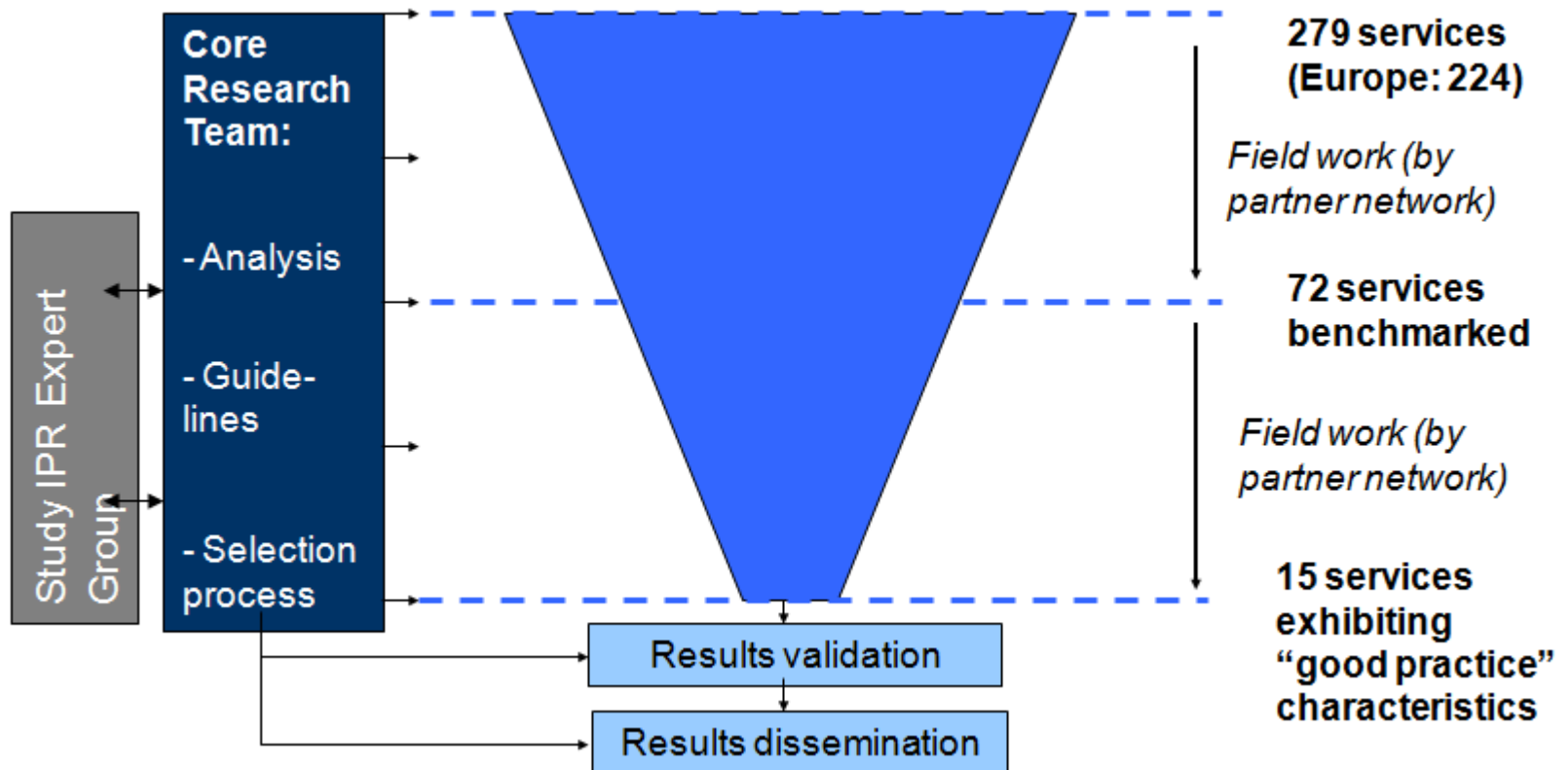
General features of the design for the quest for good practice

- **Three stage** approach
  - Increase of level of detail on individual services in later stages (but fewer services analysed)
  - The stages correspond to the three aims of the assignment
- Mix of **qualitative** and **quantitative** methods
  - Stage 1: Desk Research with semi-standardised identification guideline
  - Stage 2: Document analysis and interviews with service providers using semi-structured benchmarking guideline (self assessment)
  - Stage 3: Service case studies with standardised survey among users, open interviews with stakeholders and IP experts
- In each stage, **review of results** and fine-tuning of methodology in collaboration with an expert panel
- Core research group prepared methodology in such a way that it was easily executable by field research teams in each country under investigation

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Key lessons learned on a methodological level

- **High value** of using several **quantitative and qualitative methods at the same time**
  - Importance of dedicated research and stakeholder/expert interviews early on to create the ‚correct' methodological instruments
  - Key to a workable approach that is sufficiently detailed and allows for comparisons
  - Key difficulty to define ‚added value' and performance
- Challenge of **dealing with insufficient data** in a world not used to evaluations
  - …but such difficulties are results in themselves

Example for the need to do proper research beforehand

- The **IP management argument**
    - IPR should not be reduced to patents
    - Proper handling of IPR requires management of all types of IP protection/appropriation instruments and informal practices in a business-specific context
    - For each SME, there is a different mix of different IP instruments to be applied
    - Not always is it better to patent (example of Coca-Cola with trade secret plus trade mark instead of patent)
- → **Selection criterion** 'service addresses IPR broadly'
- → **Implications** also for the measurement of success
    - → no mere counting of 'patents filed because of scheme' (!)

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Example for measuring added value
in a reasonable comparative manner in the
given context (I)

- How do you **measure** effects and success…
  - …in a harmonised way for services so different than a consulting service or a subsidy for patent filings?
  - …if you should not simply count IPR (e.g., patent) filing activity?
  - …if, following this, more patent filing activity could be as good or bad as less patent filing activity?
- Solution: Applying the concept of **behavioral additionality**
  - *"[behavioural additionality is]…the difference in firm behaviour resulting from the intervention. The assumption is that the behaviour is changed in a desirable direction, though an evaluation should also be sensitive to perverse effects, for example encouraging firms to take risks that they cannot afford."* (Georghiou 2004; see also OECD 2006).

Example for measuring added value in this context (II)

Changes in/of attitude/behaviour with regard to IP issues, due to using a support service, Accompanied Patent Search service, Switzerland, SMEs in %
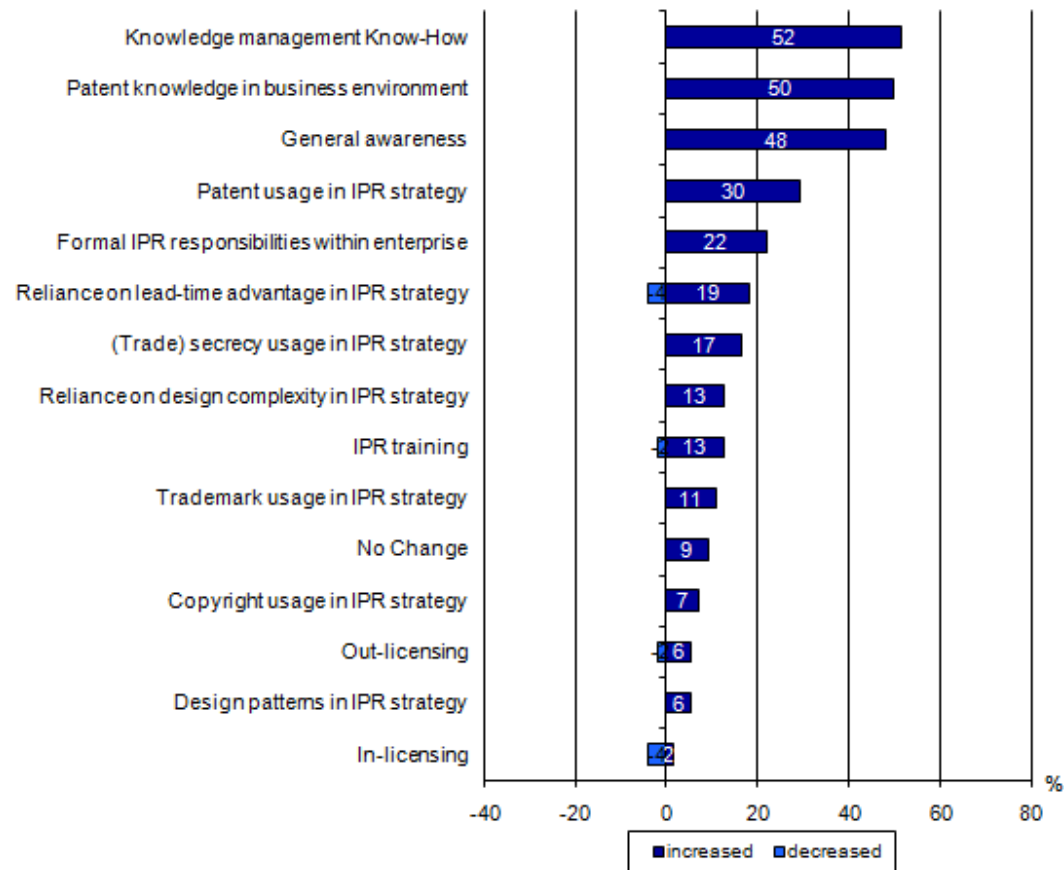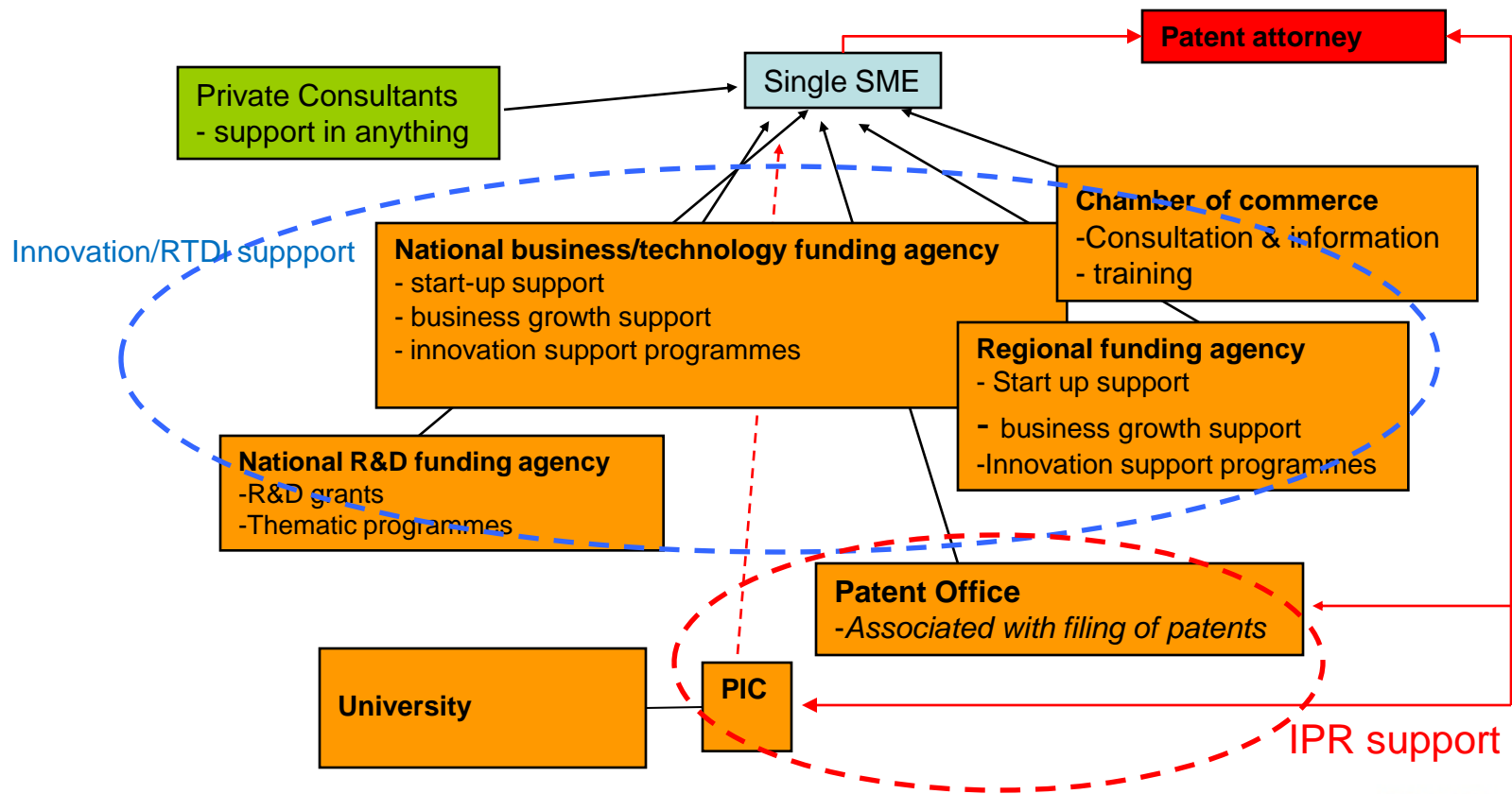

Source: Radauer & Streicher, 2008

Some key results of the study

- Good practices **hard to spot**
    - ...but plenty of elements of good practice
- Lack of thought on **existing market failures**
- Lack of **evaluation culture**, especially with patent offices
- Lack of **collaboration between patent office world and other actors** of the innovation system
- **Bottleneck IP expertise** in the labour market

→ Implications for the ability to reach out to SMEs

→ Findings well received and led in parts of Europe to some improvements already

→ Key success factor results presentation

Systemic set-ups which are frequently found

Patent attorney

Single SME

Private Consultants
- support in anything

Innovation/RTDI suppport

National business/technology funding agency
- start-up support
- business growth support
- innovation support programmes

Chamber of commerce
-Consultation & information
- training

Regional funding agency
- Start up support
- business growth support
-Innovation support programmes

National R&D funding agency
-R&D grants
-Thematic programmes

Patent Office
-*Associated with filing of patents*

University

PIC

IPR support

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Annex - Our firm

- Technopolis is a **private consultancy firm** with nine offices in Europe and over 80 employees

- More than **2,000 evaluation-related projects in R&D and innovation policy** overall (including the topic of technology transfer from science to industry).

Technopolis Group Ltd Holding Company	Technopolis Forschungs- und Beratungsgesellschaft m.b.H. 100% - Austria
	Technopolis Consulting group Belgium SPRL 100% - Belgium (and Estonia)
	Technopolis France SARL 100% - France
	Technopolis Deutschland GmbH 100% - Germany
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	Technopolis Ltd 100% - United Kingdom

Source: Technopolis Group

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Annex - Our IPR-related (evaluation) expertise

- Evaluation-related work on IPR in the context of **support services focussed on SMEs**
    - Half a dozen major assignments in different countries
    - Include also policy analysis and/or service development (e.g. in Central Asia – Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan)

- **Other IPR-related evaluations and studies (among others)**
    - Transatlantic collaboration on counterfeiting and piracy (2008)
    - Evaluation of the impact of the London agreement on French SMEs (2011)
    - Valuation and assessment of the patents nominated for the European Inventor Award 2011 (2011)
    - Patents and licensing – analysis of knowledge and licensing flows (partner of University Bocconi/KU Leuven) (ongoing)
    - Work for the European Parliament on Industrial Property (2009/10) and Copyright Policies (2010/11)

Thank you very much!

- More information at http://www.technopolis-group.com
- ...or mail me at alfred.radauer@technopolis-group.com

- Study Downloads
  - Commission study: http://www.proinno-europe.eu/admin/uploaded_documents/Benchmarking-Report-SME.pdf
  - Swiss study: https://kmu.ige.ch/fileadmin/user_upload/Institut/kmu-ip/Support-Services_2008.pdf

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