



Phare CBC Slovenia-Italy  
Primorska Enterprise (PRIME) - Strengthening the SME Competitiveness in the Primorska  
Region through Networking and Co-operation



**A successful cooperation example between  
the state, research and industrial sphere**

**Ted Prodan, Tonko Sladič, Alenka Hren**

Ted Prodan, P.hD. - Independent researcher  
<http://users.volja.net/ted-prodan>

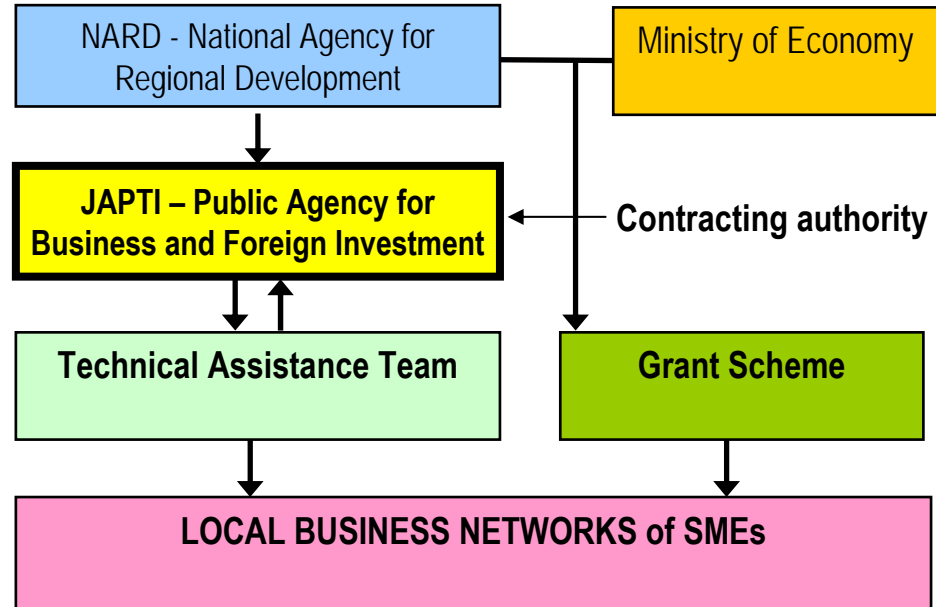


# PRIME Project – Phare Cross Border Cooperation Slovenia-Italy 2002

## Region



## Project organization



→ Support flow direction

**Partner regions** in Slovenia: Obalno-Kraška, Goriška, and municipality of Kranjska Gora  
in Italy: Friuli-Venezia-Giulia, provinces of Venezia & Rovigo in Veneto



## PRIME project key information

---

- **PRIME:** stands for PRIMorska enterprise
- **Goal:** Promote the creation of Local Business Networks (LBNs) of smaller companies to strengthen their competitiveness in the EU market
- **Motivation for smaller companies to establish LBNs:**
  - Large companies have an organizational competitive advantage
  - As Slovenia entered the EU, Slovenian companies have more rivals from the EU market
  - The market rule “innovate or die” is becoming “**jointly innovate or die**”
- **Benefits of LBN:**
  - Better access to large clients, skills and resources
  - Economies of scale/scope (e.g., joint purchasing, complementarities)
  - Knowledge sharing, joint innovation, joint R&D
  - Joint brand development and exploitation of new markets



## PRIME project concept / results

- State institutions started preparing the project at the beginning of 2003. A very **practical project concept** was developed, based on SME needs (**top down approach**)
- **2,6 mio EUR** of funding used to **promote innovation** and high added value product development in smaller companies
- Mid 2003 started the on-field training and work of **18 local experts** on the **10-step methodology** to establish LBNs (**bottom up approach**)
- By mid 2004, **3000 companies** are animated, **60 LBNs** created, **37 LBNs** applied for the PRIME **grant scheme** (**linking top down and bottom up approaches**)
- **11 LBNs** received funding for their innovation projects (3 presented here), which were implemented by the end of 2005
- During 2002-2005 PRIME was the only Phare project rated as “highly successful” by EU independent evaluators
- More information about the PRIME project and deliverables at [www.prime.japti.si](http://www.prime.japti.si)

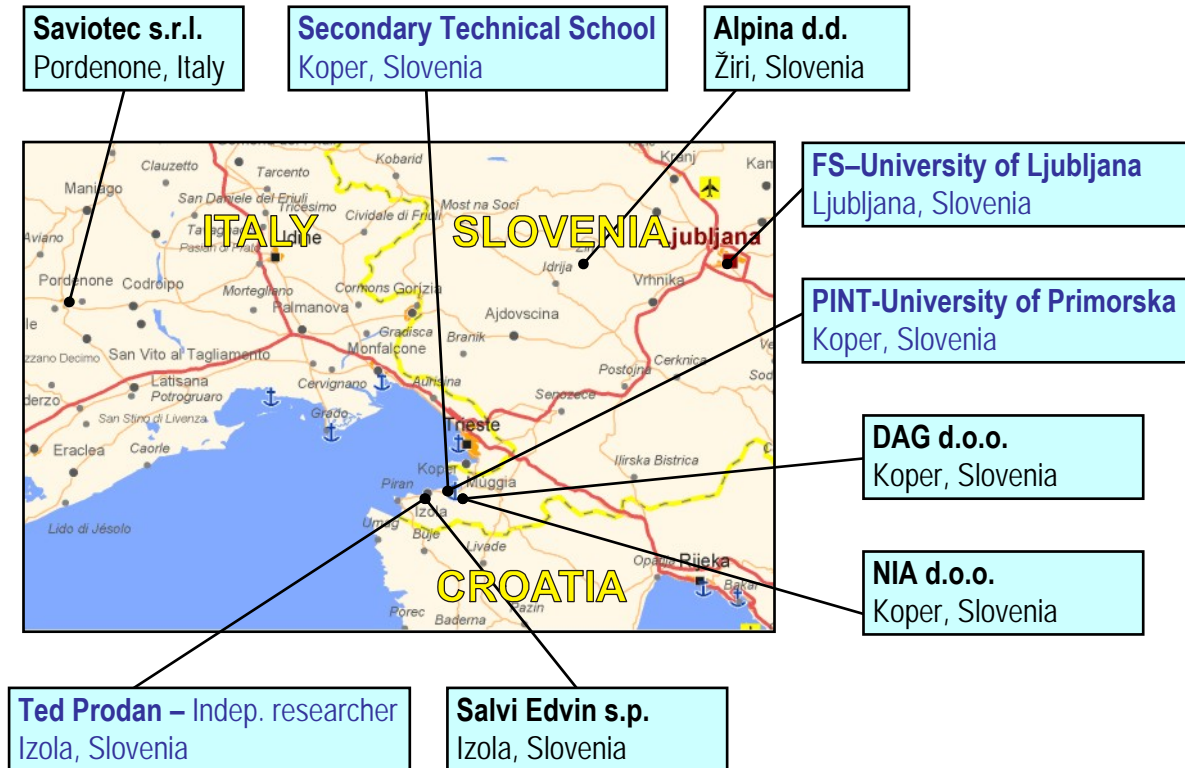


# Business Network for “Thermoplastic Product Engineering”

**Goal:** Establish a center for the development and engineering of thermoplastic products

**Motivation:** Share design & prototyping equipment, joint development

**Pilot project:** Develop an advanced and innovative ski boot for the world market



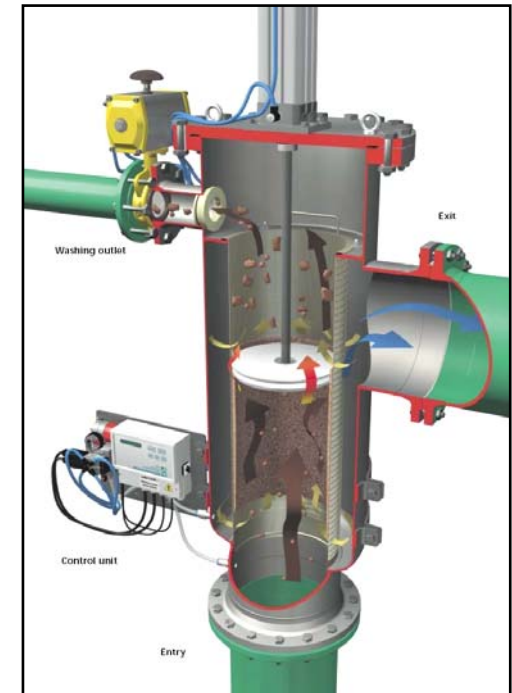
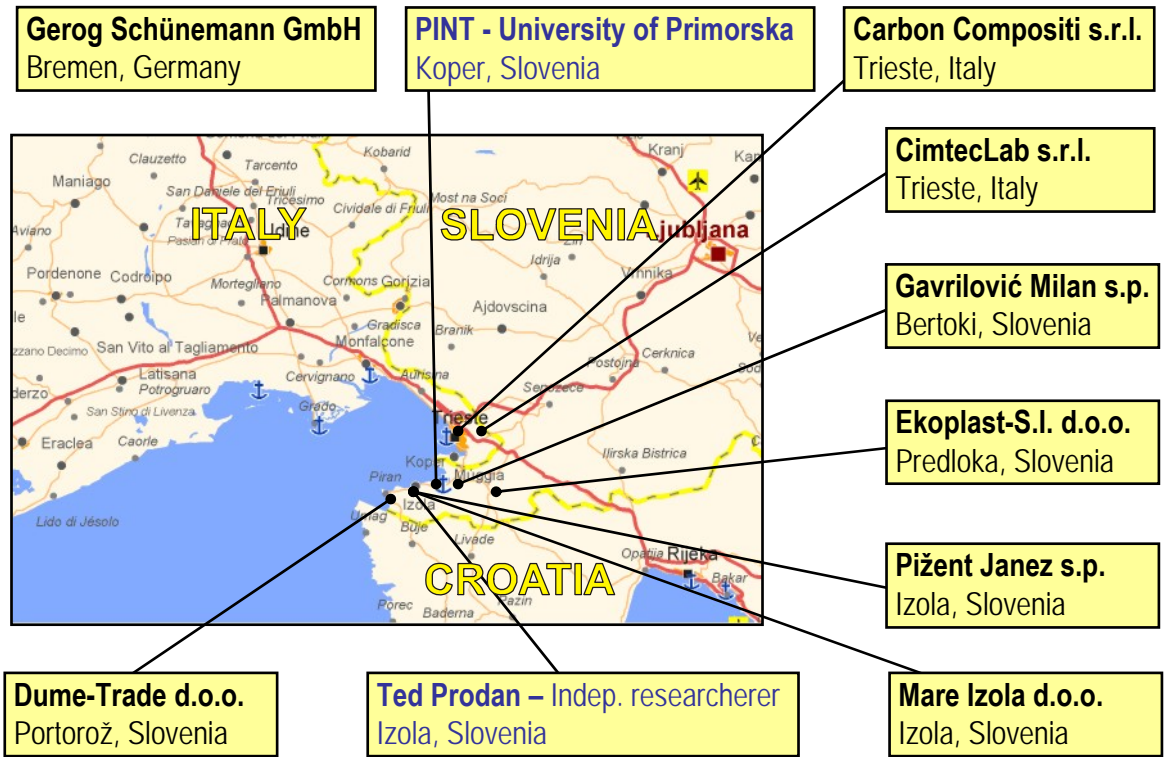


# LBN for “Composite Product Technologies”

**Goal:** Establish a joint technological laboratory for the development of complex composite products

**Motivation:** Share technological & measuring equipment, joint development

**Pilot project:** Develop an automatic self-cleaning composite filter for industrial water filtration



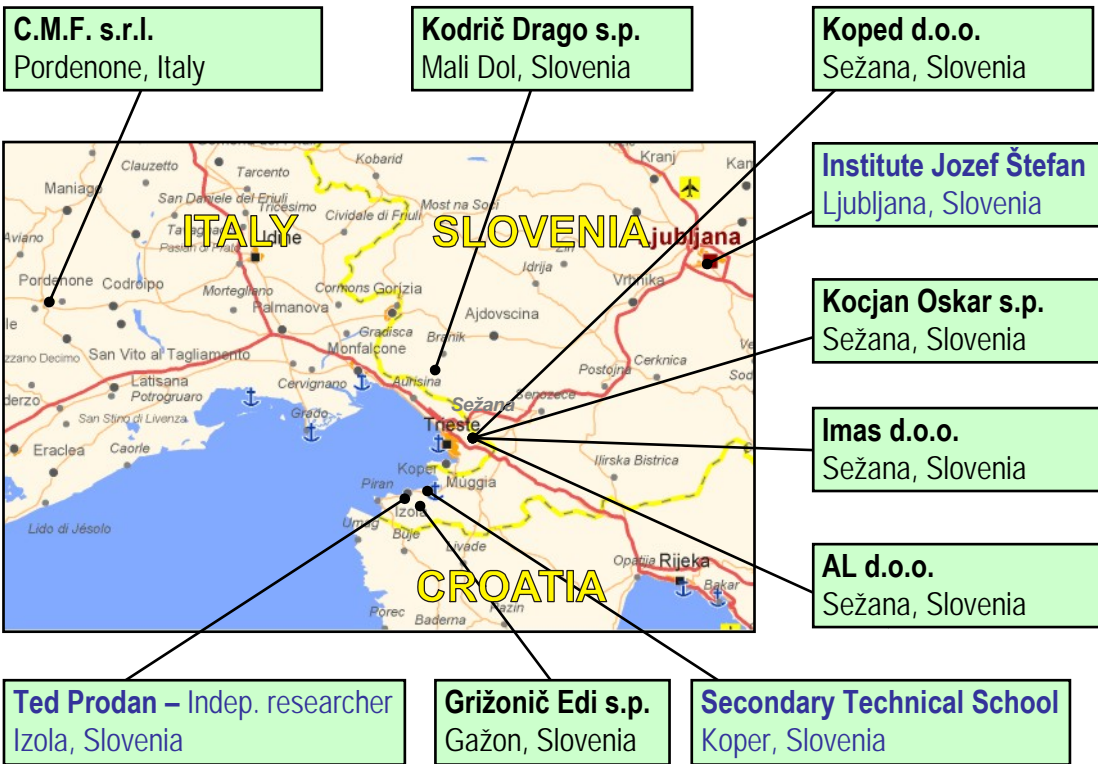


# LBN for “Household Filtration Appliances”

**Goal:** Establish a joint laboratory for the development of household air & water filtration appliances

**Motivation:** Share technological & measuring equipment, joint development

**Pilot project:** Develop innovative water and air filtration appliances



## Motivation for further networking of business networks

---

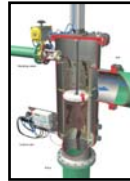
- **Presented 3 business networks:**
  - A** - Center for thermoplastic products - covers **thermoplastics**
  - B** - Technological lab. for composites - covers **thermosets** and **filtration**
  - C** - Laboratory for appliances - covers **thermoplastics** and **filtration**
- **All 3 networks need:**
  - engineering and development
  - molds for manufacturing products
  - measurement and testing equipment
  - international marketing
- **If they network, they are strong enough for:**
  - EU Framework Programs R&D projects
  - interesting to big enterprises
  - close work with universities

# Decentralized Laboratory concept

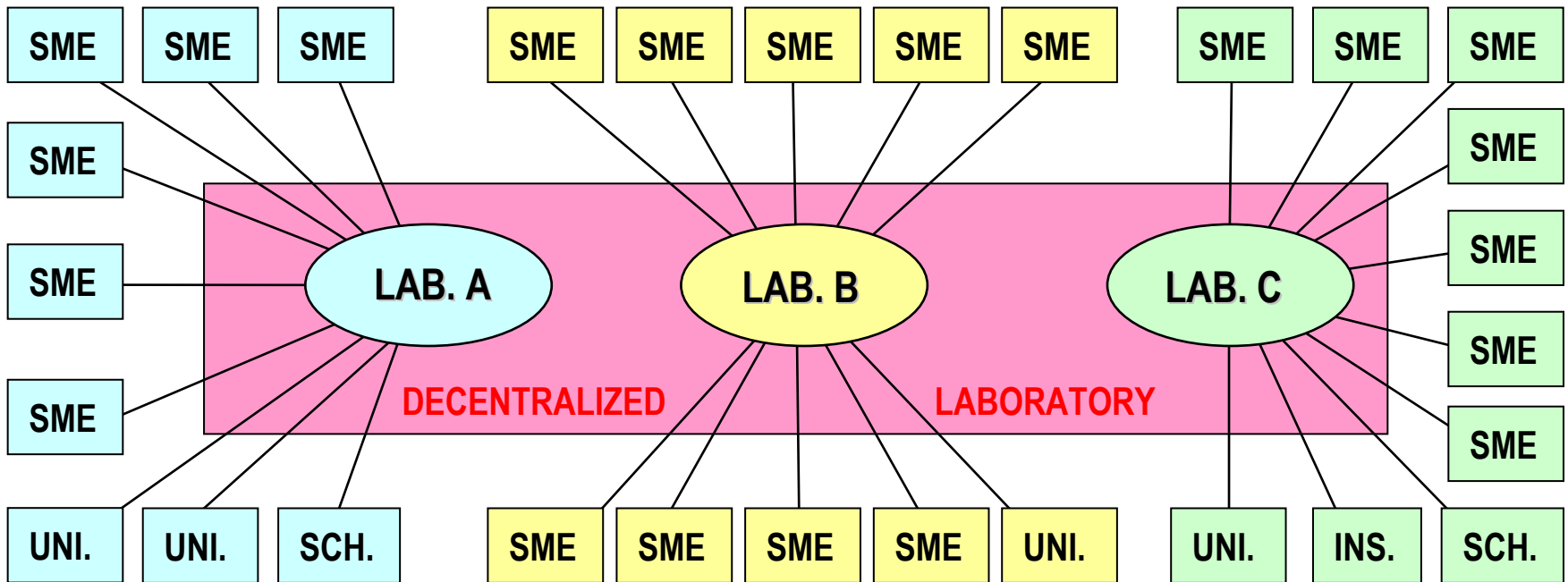
Network A



Network B



Network C



## Decentralized Laboratory advantages

---

- Measurement equipment is available to all members on an internal cost basis
- Money savings due to reduced duplication of equipment
- Sharing of laboratory assistants and researchers
- Possibility to “transfer” quality certificates to non certified members
- Common office for preparing EU projects
- Critical mass for R&D on a higher level
- Direct links exist between researchers at universities and engineers in companies
- A method is in place for transferring university knowledge to industry and vice versa

# Mechanism for joining smaller enterprises

EQUIPMENT RESOURCES

HUMAN RESOURCES

ACTIVITIES

## DECENTRALIZED LABORATORY

Sharing measurement equipment

Sharing lab. staff

Joint research



SECOND  
PASE

Sharing technological equipment

Sharing engineers

Joint development



THIRD  
PASE

Sharing production equipment

Sharing workers

Joint production

## DECENTRALIZED ENTERPRISE



## Conclusions – Some PRIME project deliverables

---

- A higher level of cooperation between the companies in LBNs
- Each LBN has a joint laboratory/engineering center (as a new company, or G.I.Z.)
- World class quality products with high added value developed
- LBNs continue to develop new products and to open new jobs
  
- Better links and cooperation between companies and research institutions
- LBNs have a researcher who interfaces the business and research sphere
- A base for developing the Decentralized Laboratory to jointly apply for the 7FP
  
- 18 local experts trained to continue the local business networking process
- State institutions actively interacted with companies and local experts (forming a “partnership”), which brought strategic feedback to better tailor future projects
- Documents, guides and handbooks available to the public to establish LBNs
- Both, the top down and bottom up approaches were used and proved necessary