

# Microsoft Innovation Center

Case study of Croatian working model and recommendations for establishment of similar Center in other countries



**Microsoft** | Innovation Center

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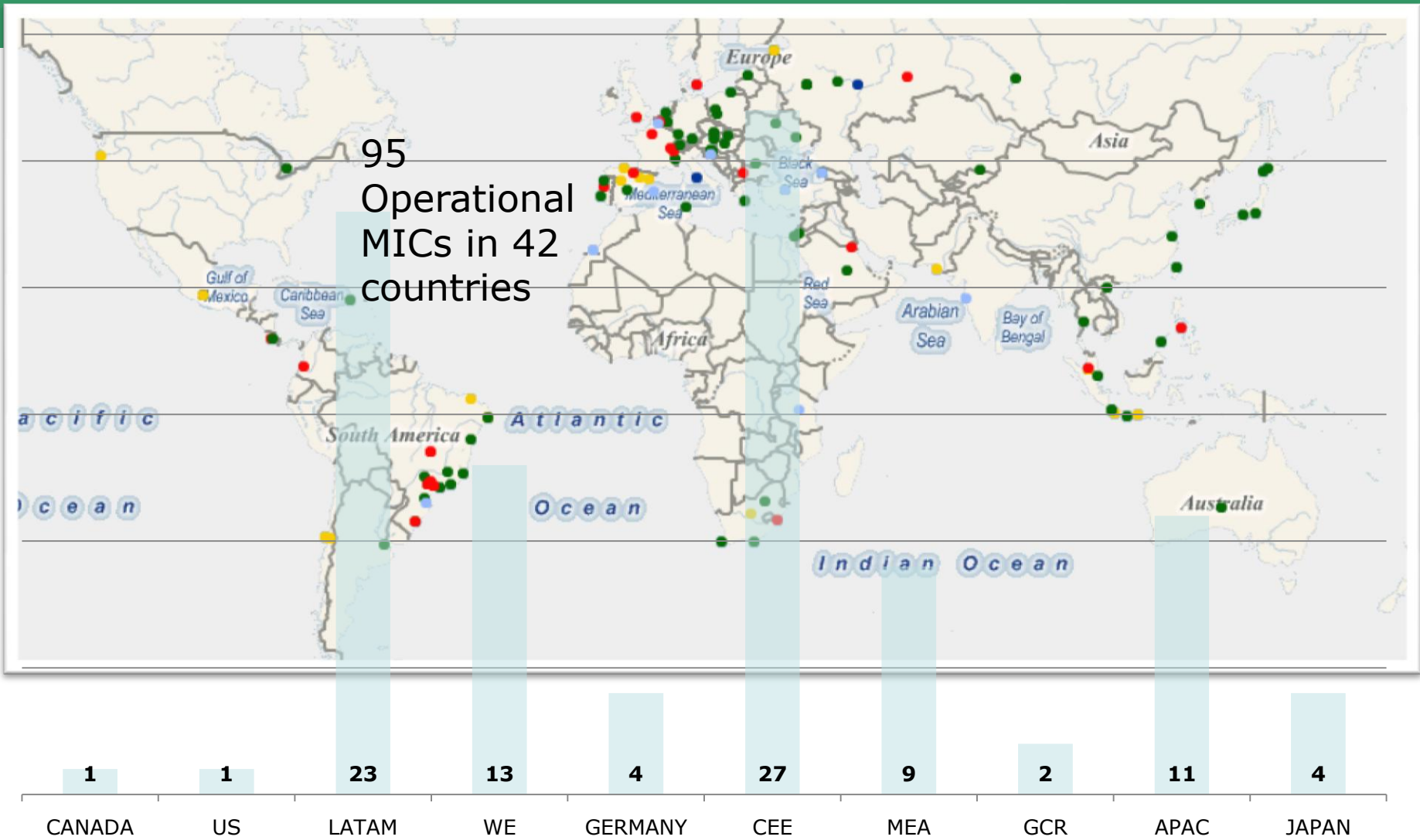
## Innovation/Technology Centres Initiative

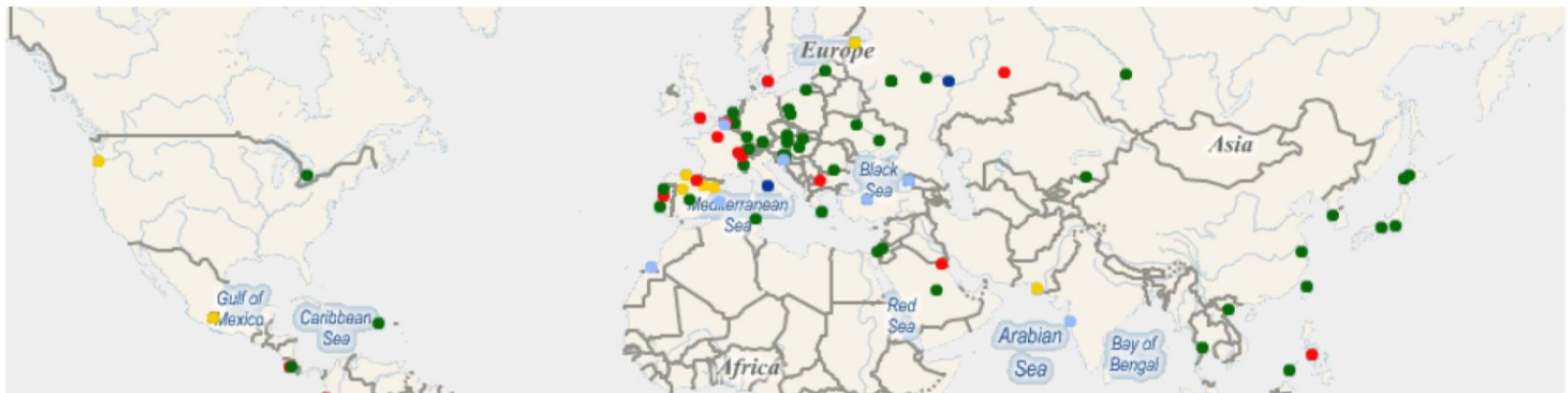
**What:** Technology centers offering a comprehensive set of programs and services to foster innovation and grow sustainable local software economies.

**Why:** To connect people and organizations in the innovation ecosystem and give them access to resources, experts and facilities for collaboration and skills development.

**Who:** Students, entrepreneurs, academics, professional software developers, start-ups, IT professionals, industry/international organizations and local governments.

**Outcome:** Local centers around the world foster skills and intellectual capital, industry partnerships and innovation.





## Where Are We?

- Diversity
- 95 MICs in 42 countries
- Trend to close after 3<sup>rd</sup> year
- Unbalanced subsidiary allocation
- Different goals, maturity levels and standards

## What Problems To Be Solved?

- Communications channel
- Embrace the diversity but drive maturity
- Address co-investor's vision
- Connect MICs to product groups
- Execution framework for LSE flagship programs

## The Plan

- 3 Pillars (Building blocks)
  - Community
  - Collaboration
  - Impact
- 3 Phases
  - Pilot
  - Performance tracking
  - Special projects

**What do we want to achieve?**  
**“Empowering MIC Impact & Business Success”**  
 Increase reach, MIC staff readiness and satisfaction, Reduce underutilization, Sustain co-invested model, Measure real impact and ecosystem satisfaction, Secure channel to deliver DPE’s segment activities

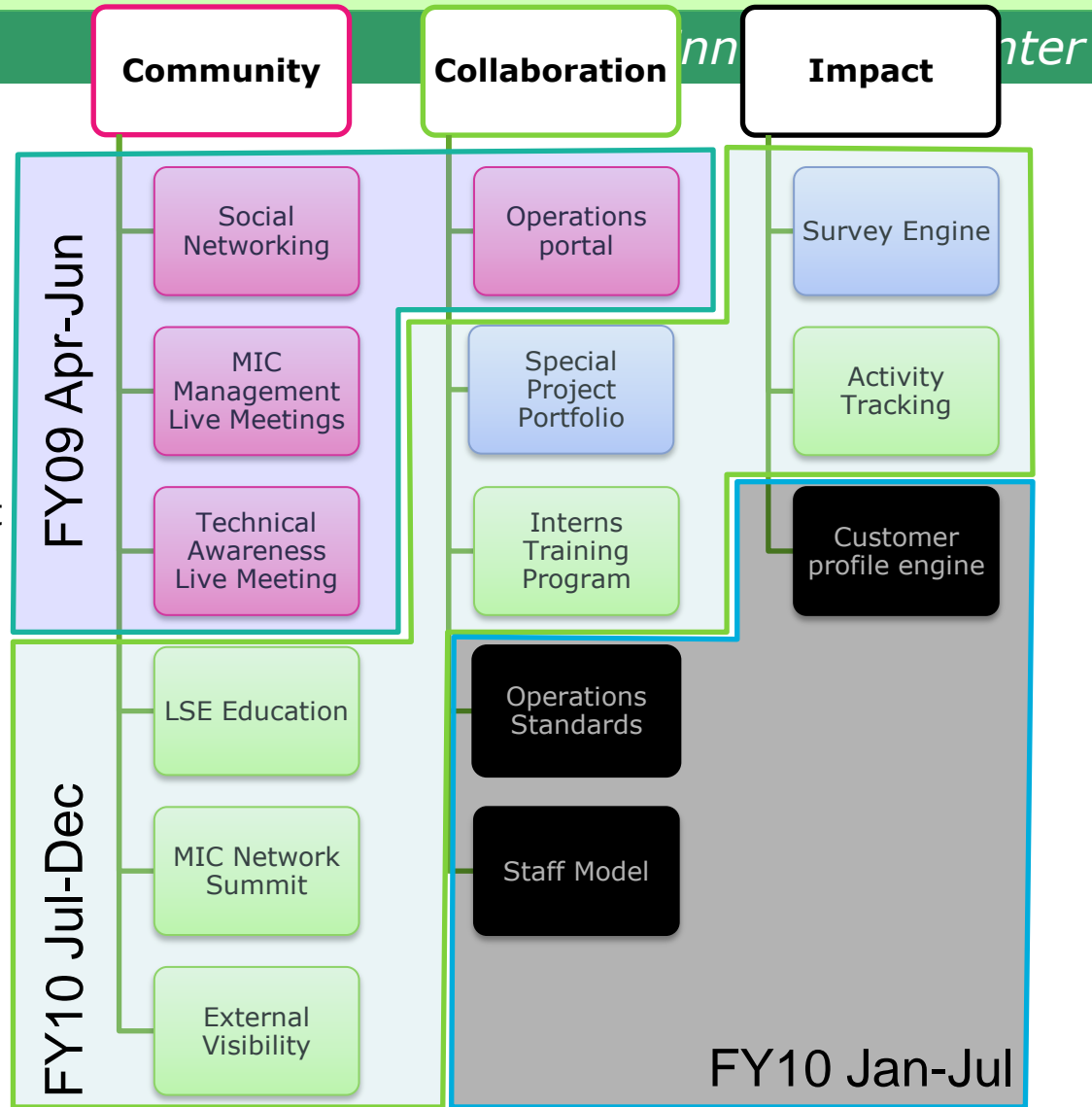
# Project Structure - 3 Pillars

A community of people operating MICs around the world that will help us to improve the MIC play around 3 main pillars and 3 principles: Skills, business and solutions

- Collaboration; practice sharing, Staff training, project execution, standards, business development models

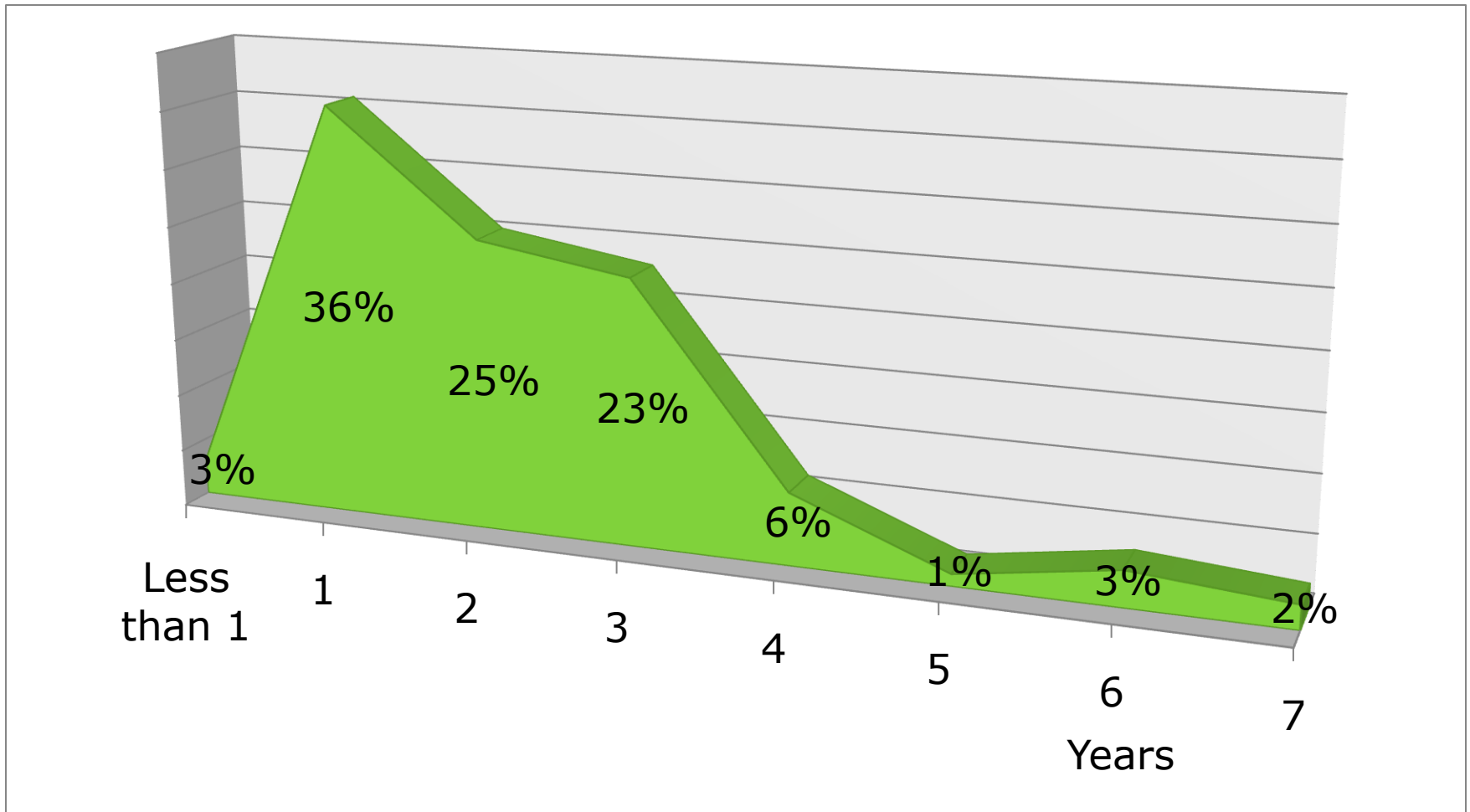
- Communication; Microsoft connection with MICs, news, discussions, social networking

- Impact; activity tracking, connection with DPE segments, stories, sustainability





## Microsoft Innovation Center



## Phase 1: Establish Microsoft Innovation Center

Private-Public Partnership (USAID-Microsoft)

Top-down approach - framework for industry development

Leverage existing scenario in similar environment – MIC in Croatia

Early measurable results

Portal for presenting results and promotion

## Phase 2: Involve other interested partners

Government on local and national level

Professional Associations and Communities /User Groups

Academic Institutions - Universities, Schools ...

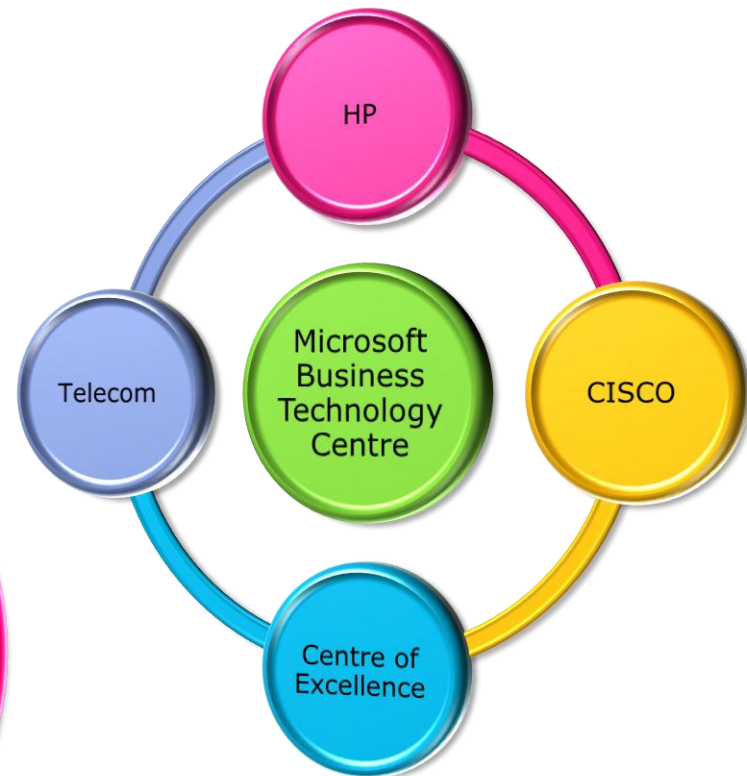
Technology Parks / Science Parks / Incubators

Business Development Institutions

Investment/Fund Raising Organizations - Donators, EU Funds, Venture Capital...

Other vendors - like HP, CISCO, Telecom Companies ...

# Clustering of Innovation and Tech. Centers



## **Regional component**

- 95 Microsoft Innovation Centers around the world
- Two MIC in the region based on new model:  
Slovenia & Croatia
- Possibilities:
  - Know-how and Technology transfer
  - Networking
  - Partnerships
  - Investments

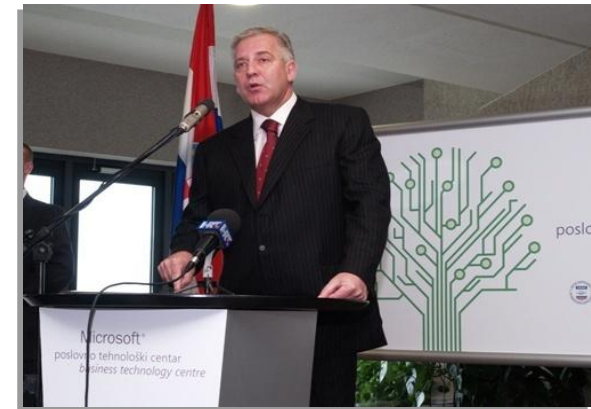
## **Industry/Technology component**

- With vendors like HP and CISCO
- With telecom providers
- Blended trainings
  - Combination of hardware & software trainings – for example: “Business Continuity using Microsoft Exchange Server 2007 and HP Blade Servers”
- Interoperability between different technologies
  - Software platform, legacy and new software ...

# Microsoft Innovation Center (MIC) Varaždin, Croatia, founded in November 2005

## Foundation model

- Public-Private Partnership
- Project initiated by **USAID** and **Microsoft**, under the support of the Prime Minister of Croatia
- Investment totals is 2mil.\$ in period of 2,5 years (30 months)



## Partners

- Hewlett Packard, Cisco, T-Com, City of Varaždin



## Mission

To provide the infrastructure and resources to help small and medium sized enterprises to:



Create innovative new products and services

Bring those products and services to market

Build well-managed competitive businesses

## Expected results (for Croatia)

Assist

- Center will directly assist a minimum of 100 independent software vendor companies with formal training and technical assistance in process of software development

Help

- Center will help to train a minimum of 200 new employees that will be hired by assisted companies

Establish

- Center will help in establishment of at least 20 start-ups

Develop

- Center will provide help to companies that will develop minimum 50 new software products and solutions, registered and brought to market

## Education Center

Lower cost of employee training

Opportunity for companies to deliver training to others

## Promotion Center

Opportunity to promote company or product

MIC Innovative IT Product Logo



## Networking Center

Development of new business opportunities

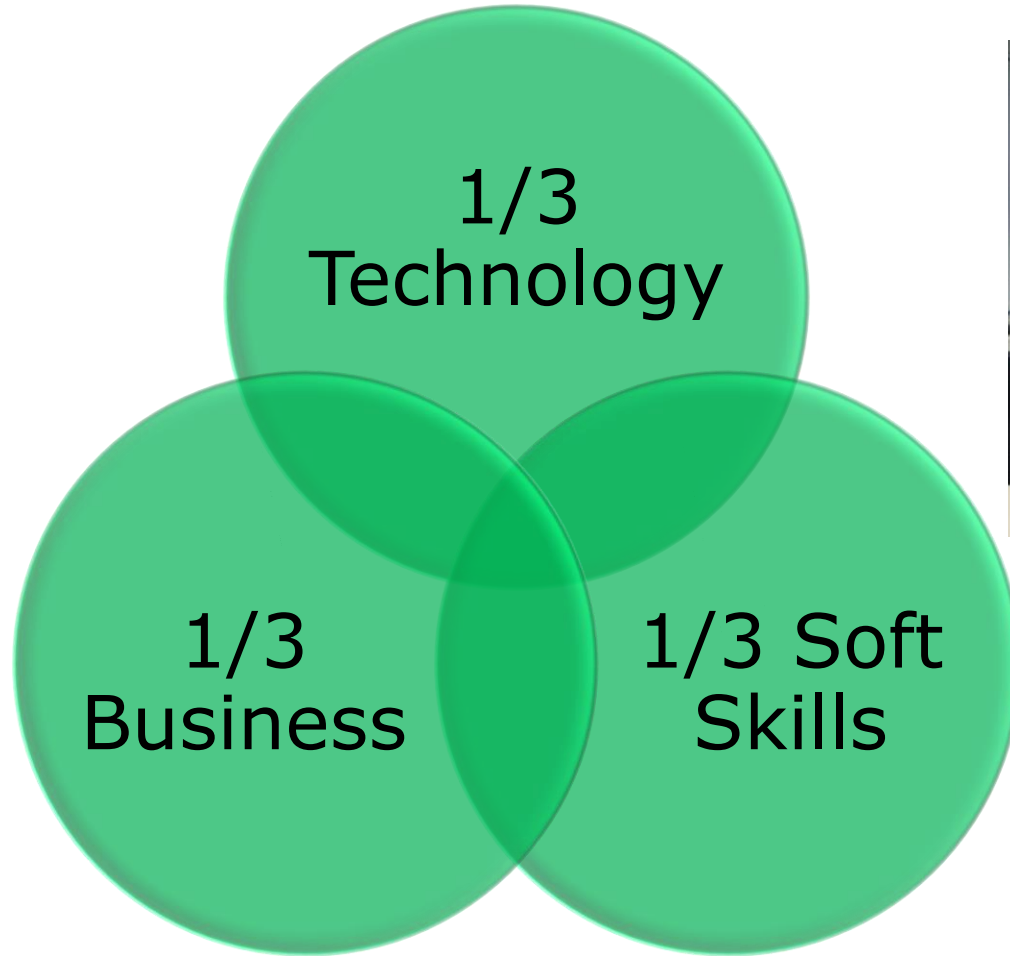
Partnering on projects with other companies

## Information Center

Access to information about EU Funds

Partner programs with Microsoft and partners

# Education Center



## **Information Center**

- EU Funds (FP6/FP7, IPA)
- Investment opportunities (Venture Capital, government subventions)
- Public tenders
  - Government and local government capital investments in ICT
  - Large public and private companies investments in ICT
- Partnering with strong global brands (HP, Cisco, Microsoft, T-Com)

# What to measure?

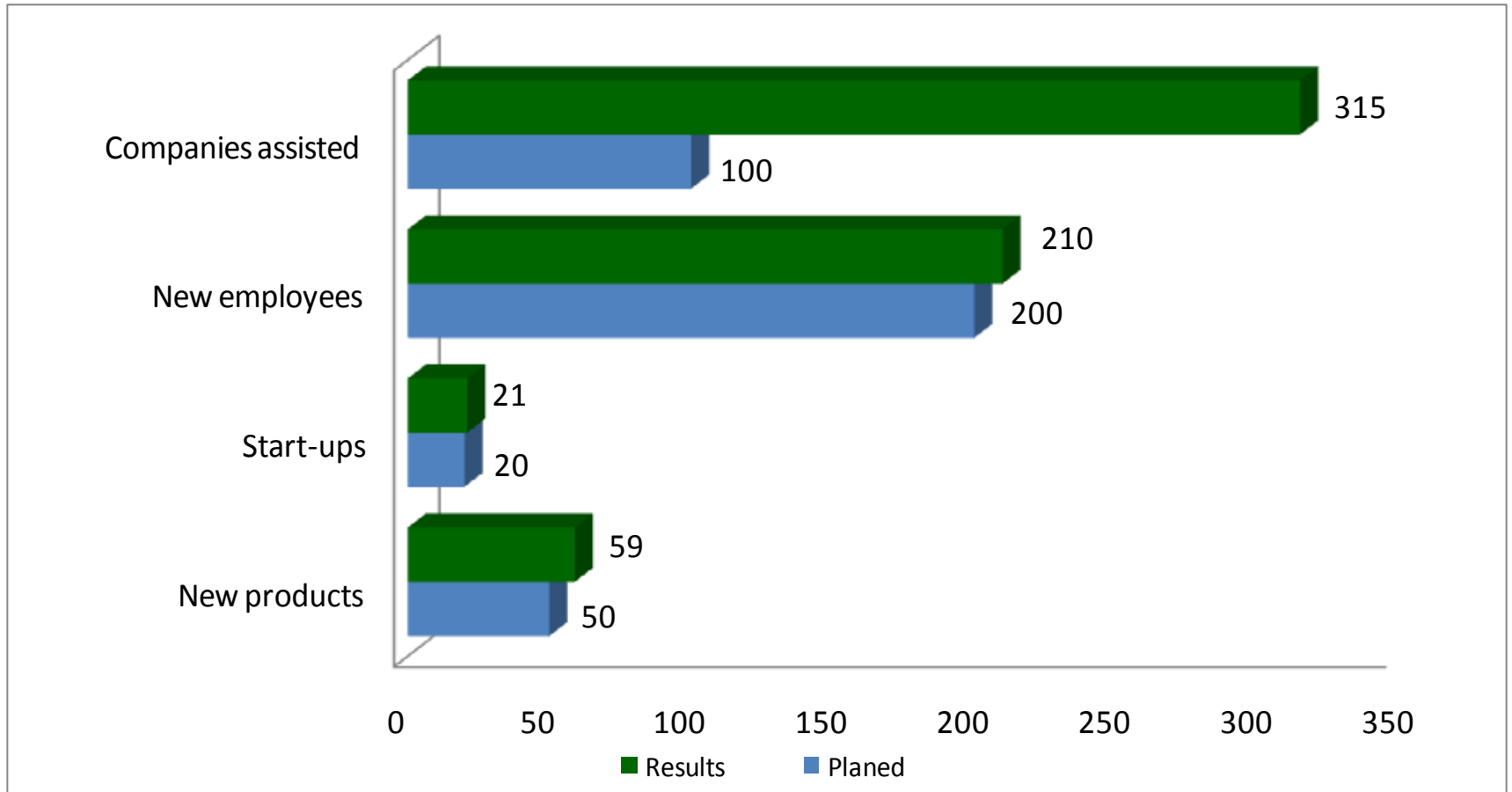
Number of  
*assisted*  
companies

Number of  
new  
employees

Number of  
start-ups

Number of  
new  
products

# Measuring the success



## Center in numbers

- Number of attendees: 1450
- Number of seminars: 113
- Countries: 8
- Average grades for trainers\*: 4,83
- Average grades for the environment\*: 4,63
- Average grades for the equipment\*: 4,76

\*Average grades based on scale 1 – 5, 5 is the best grade

## **Summary – Conclusion**

- New model of Microsoft Innovation Center - Business Technology Center – prove that is successful!
- Slovenian example shows that above model can be replicated to other countries in the region
- Kosovo, Armenia and Macedonia is about to start with similar Center; discussions started with local missions in Georgia, Serbia, Bosnia & Herzegovina and Albania

## Summary – Recommendations

- Successful adoption of MIC model requires:
  - Careful evaluation of local market needs (including Government and Professional Association’s priorities)
  - Don’t start from scratch; Use the momentum and experiences from others (Croatian Working Model)
  - Strengthen alliances with International Institutions/Organizations
  - Facilitate Public-Private partnerships

## Summary – Potential Results

- Microsoft Innovation Centers can help to:
  - Stimulate the development of Information Communication Technology industry across region, and by doing that – support all other vertical industries as
  - Deliver knowledge transfer in both technology and business through classes, workshops, testing and demonstration
  - Boost new initiatives through Centers (like building Industry/Technology clusters)



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