

Minutes of the 4th ACENET meeting

Lyon/ Rhône Alpes

4th – 6th December 2002

Summary

Date: 2002.12.04. – 2002.12.06
Location: Lyon/ Rhône Alpes
Agenda: See Annex

This was the fourth meeting of the thematic network ACENET. The meeting was focused on study visits and presentations by regional policy makers and cluster representatives, to communicate the experience of the industrial districts of the regions, esp. Industrial Vehicles Cluster, Screw Cutting Cluster and Health and Biotechnological Cluster. There was a trip to Cluses in Haute Savoie to visit two screw cutting companies, a short visit to Renault Trucks in Bourg en Bresse and a biotech Bus Tour .

The meeting focused on experience of cluster activities. in the region Lyon, Rhône Alpes.

Key words

Day 1 Lyon: Opening by Mr. Agnès – presentation of Lyon Chamber of Commerce and Industry; Presentation of the Rhône Alpes Region by Mr. Jean – Luc Sost; Presentation of the Innovation Relay Centres and innovating Regions in Europe Central Unit by Mr. Augusto Ferreira; Renault Trucks visit in Bourg en Bresse by Mr. Stéphane Gagneret; Process of lorry assembly; Purchasing Politic of Renault Truck by Mr. Sylvain Di Bartolomeo; Presentation of the Industrial Vehicles Cluster by Mr. E. Duch;

Day 2 Annecey: Screw Cutting Cluster: Presentation of the National Screw Cutting Syndicate by Mr. Morisseau (SNDEC); Presentation of the Observatory of Subcontracting by Mr. Valentini; Presentation of the Technical Center of Screw Cutting by Mr. Alain Collandot (CTDEC); Visit of Screw Cutting Companies “Jean Perret” and “Lathuille – Hudry”

Day 3 Lyon: Visit of health and biotechnological Cluster; Presentation of the Bio-Tech Pole by Mr. Laurent Levy; Tools of the Cluster: CREALYS, the incubator, by Nadia Kamal, ADERLY, by Gilles Olivier Bernard; APTANOMICS Company, by Brian Rudkin; Visit of the P4 Laboratory (virus research centre) by Mr. Jacques Grange;

Day 1 - “Industrial Vehicles Cluster”

Opening by Mr. Agnès, president of the Lyon Chamber of Commerce and Industry

Mr. Agnès opened the meeting by mentioning the beautiful, eye catching landscape of the Lyon – Rhône Alpes - Region. He then gave a short report about the history of the Lyon Chamber of Commerce and Industry (=CCI) that was founded 300 years ago. Today the region is a location for many SME's and thus aims to get a more export-oriented view and further improve the education and training facilities. In particular the reorganization of the Airport and the expansion of the “L'Aéroport Lyon – Saint – Exupéry” is an important issue. Furthermore the creation of a Webpage for the CCI has lead to the establishment of a useful tool for entrepreneurs and companies.

The cluster-building processes of the region start around 200 years ago as a humble collaboration of textile processing companies. Although the financial aids of that time can't be compared today's this first cluster laid the first brick in the wall of the Regions current cluster structures. Mr. Agnès stressed the network between all SME's that is being established within the Region, the hands-on approach of the CCI and the need to work as effectively as a private company.

The organisational structure of the CCI can be compared to a business parliament and assembles the managers of industry and service companies. The executives are elected by the peers and get a seat in the Assembly or work as trade guild representatives. Today the CCI represents 52,600 companies, offers guidance and provides information on legal, commercial and financial affairs and international formalities, such as Visas or ATA Export forms.

Especially regarding training and education the CCI is determined to become internationally renowned for the wide variety of opportunities that are offered to companies. E.g. there is active work done on the apprenticeship process, 11 apprentice training centres are open to the young, ambitious people and work in partnership with the trade guild chambers and trade organisations. In addition, the CCI sharpens its international focus by providing collaboration with the French university in Armenia or turn Lyon - based students into ambassadors for the city and the region through the “Lyon Young Ambassador” – Programme. The E.M Lyon, an elite “grande école” is currently implementing important development projects, such as e-learning courses to accelerate and enrich the distance education of students, managers and business customers. Consequently, two new master programmes have been developed: Knowledge Management and International Engineering.

The CCI also takes the role as a stimulator for business start ups, acquisitions and hand-overs. The forum “Revealing & Stimulating the entrepreneurial Spirit” was a success story, involving 300 participants and contributed to identifying the constraints related to business

creation. Here, the CCI offered individual customised support from the pre – incorporation phase to year three of a company’s development. Many initiatives and projects were established, such as the Novacit  initiative, which is dedicated to ground breaking projects and managed by local authorities and a grouping of 60 companies. The Webpage Achat-lyon.com offers shopkeepers and service providers the opportunity to display their goods and even try selling online. This online service is especially notable for its flexibility and can be called the fruit of a partnership between the national government, the regional council, the Caisse d’ Epargne Rh ne Alpes bank and the Dauphine Network Services.

Efforts have been made to help businesses go international. The opening of an office in Beijing is meant to provide local support for CCI – led European programmes. The CCI International initiative aims to provide comprehensive network to facilitate the companies’ international development.

Presentation of the Rh ne Alpes Region by Mr. Jean – Luc Sost

Mr. Jean – Luc Sost is the Managing Director of ERAI, the Entreprise Rh ne Alpes International Agency.

The Rh ne Alpes Region covers 45 000 km² and has 5,6 million inhabitants, who produce a GDP of EUR 137 354 billion, which is 11% above the European average. Another interesting aspect is a potential market of 12 million inhabitants within less than 200 km. The region ranks second for education in France, as 220 000 students - that is 13.5 % of the French student population attend school in this Region. There are 9 universities and 35 schools for higher education. Furthermore, there is a huge international impact, as 1/10 of the students are foreigners. Rh ne Alpes is the first region in France to provide scholarships to study abroad and thus an open minded, international ambiance is created.

Also regarding the research sector, the region has considerable power: 28000 permanent researchers work in 220 laboratories.

International Relations are tactile as regards the 860 foreign companies that offer occupation to 1/4 of industry employees. Rh ne-Alpes was the first French region for industrial investments in 2001, developing more than 140 major projects and creating around 8500 jobs. Motorola, Mykrodis, THK and SMI – KOYO are just a few companies which decided to build up their European headquarters in the French region.

There is a dynamic link between economy, tourism and culture as apparently every sector contributes to the development of the other. Along with Baden W rttemberg, Catalonia and Lombardy, Rh ne Alpes is one of the founding members of the initiative “Four Motors for Europe”. In fact, the region provides advantageous conditions for companies of a vast array of sectors: Life Sciences, Digital, Mechanics, Plastics, Technical Textile and Energy make up about the biggest. As regards Life Sciences, the region hosts Biovision, the life sciences international forum in Lyon. 3/4 of the total French output in microelectronics is produced in

Rhône Alpes, and even 95% of the French production in composite materials is located there.

There is a dense B2B network, comprising 24000 B2B companies and thus forming a significant collection of competences in France. However, this great advantage is also due to a well - established technical infrastructure. Rhône Alpes is at the nodal spot of the high speed train network (TGV) and is also sufficiently well connected to the Mediterranean Sea. Last but not least there two international airports.

Presentation of the Innovation Relay Centres and Innovating Regions in Europe Central Unit by Mr. Augusto Ferreira (IRA European Commission)

The Network of Innovating Regions in Europe (IRE) is the joint platform for collaboration and exchange of experiences in the development of regional innovation policies and schemes. The IRE network is open to all European regions, including those in Central and Eastern Europe and Cyprus.

The network aims to enable regions to access new tools and schemes for innovation promotion and to create an inter-regional learning process. It also seeks to put innovation at the top of the regional policy agenda. It is open to all European regions that can demonstrate good practise in the promotion of innovation.

Since 1994, more than 100 European regions have received support from the European Commission for the formulation of regional innovation strategies through RITTS and RIS projects managed by Enterprise DG and Regional Policy DG respectively.

16 innovation strategy projects in the Newly Associated Countries have been launched in 2001/ 2002 with the objective of developing and implementing regional innovation strategies. At the same time, 14 thematic networks bringing together over 250 innovation stakeholders throughout Europe have been set up to exchange good practise on specific regional innovation policy topics.

A number of IRE regions will fund the implementation of specific actions developed during the formulation of their regional innovation strategies through the European Regional Development Fund - Innovative Actions. The new European Regional Development Fund (ERDF) Innovative Actions aim to enhance innovation and R&D activities in less favoured regions as well as their use of new information and communication technologies. The Innovative Actions focus on three strategic themes:

- Development of the regional economy based on knowledge and technological innovation
- e-Europe Regio: information society serving regional development
- regional identity and sustainable development

The first strand (knowledge and technological innovation) will offer regions the possibility of funding the implementation of actions stemming from regional exercises such as RITTS and RIS.

All NUTS II regions at least partly covered by Objective 1 or 2 programmes can submit programme proposals, focusing on one single strategic theme or on a combination of them. EU contribution per regional programme will range from € 300,000 to 3 million. The funding rate will vary from 50% in Objective 2 areas and areas that are not covered by the Structural Funds to 80% in Objective 1 regions. Programmes can be submitted each year (until 2005) by 31st May. Key issues will be the innovativeness of the proposal for the region and the transferability of the results to the mainstream programmes.

Purchasing Policy of Renault Trucks by Mr. Sylvain di Bartolomeo

Renault Trucks has acquired the status of a major international player within the Volvo group and is ranked second in the world and number one in Europe for heavy goods vehicles. To put it in numbers, Renault has a 26.5 % share whereas Mercedes have 19.3% in Europe.

Renault Trucks take on board the services associated with the truck and haulage activity at the vehicle design stage, working closely together with the R&D teams. This is the stage at which “global use value” is integrated into the product design to ensure the operator gets maximum productivity out of his working tool. Thus, the company has developed three main business units for the distribution sector, also called the 3P’s: Product Placing, Product Development and Purchasing. All these follow the mission to purchase the best value to the customers.

Renault Trucks is established on all five continents via sales and service centres, importers and subsidiary networks which sell the vehicles, provide the after sales service and distribute “Approved” original Renault spare parts in more than 80 countries. Furthermore, the company is in charge of a software programme called “partner” which is used on more than 1,600 compatible PC’s throughout the entire Renault Trucks network in Europe. According to a customer’s activity and requirements, Renault Partner accurately defines the best possible comprehensive transport solution, including both vehicles and services associated with them.

The supplier structure can be characterized as follows: Renault Trucks follow a global strategy, aiming at achieving as much transparency as possible. According to their development, the company works in an innovative complete supply system, building up pro – active relationships to reduce costs.

Further, the environmental concern is not left unconsidered: Renault Trucks is constantly striving to offer its customers more productive, safer and environmentally-friendly generations of vehicles. However, the forecast of significant increases in the number of trucks on

European roads is creating the problem of having them accepted by society as a whole. Renault Trucks is determined to play its part in meeting this challenge in order to provide the means of carrying goods and people under the best possible conditions in the years to come.

Presentation of the Industrial Vehicles Cluster by Mr. E. Duch from Competitiveness

Mr. Duch opened his presentation with a graphic overview of what can be done to promote a cluster: The range goes from statistical observation to sector analysis, further to establish collaboration platforms and change management. Thus, the important task is to use clusters to improve or change things. This is emphasised by the fact that most of the suppliers of Renault Trucks are SME's.

In former days cluster-building was managed with parallel value chains. Today a lot of cluster relations can be noticed regarding the de- and restructuring of value chains at global or continental level.

Cluster initiatives are an excellent tool to foster coordination and joint development skills. Thus the main objective for the region Rhône Alpes is to reinforce the competitiveness of the Industrial Vehicles Cluster. The project itself is divided into three different phases:

1. The establishment of a common view on the challenges that the companies are facing.
2. The creation of a shared vision, which means that companies' demands are thoroughly analysed and international differences are mapped.
3. The action lines, which are meant to implement the defined strategies into the real process. The action lines proposed are:
 - International Alliances
 - International Expansion
 - Collaborative Development
 - Sophisticated Demand

A good example for international alliances is RM Perfo, an international network of SME's that comprise 10 to 130 employees each. Mr. Duch emphasised the importance of creating a platform to facilitate the collaborative development in the cluster, as well as to address the requirements of globalization.

The Industrial Vehicles Cluster is also present on the net. The homepage www.viclusters.com provides more information on objectives and activities.

Day 2 - “Screw Cutting Cluster”

Presentation of the National Screw Cutting Syndicate by Mr. Morisseau, SNDC

The screw cutting industry is present everywhere in our daily life because its skills are called for by nearly every sector of manufacturing industry. Amongst the main industries to benefit are: Car manufacturing, Aeronautics, Aerospace, The medical industry, Electronics, Household appliances, Connectors, Agricultural machinery and so forth. The screw machining industry is made up of companies which carry out either primary or secondary machining operations which consist in manufacturing metallic or non – metallic parts, either on a large or a small scale.

Everything began with a small workshop in the district of Saint Sigismond, at the dawn of the 18th century. With the use of electricity screw cutting developed steadily, until now, that screw cutting has become an industry in its own right, using materials at the very forefront of technology.

In France there are nearly 1,000 firms, mainly SME's with 17,000 staff, 11,000 of whom work in Haute-Savoie. The Arve Valley has the largest concentration of screw cutting companies in the world. The technical expertise of these companies is recognized throughout the world. The S.N.DEC (= Syndicat National du Decolletage) is an important tool in this context. It is responsible for helping companies to tackle new markets, whether they are in the highly industrialized nations or in the many developing regions of the world. To assure the pursuit of “zero defects”, the Technical Centre of the Screw Cutting Industry is an important support in order to reach that goal and was the First French Industrial Technical Centre to receive the ISO 9001 certification.

Additionally a solid training system is able to meet the high demands of workers' skills nowadays. This training system was only able to come into being thanks to the resources committed by the officials of S.N.DEC, together with the state education system, the CFA, the C.T. DEC (“Operation 1,000 technicians”), the C2T and other bodies and the determination of the screw cutting firms themselves.

S.N.DEC follows six main objectives that can be summarised as follows:

- **Uniting:** Bringing together resources, skills and experiences for SME's and large companies to enable them to get even stronger.
- **Helping and Serving:** Giving assistance to all the professionals of the Screw Cutting Industry, in all their aspects of work.
- **Informing:** Gathering together and transmitting a comprehensive supply of documentary information for the benefit of the profession: statistics, economic analyses, studies on market development and salaries, long – term survey, etc.

- **Publicizing:** Raising the profile of the Screw Cutting Industry by circulating information brochures about its techniques and its products and services, by participating in exhibitions, symposiums, conferences or congresses with national and international audiences.
- **Meeting:** arranging meetings with all the screw cutting professionals from France or abroad, with suppliers and clients, with consular officials and representatives from technical centres.
- **Representing:** Acting as a spokesperson for the industry in connection with the press, representing the profession with the authorities, with legal bodies at both regional and national level, with educational authorities and universities.

To sum up, the S.N. DEC intends to be a unifying force in the French screw cutting industry, to enable the whole of the profession to participate in this huge market and to secure its future.

Presentation of the Observatory of Subcontracting by Mr. Valentini

The Strategic Observatory of Subcontracting is organised by the Association ARVE STRATEGIE. The mission is to provide competitive intelligence for companies in subcontracting environment (metalworking, screw cutting, injection.). Consequently, there are publications for all members: "Arvinfos", "Causeries du Salon" and "Veille: Quoi de neuf?". For a specific form of competitive intelligence, specific press reviews and study investigations are offered. Specific press reviews are confidential and exclusively published for one company or organization. Study investigations contain specific information from databases for market research and news. To summarise: the Observatory of Subcontracting provides adhesion for members and both collective and individual service.

Presentation of the Technical Centre of Screw Cutting by Mr. Alain Collandot, CTDEC

90% of the thousand companies which make up the screw machining industry have less than fifty people employed. The customers of the screw machining are a part of the biggest industrial branches such as cars and trucks industries (manufacturers, OEMs), agricultural machinery, building, armament, household appliances etc. which have particular requirements in the fields of quality and productivity. All this led the profession to pool its resources in an industrial technical centre to help the companies in technical development issues. The objectives of C.T.DEC are to promote technical progress, to participate in improving productivity and in guaranteeing quality in the screw machining industry. C.T.DEC provides 6600 m² of laboratories and workshops in two buildings on a space of 1.7 hectare. Among the intervention fields of C.T.DEC are:

- Management, Organization
- Research, Prospective, Information
- Methods, Production, Screw Machining
- Inspection, Analyses, Expertises.

Presentation of the Bio – Tech Pole by Mr. Laurent Levy

Lyon - Gerland Technopole is a science park of excellence dedicated to biotechnology and innovating technology. This site gives companies the advantages of the proximity to high level research, city centre functionality and manufacturing facilities. The science park is a combination of a high level research campus, large companies – world leaders in the biotechnology field, an incubator for start-ups and a business park.

The Lyon Gerland Technopole comprises 150 companies, 26 laboratories, 1000 researchers and professors and 3000 students.

Among the various research institutes the Science Park hosts, the Mérieux–Pasteur P4 Laboratory seems to be one of the most remarkable ones. Also, a visit to this Laboratory was undertaken. In the laboratory, highly infectious diseases are studied in order to soon get a vaccine against Lassa fever. On 200 m² there are two laboratories and one animal house. Only four such labs comparable to this exist in the world.

Presentation of CREALYS, the incubator by Nadia Kamal

CREALYS is a package of services aiming at assisting ideas from public sector research to the creation of a company. Among the eight roles of an incubator are:

1. Encouraging sensitivity to innovation and entrepreneurship
2. Detecting projects
3. Assessing projects on a very early stage
4. Coaching: especially from scientist to manager
5. Assisting in different ways (technology watch, IPR strategic approaches, technical validation, legal advice, business angels and V.C. contacts)
6. Providing supports and grants
7. Accommodating projects and start-up companies in public labs, university buildings, innovation centres and technology parks
8. Team building: Contact with managers, marketing fellows

On average, one project runs for 18 months. Since the beginning of CREALYS, 270 projects were submitted, of which 80 were selected and 31 were implemented.

Presentation of ADERLY by Gilles Olivier Bernard

ADERLY is the Lyon Area Economic Development Agency. It strives to be a catalyst for economic and international development of the Lyon region. Additionally, there are two foreign offices in New York and Tokyo. ADERLY was established in 1974 as a Non – Profit Organization by the following founders:

- The Greater Lyon (Urban Community)
- The Rhône Departement General Council
- The Lyon Chamber of Commerce and Industry
- The GIL – MEDEF Lyon – Rhône Employers' Association
- And more than 60 active members from the public and private sectors

The four main objectives of ADERLY's mission are:

- Promotion and Communication: developing the region's image
- Prospecting and Consulting for business relocations: identifying and assisting projects
- Public Sector Relocations: Reinforcing advanced functions of the metropolitan area
- Welcome Bureau: staff relocation assistance to facilitate integration in the new living environment.

ADERLY provides guidance and coordination for the economic development of Lyon and its region and is committed to proximity, responsiveness and assistance so that entrepreneurs with new projects can devote themselves exclusively to their business.

The operational concept is to have a single contact with an expert in the field, with an approach adapted to the characteristics of each foreign market and each sector of activity. Additionally, ADERLY aims to be a direct link to a local business network.

The work is focused on three priority geographic zones and efforts in four key sectors: Information and communication technologies, Life sciences (health and biotechnologies), Textiles, Automotive / Mechanical Engineering.

The Rhône Alpes Region is among the 10 leading regions in Europe in terms of GDP, which makes ADERLY an important synergy of research, innovation and entrepreneurship.

Annex Agenda

4 December 2002

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| 11.00-12.30 | Opening by Mr. Agnes (President of the chamber of commerce of Lyon)
Presentation of the Rhone Alpes region. |
| 12.30-13.30 | Cocktail/Lunch. |
| 14.00-16.00 | Renault Trucks visit in Bourg en Bresse.
Process of lorry assembly.
Presentation of the cluster Industrial Vehicles. |
| 19.30 | Guided tour of the city.
Dinner |

5 December 2002

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| 8.30.1 | Departure to Cluses in Haute Savoie. |
| 10.30-12.30 | Screw cutting cluster.
Presentation of the technical center of screw cutting.
Presentation of the observatory of subcontracting. |
| 12.30-13.30 | Lunch |
| 14.00- 16.00 | Visit of the industrial screw cutting site. |
| 19.30 | Tour and dinner in Annecy. |

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| 8.00 | Back to Lyon. |
| 10.30-12.00 | Visit of Health and biotechnological cluster. |
| 14.00- 16.00 | Visit of P4 laboratory (virus research center). |
| 16.30 | End of the meeting. |