

# East Innovation Conference

## MAGNET CITIES

PREMIUM PARTNER

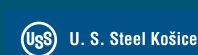


GOLDEN PARTNER



DEUTSCHE TELEKOM IT SOLUTIONS

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SUPPORTERS



## EXECUTIVE SUMMARY

Experts on innovation ecosystem, public officials and other regional stakeholders have discussed how to increase the magnetic pull of East Slovakia. Cities such as Košice and Prešov can draw inspiration from other second-tier cities such as Brno and Tartu (Estonia).

The virtual event took place on 25 November 2020 in Košice and was organized by the American Chamber of Commerce in the Slovak Republic with the support of the Embassy of the United States of America to Slovakia, Deutsche Telekom IT Solutions Slovakia, Microsoft Czech Republic and Slovakia, U. S. Steel Košice, GlobalLogic, the Slovak American Foundation, IT Valley Košice and Creative Industry Košice.

### KEY TAKEAWAYS/RECOMMENDATIONS:

#### CENTRAL GOVERNMENT

- invest in education
- embrace diversity
- develop infrastructure to attract investment

#### CITIES

- lead the effort in building a successful ecosystem for talent and innovation
- establish and develop a clear identity of your city
- turn municipalities into solution-enablers, innovators and pathfinders
- create partnerships, co-create and collaborate
- don't be afraid to fail
- understand the importance of education and upskilling of the employees of local governments and municipalities in partnership with other stakeholders (central government, business)

#### CORPORATES

- embrace new ideas by supporting entrepreneurship and startups to attract talent
- focus on upskilling and education for the 21st century
- try new things and don't be afraid to fail

#### ALL REGIONAL STAKEHOLDERS

- collaborate and use the sector-overarching networks such as AmCham
- consider joining AmCham's [Townhall Meetings](#) to discuss these topics on a regular basis
- consult the East Innovation [website](#) and watch the full video recording from the conference

# HOW TO BUILD A SUCCESSFUL INNOVATION ECOSYSTEM IN EAST SLOVAKIA?

## CENTRAL GOVERNMENT

The key priority for the central government should be education and lifelong learning. The Ministry of Investments, Regional Development and Informatization has several ideas and projects in the pipeline currently. Digitalization is an important area, however without investing in education at all levels – employees of central and local governments, businesses and schools – pouring money into digitalization will not bring the desired effect.

Investment in education, encouraging diversity and building up infrastructure is crucial. In 2007, the IT sector in Košice only employed about a thousand people. Today, it has more than 15 thousand workers. Over the same period, technology has grown as a proportion of local GDP from 2 to 12%. However, it is difficult for companies to attract more investment into the region and the major cause of this is the lack of infrastructure. Slovakia's efforts to develop infrastructure outside of the capital will help increase prosperity across the country in a more equitable way.

Education should be supported on every level – from elementary schools to secondary education, from undergraduates to PhD students, from technical fields to humanities. Skills for the 21st century include creative thinking, teamwork, planning. The country should be preparing its labor force for the future and not just focusing on the labor force that is needed today. Not only vocational education should be the focus, but also new skills for the labor market which does not exist yet.

Cities such as Tartu (Estonia) and Brno (Czech Republic) are a proof that high-quality universities represent a crucial ingredient to increasing the magnetic pull of cities and regions such as East Slovakia.

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I believe that by investing in education, encouraging diversity and continuing to build up infrastructure throughout the country, Eastern Slovakia can develop into a true economic powerhouse.



**H.E. BRIDGET  
A. BRINK**  
Ambassador of the United  
States of America to  
Slovakia

East Slovakia is trailing behind the EU average significantly in several economic indicators. What would be your primary concern in the role of a policy-maker when addressing these disparities?

42%

Brain drain and  
lack of qualified  
workforce

33%

Infrastructure  
and accessibility  
of the region

16%

Lack of public  
funding of  
innovation  
initiatives

7%

Poor investment  
climate compared  
to other CEE  
subregions

\* Poll conducted during the conference on a sample of 118 conference participants, four highest scores listed only

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We want to support the innovation hubs on both national and local level, and help develop the artificial intelligence sector. Education is our top priority also within the context of lifelong learning and the Fourth Industrial Revolution.

**MAREK  
ANTAL**

State Secretary, MIRRI



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Upskilling is the most effective way in digital transformation to innovate your people's potential for the future labor market, educate talent and preserve jobs. Just the right upskilling can move a person to a qualitatively higher level of a job position and bring companies a higher added value.

**MARCELA  
HAVRILOVÁ**

Education Industry Lead,  
Microsoft Czech Republic  
and Slovakia



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The most precious asset of any nation is the ability to unleash the creative potential of its free citizens.

**TOMÁŠ SEDLÁČEK**  
Philosopher of Economics  
(CZ)



## CITIES AND LOCAL GOVERNMENTS

The City of Košice is ready to embrace the digital revolution by linking creativity with digitalization. Deputy Mayor of the City of Košice, Marcel Gibóda has made it clear the city is ready to network and collaborate with partners. Thanks to the cooperation with Creative Industry Košice and other partners, the city is well on track to become a magnet for talent and innovation.

The key to switching the magnetic flip in Košice is connecting creativity with digital technologies. The perspective of a green city and a perspective of yet undiscovered river, which may become an important city-creative impulse. Cities need to understand they have to create partnerships. Networking and partnerships are something absolutely crucial. Leadership and a clear vision is essential.

Cities do not need start from scratch. They should identify the basis they can build on. The below summarizes the basis for the ecosystem in Košice and can serve as an example. After identifying the basis of the ecosystem, cities can co-create, connect old with new, such as creative with IT, or creative with steelmaking, etc.

- Strong identity of more traditional industries – be it metallurgy or ITS which is already a traditional sector in Košice.
- ECOC2013 legacy – infrastructure, initiatives, etc.
- Emerging sectors such as creative industry
- Strong public institutions
- A leading organization in place unmatched on national level – Creative Industry Košice (CIKE)
- Strong universities

The fast development and innovation in Tartu was only possible because of co-creation and collaboration with other sectors. Cities do not have to create and offer public services themselves. It is possible that opening data for example enables private sector to create new services, there are many examples in Tartu. The inhouse innovation capacity of cities is limited because they have limited human and financial resources therefore a strategic view is required to create co-creation and collaboration platforms. No huge budgets are required to involve all the different parties to work together and help the city thrive. Partners can be motivated even with smaller amounts and cities should be pathfinders, committed to build great municipalities which also attract other sectors to collaborate.



**RAIMOND TAMM**  
Deputy Mayor of Tartu (EE)

### 3-BULLET PLAN FOR OUR CITIES

**First**, [cities] should be the solution enablers to create and support ecosystems.

**Second**, we should also be innovators and demanding customers as municipalities.

**Third**, we also have to understand failures are okay. Innovation may not be always successful at the end of the day, but you have to accept failures as well.

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Projects currently under way also include the EU-led initiative Urban Innovative Action. Our project KOŠICE 2.0 is focused on capacity building and creating an institute and open space which will provide room for creative cooperation between public, private and third sector. The final beneficiary will be the city and its citizens.

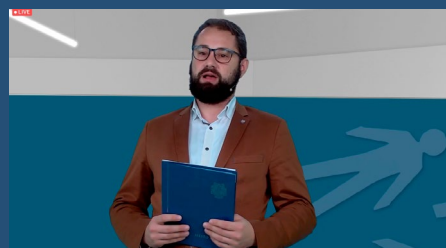
**MARCEL GIBÓDA**  
Deputy Mayor  
City of Košice



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There's no point in talking too much about it, what we need is to take action – that's important. You need to understand that everyone can do his or her own part – even if equipped with just a tiny little bulb – each of us has some ability or skill which can be put to work towards our common goal.

**MICHAL HLADKÝ**  
Director, Creative Industry  
Košice



## THE STORY OF TARTU (RAIMOND TAMM)

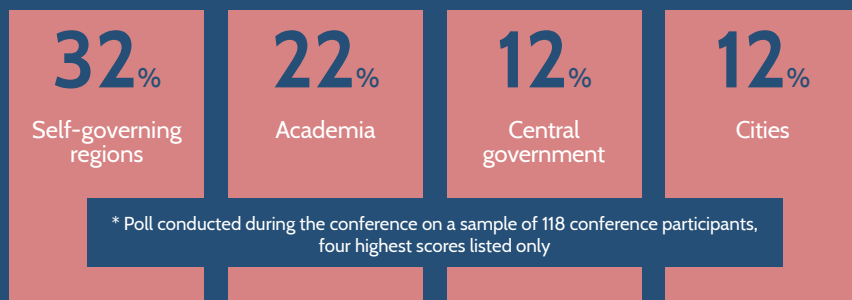
### ESTONIA

- Central government – an initiator and leader in building the ecosystem
- Digitalization efforts in place right after collapse of the Soviet Union in 1991
- By 2000 every school in the country online
- Free training for all offered by the government
- Internet usage nationwide jumped from 29% in 2000 to 91% in 2016
- In 2020, 99% of government services online

### TARTU

- Population of 100 thousand inhabitants, 18 thousand students
- Identity: Green university city full of culture and innovation, positions itself as the most desirable city to live in
- Paperless city government since 2003
- Initiator of annual event -- sTARTUp Day 2020: 4400 participants from more than 60 countries, 150 speakers, 350 startups, 180 investors, 2500 matchmaking meetings, 45 seminars, 21 side-events, 191 press mentions [www.startupday.ee](http://www.startupday.ee)

Each stakeholder plays a role in addressing the underdeveloped ecosystem of East Slovakia. Which sector should take the lead and drive the cause of creating a successful and functional innovation climate?



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You have to know your strengths and weaknesses and the actual challenges.

If you know them then you can design a strategy and tactics based on that. Please don't try to be any other city than the one you are, just be the city you are and come up with the tactics based on that.

If there are activities you can learn from others, do it. Do not invent bicycles again and again. Take reasonable risks and be ambitious. Get all your partners involved to fight for your city.

**RAIMOND TAMM**  
Deputy Mayor of Tartu (EE)



## CORPORATES

A systemic approach to cultivation of new ideas is generally missing. Looking at Estonia with its mature startup ecosystem, the number, quality and size of startups that are created locally tend to correlate with the quality of corporate jobs that are created locally. It is important that corporates are ready to embrace new ideas to support entrepreneurship and support startups. These startups can then pull the talents from abroad and then these corporates can leverage that talent as well.

Within the corporate environment, it is also important to focus on new ways of working, virtual leadership, digital education and digital processes that enable remote and hybrid working models.

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Embracing new ideas is absolutely critical in connecting new industries with all the other industries.

**PETER KOLESÁR**  
Partner  
at CIVITTA Slovakia





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We work with startups, startup accelerators, organize bootcamps and hackathons to find innovative solutions for growth. We also engage in various industry sectors supported by AI and Data Analytics.



**ANDREAS TRULS**  
Managing Director,  
Deutsche Telekom IT  
Solutions Slovakia

#### Don't be afraid to experiment

We count on experiments. We are engaging with prospects, we are engaging with clients. And we try to do this step by step.

#### Introduce Failure Culture

I think it is super-important to understand in this context that these experiments can fail. But you still need to do that. And that means we need to have a failure culture.

#### Encourage Pizza Teams

This term describes the size of an effective and efficient team. It shouldn't be more than two pizzas to feed you.



## HOW TO TURN THE CRISIS INTO AN OPPORTUNITY?

Many sectors will be hit by the current crisis but positive short-term and long-term impact can already be seen in Communications, Education, Public Sector and Health Care. This crisis is an unquestionable impulse to think about the corporate processes and routines. It is an unprecedented jump into the digital with a sweeping effect on more remote regions as well.

The biggest challenge in the next five years will be how to help small and mid-sized businesses grow. Smaller businesses are not able to transform so quickly, they are overstaffed, and they are quickly becoming uncompetitive. That should be the primary focus role of clusters and innovation centers in the next few years.

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We have to understand that our future success lies only in our hands and we need to learn a lot to make it happen. Companies that can motivate their employees to individual and autonomous upskilling will prevail over those which understand upskilling as a centrally planned process.

**JURAJ GIRMAN**  
Vice President Telekom  
IT, Deutsche Telekom IT  
Solutions Slovakia



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Now it doesn't matter any more whether you sit in Silicon Valley or Manhattan, or whether you are located in the most remote village... I foretell the return of a sort of rustic lifestyle. People will work for global companies from the comfort of their cottages. And then they will take a break, go ahead and chop the wood. Thus, the dream of all hipsters will come true: Yes, you will be able to chop the wood in your checkered shirts during conference breaks.

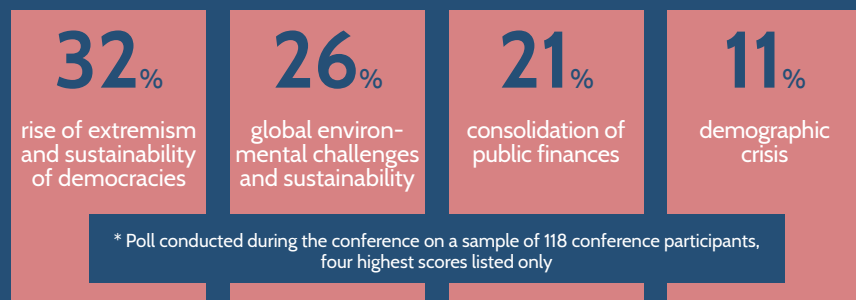


**TOMÁŠ SEDLÁČEK**  
Philosopher of Economics  
(CZ)





What is your biggest concern CEE region will face in the aftermath of the global crisis within the next decade?



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Steel is firmly connected with the city of Košice and it is a fabric of the economy of tomorrow. Thanks to the introduction of the latest technologies into our production processes, we aspire to be seen as a technology company that is the leader in the field of artificial intelligence not only in Slovakia but also in Europe.

**JURAJ SABOL**  
General Manager  
for Strategy,  
U. S. Steel Košice



“

Crises tend to unlock entrepreneurial mindset. Never has there been a better opportunity to change the world and look for effective solutions than today.”

**PETR CHLÁDEK**  
CEO of South-Moravia  
Innovation Centre Brno  
(CZ)



We look forward to seeing you  
on the 2021 conference!

MORE INFORMATION



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