



PRO INNO EUROPE

INNO
LEARNING PLATFORM

**Good practice Identification –
Advice for transferability –
Innovation in Services
Balearic Islands innoBAL Action**

February 2008



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EUROPE

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CHAPTER I: Good practice identification

1 General description of the good practice

Tourism-related services play a crucial role in the regional economy of the Balearic Islands which includes Mallorca, Menorca, Ibiza, and Formentera. In the last 25 years the Balearic Islands have experienced a great economic growth due to the development of service activities, mainly tourism. In fact more than 80% of the Gross Added Value is generated by service activities, more than 60% directly by tourism and 90% indirectly. The Balearics have become one of the main European tourist destinations with one of the highest GDP per capita in Spain

The Programme, “the 2nd Action: Support for innovation in hotels and accomodation sector,” of the 2003-2004 INNOBAL XXI network programme was a result of the I Balearic Islands Innovation Plan (2001-2004) to promote innovation in the most important sector of the Balearic Islands. The Balearic Islands Innovation Plan is part of the broader strategy of the Regional Innovation and Technology Transfer Strategy (RITTS), through which the European Union has made it possible for many European regions to become involved in analysing and designing their own innovation policy. The RITTS Strategy for the Balearic Islands had the main objectives that included the stimulation of the innovative capacity of the tourism sector, especially to encourage companies to take full advantage of the new opportunities offered by ICT. Measures in the strategy included actions to find the equilibrium between tourism development and environmental sustainability, the identification and promotion of thematic clusters, including tourism services, and mobilising programmes for the development of strategic areas for tourism and leisure. The innoBAL programme was divided into 5 Action lines, and as a matter of fact, one of the five action lines (Action 2) of the Innovative Action Programme was entirely devoted to support innovation in the regional tourism sector.

The following general objectives were to be achieved with the programme action 2: to help small enterprise hotels attract more tourists; create new products adapted to the ‘e-generation’ of tourists; disseminate technologically advanced equipment in companies working in this sector.

2 Please describe the selected good practice¹ in terms of:

2.1 Uniqueness:

Measure Name:	innoBAL XXI - Action 2: Support for innovation in hotels and accomodation sector
General description/rationale:	
<p>INNOBAL XXI (2002 - 2003) is a network programme of innovative actions under the auspices of the European Commission that specifies the objectives of the I Balearic Islands Innovation Plan (2001-2004). It is 50% financed by the Balearic Ministry of Innovation and Energy and the European Union (FEDER 2000-2006). There is also a private contribution.</p> <p>The Action 2, Support for innovation in hotels and accommodation sector, within the innoBAL programme, specifically provides support to small and medium enterprises in the services sector, key to the Balearic Islands economy.</p> <p>The objective is to increase the value added of tourism activities, promote local participation and provide support for sustainable development and the maintenance of the regional identity through actions destined to attract tourism with a respect for the ecosystem.</p> <p>In order to fulfil the above objective of Action 2, the projects/actions pursued the following sequence:</p>	

¹A technique or methodology that has proven to reliably lead to the result that has been aimed for; An activity or procedure that has produced outstanding results in another situation and could be adapted to improve effectiveness, efficiency, ecology, and/or innovativeness in another situation.

- Direct attraction of the tourism demand by the small enterprise hotels
- Creation of new products adapted to the e-generation tourists
- Diffusion of technologically advanced equipment in companies in the sector.

The action was divided into different smaller projects (as described) that followed the above sequence: to attract more tourists, to cater to more internet savvy tourists, and to implement new high-tech ICT in tourism service companies.

Innovative characteristics as regards:

Methodology	Organization	Function	Results
<p>The Innovative Actions of the Balearic Islands, INNOBAL XXI project, was articulated with the first Balearic Islands Innovation Plan (2001-2004), and it aimed to enhance innovation processes in companies at large and in the tourism sector in particular.</p> <p>The specific 2nd Action, Support for innovation in hotels and accommodation sector, of the INNOBAL XXI network programme was a result of the I Balearic Islands Innovation Plan (2001-2004). The Balearic Islands Innovation Plan is part of the broader strategy of the European RITTS.</p>	<p>The innoBAL XXI Programme is organized into 5 Actions.</p> <p>The 2nd Action: support for innovation in hotels and accommodation sector is the concentration of this document. The 2nd Action was divided into many different projects as results of different objective focuses which included: Balearic Islands Tourism Cluster, SIT Menorca, International Seminar on Innovation in Tourism, Master's Programme, Implementation of new technologies, website for hotel association, Avanthotel online sales.</p>	<p>The specific objectives of the Action 2 to Support innovation in hotels sector was: To provide support to small and medium enterprises in the services sector.</p> <p>The objective is to increase the value added of tourism activities, promote local participation and provide support for sustainable development and the maintenance of the regional identity through actions destined to attract tourism with a respect for the ecosystem.</p> <p>The actions will pursue the following objectives/functions:</p> <ul style="list-style-type: none"> - help small enterprise hotels attract more tourists - create new products adapted to the 'e-generation' of tourists - disseminate technologically advanced equipment in companies working in this service sector 	<p>The programme resulted in many different project afterfacts. One for example was the creation of a Sun and Sand Tourism Cluster or group of companies focussed on the same product-market to consider and contribute proposals to improve productivity in the sector.</p> <p>On the basis of this project, a quality plan was developed for the small enterprise and the services sector (bars and restaurants) in Calvià.</p> <p>The project provided also support to small and medium enterprise hotels in the Balearic Islands, allowing an on-line management booking of available beds through a project called "AVANTHOTEL." There are currently 1,000 hotels are participating in the "Avanthotel" project and there exist 5 new online sales channels.</p>

2.2 Relevance:

Problem	Solution that was provided
The need to strengthen the hotel/accommodation service industry and increase productivity	Balearic Islands "Sun and sand" Tourism Cluster encompasses companies working with the same kind of product to be launched, so as to contribute to improve the productivity of the sector.
The need to attract more tourists	Newer technologies and more innovation measures were promoted through the project such as the use of WAP technology and websites that acted as sales channels that make booking hotels easier and faster for tourists.

<p>Hotels are still not fully taking advantage of new technologies to enhance business strategies. The need to incorporate and take advantage of new ICT.</p>	<p>The project aimed to measure the implementation and utilisation of information and communication technologies (ICT) by tourist accommodation companies, and to evaluate the impact that these have had on the tourism business of companies outside the large hotel chains. It studied the current level of ICT penetration in companies in the tourist accommodation sub-sector in two very representative areas of the Balearic Islands: Playa de Palma and La Bahía de Portmany (Ibiza).</p> <p>The AVANTHOTEL activity aimed to facilitate on-line management and information of available beds in tourist accommodation establishments without employing intermediaries. The software used was Java. In addition, the tool offers each hotel the possibility of administering its own information and bed availability in real time. Using the BackOffice interface, the establishments can enter available beds, which are automatically published in the system. End users, using the Front Office interface (Internet website), can search for availability of rooms by geographical area or specific establishment and make a reservation.</p>
<p>The hotel service sector is lacking knowledge on how to innovate</p>	<p>The innoBAL Programme Action 2 implemented training as another action aimed to identify qualification needs in the tourism sector and to provide specialised training focussing on the new demands of the regional hotel activities.</p> <p>The project also created a Master's Programme that offers a Master's degree in tourism and environmental economics to promote studies in the Tourism Economy and Environmental Economy fields.</p>
<p>Lack of communication among companies and stakeholders</p>	<p>The Tourism Cluster improved the communication of the primary actors of the sector in the Balearic Islands. Also the annual Project sponsored International Seminars that have invited stakeholders in the tourism sector act as a forum for communication among researchers, tourism, transport and services companies.</p>

2.3 Effectiveness:

Together the contribution of the different success factors of the innoBAL programme such as: good organization and structure, multidisciplinary objectives, and new ICT implementation, resulted in a raised or added value for the entire project. Also, the InnoBAL Action 2 programme was a project that was solely dedicated to the development of innovation in services. Few projects exist that support only the service industry. The combination of the multifaceted actions and project objectives, public government funding, private company participation and industrial association support, together resulted in a successful approach to help service companies.

The efforts of the innoBAL programme have brought numerous effective results for the region's tourism sector. The sector has improved with higher competitiveness and productivity through the use of new technologies. The success of the first Innovation Plan from 2001-2004 led the Balearic government to further design the R&D and Innovation Plan for the tourism sector for the period 2005-2008.

The direct qualitative objectives of the innoBAL programme were to increase the value added of tourism activities in the Balearic Islands, promote local participation and provide support for

sustainable development and the maintenance of the regional identity through actions destined to attract tourism with a respect for the ecosystem.

The project achieved its qualitative goals through 10 concrete related small projects with specific quantifiable results, which are as follows:

1. Balearic Islands “Sun and Sand” Tourism Cluster
 - Outcome: The successful creation of cluster or group of companies focussed on the same product-market to consider and contribute proposals to improve productivity in the sector that resulted in increased communication and productivity. On the basis of this project, a quality plan was developed for the small enterprise and the services sector (bars and restaurants) in Calvià.
2. Implementation of new technologies in tourist accommodation sector
 - Outcome: Report on paper and CD exist on the aftereffects of the implementation of new technologies
 - AVANTHOTEL Project: See below for outcomes
 - SIT MENORCA: See below
 - Website for the Muro Beaches Hotel Association: See below
3. AVANTHOTEL
 - Outcome: Facilitated on-line management and information of available beds in tourist accommodation establishments. 1.000 hotels are currently participating in the AVANTHOTEL programme and five sales channels have been developed using the AVANTHOTEL platform. (www.visitmenorca.com; www.ibizahotelsguide.com; www.formenterahotelsguide.com; <http://booking.playadepalma.net> and <http://36chessolympiad.avanthotel.com> that was developed for the Calvià 2004 Foundation, on the occasion of the 36th Chess Olympics. In addition, conversations have begun with the Mallorca Hotel Federation so that shortly all its associates will be able to adopt the AVANTHOTEL platform. A call for tenders to exploit the programme on a national scale has been published. Further information is available at: <http://www.ibit.org/home/difusion/ver.php?idioma=es&id=524>
4. SIT Menorca
 - Outcome: - SIT Menorca was very effective. The result was the creation of a website combining tourism and services information on Menorca. The WAP technology allowed all the information to be viewed from a cellphone, in any location. Transfer of this technology to the private sector. Further results can be seen at: <http://www.e-menorca.org/>. A website combining tourism and services information on Menorca.
5. Website for the Muro Beaches Hotel Association
 - Outcome: A specialized internet website was developed that opened up the possibilities for direct marketing of hotel beds by providing a sales tools for hoteliers, without the direct intervention of the Tour Operators.
6. Study on Innovation in the Balearic Tourism Sector
 - Outcome: The production of at least 5 published extensive studies on the tourism sector in the Balearic Islands, including reports on innovation in services in general, innovation in the Balearic Islands, the competitiveness of the sector, and the results from pilot studies, etc.
7. International seminar on innovation in tourism
 - Outcome: The International Seminar on Innovation in Tourism, conceived with the objective of an international event that would periodically reunite researchers, tourism, transport and services companies, was introduced as a pilot project to analyse the situation of innovation in the tourism industry. It was held in Palma de Mallorca on:
 - 29 September 2004: Information Society
 - 30 September 2004: Historical and cultural heritage
 - 1 October 2004: Research and innovation

A total of 349 people registered and 256 attended the Seminar. There were 25 speakers. The different Balearic Hotelier Federations, travel agencies, airline companies, technological companies, chambers of commerce, etc took part. Brochures, DVDs with the conclusions, and posters were created. www.visitinnovation.com for more info.

8. Personnel and Executive Qualification

- The completion of workshops dissemination campaign with brochures and posters. Provided specialised training focussing on the new demands in hotel operations.

9. Masters Degree in tourism and environmental economics

- Outcome: Instructed course lasts 550 hours giving an-depth study of the Tourism Economy and Environmental Economy subdisciplines, with particular emphasis on the interrelationships between the two.

10. Virtual Reconstruction of Roman Palma

- Outcome: Resulted in the creation of a tourism project to promote cultural tourism in the Balearic Islands. It showed the origin of the Roman city of Palma: its earliest location, the layout of the walls, its gates and its street plan. A DVD was created with a documental of 30 minutes in duration. A website was also created with the most extensive information on the Roman city of Palma at <http://palmaromana.caib.es>.

2.4 User satisfaction:

The support of the stakeholders of this project has been strong and it was not only sustained regionally by the Balearic Ministry of Innovation and Energy but the project is also backed by the European Commission as it stems from an RITTS strategy. In addition, stakeholders greatly supported the programme by attending the series of international seminars on innovation in tourism that had the aim of reuniting different involved parties such as: researchers, chambers of commerce, Balearic hotelier federations, tourism, transport, and services companies, like travel agencies, airline companies, technological companies, etc. The participation of the end users in this project has also demonstrated a successful contribution. Over 1000 hotels have participated in the project and 5 new online hotel sales channels have been created as a result.

2.5 Recognition:

The innoBAL programme has been recognized by the national and regional collaborative entities, specifically some of the organizations who are also benefiting from the programme actions or collaborating. For example, some organizations that have recognized, endorsed, and significantly contributed to the innoBAL project are:

- [Menorca Hotels Association](#), Palma Beach Hotels Association
- Ibiza and Formentera Hotel Business Federation
- [Balearic Islands Young Businessmen Association](#)
- Marina nautical Association
- [Chamber of Commerce, Industry and Shipping of Mallorca, Ibiza and Formentera](#)
- [CITTIB \(Balearic Islands Tourist Technologies Research Centre\)](#)
- [Official Architects Association of Balearic Islands](#)
- [COTEC Foundation](#)
- [IBIT Foundation \(Balearic Islands Technological Innovation Foundation\)](#)
- [IMEDEA \(CSIC-UIB\) \(Mediterranean Institute of Advanced Studies\)](#)
- [ParcBIT Desenvolupament S.A. \(Technological Park\)](#)
- [University Politecnica of Valencia](#)

2.6 Context dependency:

Innovative Actions Programme, INNOBAL XXI was a programme that was funded from 2002-2003, part of the I Innovation Plan of 2001-2004. The FEDER Financial contribution is 50%, funded by the Balearic Ministry of Innovation and Energy and the European Union. There is also private contribution to the funds of the project. Specifically the project was co-funded by the European Regional Development Fund, Balearic Government Fund, and Hostelry Association Funds.

The total funding for the INNOBAL XXI project is 4.000.000 Euro, where Action 2: Support for innovation in hotels and accommodation sector, was allocated 1.350.000 EURO.

Below please see the total budget for the whole INNOBAL XXI programme:

Action 1: Company support centres	1.200.000 €
Action 2: Support for innovation in hotels and accommodation sector	1.350.000 €
Action 3: Support for the creation of technology based companies	650.000 €
Action 4: Pilot action on tourism-related logistical activities	450.000 €
Action 5: Networking	200.000 €
Technical assistance	150.000 €
TOTAL	4.000.000 €

Specific characteristic /circumstance at hand	Solution that has been offered from within the action/tool	Explanation of the effectiveness of the provided solution
Improvement of the productivity of the tourism sector, the most important service sector for the Balearic Islands	innoBAL project united companies working with the same kind of service and objectives by creating a tourism cluster: Balearic Islands “Sun and Sand” Tourism Cluster.	A quality plan was developed for the small enterprises and for the services sector (bars and restaurants) in the locality of Calvià.
Support to the innovative capacity of the tourism sector	innoBAL project Master’s Programme: degree in tourism and environmental economics was to promote studies in these fields	Strengthened the knowledge for the importance of the environment for tourism development.
Supporting companies to take full advantage of new opportunities offered by evolving ICT. For example, 2 very representative areas of the Balearic Islands: Playa de Palma and La Bahía de Portmany (Ibiza) are tourism areas that have undergone a certain saturation and degradation over the last few decades and have an urgent need of modernisation of their facilities, products, and marketing channels.	innoBAL project’s implementation of new technologies, specifically in ICT like the AVANTHOTEL activity - Creation/Management of a website: developed for the Muro Beaches Hotel Association for direct marketing of hotel beds, with the direct intervention of the tour operators. -Implementation of Information systems: “Sit Menorca” was conceived to execute a Tourist Information System in Menorca using Internet and WAP technology	Facilitated on-line management and information of available beds in tourist accommodation establishments. Five sales channels have been developed using the AVANTHOTEL platform. Website encouraged the use of new technologies in the hotel booking industry and provided an effective sales tool for hoteliers. - SIT Menorca was very effective. The result was the creation of a website combining tourism and services information on Menorca. The WAP technology allowed all the information to be viewed

		from a cellphone, in any location. - Transfer of this technology to the private sector. Further results can be seen at: http://www.e-menorca.org/ .
Bringing together stakeholders that together impact the tourism industry	innoBAL project's International Seminars: 1 st international Seminar on Innovation in Tourism organized in Palma de Mallorca at the end of September 2004. It aimed to bring researchers, tourism, transport, and service companies together.	About 260 people attended the seminar representing the different Balearic Hotelier Federations, travel agencies, airline companies, technological companies, chambers of commerce, etc.
Identification of qualification needs in the tourism sector	innoBAL project administration of training: Provided specialised training focussing on the new demands of the regional hotel activities.	

2.7 Replication:

The specific circumstances of the importance of the tourism sector of the Balearic Islands were the reason to implement the innoBAL programme. The R&D and innovation system of the Balearic Islands was less developed than in other Spanish regions due to the Balearic Islands' peculiar economic structure. Therefore, the Balearic Government had increased its efforts to enhance the system over the last years through the implementation of the 1st Innovation plan for the period 2001-2004.

The RITTS strategy for the Balearic Islands had as one of its key objectives the stimulation of the innovative capacity of the tourism sector, especially to encourage companies to take full advantage of the new opportunities offered by ICT.

Thanks to programmes such as INNOBAL partly financed by the European Union, the Balearic Islands are gaining access to tools to better assist in carrying out different actions to bring the Balearic Islands tourism sector close to the Information Society. The major outcomes of the project resulted in a tourism cluster to increase communication, the use of new technologies to improve productivity and attract more tourists, and the education of innovative ideas through training and a master's programme.

InnoBAL Action 2 Programme was specifically geared toward improving innovation in the tourism sector. In order for similar programmes to be successful and replicated to another region the same circumstances would be necessary. This programme could effectively be transferred to a similar environment with similar problems, for example the Greek Islands. Organized public funding is the driving success factor of this programme. Public funding (through the European Commission and national government) and an implementation plan are necessary to replicate this programme in different regions.

There are important factors to note when evaluating the success of this programme, especially for replication. As it was stated, organized public funding and support is the driving success factor of this programme initiative of innovation in services, but the governmental support is not the sole reason this programme has proven successful.

- One of the main factors of success was the organization of the project, which achieved its qualitative goals through 10 concrete related smaller projects with specific quantifiable objectives. Measurable objectives led to quantitative results.
- The programme was multi-disciplinary and focused on different objective types, targeted to help the Balearic hotel community. For example, the innoBAL programme incorporated support and coordination actions, along with new technology implementation.
 - The completion of the extensive studies on the tourism sector, innovation in services and industry competitiveness provided deep insight into their current situation allowing them to better implement further projects of the programme.
 - Also, the projects aiming at the implementation of new ICT (such as online sales channels) are always a successful cause of development and an important factor in the programme.

3 Additional information sources

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CHAPTER II: Advice for transferability

4 Introduction to the proposed action

4.1 What are the main actions to be promoted to meet the objective?

Service firms are generally weaker innovators because their innovations are ‘less visible’. The few existing policies targeting service innovation aim primarily at ICT development and use. Clearly, greater attention is needed to raising awareness of public policies and programmes among service-sector firms, but it will also be important to design programmes to be more relevant and useful to the service sector.

European innovation policy strategies must:

- take into account the strong needs to strengthen the companies and public agencies’ capabilities for service innovation;
- enable various knowledge providers to become more active partners for the dynamic service innovation companies;
- assist public authorities and development agencies to develop a more proactive and well coordinated commitment to support service innovation processes, and;
- build up a knowledge base to support policy learning in service innovation development.

The most relevant actions to be promoted are:

- 1) Set-up of a think-tank;
- 2) Set-up of a dialogue platform;
- 3) European repository of knowledge and good practices on innovations in services;
- 4) Produce a set of reports on the needs and requirements of service innovation in both service and manufacturing firms.

4.2 What is the problem for which the cited measure is trying to provide an answer?

In general:

- Lack of sufficient political attention to service innovations;
- Too ‘narrow’ innovation policies;
- Too ‘superficial’ existing policies;
- Poor access to knowledge basis;
- Monitoring tools of European innovation policy results.

innoBAL XXI - Action 2: Support for innovation in hotels and accommodation sector:

- The need to strengthen the hotel/accommodation service industry and increase productivity;
- The need to attract more tourists;
- Hotels are still not fully taking advantage of new technologies to enhance business strategies. The need to incorporate and take advantage of new ICT;
- The hotel service sector is lacking knowledge on how to innovate;
- Lack of communication among companies and stakeholders.

4.3 What is the general status of the recognition in the market of the necessity to invest in the proposed policy theme?

Services are still largely neglected by innovation policies and it is necessary to address the issue of policy relevance and accessibility at both EU and national level. There is a weak basis of knowledge

and understanding of service innovation and service innovation processes and the attention is increasingly drawn towards a greater need of developing initiatives and instruments that also encompass characteristics of service functions, along with those of more “traditional” sectors.

To date, innovation policy measures in most EU countries have not been attuned to the service sector. Only a few countries have integrated services-related elements into their innovation policies and participation of service-sector firms in sector-neutral programmes remains low. The few policies targeting service innovation aim primarily at ICT development and use.

4.4 How is the main policy theme communicated in the market/which guidance material is already available?

Very little attention has been paid to innovation in services or to its policy implications in Europe. Innovation in services has been largely ignored. Only a few countries have integrated services-related elements into their innovation policies and participation of service-sector firms in sector-neutral programmes remains low. The few policies targeting service innovation aim primarily at ICT development and use.

4.5 What is the expected outcome of the proposed actions?

The following outcomes are expected from the proposed action:

- 1) Share, collect and disseminate under a repository format, knowledge, information and best practices in the field of service innovation, both within the Member States and also beyond Europe, having in view to accelerate the learning process in the identified field, create a common awareness and understanding and provoke a mind-set change that is required in order to prepare the public sector for the adoption of a new and improved innovation policies that take into account the importance of services as a powerful economic force in the contemporary and future European Union.
- 2) Propose concrete policy measures to better support Innovation in Services in the EU and help reform-minded policymakers implement their programs more effectively.

5 The innovation policy measure and its context

5.1 National and regional governance: please provide a description of the modalities of implementation of the proposed actions. Examples of elements to be taken into account are the role of the institute, the nature and characteristics of that institute that are important for a successful implementation of the good practice.

Innovative Actions Programme, INNOBAL XXI was a programme that was funded from 2002-2003, part of the I Innovation Plan of 2001-2004. The FEDER Financial contribution is 50%, funded by the Balearic Ministry of Innovation and Energy and the European Union. There is also private contribution to the funds of the project. Specifically the project was co-funded by the European Regional Development Fund, Balearic Government Fund and Hostelry Association Funds.

5.2 National and regional economic structure of the region where the practice has been developed. We are looking for the main factors for success for implementing the suggested measure.

Tourism-related services play a crucial role in the regional economy of the Balearic Islands which includes Mallorca, Menorca, Ibiza and Formentera. In the last 25 years the Balearic Islands have

experienced a great economic growth due to the development of service activities, mainly tourism. In fact more than 80% of the Gross Added Value is generated by service activities, more than 60% directly by tourism and 90% indirectly. The Balearics have become one of the main European tourist destinations with one of the highest GDP per capita in Spain.

Organized public funding and support is the driving success factor of this programme initiative of innovation in services, but the governmental support is not the sole reason this programme has proven successful.

- One of the main factors of success was the organization of the project, which achieved its qualitative goals through 10 concrete related smaller projects with specific quantifiable objectives. Measurable objectives led to quantitative results.
- The programme was multi-disciplinary and focused on different objective types, targeted to help the Balearic hotel community. For example, the innoBAL programme incorporated support and coordination actions, along with new technology implementation.
 - The completion of the extensive studies on the tourism sector, innovation in services and industry competitiveness provided deep insight into their current situation allowing them to better implement further projects of the programme.
 - Also, the projects aiming at the implementation of new ICT (such as online sales channels) are always a successful cause of development and an important factor in the programme.

5.3 The policy measure itself: what was it all about? Who were the actors involved, what actions have been undertaken and which result and impact has been achieved?

The Balearic Islands Innovation Plan is part of the broader strategy of the Regional Innovation and Technology Transfer Strategy (RITTS), through which the European Union has made it possible for many European regions to become involved in analysing and designing their own innovation policy. The RITTS Strategy for the Balearic Islands had the main objectives that included the stimulation of the innovative capacity of the tourism sector, especially to encourage companies to take full advantage of the new opportunities offered by ICT. Measures in the strategy included actions to find the equilibrium between tourism development and environmental sustainability, the identification and promotion of thematic clusters, including tourism services and mobilising programmes for the development of strategic areas for tourism and leisure. The innoBAL programme was divided into 5 Action lines and as a matter of fact, one of the five action lines (Action 2) of the Innovative Action Programme was entirely devoted to support innovation in the regional tourism sector.

The following general **objectives** were to be achieved with the programme action 2: to help small enterprise hotels attract more tourists; create new products adapted to the ‘e-generation’ of tourists; disseminate technologically advanced equipment in companies working in this sector.

The programme **resulted** in many different projects after facts. One for example was the creation of a Sun and Sand Tourism Cluster or group of companies focussed on the same product-market to consider and contribute proposals to improve productivity in the sector.

On the basis of this project, a quality plan was developed for the small enterprise and the services sector (bars and restaurants) in Calvià.

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The efforts of the innoBAL programme have brought numerous effective results for the region’s tourism sector. The sector has improved with higher competitiveness and productivity through the use

of new technologies. The success of the first Innovation Plan from 2001-2004 led the Balearic government to further design the R&D and Innovation Plan for the tourism sector for the period 2005-2008.

Thanks to programmes such as INNOBAL partly financed by the European Union, the Balearic Islands are gaining access to tools to better assist in carrying out different actions to bring the Balearic Islands tourism sector close to the Information Society. The major outcomes of the project resulted in a tourism cluster to increase communication, the use of new technologies to improve productivity and attract more tourists and the education of innovative ideas through training and a master's programme.

6 The adaptability and transferability of the proposal

6.1 Why is it worthwhile to invest in the proposed action/tool? Did the feasibility study and good practice identification demonstrate substantial added value?

The action can help ministries and national innovation and development agencies in formulating such broader and deeper innovation policies by assessing good practice, analysing particular needs and requirements of service innovation and giving advice concerning content – practical policy content advice.

The InnoBAL programme stimulates the innovative capacity of the tourism sector, especially to encourage companies to take full advantage of new opportunities offered by ICT. The programme has the aim to find a equilibrium between tourism development and environmental sustainability and provides especially support to small and medium enterprises in the services sector.

Together the contribution of the different success factors of the innoBAL programme such as: good organization and structure, multidisciplinary objectives and new ICT implementation, resulted in a raised or added value for the entire project. Also, the InnoBAL Action 2 programme was a project that was solely dedicated to the development of innovation in services. Few projects exist that support only the service industry. The combination of the multifaceted actions and project objectives, public government funding, private company participation and industrial association support, together resulted in a successful approach to help service companies.

6.2 If there is to be decided to invest in the proposed action/tool, what are the main factors to pay specific attention to?

Organized public funding is the driving success factor of this programme. Public funding (through the European Commission and national government) and an implementation plan are necessary to replicate this programme in different regions.

6.3 What is the expected impact of implementing the proposed action/tool?

Because of the programme companies can take full advantage of new opportunities offered by ICT. Through the use of new technologies, the service sector improves with higher competitiveness and productivity.

The initiative increases also the value added of tourism activities, promotes local participation and provides support for sustainable development and the maintenance of the regional identity through actions destined to attract tourism with a respect for the ecosystem.

6.4 Based on the insights gained in the feasibility studies and good practice identification, what is the judgement/advice on the support that already has been created by stakeholders?

The support of the stakeholders of this project has been strong. The support was not only sustained regionally by the Balearic Ministry of Innovation and Energy but also the project is backed by the European Commission as it stems from an RITTS strategy.

In addition, stakeholders greatly supported the programme by attending the series of international seminars on innovation in tourism that had the aim of reuniting different involved parties such as: researchers, chambers of commerce, Balearic hotelier federations, tourism, transport and services companies, like travel agencies, airline companies, technological companies, etc.

The participation of the end users in this project has also demonstrated a successful contribution. Over 1000 hotels have participated in the project and 5 new online hotel sales channels have been created as a result.

6.5 What is the advice on how to disseminate the action/tool?

There are few projects focussing on supporting innovation in service industry. Tourism often is a rather traditional sector in kind. This is mainly due to the size of the firms and the nature of the work. As such in those smaller SMEs there still is a lot to gain from the implementation of ICT tools. A positive point is that a large number of hotels (1000) gained access to these ICT tools. What counts for transferring the tool, it only seems viable in regions where there is a lot tourism activity in small firms. When looking at large hotel chains, there is no advancement possible in ICT implementation. In those hotels there is for instance a link between the mini-bars in the rooms and the cashier system.