

# Innotrends Hungary 2014: Making innovation count

Innovative ideas in Hungary have a better chance than ever of being turned into reality. László Korányi, Vice-President of the National Innovation Office, tells the Budapest Business Journal what role gatherings such as Innotrends, EU funds and his own organization can play in the process. Innotrends Hungary, the office's main annual event, takes place October 16-17 at the Akvárium in Budapest's Erzsébet tér. Entry is free!

## **BBJ: To what extent has the National Innovation Office (NIH) changed in the past few months?**

In the case of startups and SMEs we are extending our activities to cover the whole innovation process and rendering services like helping to get financing for the innovation and for market access. Based on our international activities we are organizing innovation workshops with countries that are not yet in the focus of the Hungarian companies, typically outside of the EU. Another important current task of the Office is the creation of the national Smart Specialization Strategy, this is a task defined by the EU.

## **BBJ: Does the launch of the new parliamentary term have any impact on the strategy of the office?**

The National Innovation Office will be transformed to the National Research, Development and Innovation Office, where the biggest change will be the concentration of the available RDI funds into one organization enabling a more efficient and coordinated use of the funds. From the EU Structural Funds a significantly larger amount will be dedicated to RDI than in the previous years, approximately HUF 740 billion until 2020.

## **BBJ: Startup Spring was a successful initiative this year. Are you planning to make it an annual event?**

The whole idea was to see how much a startup can improve within a period of three months when assisted by experts. We demonstrated that this is enough time to effect major changes. Pitch training and the boot camp proved suitable tools to reveal which entrepreneurial concepts are viable. It is worth repeating on a yearly basis.

## **BBJ: A recent five-day-gathering named Start Tel Aviv was another chance for Hungarian players to do essential networking.**

From the Hungarian point of view there were two significant events there. A Hungarian Brunch was opened by Rubik's Cube creator Ernő Rubik, a real superstar in Israel, and that provided the opportunity for ten Hungarian startups to present themselves to top Israeli VCs and private investors. The one-on-one meetings went on for several hours, showing how significant the interest was. The fourth EU-Israel Innovation Workshop also took place, with the participation of Imre Hild, CEO of iCatapult, a global business development accelerator, and myself. The first such workshop was initiated by Hungary back in 2011.

## **BBJ: Tell us about the so-called Mentor Club sponsored by NIH.**

We now have 170 entrepreneurs under the guidance of 140 mentors. In one case the mentor has even become an angel investor in the company. Another product got a whole new (and much more marketable) look after its creators were encouraged by their mentor to take part in a design contest. The latter proves what a difference a creative environment can make.

## **BBJ: Innotrends was organized last summer for the first time. This year it takes place with even more hype around it on October 16-17.**

It was our top event in 2013 with a record attendance of some 3,000.

Every stakeholder in the innovation world was represented. One of the important goals of Innotrends is to present a wide spectrum of top international visionaries to the Hungarian audience. Just to name a few: we will have Juha Rouhonen, founder of Startup Sauna, the world famous accelerator program in Finland, Lenard Brody, a venture capitalist and twotime Emmy nominated media visionary who has been through one of the largest internet IPOs in history, and Pierre Roy the deputy director of France's CNRS, one of the largest and most successful research institutes in the world.

## **BBJ: Startups will get special attention there too?**

The gathering will feature pitching in order to give it an even more practical edge. The startup section will combine the experience of Hungarian and foreign stakeholders of their respective ecosystems in an innovative workshop format. South Korea and France will be in the spotlight as privileged guests.

## **BBJ: Why exactly were those countries invited?**

South Korea has an intense presence in Hungarian industry. Few are aware that the country has an R&D facility here. They could have set it up just next-door in China, but they chose us. By providing them with an important role in Innotrends, our message goes out to the Far East that Hungarian engineering is of the highest quality and everybody from that area is welcome to cooperate.

## **BBJ: What are your plans for the rest of the year?**

NIH would like government-owned corporations to get engaged in the process of innovation, not only by purchasing existing innovative products, but also by identifying needs that require such a solution. They could then order the best product from among those manufactured. Thus we could create a large market for innovation. On the one hand, the

state gains access to high-tech material cheaply. The producers, in turn, will have that crucial reference that they can use to sell their items more easily globally.

This is what is called “government incubation” since the state provides a market for innovation, which can then draw financing faster.

**BBJ: What role will the European funds available under the Horizon 2020 scheme play?**

There’s enormous interest in those funds. Hungarians have filed the sixth most applications for single SME grants among the EU28, which puts the country at the top of the region in this regard. Clearly not all applications will be accepted; however, the really good ones will have a second chance with the opening of the structural funds, so they can be implemented from domestic resources.

**BBJ: The word is out that NIH is working on being present in neighboring countries as well.**

We’d like to reach out to the Hungarian minority living in the region, as they don’t have an entity like NIH, which is partly businessoriented, partly R&D-focused. We thought we’d provide all our H2020 related services and information also for Hungarians living next door, so that innovation there can thrive too. People participating in this process are not rivals, this is rather a situation where everybody involved wins.

Source: Budapest Business Journal - 2014. 10. 03. (10. page)