LogOn Baltic Regional reports
13:2007

LogOnBaltic

REGIONAL DEVELOPMENT IN SOUTHWEST FINLAND -

Development Measure Impact Analysis (DEMIA) on regional development related to logistics and ICT

Kaisa Alapartanen and Heidi Leppimäki

Project part-financed by the European Union
(European Regional Development Fund) within
the BSR INTERREG III B Neighbourhood Programme

LogOn Baltic Regional reports
13:2007

REGIONAL DEVELOPMENT IN SOUTHWEST FINLAND

Development Measure Impact Analysis (DEMIA) on regional development related to logistics and ICT

Kaisa Alapartanen
and
Heidi Leppimäki

Yliopistonkatu 27 a, 20100 Turku, Finland

Published by
LogOn Baltic
Turku School of Economics
Rehtorinpellonkatu 3, FI-20500 TURKU, Finland
www.logonbaltic.info

This publication has been produced with the financial assistance of the European Union. The content of this publication is the sole responsibility of the publisher and can under no circumstances be regarded as reflecting the position of the European Union.

ISBN 978-951-564-481-7 (electronic version)
UDC Logistics, Competence, ICT, Regional Development, Baltic Sea Region

EXECUTIVE SUMMARY

Background

One of the goals in the LogOn Baltic project is to collect comparable data on the regional development system in the Baltic Sea Region. To reach this goal a Development Measure Impact Analysis (DEMIA) was carried out in all the partner regions during autumn 2006 and spring 2007. Both the development agencies and companies were involved in making the analysis. Based on the analysis, a report “Regional development in Southwest Finland – Development Measure Impact Analysis on regional development related to Logistics and ICT” was drawn up. This describes the system, roles and practices of regional development in Southwest Finland. The main focus is in regional development from the companies’ point of view and therefore it does not include the analysis of purely infrastructure projects. The objectives of the report is to suggest some constructive ways to improve the planning of development measures as well as making the whole process easier and more transparent.

A study on the competitiveness of regions in Finland and the factors that affect companies’ decision to locate in the region, done by the Central Chamber of Commerce in Finland, serves as a background for the report. According to the study, the main factors in the Turku Chamber of Commerce region are closeness of markets, the availability of labour suited for the company and traffic connections. In addition, a list of development measures was gathered with other development actors in the Southwest Finland region in a Workshop in August 2006. The measures were categorized in two groups: according to their focus and chronology. The chronological starting point of the measures was defined as the time when companies or the region starts to benefit from the measure. The results are presented in the figure 1.

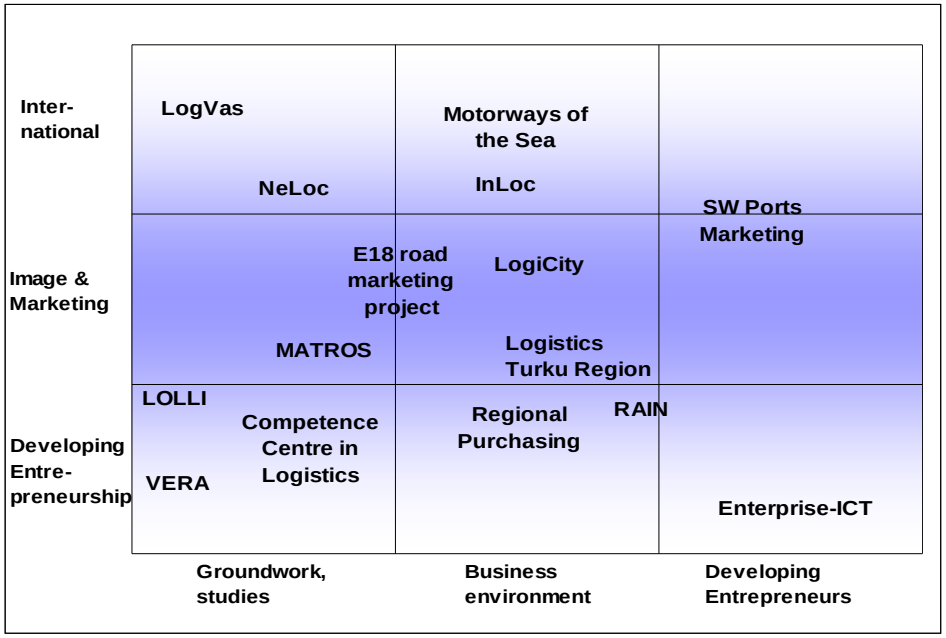

Figure 1 Logistics and ICT related development measures in Southwest Finland

Projects related to Logistics and ICT in Southwest Finland

The regional development system in Southwest Finland is described in the report by representing analyses of four projects related closely to logistics and ICT. The criteria for evaluating the chosen projects were relevance, impact, effectiveness, efficiency and sustainability.

The *Enterprise ICT* project was carried out by ICT Turku and it was partly financed by the LogOn Baltic project. The objective in this project was to promote the use of ICT in the everyday business of SMEs. This was implemented by offering ICT consulting services to SMEs at very low costs. The results from this project have been positive. It has, however, been difficult to reach the companies and to find the right marketing channels. It has also been difficult to encourage and support the companies to keep on using the actions recommended by the consultants. A post project questionnaire was sent to the companies to encourage them to continued action. To achieve the goals of the project, the role of the consultants was important: for consultants themselves to understand the objectives and for their consulting to get

enough attention within the company so the suggested improvement actions continue.

ICT Turku also carried out the *Logistics Information Systems* (*LOLLI) project* in 2002–2004. Other partners were, among others, the City of Turku, Turku Region Development Centre and all three universities in Turku. The aim of this project was to develop the structure of location solutions and to build a database for the information concerning location services for Finnish and foreign companies. Altogether 22 reports related to this project were written. However, the most significant result was the suggestion to continue the cooperation with Employment- and Economic Development Centres and Invest in Finland –society's Location services Network (SIVE).

Through the *Logistics Turku Region* project a new web portal for logistics companies and commercial carriers was launched. It started as a project, but was later formed into a company. Unfortunately many companies were not aware of this portal and it was a challenge to ensure the funding and continuation after public funding ended. It is still a challenge to define the role of the portal in the region and to activate companies so that the portal works as a channel of making new contacts. In any case, it had a lot of potential as a pioneer web portal project in Finland.

The *From Road to Sea* project in 2002–2004 was a concrete part of joint marketing efforts by ports in Pori, Rauma, Uusikaupunki, Naantali and Turku. The aim was to increase the cargo traffic and the employment situation in the maritime industry. Despite the ports' activeness in marketing, much more could have been done in networking particularly with the new EU member states and promoting the possibility for more environment-friendly transportation.

Results

1. Communication

- It would be very important to inform the companies better about the development measures in the region and make them more interested and involved also in long-term measures.
- The development actors such as Development Centres, Pilot Turku, ICT-Turku, TE-Centre, Turku Chamber of Commerce as well as Turku School of Economics, University of Turku and Centre for Maritime Studies are in key position.

2. Databank

- Many of the development measures are unknown even to some of these regional developers so networking and exchanging information would be essential.
- Establishing an online databank on development projects and measures is suggested as a way to improve the sharing of information.

3. Evaluation

- One way to improve the process is to make better use of evaluation and planning to enhance the performance of measures and make them of higher quality. This could also increase the companies' motivation to get more involved.
- So far the evaluation concerning development measures has not been very popular. In many cases, evaluations have been made only by request of the financier.
- The situation is known to the development agencies, but there does not seem to be enough resources to do more planning and evaluation.

4. Overview

- The need for infrastructure improvements seems to serve the development activities well.

TIIVISTELMÄ

Selvityksen taustaa

LogOn Baltic -projektin tavoitteena on kerätä vertailukelpoista informaatiota alueellisen kehittämisen järjestelmistä Itämeren alueella. Osana projektia on kaikilla yhteistyöalueilla toteutettu Development Measure Impact Analysis (DEMIA) -selvitys. Selvitys toteutettiin kehittämiskeskusten ja yritysten yhteistyönä syksyn 2006 ja alkuvuoden 2007 aikana. Selvitykseen liittyvä raportti ”Logistiikan ja ICT:n alueellinen kehittäminen Varsinais-Suomessa” tarkastelee alueellisen kehittämisen järjestelmää, rooleja ja käytäntöjä Varsinais-Suomessa. Raportissa keskitytään logistiikan ja ICT:n kehittämiseen liike-elämän ja yritysten näkökulmasta ja tästä syystä yksistään infrastruktuurin parantamiseen liittyvät projektit on jätetty tarkastelun ulkopuolelle. Raportissa pyritään esittämään myös rakentavia tapoja parantaa kehittämistoimenpiteiden suunnittelua ja toteutusta esimerkiksi helpottamalla prosessia ja tekemällä siitä läpinäkyvä.

Raportin taustalla on muun muassa Keskuskauppakamarin tekemä tutkimus, jonka mukaan Turun Kauppakamarin alueella kilpailukykyyn eniten vaikuttavia tekijöitä ovat markkinoiden läheisyys, sopivan työvoiman saatavuus ja liikenneyhteydet. Keskeisessä asemassa on lisäksi elokuussa 2006 järjestetty workshop, jossa kerättiin yhteen alueen kehittämistoimenpiteet ja jaettiin ne kahteen ryhmään niiden fokusoitumisen ja ajallisen ulottuvuuden perusteella. Lähtöpisteeksi määriteltiin hetki, jolloin yritys alkaa hyötyä toimenpiteistä tai tulee alueelle. Tulokset näkyvät kuviossa 2 (figure 2).

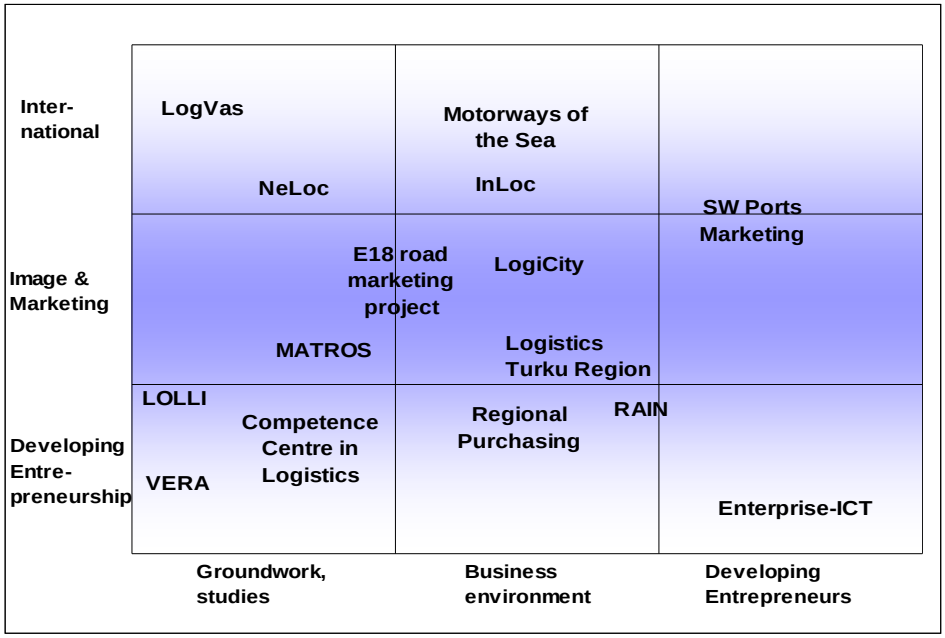

Figure 2 Logistiikkaan ja ICT:hen liittyviä kehittämistoimenpiteitä Varsinais-Suomessa

Logistiikkaan ja ICT:hen liittyvät kehittämisprojektit Varsinais-Suomessa

Varsinais-Suomen alueellisen kehittämisen järjestelmää on kuvattu raportissa ottamalla tarkempaan tarkasteluun neljä logistiikkaan ja ICT:hen liittyvää projektia. Projektien arviointi perustui niiden merkitykseen, vaikutukseen, tehokkuuteen, hyödyllisyyteen ja kestävyyteen.

Enterprise ICT on ICT Turun vuodesta 2005 asti hallinnoima projekti, joka on rahoitettu osittain LogOn Baltic -projektista. Projektin avulla on pyritty siihen, että pienet ja keskisuuret yritykset käyttäisivät ICT:tä paremmin hyödykseen liiketoiminnassaan ja sen kehittämisessä. Projektia on käytännössä toteutettu tarjoamalla yrityksille ICT:tä ja uusia yhteistyökumppaneita koskevaa konsultointia. Raportin mukaan projektista on saatu hyviä tuloksia, vaikka yritysten ja oikeiden markkinointikanavien löytäminen onkin tuottanut jonkin verran vaikeuksia. Lisäksi haasteellisena on pidetty sitä, että ICT:n parempaa hyödyntämistä myös jatkettaisiin konsultoinnin jälkeen. Tämä on pyritty varmistamaan lähettämällä käynnin jälkeen kyselylomake kaikkiin

konsultointia saaneisiin yrityksiin. Lisäksi on ollut tärkeää myös muistuttaa konsultteja projektin tavoitteista ja siitä, että konsultointikäynti saisi ansaitsemansa huomion yrityksessä.

ICT Turku hallinnoi myös *Logistiikan osaamisen laajentaminen liittouman alueella (LOLLI)* -projektia, joka toteutettiin vuosina 2002–2004. Yhteistyökumppaneina projektissa olivat muun muassa Turun kaupunki ja yliopistot sekä Turun Seudun Kehittämiskeskus. Projektin tavoitteena oli yritysten sijoittautumispalvelun organisoiminen ja kehittäminen alueella, ja tuloksena oli 22 selvitystä, mikä ei täysin vastannut odotuksia. Selvityksiä merkittävämpänä seurauksena voidaan raportin mukaan pitää sitä, että yhteistyötä TE-keskusten ja Invest in Finlandin Sijoittautumispalveluverkoston kanssa haluttiin jatkaa.

Turun Kauppakamarin *Logistics Turku Region* -projektin avulla on perustettu logistiikkayritysten ja kaupallisten kuljetusliikkeiden yhteinen palveluportaali internetiin. Projektista muodostettiin pian itsenäinen yritys. Raportin arvion mukaan kovin moni yritys ei ole ollut tietoinen palvelusta, ja julkisen rahoituksen loputtua on ollut haasteellista jatkaa toimintaa. Kehitettävää on vielä palvelun markkinoinnin lisäksi esimerkiksi toimintaperiaatteiden hiomisessa ja yritysten aktivoimisessa, jotta palveluportaali toimisi todellisena yhteydenottokanavana ja verkostoitumispaikkana. Kaiken kaikkiaan uraauurtavassa toiminnassa on nähty paljon potentiaalia.

Southwest Ports marketing -projekti oli käynnissä vuosina 2002–2004 ja siitä olivat vastuussa Merenkulkualan koulutus- ja tutkimuskeskus sekä Turun satama. Mukana olleet lounaissuomalaiset satamat – Pori, Rauma, Uusikaupunki, Naantali ja Turku – pyrkivät yhteismarkkinoinnilla parantamaan markkina-asemaansa meriteollisuudessa ja lisäämään rahtiliikennettä ja työpaikkoja. Raportin mukaan positiivista projektissa oli satamien innokas mukanaolo. Heikkouksina pidettiin projektin suunnittelua ja dokumentointia. Lisäksi tärkeää olisi ollut vielä aktiivisempi verkostoituminen etenkin uusien EU-maiden kanssa sekä ympäristönäkökulman korostaminen.

Selvityksen tulokset

1. Kommunikaation parantaminen

- Yrityksiä tulisi informoida nykyistä paremmin kehittämistoimenpiteistä sekä saada ne kiinnostumaan enemmän myös pitkän tähtäimen toimenpiteistä.

- Avainasemassa ovat Turun, Salon ja Loimaan kehittämiskeskukset, Pilot Turku, ICT-Turku, TE-keskus, Turun Kauppakamari ja lisäksi tutkimuslaitoksista Turun kauppakorkeakoulu, Turun yliopisto sekä Merenkulkualan koulutus- ja tutkimuskeskus.

2. Sähköisen tietopankin perustaminen

- Kehittämistyössä mukanaolevat tahot eivät ole olleet tietoisia kaikista toimenpiteistä, joten verkostoitumisen ja tiedonvaihdon jatkuminen olisi erittäin tärkeää.
- Konkreettisena toimenpiteenä tiedonkulun parantamiseen esitetään datapankin perustamista, jolloin kehittämistoimenpiteet löytyisivät koottuna internetistä.

3. Arvioinnin lisääminen

- Arvioinnin merkitystä tulisi korostaa, sillä tehokkaamman arvioinnin ja suunnittelun avulla on mahdollista saada laadukkaampia tuloksia toimenpiteistä sekä kasvattaa yritysten kiinnostusta.
- Tähän mennessä kehittämistoimenpiteitä koskevaa arviointia on tehty lähinnä vain silloin, kun rahoittajat ovat sitä vaatineet. Ongelma on tiedossa esimerkiksi kehittämiskeskuksissa, mutta resurssit eivät tunnu riittävän asian korjaamiseen.

4. Kehitysnäkymät

- Kaiken kaikkiaan infrastruktuuriin liittyvät parannustarpeet näyttävät palvelevan hyvin kehittämistarpeita.

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

1 INTRODUCTION

1.1 Project introduction – LogOn Baltic

The LogOn Baltic project was approved within the Baltic Sea Region (BSR) INTERREG III B Neighbourhood Programme, which is sponsored by the European Regional Development Fund (ERDF), as part of the Structural Funds, and co-financed by national project partners.

The purpose of LogOn Baltic is to present solutions to improve the interplay between logistics and Information and Communication Technologies (ICT) competence and spatial planning and strengthening Small and Medium-sized Enterprises (SMEs) competitiveness in the BSR. This is primarily done by the production and dissemination of information for regional development agencies on how to support enterprises in the participating regions in the field of ICT and logistics, thus improving regional development.

The following regions are participating in the project:

- South-West Finland
- Östergötland (Sweden)
- Denmark
- Southern Metropolitan Region of Hamburg (Germany)
- West-Mecklenburg (Germany)
- North-East Poland
- Lithuania
- Latvia
- Estonia
- St. Petersburg (Russia)

LogOn Baltic provides an overview of logistics efficiency and logistics information systems and their exploitation, in order to improve the interaction between SMEs and other public/private actors.

On the one hand, the empirical activities of LogOn Baltic compare the existing logistics services and infrastructure with the logistics needs in the participating regions, making it possible to develop perspectives and action plans for strengthening the logistics competence in the

regions. On the other hand it describes the existing ICT infrastructure and services, revealing up to what extent they meet with the companies' needs for further development. In this way, LogOn Baltic focuses on:

a. identifying development agencies and evaluating their performance in each region
b. evaluating the level of logistics and ICT efficiency
c. suggesting concrete actions for regional and local public sector bodies

Data are gathered in each participating region using four tools, Development Measure Impact Analysis (DEMIA), Logistics survey, ICT survey and Expert Interviews; each of these is presented in a separate report. These results together with secondary data is presented in a regional report, that will describe the state of affairs in the region, with recommendations on what and how the region needs to develop. The regional reports are used as a basis for making an interregional comparison which is reported in an inter-regional report. All reports are available on the project homepage, www.logonbaltic.info.

1.2 Regional partner introduction

Turku School of Economics (TSE) is a public university in the field of business science. Project management is with the TSEBA Logistics (staff of 15), with extensive research and policy-making experience. Other contributing units comprise SME Institute, Pan-European Institute specialising in Russian markets & Finland Futures Research Centre, researching alternative futures and related challenges/opportunities in policy making, incl. regional planning foresight studies. TSE Project Unit has worked in over 100 EU co-funded projects.

Development Centre of Salo Region is an organisation owned by 11 municipalities. It provides regional development and co-operation related services for its owners. It consists of units of regional development, enterprise services and municipality services. It benefits from the project through information on possibilities to develop logistics and ICT competence in the region with a strong telecommunications industry cluster. It serves as dissemination and data collection channel with local businesses. Logistics-related spatial planning is one of its current key priorities.

ICT Turku Ltd. is part of Turku Science Park and a cluster focused on information and communications technology. The goal of ICT Turku is to develop the ICT cluster in Southwest Finland into an internationally successful entity of actors. The goal of ICT Turku is perfectly in line with the project objectives. It has a network comprised of more than 1400 companies and units of the ICT field which will be used as dissemination and data collection channel. ICT Turku has participated in Interreg II C projects E-18 co-operation and Baltic Palette.

Loimaa Regional Development Centre is a business service unit owned by 10 municipalities. It works with regional development and aims at enhancing preconditions for a diverse business environment. It gets rigorous information about the possibilities to develop logistics and ICT competence in the semi-rural region and serves as dissemination and data collection channel to the local businesses. Logistics-related spatial planning is one of its current key priorities.

Pilot Turku Ltd is a development company owned by the City of Turku. It focuses on promoting the international logistics operations in the Turku Region. The purpose of the organisation is to provide the customers with a single service channel for contacting all decision-makers and actors, thus lowering the thresholds of language, culture and bureaucracy. Pilot Turku provides its logistics competence and contacts to the project. It also serves as a dissemination channel and data collection channel to the local businesses. They have previously participated in Interreg projects NeLoC and InLoC.

Regional Council of Southwest Finland is a joint municipal authority which functions in accordance with the principles of municipal self-government, operating as the authority on regional development as well as the region's planning and lobbying organisation. In LogOn Baltic especially Regional Council's knowledge on the regional spatial planning will be an essential part. The Council also is a direct connection to other local authorities and policy makers. At the moment they are hosting the South Finland Coastal Zone Interreg IIIA Programme.

TEDIM is a joint organ of the Ministries of Transport around the Baltic Sea. It is a development forum for (i) logistics co-operation between the EU and Russia, as well as between the EU Member States, (ii) dissemination of best practices in transport and logistics and (iii) use of telematics in transport and logistics. A hallmark of TEDIM projects is a unique co-operation between private and public sector.

TEDIM joins as an advisory partner with the main task to reach out to all Ministries of Transport in the BSR with LogOn Baltic results.

Turku Region Development Centre is a public development organisation comprising 18 municipalities in Southwest Finland. The main objective is to create an environment that promotes dynamic enterprise activities in Turku region and to co-ordinate business policies in the region. Turku Region Development Centre participates and co-ordinates strategic development projects to support and create the growth in the region, incl. many logistics and ICT projects. It has been a partner in several EU projects, including Interreg project the Baltic Business Network and ESR project HighTech Way.

Department of Geography at University of Turku brings research competence on regional planning and GIS-analysis into the project. The Department's extensive applied research provides society with specific regional knowledge to fulfil the needs of planning and decision-making. Urban geography is one of the strongest fields of research, including different research programmes of future urban developments and urban renewal processes, so this is an opportunity to exploit the knowledge in practice.

1.3 DEMIA Introduction

One of the goals in the LogOn Baltic project is to describe the regional development system in the Baltic Sea Region (BSR). To reach this goal, a separate study called Development Measures Impact Analysis (DEMIA) will be carried out in all the partner regions in the project.

The main focus in this study is to describe the system, roles and practices of regional development in each region. The aim is to produce information to the regional development bodies in this area and BSR –wide. The selected case-studies in each region are summarized and analysed briefly. The main focus of this assessment is on learning; the usefulness of the measures is not under inspection here but rather their improvement and knowledge sharing potential.

The main focus in this study is on business and development of enterprises. Not on spatial planning as such but only when connected to companies. This means looking at development agencies and measures from this point of view. Furthermore the focus is on logistics and ICT. Information and communications technology (ICT) is studied only when connected to enterprises and preferably their logistics. The

development actors will be listed but in the measures only the logistics and ICT-related measures are studied more carefully.

The regional development practices and circumstances in the BSR vary. Nonetheless, there will be a comparative study prepared on the findings of the other equivalent studies on regional development within LogOn Baltic providing useful information to the policy makers and regional development actors alike.

1.4 Region specific introduction

In a study conducted in this region in 2005, LogOn Turus (Hoffmann et al.) it was found that many companies in this region are not familiar with the regional development agencies here. It was also found that many of the agencies do not have the tools or practices to measure the impact that they make in their target group. One of the goals of this study is to present some simple ways of adding an aspect of measurement to the planning and executing stages of development measures. Analysis of the measures is not meant to be conclusive but to give some new insights into the development activities and on how to make the development process easier and more transparent.

The measures introduced in this study were agreed on in a workshop in August 2006 with the main regional development actors in the Southwest Finland. As a part of this study, the regional development activities are categorized in accordance to their main focus and the view-point of a company and their location decision. It must be noted that this listing of measures is not intended to be all-inclusive. One of the findings of this study is that the regional development field in Finland is fragmental and scattered –making one of the main issues for the regional development actors, information change and networking.

2 METHODOLGY

The approach of this study is very pragmatic; the methods serve this purpose more than any academic traditions. The way this study is conducted is qualitative in nature and even through some traditionally quantitative methods are used in a small scale, the study can be seen as qualitative, descriptive research.

The development agencies are involved in the research in two phases. First they provide and check the information on their own organisation and activities. Secondly many of the development actors took part in the workshop and interviews conducted on development measures and the development atmosphere in this area. Companies were involved in filling in a short questionnaire and a few interviews on the measures and development activities.

The template used for describing and evaluating the development measures is a tool called the Logical Framework. This Framework provides a basis for subsequent monitoring and evaluation and has been used to assess development activities worldwide, such as the Interreg II C program. Another tool used for the research is the European Commission Impact Assessment Guideline.

The Logical Framework Approach is best used in addition to other methods and more specific questions based on the evaluation criteria. The criteria for evaluating Development Measures in this study are: Relevance, Impact, Effectiveness, Efficiency and Sustainability. All the tools used in this study are presented in more detail in the Appendix 4.

3 REGIONAL DEVELOPMENT IN FINLAND

In Finland the municipalities and the state have responsibility for regional development and the regional councils as joint municipal boards that manage the functions relating to regional policy. The Ministry of the Interior formulates regional development on a national level in cooperation with other ministries and the regional councils. The Ministry is also in charge of coordination and evaluation of both the preparation and implementation regional strategic programmes. The regional development policy is outlined in the Regional Development Act which describes the goals for regional development: creating preconditions for economic growth, industrial and business development and a higher employment rate that will guarantee regional competitiveness and wellbeing on a basis of competence and sustainable development. There are three instruments for regional planning on the municipality level:

- Regional Plan (Maakuntasuunnitelma)
- The Regional (Land-Use) Plan (Maakuntakaava)
- The Regional (Development) Program (Maakuntaohjelma)

The relationship between these instruments is presented in the table 1. The most relevant one for the Development Measures Impact Analysis is the Regional Program, which outlines the strategies and related concrete activities with an annual implementation plan.

Table 1 The regional development instruments in Finland

Regional Strategic Plan Outlining the Strategic choices and vision, timeframe 20-30 yrs	
Regional Plan Spatial planning strategy and visions, timeframe 10-20 yrs	**Regional Program** Regional development strategies and planned activities, timeframe 3-5 yrs with an annual implementation plan

The system for regional development in Finland is often called program-based and is nowadays strongly linked to the National Management of Structural Fund Programs (1353/ 1999). The Regional

Councils are responsible for making proposals on regional Structure Fund programs for their area, which are to be financed with European Structural Funds financing. Furthermore the objectives of the Regional Development Program are carried out through different programs:

- The Regional Centre Program (*Aluekeskusohjelma*)
- The Rural Policy Program (*Maaseutuohjelma*)
- Centre of Expertise Program (*Osaamiskeskusohjelma*)
- The Island Development Program. (*Saaristo-ohjelma*)

The Regional Centre Programme is a special program from the government relating to the Regional Development Act. Its objective is to establish a network of regional centres covering every region/province and to develop the strengths, specialisation and cooperation of urban regions. The Regional Centre Programme implements the national strategy:

"the government is developing a multi-centre regional structure based on a competitive metropolitan region and regional centre network which will maintain the vitality of all regions and facilitate more balanced economic growth throughout the country.

Each province must have at least one urban region which offers a competitive location for various types of business and a diversified local job market. In addition the provinces must have successful smaller urban regions, strong municipal centres and rural regions, whose businesses are efficiently networked both within the province and outside." (Finnish Government 15.1.2004) (From www.intermin.fi)

Other key actors are the provincial State Offices (Lääninhallitus) i.e. the joint regional authorities for seven different ministries. Of even bigger importance to the regional development activities are, however, the Employment- and Economic Development Centres (Työvoima- ja elinkeinokeskus or TE-keskus) of which there are 15 that represent the state on a regional level with three administrative sectors. Also central in this field are the 13 Regional Environment Centres (Ympäristökeskus).

Another state-level organisation is the Finnish funding for technology and innovation, Tekes. It is a public funding organisation for research and development which especially promotes innovative, risk-intensive projects both by industries and research organisations. Tekes announces in their webpage one ongoing logistics and ICT -related technology programme: VAMOS - Value Added Mobile Solutions 2005-2010.

VAMOS - Value Added Mobile Solutions technology programme was launched during summer 2005 in cooperation with firms and research

institutions. The programme aims to find ways to utilize the newest mobile technology solutions.

VAMOS focuses on implementing wireless technology solutions widely regardless of business area. Selected areas are industry, transportation, construction and services. Second important goal is to launch successful commercial mobile products, generate lucrative business and create new jobs. Logistics and transportation are recognized to be very potential subjects to utilize mobile solutions. That's why an actor knowing the business areas was recruited to activate and provide the sectors with value-adding services. Logistics and transportation form, even with VAMOS's frames, a broad entity from companies' internal material processing challenges to customer services of mass transportation.

Finished Technology Programmes with a connection to Logistics and ICT in Finland from Tekes:

- ELO - E-Business Logistics 2002-2005
- Frontiers in Metallurgy 1999 - 2003
- Managing Static Electricity Dynamically, STAHA 1999-2002
- Quality in Business Networks 1998-2001
- Remote Sensing GLOBE 2000 - 1995-2000
- Transport Chain Development Programme KETJU 1998-2002

More information on these programmes and the activities of Tekes can be found on the website: www.tekes.fi.

4 REGIONAL DEVELOPMENT IN SOUTHWEST FINLAND

4.1 General

Southwest Finland is situated on the south western coast of Finland by the Baltic Sea. Please see Appendix 1 for a map of Finland and its regions. Below are same key figures of Southwest Finland compared to the whole of Finland.

Table 2 Southwest Finland in figures

	Finland	SW Finland
Total area (sq km)	338145	10665,96
Population (2005)	5236600	455584
GDP per capita in PPS (forecast 2006)	114	112
Net migration (2004)	6700	824
Total unemployment rate (2005)	8,4	9,3

The Southwest Finland region is divided into five sub-regions:

- Turku sub-region
- Salo sub-region
- Loimaa sub-region
- Vakka-Suomi sub-region
- Turunmaa sub-region

Each of these sub-regions have their own regional development plans and organisations. First the development system on the municipal level of Southwest Finland (*Varsinais-Suomi*) will be described shortly.

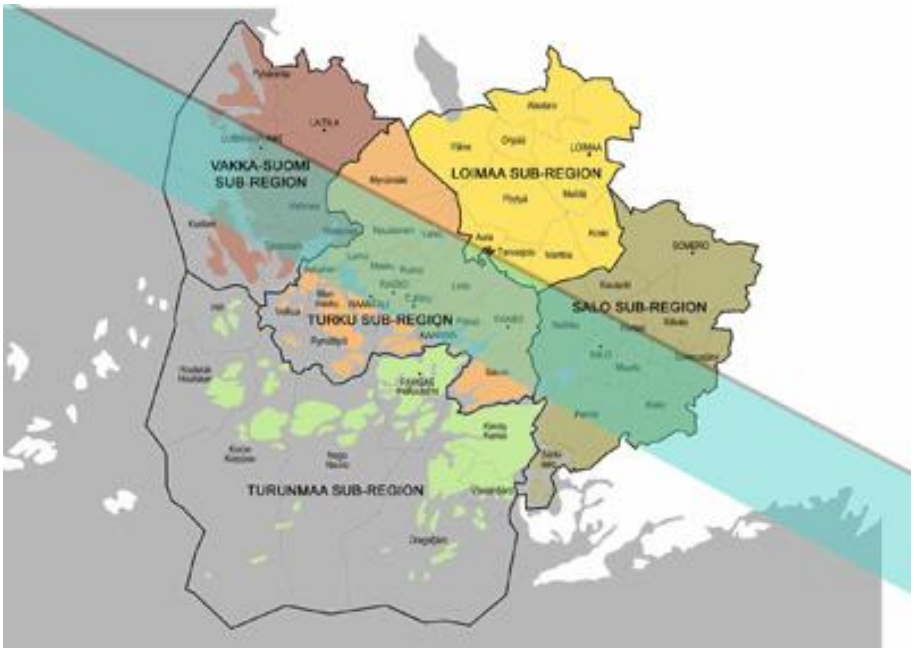

Figure 3 Southwest Finland and its sub-regions

In Southwest Finland the main themes and regional goals are mapped out in the Regional Development Program that is prepared and executed by the Regional Council of Southwest Finland. The current version of this document is valid for the period 2005 – 2008 and comprises the key elements for the future success of the region of Southwest Finland. The document outlines the key lines for action in the region:

- Ensuring the region's competitiveness with know-how and creativity
- Ensuring the success of the rural areas trough development of the industry
- Developing Southwest Finland into a significant centre of the Baltic Sea Region
- Adding active measures in order to secure well-being
- Making environment into the region's main attraction

Each of these action points are broken down into specific part objectives and initiatives. The central themes that are incorporated into these action points are:

- Life Span thinking
- Cooperation
- Sustainable Development
- Equality

These elements each include different elements that are dealt with in the actions. The Regional Development Program was last evaluated in 2004 when the last planning period expired. The Program was evaluated as a well established program that has been able to achieve many of the goals set for it.

The executing body for the Regional Development Program is the Regional Council of Southwest Finland, Varsinais-Suomen Liitto. With a staff of 55, they are involved in some development measures, such as Interreg funded LogOn Baltic and 6th Framework funded RAIN[1] too. They are also the managing authority for the Central Baltic EU programme. The main outputs according to themselves include:

Regional development promotes the autonomic and balanced development of the region by coordinating developmental activities and ensuring the financing decisions required by the implementation of programmes. Through the same, prerequisites for the development of business life are created, and goals furthering the well-being of inhabitants are achieved.

TE-Keskus in Southwest Finland is the regional government organisation of three ministries: Ministry of Trade and Industry, Ministry of Labour and Ministry of Agriculture and Forestry. Altogether their personnel is 170, they have representation in the sub-regions of Loimaa, Salo, Turunmaa and Vakka-Suomi. Their main outputs are:

Support and advise SMEs at the various stages of their life-cycle; start-ups, growth, exports and internationalisation, promote the technological development of enterprises, implement regional labour policy, promote the creation of new jobs etc. They are involved in different projects both national and regional.

As the logistics industry is dependant on infrastructure, the Transportation Officials are often involved in logistics development measures. These include the Maritime, Airports and Rail Officials in each of the regions. The participation of these officials in the regional development planning and executing is not studied in detail in this report, their presence is noted and mentioned. The focus in this study is in regional development from the companies' point of view and thus does not include pure infrastructure projects.

The effort put into regional development in this region are collected into the table below and where after the agencies are described more

1 RAIN= Regional acceleration for the innovation circle in the ICT sector. More info: www.fp6-rain.org

fully in the following chapters. The figures in the table are estimates but give a rough idea on how much is put into regional development in Southwest Finland.

Table 3 Development Efforts in Southwest Finland

Development Agency	**Annual Budget**	**No. of Personnel**
TE-Keskus	135 M €	170
Turku area Development	3,3 M€	25
Turku Chamber of commerce	0,82 M€	13
Pilot Turku Ltd	N/A	3
Centre for Maritime Studies	2,3 M€	36
ICT Turku	N/A	20
Salo Development Centre	2,3 M€	18
Loimaa Development Centre	1,2 M€	9
Vakka-Suomi Development Centre	N/A	4
Ukipolis	N/A	1
Turunmaan seutu ry.	2,5 M€	14

The City of Turku has outlined its priorities and goals for 2015 in the *Strategy for Know-how and Business (Osaamis- ja elinkeinostrategia).* The main development programs are the program for innovations, entrepreneurship and human capital. These form the basis for the functioning of the six clusters in the Turku region: the Bio cluster and applied ICT cluster, Sea cluster and Logistics cluster as well as Tourism cluster and Creative Services cluster.

In the framework of this study are the applied ICT, Sea and Logistics clusters. All the clusters have set goals for themselves up to the year 2015:

- **Applied ICT cluster:** become the Nordic leader in testing ICT –solutions and services. Also the competitiveness of companies has been increased substantially through the usage of ICT.
- **Logistics cluster:** Turku is the junction for international connections and besides the capital area for a logistics competence centre in Finland. Turku offers a competitive operation environment for companies requiring logistics as a gateway from Scandinavia to the East.
- **Sea cluster:** Turku is internationally substantial competence based sea cluster centre whose services and products are

internationally demanded for. Cluster acts as the basis for the industrial production in the SW Finland.

The strategies and goals are outlined by the city of Turku and brought into reality by the regional development agencies presented in the following chapters.

4.2 Regional Development organisations

4.2.1 Turku Region Development Centre

The joint development agency for all the municipalities in Turku Sub-Region is the Turku Region Development Centre (former Turku Area Development centre or TAD –centre). The Centre is involved in most of many development measures in the region at least as an advisor. The details of the agency are presented in the table below.

Table 4 Turku Region Development Centre

Background of the organization	Owned by 18 municipalities in Turku region: Askainen, Kaarina, Lemu, Lieto, Masku, Merimasku, Mynämäki, Naantali, Nousiainen, Paimio, Piikkiö, Raisio, Rusko, Rymättylä, Sauvo, Turku, Vahto and Velkua. Established in 1996.
Size of the Organization	Employees: approx 25
Location	Turku (operations in whole Turku Sub-Region)
Overall goal / Mission	Main objective is to create an environment that promotes dynamic enterprise activities in the Turku region
Funding	By the owners
Target audience	Companies in the Turku region
Main outputs	**Location Memo for companies considering establishing a business in the region; Business Directory of ca. 13 000 local companies; Database of available real estates, both lots and premises, in the region** **Many ongoing projects and Events in the Turku region**
Logistics/ICT projects	Partner in LogOn Baltic and Rain projects. Yritys-ICT, Purchasing project for the region, E18 marketing project. Has been Involved e.g. in VERA and project leading to Pilot Turku ltd.

Marketing channels	Leaflets, also specially on development project. Intranet for stakeholders. Web pages: www.turkuregion.fi
Other:	Bizkon – St Petersburg business Contact Centre

A part of the Turku Region Development Centre is also Potkuri[2]: a centre of expertise for enterprises (start ups and others). The idea is to offer one-stop solutions for companies in any field that they might require help with. Potkuri has 15 employees and was formed together with Turku Region Development Centre and TE-keskus.

4.2.2 Turku Chamber of Commerce

Another development actor in Turku region is the Turku Chamber of Commerce.

Table 5 Turku Chamber of Commerce

Background of the organization	The Chamber of Commerce is a voluntary organisation consisting of companies working together to improve all areas of industrial and commercial life. The activities of the Chamber of Commerce are based on the Statute on the Chambers of Commerce and the voluntary membership of the companies. Turku Chamber of Commerce has approximately 1500 members.
Size of the Organization	Employees: 13
Location	Turku (Operations in Southwest Finland)
Overall goal / Mission	Acts as a forum for discussion as well as applying its expertise on industrial policy within its area of operation. Shapes policies on developing favourable preconditions for company activities by taking initiatives, delivering opinions, arranging meetings and seminars, and by launching joint projects. One means of achieving this objective is through information and publication activities in addition to co-operating with other organizations. Networking and partnerships with the private and public sectors
Funding	Membership fees, educational and authority services for foreign trade

[2] For more information, see www.potkuri.fi

Target audience	Companies in the region
Main outputs	**Supervision of interests include developing higher education in technology, enlarging the E 18 into a motorway, traffic arrangements in the Turku town centre, and developing both airline and maritime traffic. The development of tourism within the region.** **Arranges courses, promotes overseas trade, certifies experts needed in industry and commerce, and issues foreign trade documents. Councelling, official services such as certification, information servicecs, helping with business connections, ESCROW**
Logistics/ICT projects	E 18 road improvement and enlargement, Web portal; Turku Logistics Center
Marketing channels	Www-pages: www.turku.chamber.fi/

4.2.3 Pilot Turku Ltd

Pilot Turku Ltd started out as a project in 2001 and has now developed into a company and the main actor within the logistics field in this region.

Table 6 Pilot Turku Ltd

Background of the organization	Established in 2003 as a limited company. Main owner is the City of Turku. Main shareholder is also Hartela Oy, the other founder. The Cities of Naantali, Kaarina and Lieto are also shareholders.
Size of the Organization	Employees: 3 plus Management Teem (7)
Location	Turku
Overall goal / Mission	Pilot Turku Oy (Promoting Intermodal Logistics Operations In Turku Ltd.) is a marketing and development company that acts as the key organisation in the project designed to make the Turku region an effective and versatile logistic hub in the BSR
Funding	Shares
Target audience	Companies wishing to locate in Turku

Main outputs	**-Information services for locating:** **Background information and studies needed in pre-mapping the location, descriptions of logistics infrastructure, contact details, maps.** **Introduction of locating sites:** **Creating location alternatives to meet the client's needs; studies on availability of labour. Preliminary arrangements for building and other permits related to starting or expanding operations.** **Mapping of potential project partners:** **Arranging a search for local partners needed by the client company.** **Private-Public Partnership arrangements:** **Planning of and preliminary negotiations on ownership or leasing arrangements of real estates and buildings.** **-Turku area and its logistics system"– an electronic information package; jointly with Center for Maritime Studies.**
Logistics/ICT projects	Partner in LogOn Baltic, actively arranged events for logistics stakeholders
Marketing channels	Website: www.pilotturku.com
Other: international cooperation	Cooperation with ILOT in St. Petersburgh

4.2.4 Centre for Maritime Studies (CMS)

With a strong connection to the University of Turku the Centre for Maritime Studies is involved in numerous logistics development measures both national and international.

Table 7 Centre for Maritime Studies

Background of the organization	Founded in 1980 and it was made a special unit of the Turku University in 1984.
Size of the Organization	Employees: 36
Location	The main office is located in Turku and there are also offices in Pori, Rauma and Kotka. Shortsea Promotion Centre Finland is part of the Pori unit.

Overall goal / Mission	The CMS is a nationally and internationally recognised maritime education and research institute. It is known for its continuing education courses and programmes, research and consulting services, experience in co-ordinating international co-operation projects and its high-quality conference services
Funding	From the owner and other stakeholders. Project funding from different sources
Target audience	Private companies and public sector institutions.
Main outputs	**The education and conference services include university-level continuing education and open university courses and programs, as well as seminars and conferences that focus on current issues in the maritime and logistics fields. The courses and personnel training programs are often tailored to the specific needs of the client.** **The research and consulting services include research and regional development services for the maritime industry, logistics and industrial business consulting and international logistics-related co-operation projects that mainly focus on the BSR. Most of the reports of the research and development projects are published in the CMS's own series**.
Logistics/ICT projects	Studies on Maritime related issues such as: The Finnish Maritime Cluster study, Finnish Maritime Strategy, Safe Passage Involved in international projects: InLoC, Baltic Palette, New Hansa, Matros, Capacity 2015: and Realise Web-base Maritime English Learning Tool (MarEng)
Marketing channels	Www-pages: http://mkk.utu.fi/ Brochures, direct marketing on courses, training programmes and conferences as well as current research issues.

4.2.5 ICT-Turku

ICT Turku is the main responsible for ICT and Logistics in the Turku Science Park[3].

[3] Turku Science Park is a large community of experts that speeds up the growth of high-tech businesses in Southwest Finland through its operations. Focal areas are biotechnology and ICT branded BioTurku and ICT Turku. www.turkusciencepark.com

Table 8 ICT Turku

Background of the organization	A subsidiry of Turku Science Park that is mainly owned by the city of Turku. Established in 2002
Size of the Organization	Employees: 20 plus management team (3)
Location	Turku
Overall goal / Mission	The goal of ICT Turku Ltd. is to develop the ICT cluster in Southwest Finland into an internationally successful entity of actors. ICT Turku unites the ICT companies, universities, research centres, other educational institutions and public services of Southwest Finland **Areas of functions:** Software and services Mobile communications eHealth, Enterprice-ICT IS for Logistics
Funding	From the owner and other stakeholders. Project funding from different sources
Target audience	Companies, institutions
Main outputs	**Three main areas: Developing start ups and entreprises, Developing regional R&D activities, Marketing of the region. One main area of expertise are test-bed opretions.**
Logistics/ICT projects	One of the focus areas is developing ICT within other main areas, such as logistics. Enterprise-ICT is one of the current projects. Rain project is aimed at regional development and innovations. Partner in the LogOn Baltic project.
Marketing channels	Www-pages: www.ictturku.com

4.3 Salo sub-region

In Salo the Development Centre of Salo Region is responsible for regional development activities. The Centre is a specialists' organisation owned by eleven municipalities.

Table 9 The Development Centre of Salo Region

Background of the organization	Organization is a federation of municipalities; Halikko, Kiikala, Kisko, Kuusjoki, Muurla, Perniö, Pertteli, Salo, Somero, Suomusjärvi and Särkisalo.
Size of the Organization	The Centre is comprised of Regional Development Unit, Business Development Unit, Municipal Services Unit and administration department. Employees: 18
Location	Salo
Overall goal / Mission	The Development Centre carries out projects which will ensure the high level of regional services in the future, create opportunities for successful entrepreneurship and generate regional well-being
Funding	By the owners
Target audience	Companies
Main outputs	**SERVICES** • **Planning, implementation, co-ordination of projects and post-project follow-up** • **Primary business advisory services** • **Business incubator activity** • **Consulting, expert and financial management services** • **Development of travel industry and tourism services** • **Special advisory services and activities aim to diversify business opportunities in rural areas** • **Municipality services** • **Finding finance opportunities and starting new businesses** • **Providing records of businesses and economic region** • **Lobbying of Salo Region** • **Providing research results**
Logistics/ICT projects	Partner in LogOn Baltic, E 18 project, Regional service traffic project, Regional traffic system projects,
Marketing channels	Www-pages: www.kehittamiskeskus.salonseutu.fi

4.4 Loimaa sub-region

Loimaa Development Centre is the main organization in the sub-region dealing with regional development issues. They are also involved in a lengthy process of drafting their region's strategy together with the Futures Research Centre at the Turku School of Economics.

Table 10 Loimaa Development Centre

Background of the organization	Owned by 10 municipalities in the region: Alastaro, Aura, Koski Tl, Loimaa, Marttila, Mellilä, Oripää, Pöytyä, Tarvasjoki and Yläne
Size of the Organization	Employees: 9
Location	Loimaa, Kauppalankatu 2
Overall goal / Mission	Create conditions for lively business environment, promoting regional development, advising and developing local business and helping to establish new business.
Funding	Mainly from the owners, in business projects also from companies
Target audience	Start-ups and existing companies in the region. Companies / entrepreneurs who are wishing to locate in their business in the region.
Main outputs	**Services for companies and municipalities in the region. Participating and coordinating regional development and EU projects in the region. Promoting regional co-operation and networking. Tourism promotion**
Logistics/ICT projects	Partner in LogOn Baltic project, Road 9 (Turku-Tampere) development project, several ICT and technology projects for companies
Marketing channels	Www-pages: http://kehittamiskeskus.loimaanseutu.fi/

4.5 Vakka-Suomi sub-region

In Vakka-Suomi the main development actor is the Development Centre of Vakka-Suomi sub-region.

Table 11 Development Centre of Vakka-Suomi

Background of the organization	Owned by 7 municipalities in the region: Uusikaupunki, Laitila, Mynämäki, Vehmaa, Pyhäranta, Mietoinen, Kustavi and Turku Chamber of Commerce Uusikaupunki Subdivision and personnel
Size of the Organization	Employees: 4 + project personnel
Location	Uusikaupunki

Overall goal / Mission	To take care of development through programmes and projects in subregion of Vakka-Suomi and support development in companies and estates in the region.
Funding	rom programmes and projects, commercial consulting (minor)
Target audience	Companies and municipal organisations (for instance educational institutes) in the subregio
Main outputs	**Make sure there is information about development and funding possibilities and to make sure funding is used reasonably. To help with project planning and execution and to initiate development measures according to local, regional and national programmes**
Logistics/ICT projects	SOL, TULO, Wireless Archipelago
Marketing channels	Www pages: http://www.vakka-suomi.com/index2.html
Other: organisation of the subregion	Development actions are governed by the subregion, Vakka-Suomen seutukunta kuntayhtymä. It has political executive government and board of municipal directors.

Other important regional development actor is Ukipolis, an agency owned by the city of Uusikaupunki that helps companies develop.

Table 12 Ukipolis

Background of the organization	Owned by the City of Uusikaupunki, established in 2000
Size of the Organization	Employees: one person (Manager)
Location	Uusikaupunki
Overall goal / Mission	To help companies in the region develop
Funding	From the owner
Target audience	Companies in the region, start-ups and running companies that require help
Main outputs	**Planning projects, finding funding, consulting and project management, cooperations with Universities and other, local institutions**
Logistics/ICT projects	TRIO in Southwest Finland, Metal and Sea industries -project, Olkiluoto nuclear power plant construction project (to help companies to participate in building project)
Marketing channels	Www-sivut: www.ukipolis.fi

4.6 Turunmaa sub-region

In Turunmaa sub-region the regional development activities are carried out by the city councils in the region and their common (non-profit) organization: Region Åboland rf / Turunmaan seutu ry.

Table 13 Turunmaan seutu ry

Background of the organization	Members: Parainen, Korppoo, Iniö, Houtskär, Dragsfjärd, Nauvo, Kemiö and Västanfjärd.
Size of the Organization	Employees: in the head office: 14 (in all 25)
Location	Parainen
Overall goal / Mission	To strenghten the position of and cooperation between the municipalities in the region. Its mission is also to support the initiatives, measures and companies that aim to develop the region.
Funding	From the members (25%), project funding (75%)
Target audience	Municipalities in the region
Main outputs	**Projects in tourism, ICT and general business development. A directory of companies in the region. Coordination of the marketing of the turism industry in the region.**
Logistics/ICT projects	Mebbi/Mebben, Saaristoverkot Oy/Skärgårdsnäten Ab
Marketing channels	Www-pages: www.turunmaanseutu.fi

5 DEVELOPMENT MEASURES

5.1 List of measures

The list of measures covered in this study was comprised together with other development actors in the Southwest Finland region in a Workshop on 30th of August 2006. Some development measures were later deleted from the list and other ICT related measures added to it based on further conversations with regional development professionals. A short description of all the measures is listed in the Appendix 2.

Table 14 Regional development measures in SW Finland in Logistics and ICT

Project	**Period**	**Implementation**
E18 marketing project	2006 -	Turku Region Development Centre, Development Centre for Salo, (Lohja)
Regional Purchasing	2006 -	Turku Region Development Centre
Logistics Turku Region web portal	Ongoing, since	Turku Chamber of Commerce
Competence Centre in Logistics	Ongoing, since 2005	Centre for Maritime Studies (CMS)
VERA	2004 - 2005	CMS, Turku Chamber of Commerce, TE-keskus, Pilot Turku ltd, Varsinais-Suomen tutkimus- ja ennakointipalvelu, Turku Region Development Centre, Port of Turku and SKAL.
Improvement of the Airport area - LogiCity	Ongoing, since 2003	Pilot Turku Ltd
MATROS (spatial planning methods for transportation system)		CMS

NeLoc & InLog (Logistics networks)	2001 – 2004; 2004 – 2006	CMS
SW Ports Marketing	2002 – 2004	CMS, Port of Turku
Motorways of the Sea		CMS, Port of Turku
LogVas (value added services in port located areas)	2005 -	CMS, Port of Turku
LOLLI – Logistics Information Systems	2002 - 2004	ICT Turku
TRIO	2004 – 2010	Technology Industried in Finland (Koneteknologiakeskus), Ukipolis in Southwest Finland.
Enterprise-ICT	2005 -	ICT Turku
RAIN	2006 - 2007	ICT Turku

In the same workshop the measures were categorized in two different ways. This first categorization is presented in the following table:

Table 15 Categorization 1 of development measures

1. Ground work (studies, background preparation)	2. Business environment, infrastructure	3. Developing Entrepreneurs
	Company benefits directly →	

In the first phase the company does not directly even benefit from the action. In the following phase the company starts to get direct benefits, as the infrastructure and business environment in the region is developed. In the third field is pointed directly at companies and developing their operations.

Another categorisation was made with the scope of the project in mind. The different fields that development projects operate in were concluded as:

- International connections/ networks
- Image and Marketing (of the region)
- Developing entrepreneurship and entrepreneurs

Often development measures have more than one goal or operate in more than one environment and thus strict categorizations are not

easily made. Figure 4 presents the above listed development measures put into this dual framework.

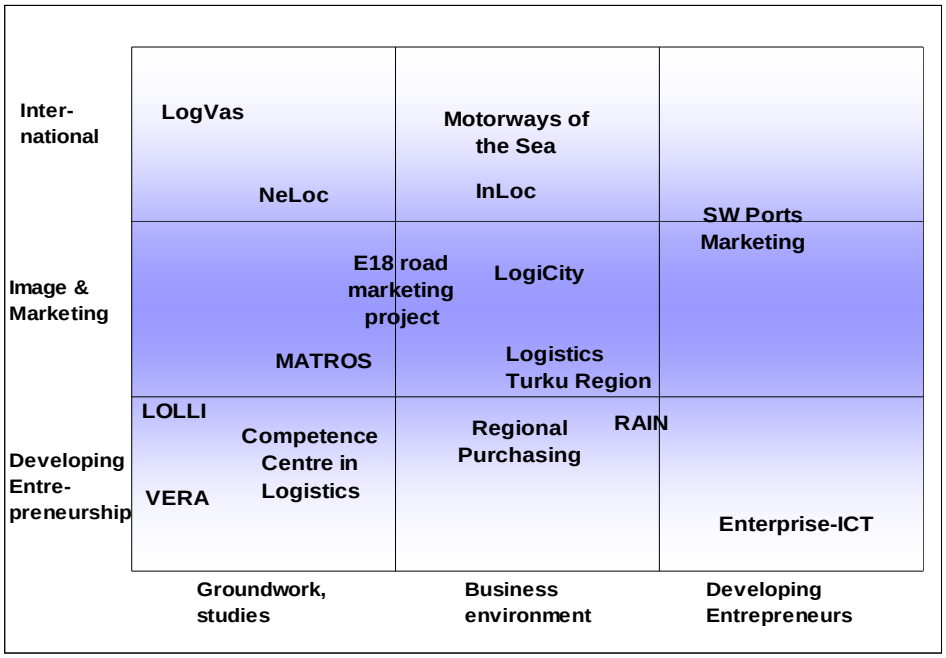

Figure 4 Logistics and ICT-related development Measures in SW Finland from a Workshop on 30th of August 2006

5.2 Case studies

The purpose of this report is to give examples on possible modes for regional development and to share knowledge on existing practices in the BSR. The case studies presented here are measures believed to have value as examples for others. The basis for the selection was the discussions with regional development experts in the region and the feedback from companies. Furthermore the cases selected differ in their background and organization as well as target groups. The cases can be categorized as follows:

- Logistics related measures (2)
- ICT related measures (1)
- Both logistics and ICT related measures (1)

5.2.1 Enterprise ICT

The project was initiated in August 2005 is now half way through. The responsible party is ICT Turku and the project is a partly financed from the LogOn Baltic project. The main elements are presented in the logical framework below.

Table 16 The content of Enterprise ICT project

Attribute	Indicators	Information Source	Preconditions, external factors
Overall Objective: Develop South West Finland region through helping SMEs develop their businesses with ICT.	SMEs developing their businesses with ICT	Quantifiable means from public sources and project record	Identify the current situation and possibilities for increased usage of ICT, make ICT services available.
Purpose: Promote the use of ICT in the everyday business of SMEs in the South West Finland area	Increased ICT usage in SMEs	Project records: post-consultancy evaluation form.	Knowing the needs/ places for improvement and the available services will lead to using ICT more. Reaching SMEs and making them see the potential/ use of the project.
Output: The SMEs will have clear information on their current level of ICT competence and how to improve that. They will have concrete directions on how to improve the use of ICT in their business.	Benefits for the SMEs are: time savings, cost cuttings, reduction of overlapping and useless work and an improved overall performance of the business.	Project records: post-consultancy evaluation form.	Offering consultancy for finding out the needs and to map out actions for improvement and sources for it. Chemistry between the consultant and the company will have an effect.
Activities: SMEs are offered ICT consulting services at the cost of 100 euros (approx 15 % of the real cost). The consultants will visit the companies, evaluate their current status of ICT use, find out their development objectives, write down proposals for actions and find the service providers for the proposed actions. The consultants will also market the project and provide contacts to companies.	**Input:** The overall budget: 303 000 Euros. There will be 180 companies consulted, with one consultant spending one consultancy day at one company.	Records of the projects. Recommendations report by the consultant.	Consultant will spend one day in the company finding the bottle-necks and mapping out possibilities for improvement. He/she will also give suggestions/ find the suitable partners for the SME.

Relevancy: It was found out in the LogOn Turus –study that small and medium-sized enterprises (SMEs) do not use ICT in their business too much and need very basic support in ICT. Furthermore the project concluded that the usage of ICT in SMEs must be studied in order to be able to plan further actions. From that perspective the projects objective and purpose meet the demand from the target group and are relevant to the region as a whole. As increasing competitiveness of

companies trough ICT is one of the goals in the Turku region development strategy, this measure is in line with the policies too.

Impact: Meeting the purpose of the measure would mean that SMEs in SW Finland use more ICT in their everyday businesses. This would mean improved communications between companies and less time spent dealing with problems relating to lack of communication. Potentially the efficiency of the companies will also increase leading to improved economic situation of the companies. The SMEs will probably use services and products from other companies in this region, also the ICT service providers –side will benefit.

Effectiveness: The outputs of the measure are two folded; first the companies will have knowledge of their current situation and secondly concrete suggestions on how to improve that. Achieving these two the companies still need to carry out the suggestions from the consultants. The consultants do not spend a long time in the companies and do not necessarily talk to all of the personnel. Admitting own deficiencies in ICT usage might not be easy, especially when the person is in the company only briefly. The project plan is very logical and thus the project is likely to reach its purpose through the planned outputs.

Efficiency: Each company will be given one consultancy day that leads to concrete recommendations. The companies are not directly asked how much money this measure saves them and this is not calculated in the projects either.

Sustainability: There will be a questionnaire sent to the companies after the consultancy asking what actions they have taken after the consultancy day and how beneficial they feel the project has been. This does not, however, in any way ensure that the companies take any measures after the project. If the companies are involved and carry out all the actions recommended, the sustainability of the project lies on the quality of work conducted by the consultants – how well they have been able to map out the situation and improvement potential in the companies in a short period of time. The companies will receive information on development programs and concrete services offered by other agencies, such as the TE-keskus.

Summary: The project has been well planned and managed. It is so far in schedule and has attracted the expected amounts of companies. It has, however, been difficult to reach the companies and to find the right marketing channels. Nevertheless, experiences from other regions in Finland have bee positive in similar measures.

Another challenge might be making the result of this project durable – the companies are encouraged to take the actions recommended by

the consultants but will not be supported in this in any way. There is a post project questionnaire with some follow up that might remind the companies into action. The awareness of ICT usage and bottlenecks will no doubt increase which in turn will later on make it easier for the companies at a later stage to do the investments required to make the changes and thus possibly increase the effectiveness of their company.

The role of the consultant is crucial and managing the cooperation between the consultant and the company is difficult. The consultants are professionals and presumably used to dealing with different situations and people. It must be made sure that the consultants are aware of the goals of the project and that there is enough visibility into the consultancy day – it is questionable whether the post project questionnaire is enough to ensure this.

5.2.2 LOLLI

This project was carried out in 29.4.2002 - 31.3.2004. The main responsible party in SW Finland was ICT Turku / Turun teknologiakeskus. Also Southwest Finland Regional Environment Centre (*Lounais-Suomen ympäristökeskus)*, Turku University, Åbo Akademi, Turku School of Economics, the City of Turku, Lounaispaikka, Logistics society (*Logistiikkayhdistys ry)*, municipalities and consultancies were involved. Turku Region Development Centre and Pilot Turku ltd were studied as the location services providers.

Table 17 The content of LOLLI project

Attribute	Indicators	Information sources	External factors
Overall objective: Examine the challenges to logistics services and the changes in the operating environment in Southern Finland. Focus on research. Pilot projects developed logistical solutions which were based on ICT and suitable for SMEs.	Amount of cooperation; projects, events, information change.	The project produced 22 reports. 2 pilot projects in SW Finland.	Resources, identifying the right partners; communication.
Purpose: Aim is to develop the structure of location solutions and improve the content so that overlaps are cut and all databases can be integrated into one same solution.	Amount of identified and involved actors, amount of solutions before and after project	Project Records	Identify the overlaps and existing solution providers. Involvement of all relevant actors.
Output (Results): In South West Finland: an Internet based integration system of city and regional plans in Turku Region and Placement services system for firms to Turku Region. The creation of cooperation and networking in logistics among the actors.	Internet based system for regional plans. Widening the placement system solution for Pilot Turku.	Project Records	Communications and involvement from the region.
Activities: Workshops, studies, interviews,	1 workshop in SW Finland. 2 project personnel in Turku. Final report on the services of a logistics centre in Turku Region.	Project Records	Cooperation with the project personnel – varied goals and organisation must be well managed.

Relevancy: At the moment, logistics and ICT are central themes in the regional development area and in that light this project seems very relevant. The projects focus in the Turku area came from the learning from the cooperation on E18 road marketing in 2002 – it was noticed that there is a need for IT systems for logistics, municipalities, business life and transportation. The role of public funding on such systems was also acknowledged.

Impact: Achieving the purpose would lead to an integrated solution for location services in this region with improved content and reduced overlaps. SMEs would have information on logistics area in southern Finland and also logistics IT solutions. The region would become more attractive for companies to locate and increased amount of companies would benefit the regions economy. The people involved in the location services would know the distribution of work and responsibilities and the companies would know where to find the proper information. Cutting overlaps might always lead to a need to reduce workforce or rearrange tasks, which might for some be an undesired impact from this project.

Effectiveness: The outputs are on the other hand very concrete and on the other hand very abstract and hard to measure. The improved IT solution for Lounaispaikka –webpage and Pilot Turku were of benefit and the study conducted on the current location services processes

most likely very useful to the service providers. Cooperation and networking will usually lead to increased awareness among the actors. As the purpose is to cut overlaps and streamline the services, networking surely will help in that.

Efficiency: The project ran for two years and involved two project managers from Southwest Finland. Since the projects goal was to cut overlaps having information on the current systems was crucial. Personal interviews on both company needs and the current offerings are the only way to find out the development needs. Workshops are also usually pretty efficient in gathering professional opinions and finding out the situation operating environment in the region.

Sustainability: in Southwest Finland the concrete results of the project were the solutions for the Lounaispaikka and Pilot Turku. Since the end of the project, the situation in the region has changed and the Pilot Turku www-page as well as the role of the company has changed dramatically. Nonetheless offering information and location services for logistics industry is still an important product for Pilot Turku Ltd. The other improvement for Lounaispaikka solution has endured time as a network for Geographic Information professionals and academics.

Summary: This project is a good example on the difficulties of project assessment after some time since the ending of the project. Looking at all the material available from this project it can be hard to see the forest from the threes. The project web pages proclaim that the project had great results; 22 reports on different issues. The reports themselves, however, are not results as such. This seems to be a common error – concentrating too much on reporting in stead of on actual substance and quality deliverables.

Sharing all the information and making sure the project results are not lost is also a huge task in a vast project like this one. As a very positive example, in the part for Southwest Finland the next steps on how to continue the work were identified in order to ensure the durability and continuation of the project results.

One of the suggestions was to continue the cooperation with TE-centres and Invest in Finland –society's SIVE (Location services Network, *Sijoittumispalveluverkosto*). There is a joint portal within the SIVE framework for location services in Turku area: http://intratad.turku.fi/intratad/sijoittautuminen.nsf, which would benefit from a clearer domain name. The portal itself offers comprehensive information - but in Finnish only. The E18 marketing site is also in English and offers information also for non Finnish speakers. The E18 project offers somewhat overlapping services with the location services

site, but the information there is more for marketing purposes than actual decision making.

5.2.3 Logistics Turku Region –web portal

The Web Portal Logistics Turku Region at www.logisticsturku.fi is a joint web portal for logistics companies and commercial carriers. It was first launched in 2001 as a project and has now been formed into a company.

Table 18 The content of Web Portal Logistics Turku Region

Attribute	Indicators	Information sources	External factors
Overall objective: Common Internet service portal for commercial carriers and logistic companies. A network of companies that provides individual, overall logistics solutions.	Amount of companies listed in the portal: 56	From the system.	Attract companies to want to keep their membership.
Purpose: Act as contact point for logistics companies n the BSR and worldwide. Offer companies a place to advertise and get visibility in Finland and abroad. Offer information and news services.	Amount of visitors / month: 8000 – 10 000. Amount of company contact pages opened: 15.000 – 20.000 / month.	From the system.	Attract logistics professionals with top notch services and information.
Output (Results): Companies get more visibility and business contacts. News -section increase the awareness of logistics issues in the region leading to more informed decision making. Articles in magazines to increase awareness of the portal	Amount of business contacts, amount of actual new business. Business tenders 70 – 80/ month.	From the system.	Competition – other portals or other means of getting visibility.
Activities: News updated daily. A database of research on logistics. Forms: seeking quotation, co-operations or representation. Tracking Cargo. Company database and contact list.	Budget is minimal. Membership fee for the companies. Advertising Banners. One project manager.	**Costs:** Running of the portal, marketing, information management.	Contact network to assure articles in magazines etc.

Relevancy: This development fits one of the focuses of the region, logistics, and is relevant in the context of the Logistics cluster Southwest Finland.

Impact: The companies get contacts through the portal – for some micro companies it might even offer an important way to get contacts, but for larger companies the impact is probably marginal. As a marketing tool the portal works and the news –services are a good reference point for logistics professionals all over the world.

Effectiveness: Once up and running the portal does not require a lot of investment. The news services are outsourced and companies themselves have an interest to update their information. The marketing budget for the portal is small which in turn creates challenges for getting the much required visibility.

Efficiency: As the portal now runs totally from fees and advertising funds it should be very efficient in its operations. Furthermore it becomes more crucial to reach the proper channels for visibility.

Sustainability: It remains to be seen how sustainable the portal will be. As a project funded by public officials it has been successful in making the results sustainable in the sense that it is now continuing without such funding.

Summary: The web portal was also a case in the LogOn Turus – study where it was found that many companies in Southwest Finland were not aware of the portal. Since then no further studies on the portal have been made, but the amount of visitors that the site attracts continue to be satisfactory.

As the funding from public sources ceases it is a challenge to ensure that the portal runs also on its own. As a company the portal also needs to increase its transparency and to really know what their role and mission in this region is. Activating companies and to getting their feedback would be the first step in making sure that the portal does not just become and empty site but an active contact channel and network in its area– it has a lot of potential as the pioneer in such portals in Finland. As the portal is an electronic tool the electronic marketing channels such as AdSense from Google etc. could be studied.

5.2.4 Southwest Ports marketing – From Road to Sea

This project is a concrete part of the SW Port joint marketing efforts by the five major ports of southwestern Finland, starting from north: Pori, Rauma, Uusikaupunki, Naantali and Turku. The project was started in August 2005.

Table 19 The content of Southwest Ports Marketing project

Attribute	Indicators	Information Source	Preconditions, external factors
Overall Objective: Develop sea traffic and thus increase the amount of environmental friendly sea traffic in comparison to road traffic. Promote the SW Ports abroad and increase and balance their transportation volumes.	Ratio between Sea traffic and Road Traffic. Amount of environmental Sea traffic. Amount of transportation volumes before and after the project.	From the Ports, public sources.	Get decision makers and such stakeholders behind the cause.
Purpose: The cooperation with other municipalities both in Finland and abroad is encouraged so that their Ports and trade would become more networked. Another goal is to network with the new EU member countries.	Amount of cooperation and networking increased. Also with new EU countries.	Project record.	Commitment from others to network, especially the new member states.
Output: Project benefits the export and imports of the municipalities, improves their position in the foreign trade and transit transportation in the whole country and makes the municipalities more well-known in general.	The awareness of the municipalities aboard. The position of the municipalities in the transportation chains in Finland.	Questionnaire or similar sources? Public sources, statistics.	Be aware of the real situation currently.
Activities: Joint seminars will be arranged with foreign Ports in Finland and in the Baltic Sea Region (BSR). The regions involved are e.g. Mecklenburg-Vorpommern, Sweden and Denmark. The BSR Ports partnerships are studied in the project in order to find best practices for the development of the joint partnership for the five Finnish Ports. Trips to other Ports and such are arranged with participants from the Ports, shipping companies and other operators and regional councils.	**Budget:** Project is funded by the Ports and it also receives EU funding through regional councils of South West Finland and Satakunta. The project is coordinated by the CMS (one project manager). **Indicators:** Amount of Seminars, amount participants, amount of best practices.	Costs include travel expenses, seminar arrangements, marketing material.	Make sure the seminars, trips etc offer concrete learning experiences, ensure follow-up and an approriate mix of attending people.

Relevancy: The Maritime industry is a hot issue in Southwest Finland. The regional development strategy for this region also highlights the importance of it. Furthermore the environment is one of the issues in the regional development plan and thus this project is well relevant in the development system on a regional level too.

Impact: The development measure would mean that the proportion of the environmental friendlier sea transportation would increase. This would reduce the load of the Ports' functions on the environment. Furthermore the Southwest Finland would become more known abroad which would increase the transportation. Ports' import and exports would be balanced which would make transportation more cost efficient.

Effectiveness: Learning from others is a good plan as long as it is made sure that the visits and seminars are duly documented and managed. Also managing the participants for the events and ensuring that a good mix of people benefit from the events is necessary. This would also include managing the subjects of the visits.

Efficiency: Improving something can usually be done by learning from others. Seeing how things happen for themselves will no doubt serve the officials more than hearing from it from a presentation. Including the new EU member states is also of importance if the networking with them is to happen.

Sustainability: The cooperation with the Ports seems to have established well and will no doubt continue in the future too. The CMS is involved in many development measures and project – it is like a conveyor belt for maritime related projects and studies. As a centre of expertise the CMS can offer continuation to the projects and ensure that the right kind of expertise is in place. Partnerships with private sector will furthermore ensure the sustainability of the projects' goals.

Summary: Again this project has a lot of substance and would benefit from a more coherent project planning and documentation. The Ports have been keenly doing marketing cooperation for years but apparently still have the need for further networking, especially with the new member states. To make sure that the trips and seminars have the most benefit for the region, the learning from them must be documented. Furthermore the environmental transportation –issue could be stressed in the duration of the measure as it is now only stated as an objective but not concretely visible in the actions.

6 CONCLUSIONS

The Central Chamber of Commerce (*Keskuskauppakamari*) in Finland made a study on the competitiveness of regions in Finland and the factors that effect companies' location decision. They found out that the main factors in the Turku Chamber of Commerce region are: closeness of markets (39%), the availability of workforce suited for the company (37%) and traffic connections (27%). Furthermore the companies had named ongoing development measures in their open responses:

- Motorway Turku – Helsinki (E18)
- Motorway and Railway Turku – Helsinki – Russia – China
- Improved Air connections
- Development measures by the Ports
- Improving Route 8 (Turku – Pori along the West Coast)

In this overview the companies also identified many concrete infrastructure projects in the LogOn Baltic questionnaire[4] (altogether 24 respondents, of which 14 were from companies) and talks with companies on regional development. Answers to the open questions in this questionnaire can be found in the Appendix 3. The development measures listing presented in the chapter 4 and included in the questionnaire along with the open answers lead to the direction that the companies are not aware of development measures in the region as well as they could be. On the other hand when the companies concentrate on issues that are not for the regional developers to effect (e.g. the closeness of markets) they might not pay that much attention to development efforts but only the concrete actions that directly effect the running of their daily businesses.

The need for infrastructure improvements seems to be pretty well catered for in the development activities. Another aspect that was mentioned both in the Chamber of Commerce study and our LogOn Baltic short questionnaire answers was the suitability and availability of workforce. And example on a program tackling with this problem is a program called Noste (www.noste-ohjelma.fi) that aims at improving the competencies of the performing workforce in the companies in the

[4] The results of the short survey are not statistically reliable, but give some insight into the mind set of the companies in this region.

age group 30 – 59. The program is funded by the Ministry by the Education and there are also a separate program running in the Southwest Finland Region. The results from the program have so far been positive at least from the companies taking part. The training programs are tailored to suit both the individuals and the company's needs. This has lead to a very committed people involved in the program and concrete benefits for the companies.

A point that repeatedly came up during the talks with both companies and regional developers was that companies are mostly interested in concrete results and do not want to get involved in lengthy abstract measures that merely aim at developing the region. On the other hand companies wish to know more about the measures that are taking place and have a positive attitude towards regional development in general. It is at the point when they themselves would need to get involved that the companies ask –quite understandably- for return on their investment.

Even though companies might not always want to get involved, it is still necessary to develop regions as such. The lookout and perspective for businesses is often very short whereas the regional developers have to look beyond the next quartile and vision decades ahead. This disparity of timeframe leads to a situation where the companies might not realize the value of a development measure just because the timeframe is too distant. In the end it is still the development actors' responsibility to justify and rationalize the measures taken – no matter how difficult that might be.

An important aspect for regional developers is that even though the region is not very large and there are not too many players in the field, there seems to be a need for more communications among the parties. It was concluded in the seminar that we held in August, that many of the projects are unknown even to other regional developers and that often, even when name sounds familiar it is not clear what the project behind the abbreviations actually is about. It is necessary to continue the good networking and information change that has been started in projects. One way of sharing knowledge would be to include a concise and informative databank on development projects in this region. Sharing knowledge on evaluation practices would lead to more visibility in the execution of the development measures and their evaluation practices and perhaps also inspire companies to get more involved.

There seems to be astonishingly few evaluations on any stages of any development measure done– the attitude seems to be, that if the funding bodies require it, evaluation is made. In many cases the

situation is known to the development agencies but in the running the daily tasks it is not possible to invest too much time and money into project planning or evaluation. It can be argued, that evaluation for only evaluations sake is waste of efforts. There is, however, no arguing the point that evaluation and planning measures properly and from the target groups' point of view will only enhance the performance of measures and make them of higher quality. Even if the starting point is the money available there is still no excuse for badly managed or misplaced development measures. They might serve purpose of employing the project personnel for the duration of the development measure but if a target is not measures or let alone set, the return on investment does not amount to much.

REFERENCES

Keskuskauppakamari (2005) Alueiden kilpailukyky yritysten näkökulmasta 2005.

Hilding-Rydevik, Tuija – Lähteenmäki-Smith, Kaisa – Storbjörk, Sofia (2005): Implementing Sustainable Development in the Regional Development Context – A Nordic Overview. Nordregio Report 2005:5.

Hoffman, Torsten M. – Luhtinen, Kalle – Eklund, Peetu – Naula, Tapio – Ojala, Lauri (2005): Sähköisen asioinnin kartoitus Turun seudulla. Turku School of Economics. Discussion and Working Papers 2005:8.

Impact Assessment Guidelines. (2005) European Commision. SEC(2005) 79.

Laki rakennerahasto-ohjelmien kansallisesta hallinnoinnista 1353/1999. [Ministry of Finance: Law on national management of the Structural Funds programmes.]

Nordic Centre for Spatial Development www.nordregio.se

Noste-ohjelma [The Noste Programme] www.noste-ohjelma.fi

Sisäasiainministeriö [Ministry of the Interior] www.intermin.fi

TEKES [Finnish Funding Agency for Technology and Innovation] www.tekes.fi

APPENDIX

Appendix 1 The Map of Finland and its Regions

Appendix 2 Development Projects In Southwest Finland

Competence Centre in Logistics
A forum for the cooperation between business life and research and educational institutions within the Logistics sector. Aims to help the demand and supply for logistics education meet and acts as a development specialist in the logistics field. Continuation to the VERA project. Produces the annual outlook for Southwest Finland Logistics

E18 road improvement project, infrastructure and marketing
A joint marketing project involving the regions by the new road. Includes marketing material such a s a webpage informing companies on the possibilities of locating around the E18.

Enterprise-ICT
Aims at developing Southwest Finland region through helping SMEs develop their businesses with ICT. This means offering SMEs a consultant for a low price to find the gaps and propose improvements within ICT usage in the companies. By this, the project will promote the use of ICT in the everyday business of SMEs in the Southwest Finland area.

Improvement of the Airport area by Pilot Turku Ltd - Logicity
Pilot Turku Ltd offers companies information on the Turku region especially concerning locations. The concept of LogiCity aims at making the surroundings to the airport into an efficient junction for intermodal logistics and a gateway the east and west.

InLog - Integrating logistics centre networks in the Baltic Sea Region - A continuation on the project NeLog
The InLoC project creates better conditions for logistics operations in the Baltic Sea region by enhancing networking between logistics centres and their interest groups. The project is divided into 4 work packages, the objectives of which are to:

- Improve the networking and operation of ports, logistics centres and other logistics operators,
- Create conditions for the spatial integration of logistics operations, to analyse spatial and environmental consequences of logistics centre development and to remove bottlenecks in port-hinterland-logistics centre connections,

- Enhance co-operation of logistics companies by improving the compatibility of different ICT-based networks, and
- Educate and disseminate knowledge and potential of LCs and logistics in general.

Logistics Turku Region web portal

A web portal offering visibility to logistics companies in the Turku region. The portal includes daily updated news services, contact details to companies, information and contact form.

LogVas - Logistic potentials for value added services in port-located areas

The project intends to promote economic growth and sustainable development in the Baltic Sea region. The objective of LogVAS is to identify potential of value added services in the Baltic Sea-region and their activation for port located areas. This shall be used as a basis for political and economic decisions regarding large investments in the ports, surrounding commercial areas and their hinterland connections via rail, road, air and inland waterways.

The expected outcome of the project is an overview of all goods and passenger traffic flows between regions via the transshipment points in the Baltic Sea region. Upon that we can make specific statements to particular chances as well as challenges regarding sustainable economical development in the field of logistics and value added services.

LOLLI – Logistics Information Systems

Many practical applications were introduced within the project. These include:

- Internet based integration system of city and regional plans in Turku Region
- Internet based integration system of environmental GIS in Eastern Uusimaa Region
- Placement services system for firms to Turku Region
- Method to estimate region's logistic position
- Concepts for logistic centres of different functions
- Case studies on logistic impacts of the Helsinki-Vantaa Airport and the Vuosaari Harbour

MATROS - Development of Spatial Planning Methods for an Integrated Maritime Transportation System in the Baltic Sea Region

The Matros project is part of the Baltic Sea Region (BSR) INTERREG II C programme. The aim of the project was to create a common strategy and common methods for spatial development to promote the efficient and long-term sustainable development of the maritime transport system in the Baltic Sea area. The project studied, for example, the connections between the port and its area of influence and the role of maritime transport in supporting the principles of sustainable development in the Baltic Sea area. The goal of the project was to increase regional and international co-operation and exchange of information between regional planners, decision-makers and other actors. All the Baltic Sea countries took part in the project.

Motorways of the Sea (MoS)

One of the main development goal in the Trans-European Transportation Network. The aim is to create transportation chains based on sea transportation that offer flexible and competitive alternative to the road transportation. The central idea is to develop the container and ro-ro traffic between the ports and the connections e.g. to Russia and Mid Europe. The focus is on intermodality. The goal is to improve the cooperation between different actors, the IT systems in the ports, build new and renew old infrastructure, improve hinterland connections and offer regular transportation services.

NeLoC - Networking Logistics Centres in the Baltic Sea Region

NeloC is created to enhance the role of logistics centres in regional development and to develop national and international logistics chains with emphasis on intermodal solutions.

RAIN – connecting the regions

Accerelating Commercialisation of ICT sector and R&D results via Effective Regional Investment Policy. The aim of the project is to compare investment policies and practices among the project regions, and to find best practices and new ideas to develop regional innovation policy.

SW Ports Marketing

Aims to increase the cargo traffic for SW Ports through joint international marketing and thus improving the employment situation in

the maritime industry. A continuation to the SW Ports –cooperation. Includes joint marketing events in Mid-Europe and the UK.

TRIO - Challenges companies to grow.
Started in 2004 and aims at creating the basis for growth for company networks and companies. Development areas are technology, business concepts and internationalization. Over 800 companies are estimated to take part in the 6 years of the programs duration. The whole investmets are likely to exceed 100 M euros.

VERA
A research on producing an annual outlook for logistics in the Sout West Finland. The goal is to develop the predictability of trends in the logistics field, to improve the ability of the logistics personnel to react to those changes and to create cooperation between private and public sectors within Logistics. It was a pilot project that aims to spread the experiences and action models into the surrounding municipalities where logistics sector is of importance. One of the main goals is to create a permanent study and outlook that in its turn promotes the birth of a international competence center in Southwest Finland.

Includes Centre for Maritime Studies, Turku Chamber of Commerce, TE-keskus, Pilot Turku ltd, Varsinais-Suomen tutkimus- ja ennakointipalvelu, Turku Region Development Centre, The port of Turku and SKAL.

Appendix 3 Open Answers From The Questionnaire On Regional Development

Q1: What results do you expect to get from development projects?

- Increased ability to influence
- Increasing the customer orientation
- info
- networks (*)
- increased traffic flows
- contacts into business (*)
- RFID –knowledge
- Mapping out the current situation, development actions and outlook into the industry
- Customers get information through the measure

Q2: Development Needs

- Road 8 Turku-Pori
- Important main routes - runkoverkko
- Infrastructure (*)(*)
- Services, networks (IT) (*)
- Cooperation ports together, airport privatised, connections to ports, education– logistics competence centre
- Availability of staff, locations (*)
- Town planning (*)(*)
- Logistics education (*)
- infrastructure, connecting know how and technology, availability of services, usage of IT
- more warehouse potential
- Motivate employees into logistics field (e.g. terminal) get companies to invest in Turku (logistics companies)

Q3: TRENDS

Logistics?

- Gateway to west and east.
- Will Turku become the second most important centre for logistics?
- Operators' commitment to the region crucial. Future looks bright if the region pays attention to efficiency
- Development positive – but too slow. The industry keeps clustering.
- Port and airport increases volumes.
- Cooperation between different modes of transportation – networks
- Stays the same - unfortunately will not increase.
- Pilot project creates the expected logistics centre in the region.
- Ports centralise and hopefully specialise.
- Increased competition – demands for quality, more logistics centres, and cooperation of ports will increase.
- More shipping frequency. Scandinavian traffic will increase a lot.
- The importance increases (high value products) focus in the Turku region (frequency ports Turku and Naantali) Infrastructure must be kept in condition.
- I believe that the amount of logistics companies increases with a few more companies and the old will invest in and

develop their current terminals (through mergers, building new ones and repairing old)
- Development or air traffic
- Improved possibilities for effecting, technical improvements
- Increased competition
- Fast transportation – small batches – terminals – good connections – high frequency

Q4: ICT?

- Dependency on Nokia – we need more backup
- We are in the front of the development, we must keep this position. Content production will increase.
- Networking increases
- Mobile solutions increase
- Stays the same – unfortunately will not improve much.
- Programs –We must invest in the growth of the business-sector
- RFID brought into practice
- Increased competition - Solutions into practice – networking – potential?
- Potential in the R&D
- Involvement active and results have been created. We must compete with know how since we cannot compete with tradition industries.

Q5: Greetings to the regional developers?

- More cooperation
- Confirmed town plan for the Pilot area with traffic connections as soon as possible
- Lobbying, lobbying, lobbying and once more lobbying to get things forward
- I was not familiar with most of the projects. Make more noise about development measures and communicate more about yourselves.

*) same answer given more than once

Appendix 4 Logical Framework And Analysis

It is important to keep the Logical Framework concise: It should not normally take up more than two sides of paper. The Logical Framework should also be treated as a free-standing document thence it should be comprehensible to reading it for the first time. It must be kept under regular review and amended whenever the measure changes its direction.

Summary of the contents of a Logical Framework are found in the following table.

Attribute	Indicators	Information sources	External factors
Overall objective	What are the quantitative ways of measuring, or qualitative ways of judging, whether these broad objectives are being achieved? (estimated time)	Cost-effective methods and sources to quantify or assess indicators	What external factors are necessary for sustaining objectives in the long run?
Purpose	What are the quantitative measures or qualitative evidence by which achievement and distribution of impacts and benefits can be judged (estimated time)	Cost-effective methods and sources to quantify or assess indicators	Purpose to overall objective: What conditions external to the project are necessary if achievements of the project's purpose is to contribute to reaching the overall objective?
Output (Results)	What kind and quantity of deliverables and by when will they be produced? (quantity, quality, time)	Cost-effective methods and sources to quantify or assess indicators	Delivery to Purpose: What are the factors not within the control of the project which, if not present, are liable to restrict progress from deliverables to achievements of the purpose?
Inputs/ Activities	This may include a summary of the budget, number of personnel, separate actions that are carried out etc..	Costs	Activity to deliverables 1) What external factors must be realised to obtain planned deliverables on schedule? 2) What kind of decisions or actions outside the control of the project are necessary for inception of the project?

- The **overall objective** of the measure describes the developmental benefits that the target group(s) can look forward to gaining from the measure. It seeks to answer the question: what kind of change is looked for with the development measure?
- The **purpose** of a development measure means the changes in behaviour, structures of capacity of the target group(s) that directly result from development activity. It describes the meaning of the measure.

- The **outputs** describe the goods and services, i.e. the direct deliverables contributed on the side of the development measure. This field shall express the nature, scope and intensity of the support or the solution offered by the development measure.
- The **Inputs/Activities** are tasks or efforts carried out by the measure in order to achieve and obtain the outputs. On the other hand this describes the actions that are carried out through the measure and on the other hand the resources that are used in those actions.

The LF method is best used in addition to other methods and more specific questions based on the evaluation criteria. The criteria for evaluating the Development Efforts in this study comprise of five elements:

1. Relevance
2. Impact
3. Effectiveness
4. Efficiency
5. Sustainability

These aspects reflect the research questions presented in the beginning of this document and describe the interdependency and causality between the different aspects of the Logical Framework.

Possible questions used in the evaluation are presented in the Question Bank below. These questions can be modified and used in the surveys or be used as a frame for the focus groups.

Question bank for assessing the development measures:

Criteria	Questions
Relevancy	*Main question:* Are the **purpose** and the **overall objectives** in line with the needs of the beneficiaries and the development policy? Are the main objectives derived from the real needs of the beneficiaries? Are the needs of the beneficiaries clear to the development agency? Does the measure address the goals/ focus stated in an overall development policy? How high is the awareness of the project in the target group? How relevant it the topic of the activity for the target group?

Impact	*Main question:* What happens as a consequence of achieving the **purpose**? Are all the impacts desirable are there any unintended impacts? Economic impact on the region; how high is the positive impact economic growth in the region? Employment and labour market: impact on facilitating job creation? How about creating demand for labour? Social impact of the activity in the region? How well it affects the social well-being of the people? Does the measure have any ecological impacts on the region? How well does the activity make the public better informed about an issue affecting the industry or the region?
Effectiveness	*Main question:* How well does achieving the **outputs** help in achieving the **purpose**? Is the project plan logical; is it in overall possible to achieve the purpose with achieving the outputs? How well does the activity affect the regions integration into BSR? How well does the activity produce a product/ service that marketable outside the region? How well it adds value on local products/ services?
Efficiency	*Main question:* Has transforming the **inputs** into the **outputs** been cost-efficient? Would there be a better way of achieving the outputs of the measure? Is it possible to achieve the output/ purpose/ overall objective with the inputs? How well was the project aware of / prepared for barriers and obstacles? How is the measure planned and how is that plan monitored?
Sustainability	*Main question:* How are sustainable are the achieved **outputs**, **overall objectives** and the **purpose** of the development measure after external assistance ceases to exist? What is the level of Public-Private Partnerships as a way of ensuring follow-up? How does it make the region more equipped to face future need/ challenges of globalization? How about concrete and continuous tools/services created? How well will the activity benefit the future generations in some way? How certainly will the activity be beneficial in 5 or 10 years time for the region? How well is the follow-up of the project arranged?

The European Commission (EC) Impact assessment guideline that introduces three levels of objectives that are very useful for defining the overall objective and purpose of the development effort. Furthermore, impacts should be categorized into three: economical, environmental and social impacts, when possible. This classification is also used in the EC Impact Assessment Guideline.

The analysis should obey regional circumstances and take into consideration the local conditions of each of the regions. The analysis should concentrate on the policy and thus intended objectives of any development effort and analyze the efforts against the regionally set goals.

LogOn Baltic Publications (as of 10.12.2007)

LogOn Baltic Master reports

1:2007 Developing Regions through Spatial Planning and Logistics & ICT competence - Final report
Wolfgang Kersten, Mareike Böger, Meike Schröder and Carolin Singer

2:2007 Analytical Framework for the LogOn Baltic Project
Eric Kron, Gunnar Prause and Anatoli Beifert

3:2007 Aggregated logistics survey report *(working title)*
Håkan Aronsson and Naveen Kumar

4:2007 Aggregated ICT survey report *(working title)*
Eric Kron and Gunnar Prause

5:2007 Aggregated Expert interview report *(working title)*
Matti Takalokastari

LogOn Baltic Regional reports

Development Measure Impact Analysis (DEMIA)

10:2007 REGIONAL DEVELOPMENT IN THE SOUTHERN METROPOLITAN REGION OF HAMBURG, GERMANY - Development Measure Impact Analysis (DEMIA) on regional development related to logistics and ICT
Janina Benecke, Jürgen Glaser and Rupert Seuthe

11:2007 REGIONAL DEVELOPMENT IN MECKLENBURG-VORPOMMERN, GERMANY - Development Measure Impact Analysis (DEMIA) on regional development related to logistics and ICT
Gertraud Klinkenberg

12:2007 REGIONAL DEVELOPMENT IN ESTONIA - Development Measure Impact Analysis (DEMIA) on regional development related to logistics and ICT
Jaak Kliimask

13:2007 REGIONAL DEVELOPMENT IN SOUTHWEST FINLAND - Development Measure Impact Analysis (DEMIA) on regional development related to logistics and ICT
Kaisa Alapartanen ja Heidi Leppimäki

14:2007 REGIONAL DEVELOPMENT IN LATVIA - Development Measure Impact Analysis (DEMIA) on regional development related to logistics and ICT
Riga City Council - Rode & Weiland Ltd.

15:2007 N/A

16:2007 REGIONAL DEVELOPMENT IN POMERANIA, POLAND (THE POMORSKIE VOIVODESHIP) - Development Measure Impact Analysis (DEMIA) on regional development related to logistics and ICT
Anna Trzuskawska

17:2007 REGIONAL DEVELOPMENT IN SAINT PETERSBURG, RUSSIA - Development Measure Impact Analysis (DEMIA) on regional development related to logistics and ICT
Mikhail Pimonenko

18:2007 REGIONAL DEVELOPMENT IN ÖSTERGÖTLAND, SWEDEN - Development Measure Impact Analysis (DEMIA) on regional development related to logistics and ICT
Håkan Aronsson and Staffan Eklind

ICT surveys

20:2007 ICT SURVEY IN THE SOUTHERN METROPOLITAN REGION OF HAMBURG, GERMANY
Wolfgang Kersten, Meike Schröder, Mareike Böger, Carolin Singer and Tomi Solakivi

21:2007 ICT SURVEY IN MECKLENBURG-VORPOMMERN, GERMANY
Eric Kron, Gunnar Prause and Tomi Solakivi

22:2007 ICT SURVEY IN ESTONIA
Seren Eilmann and Tomi Solakivi

23:2007 ICT SURVEY IN LATVIA
Riga City Council, Telematics and Logistics Institute Ltd. and Tomi Solakivi

24:2007 ICT SURVEY IN LITHUANIA
Darius Bazaras, Ramūnas Palšaitis and Tomi Solakivi

25:2007 ICT SURVEY IN SOUTHWEST FINLAND
Juha Läikkö and Tomi Solakivi

26:2007 ICT SURVEY IN POLAND
Anna Trzuskawska and Tomi Solakivi

27:2007 ICT SURVEY IN SAINT PETERSBURG, RUSSIA
Yuri Ardatov and Tomi Solakivi

28:2007 ICT SURVEY IN ÖSTERGOTLAND, SWEDEN
Naveen Kumar, Håkan Aronsson and Tomi Solakivi

Logistics surveys

30:2007 LOGISTICS SURVEY IN THE SOUTHERN METROPOLITAN REGION OF HAMBURG, GERMANY
Wolfgang Kersten, Mareike Böger, Meike Schröder, Carolin Singer and Tomi Solakivi

31:2007 LOGISTICS SURVEY IN MECKLENBURG-VORPOMMERN, GERMANY
Eric Kron, Gunnar Prause and Tomi Solakivi

32:2007 LOGISTICS SURVEY IN ESTONIA
Ain Kiisler and Tomi Solakivi

33:2007 LOGISTICS SURVEY IN LATVIA
Riga City Council, Telematics and Logistics Institute Ltd. and Tomi Solakivi

34:2007 LOGISTICS SURVEY IN LITHUANIA
Darius Bazaras, Ramūnas Palšaitis and and Tomi Solakivi

35:2007 LOGISTICS SURVEY IN SOUTHWEST FINLAND
Tomi Solakivi

36:2007 LOGISTICS SURVEY IN POMERIANIA, POLAND
Anna Trzuskawska and Tomi Solakivi

37:2007 LOGISTICS SURVEY IN SAINT PETERSBURG, RUSSIA
Valeri Lukinsky, Natalia Pletneva and Tomi Solakivi

38:2007 LOGISTICS SURVEY IN ÖSTERGÖTLAND, SWEDEN
Håkan Aronsson, Naveen Kumar and Tomi Solakivi

Expert interviews

40:2007 EXPERT INTERVIEWS IN THE SOUTHERN METROPOLITAN REGION OF HAMBURG, GERMANY - Results and analysis of the intersectoral expert interviews in the field of logistics and ICT
Wolfgang Kersten, Meike Schröder, Carolin Singer and Mareike Böger

41:2007 EXPERT INTERVIEWS IN MECKLENBURGVORPOMMERN, GERMANY - Results and analysis of the intersectoral expert interviews in the field of logistics and ICT
Gunnar Prause, Margitta Rudat, Gertraud Klinkenberg and Eric Kron

42:2007 EXPERT INTERVIEWS IN ESTONIA - Results and analysis of the intersectoral expert interviews in the field of logistics and ICT
Ain Kiisler and Seren Eilmann

43:2007 EXPERT INTERVIEWS IN SOUTHWEST FINLAND - Results and analysis of the intersectoral expert interviews in the field of logistics and ICT
Matti Takalokastari, Matias Suhonen, Petri Murto and Hilja-Maria Happonen

44:2007 EXPERT INTERVIEWS IN LATVIA - Results and analysis of the intersectoral expert interviews in the field of logistics and ICT
Riga City Council and Rode & Weiland Ltd.

45:2007 EXPERT INTERVIEWS IN LITHUANIA - Results and analysis of the intersectoral expert interviews in the field of logistics and ICT
Ramūnas Palšaitis and Darius Bazaras

46:2007 EXPERT INTERVIEWS IN POMERANIA, POLAND - Results and analysis of the intersectoral expert interviews in the field of logistics and ICT
Anna Trzuskawska

47:2007 EXPERT INTERVIEWS IN SAINT PETERSBURG, RUSSIA - Results and analysis of the intersectoral expert interviews in the field of logistics and ICT Russia
Natalia Ivanova

48:2007 EXPERT INTERVIEWS IN ÖSTERGÖTLAND, SWEDEN - Results and analysis of the intersectoral expert interviews in the field of logistics and ICT
Håkan Aronsson, Staffan Eklind and Naveen Kumar

Regional Profiles

50:2007 REGIONAL LOGISTICS & ICT PROFILE: THE SOUTHERN METROPOLITAN REGION OF HAMBURG, GERMANY
Wolfgang Kersten, Meike Schröder, Mareike Böger and Carolin Singer

51:2007 REGIONAL LOGISTICS & ICT PROFILE: MECKLENBURG-VORPOMMERN, GERMANY
Eric Kron, Gunnar Prause and Gertraud Klinkenberg

52:2007 REGIONAL LOGISTICS & ICT PROFILE: ESTONIA
Ain Kiisler

53:2007 REGIONAL LOGISTICS & ICT PROFILE: SOUTHWEST FINLAND
Jarmo Malmsten

54:2007 REGIONAL LOGISTICS & ICT PROFILE: LATVIA
Telematics and Logistics Institute Ltd.

55:2007 N/A

56:2007 REGIONAL LOGISTICS & ICT PROFILE: POMERANIA, POLAND
Anna Trzuskawska

57:2007 REGIONAL LOGISTICS & ICT PROFILE: SAINT PETERSBURG, RUSSIA
Elena Timofeeva

58:2007 REGIONAL LOGISTICS & ICT PROFILE: ÖSTERGÖTLAND, SWEDEN
Håkan Aronsson, Naveen Kumar and Staffan Eklind

LogOn Baltic Master reports

60:2007 STRUCTURAL CHANGES AND TRANSPORT CHALLENGES - A report about the Danish structural reform
Kent Bentzen and Michael Stie Laugesen

LogOn Baltic Regional reports

70(FI):2007 VARSINAIS-SUOMEN LOGISTINEN KILPAILUKYKY
Matti Takalokastari (toim.)

71:2007 N/A

72:2007 ENTERPRISE ICT (working title)
Kalle Luhtinen

73(FI):2007 TURKU-LOIMAA-TAMPERE KEHITYSKÄYTÄVÄ
Loimaan seutukunnan kehittämiskeskus ja FCG Suunnittelukeskus Oy

Other reports in the LogOn Baltic publications series (not published by the Turku School of Economics)

AIR TRAFFIC SERVICE DEVELOPMENT IN TURKU REGION (working title)
Pekka Jaakkola

*) LogOn Baltic reports published in any other language than English language are marked with a 2-digit country ID code. E.g. publication nro. 70(FI):2007 is written in Finnish language.

Published by

LogOn Baltic
Turku School of Economics
Rehtorinpellonkatu 3, FI-20500 TURKU, Finland