

FINAL REPORT

Project no.:	21920028
Project title:	Preparation of Value Network for SME's (VNV4C) in V4 countries in automotive and vehicle industry
Project implementation period:	20/09/2019-15/12/2019
Grantee name:	Chamber of Commerce and Industry of Bács-Kiskun County
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1. DELIVERABLES































In this section, we would like you to describe each output (event or product) that has been realized as part of your project. Please include ALL outputs separately, when possible. **Do not copy text from the application form.**

OUTPUT no. 1.

TITLE OF THE EVENT/PRODUCT:	Two day event - Value Network for SME's
Dates (in case of event):	November 18-19, 2019
Location (in case of event):	Kecskemét, Hungary
Description: What was the purpose of this output?	<p><i>The purpose of the 2-day event was to explore the current state of the automotive supply chains in the V4 countries. This included making an assessment of the current structure of the supply chains, i.e. their effectiveness and robustness to cope with the ever-increasing rate of change demanded by global factors. These factors include for example, changes in legislation, better use of limited resources, reducing negative impact on the environment, reducing negative impact on climate change, congestion, to name a few. The aims were to:</i></p> <p><i>a) Make recommendations on how we may be able to strengthen the resilience, long term sustainability and profitability of automotive supply chain SMEs in the V4 countries,</i></p> <p><i>b) Create a platform of common understanding, of the nature of each of the V4 countries' automotive supply chains, thereby resulting in uniformity of approach and increased cooperation between the automotive SME's of the V4 countries,</i></p>

<p>Achievements: What did you achieve with this event/product? How did it contribute to the fulfilment of the project objective set in the application?</p>	<p>The programme was structured around 6 workshops, facilitated by Mr Kishor Pala, KP Strategy Solutions, United Kingdom (included in the project application as External Expert):</p> <p>Workshop 1 - Focused on an improved understanding of each of the V4 countries' automotive industry and supply chains, this included e.g. number of OEMs and SMEs in the supply chains, contribution to the economy of the respective V4 country, etc.</p> <p>Workshop 2 - Focused on exploring the changing shape of industry and the need for SMEs to adapt to remain in business. Discussions centred on:</p> <p>c) The need for SMEs to consider what actions are necessary in order for them to strategically position themselves in the future global automotive industry,</p> <p>d) Identifying the key characteristics of supply chains and assess if the current nature of the supply chains is fit for purpose going forward,</p> <p>e) Introduction to a new model of smaller networks (Value Networks) of SMEs to work in more meaningful cooperation, to better anticipate future needs and to respond to those changes efficiently,</p> <p>Workshop 3 - The key focus was on trying to gain a better understanding of what the major obstacles are likely to be, in encouraging SMEs to cooperate in Value Networks. In the second element of Workshop 3, we considered the likely impact and/or usefulness of resources such as big data, industry 4.0, artificial intelligence and application of block chain principles.</p> <p>Workshop 4 - Concentrated on discussing the pros and cons of the Value Network approach versus traditional supply chain structure. This was followed by brainstorming the type of activities that could be carried out between members of the Value Networks in a spirit of cooperation.</p> <p>Workshop 5 - The key objective of workshop 5 was to plan the necessary steps in creating a Value Network in each of the V4 countries. Once created, how we could identify and coordinate relevant support for the ongoing development of Value Networks, in order for them to achieve their aims and objectives.</p>
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	<p>Workshop 6 - Concentrated on presenting an overview of the 2-day event and to summarise the findings from the discussions. This was followed by agreeing a number of key recommendations and planning the next steps. All the partners at the 2-day event expressed a strong desire to continue to cooperate on future projects to achieve the creation of a Value Network in each of the V4 countries. Each partner stated they would report back to their respective decision makers and recommend to them to authorise cooperation in future projects.</p> <p>Key achievements: All the partners agreed that there was a need in change of approach in order for SMEs to have long-term sustainability in the automotive industry.</p> <p>One of the areas discussed was the formation of the V4 Automotive Partnership, which would be responsible for coordinating the development of strategy and planning of the activity of the automotive supply chain companies to become more resilient, more flexible and more agile to the needs of Vehicle Manufacturers and global TIER 1 companies.</p> <p>The partners reinforced their enthusiasm to continue with cooperation activities by signing Memorandum of Understanding, which are herewith attached as confirmation.</p> <p>Key recommendations:</p> <ol style="list-style-type: none"> 1. Analyse Tiers 3, 4 and 5 of the V4 countries' automotive supply chains and develop a common framework of understanding of their different elements, thereby enabling a consistent, effective and efficient approach in cooperation activities; 2. Explore new business models (Value Networks) for automotive SMEs that create value and enable more effective engagement with the bigger players in the automotive industry on an equitable basis; 3. Identify the key challenges to automotive SMEs to improve their competitiveness, build their resilience to better cope with significant changes that are very evident and strengthen their long-term sustainability; 4. Identify and implement potential solutions to address key challenges identified that improves the chances of V4 countries' SMEs not only surviving, but securing their long-term future in the global automotive industry going forward.
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	<p><i>The original project objectives were fully achieved and this is confirmed by the partners' wanting to participate in follow up projects.</i></p>																						
<p>Dissemination/promotion: Event: How was the event promoted? List the media and include links if applicable.</p> <p>Product: By what means did you promote and disseminate the product?</p>	<p>Online media: We have created a project website, as an initial interface for exchange of information between the project partners, which will form a strong platform for wider dissemination of the V4 countries' automotive industries and future cooperation activity. Our website contains all of the data and information about the 2-day event. A photo gallery and ongoing activities were uploaded as they were happening. The project website can be accessed by clicking onto the link below: https://v4vn.net/</p> <p><i>The website produced these numbers in the last month from date of launch:</i> views: total 570, visitors: 117, views per visitors: 7.09</p> <p><i>The statistics of visitors from different countries:</i></p> <table border="1"> <thead> <tr> <th>Country</th> <th>Views</th> </tr> </thead> <tbody> <tr> <td> Hungary</td> <td>279</td> </tr> <tr> <td> Czech Republic</td> <td>129</td> </tr> <tr> <td> United Kingdom</td> <td>73</td> </tr> <tr> <td> Poland</td> <td>32</td> </tr> <tr> <td> Slovakia</td> <td>18</td> </tr> <tr> <td> United States</td> <td>13</td> </tr> <tr> <td> China</td> <td>9</td> </tr> <tr> <td> France</td> <td>4</td> </tr> <tr> <td> Germany</td> <td>3</td> </tr> <tr> <td> Lithuania</td> <td>3</td> </tr> </tbody> </table> <p><i>We drafted a press release in English for partners to upload onto their website (please see links to the respective websites below).</i></p> <p>http://www.bkmkik.hu/hu/aktualis-hirek/kulugyi-hirek/3821-visedgrad-fund-project-preparation-of-value-network-for-sme-s-vnv4c-in-v4-countries-in-automotive-and-vehicle-industry</p> <p>http://www.bkmkik.hu/hu/rendezvenyek2/kamarai-rendezvenyek/3835-uj-uzleti-szemlelettel</p> <p>https://kmg.vse.cz/english/news/initiative-for-the-automotive-supply-chains-in-visegrad-group/ https://kmg.vse.cz/english/archive/news/</p>	Country	Views	 Hungary	279	 Czech Republic	129	 United Kingdom	73	 Poland	32	 Slovakia	18	 United States	13	 China	9	 France	4	 Germany	3	 Lithuania	3
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	<p>https://fba.vse.cz/news/initiative-for-the-automotive-supply-chains-in-visegrad-group/</p> <p>http://ba.sopk.sk/view.php?cislocianku=2019111501</p> <p>Offline media:</p> <p><i>The local TV station (Kecskemét Television – KTV started its operation in 1984. These days, the region's most important news service TV channel. Their main profile is the public service and perform public interest tasks) attended the launch of the 2-day event and evidence is herewith enclosed. The event featured prominently in the news bulletins. Video can be accessed via the website by clicking onto the “press” button and then clicking onto the KTV logo (https://v4vn.net/press-about-us/) or directly via this following link (https://youtu.be/p3BIHbfVvpc).</i></p> <p><i>The local newspaper (Gazdasági Ablak) also attended the event, which was reported in a very positive light (please click onto this link to view the pdf file,</i></p> <p>https://v4vnnet.files.wordpress.com/2019/12/2019.-12.-10.-1215-office-lens.pdf</p> <p><i>A comprehensive information pack was prepared for all partners, which included all the event materials (evidence herewith enclosed).</i></p> <p><i>A project logo was created as part of the visual representation of the project that is included on all literature. In addition, where possible all partner logos were also displayed.</i></p> <p>Abstract for International Purchasing and Supply Education and Research Association (IPSERA):</p> <p><i>In order for automotive SMEs to be suitable for the 21st century demands, it is necessary to consider responsive structures that create value. Members of the team (Dr Marek Vins, Mr Kishor Pala and Dr Eftymia Kottika) developed an extended abstract of a research paper focusing on the creation of Value Networks in the Automotive Industry. The abstract presents a case study of the development of a Value Network for SMEs that operate in the automotive supply chains in the Visegrad Group. The preliminary findings reveal the drivers of transformation of supply chains in this context, the identification of the need for evolution by key players, the challenges of creating an International Value</i></p>
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	<p><i>Network and the initial steps for developing it. The Authors would like to acknowledge the Visegrad Fund for its support.</i></p> <p><i>The abstract was submitted to IPSERA, to be part of the conference that will take place at the University of Tennessee, Knoxville on April 5-8, 2020 and is currently under review. If the paper is accepted, a more comprehensive paper will be prepared and presented at the conference by the authors, to a high-level global audience. The paper and its abstracts remain confidential until the authors notify otherwise.</i></p>
<p>Target groups: <i>Which target groups were involved in this output and in what way? What was the number of people within each group? What was the balance in respect to V4 countries?</i></p> <p><i>Attach attendance list/s or other proof/s of involvement/participation to the Final Report, when possible.</i></p>	<p>The intermediary business support organisations:</p> <p>Chambers of Commerce (4 persons attended) <i>Chamber of Commerce and Industry of Bács-Kiskun County was represented by Mr. József Gaál, president and Mrs. Gabriella Karpati, the Executive of Foreign Affairs.</i></p> <p><i>Polish Chamber of Commerce and Industry was represented by Ms. Maria Nowakowska, Director from the Foreign Relations Department.</i></p> <p><i>Bratislava Regional Chamber of Slovak Chamber of Commerce and Industry was represented by Ms. Ivana Kondasova, Head of Foreign Relations Department.</i></p> <p><i>The Chambers' representatives brought a broader business context and international relations dimension to the 2-day event. This added considerable value to the event since their input was from a more strategic perspective.</i></p> <p>Automotive Industry Experts (3 experts attended) <i>The Chambers invited automotive industry experts from their respective countries, bringing specialist knowledge of the automotive industry and any specific concerns to the discussions. The input from the experts provided invaluable insight from the automotive industry perspective. The industry experts were:</i></p> <p><i>Mr. Attila Gurabi, the Cluster Manager of Hírös Supplier Cluster (Hungary).</i></p> <p><i>Mr. Lukasz Brzostek, the Marketing Director of Polish Automotive Group.</i></p> <p><i>Mr. Jan Pribula, the Secretary General of Automotive Industry Association of the Slovak Republic.</i></p>

	<p>Universities (3 persons attended) <i>University of Economics, Prague, Czech Republic, Department of Logistics was represented by Dr. Marek Vins and Department of Marketing by Dr. Efthymia Kottika, Researcher- Assistant Professor. John Von Neumann University (Hungary) was represented by Dr. László Szívós, the Vice-Dean for International Affairs and Corporate Relations.</i></p> <p><i>The 2 universities that attended brought the academic perspective to the discussions, more specifically from Logistics, Marketing and Financial Modelling point of view.</i></p> <p><i>Overall, the areas of expertise, experience and knowledge covered an almost 360 view of the automotive industry, in an attempt to have holistic discussions and arrive at strategic recommendations.</i></p> <p><i>The participants were requested to prepare relevant economic data, which included size of population, size of the automotive industry, the contribution of the automotive industry to the national GDP, etc. The information provided by the partners is included with this report.</i></p> <p><i>Based on this information, each of the partners presented a 5-minute overview, by use of power point slides, as an introduction and background to the respective automotive industries. To ensure consistency of approach and information, the partners were provided with a template within which to provide the information.</i></p> <p><i>All V4 countries were represented and actively participated in the in-depth discussions, using the structure of the planned programme. All partners have reviewed this report, provided comments if relevant and have approved it.</i></p> <p><i>There was a budget for up to three participants per country and whilst only two participants per country attended, the spread, depth and knowledge of attendees was wide ranging with strong links back into their respective countries.</i></p>
<p>Partnership: <i>Describe each partner's involvement in realizing this output. Summarise the strong points and weak points of your partners' involvement within this output.</i></p>	<p><i>Each partner was able to consider the topics from a wide range of perspectives, which ensured that we were able to cover all aspects of the automotive industry. This is confirmed by the presence of business support organisations such as Chambers of Commerce, representatives of automotive organisations and representatives from academia, all of whom actively contributed to the detailed discussions. All the partners arrived at a joint decision and agreed on the way forward. Each partner had direct links to automotive SMEs in the respective countries.</i></p>

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	<p><i>The strong points were, a wide range of interests were represented, there were very strong debates on the key aspects of the supply chain and the changing nature of business, there was a consensus that there was a need to explore radical ideas to strengthen the resilience, increase the competitiveness and long-term sustainability of the automotive supply chains in the V4 countries.</i></p> <p><i>The weak point was, that the partners initially were not able to fully comprehend the nature of the Value Network concept, since it was not widely evidenced. However, this initial difficulty in grasping “how could this concept be applied”, evolved into strong enthusiasm to exploring the concept in more depth through the next project. This would cover specifically, how Value Networks could be developed and implemented in the Visegrad countries to support their respective automotive industries.</i></p>
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2. IMPLEMENTATION

What progress/change did you achieve within the context/problem specified in the application?

It was agreed by all the partners that there was a great need for a radical rethink, on identifying the most optimum route for restructuring, on how SMEs could work better together in cooperation to strategically position themselves in the global automotive industry in the future.

There was a wide range of views that expressed concern as to whether this aim could be achieved.

By the end of day one there was a greater understanding by all the partners to the concept of creating Value Networks and the benefits that this would bring to the automotive SMEs in the V4 countries.

By the end of day two, this was further reinforced by the enthusiasm of the partners to participate in a follow-up project. The follow up project would go into greater detail and explore the key challenges facing SMEs, the key obstacles that prevent SMEs from working in deeper cooperation and HOW to overcome these obstacles.

The partners also agreed that the key to achieving success in the next project is the need to create strong relationships and build trust between the partners, the support agencies and the SMEs, and between the SMEs with other SMEs.

What evaluation tools (indicators) were undertaken to report this progress/change throughout the project implementation? List them together with their conclusion/analysis.

The indicators that we included in the project application were,

1. By the end of the 2-day event, would the partners wish to cooperate to develop a joint strategy and method for further cooperation?

2. Following on from this, would the partners agree to create a partnership from the V4 countries to cooperate and identify common solutions.
3. Would the partners wish to move on to the next project together to create Value Networks?

We designed an evaluation tool in the form of a feedback form. The purpose of the form was to obtain the partners' views and remarks on the 2-day event. The feedback forms strongly indicated that all the partners agreed to all three of the above and wished to cooperate in the next project.

Identify the weak points of the project implementation. What would you do differently if you could start over again?

1. Although a draft programme was circulated in advance to the partners for comments, included it in the information packs presented on the morning of the first day, restated at the beginning of each day, was on the project website, on occasions, some of the partners were not always clear about the order of workshops. It is accepted that in the future we will also display the daily programme in a highly prominent position in the venue where the partners would meet,
2. More personal contact to get the partners better informed - subject to availability (of the partners),
3. Each workshop would be shorter, more specific in nature and this would enable them to be more concise,
4. Allocate partners their own budget for them to make their own travel arrangements.

3. PARTNERSHIP

Do you plan to cooperate with these project partners in the future? If yes, in what way? If not, what could improve the partnership to make it a lasting cooperation for the future?

All the partners expressed a strong intention to work together in cooperation in future projects.

Summarise the strong points and the weak points of the partnership throughout the project.

Strengths:

The partners showed commitment from the beginning and prepared the background information requested in a timely manner.

Although they were unclear as to the exact nature of new business models being proposed, there was sufficient interest to participate and attend.

The partnership became stronger and stronger throughout the whole event and there was a sense of mutual trust.

By the end of the second day, the partners expressed strong interest in continuing to work together on future cooperation projects.

Weaknesses:

The partners did not know each other before the project, communication was sometimes difficult because of respective international work commitments.

We could not identify a partner from the Czech Republic initially despite extensive efforts, however, we did eventually identify a Czech partner who joined us after the project was approved.

4. FOLLOW-UP

How do you plan to build on the results achieved in this project in the future?

A draft outline proposal for the follow up project has been shared with the partners as part of Workshop 5. The partners were very positive in wanting to continuing the cooperation. As part of post-project assignments all partners were asked to elaborate from their perspective on the following points:

1. What are the key challenges for SMEs in Tiers 3, 4 and 5?
2. What are the main obstacles to SMEs working together in cooperation?
3. What would the partners like to see in value networks as part of future projects?

This information will be used to further strengthen the next project proposal.

If you plan to continue/run similar projects in the future, what improvements - based on experience from this project - do you foresee?

It is anticipated that with Visegrad approval we would like to submit the next project at the next call.

This project was a single event project. It is recognised that future projects will be more complex and therefore will require more strategic thinking and planning. It is anticipated that now the project partners are much more aware of what we wish to achieve, they will provide constructive input into the development of structure and delivery of the project. It is also planned that each partner will lead on specific aspects of the next project, with support from the other partners.

Prepared by: Gabriella Karpati

Signature of the statutory representative:

Stamp:

BÁCS-KISKUN MEGYEI
Kereskedelmi és Iparkamara
Kecskemét, Pf.: 228
Adószám: 18345007-2-03
3.

Date: December 16, 2019

IVF's evaluation: (KEEP BLANK, TO BE COMPLETED BY IVF)	
Partnership:	
Level of achievement of the objective specified in the application:	



V4 relevance/feature:	
Communication with the grantee:	
Respect of the rules/deadlines/budget:	

