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**HOW TO ATTRACT MULTI NATIONAL ENTERPRISES  
(MNES) – THOUGHTS FROM A BERLIN-BASED  
SCIENCE PARK ABOUT STRATEGIES, UNIQUE  
SELLING PROPOSITIONS AND LESSONS TO LEARN**

**PLENARY SESSION 2**

Companies' profiles in STPs/AIs: addressing  
different needs

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Serving Diversity - Companies profiles in STPs and AIs: from start - ups to MNEs

3.3. Marketing and communication: Attracting companies. Seducing stakeholders

**How to attract Multi National Enterprises (MNEs) - Thoughts from a Berlin-based science park about strategies, unique selling propositions and lessons to learn**

## **O. Executive summary**

**A strong branding of a science park or Area of Innovation, efficient marketing and communication tools are powerful instruments to make a STP or AI more visible internationally and will significantly help to attract international corporations. In fact, these tools can develop their efficiency only if they build on strong talents and creative people within well-networked innovation clusters and a modern infrastructure. It is a very sensitive and complex challenge to identify and to convince target companies to become active posts and possible lighthouses for a STP / AI. It requires a well-networked management, a long-term development approach and flexible support tools.**

## **1. Introduction**

Multiple large and successful science and technology parks (STP) are host for large corporations or R&D departments of large corporations. In these cases, for example at Sofia Antipolis, KISTA Science City and Research Triangle Park, MNEs were strongly involved into the STP building from the very beginning or even gave the initial impetus. At least, many science parks and areas of innovation (AI) often are promoting joint R&D projects or business contracts between science park tenants and MNEs. Having MNEs inside an STP, it can be considered as a catalyst for the growth and profiling of an STP or an AI. As for platform-building and cluster development, large companies play a significant role (Porter 1990). In general, however, the large majority of STP is not in such a (lucky) position - rather they are eagerly trying to attract these kinds of “lighthouses”.

This paper will discuss options and difficulties of a Berlin-based science and technology park without corporate headquarters - neither at the science park itself nor in the region - to attract MNEs. Subsequently, the authors give a report on the situation, state-of-the-art activities and even on difficulties as well as contradictions in the process of attracting MNEs to the AI in Berlin.

## **2. Current situation at Berlin-Adlershof science and technology park and Berlin capital region**

The Berlin-Adlershof science park has now been active for more than 20 years. It shows a clear technological profile focusing on selected high-technologies: optical and photonics technologies; micro systems and advanced materials; biotechnology and analytical technologies; renewable energies and photovoltaics as well as in selected fields of information and communication technologies (ICT) and media.

The science park management has developed a modern infrastructure for entrepreneurship, incubation, start-up development and growth. The park hosts a university present with six natural science departments, in particular relevant for the science park are the departments of physics, chemistry computer sciences, mathematics and geography as well as multiple non-university R&D centers. Almost

10,000 students and 3,000 researchers are working and learning at the campus. In addition, about 1,000 companies with about 15,000 employees operate in the science park (WISTA-MG 2014).

For the last years, the Berlin-Adlershof has focused on the development of its urban infrastructure and design. It is excellently connected to the city and to the international airports by highway, train and public transport. Today, it is successfully attracting innovative, technology-oriented start-ups and SMEs with many international young talents and ambitious entrepreneurs.

The STP's management company has developed a comprehensive welcome culture and tool-set of welcome and soft landing services. It ranges from welcome-offices to impact days and 3-months lasting business welcome-packages. Road shows are organized to several selected target markets and for many major cluster events at leading international industry expositions and conferences. These services, however, primarily cater to the needs of start-ups and SMEs.

### 3. Locational factors for MNEs - USP of science parks in Berlin

Still missing in Berlin-Adlershof, however, are MNEs - or at least R&D departments of large multinational companies - as science park tenants. Among all, the authors assume that MNEs in particular request **sophisticated technology and networking excellence, infrastructure and high-quality company services** as preconditions for their active investment in a specific region - in the given example, the Berlin region and the Berlin-Adlershof science park. Based on every-day business experiences, the authors outline the main locational factors of high-technology MNEs in the following:

1. The availability of qualified and skilled personnel and access to creative, international talent is one of the most important decision factors for MNEs (Porter 1990, Florida 1993, among others). As this is the most valuable business resource, companies even pay to get access to skilled talent (e.g. students, graduates, research staff) of the universities (e.g. at "bonding" and career events). In particular, the influx of international young talent to Berlin is also becoming a major pull factor for the investment of large companies. Berlin-Adlershof with its about 3,000 researchers and ca. 10.000 students is taking advantage of this fact.
2. The strong entrepreneurial climate and spirit in Berlin in general and in local science parks and of other innovation areas is considered to be another deciding factor to attract not only start-ups but also creative, innovation and R&D departments of large corporations to the German capital region..

Particularly ICT and media global players, for example, Google, Microsoft, Axel Springer, Bertelsmann Media, Deutsche Telekom, etc. have installed their own (or co-owned) start-up incubators and accelerator programs for young ICT companies in Berlin. Today, Berlin is an interface and a living lab for innovation as well as for new business ideas and models - between and across different disciplines such as arts and sciences, creative industries and high-technologies.

One of the lessons learned is that many young entrepreneurs in particular in ICT (especially in the fast-growing Internet and Mobile sector) do not request and use science park infrastructures and direct linkages to HEI and R&D. Instead they demand the dynamic and creative humming urban infrastructure of the city in general, its dynamic start-up eco-system and networking opportunities as well as its soft assets in culture and recreation (McKinsey 2013, Senate of Berlin 2013).

3. Of course, one of the most important strengths of Berlin is the extremely strong concentration of knowledge and research capacities in the Berlin-Brandenburg region - probably also one of the highest in Europe (with approximately ca. 160,000 students, approx. 30,000 researchers, ca. 120 universities and research institutions (Statistical Office for Berlin-Brandenburg 2014), Federal

Statistical Office 2005<sup>1</sup>) Also, the State of Berlin spends ca. 3.6% of the GDP for R&D expenditures (IHK Berlin and HWK Berlin 2013). This concentrated knowledge (and again talent) is a unique advantage for science parks and AI, from which its tenant companies can benefit from. STP offer their clients a quick, easy and targeted access to the existing regional research and industry clusters and networks - as a representative of a big company stated: "Synergies by short ways are excellent in Adlershof. When I need a certain expertise, I just may open up the window and shout out for specific support, and I will get it latest after 2 hours" (the name of the entrepreneur is known to the authors but will not be published). Hence, the spatial proximity of complementary knowledge in STP also is of strong significance to enable people to have personal access to research and companies (Moulaert and Sekia 2003, Brinkhoff et al. 2012, among others).

4. Further arguments of business acquisition are the very close links and vicinity to national policy makers, lobby organizations and industry associations, which are present in the German capital region.
5. The Berlin-Adlershof science park also offers its advantages of networking and proximity by providing a dense cooperation along the supply chain in its specific technology fields and industries. Incoming companies may find co-located partner organizations ranging from education, research, suppliers, distributors to actual implementers and clients (and also competitors to monitor and to observe - "learning by comparing" (Bathelt and Glückler 2002, Porter 1998, Bathelt et al. 2004)) within walking distance due to strong clusters and also geographically. Hence, science parks offer good opportunities to implement research results, to test prototypes, to discuss improvements and to get feedback and testimonials from testing users for valuable innovation feedback loops.
6. In addition, a flexible and independent science park management company will bring in speed, flexibility and responsible professionalism into the decision-making processes of MNEs in terms of contracting, fixing prices and conditions for real estate, processing of building permits, and support for recruiting as well as networking etc..
7. The availability of space for large R&D and manufacturing facilities in science parks (e.g. Berlin-Adlershof) is considered as a basic requirement to attract large multinational brands.
8. Ultimately, public funds and grants always are arguments for large investors- also in Germany, MNEs may benefit from investment allowances and large-scale support schemes provided by the EU, national or / and regional governments.

Finally, the authors also want to point out that not cheap workforce or discount conditions for science park tenants are the arguments to settle to the science park, but the quality. Quality is the main USP in every aspect - regarding talent, R&D / HEI and business partners as well as infrastructure and services. Nevertheless, low prices and low taxes may matter, but not in a long run, in particular concerning R&D-related business acquisitions and investments. However, it is not neglected that for many science parks - for example in many developing countries - discount conditions will work as a strong initial incentive for large corporate investors due to their new and large market potential and cheap manufacturing costs.

Nevertheless, all these mentioned location advantages, regional assets and knowledge-based networks do not necessarily automatically lead to successful acquisitions of MNEs. It still is and remains a very tough business to bring a 'blue-chip company` to a science and technology park.

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<sup>1</sup> In the German capital region Berlin and Brandenburg, in total seven universities, eleven universities of applied sciences, five art schools and more than 95 R&D institutions (e.g., eleven institutes of the Fraunhofer Gesellschaft, nine institutes of the Max Planck Society, seven institutes of the Helmholtz Association of German Research Centers, and 22 institutes of the Gottfried-Wilhelm-Leibniz Scientific Community) are located (Sources: Berlin Partner für Wirtschaft und Technologie GmbH (2014); Brandenburg Ministry for Sciences, Research and Culture (2014)).

However, already in several cases MNEs have become important science park tenants at Berlin-Adlershof. In the recent past, multiple international corporate players such as NOKIA, BRUKER, SIEMENS, JENOPTIK and some other MNEs have located at the Berlin-Adlershof science park - often through 'buy-in procedures', i.e. mergers and acquisitions (M&A) with local globally-competitive high-technology start-ups and SMEs. Consequently, science parks have to be aware that MNEs choose diverse settings to enter new international markets and integrate new technologies as well as knowledge. Hence, SME and start-up support of science parks remains a very crucial factor in general - and also for investment promotion of MNEs as well.

#### 4. Selling the USP of a science park to MNEs

Although Berlin attracts large numbers of young talent, the science park's infrastructure is well-developed and strong horizontal and vertical networks exist on the local and global scale, solely these essential structural, technical, knowledge-related and infrastructure conditions do not guarantee long queues of large corporations to invest and locate in the science park (or at least in the region). The authors want to highlight that it additionally needs a strong and systematic marketing and acquisition approach of the region and science park management.

The STP and the region have to place the offer to MNEs and to gain visibility at the right places. The science park (and / or Areas of Innovation or regional economic development organizations) has to create strong and convincing arguments why MNEs should invest at the related innovation hub, but also STP the management itself has to develop a comprehensive strategy for: first, how to find the best fitting and promising corporations with the perfect profile for its science park, and secondly, how to identify, to select and to contact the target companies the STP, AI or the regional business development agency is looking for. In the following section, the want to report about good practices in selecting and actively participating at targeted technology expos, namely in technology areas where the Berlin-based science park's (and the Berlin region's) strengths are identified.

Based on the authors' experiences, multiple different types of industry gatherings etc. have proven to being very promising opportunities to meet and to contact large corporations, and in particular their corporate management (e.g. CEO, business development managers, CTOs or heads of R&D departments). Especially, leading international technology or scientific expos and conferences, international business events, development meetings, political events or business visiting tours as well as international venture capital and investors' conferences etc. have shown good success rates in the past. Some specific success criteria were detected of high importance:

1. In order to improve the visibility of the STP or AI it is of advantage to act jointly with the region or in conjunction with a selected technology cluster. Even if the STP or AI is considered to be leading in the region, the state or perhaps even the country, it has to prove its excellence competing with numerous other leading regions and AI at international technology fairs and expos. Hence, joint booths in cooperation with leading tenant companies or research institutions will perfectly contribute to showcase the region's and AI's excellence.
2. A joint corporate identity and a strong brand will support the approach and will tighten the links between the region, STP / AI, companies and scientific institutions - thus, illustrating the technology and networking competence of a science park, area of innovation or region.
3. To meet and to talk to the right corporate representatives is a central lesson learned to start promising acquisition purposes. Consequently, pre-arranging meetings with the responsible representatives of target companies are an important success criterion for efficient marketing or investor acquisition. Corporate developers usually only participate at the beginning of the expo or

for a certain limited time. Commonly, they also have very busy schedules. Thus, in order to meet them you must be prepared, precise and informed.

4. A “team approach” for preparing and holding meetings can bring a considerable advantage to your discussions. This you may comprise a combined demonstration of technology competence, networking excellence, advanced infrastructure and business advantages of your region. The authors argue that it is more convincing to have a ‘distributed expertise’.
5. Finally, meetings with target companies - if possible - should be concluded by having appointments for follow-up meetings. One option is either to invite the partner to a meeting in your region (for example during a scientific meeting, industry conference, business event or even to invite to a specific meeting for discuss prospective fields of cooperation or re-location in the region.
6. After first positive contacts and meetings are realized, a professional after-sales service is required to maintain contacts, to keep contacts updated and to regularly renew contacts by sending essential and focused information about recent developments, science park highlights, outstanding scientific events or business opportunities.

## 5. Detecting the perfect match

One of the most important but also one of the most critical aspects in order to start successful marketing of the STP or AI is the selection process of the target companies. The great objective is to identify the best companies fitting to the STP’s profile. Of course, it is feasible to develop acquisition lists of the ‘top 100 companies’ in a defined technology area. Also, newspapers, business magazines or the distinct online sources provide a lot of input in this respect. However, volatile information about whether the “top lead” companies are about to relocate or to create a new subsidiary and/or branch office in other regions, respectively, are harder to access.

Rather, the authors have made good experiences in reviewing specific business reports, company annual reports, stock information, technology reviews and journals as well as other specific business information reported online. Online research may help significantly to identify ‘companies in change’, those that want to expand in new business fields, to acquire new technologies, to merge with other firms, and to expand or reduce certain business activities in selected regions. Such valuable information is essential for targeted marketing and acquisition activities. Furthermore, it facilitates the preparation of initial contacts with target companies by giving arguments to present competences of the parks companies, research strengths and regional clusters and networks Possible already existing contacts to the corporate management may be used for a targeted acquisition approach at specific conferences, expos or events, mentioned earlier.

And last but not least, networking among science parks, incubators and / or other areas of innovation also serves as an important instrument for investor-related information.

Finally, the authors want to point out also some other relevant supporting tools for investor-related marketing and acquisition:

- A clear structured and easy navigable website about the STP’s opportunities with a clear indication of the specific technology profile of the STP and related clusters, competences and contact persons, and
- A well-presented offer for office spaces, available land plots and additional real estate opportunities in conjunction with quick and easy customer services.

To the authors’ experiences, usually, clients also prepare themselves for meetings, gathering information and testing the proposed offers of STP and AI and the related management, respectively.

Related information may significantly underline serious offers, as well as the quality and relevance of STP marketing activities.

## 6. Soft-landing services for MNEs

In this section, the authors elaborate on distinct targeted customer and company services of the Berlin-Adlershof science park in order to proceed on established links with corporate investors and to finally bind (international) investors to the science park or AI:

- Soft landing pads / Market Access Point (an instrument which had been developed within an EU funded project within the Baltic Sea Region in Europe):  
First, the STP / AI management offers a fully-equipped office to the applicant company for a certain period of time (usually between three business days and one week). It provides an opportunity to the potential investors to have initial meetings on market and industry opportunities and knowledge about the region and relevant players.<sup>2</sup>
- The Berlin Business Welcome Package:  
The package is directed towards companies that already have a almost definite intention to establish a business in the region. The service is offered from one up to three months. Based on the services provided with the ‘market access point’, it compounds additional advisory services on taxes, juridical regulations, financing and regional markets, among others. Furthermore, it includes a fully-furnished single apartment.<sup>3</sup>
- Business-to- business and business-to-science meetings and seminars:  
The STP management organizes of workshops, meetings and networking events with selected potential R&D institutions as well as businesses. These meetings, which are directed towards MNEs seeking for scientific partners or are considering relocating at Berlin-Adlershof science park or the Berlin region, may also include site visits and tailor-made tours at the STP or AI.  
Academic and business lunches: The STP/AI management - in cooperation with the academic and the business community - offers lunch meetings and debates with interested applicant companies to give a condensed overview of strengths, special technologies, R&D and business opportunities of the STP / AI and the existing clusters. It enables applicant companies or investors to gain a very quick snap shot and valuable information.

## 7. Conclusion

As a conclusion, the authors argue that the central match-winning arguments for the attraction of MNEs to science and technology parks / AI are localized skilled and creative people, innovative ideas, competitive technologies, high-quality business and R&D partners (and networks), as well as the access to international markets and knowledge.

Nevertheless, those strong facts and arguments have to be ‘sold’ to the client MNEs. Useful marketing and acquisition instruments may be targeted and joint approaches on industry expositions and related

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<sup>2</sup> The offer additionally includes office space, fully-equipped, wireless Internet, secretary support, investment promotion consultancy, access to specialized network (developed jointly with Berlin Innovation Centre Management and Berlin marketing and regional development agency Berlin Partner GmbH).

<sup>3</sup> The ‘Berlin business welcome package’ also includes free public transportation. It costs approximately 1,000 € per month (developed by Berlin marketing and regional development agency Berlin Partner GmbH).

international events. Moreover, all kind of marketing activities have to be based on effective and sophisticated investor selection strategies that enable the STP / AI management to identify the best-fitting companies matching the STP's / AI's profile. Strong and tailor-made service packages and soft-landing programs for applicant companies and potential investors may significantly support the efforts to realize the investments of international MNEs in the region.

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