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ANALYSIS ON SERVICE R&D BUDGETING AND STRATEGY IN KOREA

Abstract:

Recently the decline in growth potential for the field of traditional manufacturing is one of important issue to be solved in Korea. Development achieved by new technologies, especially IT technology, have enlarged market size and accelerated economic growth. Government has been focused on the servitization in the industry and started to establish national R&D plan in service for service R&D. Since 2009 the total budget for service R&D increased from 50 million dollars to 100 million dollars in 2014. Total amount is not so large but the increase rate was very high.

In this study we tried to investigate the R&D products from the investigation in service R&D area from government. However, it is very difficult to measure or evaluate the results from service R&D because it is invisible and disappears as it is used. It means when we acquire good results or conclusion for R&D project they will be applied in the industry directly and it is hard to extract them only. So we studied R&D projects itself. The technologies related to the projects can be a qualitative measure. The R&D projects related to service R&D are collected and analyzed in terms of 'degree of technical convergence'.

In the initial stage of investment in service R&D, the technologies related to ICT field had large ripple effect on service R&D projects, but it gradually changes. The technology such as sensibility ergonomics, health informatics, business and etc. becomes to show large ripple effects on service R&D. It is thought that the understanding on service R&D has varied from the simple enhancement in service industry by using IT technology to the study on the service activity itself even though the intrinsic character of service R&D has not been defined

Keywords:

Service R&D, technical convergence, ICT