

# **Innovation & Entrepreneurship @Neoma Business School and caveats in assessing incubators performance**

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**NEOMA BUSINESS SCHOOL**

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# (1) Menu



- Neoma BS entrepreneurial framework
- Zoom on an inspiring practice
- Unicorns and fast-growth, not ‘swearwords’ ... even in Europe
  - Promising examples from Neoma BS young entrepreneurs
- Caveats about incubators appraisal



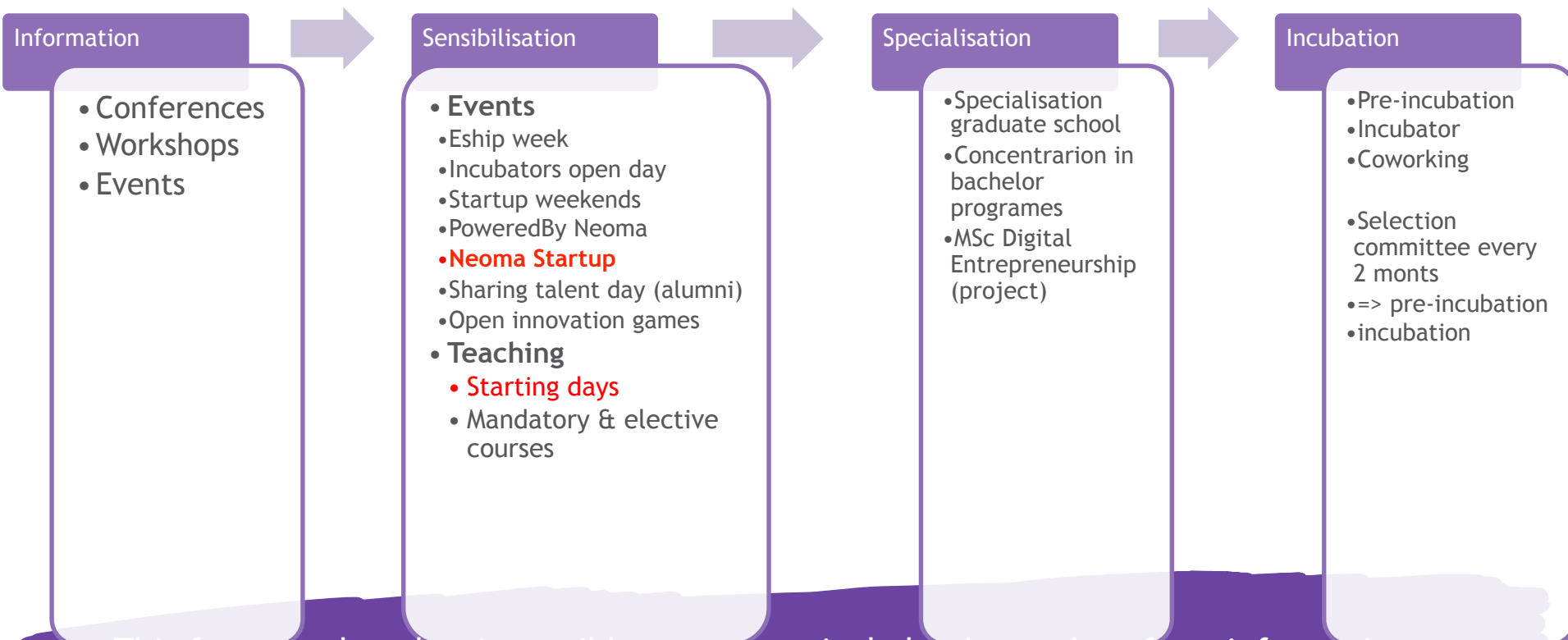
# Neoma Business School



- Merge in 2013 of two French Bschoools created in 1871 and 1928
- 3 campuses + **3 incubators**: Reims-Paris-Rouen
- Triple accredited: AACSB-AMBA-EQUIS
- 9500 students
- 150 permanent professors
- + 1200 adjunct-professors
- + 300 partners in 75 countries
- + 57200 alumni
- Our values: Openness, **Entrepreneurship**, Respect and Excellence
- A school embedded in its territories (**Reims**, Champagne, Rouen, Normandy)



# (1) Well developed entrepreneurial framework... ... completed last January by an Ed Tech accelerator



This framework makes it possible to progressively lead a student from information to the actual creation of a startup through a series of formalised actions

# Zoom on Neoma BS Startup as an inspiring practice (best practice???)

## 32 hours non-stop BP/BM contest

Since 2011	Interdisciplinary (Students from)	Eship ecosystem actors involved	Outcomes
<p>Selection on motivation Topics imposed 8 balanced teams imposed (background &amp; level: bachelor, master, MBA, Phd) 8 teams coached by professors Teambuilding for teams to get along Mentoring in the night by entrepreneurs Key stages of new venture creation (opportunity, crash test, Mktg, BM, legal, financing, pitching, ...) Mini-seminars on key stages Semi-finals on campus</p>	<p>Bschool 'Hard'/'soft' science university Design school Computer science Packaging school Bachelor programs (community colleges-like)</p>	<p>Local incubators managers Banks Business angels, VCs Seed-money providers Eship networks CEOs networks "Grand Reims": Final organised in the City hall</p>	<p>Testing the water Teamwork skills Benefits of interdisciplinary teams New teams created (IT/bus/engineer) Startups from scratch Deal flow for our incubator Talent detection Deal flow for "associative track" Fuels Eship track (specialisation)</p>

**Reminder!**

# Types of start-up firms

## Salary-Substitute Firms

Firms that basically provide their owner(s) a similar level of income to what they would be able to earn in a conventional job

## Lifestyle Firms

Firms that provide their owner(s) the opportunity to pursue a particular lifestyle and Make a living at it

## Entrepreneurial Firms

Firms that bring new Products and services to the market by creating And seizing opportunities regardless of the resources they currently control

# Instill growth mindset ... ... and let them fly

If you want to start and build a company, you are going to end up **exhausted**. So you might as well **think about creating a BIG company**. At least you **will end up exhausted and rich**, not just exhausted.

Patricia Cloherty

*Past President, Patricof & Co. and NVCA*

*Former Chair, National Venture Capital Association*

*Founder & President, Delta Capital (Russia)*



## VALUES INSTILLED IN OUR COURSES

“The sky is the limit” mindset

Networking for growth

Early internationalization

Social innovation for change and impact

... by keeping their feet on the ground

# Mega-entrepreneurs born after 1970 who started in their 20s

**They created companies as powerful as some countries.**

<i>Company</i>	<i>Founder(s)</i>	<i>Birth year</i>	<i>Country</i>
Zappos	Tony Hsieh (at 26)	1973	USA
Google	Larry Page & Sergey Brin	1973	USA
Paypal	Max Levchin	1975	Ukraine
Skype	Janus Friis et Niklas [ with Zennström (1963)]	1976	Denmark
Facebook	Mark Zuckerberg (at 19)	1984	USA
You Tube	Chad Hurley	1977	USA
AirBnB	Brian Chesky	1981	USA
Twitter	Jack Dorsey	1976	USA
Snapchat	Evan Spiegel	1990	USA

**Why so few young people from Europe?**



# GAFA in 2015: if they were countries

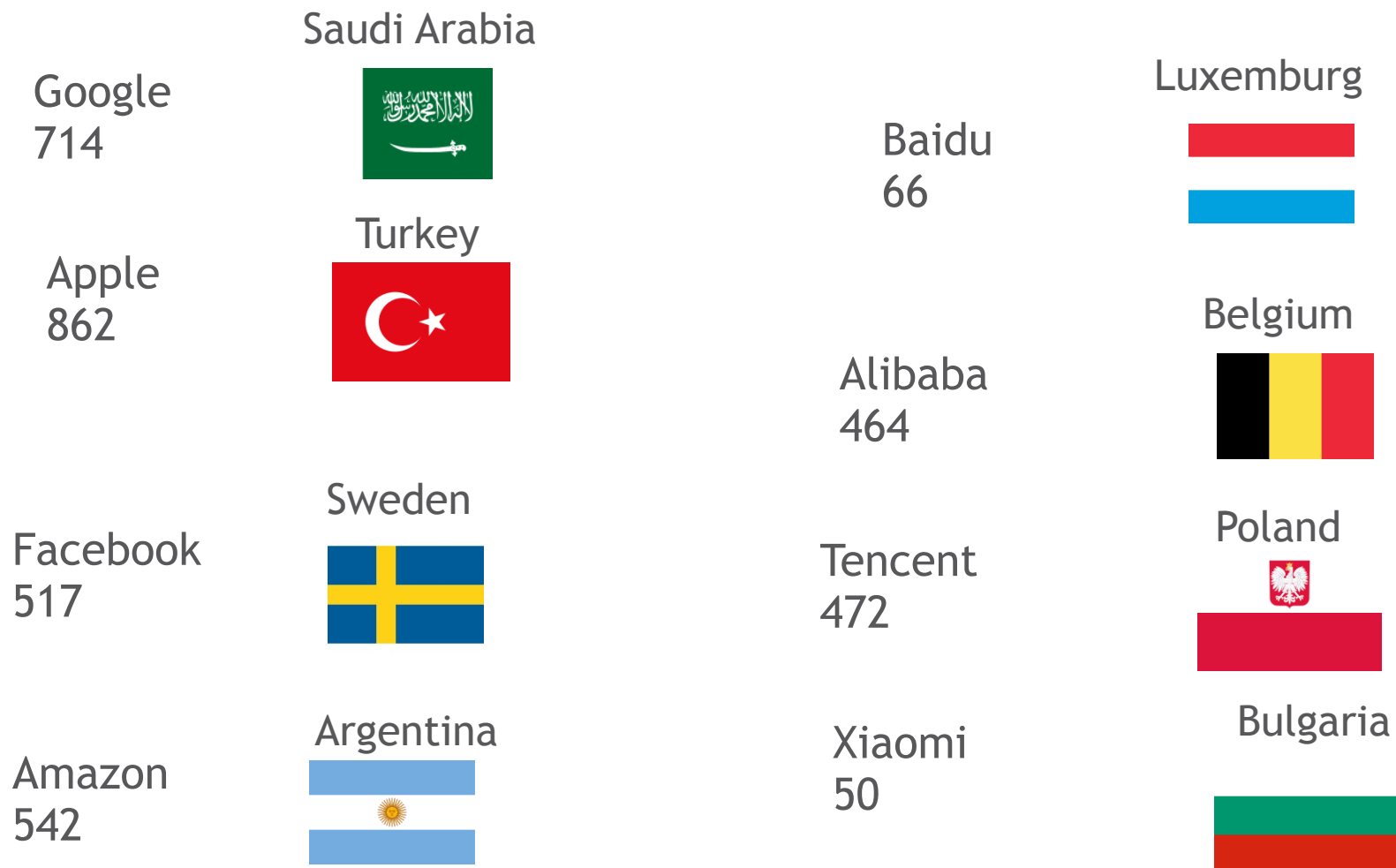


1. Au 28 avril 2015. 2. Prévisions 2015 du FMI.

**To which tech company would you compare Poland?**

# GAFA and BATX in 2018: if they were countries ...

## Market value versus countries GDP ( US\$ Billions)

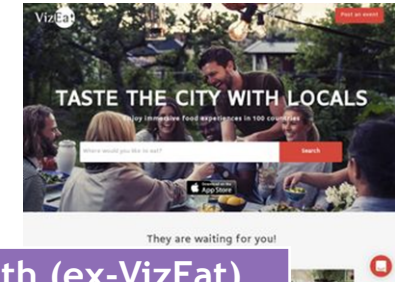


**IN FRANCE, THERE ARE 2  
TIMES (RESP. 3 TIMES LESS)  
MIDDLE-SIZED COMPANIES  
THAN IN UK (RESP. IN  
GERMANY)**

# « Growth mindset » instilled in Eship courses- outcome



**I AM PROUD OF MY FORMER STUDENTS**



**Camille RUMANI**

« A company doesn't shift from good to great overnight .»  
Jim Collins

Startups Created in 2014	Bidmotion Daniel NATHAN	Eatwith (ex-VizEat) Camille RUMANI
2015	Revenue: 9.5 M€	
2016	Revenue: 50 M€	Raised 3,8 M€ for expansion in Europe
2017	Revenue: 50 M€ Deloitte Technology Fast 50	Europe Top 3 best Apps (Apple store)
2018	Some clients : Uber, King (Candy Crunch), Yelp, ...	Present in 130 countries
		In 30 under 30 entrepreneurs in Europe (retail & Ecommerce) - Forbes

**“Shoot for the moon. Even if you miss, you'll land among the stars.”**

*Norman Peale*

« **Not trying is the biggest failure. »**

# 2018 Forbes under 30 brightest young entrepreneurs, innovators and game changers in Europe



Nouvel onglet x IMPACT Index BEST SUR x DeepL Traducteur x BidMotion triomphe po x Pierre Lacombe - Found x Quand Tim Cook visite x

← → ↻ https://www.lechotouristique.com/article/quand-tim-cook-visite-une-start-up-francaise,88223

ECONOMIE ▾ PRODUCTION ▾ DISTRIBUTION ▾ TRANSPORT ▾ DESTINATIONS ▾ E-TOURISME ▾ HÉBERGEMENT ▾ MICE ▾ PEOPLE ▾



**Tim Cook** ✓  
@tim\_cook

Déjeuner with @VizEat co-founders Camilla & Jean-Michel. Thanks to our hosts - and new friends - Odile & Pierre for a wonderful meal!

16:21 - 6 févr. 2017

♥ 1 396 💬 276 personnes parlent à ce sujet

DONNEZ NOUS VOTRE AVIS

Croyez-vous au potentiel de la blockchain dans le voyage ?

- ☐ Oui.
- ☐ Non.
- ☐ Sans opinion.

Vote

View Results Polladdy.com

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Ok

En savoir plus

Camille Rumani, ....html

Tout afficher

Camille  
RUMANI  
In Top 3  
best  
Apps in  
Europe  
(Apple  
store  
ranking  
2017)

# They also think big



P. Lacombe (Neoma BS Student)  
& Steve Ballmer CEO Microsoft  
(May 2013)



Pierre Lacombe (Neoma BS Student)  
& Jeff Weiner CEO LinkedIn  
(May 2013)



Soraya Ferahtia  
First World Intrapreneurship Tour - 2017

Teaser

<https://www.youtube.com/watch?v=d1hgD>

Video

<https://www.youtube.com/watch?v=ZvU9N>


Pierre Lacombe  
Founder World Campus Radios League  
Co-founder « Confédération des radios de grandes écoles - France  
Project leader - French Stanford Students Association - FSSA

!!! Lesson: We should instill growth mindset to our incubatees and  
not leave it the American!!



- **Caveats on incubators appraisal**
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# Caveats in assessing incubators performance

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It is necessary to have early indicators of progress (performance) of incubators to reduce instances of failure and improve outcomes

Measuring progress, outcomes and impact is necessary to know **if** there is *adequate impact against the investment* made

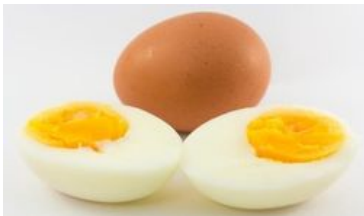
For our consortium, measurement is very important because it creates BEST PRACTICES AND MILESTONES for scaling incubation

Metrics and milestones serve as a guideline for development and *provide both MOTIVATION AND INCENTIVES to work towards outcomes and impact*

**“Not everything that counts can be counted, and not everything that can be counted counts.” A. Einstein**

Not only quantitative metrics, qualitative matters too (*e.g., quality of jobs created*) ...

## Best practices are useful source of inspiration ...but copy smartly, wisely



**HARD-boiled** eggs

### CAVEAT

!!! Incubators are not a uniform “animal” and can be categorized !!! Each kind deserves/ requires appropriate performance metrics



**Boiled**  
**potatoes**  
**SOFTEN**

# Best practices

- Categorize incubators - to compare apples to apples and not to oranges
  - Incubators are not all the same kinds in terms of
    - Parent organisation's motive for funding an incubator: commercial vs not for profit
    - Target audience (incubatees potential for growth): high growth vs medium growth or small scale ...
  - !!!Comparing all incubators with each other may lead to frustration as in what and who may emerge as success. => A huge dis-incentive for stronger players in the industry.
  - => **Lesson: gross over generalization is misleading**
- Separate organization development metrics from outcomes & impact
  - Every incubator should be evaluated for sound organizational development; this should be separate from metrics on outcomes and long term impact from the incubator
  - **IMPACT:** long term effect on local/regional/national economy: gross & net jobs & value created, female entrepreneurs rate, ...
    - Impact from companies incubated: revenue, jobs, revenue growth,
  - **OUTCOMES:** minimum desired results from activities undertaken by the incubator
    - Outcomes from incubators: capacity utilization, occupation, rate, success stories, graduation rate, ...
  - **Organisational development milestones:** sustainability
    - Org dev milestones for incubator: team, incubatee deal flow, support structure, sustainable financial model, sustainable processes & policies, ...
- Acceptable set of impact metrics for different types of incubators
  - If we accept existence of different kinds of incubators, we must support some variations in success metrics
  - e.g., non-profit => may focus on job creation (KPI) versus For-profit => focus on venture capital investment (KPI)



# QUESTIONS & COMMENTS

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# BACK SLIDES

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# Framework for measurement Categories of incubators/accelerators

Motive to invest	Commercial	Not for profit			
Potential size of opportunity of incubatees pursue	High growth Equity investible	High growth Equity investible	Medium growth Self/debt funded	Small scale Self/debt funded	High potential Investible social enterprises
Typical parent organisation	Funding institutions Business, VCs, angels, Companies	Academic institutions, Companies	Academic institutions, Companies	Academic institutions, Companies Community associations	Non profit/ impact investors

Source : Adapted from National Entrepreneurship Network, April 2013 » Guidelines-metrics & milestones for successful incubator development

# Framework for measurement: impact, outcomes & organisation development milestones

IMPACT	OUTCOMES	ORGANISATION DEVELOPMENT MILESTONES
<p>Long term effect on local/ regional/national economy</p> <p>⇒ In 3-5 years</p>	<p>Results : whether there are minimum desired results from the activities undertaken by the incubator</p> <p>⇒ Yearly from year 2</p>	<p>Sustainability : whether the organisation is being set up for ongoing outcomes &amp; long term impact</p> <p>⇒ Yearly over 3-5 years</p>
<p>IMPACT FROM INCUBATEES</p> <ul style="list-style-type: none"> <li>- Revenue, shareholder return, jobs, societal impact</li> </ul>	<p>IMPACT FROM INCUBATORS</p> <ul style="list-style-type: none"> <li>- Capacity utilisation of incubator, successful exit of companies</li> </ul>	<p>ORG DEV MILESTONES</p> <ul style="list-style-type: none"> <li>- Team, incubatee deal flow, support structure, sustainable financial model, sustainable processes &amp; policies</li> </ul>
<p>Different combinations of priority criteria &amp; order of priority may apply to different kinds of incubators</p>	<p>What constitutes successful exit may be different for different kinds of incubators</p>	<p>No matter the kind of incubator, organisational development milestones do not change</p>