

Milestone 3.6

INTERNATIONALIZATION STRATEGY FOR AN ALPE ADRIA INCUBATOR



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03/31/2019

The Blueprint Alpe Adria Incubator Internationalization Strategy – Author
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Background: The Partners of this project are Kärntner Wirtschaftsförderungsfond KWF (Austria), Friuli Innovazione Centro di Ricerca e di Trasferimento Tecnologico (Italy), t2i – trasferimento tecnologico e innovazione s.c. a r.l.(Italy), Lakeside Science&Technology Park GmbH (Austria) and build! Gründerzentrum Kärnten GmbH (Austria).

The development of this internationalization strategy, settled within WP3 of the EEsAA project, was driven by build! Gründerzentrum Kärnten GmbH (Klagenfurt, Austria) in close cooperation with the project partners.

The aim of this strategy was to develop a strategy and model for the requirements of a growing national and international visibility of an Alpe Adria Startup and innovation ecosystem. The main assignments of the strategy are on the one hand, to find effective working models for incubators on national and international level, as well as to define central services and partners of an international incubator, and on the other hand to find ways of cooperation between international incubators.

On the background of an academic startup incubator (build! Gründerzentrum Kärnten) with experience since 2002 this model was explored and developed. The aim of this strategy development was to obtain a blueprint for the project partners in the consortium for the positioning of the individual incubators, the modes of creating a mutual benefit service community, enforcing smart specialization in the Alpine Adriatic Space within the partnership.

Methods: As development methods the search on literature, desktop research, peer interviews and strategy development were applied. Additionally, several interviews/discussions with other startup incubators and accelerators were performed (Aachen, Eindhoven, Copenhagen and Lund). An example internationalization strategy for build was developed which is available for the project partners and can now be used as a blueprint for the further enrollment.

Results: A novel process model for a „Alpe Adria Incubator“ was developed by means of the example build! as well as new models for three networks being used by international incubators. The networks are first startup-agents, second mentors and third incubator service providers. The smart specialization positioning is rolled out along the regional strengths in cutting edge technology. In the blueprint case of build!, the identified field is „electronic based systems and artificial intelligence“.

The initialization of the incubators should be focused on a general strategy. The ulterior motive – cooperate with each other, instead of working against each other - should always be kept in mind. Cooperation works most efficient if every incubator focuses on its smart specialization and establishes highly selected international and co-operation partners worldwide.

Selected international co-operation partners outside the EEsAA network is recommended, to ensure global access to others networks.

A common branding like „Alpe Adria Incubator“ as well as a co-branding for the startups as partners should have a leverage effect for all partners. Therefore it is recommended to have three brands in total, the brand of each organization, the co-branding of startups to their incubators and finally the co-branding of the Alpe Adria Incubators. A common brand identity should be developed. Furthermore focus should be laid on an easy access for Alpe Adria Start-ups, as well as Alpe Adria incubators to information on the relevant services of the respective incubator (e.g. via Website, Imagevideos, etc.).

Overall, it is about developing a common entrepreneurial (Alpe-Adria) ecosystem. The overall understanding of this ecosystem should be signalized by working and cooperating with each other and not by working against each other.

Conclusions: In total three major findings can be mentioned as a summary of the presented blueprint. First the process model was developed according to international trends away from a programmed based model to an individualized case management model for startups. Second, the three network in each startup incubator should comprise service providers, which are classified as suitable for the usage by cross-border partners for acceleration and growth activities of startups and young enterprises in their roll out activities in neighboring regions like in between Friuli and Carinthia for example. The cross-border mentoring approach in the project turned out to be switched into a cross-border service model provided by each partner. Attracting international talent and startups towards the Alpe Adria Region will be achieved by a strong positioned smart specialization of each partners region (Electronic Based Systems and Artificial Intelligence) as well as by a perfect cross-border service provider network along individualized services processes. All of these findings should be underlined through an interior motive, signalized by working and cooperating together and not against each other.

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The Framework¹

Market Failure as a Classic Implementation Motive

The Austrian AplusB program focuses on innovative, usually technology-oriented, complex start-up projects that are costly to maintain over a longer period of time and that are economically significant in terms of structural change and growth.

Neither scientific institutions nor private incubators can adequately serve this segment, which is involved in the early stages of start-ups with high development and support costs.

Due to the available resources and instruments, scientific institutions are only able to intensively support highly complex start-up projects over a longer period of time.

Private providers may supplement AplusB's offering, but may not replace or assume it to the extent currently available. Private initiatives usually have no purpose and are not equipped to stimulate start-ups (for example, by raising awareness, pre-incubation) or to undertake risky and significant development projects in their early stages.

Key Points of the Positioning of an Incubator

The AplusB program starts with start-up projects at a very early stage. Unlike the FFG program Research Studios Austria, AplusB does not focus on the research project and the exploitation of its results, but rather on the founding idea, which is already represented by founders.

The services offered by the AplusB centers are tailored to regional requirements and structures (science, industry, funding agencies and the start-up scene).

¹ Research and Strategy Development by Wolfgang Filz, MSc

The close connection to academic institutions is a unique feature of the AplusB centers in the home support landscape for start-ups. Apart from the sponsoring organizations, the centers are well connected with regional actors such as location agencies and other incubators.

In contrast to private initiatives, the center also focuses on the stimulation of start-up ideas - and projects (for example, by raising awareness, pre-incubation).

Target Focus

Starting from academic spin-offs from academic institutions, founded by individuals with an academic background, the AplusB program's target group, with the transition to the second funding period, has been extended to academics with work experience (ie from an economic environment).

Recommendations of the Evaluators in Austria

- Presentation of a clear profile and the definition of clear interfaces to private initiatives that are communicated to the outside world.
- Clear definition and coordination with the sponsoring organizations and regional funding agencies of the intended outputs upstream and downstream tasks (awareness raising, alumni support)
- Greater focus and exploration of the objectives of cooperation between spin-offs and industrial companies ("industrial cooperation")
- Stronger profiling on the core of "high-end" foundations, a clearer definition of effective sizes in conjunction with a corresponding monitoring

Reflections on a Central Working Model

Excellent sources were identified like:



The essential take aways in this reflection phase were:

- The core task is not the founding of a company, but the development of a viable business model
- A performance portfolio adapted to the start-up dynamic is essential

The Novel Working Model

Covering all phases for owners of novel business ideas toward the startup established in the market.

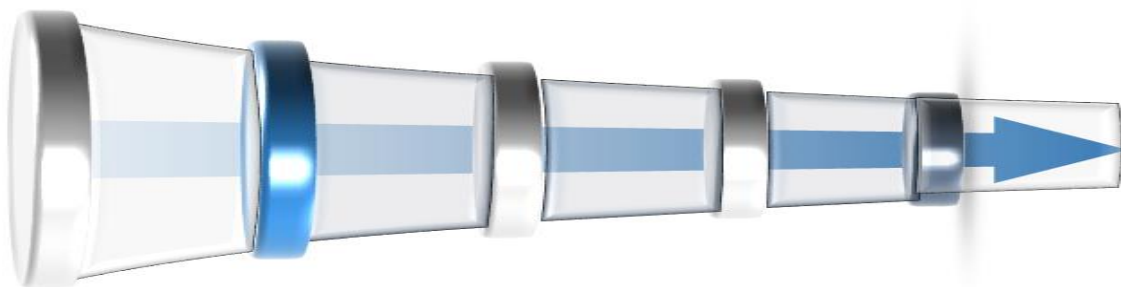
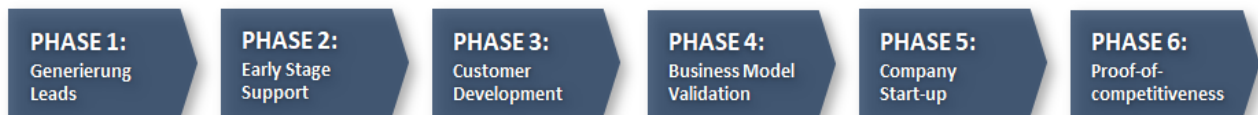


FIGURE 1: THE „ROCKET“ – SERVICES ALONG THE WHOLE SUPPLY CHAIN OF A NEW STARTUP

Typically, a commercial incubator/accelerator would enter with it's services right after the first blue ring from the left. Whereas an academic startup incubator would cover this phase as well with a bundle of services. An Accelerator would typically always include services and programs for the scaleup phase(6).

The Central Services and Stage Gates

Pre-Incubation

Phase 1: Lead Generation is achieved by networks, project development, international partnerships and by established interfaces to the regional ecosystem.

Phase 2: Generation and development of qualified business cases (leads) with the potential to create new regional added value; Stimulation of start-up projects

Incubator

Phase 3: Support for the development and structuring of a promising business model. The instruments are Infrastructure access to a coworking-space & incubator space, privileged access to a startup qualified/certified supplier pool, IPR support, access to financial support

Phase 4: Network access to the relevant industry, knowledge & skills training, coaching, business intelligence tools (data analytics, technology monitoring), key insight specialists, proof of concept support, regulatory compliance partners, access to financial support

Phase 5: business supervision, mentoring & sparring partner support, finance for development, business intelligence tools (data analytics, technology monitoring), deal making, access to financial support

Accelerator/Scale-Up

Phase 6: access to industry partners, internationalization specialists, knowledge & skills in deal making, market access, access to financial support

Partners of a Startup Incubator

Service Partners – 6 Elements

First: Shareholders as strategic clients, carriers and promoters of strategies, initiatives and measures are a key element in a startup incubator. As examples these could be universities, business development agencies, funding agencies.

Second: Start-up agents from science and business who, as part of a start-up agent network, declare their willingness to identify and support potentials for start-up and scale-up projects, as well as accompany initiatives and help to shape the framework for an Entrepreneurship-friendly ecosystem at the location to develop. As examples these could be industrial gate-keepers, key researchers, financial networks.

Third: Members of a mentoring network who agree to contribute their own time and know-how as part of their social responsibility temporarily free of charge. As examples these could be former managers, key players in industry, key researchers.

Fourth: Contributors to our (preferred/certified) supplier pool, whose performance portfolios include typical support services for the development processes of our target customers. As examples these could be all kinds of suppliers which are qualified or verified by a transparent process of the startup incubator. A part of the supplier pool has to be identified as suitable for cross-border activities.

Fifth: Public-sector institutions that promote start-up dynamics and provide complementary services and funding to our target customers

Sixth: Private initiatives and companies that define startups as target groups when they provide contributions with clear added value to our target customers

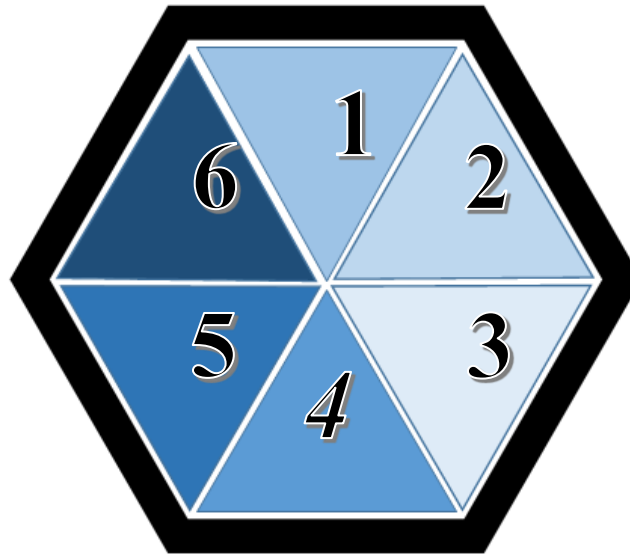


FIGURE 2: THE PARTNER HEXAGON

Internationalization

General strategy: Attracting international talents and startups as a result of the smart specialization of the Alpine Adriatic Space as a number one approach. Second, the establishment of highly selected international co-operation partners worldwide to ensure strong power in internationalization activities of all players. Third, the individualization of the service processes shall ensure effective and efficient service.

Smart Specialization: Each region shall publish its smart specialization areas. In the following example the build blueprint identified:

Top Chance No. 1 (Carinthia): Focus on EBS / Microelectronics with its high, internationally perceptible dynamics as an opportunity to acquire international start-up projects for the purpose of establishing a new location:

- Silicon Alps Cluster (2016) - Business Network Styria - Carinthia
- Silicon Austria LABS (2017- 2018) - New R&D facility
- 1,6 B€ Largest European investment in the semiconductor industry (2018)

Individualized Processes: A 6-stage gate model acts as a basis for the individual steps in the working model. Each stage process has to be worked out by each partner incubator according to the regional needs and local funding schemes.

Build! - Internationalization strategy:

Definition of target regions

- no strong industrial anchoring of the industry
- cooperation of local universities, etc.

Long-term ambition:

- Development of an international business incubator network ("Alpe-Adria Startup Network") based on regional incubators, each of which places a special focus on those topics that have particular strengths in the regional knowledge base or corporate landscape
- Development of special packages that especially appeal to founders in regional fields of strength
- Targeted on-site activities with a compact support package (elaborate)

Accelerator Co-operations Alpe Adria – Italy-Austria (up to now)

- Friuli Innovazione (up and running in a cross-border mentoring program)
- Project partner t2i

Prozesse und Strukturen

Structures of a Startup Incubator

- Team (Multidisciplinary, skilled professionals, coaches with academic background)
 - Core skills: business plan creation, IPR level 0 and 1, Technology Road mapping, consulting skills, case management, project management, Team development (basic skills), pitching
- Facilities (training center, startup offices, co-working facilities, digitally equipped)
 - Training center for group sessions up to 15
 - At least 5 startup offices
 - Co-working space (4-5 places)
 - Digitalization (Team meeting, ip conferencing, e-learning)
- Networks
 - Mentors (including Mentors training)
 - Startup agents (industrial door openers)
 - Qualified Suppliers (level A qualification)
 - Investors (cooperation agreements)
 - Industrial clusters (cooperation agreement)
- Project Management
 - At least one certified project Manager
- Interfaces
 - Other co-working spaces
 - Makers space locations
 - Technical labs
 - Creativity labs
 - Associations in industry
 - Economic development agencies
- Focus areas
 - Defined focus areas should be in line with areas of strengths in the region (e.g. ICT, Biotechnology, Creative Industries, Electronic Based Systems, robotics etc.)

- Management systems
 - According to ISO standards
 - Annual audits by other incubators. Or supervision processes between incubators
 - Inter-Incubator Trainings

Processes

- Key Processes
 - Lead Generation
 - Case Management
 - Opportunity Development
 - Network Management
 - Trainings & Skills
- Supporting Processes
 - Project Management
 - Community Management
 - PR and Marketing
 - Center/Incubator Management
 - Event management

Concrete Applications of the Internalization Strategy

Overall the main outcomes of the internalization strategy are the following:

- Networking with other incubators is essential
- Positioning based on the regions core (technology) topics
- Developing different types of (cross-border) networks: startup agents, mentors, investors, service provider network

In order to ensure that the developed strategy can be carried out, special focus should be laid on a common public appearance. As already planned within the Application form of the EEsAA project the following practical implementations are (at least) recommended:

A: Cooperate Identity

The development of three different logos is recommended, in order to ensure a common appearance in one specific region (e.g. Alpe Adria in this specific case):

- Incubator Logo
- Logo, which should be used from all Alpe-Adria Start-ups
- Logo, which should be used from all Alpe-Adria incubators

All of this logos should be protected (European Union Trade Mark) and a common brand identity should be developed.

B: Public Appearance

Website: The website of an Alpe Adria Incubator should attract not only the domestic area, but also an international area. First step to ensure an international environment on the website is to provide all relevant information for other incubators as well as for start-ups from other countries in English (at least). If the Alpe Adria area is addressed, providing the information on the website also in Italian is of course recommended. Overall, the public appearance should work on mainly two levels: 1. The incubator should attract start-ups from the home country and from the rest of the world. 2. The incubator should be linked with other incubators and there should be an area, where networking can take place (e.g. landing page, where documents can be shared).

Image Video: The image video should focus on the specific specialization of the respective incubator and it should be visible that the incubator creates value also outside the borders.