Flanders’ digital Research & Incubation Institute
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The iMinds Entrepreneurship Vision

Create a vibrant environment with an international vision that links entrepreneurs with iMinds know how, provides access to financing and leverages our industry network.

- Entrepreneurs-in-residence
  - Network of experts (60+)
  - Building teams & companies

- Sharing industry know how
  - Market driven
  - Engage in co-development
  - Act as launching customers

- Public Funding
- Angel Investors
- Venture Capital
- Cross border financing (EU)

Entrepreneurs
Financing
Industry
Partner
Network
Let’s move on to our Fourth achievement of the year.

In 2012 iMinds helped setting up 12 new companies as part of its seed incubator program.

Last year, we received 54 applications of candidates who were asking iMinds to help establish their company.

Twelve companies were at the end selected, not only giving Flanders an economic boost, but also representing the growing entrepreneurial spirit in Flanders.
Road blocs for SME engagement

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   - Is implemented for the industrial economy; not the knowledge economy or the internet economy.
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2. Distance between SME’s/IDE’s and PRO’s.
   - Many IDE’s are not familiar with the research world.
   - They do not have the resources to deal with it.

(*) IDE: Innovation Driven Enterprise
(*) PRO: Public Research
Road blocks for SME engagement

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2. **Distance between SME’s/IDE’s and PRO’s.**
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   - They do not have the resources to deal with it.

3. **Lack of ecosystem** between corporates and IDE’s.
   - The trade-off between open (innovation) and protecting your assets.

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What are our options?

1. **Public Procurement**: recommendation to install SBIR/SBRI like programs at all national levels.
   - The UK will increase the SBRI budget **five fold** from £40 million in 2012-13 to over £100 million in 2013-14, and over £200 million in 2014-15.
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2. **Smart Brokers** between large companies, public organisations and IDE’s.
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3. **Research Ambassadors** for our SME’s.
   - 80% of our Ph.D’s will work in industry; let’s leverage their expertise and unique know-how.
1. Public Procurement

- Higher engagement of IDE’s can be achieved by increasing:
  - demand for innovation in public procurement.
  - the participation for IDE’s in public procurement.

- This can be a budget neutral operation:
  - Many EU governments face the challenge of budget reductions with actions to boost the economy.

- Tailor public procurement to the needs of internet SME’s and software:
  - 50K Euro is a lot for a web startup.
  - This can be easily embedded in local legislation.
2. Smart Brokers

- **A Smart Broker** connects the requirements large corporates with the innovation capacity of SMEs and address the concerns of such a relation:
  - Large corporates do not want to *contaminate their IPR* or disclose confidential data during their search for partners.
  - SMEs are *reluctant to share their ideas* or work in progress with large corporates because their fear that they will steal their ideas.

- **A Smart Broker** puts the necessary protection mechanisms in place and is a *trusted party* for both the large corporates and the SME.

**A Smart Broker** is an organisation that connects the requirements of public organisations and large corporates with the innovation capacity of IDEs/SMEs. Smart brokers address the typical concerns that both parties have in such a relation:

- Large corporates do not want to contaminate their IPR or disclose confidential data during their search for partners.
- SMEs are reluctant to share their ideas or work in progress with large corporates because their fear that they will steal their ideas.

In order to improve the mutual level of trust during this initial phase a smart broker is inserted into the process. The smart broker puts the necessary protection mechanisms in place and is a trusted party for both the large corporates and the SME.

Smart brokers implement the following process:

- They have a full confidential relation with the corporate that is governed by NDA or another legally binding contract.
- They have insight into the strategic roadmaps or the innovation plans of the corporate and the public organisations looking at innovative procurement.
- They make a public version of these plans. The public version can be used in the process of identifying SMEs and IDEs that will partner with the corporates or
public organisation.
- They identify and try to engage the SMEs in different ways: in a competition, direct search and matching, ....etc.
- The smart broker helps the SME to prepare a business case and keeps a confidential relation with the SME.
- The smart broker presents the SME propositions to the public and corporate partners. They have a specific period during which they can evaluate and must decide on a go/ no go decision. This is typically 90 days. The decision can be a licensing deal, an acquisition or a strict commercial deal.
3. Researchers ambassadors.

- Technology transfer in the ICT and internet world is mainly **know-how transfer**.
  - TTO’s are not used to deal with this.
  - SME’s are not used to deal with TTO’s.
- We should make our researchers and Ph.D’s the ambassadors of the research community to the SME’s and IDE’s
  - The number of researchers and Ph.d’s has exploded.
    - 80% will not have a career in academia but goes to industry.
    - Prepare our researchers to work in an enterprise world by developing entrepreneurial competencies.
Remove road blocs

- Make **Transfer** of research results funded by public funds **lightweight** and **more liberal**.
  - IDE’s cannot afford to bring legal teams to table and discuss weeks about a license agreement on a technology that is still very high risk.
- **iMinds** acts as a proxy – a smart broker – towards the IDE’s and takes away a lot of the overhead.
  - We have lightweight processes: quick in (& out).
  - Standard license agreement with option to buy.
  - Standard conversion rate for early stage investments
EU opportunity: FI-PPP

- Recommendation: The FI-PPP SBIR scheme
  - Customised for startups, software & internet SME’s.
  - Purchase innovation using many small projects rather than big multimillion Euro projects: an order of 50K means a lot for a startup.

- iMinds already implements this within the existing legal context of public purchasing:
  - We do small projects with our startups. (5K -50K)
  - We include “innovation degree” in our selection criteria.
  - We buy products & services from them in a competitive mode.