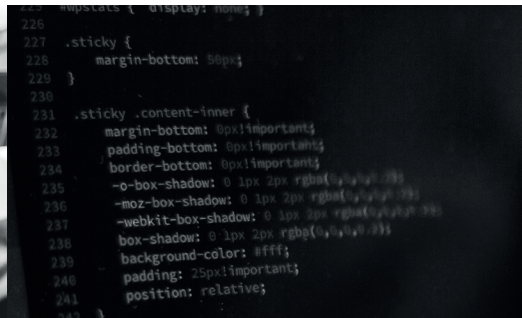




OpenAxel

Opening Acceleration
across Europe

WHITE PAPER ON THE
CONNECTION OF STARTUPS
WITH INDUSTRY



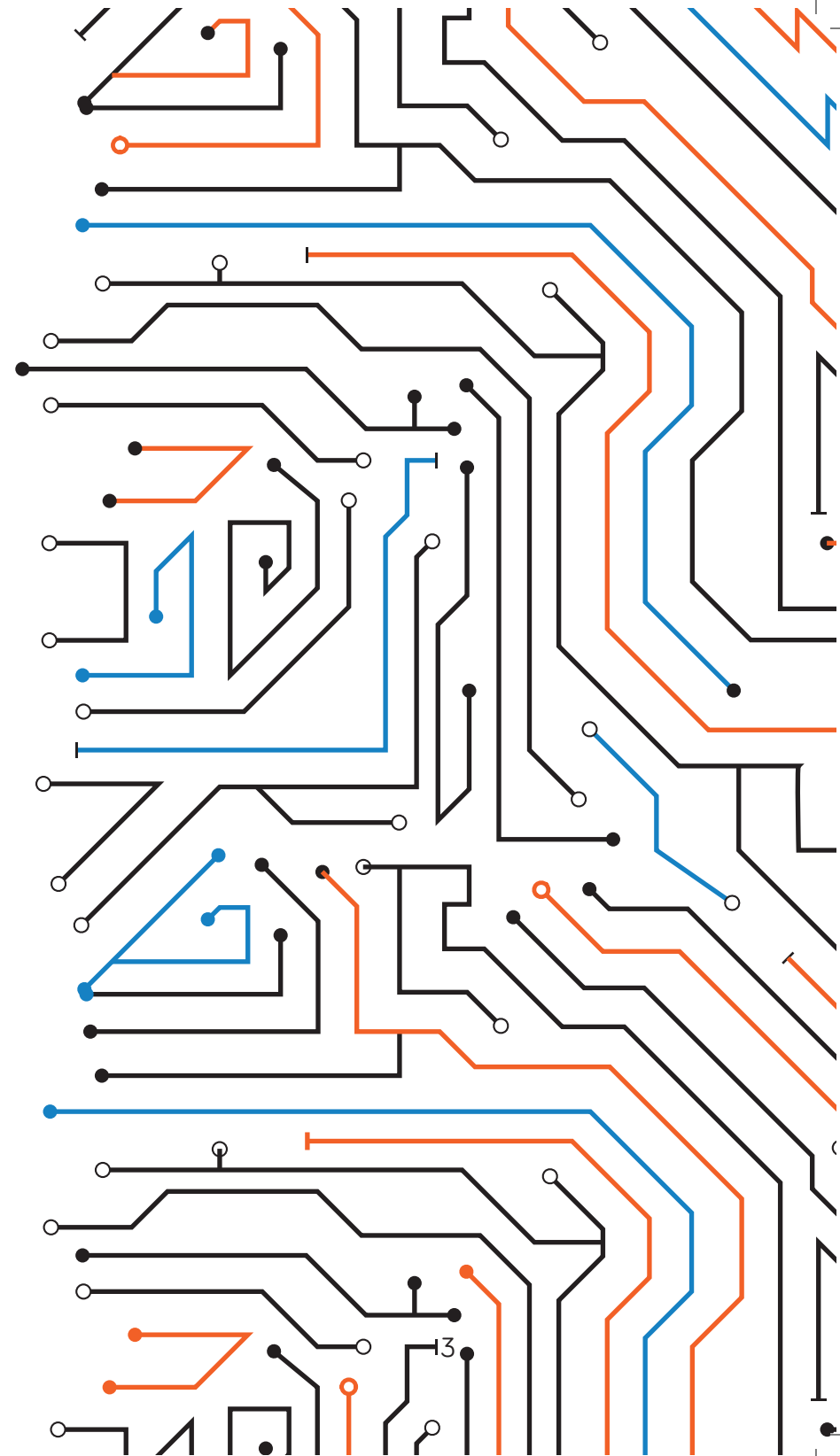
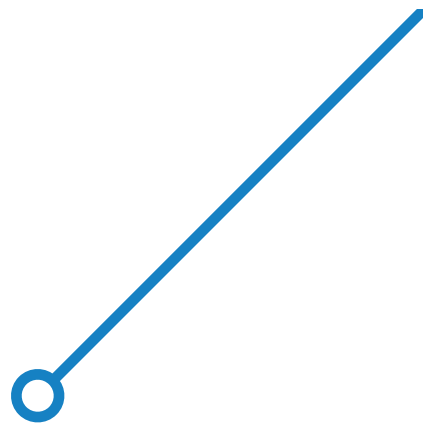
ABOUT OPENAXEL

Launched in October 2013 and funded within the Seventh Framework Programme of the European Union, OPENAXEL (www.OPENAXEL.com) is a 30-month project involving 8 partners (leading accelerators, institutional entities, and specialized innovation consulting firms) from 6 European countries and with wide international exposure.

OPENAXEL intends to open the entrepreneurial ecosystem in Europe by identifying the key stakeholders of the acceleration and the ICT industries and fostering coordinated involvement and smart cooperation among them. With this White Paper, OPENAXEL partners wish to contribute to the lively

debate on how to shorten the gap between established corporations and innovative digital startups. Leveraging on the European-wide network of accelerators built during the project, the analysis has been focussed on the role of business accelerators in facilitating these collaboration initiatives.

Cooperation between startups and corporations in Europe





HOW CORPORATIONS ENGAGE WITH STARTUPS?

Corporate – startup engagement (CSE) has been a subject of discussion concerning innovation strategies for a long time, but in the last three years it has achieved a central role in the debate in Europe as ongoing digital transformation impacts daily not only tech-related sectors, but also traditional industries like banking, logistics, wellness or manufacturing.

More than half of the world's 500 biggest public companies work with startups. Interactions between startups and corporations are becoming increasingly popular and Europe is in the forefront of corporate startup engagement (CSE). Out of the five countries with the highest number of big companies involved in

CSE, four are located in Europe (France, Germany, Switzerland, and the United Kingdom)¹.

OPENAXEL conducted field research through in-person interviews with corporate and acceleration managers, and via two surveys, the first sent to selected corporations and the second addressed to European accelerators².

The first part of the OPENAXEL White Paper examines at what stage European companies are with embracing open innovation and what actions they undertake when pursuing CSE. The driving questions are:

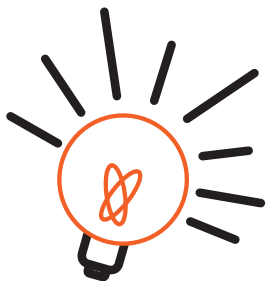
- Are European corporations conscious of open innovation patterns and methodologies?

- How far have they progressed today in implementing open innovation practices?
- What are their short and medium-term plans to improve collaboration with innovative startups?

In light of the survey findings, almost all (97%) the European corporations have carefully analysed their needs for open innovation, though implementations are still on their way. Current CSE actions are about improving internal processes such as simplification or fast track procurement (54%), whereas the focus in future actions will be principally in making profound transformations of company culture towards becoming more entrepreneurial (30%).

¹ How do the World's Biggest Companies Deal with the Startup Revolution?, 500 Startups & Insead, February 2016

² In both cases it was sent to around 60 entities with 50% response rate.





CASE STUDY 1: MULTIFACETED APPROACH TO WORKING WITH STARTUPS

Case: Telefonica

Established: 1924 (the company), 2011 (CSE)

Operations: Spain, UK, Germany, Finland, South Korea, China, Mexico, Colombia, Peru, Argentina, Chile, Brazil, Ecuador, Costa Rica, Venezuela, US, Israel

Corporate partners include: Microsoft, Deutsche Telekom, Orange, Singtel, China Unicom, Korea Telecom, Santander, Iberdrola, Endesa, ENEL, Intesa SanPaolo, Ericsson, Cisco

While many corporations still look for ways how to engage with startups or engage with them through one or two tools of CSE, Telefonica, the telecommunications giant headquartered in Madrid, has a multilayered, wide and open approach to CSE. The company does via its Open Future division which includes initiatives such as Amerigo funds, a network of 6 VC funds which to date have invested

in 60 startups, Telefonica Ventures, a corporate VC fund that invests in companies that fit the company's global activities in the US, Europe and Israel as well, competitions for young entrepreneurs (Think Big, Talentum Startups), and an acceleration programme – Wayra – which offers space in 11 facilities across Europe and Latin America and sectorial and geographical acceleration programs deployed together with public and private partners in joint spaces (in Telefonica's nomenclature called “crowdworking spaces”).

Open Future's multiple approach manifests itself also in the fact, that many of these initiatives are available in a wide array of countries (notably however, mainly in countries where Telefonica operates). For example Amerigo funds were introduced to six countries – Spain, Germany, Brazil, Chile, Colombia and Mexico,

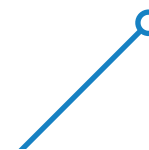
crowdworking spaces in countries such as Spain, Costa Rica, Ecuador, South Korea and China and Wayra accelerators in 10 countries including Argentina, Brazil, Colombia, Chile, Mexico, Peru, Venezuela and Germany, Spain, and UK. What is more, majority of Open Future initiatives are run not exclusively by Telefonica, but together with partners, both private and public.

Telefonica's multi-layered approach to CSE is best manifested by its first

”WHAT INTERESTS US IS INNOVATION AND DISRUPTIVE IDEAS IN MULTIPLE SECTORS, BE IT INTERNET OF THINGS OR FINTECH.”

— Ines Oliveira Ribeiro, global portfolio manager at Wayra

acceleration programme, Wayra, established in 2011 in Colombia. Although telecommunications constitute the core of Telefonica activities, Wayra accelerates startups from multiple non-telecoms fields. “We look at tech companies, but they do not necessarily need to have a fit with Telefonica activities. What interests us is innovation and disruptive ideas in multiple sectors, be it Internet of Things or Fintech,” says Mrs Oliveira Ribeiro. “There is a number of non-telecoms related innovative ideas that Telefonica can actually implement in our operations,” adds Mrs Oliveira Ribeiro, while pointing to Quidni, a startup accelerated by Wayra London. “They have a great virtual customer management system. We first implemented their product in over 480 stores in the UK, then in more 190 in Spain, now we are working on introducing it in Peru”.



Too many respondents admitted that they have started CSE without attentive strategic planning of performance indicators (57%), and without the involvement of their leaders (46%). For almost half (48%) of European corporations, CSE still appears to be a quick-fix of innovation needs, rather than a long-term solution to strategy problems.

Despite the hurdles, there is a number of clear benefits for both sides. For startups: gaining credible partners, access to distri-

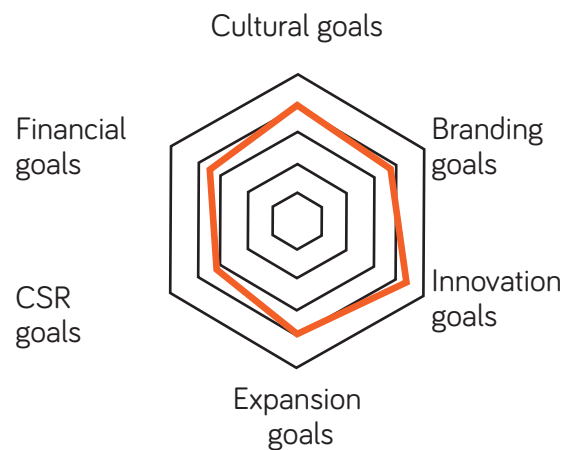


Figure 1 Corporations' motivations to work with startups

³ Guidelines prepared by Nesta.



bution channels and know-how, access to networking and manufacturers.

According to the OpenAxel Study, the drivers identified -as very important or important- for corporate involvement in collaborating with startups are: help with solving technological and business problems (83%), rejuvenating company culture (76%), entering new markets (66%). On the other hand, financial returns, branding goals and Corporate Social Responsibility proved to be less significant as drivers for corporate involvement in collaboration with startups.

In order to implement CSE, companies should focus on³: defining internal needs and objectives, selecting programs to meet these objectives, securing a board-level

sponsorship, developing KPIs and confirming them at a board-level, assigning an internal representative responsible for start-up engagement, creating a publicly visible single access point for startups, simplifying process for startups interested in working with a company.

Additionally, OpenAxel White Paper wanted to show to what degree these guidelines have already been introduced by European corporations, revealing that most of the companies stated that they already carefully defined internal needs and objectives for CSE (76% of the respondents). When added to the 17% of those who plan to do it soon, it means that 93% of respondents are conscious of the open innovation phenomenon

CASE STUDY 2: PARTNERSHIPS BETWEEN CSE-RELATED INITIATIVES

Name: Barclays

Established: 1690 (the company)/2014 (CSE)

Headquarters: London

Operations: 50 countries including UK, Sweden, Lithuania, Russia, Italy, Malaysia, South Korea, Mozambique, South Africa, Brazil, Mexico (for banking operations), UK, Lithuania, US, South Africa (CSE)

It is hard to find another company with tradition embedded in its DNA stronger than in Barclays, a bank established over 320 years ago. And it is hard to find an industry more scrutinized than the one in which Barclays operates. And this is exactly why, according to Magdalena Krön, head of Rise London and vice president of Open Innovation at Barclays, her company introduced its Rise acceleration programme. “Like every company, we need innovation. But startups wanting to work with a bank need to overcome many hurdles, given how heavily regulated our industry is,” says Mrs Krön. “We focus on removing those hurdles and

helping startups receive necessary permits to work with financial institutions,” adds Mrs Krön. “We developed a process to which we can do things five times cheaper and three times faster than through traditional route.”

Barclays started its acceleration programme (then named London Escalator) in 2014. Quickly however expanded to other countries and now operates also in Manchester, Vilnius, Cape Town and New York (in the US Barclay’s accelerator is run by Techstars). It also expanded the scope of its activities

”WE DEVELOPED A PROCESS TO WHICH WE CAN DO THINGS FIVE TIMES CHEAPER AND THREE TIMES FASTER THAN THROUGH TRADITIONAL ROUTE.”

— Magdalena Krön, head of Rise London and vice president of Open Innovation at Barclays

into, as Mrs Krön puts it: “everything that can help Barclays be more efficient”. There are 10 startups participating in each cohort and each programme lasts 3-months. The bank takes 6% equity in each participating startup, and while does not invest financial resources in them, startups can obtain investments offered by Techstars and its partners.

Streamlining processes connected with open innovation was not the only outcome of introducing Rise programme. And not the only way in which Barclays engages in CSE, as the company periodically organises hackathons and in mid-2015 announced plans to start running co-working spaces. “We see a strong of culture change within our bank”, says Mrs Krön. “Recently we organised an internal hackathon in Manchester which resulted in 14 prototypes. You can clearly see that mindsets are shifting,” she says. “Now we are working on including Barclays employees without technical background to also get involved in open innovation,” adds Krön.



CASE STUDY 3: PARTNERSHIPS BETWEEN CSE-RELATED INITIATIVES

Name: Endesa

Established: 1944

Headquarters: Madrid

Operations: Spain, Portugal, Morocco

Open innovation is one of the pillars of the new strategy of Endesa within the Enel Group, which is called Open Power.

Under the concept Open Power we support startups that help us to:

- Define new business models.
- To offer innovative solutions to our customers.
- To improve our customer experience.
- To improve internal processes.

We study the needs of the startups that offer interesting solutions for us and define the best collaboration scheme to benefit both parts, providing opportunities to validate their value proposition through pilot projects with real customers and real data and opening our market to them, more than 12 million customers of electricity, gas, products and services in Spain and Portugal.

Thanks to the INCENSE project, financed by the European Commission in the framework of the FIWARE initiative, we have had the opportunity to meet many CleanTech startups from the whole Europe and we are very satisfied for having the opportunity to work with them.

All the solutions developed by the INCENSE winners and by some of the fina-

“WE PROVIDE OPPORTUNITIES TO VALIDATE STARTUPS VALUE PROPOSITION THROUGH PILOT PROJECTS WITH REAL CUSTOMERS AND REAL DATA AND OPENING OUR MARKET TO THEM, MORE THAN 12 MILLION CUSTOMERS”

— says Javier Garrido, member of the Innovation and Technology Unit at ENDESA

lists have been introduced to the different marketing responsible teams of Endesa in order to identify business opportunities. We have held 24 meetings in which the startups themselves have presented their solutions to our marketing teams.

As a result of this process Endesa is:

- selling some of their products to their customers.
- developing 2 pilot projects in order to validate the solutions.
- assessing the possibility of collaboration with other 5 startups.

Additionally, we have offered to 4 startups the opportunity to validate their value propositions through other innovation projects we are developing.

and intend to look into it. Many have also carefully selected programs towards these objectives (86% of the respondents).

Big sums spent by corporations on startups such as Whatsapp, a 6-year old messaging platform, bought by Facebook in 2014 for approximately € 19.7bn or Tumbler, a microblogging platform founded in 2007, acquired by Yahoo in 2012 for almost € 1bn, make news headlines and appeal to a wider audience. Especially, as such acquisitions can be seen as the most direct way of cooperation in which motivations of both, startups and corporate players are clear. Corporations gain new promising technologies, startup owners are enumerated for it, receiving big financial gains quicker than if running a company independently.

However, forms of CSE are much more complex than just corporate giants “swallowing” young innovative companies. Each form of cooperation with startups demands a different level of engagement, cost, length and risk. Based on the OPENAXEL survey

Defining internal needs and objectives
 Allocated an internal responsible for startup engagement
 Selected the programmes that can deliver towards those objectives
 Simplify processes for startups
 Scouted internationally for startups
 Created a publicly visible, single access point for startups
 Secured board-level sponsorship
 Developed clear KPI's

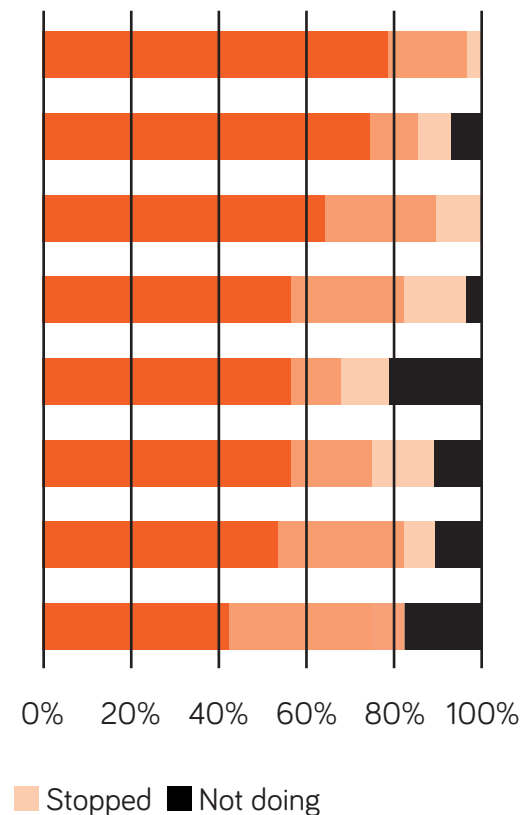


Figure 2 Steps most often utilised by European companies in order to introduce their collaboration with startups

and a taxonomy introduced by Insead and 500 Startups, we found that CSE-related activities in which European corporations declare to be engaged, make them more at

risk and spending prone (but also expecting quick results) than it is often said.

OPENAXEL checked which tools of scouting and initial engagement of startups are

the most popular among European corporations, and they proved to be ie. one-off events (69% of the survey respondents engaged in this activity), sharing resources -eg. office space or business services- (64% respondents), partnerships with external accelerators and incubators (68% respondents), corporate accelerators and incubators (48% respondents), and investments and acquisitions (45% respondents).

Tools such as CVCs and using services of scouting and consulting firms proved to be the most underutilised with 42% and 34% of respondents respectively, stating that they did not consider such forms of cooperation.

As to future plans, corporations intend to invest on innovation from within based on encouraging their employees to be more entrepreneurial (39% of respondents) or identifying champions of innovation within their companies (36% of respondents). Other ways of supporting CSE that appear in future plans are: reducing payment terms for startup procurement (25%), adopting fast track procurement procedures for start-

Business Plan
Competition/Hackathons

Partnerships with external
accelerators/incubator

Corporate Accelerator/Incubator

Corporate Venture Capital

Scouting/Consultancy firms

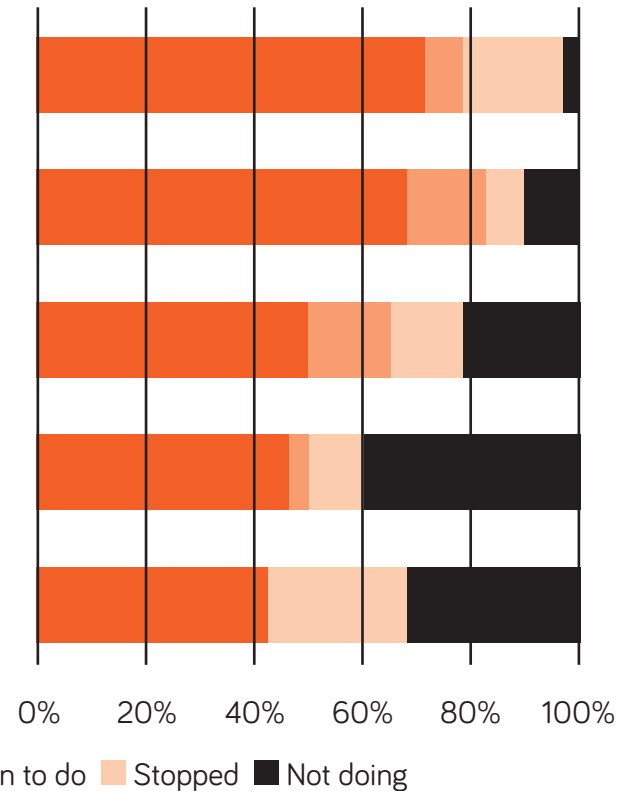


Figure 3 Ways of searching for startups

ups (21%), and setting up specific funds for pilots with startups (21%).

Overall, while in the past CSE actions have been dedicated to improving internal processes to facilitate collaboration with start-

ups (54%), in the future the major increase will concern activities regarding a change of company culture towards a more entrepreneurial attitude and a better understanding of startup innovation techniques (30%).



ACCELERATORS: A RECIPE FOR SUCCESSFUL CSE?



As a second point, this study examines the role of business accelerators in closing the gap between these two worlds. While corporate accelerators are often conceived to achieve these goals, they are not alone. This analysis attempts to establish guidelines in order to identify accelerators more apt in embracing startup-corporate collaboration as a core component of their mission:

- How do these accelerators operate?
- How many corporations do they manage to reach?
- What are the motivations behind these accelerators?

The turn of the century saw an emergence of accelerators, with the first one

– YCombinator being established in 2005 in Cambridge, Massachusetts (before moving to Silicon Valley in 2009). Just ten years later there were around 300 entities of that kind globally and in Europe alone, more than 130 of them⁴.

Accelerators' growth to prominence may be attributed to two factors: highly visible results – most accelerators have entrepreneurs publish information on investments secured for startups enrolled in their programme, with leaders such as Techstars, an American accelerator (with local branches in countries such as the UK and Israel) boasting over \$2Bn secured for companies accepted to its programs- and momen-

turn as an increasing number of people are seeking to launch their companies as confirmed by data collected by the Global Entrepreneurship Monitor.

While accelerators are not faultless, they can significantly support CSE, by creating vertical and sectorial startup markets that are transparent to the industry, and are a one-stop shop for big corporations and for startups. Their main role is to scale up small and innovative companies.

Accelerators vary significantly. They differ in the type of sector or industry in which they might focus (generalist vs verticalized) and the phase of development of targeted startups (pre-seed, seed, early stage). There

⁴ Based on OpenAxel map www.openaxel.com/search/



CASE STUDY 4: STRUCTURED MENTOR-STARTUP MATCHING

Name: Startupbootcamp
Established: 2010

Countries of operation: UK, The Netherlands, Singapore, Germany, USA, Turkey, Spain

Corporate partners include: Intel, Vodafone, ABN Amro, Cisco, Mercedes Benz, Airbus Group, PwC, Salesforce, Google, Amazon, Lloyds Banking Group, Rabo-Bank, Aviva

Mentorship proves to be the top driver of startup involvement in accelerators. But how to ensure that such mentorship is done the right way? The common sense would be in creating as wide portfolio of mentors as possible and to offer mentorship to the most respected and well connected individuals in their respective fields. But even building an impressive rolodex of names can prove to be ineffective if mentors are out of touch with the need of a startup or if a startup founder is lost in a complex web of mentors.

Startupbootcamp, a 6-year old industry-focused accelerator network with headquarters in London found a solution that helps building more robust startup-mentor links and easily navigate accelerator's wide network of 1000 mentors located around the globe. "Before every new acceleration class starts, we run masterclasses for all mentors taking part in our programme, so they know what is expected and how best to help the startups," says Andy Shannon, Head of Startupbootcamp Global. "We also run a similar series of mentorship preparation workshops for startups, to both set expectations and help them fully leverage the opportunity of meeting over 100 potential mentors," adds Mr Shannon.

Then during the first weeks of the programme, Startupbootcamp organises a series of formal and informal events, where startup teams can meet mentors and decide who they want to

ask for mentorship. "We view connecting startups with potential mentors as an organic process that cannot be forced. Our role as an accelerator is to connect startups with the most applicable experts in their field through a series of carefully organized events, and from these conversations initial relationships develop into deep connections and often times long term mentors." says Mr Shannon.

"OUR ROLE AS AN ACCELERATOR IS TO CONNECT STARTUPS WITH THE MOST APPLICABLE EXPERTS IN THEIR FIELD THROUGH A SERIES OF CAREFULLY ORGANIZED EVENTS, AND FROM THESE CONVERSATIONS INITIAL RELATIONSHIPS DEVELOP INTO DEEP CONNECTIONS AND OFTEN TIMES LONG TERM MENTORS."

— Andy Shannon, head of Startupbootcamp Global

The emphasis on quality of mentor-startup links continue throughout the programme. "Startupbootcamp's team has regular one to one meetings with each startup where they provide a feedback on how their mentor relationships are developing, so we can alleviate any potential miscommunication or mismatches along the way," in words of Mr Shannon.

What additionally helps with avoiding the mismatch is vertical specialisation of each of the programmes offered by the accelerator. "We started as one horizontal programme, but quickly pivoted to a much more focus method of supporting startups. We have found aligning mentors and corporate partners around their industry expertise rather than having a broad, generalist character, and we've found this greatly increases the odds that startups receive exactly the kind of support they need from mentors," says Mr Shannon.





are two other axes on which motivations of accelerators can be mapped: the source of funding, and intrinsic goals. While sources of funding matter because they determine the stakeholder to whom the management team responds, the correlation between primary sources of funding and intrinsic goals of an accelerator is only a loose one.

When analysing different options for accelerators, a startup should look at both their motivations and their sources of funding to correctly set expectations about the kind of support they will receive, during and after the programme.

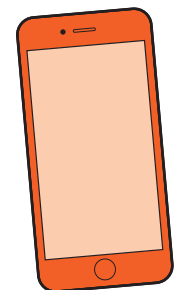
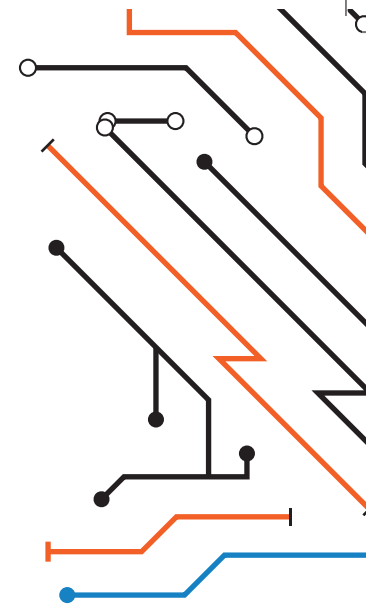
Where sources of funding are concerned, publicly funded accelerators tend to focus more on economic and cultural development, most often without clear performance indicators, whereas privately funded initiatives typically maximise the return on investment for their stakeholders. However, many special cases exist, like business consultancy firms and corporate accelerators. Furthermore, the vast majority (92%) of OPENAXEL research participants have hybrid funding schemes.

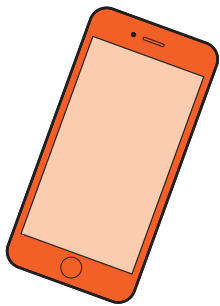
Along the dimension of intrinsic goals, for-profit accelerators maximise their profit,

either in terms of equity value and exits, or in terms of fees they apply to their customers (e.g. when consultancy firms run accelerators for third parties). Open-innovation driven accelerators focus on fostering open innovation in corporations or public administrations, which are typically either among their financiers, or sponsors and customers – and this narrows the scope of open innovation actions to those few entities.

Ecosystem builders have more of a cultural focus, and try to maximise interconnections between all actors – which sometimes comes at detriment of clear performance indicators.

This research aims to establish the main characteristics of European accelerators. According to the findings, almost 60% of European accelerators are still horizontal, and have programmes that last between 3 to 6 months, followed by programmes that last up to 3 months (21%) and programmes that last longer than 6 months (13%). Common features of accelerators programmes





CASE STUDY 5: BUILDING A ROBUST MATCHMAKING SYSTEM

Name: Luiss EnLabs

Established: 2013

Quote: “For us it is not just about chasing an investor on one big day, but about crafting relationships with corporations built over time,” Augusto Coppola, director at Luiss EnLabs

Headquarters: Rome

Corporate partners include: Deloitte, Uni-Credit, BNL, Wind

For many accelerators, matchmaking between startups and corporate partners does not go far beyond Demo Days. But for Luiss EnLabs, a Rome-based accelerator that boasts having 100 successful matchmakings in the past year alone, it is the centre of its activities. “Our idea is to help startups find customers among our corporate partners and we do so by involving corporate representatives in every-day life of a startup,” says Augusto Coppola, director at Luiss EnLabs. ““For us it is not just about chasing an investor on one big day, but about crafting relationships with corporations built over time,” he adds.

The accelerator does this by requiring startups to explain the progress of their works on regular, bi-weekly meetings. Such meetings, called at Luiss EnLabs checkpoints or Demo Days (while the final, graduation day where startups pitch to the wider pool of companies is called Investors Day) help strengthening links between corporate representatives and startups. “Thanks to regular meetings with startups over the course of our 5-month log programme, corporate partners can better understand the

“FOR US IT IS NOT JUST ABOUT CHASING AN INVESTOR ON ONE BIG DAY, BUT ABOUT CRAFTING RELATIONSHIPS WITH CORPORATIONS BUILT OVER TIME”

— Augusto Coppola, director
at Luiss EnLabs

project, see how the team behind a startup operates and they can develop personal relationships,” says Mr Coppola.

Such meetings help also in tailoring solutions that can cater for needs of a corporate partner. “They see each other often, thanks to which overtime, corporate representatives can evaluate fit of a certain startup or solution to their company, or if needed, mould it in a way that will make such fit,” says Mr Coppola.

Moulding during Demo Days, and as a result, landing a big investor is what happened to KPI6, a social media data company that was part of the accelerator’s latest cohort. “At the beginning their main focus was on small and medium businesses, but they were spotted by our corporate partner from Deloitte, who switch the focus of KPI6 in such a way, so it could cater to his company’s needs,” says Mr Coppola. As a result, two months after KPI6 joined the acceleration programme, their solutions were implemented at Deloitte’s operations.

are: offering upfront investment in exchange for equity, time-limited support, startups are selected via a competitive application process and are accepted into programmes

in cohorts, the focus of programmes is on small teams rather than just founders, and they conduct periodic graduation in the form of Demo Day or Investor Day.

The most popular primary sources of accelerator funding are: venture capital/ business angels or public listing (32%), government grants (27%) and corporations (27%). Other primary sources of funding included own funds of accelerator founders (9%), and their own operations (5%) – including tuitions, fees, office space rentals, and event tickets -. However almost all accelerators (92%) have more than one source of funding. Among the most popular secondary sources of funding are: corporations (61%), government grants (28%), own funds of accelerator founders (23%), and office space rental (17%). Other, less popular, secondary sources of funding include payment events, university grants, and consulting fees from startups.

Accelerators tend to actively work with corporates. Almost all of our respondents work with corporate entities, with 47% declaring that they have between 1 and 10 corporate partners in their close network, 30% declaring they have between 11 and

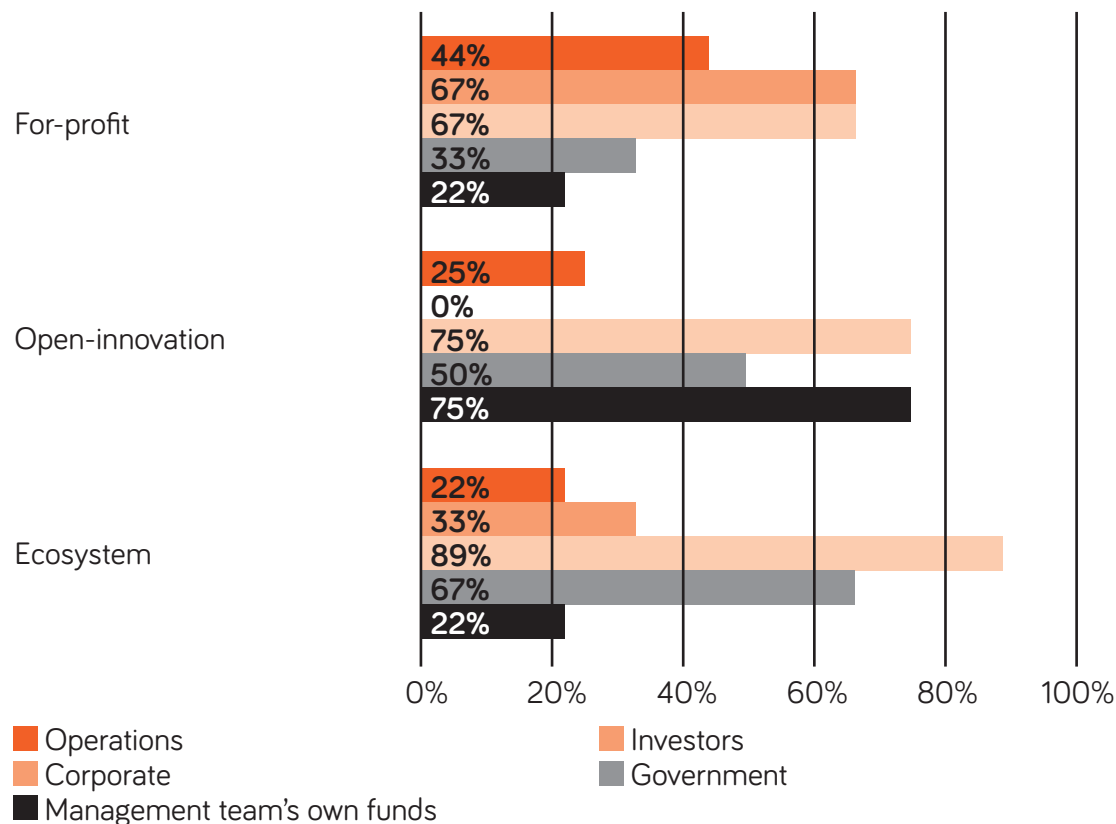


Figure 4 Sources of funding used by type of accelerator

50 corporate partners and 23% stating that their network exceeds 50 companies.

The majority of accelerators (77%) stated that they frequently support matchmaking between startups and corporate entities. They do so first and foremost through tailored introductions to either their own network, mentors or investors (84% of respondents). Networking occasions where corporations attend, like demo days, are second with 63% of respondents. Less popular support activities include: open innovation workshops (16%), idea contests (16%), office hours for startups (5%) and joint calls between startups and corporations (5%).

As this study revealed, an overwhelming majority of accelerators do a poor job in measuring the impact of their activities. When asked about the total revenue of startups that graduated from their programmes, a staggering 88% of respondents said that they either do not know or that the question is not-applicable to them

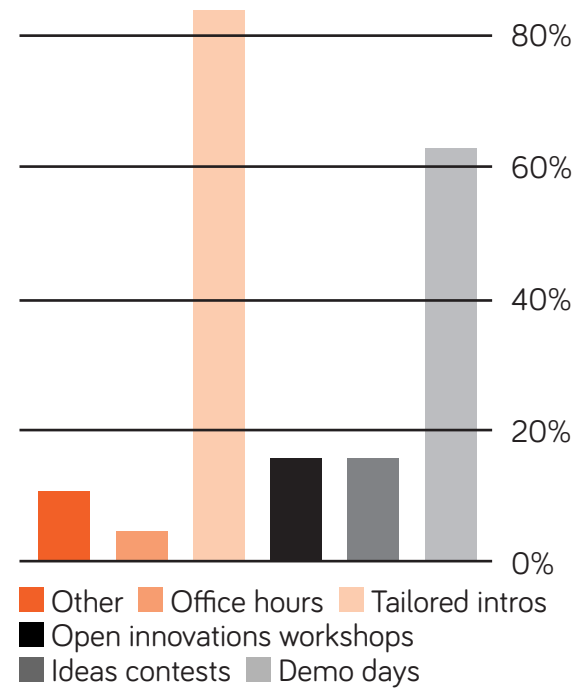
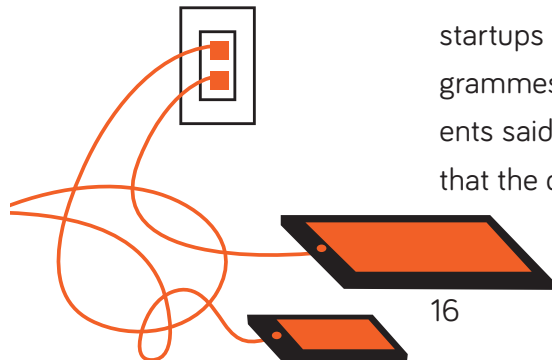


Figure 5 Accelerators' matchmaking support between corporations and startups

(8% declared revenues of over € 1 million, but below € 10 million, 4% - over € 10 million). When asked about the job creation results, 54% of respondents were unable to answer that question (17% declared that their alumni created over 500 jobs, 17% -

between 100 and 500 jobs, 12% - up to 100 jobs).

When asked about the number of successful matches between startups and corporations, 58% were able to answer, and reported an average number of 33 successful matches (from a minimum of 2 to a maximum of 127), referred to the whole life of the accelerator.

Critics point to a number of drawbacks in the accelerator model such as market over-saturation, need to give up equity by a startup, ill-conceived mentorship, and lack of transparency regarding results of acceleration.

Whilst accelerators recently appear to be one of the most popular external entities through which corporate players engage with startups, it must be noted that it is not the only one. Among institutions directly or indirectly supporting collaborations between established companies and startups are: co-working spaces, community spaces, science parks and recently also virtual accelerators.

THIS WHITE PAPER IS AIMED AT:



- Startups and corporations: might find interesting suggestions on best practices and key problems. Additionally, they can find useful tips on how to identify good partners in the accelerators universe.
- Accelerator managers: might put into use a new set of self-assessment tools to position their business towards both kinds of clients.
- Policy makers: might survey up-to-date implementations of good practices by European corporations, and a framework to detect accelerators, which could help sustain policies of open innovation.

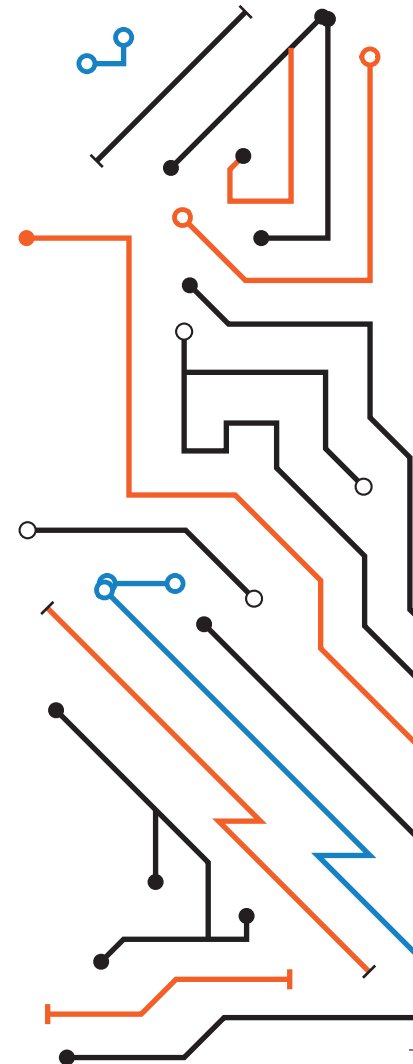
HOW POLICY MAKERS CAN SUPPORT CSE

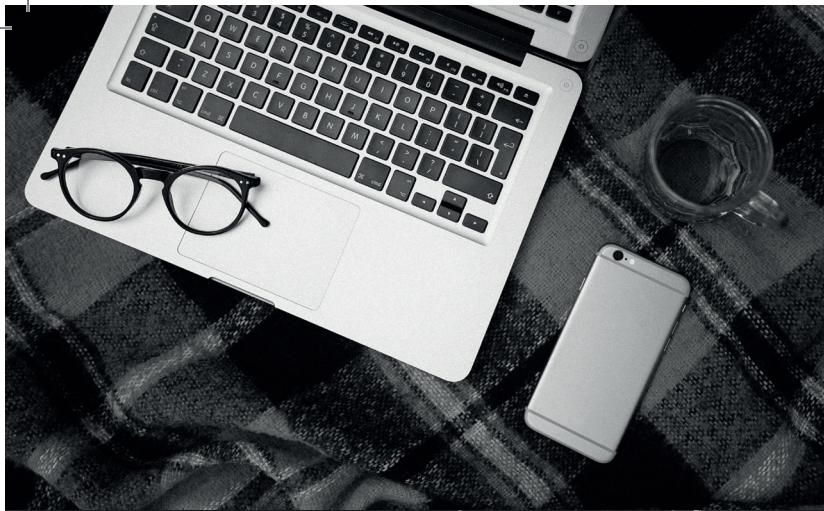
Additionally, the OPENAXEL survey respondents and OPENAXEL partners were asked how the EC can support corporations in facilitating cross-border partnerships with highly innovative startups. Their ideas are collected here. They can be applied to any context, regional or national, and thus could prove to be appealing for policy makers in general, and not only for the EC.

1. Tying funding for startups to doing pilots with corporations would give tangible incentives to startup-corporate collaborations. One execution method would be to provide funds to corporate business units,

which they can spend exclusively in setting up pilots of new products or services together with startup partners. Corporations would then receive further incentives to bring the product to market through their salesforce.

2. Defining CSE as a requirement in public procurement acts would be a sister initiative to the previous, also giving immediate compensation for startups and corporations who collaborate.
3. Cutting red tape for accessing funding for startups: governmental and EC funding programmes “are too complicated for almost any startup”, said a Scandinavia-based executive working at a large





multinational conglomerate. Accelerators, thanks to their specialised knowledge of their local startup ecosystem, could be used by governments to redistribute funds to startups in a leaner and more accessible way.

4. A community platform to facilitate matchmaking between corporation and startups is a tool invoked by many. Such platform should not just be a technological solution, but a real community, professionally managed and animated, with a

set of tools to interact, share ideas, create matches, and apply for opportunities of collaboration or of funding.

5. Organising workshops for corporations on how to introduce CSE is an educational activity which would have a dramatic effect on cultural changes, and in this sense it could deserve promotion by public authorities.
6. Leveraging the network accelerators and incubators have in their startup ecosystem by providing co-financing to those accelerators who commit to leading CSE programmes. Accelerators can potentially become the arm of public institutions for connecting with startups. Clear KPIs of startup-corporate collaborations should be attached to the co-financing.
7. Identifying a set of reference KPIs to track accelerators performances: if governments or the EC used a common reference set of performance indicators to decide which accelerators to back, accelerators would receive an incentive in



tracking their metrics and making them public. At the same time, this would help startups and corporations alike to select the right accelerators to become their partners, according to their needs and goals. It could also help the general public to know which accelerators are backed or supported by the EC, as a proof of quality or for transparency.

8. Promoting champions of CSE and success stories would also have a strong cultural effect, providing best practices and role models. The same by promoting knowledge about the positive role of accelerators among corporate players

and entrepreneurs, as well as supporting entities that promote knowledge on the subject such as universities or research centres.

RECOMMENDATIONS FOR STARTUPS

1. Build a concrete business case for a corporation.
2. Look for corporations outside your market.
3. Agree upfront on a common definition of success.
4. When choosing an accelerator, look at both the sources of its funding and at its intrinsic goals.

5. Pay attention to services provided to accelerators' alumni.

RECOMMENDATIONS FOR ACCELERATOR MANAGERS

1. Track your metrics.
2. Continuously develop your ecosystem.
3. Clarify your offer and positioning.
4. Exploit the opportunities offered by open innovation.
5. Collaborate with regional and national governments.

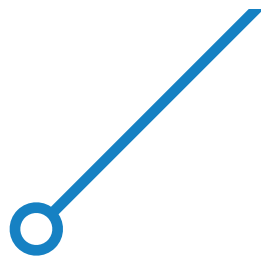
RECOMMENDATIONS FOR CORPORATIONS

1. Replicate the positive examples of other corporations.
2. Sustain open innovation effort over time.
3. Start with the end in mind.
4. Gain board level support.
5. Experiment with external accelerators.

For more recommendations please go to www.openaxel.com and download a full version of the White Paper



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Cooperation between startups and corporations in Europe

