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South East Europe TCP

Best Practice Report

TECHNO SEED
**A concrete way to promote entrepreneurial
initiatives in ICT field**

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Best Practice Report

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| Final approval | Name | Partner |
|-----------------------|--------------------|----------------|
| Reviewer | Domenico Ricchiuti | IEA ITALIA |

1. Best Practice Title

Techno Seed: A concrete way to promote entrepreneurial initiatives in ICT field.

2. Location of Best Practice

Country, region, town

Italy, Friuli Venezia Giulia, Udine

3. Best Practice Executive Summary

Describe briefly (max 10 lines) the GP context (partnership, funding, objectives, approach followed, results)

Techno Seed is an initiative with the aim of collecting a set of good and innovative ideas in ICT field and make them concrete innovations through the creation of new enterprises thanks to a formation, consulting, incubation path.

In other words, Techno Seed is an enterprises incubator situated in the Science & Technology Park of Udine.

It has been funded by the Ministry of Economic Development and it is promoted by Friuli Innovazione (a research center), by University of Udine and by Ires FVG (Economic and Social Research Center).

4. Best Practice Classification

Best Practice Theme

- Research Transformed to Innovative Product*
- Research Transformed to Innovative Service*
- Research Transformed to Innovative Methodology*
- Research Transformed to Innovative Production Process*
- Financial Mechanism for Transformation of Research to Innovation*
- Support Mechanism for Transformation of Research to Innovation*
- Other (describe)*

Best Practice Research / Application Areas

- Industrial / Manufacturing Systems*
 - Industrial Informatics and Communications*
 - Intelligent Devices*
 - Distributed Control Systems*
 - Flexible Manufacturing Systems*
- Embedded Systems*
 - Industrial Embedded Systems*
 - Nomadic Environments*
 - Private Spaces*
 - Public Infrastructures*

5. Description of Best Practice

5.1 Best Practice Context

Overall background of the Best Practice. Location, socio-economic, technical & policy background of the BP (max 10 lines)

This BP has been developed in the North-East of Italy, a territory characterized by a dynamic socio-economic fabric, by a strong industrial system and by an active academic and scientific world. Many innovative ideas are present in this active territory, conceived both in the academic and productive worlds. This BP describes how Techno Seed has been able to collect the most interesting among them and to transform these ideas into real innovation, creating concrete businesses.

The project has had also the help of an interested and attentive credit and financial system.

5.1.1 Policy Elements

What are the policy initiatives that have influenced the contextual environment of BP: innovation promotion policies, research funding policies, certification etc. as well as relevant tools (max 10 lines)

The support of public bodies (Ministry of Productive Activities, now Ministry of Economic Development) and of regional credit institutions and holding companies has influenced the success of the project (as said below, in the paragraph about the financial mechanisms). Techno Seed, in fact, is one of the 11 incubation projects funded by the Ministry in the ambit of the first announcement of the Italian Law 388/2000. The aim of this announcement had been that of promoting and activate entrepreneurial formation paths in ICT field finalized to the creation, at a regional level, of new entrepreneurial activities, with high technological content.

5.1.2 Socio-economic & Other factors

Other contextual factors such as customer / target market addressed, international validity, customer density, economic conditions, customer values, research area addressed (max 10 lines)

The project started from the consideration that Friuli Venezia Giulia Region, at the beginning of 2000s, was characterized by an objective difficulty, compared to the national data, to create new businesses and entrepreneurs and by a delay relating to the entrepreneurial development dynamic in ICT field.

5.2 Objectives

Aim of the project, specific objectives & strategies to achieve these objectives (max 10 lines)

The project's main objective is that of create new businesses, stimulate the diffusion of an entrepreneurial culture and strengthen the dialectical relation between University and the regional economic system, both through the contribution of fund and relations with the market, and a higher finalization of academic research activities to an application and operative dimension.

6. Process

Describe the project including key concepts and the overall approach followed. Indicate project end users, target market, main project phases, problems encountered and solutions, problem resolution (max 10 lines)

The overall approach followed has been that of provide the territory with an enterprises incubator (inside the Science and Technology Park of Udine) that could sustain the development of the best innovative ideas present in the territory.

Techno Seed selects innovative ideas in ICT field and aims at creating new enterprises through a free

formation, consulting and incubation path.

It offers the possibility to start up an entrepreneurial activity with the support of a high qualified organization. In a dedicated space it is possible to develop the idea with an experts team and transform it into a real enterprise. Upstream of that, the project recognize the necessity of providing a concrete action of entrepreneurial training, from the moment that most of the potential entrepreneurs have no skills in economic, administrative or communication field, being these persons mostly researchers and technical.

6.1 Project Design

Project design based on targeted market complete understanding, project structure, policies and procedures, management and implementation actions (max 10 lines)

The project structure has been conceived in three phases:

- Entrepreneurial Training
- Entrepreneurial Project Development
- Start Up and Incubation

From the first phase the Scientific and Technical Committee selects 36 potential entrepreneurs to admit to the advising in the laboratories; from the second phase a further selection process brings to the identification of new 12 enterprises.

The first phase consists in the realization of informative workshops about the business culture, integrated with a tutoring service for the redaction of a provisional business plan. The participation to this phase is not binding.

The second phase assures advice and support services to develop the definitive business plan through the activation of an entrepreneurial laboratory to support the business plan redaction and a technological laboratory to verify the technological feasibility of the idea.

The third phase foresees, for the 12 new selected enterprises, the possibility to use a financial contribution aimed at the activity's start up and to use the incubation services inside appropriate spaces.

6.2 Project Management

Activities relevant to project coordination and management, project documentation and reporting, quality control, validation and verification (max 10 lines)

The first phase of the project, i.e. the entrepreneurial training, has been developed through the realization of 32 seminars, having as main arguments: redaction of business plans, protection of intellectual property, legal forms and requirement for a business start up, taxation etc. About 1000 participants have attended these seminars.

The business plans coming from this phase have been evaluated by a Scientific and Technical Committee, chaired by the scientific director of the project and made by 9 members with excellent skills in economic-financial field and in ICT field. The eligibility requirements were the affinity of the plans with the reference field (ICT) and their technical feasibility. After that, the plans have been evaluated basing on two macro-criteria:

- 1- Entrepreneurial team composition (weight: 20%)
- 2- Coherence and quality of the business project (weight: 80%)

180 individuals, belonging to the teams, proposed 51 projects.

36 of these 51 projects have been admitted to the next phase of entrepreneurial project development.

In this phase elements of strategic analysis, both technological and of market, have been used for a deep evaluation of the projects, with the aim of developing the projects in detail.

The main supports in this phase have been:

- Entrepreneurial tutoring;
- Technological tutoring;
- Use of information technologies;
- Access to research grants;
- Advice.

Two professional figures have been involved, i.e. the *entrepreneurial tutor* and the *technological tutor*.

The first had the task of help the potential entrepreneurs in all the economic analysis necessary to develop the initiative, until the definition of a definitive and complete business plan.

The second figure followed the technical feasibility assessment of the ideas and the planning of the technological development activities.

During the project lifetime, 180 entrepreneurial tutorship activities have been provided and 152 technological ones. Other supports have been the providing of 25 research grants and the provision of software and hardware tools.

In the third phase of the project, the supports have been:

- Business tutoring
- Specific professional advice
- Financial assistance
- Incubation
- Mentoring

Into a “business laboratory” the tutor has given concrete help to overcome the start up phase, decreasing the typical risks. 92 tutorships have been provided.

The tutor, where necessary, could also activate specific advice through the help of external professionals/experts. 126 consultants have been identified and inscribed into a special Register. In particular:

- 76 experts in business administration
- 25 experts in innovation management, technological transfer and intellectual property protection.
- 25 experts in project management in ICT field.

The overall number of advice provided had been 33.

To sustain the start up of the new enterprises, a financial support has been provided, i.e. a free grant of 20000 Euros for each new enterprise.

This aid has been used to invest in the purchase of instrumental assets, additional advice etc.

Besides, a Financial Committee (CF) has been formed, that created a “Special Fund for Innovative Start Up”, as described in paragraph 8.

Concerning to the facilities provided, the new entrepreneurs could use a 20 square meter furnished office, with a central reception , ADSL, office equipment and public spaces, with a facilitated canon.

The last service provided in the third phase has been the mentoring service, i.e. the availability of qualified volunteers, coming from academic, entrepreneurial and associational communities. These figures have been recruited for their deep experience in the financial and entrepreneurial ambit, in

strategic planning and in management. The idea of this useful service was born thanks to the collaboration with the Massachusetts Institute of Technology of Boston, starting from the assumption that a business, during its start up phase, has greater success chances if it has been born by a combination among a good idea, a good business plan and an expert entrepreneur.

6.3 Project Implementation

Main elements associated with the project implementation. Realization of new idea, or new technological realization or improvement / novelty to known technology and means to achieve this. Innovation associated with the project realization in terms of new products, services, methodologies. Marketing, advertising and customer service. (max 10 lines)

Among the 36 projects that participated to the development phase, 36% has become a real business (33% thanks to Techno Seed), 22% is still in a development phase, 28% has been neglected during its path and 14% has been concretized, even if not through the constitution of an enterprise.

The 15 new enterprises are called:

AllTek, CardTech, Cosmarpi, Credra, DataMind, DerMap, EasyStaff, E-Laser, Eye-Tech, Fill in the Blanks, Gestivare, MoBe, Mobile 3D, SmarthPath Europe and The Business Game.

Concerning to the activities conducted by these companies, we can say that it prevails the activity of software design and development for business or research applications (33%); a significant percentage (20%) is related to companies that deal with application software in the field of mobile devices (cellular phones and PDAs). The 13% of the companies deals with environmental technologies and an other 13 % with safety sector. The remaining 21% is divided among companies that deal with informative architecture services to enterprises (7%), e-learning instruments (7%) and measurement instruments (7%).

6.4 Project Evaluation

Project feedback mechanisms and evaluation mechanisms. (max 10 lines)

An evaluation mechanism of the project has been guaranteed by a continuous dialogue among participants, tutors and consultants. In this way every step of the project could be monitored and controlled.

7. Description of Research team/Institution

Short description of R&D team and institution (max. 10 lines)

Staff of Friuli Innovazione (project coordinator):

- Elisa Micelli
- Claudia Baracchini
- Samantha Sanfilippo
- Elena Piccinato

Staff of Ires FVG:

- Michela Comuzzo
- Elisa Candotti
- Alessia Comar

- Sabina Puppo
- Monica Serra

Staff of University of Udine:

- Sandra Salvador
- Manuela Croatto
- Serena Marchetti

Entrepreneurial Tutor:

- Paolo Emilio Zilli

Technological Tutor:

- Paolo Omero

8. Applied Financial Mechanism

Describe financial mechanisms applied in transformation of research into innovation within BP, as well as means of connecting scientific research team and financiers (max. 1000 char.)

The Techno Seed project has been funded by the Ministry of Productive Activities. The Ministry has given a grant in aid, to each start up, amounting to 20,000 Euros.

There is, besides this, a Financial Committee which is composed by representatives of regional banks and regional holding companies and by the Techno Seed promoters. This Committee conceives and identifies innovative financial instruments finalized to support the technological start up activities identified by the Scientific and Technical Committee. These instruments are summed up to the Ministry's funds.

In particular these instruments are:

- The availability of FRIULIA spa, the regional holding company, to invest in the venture capitals of the new companies created (maximum 200000 Euros yearly, for three years).
- The constitution of a rotary fund managed by Mediocredito FVG and composed by the capitals of various banks, in order to grant facilitated financing (from 10,000 to 50,000 Euros).

This fund represents an excellence result and an example of how innovation can be applied even to the credit sector.

9. Impact and benefits

Describe achieved benefits of R&D team and/or enterprise implemented innovation, as well as impacts on institutional and policy levels. (max. 1000 char.)

The main benefit achieved thanks to this project is the creation of new enterprises which go to enrich the social and economic fabric of the zone.

In fact, at the end of the project, the 15 new enterprises created give employment to 74 persons and this number is continuously increasing.

Moreover, these new enterprises are all operating in a very interesting field, i.e. ICT field and their activities bring to the creation of innovative products and services.

An other important impact of the project described is that it has created an enterprises incubator and tested a very valid system of assistance and support to the potential entrepreneurs that could generate a virtuous mechanism for transformation of research into innovation.

In other words Techno Seed offers experimental services, create new firms and strengthen the occupation, the innovativeness of the productive fabric and the technological transfer between the research world and the local economic system.

10. Sustainability

Provide information on sustainability of innovation after financial aid within implemented financial mechanisms, and some multiplier effects as replication and extension of the action performed in BP. Expected use of Best Practice and lifecycle considerations. (max. 1000 char.)

The sustainability of the project is ensured by the great number of persons, researchers, entrepreneurs that would like to start up a concrete business, but that are hampered by a long list of problems and impediments that Techno Seed can help to face.

For its sustainability, after the aid of the government financial mechanisms, the challenges are:

- The capacity of maintaining and expanding its offer through the obtaining of new funding, both public and private.
- The expansion of the incubated enterprises sectors, into the hi-tech ambit.
- The enlargement of its sphere of activity, regional at the moment, to a national and community level

The third point is facilitated by the partnership with the ACHIEVE network which assembles about 20 European incubators specialized in ICT. This network is funded by the European Community and is coordinated by the Cambridge University. It offers the incubators the possibility to improve their performances through the use of methods for the managerial skills development and the use of coaching and mentoring strategies.

11. Repeatability and transferability

Lessons learned from the project implementation team. Repeatability and transferability of the project. (max. 1000 char.)

The main lessons learned are:

- The financial mechanisms that can support the innovation are not only the funds given by public institutions, but also the help of the private financial world, that can give an huge support through the facilitation of the access to credit and other instruments.
- The support to give to the potential entrepreneurs must be complete, i.e. must help them in every step of their path, from the creation of a business culture and mentality, to the incubation of the new activity created.
- One of the most important element for nascent companies is networking, i.e. the increase of the contact and collaboration opportunities among different realities that favors the birth of ideas and synergies that are then transformed into new projects and products.

12. Evaluation

Describe reasons and evaluation criteria why the described example is a best practice. (max. 1000 char.)

This example is considered a BP for the fact that public funds have been used not to help the development of a single product or service, but the creation of a virtuous mechanism that brings to the creation of a certain number of enterprises that not only realize new innovative products or services, but help the local social and economic fabric to be more healthy and competitive.

This is a concrete way to help those subjects who have interesting and innovative ideas but are hampered (for financial, administrative or technological causes) in transforming them into a solid business.

An other good element shown is the concrete help that the local financial world can give to the innovation in terms of access to credit.

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In 2007 Techno Seed received the Quality Award in the ambit of “Challenges: from good practice to good administration”, an initiative promoted by Forum PA and by the Presidency of the Council of Ministers for the valorization and the development of the territory.

In 2008 Techno Seed was added to the list of the excellence cases published by the Ministry for Public Administration and Innovation, an initiative born to valorize the examples of great professionalism, innovation and courage in the experimentation of new solutions for decreasing costs, improving services and answering to the citizens and enterprises needs.

13. Contact of research team/institution

Name, address, tel., fax, e-mail, URL

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14. Contact of financial mechanism facilitator

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