Warp-Innovation Study for Justifying Boost Space Services

Gertrude Neubauer, Stefan Fazekas

(Gertrude Neubauer, Warp-Innovation, Wollzeile 1, 1010 Wien, gerti.neubauer@gmail.com)
(Mag. Stefan Fazekas, Warp-Innovation, Wollzeile 1, 1010 Wien, fazekas@warp-innovation.com)

1 ABSTRACT

Warp-Innovation (WI) challenges innovation teams, academic spin-offs and start-ups on their biz ideas. One important orientation is establishing collaboration amongst proper stakeholders of an eco-system. We therefore engage with strategic partners, following the principle of forming relationships between science, corporates, start-ups, services and investors.

Warp-Innovation therefore conducts a study - during 2017 in the German speaking countries and 2018 within Europe - adhering to this setting. Enabling mutual benefits for all parties involved is our credo.

At REAL CORP 2017 we may give some insights to this - proud to be there as the conference format addresses multi domains since its very beginning.

In here we focus on the study conducted together with selected study partners with the motivation to justify experiences and assumptions in designing Warp-Innovation Bosst Spaces (WIBS) for corporates - several industries, large/medium enterprises, academic institutes focusing on start-ups, the latter ones at any stage; investors - business angels, venture capital, corporate VC; services – incubators, accelerators, co-working spaces, tax, legal consultants etc.

It’s vital to differentiate the following:

Incubators and Accelerators are organizations, serving start-ups temporarily in bringing up their business faster and more successfully and mostly take equity in doing so.

The Warp-Innovation Boost Space is established and operated for large/r organizations - willing to engage with small(er) partners – exclusively and permanently - collaboration models to be formed during the course.

We are convinced, that enabling a successful relationship between established and emerging organizations can be achieved by involving intermediaries accompanying the process of establishing and operating corporate cooperation programs (which we call Boost Spaces) in order to achieve mutual benefits for all parties involved.
We support building up such a corporate accelerator (project phase) - optionally followed by operating it. Several service levels as illustrated are available. Our study results are supposed to enable continuous service improvement and innovation.

**Keywords:** enterprise, start-up, investor, collaboration, study

### 2  COLLABORATION MODELS

We use ‘E’ for established organization and ‘e’ for emerging organization.

#### 2.1 Current observations

- **Model 0:** Large/medium enterprise internal program (no intensive discussion on this setting)
- **Model 1:** Strategic partnership
- **Model 2:** ‘E’ Start-up program
- **Model 3:** Incubator/Accelerator & ‘e’
- **Model 4:** Open Innovation – OI
- **Model 5:** Joint venture
- **Model 6:** Secondment from ‘E’ to ‘e’

Based on given observations and market experiences we relate those models to each other.

The study results shall confirm such relationships and/or identify new ones by discussing advantages/disadvantages for E&e in order to help in motivating start-ups as well as corporates to sustainably cooperate by leveraging their different frameworks.

### 3  SERVICE DESIGN

#### 3.1 Building Blocks

In order to bringing up such programs we need WIBS sponsors (the ‘E’) and WIBS operators (Warp-Innovation incl. its associate partners) to build

- a business incubator
  - virtual network (using proper ICT to linking up all stakeholders)
  - physical center (service organizations mainly in the start-up and/or maker scene)
- with WIBS members (the ‘e’)
  - probably assigned to separate trust layers and therefore treated as
    - contract partners
    - equity partners
- in order to work on selected topics of the ‘E’ as
Corporates need to state their objective in engaging with selected market partners like start-ups, founders, makers, smaller enterprises and list their work topics to be covered by them.

**WIBS sponsor’s offerings**

Strategic Business Units ... the market oriented organization structure of the ‘E’

**Internal ... internal topics of the ‘E’ (i.e.: corporate IT systems and services, business processes)**

**Collaboration layers**

Protected circle - own professionals on enterprise payroll only

Inner circle - cooperation partners (shareholding ev. preferred)

Public circle - suppliers and partners, cooperation partners

**Collaboration topic mapping**

WIBS Sponsor Core Business – Strategic Business Units – and stated objectives to be achieved via such collaborations (i.e.: becoming more innovative, reducing cost, increasing revenue, have payroll focusing on own core business) lead to a list of topics for which suitable partners are identified and assessed in order to become member of the Boost Space funded by the ‘E’.

**3.1.2 Organization**

**WIBS sponsor & Warp-Innovation**

The WIBS operator acts with the following responsibilities:

- managing the Boost Space and
- acting as ,holding‘ for business incubation centers in selected cities,
- engaging with maker platforms, maker spaces, etc. and
- managing the relationships with WIBS members.

**business incubators in selected countries/regions**

- are the physical representation of the Boost Space

‘inner circle’ WIBS members & further WIBS members

- Included/on-boarded start-ups, makers and SMEs plus other relevant resources for expected business operations and objectives.

**3.2 Business Process from virtual space up to physical/maker spaces as needed**

**3.2.1 Roles & Responsibilities**

<table>
<thead>
<tr>
<th>Actors</th>
<th>Sponsor</th>
<th>Warp-Innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>WIBS Manager</td>
<td>Decide on topic mapping. Define requirements.</td>
<td>Decide on recruiting process dependent on origin of resources.</td>
</tr>
<tr>
<td>WIBS Professionals</td>
<td>Focusing on core activities and collaborating with WIBS members</td>
<td>Support on demand (i.e. cultural/org. change).</td>
</tr>
<tr>
<td>Virtual Incubator</td>
<td>Making use of accepted deliverables</td>
<td>Manage the WIBS member portfolio</td>
</tr>
<tr>
<td>Business Incubator</td>
<td>Own or rent the business incubators in selected regions</td>
<td>Propose candidate facilities and take care of operating them</td>
</tr>
<tr>
<td>Maker Space</td>
<td>Rent or own the maker spaces in selected regions</td>
<td>Propose candidate facilities and take care of operating them</td>
</tr>
</tbody>
</table>

Innovative results only arise when people engage creatively within a proper environment. Collaboration requires an effective interplay of different people with different role structures and the way they gather as
well as process information, make decisions, manage risks and manage them. The study is designed to show how to handle these roles.

3.2.2 Establishing and operating the program
The Boost Space member process has three phases:

Recruiting process
There will be a permanent collection & clarification of WIBS sponsor requirements on products and/or services to be passed on to desired partners from business incubators, co-working spaces, maker spaces, labs, ...& chambers for hooking up with candidate members.

- Screening & selecting proper hubs … proper regions relevant for selected sites
- Performing events ... presentations, pitching sessions, challenges, hackathons, solvathlons (a new format designed by one of our associated partners) accompanied by press/social media announcing to respective opportunities
- Hooking up with candidate members … nominate contact partners on both sides, collect further info and documents on SME, start-up biz model and products agree on next steps, discuss engagement and agree on next steps
- Preassessing … team, product, mobility, current stage, sustainability, …

Readiness process
Pre-assessing start-ups, SMEs, makers through ongoing communication

- Preparing ... get ready for the Boost Camp
- Boosting & proposing ... focus on WIBS sponsor business/product opportunity, focus on start-up/SME entire market, agreement on road-map addressing both streams, proposing short listed teams to WIBS sponsor
- Contracting ... decision on contract- or equity partnership, establishment of related contractual relationship, first order of deliverable(s), scope and time plan plus acceptance criteria
- Including ... run in-taking of WIBS member into the Boost Space.

Collaboration process
Partnership with WIBS members (main contact point WIBS sponsor - WI)
Step 1: announcing. Communicate to stake-holders and enrol in relevant systems and databases.
Step 2: onboarding. Become part of the virtual incubator. Optionally move into business incubator center and/or maker space.
Step 4: learning. Improvement potentials also leading to further orders. Amend partnership status. (contract or equity) Decide on future collaboration scenario. (M&A, exit) through ongoing learning, improvement & innovation, strengthening partnerships (sustainability)

The study is created based on the following need. It looks at twelve areas of the business culture: strategy and goals, communication and market, HR and knowledge management, process and organisation management, technology plus legal and financial framework. So it will be allowed to match the areas, to create more effective process formations and to develop a ‘relay race’ for highly valuable idea generation which may lead to a successful collaboration.

4 RISKS & OPPORTUNITIES
Examples as per project work in progress are illustrated below.
Risks & Opportunities WIBS Sponsor

<table>
<thead>
<tr>
<th>risks</th>
<th>mitigation</th>
<th>opportunities</th>
<th>leverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal management acceptance</td>
<td>Top level decision and Change Mgmt. Process</td>
<td>Focus on core products &amp; services</td>
<td>‘inner circle’ + ‘public’ topics</td>
</tr>
<tr>
<td>Internal acceptance</td>
<td>Initial cases as proof-of-concept</td>
<td>Cost reduction and/or revenue increase</td>
<td>Agile, skilled members, suitable products</td>
</tr>
<tr>
<td>Proof-of-concept fails</td>
<td>Solid topic selection, virtual net 1st</td>
<td>Become (even) more innovative</td>
<td>Enable teams to working in ext. spaces</td>
</tr>
</tbody>
</table>

Risks & Opportunities WIBS Members

<table>
<thead>
<tr>
<th>risks</th>
<th>mitigation</th>
<th>opportunities</th>
<th>leverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss of agility</td>
<td>Stay in own or business incubator environment</td>
<td>Equity partnership</td>
<td>Demonstrate indispensability</td>
</tr>
<tr>
<td>Loss of focus on own biz direction</td>
<td>No exclusive work with WIBS sponsor</td>
<td>Strategic partnership</td>
<td>Strong complementary</td>
</tr>
<tr>
<td>Loss of reputation in the market</td>
<td>Avoid failure in delivery</td>
<td>Revenue, recognition &amp; reference</td>
<td>Excellent performance</td>
</tr>
</tbody>
</table>

Risks & Opportunities Warp-Innovation (WI)

<table>
<thead>
<tr>
<th>risks</th>
<th>mitigation</th>
<th>opportunities</th>
<th>leverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bad cost coverage</td>
<td>Agree on mutual adjustments/caps</td>
<td>Joint company mid-term</td>
<td>Ensure WIBS performance</td>
</tr>
<tr>
<td>Less emphasis on other WI biz</td>
<td>Add staff - ambassadors, facilitators</td>
<td>Faster WI dissemination</td>
<td>Supp. WIBS sponsor’s int. communication</td>
</tr>
<tr>
<td>Legal or ‘natural’ exclusivity</td>
<td>Focus on lead partner per segment</td>
<td>Collaboration model - reference</td>
<td>Demonstrate WIBS performance</td>
</tr>
</tbody>
</table>

The study elaborates on these domains, risks and their mitigation plus opportunities and how to leverage them.

5 CONCLUSION

Building up such micro eco systems needs to adhere to a solid service design and implementation process which has to be verified by the study to be conducted with corporates, science, start-ups, services and investors.

6 REFERENCES

Lean Canvas: Osterwalder, Pigneur: "Business Model Generation"
Minimum viable product: Eric Ries: Lean Startup: Schnell, risikolos und erfolgreich Unternehmen gründen; Redline Wirtschaft, 2012
APPENDIX

Those two just for illustration. Of course there are many formats, services and infrastructures offered to the communities both by academic institutions – like i2C at TU-Wien or Entrepreneurship Avenue and Gründerzentrum at WU-Wien – and on economic side, hereunder many Co-working spaces, some maker spaces and just recently Co-living spaces in preparation – this as tribute to Vienna as CORP 2017 takes place in this city.