

VBN InnoReg Pilot Action – IbM: Technology Coaching Service “Innovationen brauchen Mut”

Summary

Rationale

Starting point of the project „Innovations need courage“ was the absence of a specific, networked source of coaching for knowledge-based and technology-oriented start-up projects in addition to the existing support structures in Brandenburg, especially the university pilot service. Furthermore, it is assumed that alongside the potential for knowledge-based and technology-oriented business formations originating in Brandenburg's universities and in scientific facilities, there are also a significant number of founders who realise their projects out of dependent employment or as spin-offs. This concerns founders from Brandenburg, and increasingly from other Federal States including Berlin. In some cases this also regards foreign companies.

On the subject of the demands on effective coaching, especially for knowledge-based as well as complex innovative, technology-oriented start-up projects, it has to be noted that formation and supervision of the required pool of selected experts for consulting / coaching should not only be drawn from the structures of single universities, but from an institution which acts centrally for Brandenburg and is networked with all other institutions supporting business start-ups. The project takes its place within the major framework setting out the goals for start-up support in Brandenburg:

- § Commitment of know-how and qualified persons in the region.
- § Increasing Brandenburg's attractiveness for innovative business start-up from other regions (including abroad).
- § Creation of high-quality jobs.

Starting point

Brandenburg disposes of a well-developed system for the identification and mobilisation of the knowledge-based, technology-oriented start-up potential as well as for the qualification specific to start-ups, and thus in principle of systematic access to relevant start-up ideas, as well as to potential founders from universities:

- § methods (specialised information events, summer schools, lecture series, location managers, etc.) developed within the framework of the EXIST transfer project BEGiN “Brandenburg Networked Founders” („Brandenburger ExistenzGründer im Netzwerk“) developed and strengthened by the Brandenburg Institute for Business Start-Ups and Support of SMEs (Brandenburgisches Institut für Existenzgründung und Mittelstandsförderung, BIEM e.V.),
- § special professorships on entrepreneurship,

- § a business-plan contest Berlin-Brandenburg and other regional contests,
- § German Founders' and Entrepreneurs' Days,
- § the Society of Brandenburg University Technology- and Innovation Counsels (Verein der Brandenburger Technologie- und Innovationsberatungsstellen der Hochschulen, iq brandenburg),
- § methods for the support of founders from the university context through university pilot services and the option of access to the BMWi support programmes "EXIST founder's grant" and "EXIST research transfer" for complex, innovative start-up ideas.

The concept of lbM should also be seen as a complementary and necessary instrument – a link in the chain, as it were – for the individualised consultative coaching service for start-up projects from Brandenburg's universities, identified by these structures, located between the setting up of a complete (as much as that is possible) business plan and the immediate foundation or entry into the market.

Objective and general design

The objective of lbM has been to identify, classify and coach innovative and technology-oriented start-ups. Broader idea has been the enhancement of knowledge-transfer between science and industry. lbM offers professional consultation and coaching for innovative technology-based start-ups in the Federal State of Brandenburg. The target group has been start-up projects and young companies based on an in-house developed innovative technology (service or product) with regional or (inter-)national standard. The business location of the new company had to be within the state of Brandenburg. The pilot action has been running in cooperation with Brandenburg State Agency for Structure and Labour GmbH (LASA) who offered the same support for knowledge-based start-ups. The funding for the pilot action was provided by the European Social Fund and the Federal State of Brandenburg (ca. 400.000 EUR; 35% administration, 65% to beneficiaries). The project VBN InnoReg enabled the international comparison of lbM with other projects and the documentation in English. The project has been running from 1 August 2006 until 31 March 2008.

lbM offered professional consulting and coaching by placing outstanding experts as individual coaches to the service of the start-up. During the whole piloting programme, 40 start-up projects were supported. Focuses of provision of services are creation of business-plan, definition of the business strategy and financial budgeting on an individual basis within the following modules:

- § feasibility study,
- § market analyses,
- § financing,
- § marketing and distribution,
- § controlling and
- § organisation.

Participation for start-ups and entrepreneurs in an initial state has been for free.

Final results

From the model project “Innovations need courage” the following essential findings for the identification of the relevant start-up potential and for the formulation of sources for knowledge-based and technology-oriented projects were made:

1. Sources for knowledge-based and technology-oriented start-up projects are to be found first and foremost in universities and research facilities outside the university context, as well as among companies or employees.
2. These start-up projects are usually so-called realisation spin-offs (economic use of the results of research – typically these are technology-oriented start-ups) and competency spin-offs (use of specific skills – typically these are knowledge-based start-ups).
3. Spin-offs from universities and research facilities outside the university context are considered a form of knowledge and technology transfers, which ensure that scientific findings are directly converted into marketable products and procedures or services.
4. Additionally, there are knowledge- and technology-oriented spin-offs from existing companies, initiated by the company itself or by employees working for these companies. Usually this sets free creative and dynamic reserves within these enterprises.

The model project “Innovations need courage” proved a practicable instrument for the picking up of identified potentials, investigating their capacities and feasibility and to feed them into a networked consulting coaching service, which nonetheless can be extended further.

Critical review

The strategic target of lbM has been to test innovative and technology oriented labour market policy and evaluate the approach. The overall demand for coaching innovative start-up projects is seen as immense. lbM staff at ZAB has easily put up the relevant contacts to disseminate the programme and to identify potential clients for coaching. Contacts have been put up with

- § the branch teams of business support at ZAB,
- § all relevant partners in the universities such as the Brandenburg Institute of Business Start-up and Business Support (BIEM), the partners of the yearly business plan competition (BPW) and the pilot service (Lotsendienst) and
- § all technology centres in the region.

The number of technology based start-up projects who asked for support via lbM was bigger than expected. The target of 38 start-ups for coaching agreements has already been reached at the end of October 2007; there were even two additional coachings. This demonstrates the need to particularly support technology-based start-ups with this coaching instrument.

Three types of founders have been identified:

- § research staff in universities and research institutes,
- § regular employees (mainly in technology based companies) and
- § entrepreneurs and businessmen with new business ideas.

It has also been easy to identify the right coach for the projects. In most cases, entrepreneurs had already contacts to bring in. Further contacts were possible via banks, business angel clubs or other cooperations.

The pilot action has been so successful that a follow-up is foreseen. The continuation of the pilot is planned with targeted 30 coaching projects in the period 1 April 2008 - 28 February 2009. However, in the initial phase, also some problems have been identified, which shall be tackled in the following period:

- § One problem can be seen in the best way to communicate the new programme. By huge promotion campaigns, the initial target group might be reached, but also other groups which are not part of the core idea of lbM (such as consultants). Thus, promoting the programme has taken place by use of existing contacts and business networks.
- § Further, financial issues in the start-up phase have been underestimated as obstacle to the programme. Hence, intensive support was given regarding financial issues. In some cases, however, financial problems could not be solved and projects were terminated.
- § Some entrepreneurs realised during the coaching that their project idea could not be realised due to market situation or other crucial obstacles. Their projects were terminated.

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