

Alcimed

Press Release

Open innovation or how to reinvent new forms of collaboration between start-ups and large groups

*Alcimed, consultants in innovation and development of new markets, reviews open innovation, and particularly partnerships between large groups and start-ups.*¹

Toulouse, 26 April 2016 – Open innovation, or the ability to innovate beyond one's usual boundaries, has gained in importance during the last 10 years with the deployment of digital tools. In particular, we see it represented today by various forms of partnerships between large groups and players in their ecosystems, especially with start-ups. **For these 'win – win' partnerships to become sustainable, traditional working processes must be optimised.**

'Win – Win' partnerships

Large groups benefit from the flexibility, agility and dynamism of start-ups to **accelerate their innovation** in an unstable competitive and technological environment and to **boost their portfolio** with innovative and frequently complementary solutions. Start-ups rely on the large groups to **accelerate their growth**. The large group generally also acts as the **first customer**, which enhances the start-up's credibility with banks and other potential customers.

The method of collaboration is therefore supposed to be virtuous for both parties. Furthermore, large groups often put forward successful partnerships to develop the **innovative culture of employees**, or even entrepreneurship, and to boost innovation.

Numerous initiatives set up by large groups

For 10 years, large groups have structured this partnership approach and the resources implemented to harness innovation outside the company are continually increasing, particularly through:

- **Making technical equipment and premises available**, or setting up incubators for the start-ups with which they want to form a partnership. For example, this is true of the Airbus Bizlab or the Orange Fab, which accommodate start-ups and/or give them the resources to finalise their products or services and to develop their business. *"We can also mention the IRT Jules Verne digital manufacturing plant, supported by Airbus, Daher and DCNS, amongst others. This plant, Fablab, has 20 self-service workstations including key technologies such as 3D printers, 3D scanners, laser cutters, etc."*, says Laurie Rey, Alcimed Project Manager.
- **Making employees available** to advise and support a start-up and to encourage its development. This team is a **real interface between start-ups and the partner company's inner workings**, to provide regular monitoring and ensure the solutions proposed by the start-ups are consistent with the large groups' needs. **Others even dedicate a sponsor or mentor, to advise the start-up and help it in its development.** Within the Oracle group, a team made up of marketing, human resources, sales and other professionals is responsible for supporting a start-up over a year. *"The organisation of large groups goes even beyond this, since new positions are sometimes created to develop and oversee partnerships. So we are seeing positions such as*

Awareness of large groups

The large groups are aware of their employees' changed mentality and are therefore adapting to their desires to be entrepreneurs. In 2013, 9 out of 10 CAC 40 companies [CAC = *French stock market index*] had created or were associated with a business incubator. 35 participative innovation units and 12 expansion units have also been created (source: *Dièse/Banque Publique d'Investissement*).

¹ This press release follows a study carried out by Alcimed, directed by the Midi-Pyrénées business incubator, as part of the Regional Innovation Strategy. (Project jointly-financed by the European Union. Europe is committed through the European Regional Development Funds or European Social Funds. Operation supported by the French government / National Development and Regional Development Funds.)



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Partnerships Manager or Open Innovation Manager appear. We are now seeing that these people can also come from the world of start-ups", says Laurie Rey.

- **A financial contribution from large groups**, which may take the form of financing a development project, a capital investment in the start-up, or acquiring it. Aware of the growth opportunities represented by French start-ups, now recognised worldwide for their wealth of innovations, many large French industrial groups have created investment funds. This applies particularly to EDF, which has launched the Electranova Capital fund for energy start-ups specialising in innovative environmentally-friendly technologies.

But those involved need to continue maturing this new operating method by adapting themselves to work better together and improve the impact on their results

Despite these efforts at organisation, setting up partnerships is complicated by the differences in structure, objectives and even in culture or values between large groups and start-ups. **Large groups need to be reassured about the long-term potential of start-ups and progress of the work, and they want to be able to collaborate as equals with no risk of imbalance in decision-making or for their PI, otherwise this could act as a brake to Open Innovation.** As an example, the payment times used by large groups are not compatible with the cash-flow requirements of start-ups. In addition, the structures created within large groups must demonstrate their ability to convert their collaboration into partnership contracts.

For start-ups, the management team must be structured and built to convince large groups that their businesses are reliable and sound, and hope to be selected in their programmes. *"Very often, the directors of start-ups remain too focused on the technical aspects of their innovation and forget the sales & marketing side, which is the key to promotion in front of a potential partner"*, recalls Laurie Rey. In addition, start-ups must also protect their innovations through support from intellectual property specialists, in order to be able subsequently to forge partnerships confidently with large groups.

Thus, the main issue in partnerships between large groups and start-ups is to adapt operating methods to make them more fluid and to position them with the aim of converting these collaborations into tangible economic results for both parties.

ABOUT ALCIMED

Alcimed (www.alcimed.com) is a consultancy company in innovation and development of new markets, specialised in life sciences (healthcare, biotech, food processing), chemistry, materials and energy, as well as aeronautics, aerospace, defence and Public Policy. Alcimed counts on a team of 180 employees, sub-divided by sector and able to handle extremely varied missions from marketing & sales subjects (market surveys, targeting new needs, positioning a new product, etc.) to strategic issues (development strategy, research & assessment of acquisition targets, organisation of an activity, design/assessment/deployment of public policies, etc.). The company's head office is in Paris and it also has offices in Lyon and Toulouse, as well as in Germany, Belgium, Switzerland, England, the United States and Singapore.

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