

“Knowledge to Market,,



**International Conference on Knowledge Based Development
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Financing Innovation

Talents and Risk Taking to Boost Knowledge Intensive Economy

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Knowledge to Market



policy



finance



market & sales



infrastructures

knowledge based products
seed finance
incubation & acceleration
knowledge based regions



Starting somewhere

- Young people are leaving our cities
- Our SMEs stay “micro”
- We get older and older.....



Starting somewhere (2)

- Is technology a solution?
- Is SMEs driven approach a solution?



We must make the best out of what we have

Our young talents,

their ambitions and willingness to take risks



Knowledge – creativity - as driver for development



Source : Richard Florida



Knowledge - creativity

- The competitiveness of our regions needs to rest on the **creativity of the women and men** living there
- Contrary to raw materials, knowledge and creativity of a population are an inexhaustible, renewable resources provided that
 - their **learning is promoted**,
 - their **fulfillment is encouraged**
 - while **rooting talents** in the territory



A transition we struggle to understand

- 0 The input is knowledge
- 0 Research is one of the channels through which knowledge can be acquired. (But it is not the only one)
- 0 A growing importance of the talents (human capital) against the technological capital (**attitudes** and **skills**)
- 0 The public sector is called to change its **intervention logic**
- 0 A growing importance of **networks** and **relationships** in the innovation process
- 0 A growing influence of **boundary conditions** on the efficiency of the knowledge transfer process



*“... Europe needs to foster **entrepreneurial drive** more effectively. It needs more new and thriving firms to reap the benefits of **market opening** and to embark on **creative or innovative ventures for commercial exploitation on a larger scale**”*

*.... “**Entrepreneurship is crucial to competitiveness**”.*

The Green Paper on Entrepreneurship in Europe, COM(2003) 27 final

Creativity + Entrepreneurship = KICs
(Knowledge intensive companies)



Knowledge Intensive Companies

ambitious entrepreneurs
fast growing market
intangible assets

They are small in numbers but cover a critical role

- strongly affecting employment
- playing an increasingly active part in Global Markets and Value Chains: initiators

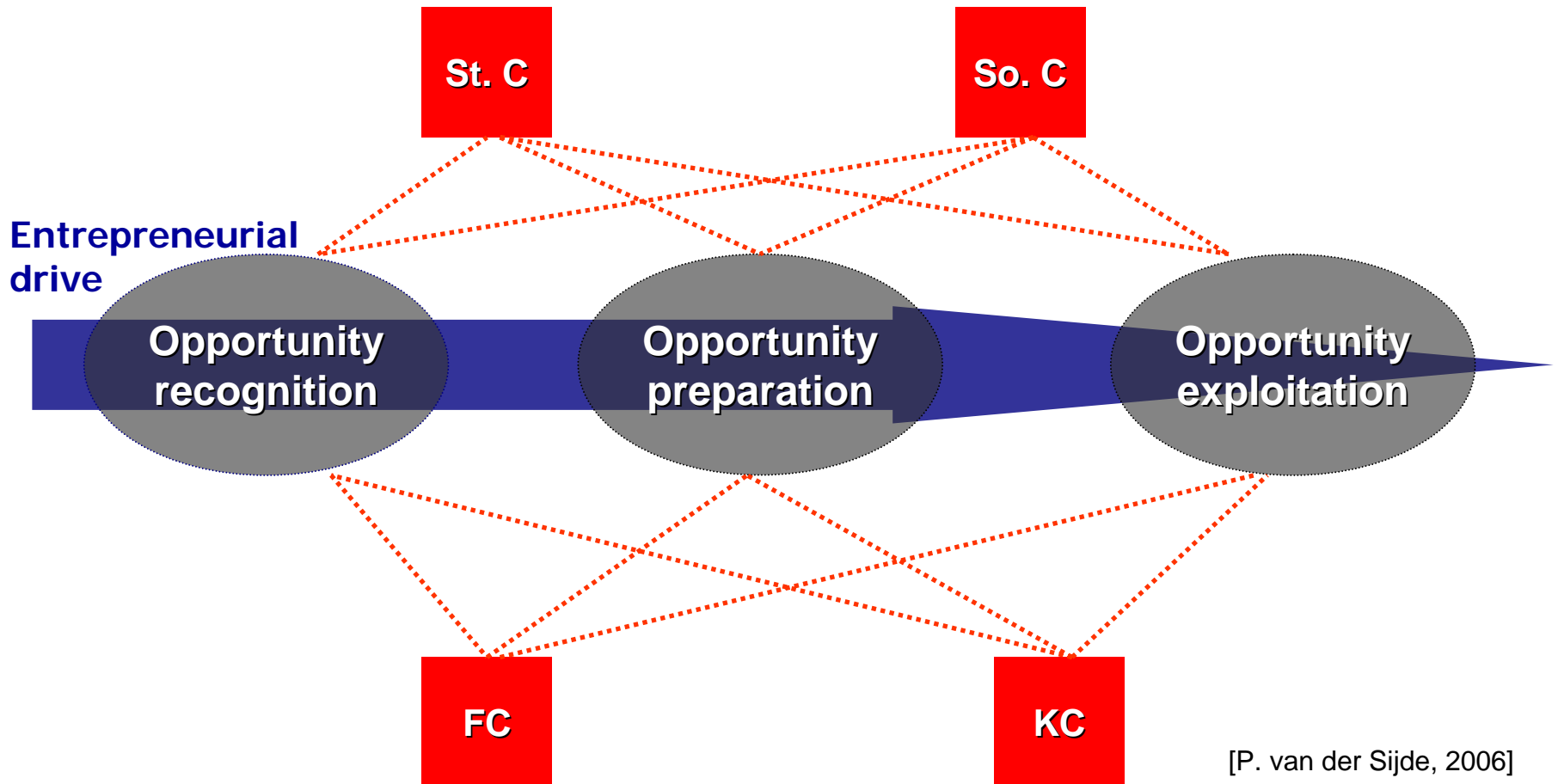


Knowledge Intensive companies

- Quality and quantity employment: 2% of new companies produces 50% of new employment in Europe and 70% in USA
- Dynamism of the economy: Nokia alone has changed Finland physiognomy and perception
- Creative destruction: today AT&T only exist as a brand
- 75% of Fortune 500 did not exist 25% ago



KICs KIRs a dynamic interaction





Promoting the entrepreneurial spirit



KICs

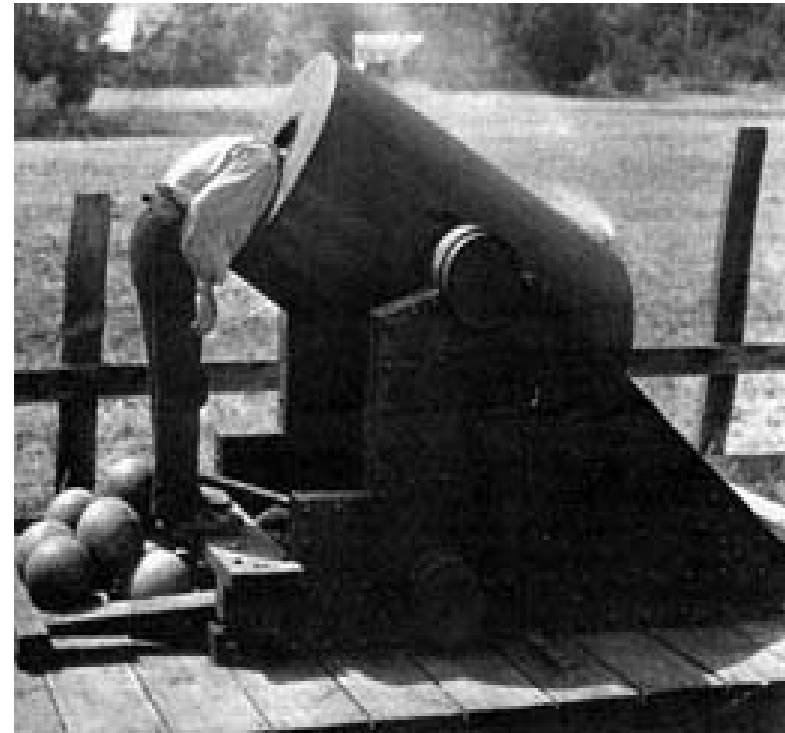
3 Key issues



3rd "issue"

Knowledge intensive
companies need (a lot
of) money!

3 Fs (Fools/Founders,
Family, Friends) are
not enough!





Smart Money... (Finance is not enough)

- o investment readiness/ready
- o Mentoring and (training)
- o Acceleration (not incubation)
- o Internationalisation – cross border
- o The added value of business angel investment



All the money is not
the same

(Christian Saublens, *Eurada*)





Financial tools for KIC (what we miss)

- o Pre-seed facilities
- o Proof of concept funds
- o Business Angels
- o Seed funds



All the money is not the same

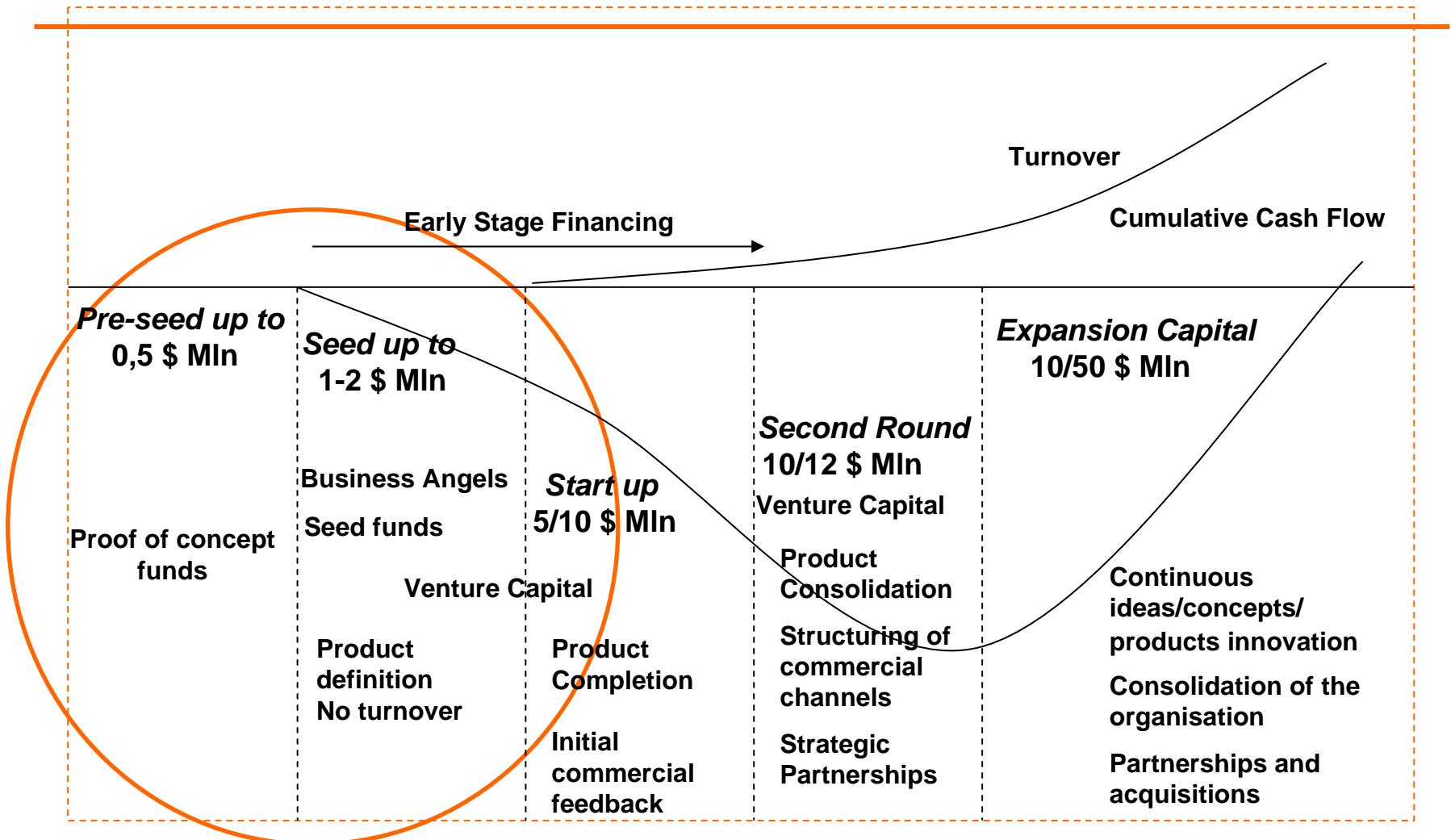
(Christian Saublens, *Eurada*)

governmental and
love money may
not be the best
choice



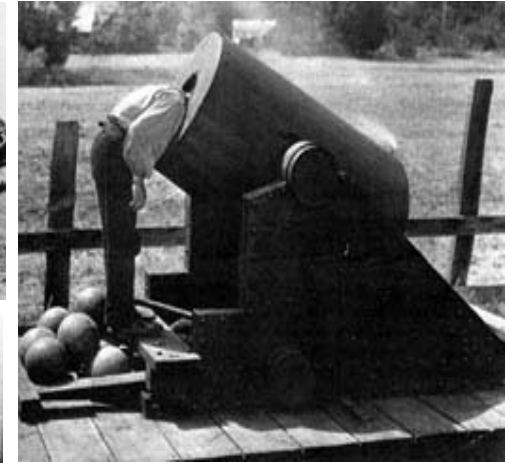


EARLY STAGE RISK FINANCE (and more)





Risk taking and risk rewarding





Pro Promoting the entrepreneurial spirit



Our experience

Ingenium
il Seed Capital in Emilia-Romagna



To start



You need an entrepreneur

- To have a **business** not an invention
- To have a core **team**
- To have **financial** resources

To make money is not the only motivation

(but is how the shareholders
measure **success**)



The Business plan

- The simpler the better
- Excel financial projections do not matter as much as you think
- All the money is not the same **governmental** and **love** money may not be the best choice



5 keys to succeed

- Team
- Team
- Team
- Product
- Market

A poor team ruins a great project



The team

- Serial entrepreneurs
(If “freshman” have the “proper board”)
- A manager is not an entrepreneur

Requirements

- Ability to deliver
- Ambitions
- Expectations



FAQs

Investors

- Want their money back
- Want more (much more) than they put
- Want to know when
- Want to measure the risk

Dilution

Consider the **whole pie** not just the percentage represented by your **slice**

Squeeze the founders out

VCs want and need **motivated** funders



Common “weaknesses”

- Too little market **ambition**
(no willingness to go global from day 1)
- People think too **small**
(be ambitious but do it by milestones)
- A Business is different from an **R&D project**



TIPS

- Have a simple and transparent structure
(this is why universities can represent a problem, they are never simple and transparent, better a license agreement)
- Have milestones
- Learn to “pitch”



Nice to know

VCs invest in 1% of what they see

- 20% results in a total loss
- 20% succeed
- 60% survive



Pro Promoting the entrepreneurial spirit



Investing in talents

Ingenium
il Seed Capital in Emilia-Romagna



Ingenium

Il Seed Capital in Emilia-Romagna



EARLY STAGE FINANCING

SEED FINANCING

START UP FINANCING

Spin-off and Start-ups
with no more than 36 months
Located in Emilia Romagna



Intervention modalities

- o **Equity Investment**
- o **Temporary/minority position (max. 45%)**
- o **Successive rounds investments**
- o **300 - 500.000 € average per investment up to 1 million €**



Investments



PharmEste Academic Spin-off of University of Ferrara - reduction Neuropath Pain and Vesicular Hyperactivity.



Techgenia Spa: spin-off from Solgenia Spa. Informatics reliability and security through network appliances.



RaySolar: two researchers from Italian National Research Council (CNR) and two young economists production of hi-purity solar grade silicon.



H.D.S. Headmost Division Service, Facility Management.



Intrauma: medtech start-up, innovative screws for the reduction of fractures.



Passpack: online password manager with impenetrable cryptography, for companies and privates.



“It is not difficult to learn new things but to quit old habits”

Thank you for listening

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