

Q-light

Spending Quality Time on Quality Issues



IQ — On this issue of Q-Light some members of our community will be shedding light on those key factors which characterize their BIC, starting from the findings within our Quality System. We have interviewed, Luigi Campitelli, director of BIC Lazio in Italy and EBN president, Joe Greaney, director of WestBic in Ireland and Pascal Hurel, director of Synergia in Caen, France. We thank them for their availability!

QI— Other highlights from our Quality System!

Q-light is also on LinkedIn. Why not use Web2.0 technologies to facilitate collaboration between us? You are welcome to join the group!

Last, but not least, I hope you won't disapprove a little commercial space... Click [here](#) to check out EBN's 1st BIC Master Class on investment readiness. You might find it interesting.

We hope you will enjoy the second issue of Q-light!

Giordano and Gonçalo

IQ | Quality talks with 3 BIC Directors



Luigi Campitelli



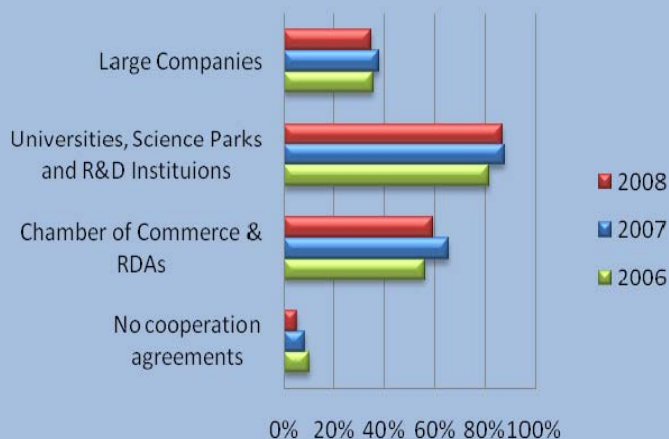
Joe Greaney



Pascal Hurel

EBN's quality system enables us to highlight some relevant key issues in which the BICs are involved in, as well as some key features that characterize the BICs themselves. We asked three BIC directors to analyze these aspects and to share their experiences and views with the rest of the network .

BICs' strategic alliances



The 2008 data show that BICs are more and more cooperating with universities and R&D institutions. During the past 3 years the BIC community has slightly increased its level of co-operation within the regions where it operates. Indeed it is worthy to notice that in 2008 only 5% of the BICs reported not having established cooperation agreements. If compared with the figure in 2006 it brings to a variation of – 45%!

Joe Greaney, director of WestBIC, in Ireland, what is your opinion in this respect?

“Talking about strategic alliances, it is extremely important for BICs to realize that they never create alone. They are constantly involved with relevant stakeholders. These



could include Chambers of Commerce, universities, regional authorities, municipal authorities, public agencies and so on. It is so important that BICs ensure that they market their brand as an international association with these various stakeholders so to ensure that these people constantly look at the BIC in the region as the internationally connected agency or organization. For example, many different opportunities, such as international programs, are regularly offered to the BIC and are then passed on to the relevant stakeholders, thereby bringing them into their activity, helping them experience an internationalization event, helping them increase their own network of partners also overseas, bringing benefits back to the region and ultimately back to SMEs... so that is exceptionally important for BICs and I think they do and can continue to do more of these kind of activities for the benefit of the stakeholders. Ultimately the relation with the stakeholders and with the region is improved because you are adding value all the time so, rather than asking the stakeholders for something you are actually giving them something. So, I highly recommend that approach.

The analysis of the key qualifications and of the areas of expertise of the BICs, highlights how **internationalization** is becoming a more and more fundamental service that entrepreneurs expect to find within BICs. Almost 60% of the BICs have prepared themselves accordingly.

Luigi Campitelli, Director of BIC Lazio, Italy, can you provide us with your opinion?

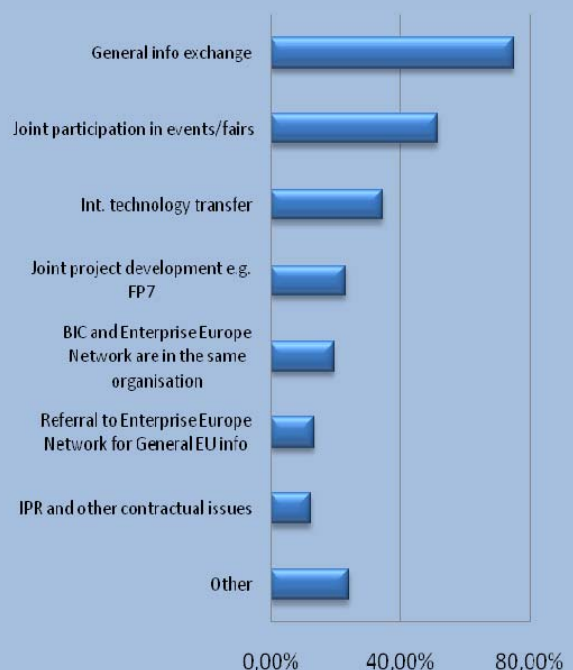
"the global crisis is for sure impacting all the SMEs, and the exit strategy for the crisis is to have SMEs more internationalized, to support SMEs acquire stronger relationship at the international and transnational level. That's the way out from the crisis. In such a context BICs are the proper tool to support the internationalization processes of SMEs. BICs are on the border between local level and global level. They are the typical glocal organizations. This is an area where BICs need to develop appropriate tools in the near future, since it does represent a wide market opportunity."

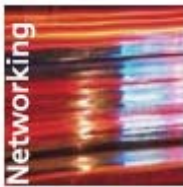
Mr. Greaney, how important is it for WestBIC to support internationalization processes?

"Peripheral regions, in particular, have a great need to connect to the larger market. In our region, for example, the domestic market is quite small and it is important for us, as an open economy, to have extensive contact with similar sectors in other countries. But I think this internationalization process needs to begin very very early. I believe that even the newest potential entrepreneurs need to be connected to R&TD communities distributed as globally as possible. You cannot benchmark your competitiveness unless you are connected to an R&TD commu-

Key qualifications - Area of expertise	BICs (%)
R&D / University spin-off / High-tech SME creation & support	62,16%
International co-operation / SME internationalization	58,56%
Legal advice to enterprise creation / commercial contracts / Intellectual Property Rights (IPR)	53,15%
SME financing / Seed capital and venture capital / Growth financing	41,44%
Advanced use of ICT for SMEs development, e-learning, e-commerce, etc.	11,71%
Policy making advice (at EU, national, regional level) & experience in drafting large scale cooperation programs	4,50%
Human resources development (including labor market development, rural development)	3,60%
Commercially organized promotion of either SMEs or regions	2,70%
Other	4,50%

BICs and the cooperation with the EEN Network





...nity that is functioning at a global scale. Only then you are ensuring that you are keeping everything up to date, so by the time you have IP, the IP is benchmarked across the best in the world, by the time you go to market it is benchmarked across the best in the world and by the time you approach the venture capital community, you are in a stronger negotiation position with an internationalized business plan attracting external capital and having your company "Born Global". So, I believe this is a key natural advantage, as an international association, that we bring to SMEs in our region."

Focusing on financial services, among the 98% of BICs which report providing this type of assistance, over 93% use contacts with informal investors and/or business angels, and promote participation to public financing through programs and/or projects. Around 80% of the BICs provide entry to seed capital providers, to venture capital after the seed phase and provide entry to normal bank loans. One fourth of the BICs supply financing from own resources.

Nevertheless there is a feeling that financing seems still to be the main difficulty, also for a skilled entrepreneur with a sound business plan.

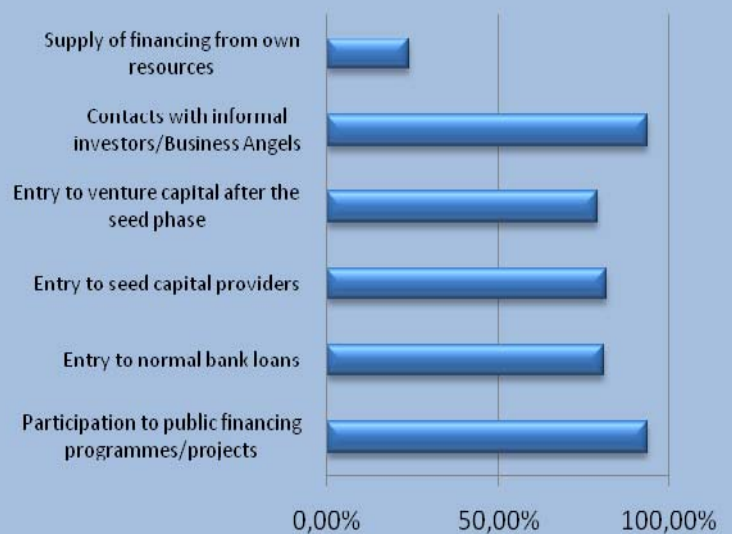
Pascal Hurel, what is BIC Synergia, in France, doing in this area?

"To find the working capital to launch and consolidate the activities is the real problem which young innovative entrepreneurs still face today. The first difficulty is to find early stage capital. In France we are definitely missing Seed capital, so we have to resort to business angels networks. We have created a network called "Norm-Angels" to make it possible to search for proper funding before going to meet banks or venture capitalists. I think that this difficulty is a characteristic of the French market. The best way to overcome it is probably to favor at national and European level, the creation of funds, or of seed-capital companies, completely dedicated to innovative start-ups."

Mr. Greaney, what about WestBIC?

"It is one of the primary duties of a BIC is to be familiar with all the areas of financial engineering for the start up process. The provision of working capital, the sources of working capital, how it is financially engineered, how the Business plan is structured, how to negotiate with the different forms of capital and how to do the best deal for a possible start-up SME are expertise areas unique to BICs. The BICs can even take it a step further. You can be the creator of those sources. In Ireland, we have pioneered the whole area of the private equity market, including the development of seed capital funds, the first back in the 1989 - 1990. We developed our first "national" fund and two further funds have been developed subsequently. We collectively developed, with our partner Dublin BIC, the process by which these funds are managed, which is a knowledge area that not many organizations can pretend to know. In the more recent times we developed the national Business Angel Partnership (BAP) which brings delivers the third dimension of SME finance. Through this important form of equity financing, we animate a matchmaking service to bring high networked individuals face to face with high potential startup companies. This is also an excellent way to generate a syndicated financing deal. So we get one Business Angel to take an interest, we get the bank to take an interest, we get a venture fund to take an interest and the state often takes an interest. At the end the company benefits by inputs of knowledge capital and quite a decent amount of working capital and the investor benefits by getting involved in the formative stages of higher potential startup companies while sharing the risk across the syndicate. I believe that such a comprehensive and holistic intervention in this key ingredient in the development of high potential innovative startups sets the BICs apart as enterprise support intermediaries in the market."

Financial services offered by BICs





The definition of innovative tools is a must to support the entrepreneurial communities of your areas. **Mr. Campitelli**, what services and tools have been recently developed by your BIC? Are these transferable to the network?

"BICs are changing strongly their business model in order to face the new challenges. In the past our community was much more focused on enterprise creation, on the support to new innovative business ideas. In the last couple of years we are improving our activity in an area that we can call business development meaning by this, supporting SMEs in finding new markets and new innovative solutions for their businesses. That is what we are doing in BIC Lazio. We are moving our Business Model from a model exclusively oriented to business promotion, to a model which takes into account business development activities. We are increasing relationships with already existing SMEs, we are increasing the activity in terms of cooperation among SMEs, we are increasing the company renewal processes. In such a context we are applying several models together with other organization for example the European Space Agency and other large companies operating in the region. Such models could be transferable to other BICs in different ways, always taking into account the different territorial realities."

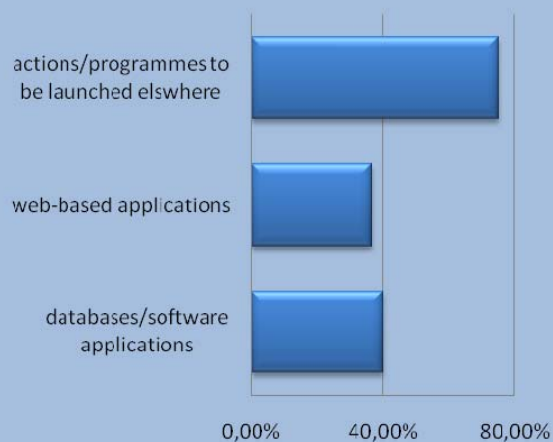
Mr. Hurel, what about Synergia?

"We have developed, within our BIC in Normandy a network of actors composed of an academic incubator, our BIC, various incubators and a business angels network, which form a very coherent group allowing us to succeed in the task of creating and supporting innovative enterprises. This means that the business service supply chain is today really operational. For example we have launched a competition called "the entrepreneurs of innovation" to detect each year innovative projects. These projects are properly evaluated and according to their needs they might be directed either to the academic incubator, for their technological maturation, or to BIC Synergia for the elaboration of the business plan or the funding scheme, and then subsequently these are presented to the business angels networks, or to venture capital companies. We have also the capacities to host them into our thematic incubators: the incubator Plug and Work and Norlanda, dedicated to the nautical sector. If you ask me if all this can be transferred to other BICs, the answer will be yes and no. There is always an adaption to the local realities. The network of actors which we have built is a local specificity, but of course the tools we use in the network can be transferred, always respecting the local practices."

Mr. Campitelli, besides being director of BIC Lazio you are also president of EBN, so we would like to take this opportunity to ask you, what has changed and what has remained constant in the BIC community during these 25 years of experience?

"Of course what is constant is that BICs are not consulting companies. BICs are organizations focused on supporting small companies in designing new ideas, in looking for new opportunities. It means that BICs have to fill a market gap, a market gap in the support for innovative small, and sometimes, micro companies to become more Europe-oriented and more innovation focused. This is definitely a social interest activity. It needs public support and in such a context sustainability is much related on how are European funds and activities managed. What is different. Maybe the original model of Public-Private Partnership is not exactly the same, reflecting the changing governance models within Europe."

Development of transferable practices and tools



Focus on actions/programs/practices to be launched elsewhere





QC | Comments

We received a comment on Gigi Wang's article "Perspective on Innovation from Silicon Valley" appeared on the last issue of Q-Light....

What strikes me in the contribution of Mrs. Gigi Wang is the cultural aspect of doing business successfully. The word price-competition is not at all mentioned nor the often stated necessity to keep the BRIC-countries at bay.

Two of her "soft" drivers stand out : risk-taking and collaboration. It is a central element in the mission of the BIC to foster entrepreneurship and a risk-taking attitude, but it is obvious that in our societies we often don't go with the flow, but strive to counteract the attitude of going for security. It means that- even more than many of our BICs are already doing- the centres should be enrolled in entrepreneurial education and exchange schemes on lower, middle and higher level. We cannot change the culture on our own, but we can contribute significantly to the goal of having a continuous flow of entrepreneurial projects in our regional communities influencing the way of thinking at the same time.

Successful collaboration includes the elements of accessibility and integrity to a high extent.

A pile of handbooks has been written on cluster and open innovation cooperation, but the proof of the pudding is in the eating: one should not only study it, but do it.

As I have encountered the essential factor which distinguishes the more successful regions from the others is the power to organise the cooperation between enterprises, R&D, financiers, government and other players now and in the near future continuously. All based on getting championships in the marketplace: business partners- together and dependent on each other- pushing new products and services forward.

Looking back at many evaluations of our BICs for the EC-BIC Logo I have seen fantastic examples of the contribution to this "knitting the network", also where the BICs take away the frustration of having to deal with an overdose of regulations. Those BICs have acquired and work hard to maintain a position in the regional cooperation network solving at the same time the issue of how to serve their graduated companies. It goes often beyond the support to get a new product launched or developed, but it involves the whole business model influenced by the various partnerships of the specific client-enterprise.

Much more can be done, but the perspective of a on-going successful BIC is in being and staying a recognised partner in this ever shifting set of regional cooperation structures.

Jacques T. Pronk,
EBN Senior Advisor.

BIC MASTER CLASS — Course #1

"Excellence in investment readiness and new trends in entrepreneurial support"

Brussels: 02-03 December 2010

eQ | webography

1. New ventures must adapt — William A. Sahlman, Harvard Business School
2. Interview with A.G. Lafley, Chairman and CEO, Procter & Gamble (EBN partner)
3. Q-light on LinkedIn, join the group!



QI | Quality Info

Key Sector	Variation 2007 - 2008
Advanced materials	8%
Aeronautics and aerospace	4%
Agriculture technologies	3%
Automotive	9%
Business services	13%
Commercial services	10%
Energy technologies	-2%
Engineering	4%
Environmental technologies	-4%
Health and personal care products	-4%
ICT	-16%

Did you know that the Business Services sector registered a 13% increase, and became the main sector in which the BICs and its clients are active?

Did you know that more than 65% of the BICs have reported to be involved with Energy Technologies and Environmental Technologies?

Did you know that ICT is still the second main sector in which BICs and its clients are involved, despite the negative variation of 16% compared with 2007?

Did you know that since 2008 EBN runs and promotes **four Thematic Working Groups**?

- **CLEAN TECH BICs**— Click [here](#) to learn more
- **MARITIME BICs** — Click [here](#) to learn more
- **FOOD BICs** — Click [here](#) to learn more
- **ICT BICs** — Click [here](#) to learn more

Did you know that more than **50 BICs participate in these Thematic Networks** and organize regular meetings to discuss upon EU projects and other issues?

Did you know that since 2008 more than 12 Thematic Network meetings and events were organized ?

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You can now join the **Q-Light Group** in **LinkedIn**—click here:



For more info, download the **EBN 2009 Annual Observatory** [here](#) and the **Country Observatories** [here](#)