



## Newsletter n.2/2015

### Mapping the European entrepreneurial ecosystem ENDuRE completes first milestone



After sending more than 40,000 emails, and analyzing over 500 questionnaires, the ENDuRE team completed the entrepreneurial ecosystem investigation, which is the first result of the whole project. Indeed the entrepreneurial ecosystem understanding represents a fundamental starting point to properly define the detailed set of requirements for performing the second step of the project, that is the development of an education and training programme aimed at increasing the resilience and competitiveness of European startups.

The investigation, which was led by the Technology Pole of Navacchio and the University of Pisa in collaboration with all the project partners, aimed to analyze the Entrepreneurial Ecosystem of each partner country, Italy, the United Kingdom and Denmark. The objective was to analyze the structure of these ecosystems and their needs in terms of entrepreneurial education and training, supporting services and networking activities, as expressed by the stakeholders who are part of them. Each target group was addressed through a specific questionnaire that took into consideration its peculiarities and the characteristics of the entrepreneurial ecosystem of each country involved in the project.

The target groups taking part in the entrepreneurial ecosystem investigation are:

- Business/Trade Associations
- Enterprises
- Fab Labs
- Faculty Personnel
- Investors
- Public Bodies
- Science & Tech Parks, Incubators and Innovation Poles
- Startuppers
- Students
- Universities

The analysis of the responses followed two parallel paths: on one side, each target group was studied separately in order to investigate the differences between the three countries; on the other side a comparison of the responses from all the target groups was made to properly study the strengths and the weaknesses of the entrepreneurial ecosystem of each country.

The ENDuRE team will now use the investigation results to develop a programme that satisfies the needs of each stakeholder group identified. The final report is now available at [www.endureproject.eu](http://www.endureproject.eu).

## IDEA successfully completed the “PRO-PROJECT”



By the end of March IDEA successfully completed the EU funded “Pro-Project”. The focus of the PRO-Project was to train and support growth entrepreneurs so that they become more efficient in the start-up and development process. The prospect of job creation was essential to becoming involved in the programme, and therefore growth opportunities were continuously assessed.

The aim of the PRO-Project was to establish and implement a programme for growth entrepreneurs, where:

- the creation of businesses and jobs is a key screening criterion from day one, and continues throughout the process. Projects are deselected if they no longer have a stated vision of creating at least five jobs;
- participants learn entrepreneurship as a method that can be repeated, and not as something unique that you have to manoeuvre through in a haphazard manner and with well-intentioned advice;
- the Eco-system surrounding entrepreneurs acquires methods that ensure that the right resources are used at the right time.

The PRO-Project content is structured around courses, camps, workshops and online toolkits.

As individual projects reached their milestones, participants had access to more and more services in the form of resource people who could provide guidance and assistance in the necessary fields. The PRO-Project targeted highly educated high-growth entrepreneurs in the Region of Southern Denmark’s three prioritized clusters:

- Health and social innovation
- Sustainable energy
- Experience industries

Read more on the PRO-Project website here <http://idea-sdu.dk/en/projects/se-flere-projekter/the-pro-project/>

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# Launching a start-up? Here's why you should focus on early sales

*Passionate about entrepreneurship and innovation, Charles Naud, Innovation Sourcing Manager at [iVeridis](#), uses his experience and exposure to London's start-up scene to reflect on funding against sales strategies.*

Companies in general have two lifelines: they can either generate profits through sales or receive some type of financial backing. In the world of start-ups, financial backing is synonymous with a high growth strategy and one main objective: monetary gains. Sales, on the other hand, are a sign of market demand and subsequently lead to your idea being implemented. In other words, sales mean product success.



Obtaining funding is far too often perceived as the most favourable means of sustaining a start-up. So much so, that some entrepreneurs seemingly embark on their venture with only one goal: raising series after series of equity funding.

Sure, it feels good when someone is willing to invest in your idea. Receiving a bucket-load of money could also be a medium for you and your team to lead a semi-luxurious lifestyle for a while, if no one is watching that is. But how long does this cardboard glory really last? Raising funds is not necessarily a measure of how well you are doing. It's just an indicator that you fit in an angel or venture capitalist's portfolio strategy. It can also be another way of saying that you have given up a large proportion of your business, and some rights in running the business the way you want. Surprisingly, if you're a good fit for equity investment, the odds tend to be against you. Some venture capitalists typically have investments tied up in about 20 to 30 start-ups at any one time. Most of these start-ups will have a high-growth potential and that's exactly what the venture capitalist will want you to go after: exponential, quick growth. The venture capitalist will therefore dictate your company strategy by focusing on a rapid increase in revenue and profits, at the risk of you crashing and burning fast. A rule of thumb is that venture capitalists only need one star company to generate sufficient returns for their entire portfolio. So, if you have received venture capitalist funding, there is a 75% likelihood your start-up will fail (read the Wall Street Journal article written in 2012 by Shikhar Ghosh, Senior Lecturer at Harvard Business School). In short, venture capitalists don't necessarily understand or share your product vision, many just see a high-growth potential, which they want to achieve fast or move on.

Similar arguments could be made for other types of funding. Crowd funding, for example, certainly democratises the start-up world and is a great source of feedback for companies. However, it does not necessarily reward those who are likely to be successful in the long-term. It arguably favours companies with the most marketable crowd funding campaigns, which is often dependent on an offering that is easy to explain in laymen terms. Other examples are government funds and grants. In many instances, these are driven by a political agenda to promote entrepreneurship and remove barriers to entry. They don't actually focus on the success of start-ups. The UK Government Start-up Loans scheme is a prime example of this. It helps budding entrepreneurs to get set up without providing the required training and infrastructure that are paramount to success.

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Another problem with early-stage funding for start-ups is that it requires time to prepare pitches, create campaigns and apply for grants; time that is not spent building the business.

Working towards sales, however, is rarely a waste of time if done right. By talking to potential customers you almost always learn something either about your target market, your product or your competitors. Think about how the first scheduled call with a prospective client is commonly referred to as the *discovery* call. This call is designed for you to understand who you are talking to and identify the gap that exists between their needs and your offering. It is therefore an opportunity for you to *discover* how you can bring value to specific customers or an entire market segment. So even if you don't close a deal in every sales meeting, the acquired knowledge will help you improve your sales strategy.

Sales calls and meetings also provide an opportunity to validate your offering. The single, most common advice for start-ups nowadays is to stay *lean*. This strategy maintains that you should start off by only creating a minimum viable product, based on what your vision is and what clients will purchase. From then on, enhance your offering based on what customers are willing to pay for and will actually use (note: don't sell something that won't be used, you'll only end up disappointing customers). The only way you can obtain sufficient feedback to do so is by getting your product out there and talking to clients and prospects. This is arguably the safest and fastest method to creating a successful product.

*“Investing time in sales not only helps to develop the killer pitch, it also helps to deliver a killer product”*

So, investing time in sales not only helps to develop the killer pitch, it also helps to deliver a killer product. After all, isn't this is what your vision was about? So, why aren't start-ups focusing their resources on sales? The problem may lie in our perception of what entrepreneurial success looks

like. There are well-publicised, so-called success stories of start-ups receiving millions in investment, and even exiting, without revenue. Paciniain, a North Idaho hardware start-up, raised \$6 million and even exited for \$20 million before making a single sale in five years of activity. Articles about Pacinian point to the favourable treatment such stories receive from the media. This type of hype only encourages similar behaviour amongst entrepreneurs; that equates success with funding, rather than sales. Ironically, investors tend to use sales traction as the number one indicator, which leads to better valuation and investment.

A further barrier to start-up success lies in their recruitment strategy, as many don't see sales as core to their business. In the digital age, and certainly so in London's tech city, a large portion of entrepreneurs have a technical background and lack the basic skills required to bring a product to market. It's frustrating to see how much time and effort is spent on finding the best engineers or developers, but there is little focus on hiring the killer sales person. Typically, start-ups hire inexperienced business graduates, offer them a commission-based salary and see how long they last - not exactly a recipe for success. You are better off taking sales seriously and hiring accordingly. The image of entrepreneurship is at an all-time high. In part, this is due to the fall from grace of the corporate culture and due to promises of high rewards, Coronas and Ping-Pong tables, as so often documented in the media. The reality is not so sweet. A poll by CB Insights revealed that an overwhelming majority of start-ups fail because of a lack of market demand for their product. If entrepreneurs want to succeed, they should spend more time on sales and less on product development. Not only will this help avoid failure, it will also help create a great product that customers want, like and use.

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## Blue Ocean Robotics and InterGrupo deliver workshop on educational robots in Spain



Why not engage the outstanding mental capabilities of today's youngsters in modern education?

Ana Fernández Mera, director at Lideria Excelencia, education consulting company based in Avilés, opened the workshop with the following illustrative example: "Just think of today's students. While they are at home, their TV is switched on, they play Second Life on tablets, at

the same time they are chatting with friends on WhatsApp and messaging classmates to complete group assignments. The next morning they go to school. What do they see there? A desk, a book, a notebook...It looks like real life is left behind the school doors? So why not engage the outstanding mental capabilities of today's youngsters in modern education?". The effects of the socio-educational robots are a stronger feeling of security and peace, less anxiety and aggression, more positive extrovert behavior and better cognitive stimulation. "If students are so used to technology in their everyday life, schools shouldn't lag behind. Otherwise, instead of leading the young generation ahead they will be holding it back", says Sabina Kethelz of Blue Ocean Robotics. "Educational robots are already used in several schools in Denmark and we receive many positive feedbacks."

Learn more here: [http://www.blue-ocean-robotics.com/en/news/15\\_03\\_23-blue-ocean-robotics-and-intergrupo-deliver-robotics-workshop](http://www.blue-ocean-robotics.com/en/news/15_03_23-blue-ocean-robotics-and-intergrupo-deliver-robotics-workshop)

## The role of mentors in helping talented people to become entrepreneurs

*Emmanuele Angione, entrepreneur, co-founder [Winmedical](#), founder Angionata, tells his experience as a mentor for IV-Tech, a University of Pisa's spin off.*

I have been involved in the PhD+ programme of the University of Pisa since 2011 and have always been fascinated by the number of tech guys with an incredible talent and passion for their ideas. It is always hard to find, in other contexts, this interesting marriage between technical backgrounds and entrepreneurial spirit. Still the journey to becoming an entrepreneur and building something from the ground up is a long one and full of unexpected turns and roadblocks.

It has been quite an interesting journey for me as an entrepreneur so far. I was lucky to make a lot of mistakes and learn from them. I was even luckier when on my path I met likeminded people with a lot of experience in setting up



companies and successfully selling them or failing in doing so and learning invaluable lessons. From them I learnt we are not alone in our journey and not isolated from the rest of the world. We have a mission and we are led from our passion to “make/create” something from scratch. We live to generate values in different forms and it is only by doing it and sharing our experience with others that we can make a real difference.

No entrepreneur is a one-man-show. There are individuals out there who can inspire us and can benefit from our experience and expertise. Only by sharing and living the values of entrepreneurship we can contribute to the formation of a real community of talented individuals becoming day by day, step by step young entrepreneurs.

IVTech is a University of Pisa’s spin off company that designs in-vitro technologies for the development of physiologically relevant tissue models and for the reduction and refinement of animal tests. The company participated in several support initiatives organized by the University to sustain the valorization of research outputs. IVTech succeeded in some very important business competitions such as *Start-Cup Tuscany* and *Marzotto Award*.

On my journey, I met in 2013 Tommaso, an engineer from UniPi who decided to go for the PhD+ programme. He is a typical example of a smart Italian post-doc with a strong technical background, curious to learn and discover a completely different world from the academia.

My first impression was of a soft-spoken person with an incredible determination to bring his idea from the laboratory to the marketplace.

That determination convinced me to become his mentor and start a new journey together.

He went from working on a desk filled with paper to a real lab, where he was able to develop his first product prototypes. He went from talking with students and discussing their dissertations to speaking with potential customers/commercial partners/users/accountants/ and many more with roles and background he had never even considered. But he was determined, curious and not afraid of making mistakes. Above all, as far as I was concerned, he was listening. He was listening to the advice of people who did it before him and learning a lot in the process.

In 2014, we decided together to apply for a big start-up competition in Italy and it did not go well. The work to complete the product development and test the market was continuing nevertheless. By the end of the same year, Tommaso signed a first distribution agreement with an Italian distributor. Early this year, negotiations started with a German distributor to bring his products to international markets. A few months ago, he signed the distribution agreement with the German partner. You can read tons of books and articles on start-ups, marketing strategy, team creation, funding strategies, etc. At the end of the day, what really counts is to have a product that sells. One of my first recommendations to Tommaso when we met for the first time was: “do not chase investors, chase customers”. This year we decided to apply again for that big start-up competition, [UniCredit Start Lab](#), and guess what, [IV-Tech](#), Tommaso’s company, arrived third in its category on a national level. Was it for his/our ego? During his pitch the judging panel included decision-makers from big companies who are potential industrial partners.

Another small piece of advice I shared with him can be sum up in this sentence: “do not waste your time, be pragmatic”. With Tommaso I learnt a lot. Especially how to become more effective in communicating and sharing my experience. You would be surprised, in my opinion a great mentor - mentee relationship is a two-way communication where both parties can learn a lot. “Do not recite a monologue when mentoring someone, try to understand them and their expectations.

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Find a way to make them digest your advice smoothly and without hiccups”. It is really important to assess the mindset of the person in order to develop a relationship with them before deciding if you are a good fit to be their mentor. This is key. No one likes wasting time and becoming an entrepreneur requires energy, stamina, resilience, passion, determination and dedication. I would not bother my readers in explaining how we structured this relationship and how much time I am dedicating to it on a monthly basis. As a mentor, I like first of all listening to my guys, understand their personalities and needs before making sure that my advice is really what they need. I always try to find a way to convey it in the best possible form for them to be completely “digested” and becoming entirely part of their experience.

Applied mentorship consists of an intense transparent effective way of communicating both ways and agreeing clear plans, measuring progress and using few key performance indicators. Bullshit is not allowed, it belongs to the corporate world and we are in a different one. Honesty and frankness are paramount. We are not afraid of making mistakes, changing our minds or seeking for external advice and help when it is necessary. This is an extraordinary journey and my way to “walk the talk”.

## SludgeTech 2015 at the University of Surrey



University of Surrey is host to SludgeTech June 29 - July 1, 2015. SludgeTech aims to bridge the gap between academia and industry bringing together leading experts to share expertise and insight into the current and future challenges and opportunities surrounding sewage sludge treatment and management. This conference

will showcase and explore the latest in innovation and research taking place worldwide.

Supported by CIWEM and a steering committee of industry experts, this three day conference consists of two days of presentations of peer reviewed scientific research and papers and concludes with a site visit to the Crossness Sewage Treatment. A special CIWEM peer reviewed edition of papers from the conference will be published following the conference.

Sewage sludge has traditionally been considered as a problematic waste and disposal problem. However, increasingly, sewage sludge is being regarded as an opportunity for significant resource recovery. With high calorific content and plant nutrient resources of important agronomic value, sewage sludge could provide significant revenues and carbon emission reduction opportunities in an otherwise intensive industry.

One of SludgeTech’s most prolific speakers is Dr. Dominik Peus, CEO & Founder of Antaco UK Ltd, a multi-award winning Cleantech start-up based at the Surrey Technology Centre. Peus’ pioneering research into Hydrothermal Carbonisation (HTC), since its rediscovery in 2006, has resulted in global IP rights to the technology built around his continuous HTC plant which is able to convert any type of bio-mass, including sewage sludge, into solid carbon-neutral fuel - biocoal. Antaco is just one such example of the game-changing innovations being exhibited at Sludgetech 2015.

<http://www.sludgetech.com/>

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# The Italian Makers Village in Milan: creating new businesses, new networks and opportunities of growth



From May 1 to October 31 Milan will host the EXPO-Universal Exhibition 2015. Over this six-month period, Milan will become a global showcase, where more than 140 participating countries will show the best of their technology that offers a concrete answer to a vital need: being able to guarantee healthy, safe and sufficient food for everyone, while respecting the Planet

and its equilibrium.

In fact, the main topic of the EXPO is the agri-food sector, which is gaining increasing attention for different reasons. In Europe it is made up of about 310.000 companies, and 4.8 million employees, representing the second largest sector in the manufacturing industry with 14.5% of total turnover. This scenario is composed almost exclusively by Micro, Small and Medium sized Enterprises, which represent 99% of all enterprises in the food sector.

Every year thousands of new start-ups, in many cases high technology companies, start working in this sector.

In this context, Confartigianato Imprese, one of the main Italian business associations, which is already inside the Italian Pavilion with an exposition area and an institutional space, has decided to aim at Expo to give shape to a parallel project, which is called “Italian Makers Village” (<http://italianmakersvillage.it/en/who-we-are>).

This project was born from a necessity turned into an opportunity thanks to Expo: to give a new launch of internationalization to the Made in Italy. In few words the main aims of this project are:

- the promotion and commercialization of organizations and products of excellence;
- the interaction with visitors, buyers, and foreign commercial delegations;
- the valorization of the cultural, educational, and social aspects of the Made in Italy through exhibits, conventions, set-ups and recreational events that help communicate the meaning of “Italian Craftsmanship”.

The Italian Maker Village as well as the EXPO can be considered as a great educational opportunity. This is why ENDuRE is linked to such events: building resilient entrepreneurship is possible through the creation of strong networks, good relationships with the customers and the visibility that a Universal Exhibition can ensure.

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# Start-up House: Public Bodies, incubators and start-ups, engine for entrepreneurship

Within the European Social Fund 2014-2020, Regione Toscana has proposed new incentive programs for local MSMEs, also well in advance of the other Italian Regions. Among these programs, the pilot project “Start-up House” is of particular importance as it is an instrument of intervention for business start-ups: “Our intention is to encourage young entrepreneurs and the creation of new enterprises which might get, overall, up to



€ 30.000 in order to find quality spaces, premises and equipment to set up their activities”, this is what Gianfranco Simoncini, Regional Councilor for Productive Activities and Work, declared during the presentation of the project at the end of 2014. Since more than a decade, the commitment of the Incubator of Polo Tecnologico di Navacchio, born in 2003 to support hi-tech start-ups from the conception until the development of the innovative idea on the market, is in line with what stated above. In early 2015 the Incubator was certified as “start-up house” and two start-ups applied in February: they won the grant and settled in the Incubator. Another four companies are now waiting for the results.

Giacomo Bosio, CEO of BeeApp Ltd. ([www.beeapp.it](http://www.beeapp.it)), one of the start-ups to get the grant, describes his experience: “Admission to Start-up House was very welcome news. The access to this program, for a start-up like ours, means being able to enjoy an office and a number of highly qualified services, such as those offered by Polo Tecnologico di Navacchio, which otherwise would have been only a dream. It is difficult to find the financial resources to buy such services, especially during the start-up phase” - continues Bosio- “and access to a program like Start-up House represents a saving of resources that we can reinvest in our development projects”. The successful development and acceleration of a business, is necessary dependent on the good synergy between the various actors of the business system. Indeed, even if it is true that a good idea can change the world, it is also true that, by itself, a good idea isn’t enough to set up a successful business. Start-ups can be the engine of economic recovery but they need to be supported from a financial and economic point of view (maybe by Public Bodies and Investors) to put strong foundations. Young people need to develop an entrepreneurial attitude already during University and new entrepreneurs should strengthen their managerial skills: this is the mission of the Incubators that accompany new businesses in the early years of their life through tutoring, mentoring and monitoring activities.

*For more information about the ENDuRE project, please visit our website  
[www.endureproject.eu](http://www.endureproject.eu) or e-mail us at: [info@endureproject.eu](mailto:info@endureproject.eu)*

