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Orchestrating Ecosystems

— Interactive Spaces
for Startup-Corporate
Collaboration



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What is the value of startup-corporate collaboration? For corporates, collaboration means adding value through innovations and new knowledge flows as well as learning from startup culture.

For startups, collaboration brings in early customers required for pilot tests, access to production facilities, networks and human resources. This can help startups deal with the liabilities of newness (the lack of reputation, networks and legitimacy) and smallness (the lack of financial, technological, physical and intangible resources). As Weiblen and Chesbrough (2015) note, the two groups, which have different sets of needs, seem like “a perfect match,” but it is one that is “elusive to achieve.” It is not easy for collaborations to grow organically because managers often have insufficient resources to search for and evaluate potential relationships. In this context, the role of interactive spaces that transcend local ecosystem boundaries is paramount.

Interactive spaces for startup-corporate collaboration: The Ignite Sweden case study

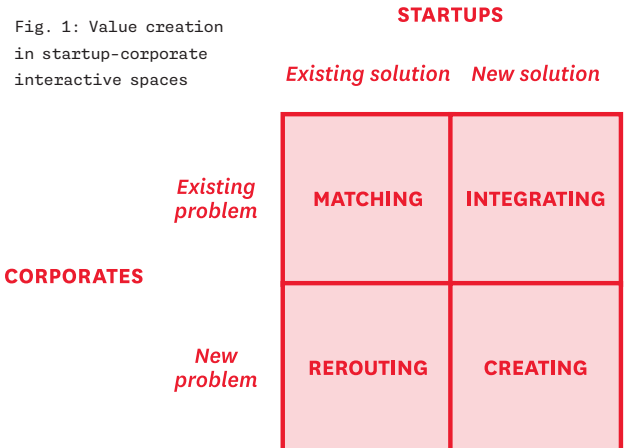
Ignite Sweden is a unique initiative that brings together startups and corporates, hailing from local entrepreneurial and innovation ecosystems, to form an ecosystem on a national level. As an interactive space, in a matter of hours, startups can meet the right people from multiple corporate companies. This creates networks and makes it possible for them to land that first big client, which is crucial for scaling up. Startups also get to test out ideas and learn, tweak, and adapt to a variety of corporate needs. Corporates get the opportunity to try out new concepts and technologies, approach problems with fresh eyes, and expand ways of thinking and working without shouldering the connected administrative burden. Both sides get to co-create, using a smorgasbord of challenges, solutions, and possibilities, and transform old into new.

Ignite’s interactive space also provides a platform that acts as a buffer between the different cultures of startups and corporates, particularly in terms of speed and methodology, which can be a challenging aspect of collaboration. The platform therefore provides corporates and startups with a space for experimentation and focused problem-solving and thereby both flexibility and efficiency. This paradoxical combination is challenging to achieve, and even if achieved, is hard to maintain.

However, the provision of a platform does not mean that people will interact. Interaction requires much more. The platform creates trust by being independent, working closely with managers, and by its representatives being present during matchmaking meetings. It also encourages collaboration by supporting pitching and problem identification and by highlighting successful experiences. Furthermore, the platform fosters a mindset in which both startups and corporates see each other as being co-creators of mutual growth. Ignite therefore unlocks collective potential, enables learning, and helps participating startups and corporates to grow.

Value creation within an interactive space

Ignite’s interactive space is where problems, solutions, and possibilities intersect. We have categorized the four ways in which Ignite creates value in Figure 1.



Matching: Perfect matches occur when corporates with well-defined needs meet startups with definite solutions. For instance, Parametric’s narrative analytics solutions were well matched with Uppsala Municipality’s need for suggestions for and public opinions on an art museum.

Once the match was made, it seemed obvious. However, the potential relationship would not have been considered by corporates beforehand because their managers are not generally aware of such ground-breaking solutions. Therefore, at Ignite, a perfect match can surprise everyone involved and matchmaking sessions require both well-defined problems and well-informed participants.

Integrating: Integration occurs when corporates customize a startup's solution in order to solve their own problems. Startup technologies can be tweaked and used to fix issues that already exist within corporations. Such integration only happens when corporate managers are able to discover solutions that they can see potential in. For instance, Ekkono Solutions used AI and machine learning to help Alfa Laval assess when to clean heat exchangers. Jan Ackalin, the head of automation at Alfa Laval, says, "We could not have thought of this on our own." From a corporate perspective, a solution to an existing problem was provided; for the startup, the collaboration represented a new area of business and a new application of its innovative technology. Integration requires startups to act fast and be capable of adapting to new possibilities. Startup representatives should come with an open mind and be willing to learn and improvise on the basis of evolving conversations with corporate figures.

Rerouting: Problem are seldom well-defined when there is no obvious need for them to be. In the words of the famous physician Alexander Fleming: "One sometimes finds what one is not looking for." Startups can make corporate problems more visible by introducing ideas that challenge the traditional way of doing things or move towards making processes better, safer, or cheaper. For instance, ABB rerouted Univrse's 3D computer-vision and machine-learning technology and put it to work in the mining sector. The technology gave mining robots an understanding of where they were located relative to the mine. The rerouting of existing startup solutions to tackle unfamiliar problems, which only become obvious after corporates are exposed to new technology, has the potential to create unexpected value. However, such rerouting can only take place when managers from established firms approach matchmaking with an open mind and have the knowledge and experience necessary to perceive how existing technology can help solve current challenges and improve established ways of working.

Creating: In some instances, startup-corporate interactions lead to true innovation. Through interaction, ideas take shape and previously unrelated dots connect, leading to new synthesis. When needs (both articulated and unarticulated) meet solutions (both new and existing), then novel products and services that have a broader application can result. For example, when combined with FLIR's thermal imaging, Spotscale's expertise on 3D-modeling of buildings led to 3D thermal mapping of buildings that COOR could immediately use for their real estate clients. For both startups and corporates, the simultaneous creation of new solutions and problems necessitates flexibility, open-mindedness, and generative dialogue to explore what is possible.



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What next?

Though the primary purpose of Ignite Sweden is to enable startup-corporate collaboration, its role is much more significant with ecosystem-level implications. Ignite's orchestrations increase the quantity and quality of ideas and innovations across ecosystems. Bringing fragmented actors together generates system-level outputs and creates value by enabling startups to scale fast and corporates to become innovative. Moreover, with Ignite enabling startup-corporate interactions internationally (the platform will be active in Brazil, Canada, France, Germany, India, Israel, Japan, South Korea, and the US during the Sweden Innovation Days of November 2020), national ecosystems can now interlink.

REFERENCE IN THE ARTICLE

> Weiblen, T., & Chesbrough, H. W. (2015). Engaging with startups to enhance corporate innovation. *California Management Review*, 57(2), 66-90.

LINK TO RESEARCH GROUP:

www.umu.se/en/research/groups/entrepreneurial-ecosystems-and-new-venture-creation

IGNITE SWEDEN

> **Established:** April 2017

> **Partners:** Swedish Incubators and Science Parks, THINGS, STING, LEAD, MINC, Uminova Innovation, Kista Science City and Sahlgrenska Science Park (with funding from VINNOVA, Energimyndigheten, and Tillväxtverket)

> **Events:** 48

> **Matchmaking sessions:** 3,000

> **Participants:** 505 startups and 168 established firms

> **Results:** 101 commercial collaborations