

How can the emergence and consolidation of new business models be supported?

Co-organisée par danone.communities

8 septembre 2015 de 14h à 15h30
Salle Napoléon, Palais Brongniart

SPEAKERS



© Yann Castanier - Convergences

Corinne Bazina, GM, danone.communities
Léo Le Naour, Le Comptoir de l'Innovation
Alizée Lozac'hmeur, SenseCube & MakeSense
Christian Busch, Research fellow, Innovation and CoCreation Lab - London School of Economics
Modérateur
Séverine Leboucher, Journalist, Groupe Revue Banque

MAIN LESSONS

The role and activities of incubators are various, and they do not necessarily intervene in the same way. Le Comptoir de l'Innovation, SenseCube and the Innovation and CoCreation Lab are three different examples of incubators which accompany projects at a different stage of development: the prototyping phase, the accelerating phase, or the scaling up. An incubator can provide resources and be of great help for young project owners. It provides a network, training, and motivation.

- Incubators do not always intervene at the same development stage of the project. However, one must differentiate an incubator from an accelerator.
- Incubators give project developers the motivation, and most of all, the connections to make their project grow.
- Incubators support the scaling up of start-ups, especially in terms of competencies, business model, and network.

SUMMARY

Corinne Bazina - Danone Communities

Danone.communities (DC) was created by the initiative of Danone in 2007 to support local entrepreneurs addressing a social issue in their

country through business. DC has two action areas:

1. Access to safe drinking water.
2. Put an end to malnutrition.

Ten projects are currently incubated, and seven projects have already become mature companies. DC's support can be either Investment through equities or Human resources, depending on the demand, as well as mentoring. Through co-creation, the aim is to help managing operations and talents growing in the team, improve quality management... There are a lot of common issues even if DC works with very different projects. DC's main goal is to organize a "galaxy" of projects and entrepreneurs, to make these projects work together in collaborative way to build on their successes and learn from their failures.

Invest at a very early stage of the company can be a strategy, as a "one man operation" to put the first pillars. After 7 years, companies are close to break-even, and they need a model to scale-up: **what can be the role of the incubator in the scale-up phase?**

Léo Le Naour – Le Comptoir de l'Innovation

The Comptoir de l'Innovation (CDI) supports entrepreneurship with 15 incubators in France, America and Asia. It consists in an important investment fund in France to invest with equity in social businesses. The CDI developed a method to assess the impact of social businesses around the world.

One of the main issues currently faced by the CDI is to set up its strategy between the one of an "incubator" and of an "accelerator"

One of the main issues currently faced by the CDI is to set up its strategy between the one of an incubator and an accelerator. Another key issue is to differentiate the phases where the incubator can best help project developers. So **what is the**

development stage in which support is most expected?

Alizée Lozac'hmeur – MakeSense & SenseCube

MakeSense started 5 years ago through a world tour to meet social entrepreneurs using technology to solve social challenges. It appeared that more and more people were willing to help them! So they created a community to help solve the challenges social entrepreneurs are facing,

through an online platform and also events in real life.

Alizée was part of the community, and saw that a lot of people wanted to start their own project using new technologies, unleashing a new generation of social entrepreneurs! Thus, she created the SenseCube, MakeSense's accelerator. Its goal is to strengthen their models, by having

The main issue today is to build local and scalable models through the use of digital technologies to enhance their impact.

both impact and a viable business model, to connect them by creating a whole network with public and private stakeholders, and to help them becoming real models for other people who wish to start a social enterprise.

The main issue today is to build local *and* scalable models through the use of digital technologies to enhance their impact. Therefore, it's important to give project developers the motivation and the connections to make their project grow. It is currently happening in Paris, in Brussels, and soon in Mexico and Dakar. **So how can we make testing and prototyping easier so that in 6 month you can have your model?**

Christian Busch - Sandbox & LSE CoCreation Lab

He founded Sandbox to help young entrepreneurs, with a big ambition for global impact. The purpose of his research is to take learnings from incubators to help build innovations. At the LSE CoCreation Lab, he studied among others bottom up systems in Kenya. He also works directly with companies to trigger a change of mindset, to help them make meaning of their acts. Instead of working with the principle "first do well, then do good", he helps them set up an "enlightened circle of needs" instead of the traditional Maslow pyramidal structure of needs. Indeed, today companies are not yet set up for such organisations.

For example, the Unreasonable Institute works under two principles: "how do we help companies?" but also "how do we innovate as an incubator"?

ART UPS is another inspiring example: a project where former drug addicts use cell phones to build communities, and then tell their stories to

the world thanks to social media. In this positive dynamic, people incubated then incubated others, to reach one of the most important things in social business: impact.

The challenge today is to reconcile the top-down incubator approach and the bottom-up approach of community building.

Question raised by Corinne Bazina:

To what extent should an incubator help projects in their scale-up?

Big companies have it easy to help medium companies scaling up. But it is hard to help lean start-ups to become medium companies, especially in developing countries where start-ups in must deal with a specific economic context.

Incubators can help start-ups developing a community

In order to help, incubators can activate three levers:

1. Helping the scale up in competences, i.e training the team;
2. Giving start-ups the opportunity to develop a community and inspiring their ecosystems with a common cause to encourage these ecosystems to get involved in social business;
3. Benchmarking alternatives of scaling up, looking for other business models and replicating them. Thus, instead of becoming big, a start-up can replicate its initial project in a multitude of small businesses.

Question raised by Léo Le Naour :

At which development stage incubators are the most efficient and expected for a start-up?

Incubators can be extremely effective at an early stage of a startup. It can also help to structure the project. As for accelerators, they help startups at further stages, provide them with expertise and might also take equity depending on the financial situation of the company.

The major needs of startups that should be fulfilled by incubators are the following: consulting, someone to challenge their ideas and their business plan, advice on social issues, guidance through the ecosystem, and finance. The need for funds is very important, however it could be tricky to be funded and incubated by the

same structure. Indeed, the startup would no benefit from a double source of information and advice anymore.

Question raised by Alizée Lozac’hmeur:

How can an incubator make testing and prototyping the easiest possible for social entrepreneurs?

A start-up faces different challenges: how to define the project? How to join the market? ...etc. First of all, one needs to define the need, and then evaluate how to meet this need, depending on the available resources. To support an entrepreneur, an incubator can provide him with a database of the positions of main actors, or

An incubator can help a start-up to make connections in its ecosystem

connect him with other people through speed meetings and the creation of local networks. It can also be efficient to connect projects that have nothing in common, sometimes leading to a co-creation process.

An entrepreneurs should ask himself: What is your target? Do you have data on the market? Did you establish partnerships with actors? Which resources do we need? And then develop a data base of contacts. For their part, incubators can develop skills for social entrepreneurs: managing time and competencies, focussing on entrepreneurs human person, investing in education, having a free access to social incubators; etc.

Question raised by Christian Bush:

How to measure the impact of an incubator?

The personality is very important, and the founder may not be the best person to scale up his own company

It is very interesting to develop a community based model that has an impact. In order to scale up, it is a good strategy to build on local communities!

The main question an incubator should ask itself when funding is: do we invest into a project or in a person? Indeed, the personality is very important, and the founder may not be the best person to scale up his own company.

To conclude, one shall know this quote: “If you start as a realist, you end up a depressive. But if

you start as an optimist, you end up as realist.”
(Viktor Frankl, in Search for meaning)

Rapporteurs:

Lisa Hubert, SB Factory

Soline Joubert, danone.communities