ECOSYSTEM INNOVATION

How to create successful partnerships between high-growth startups and established organizations


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Ecosystem Innovation

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Andrea Back is Full Professor at the Institute of Information Systems at the University of St.Gallen. She received her master's degree Diplom-Kaufmann and Doctorate for Social Sciences from the University of Erlangen-Nuernberg in 1984 and 1988. As a visiting professor at City University of Hong Kong and University of Navarra, Spain, she has extended her international network. The research activities of her chair's team cover Management Practices in Digital Transformation and Agile Innovation; Smart IoT & Mobile Business; Sports Digitalization, as well as New Work & Learning. She holds several advisory positions for innovation driven business development. Her teaching contributions to the Business Innovation Master Program are research-based as well as focused on practical relevance, and thus often use co-teaching formats.

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Christoph Birkholz is a co-founder and president of the board of Impact Hub Zürich AG, the largest of over 100 Impact Hubs globally. He also co-founded and co-leads Kickstart Innovation AG and Yova AG. Christoph has received a PhD in impact investing from the University of St.Gallen. He is an alumnus of Witten/Herdecke University and INSEAD. Christoph serves on several boards such as Panter AG, Impact Hub Switzerland Association and Impact Hub Zürich Association.

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Nicolas Bürer, studied Physics at the École polytechnique fédérale de Lausanne (EPFL), Switzerland. After several years in management consulting and young startups, he then went on to co-found MOVU, of which he is still Chairman. MOVU has been acquired by a Swiss insurance group in 2017. Since October 2016, Nicolas Bürer is Managing Director at digitalswitzerland. Nicolas is one of the 100 “2018 Who is Who“ of the Swiss economy and has been awarded as 2018 “Swiss Business Angel of the Year“. He is a passionate entrepreneur and startup investor.

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Holger Greif is the responsible Partner for PwC's commitment in digitalswitzerland and Kickstart. He is also a board member of the Zurich-based F10 FinTech Incubator and Accelerator for startups. Besides his PhD in physics, Holger has more than twenty years of consulting experience. In his current role, he launched PwC's Experience Center in Zurich, where he co-creates and implements new approaches with clients to seize the opportunities of digitalisation. Holger's philosophy is based on trust, honesty and authenticity, helping the clients to think in new dimensions and focusing on their customers and staff. The objective is an impactful, value-adding transformation based on an understanding of what digitalisation really is all about – which is more than just applying new technologies, but building trust in unfamiliar approaches, structures and ecosystems.

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Gudela Grote is Professor of Work and Organizational Psychology at the Department of Management, Technology, and Economics (D-MTEC) at ETH Zürich, Switzerland. She received her PhD in Industrial/Organizational Psychology from the Georgia Institute of Technology, Atlanta, USA. A special interest in her research is the increasing flexibility and virtuality of work and the consequences for the individual and organizational management of uncertainty. Prof. Grote has been president of the European Association of Work and Organizational Psychology and Head of D-MTEC.

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Peter is the Managing Partner of PwC Digital and Customer Transformation and a digital "Jedi" from tip to toe. Peter and his team are supporting clients across all industries in their digital transformation and re-imagination having a strong focus on creating trust in a digitised world. Peter became a trusted advisor and challenger for many large national and multi-national companies and organisations from strategy and innovation to transformation and execution. Peter holds an MBA from St. Gallen University in Switzerland, is a proud graduate from Yale School of Management and alumnus of IMD Business School in Lausanne.

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Tim initiated and leads the Education Technology & Learning Vertical at Kickstart Innovation. In his work for Kickstart, he stresses on the dynamic and creative quality of technology instead of rationalized interactions and control – a technology that is open to new relationships and thriving fantasies. As a guest lecturer in the sociology of technology at the University of St. Gallen, Tim focuses on the political and poetic ontologies of socio-technological infrastructures and the historical emergence and future conditions of human-machine ensembles. Previously, Tim founded Pro Journo, an international journalism incubator and worked with Bertelsmann Foundation and the UNDP. Tim holds a master's degree in Business Economics and a PhD in Social Theory.

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As a founder of you advance GmbH, Smart City & Technology Expert at Kickstart Innovation and Board Member of Urban Innovation Association Switzerland and Futurepreneur.ship, Kathrin loves to connect people and opportunities. As business angel investor she focuses on diverse teams and innovative approaches in the area of Smart City in Switzerland. Kathrin lives with her family in Zürich.

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Christian Westermann is Partner and Leader of the Data and Analytics team at PwC Switzerland and has more than fifteen years of experience in data analytics and IT management. In his career, he has already managed various large-scale projects in different industries on national and international level. Christian is leading a team of 100 data and modelling specialists with practical experience in artificial intelligence, machine learning, deep learning, robotics, natural language processing, process intelligence, IoT, customer analytics, as well as simulation & modelling. Prior to working for PwC, Christian specialised in space research and worked in teams that were building satellite-based instruments for ESA and NASA space missions.

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PART I


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by Christoph Birkholz

Ecosystem Innovation – An Introduction to Volume 2

Climate change, gender inequality, the refugee crisis, collapsing ecosystems, an ever growing gap in wealth and income distribution, the potential threats of general artificial intelligence, automation and job losses. These and other global challenges deserve our greatest talent, focus and energy. And those who work on solving them will also be the first to benefit from the innovation and the opportunities arising from those solutions. However, no individual or organization will be able to address any such challenge alone. Competing against each other might accelerate the process, but collaboration with each other will actually lead to the solutions and opportunities we need. In our complex, hyper-connected, technology-driven world, we need to work together across industries and sectors like never before. Ecosystem innovation describes this process of new solutions and technologies emerging from collaboration and partnerships within a system of many organizations and individuals. Not one actor will independently be able to control the process nor its outcomes. Not one single sector – be it private, public, or philanthropic – will generate all the solutions alone. Ecosystem innovation requires a certain mindset and humility, skills and capabilities, and experiences for corporates, startups, SMEs, municipalities, universities, philanthropic organisations and politicians to work together. Ecosystem innovation is not yet a clearly defined term and you will read multiple definitions and uses of the concept in the following articles. Yet, what all articles have in common, is at the core of the metaphor "ecosystem": one species (or organization) can only thrive, if other species (or organizations) thrive as well. This is fundamentally different to the

"Zurich is home to multiple thriving innovation ecosystems" – Corine Mauch, Mayor of Zürich, during Kickstart's CEO Dinner 2019.

Founders of technology startups and scaleups meeting the heads of innovation of Mobiliar. The Swiss insurance company is a leader in ecosystem innovation activities.

concept of competition in a free market. But, we need both. Ecosystem innovation cannot be controlled. It is complex. Luckily, technology enables more and better ways for ecosystem innovation to happen.

This book describes some of the aspects of Ecosystem Innovation. It is the follow-up of Volume 1 “Kickstarting Collaboration” published in 2018 and available online free of charge. In this Volume 2, we draw significantly from the experiences, best practices and failures of the Kickstart Program, one of the largest programs for ecosystem innovation. However, you will also find articles beyond Kickstart inspired by corporates, startups, consulting and academia. Some articles are personal accounts, others are rigorously researched pieces. Yet, all articles are highly applied with practical learnings and recommendations for engaging in ecosystem innovation. The book itself is a collaborative effort of 31 co-authors from multiple organizations contributing 22 articles in three parts. Part 1, edited by **Dr. Christoph Birkholz,** provides an introduction to the many facets of ecosystem innovation. Part 2, edited by **Zsofia Molnar**, includes sector- or domain-specific articles on ecosystem innovation within the six verticals of the Kickstart program (Cybersecurity,

Education Technology & Learning, HealthTech, FinTech & Digital Assets, Food & Retail Tech, Smart City & Technology). In Part 3, editor **Katka Letzing** selected insightful cases of ecosystem innovation across multiple sectors. The photos included in this book were taken at the Kickstart 2019 program. And the book was made possible by the generous support of our partners Engagement Migros, digitalswitzerland, and Impact Hub Zürich. The book does not include any sponsored content and the articles express the opinions of the respective authors.

In the next section, **Dr. Angela Beckenbauer** and **Dr. Matthias Filser** from the ZHAW School of Management and Law, together with **Kathrin Hoesli**, Head of Exploration at Swisscom, introduce some essentials of ecosystem innovation: trust, goal alignment (or at least goal transparency) and success measures. Thereafter, **Prof. Oliver Gassmann** from University of St.Gallen answers questions by **Dr. Christoph Birkholz** on the development from open to ecosystem innovation and how Amazon and Google are building up particular ecosystems around their technologies. WWF Switzerland CEO, **Thomas Vellacott**, then introduces the concept of Ecosystem Strategizing. In his compelling, sharp article, he argues that the traditional three- or five-year strategy cycle is outdated and how ecosystem strategizing entails three platforms: conversations around impact (as a combination of metrics and stories), one's role in the ecosystem and experiments. Building on almost two years of researching the Kickstart Program, **Dr. Jennifer Sparr, Nora Varesco** and **Prof. Gudela Grote** of ETH Zurich shed light on the cultural perspective of ecosystem innovation within organizations. The three scientists suggest key questions to be asked and answered in order to build and nurture an organizational culture for ecosystem innovation and to balance the complexity of ecosystems with internal structure and identity. In

the sixth article, PwC's **Dr. Holger Greif** and **Peter Kasahara,** together with **Dr. Christoph Birkholz** from Kickstart, provide a checklist and recommendations for CEOs who aim to promote ecosystem innovation within the organizations they lead. The authors also explore the reasoning why ecosystem innovation becomes increasingly relevant for today's executives. Thereafter, **Dr. Lukas Peter**, CEO of Swisscom's outpost in Silicon Valley, **Tina Werro** from Swisscom and **Prof. Andrea Beck** present a model for startups and corporates to work together. Startup-corporate collaborations are common in ecosystem innovation. However, they are not easy and results are ambiguous at best. Peter et al. offer some guidance to successfully develop such partnerships. Last but not least in Part 1, digitalswitzerland CEO **Nicolas Bürer** and Kickstart co-lead **Dr. Christoph Birkholz** interview each other on ecosystem innovation in Switzerland today and in the future.

PART II

Part 2 starts with Kickstart HealthTech Vertical Lead, **Josephine Ritzel**, taking a close look at ecosystem innovation in the Swiss healthcare sector, also sharing the concept of value-based healthcare and how the Kickstart platform can be leveraged for it. Then, food industry experts **Christina Senn-Jakobsen** and **Ingeborg Gasser-Kriss** provide a compelling read about the food innovation ecosystem from its historical pioneers to the key essence needed for an optimistic outlook in Switzerland. **Dr. Tim Lehmann**, EdTech lead in Kickstart, describes six ways of innovation and how education technology startups can grow through partnering. In his article, he connects each way with a real case from the Kickstart 2018 program. Smart City expert and solar entrepreneur, **Raimund Neubauer**, reflects on the attractiveness of Switzerland from a smart city and country perspective. Looking at the mobility sector, the author makes a compelling argument on risk: risk-taking has brought Switzerland to

Corporates and startups during 2019 Kickstart Final Selection.

where it is today. So, more risk-taking might be needed today to stay attractive in the future. Thereafter, SATW cybersecurity expert, **Umberto Annino**, provides a must-read for anyone making technology and IT decisions in organizations, as well as for those developing tech products. The author starts with a short, to the point introduction to cybersecurity, a topic which is still not given the attention it should within most organizations. Part 2 ends with **Katka Letzing's** account on ecosystem innovation in the Swiss FinTech scene. The Kickstart co-lead outlines the growth of FinTech in Switzerland, but also shows how adoption of FinTech solutions in the general public is below global average, with emerging countries leading the way.

Part 3 entails case studies and examples in ecosystem innovation. In the first article, WriteReader founder and CEO, **Babar Baig**, shares his story of bringing the WriteReader technology from Denmark to Switzerland for dyslexic kids and adults to improve their literacy. Even sport fans will enjoy the article as Baig also refers to WriteReader's partnership with football club, Young Boys Bern, which was facilitated by his Kickstart Advisor during the 2018 program. **Kathrin Puhan-Henz**, founder of you advance GmbH, tells an interesting and insightful account of the initiation of the Bauhaus Movement as a collaborative framework – also drawing the connection to Kickstart's Smart City and Technology Vertical. The Smart City expert finishes with a surprising and creative leap by linking the source of inspiration with its application, since Bauhaus is not only a process to gain inspiration from, but also an architectural approach for smarter cities as the author refers to Tel Aviv's White City. Afterwards, **Guillaume Gabus**, features several short cases from the digitalswitzerland Challenge. The Challenge is a framework for ecosystem innovation missions, called "bets", facilitating multi-party innovation projects in Switzerland. Gabus ends with suggest-

ing two key success factors in such partnerships: the concrete definition of the challenge, and the team. **Prof. Adrian Müller, Dr. Matthias Filser** and **Dr. Ben Graziano** from ZHAW School of Management and Law reflect on the role and process of university spin-offs in ecosystem innovation. In their article, the research team also addresses common challenges of incubating startups at and spinning-off from universities. PwC's **Dr. Christian Westermann** and **Philip van Hövell** offer their case study on PHREND as a successful result of ecosystem innovation in the health sector. PHREND is a software to predict and personalize treatment of Multiple Sclerosis enabled by the accessibility and use of large data sets by collaboration between physicians, European universities and a consultancy. In the next case study, Veezoo co-founder, **Till Haug**, presents their successful pilot partnership with one the world's largest insurance companies bringing their AI solutions to 250 AXA agencies across Switzerland. Last but not least **Katka Letzing**, provides on overview of interesting partnerships and joint proof-of-concept projects from the Kickstart Program. To end her article she offers eight learnings for partnering between corporates, startups and scaleups. We hope that this book encourages exploring more about these and other cases of ecosystem innovation.

Executives of corporates, universities, cities and foundations together decide on the most relevant startups and scaleups to join each year's Kickstart batch.

by Angela Beckenbauer, Matthias Filser, and Kathrin Hoesli

Ecosystem Innovation: Dimensions, Essentials and Measures for Successful Collaborations

Zürcher Hochschule für Angewandte Wissenschaften
zh aw
swisscom

What is Ecosystem Innovation?

Ecosystem innovation describes the collaboration of partners within a network with a common goal. This form of innovation differs from other types as the different value propositions of the partners (e.g. startups, companies, technology providers, etc.) have to be harmonized or a common goal has to be the focus of the collaboration.

An essential distinction between classical competitive strategy and ecosystem innovation strategy is the complexity of the value propositions. In the classical competitive innovation strategy, the differentiation is based on the value proposition from the supplier to the customer (e.g. a differentiating offer of a service provider for its end customers). In an ecosystem innovation strategy, the complexity is much higher: differentiation is achieved through a portfolio of value promises among each other and towards the customer. This means that actors must define common goals and benefits among themselves (such as synergy effects, reach, etc.) and for the end customer. In the ecosystem innovation strategy, the differentiation thus consists of the value propositions from actors to end customers and between ecosystem operator and actors.

Dimensions of Ecosystem Innovation Collaborations

The complexity of ecosystem innovation is not only intricate in regards to the value proposition, but also in many other aspects. It is therefore important to define and challenge the actors involved, their motive and motivation as well as the form and conditions of the collaboration from the very start. The actors should also define the level of participation and commitment, i.e. who contributes what until when? Likewise, it is advisable to discuss the duration of the collaboration in order to ensure that the actors' expectations are met and resources are allocated and ensured. The common objectives should be defined and agreed with all actors as early as possible, a common platform for collaboration should be established and a steering committee should be formed.

In summary, it is advisable to specify an ecosystem innovation collaboration based on the following aspects and questions as discussed in Frow et al. (2015), Managing Co-creation Design: A Strategic Approach to Innovation:

- **Actors' involvement and role:** Which actors are involved and what role do the individual actors have?
- **Actors' motives:** What is the overall motive and each actor's own motive for the collaboration?
- **Form and context of collaboration:** In what way and context does the collaboration take place? Is the form and context of the collaboration transparent and clear?
- **Level of commitment and transparent expectation management:** What level of participation is expected from the actors? Who contributes what?
- **Duration of commitment:** How long does the collaboration last? Defined period vs. undefined timeframe.
- **Goal of collaboration:** What is the common goal of collaboration?

- **General conditions:** What are the conditions of the collaboration?
- **Engagement:** How do the teams from different companies work together and how is the team formation facilitated? What platform(s) will be made available to facilitate collaboration?
- **Steering Committee:** Has a steering committee been created? What is their role and in what frequency does the committee meet? What decisions are made by the steering committee?

Essentials for Ecosystem Innovation Collaborations

The most important prerequisite is trust. The basis for trust is an understanding of the involved parties, their collaboration conditions, their objectives as well as awareness and transparent communication of the individual agendas. If every partner agrees on the bigger picture and the directly relevant goals, the first step towards a solid foundation for the collaboration has been made. A clear process to make decisions; the definition of goals, deliverables and deadlines: and pre-determined physical appointments with the team and the steering committee (to make key decisions when complications occur) are key to success. It is crucial that an established trust is cultivated by all actors and that an open and trustful communication amongst the team members is nourished. If trust amongst the actors is broken, the collaboration is at risk.

Measuring Ecosystem Innovation Collaborations

Measuring overall success of ecosystem innovation collaboration is always relative to individual perspectives and rather complicated. In general, measures need to be derived from the goals of the collaboration. Often these goals focus on market, business, product/process potentials which in

consequence ensures that new opportunities can be evaluated according to their feasibility, impact and potential. When defining KPIs (Key Performance Indicators) for ecosystem innovation collaborations, the key building blocks are summarized in the following paragraph.

The measurement of successful ecosystem innovation collaborations highly depends on the common goals and framework. However, if the definition of measures at an early stage can be realized, the common goals become more crisp. For example, the financial aspects can be measured by defining planned revenues, margins and costs which are measured at a defined point in time and compared to the plan. For technology, the realized vs. the planned features or the quality of these features can be an indicator of the technological maturity. Market figures can provide insights for the success in the market in terms of own acquisition power and success. The number of existing and new customers as well as the long-term (revenue) potentials coming with the number of customers can be used as an indicator to measure long-term success. Furthermore, the effects of the ecosystem collaboration shall lead to a knowledge expansion or knowledge build-up and may increase the relevant number of partners in the ecosystem. These are “soft indicators” which are usually difficult to measure but can be judged in a qualitative way. All in all, decisive for the measurement of successful ecosystem innovations is the early definition and measurement of projected figures for a defined point in time and eventually their achievement or deviation.

Interview conducted by Christoph Birkholz

Interview with Prof. Oliver Gassmann, University of St. Gallen

Institute of Technology Management
University of St.Gallen

CHRISTOPH_Prof. Gassmann, what is ecosystem innovation?

PROF. GASSMANN_ An ecosystem consists of a configuration of partners which formed alliances along a customer journey in order to deliver superior or radically new value propositions. Typically the partners bring modular products or services with complementary assets and competencies into the game. Ecosystems bridge today's industry borders. Ecosystem innovations are new configurations of these multi-lateral alliances.

CHRISTOPH_Why is ecosystem innovation important today and in the future?

PROF. GASSMANN_ Let me answer by two perspectives: first, from a technology standpoint, then from a market view. (1) Due to the technological trends in digitalization we can observe four effects: dramatically reduced transaction costs, ubiquitous computing and connected products, immense increase of data, and immense improved algorithms. Lower costs, connectivity and intelligence made it possible that superior value propositions have been created by alliances. Now this is only technology which enables ecosystems. (2) The real pull for ecosystems comes from customer behavior: customers are no longer willing to accept fragmented deliveries and high personal transaction costs. The point of sales has been

shifted, customer journeys such as home, mobility, traveling, finance embrace more and more value chain activities.

CHRISTOPH_How has ecosystem innovation developed in the past 10-15 years?

PROF. GASSMANN_ Ecosystems have been always around. But due to digitalization they became more efficient and effective. Data and connectivity are huge drivers for many ecosystems. Most successful ecosystems develop sooner or later towards clear platforms where a dominant player sets the rules of the game. Amazon, which has already between 42 and 49 % of the whole ecommerce business in Europe, is a typical example. The complementary players have been marginalized, while the platform becomes more and more dominant.

CHRISTOPH_Which trends or key topics do you see emerging with regards to ecosystem innovation?

PROF. GASSMANN_ It becomes more important to build emotional ties to the customer and to become more relevant for the customer journey. The set up in ecosystems offers great opportunities for partners to specialize. At the same time, specialization in most industries drives the need towards partnerships with complementary companies.

CHRISTOPH_Which players or concrete cases have you seen with regards to successful ecosystem innovation?

PROF. GASSMANN_ One of the best players is Amazon, but Google is also building up ecosystems. All automotive players

want to build up ecosystems in order to stay competitive when more and more value is created with connectivity and data-based services.

CHRISTOPH_What are the do's and don'ts for an organization that wants to successfully activate ecosystem innovation?

PROF. GASSMANN_ Companies will need strong capabilities in partnering, not just in production and marketing but also in the core of differentiation: innovation will be done more collaboratively. We observed the trend towards open innovation now since nearly 20 years, there is progress there, but most companies still have huge potential to open their innovation up to the outside world. In future it will be more difficult to distinguish between competitors and opportunities. Without partnering it will become more difficult to survive. It makes also sense to build up more technological capabilities on all levels in companies, up to the management board. It is all about the business model around the data, how to translate relevant data into a valuable business model. That stays important in ecosystems. On a metalevel companies need to learn how to balance their interests and relationships. Stakeholder management which is known for many years becomes a new and more important role.

CHRISTOPH_Which role, if any, do startups play?

PROF. GASSMANN_ Startups are underestimated in complementing ecosystems. Often startups are built around a knot of the ecosystem in order to be a neutral place for mature companies to cooperate.


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by Thomas Vellacott

Ecosystem Strategising

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1. The Challenge to Classical Business Strategy

Classical approaches to business strategy, as practised in many companies and non-profit organisations today, commonly have as their outcome a strategic plan. In the process of formulating such a plan, management analyses an organisation's surroundings, its position and its specific competencies. Management then formulates an intended response, based on this analysis, often in the shape of a plan that includes a long-term vision, multi-year objectives and a more or less detailed plan of activities, by which to achieve the set objectives. Performance indicators are defined, either activity-based (milestones), performance-based (e.g. EBIT) or defined relative to competitors (e.g. market share, brand perception) – or a mix of the three.

Strategic plans are often based on **five assumptions**

- **The medium-term future is broadly knowable**
- **Industry structure and political conditions are stable or change in a predictable fashion**
- **Industry dynamics are primarily competitive**
- **Strategy formulation and implementation are distinct phases**
- **Cascading objectives down the organisation enable each employee to make their contribution to the overall strategy**

Amber Ghaddar, co-founder of AllianceBlock from UK, presenting at the 2019 Kickstart Opening Ceremony.

In many industries today, **these assumptions no longer hold**. Industry certainties are being fundamentally challenged, such as the energy sector being disrupted by rapidly sinking costs of electricity from solar and wind. Companies' average lifespans have shortened dramatically and new competitors come to dominate markets almost overnight. Political parties that once dominated national politics are being eclipsed by newcomers.

The value of a three-year strategic plan diminishes quickly in times of high uncertainty. However, despite fundamental changes in their surroundings, **many organisations cling to the classical approach** to strategy and continue to produce multi-year strategic plans. Their response to greater uncertainty and faster change is to increase the frequency with which strategic plans are reviewed and adapted, but neither the rigid approach nor the underlying assumptions are questioned. Too often, this results in a vicious circle, where the increased frequency of strategic planning overwhelms an organisation, which in turn leads to superficial analysis (SWOT analysis, anyone?), necessitating ever more frequent review and adaptation.

2. Ecosystem Strategising

What is called for in today's highly uncertain conditions is an approach to strategy that starts by **redefining the outcome of strategy:** The outcome is not a product, the strategic plan, but rather an **ongoing process,** a **set of conversations.** Strategising, in this sense, ceases to be a distinct phase that is repeated at regular intervals, but rather becomes an ongoing reflection, inseparably intertwined with implementation. This allows new people joining the organisation to become part of the strategising conversations from day one. They are not asked to simply accept the strategy their elders wrote, but become part of an ongoing process

of challenging and fine-tuning the direction of the organisation. 'A set of conversations' may sound vague, and to avoid a lack of precision, the current stage of each of these conversations should be regularly summarised, in order to provide a succinct articulation for anyone joining the conversation, seeking a quick overview or needing to communicate it.

Such an approach to strategising focuses on **creating platforms for conversations around three themes:** Impact, ecosystem and experiments. Ideally, these conversations will involve both an organisation's staff as well as outsiders. A platform for conversations shared among different actors within an ecosystem allows them to calibrate and align their views of impact, ecosystem and experiments.

2.1 Impact

Non-profit organisations, by definition, aim to achieve societal impacts. More recently, a growing number of for-profit companies also aim to contribute to broader societal goals. When formulating their impact contribution, both non-profit and for-profit organisations risk falling into one of two traps: To make unhelpfully vague statements of intent ('We aim to give back to the communities where we operate') or to get bogged down in arguments over attribution ('That's my impact, not yours.').

Instead, organisations should create platforms for an open and ongoing dialogue about impact by **discussing metrics and sharing stories.**

2.1.1 Metrics

The dialogue about metrics usefully focuses on **three levels.**

The natural place to start is to ask whether positive or negative change is occurring at the macro level: Are poverty rates rising or declining? Are we on track to limit climate change to less than 2°C? Are species numbers going up or down? Does the picture differ depending on region? What explains the trends? Note that this is not about what 'we' as an organisation are achieving, but whether 'we' as in all the actors together are making a difference: Are we collectively bending the curves? Since the world's governments agreed on the **Sustainable Development Goals** (SDGs) in 2015, there is a shared set of goals and indicators which can help understand changes at the macro level. By referencing the SDGs, organisations can link their own dialogue about impact into the broader conversation about progress against the SDGs.

The second level focuses on **the contributions that an individual organisation is making to collective impact.** This is not the tired discussion of who should rightfully be allowed to claim certain impacts. Instead, the dialogue at this level asks different stakeholders in what way and to what effect one's organisation contributed to collective impact. The aim is not to out-compete each other, but to better understand how the ecosystem of actors functions, who contributes what, how effective a role one's own organisation plays and what we can learn to further enhance the ecosystem's collective impact. A word on competition: Often competition in the commercial arena coexists with cooperation on impact. Two retailers may be bitter adversaries when it comes to growing market share and margins, but happily work together on greening their supply chain, thereby increasing their collective impact.

The third level of dialogue discusses an **individual organisation's health.** Just as a single organisation may be healthy but fail to have impact because the larger ecosystem is weak, so for an ecosystem to thrive, it depends on its constituent organisations being in good health. 'Health' includes financial resilience (not limited to short term financial performance) as well as measures such as access to talent and employee satisfaction.

The dialogue about metrics at the levels of impact, ecosystem and organisation will include both a discussion of what the right metrics are and, more importantly, what their readings mean and what hypotheses might explain emerging trends.

2.1.2 Stories

A dialogue about metrics is important, but, on its own, insufficient. It needs to be supplemented by stories to provide **context, interpretation and inspiration.**

Stories make impact come alive and link the three levels of metrics (e.g. illustrating how organisational health enabled an organisation to contribute to the impact of the broader ecosystem). Different **stories about what the desired future looks like** help illustrate impact metrics and calibrate different visions. The aim is not to come up with one sanitised 'corporate vision' for the entire organisation or coalition of organisations, but rather to inspire and build on each other's vision. **Stories about past successes** help different actors understand how the ecosystem functions, define what success looks like and provide motivation for current struggles. **Stories of failures,** possibly the most valuable of all, help identify and share learnings.

Startup stories are told at the Kickstart 2019 Final Selection.

2.2 Ecosystem

The second platform for conversation revolves around the question of **what role** one's organisation should play **to enhance the impact of the broader ecosystem.** This builds on the learnings from the second level of the metrics dialogue described above, but goes beyond understanding the organisation's current role in defining the future role and what **competencies, partnerships and values** are necessary to successfully play this role.

Roles vary. Beyond the obvious description of an organisation's geographical or thematic focal areas, it's worth considering the **level of intervention** – do we tackle an issue directly or work on the underlying drivers and root causes – and whether the organisation is **focused on implementation or on enabling others** to implement. Organisations are rarely one or the other. Instead, roles vary from one area to the next. Also, some degree of direct implementation experience may be necessary to be a good enabler/orchestrator of others. Still, the skill set for working on species loss in the

field is very different from what's required to influence the financial flows causing species loss, although the ultimate objective may be identical. **Roles evolve over time,** often starting with a strong focus on an immediate level of intervention and on direct implementation. As the organisation grows more experienced, this role may shift to addressing underlying root causes and working through others, in order to effect change at greater scale.

There is no right or wrong role for an organisation, but there can be **a mismatch between the role aspired to and the competencies brought to the table:** We might be running a highly effective community-based poverty reduction scheme. If we decide that subsidies and trade regimes are an important root cause driving poverty, we need to first acquire a very different skill set if we want to effectively intervene at this very different level. Acquiring the necessary skills can be done within the organisation or through strategic partnerships, the latter often being faster. In such a partnership, two or more **organisations with complementary skills** team up to work on shared objectives, each bringing their very specific strengths to the table. The partnerships an organisation choses to enter into should be the result of the role it defines for itself and the skills this requires. It necessitates an honest assessment of the competencies required and where these can be found, in and outside the organisation.

Finally, the role an organisation chooses to play requires not just a specific skill set, but also a set of **values that correspond to the role envisaged.** For example, an orchestrator role requires that relationships and alliance building are highly valued. It also means an organisation needs to have the humility required to be content working behind the scenes, leaving the spotlight to others.

2.3 Experiments

When surroundings change rapidly and unpredictably, detailed planning loses much of its value. At the same time, experimentation gains in importance. Experiments allow an organisation to take risks, make mistakes and learn – all while limiting the downside risk in case things go wrong.

Experimentation is not the same as aimless wandering. It involves **a rigorous process** of assembling teams, designing prototypes, testing different options, seeking early feedback, collecting data and rapidly adapting one's approach based on stakeholders' reactions.

Experiments can take place at different scales, from one-person efforts to multi-locational initiatives, lasting anything from a few weeks to several months.

Distinguishing between experiments on the one hand and the projects and activities common in more classical approaches to strategy on the other may seem like mere semantics. The difference, however, is considerable. In a planning-based approach, management fixes objectives and defines multi-staged activities, believed to lead to achieving these objectives. Experimentation based strategising tests a hypothesis, but assumes a number of possible outcomes, the further direction being entirely dependent on the learnings from the experiment. Successfully running experiments and building and managing a portfolio of experiments, requires **a specific set of skills and values,** very different from the planning-based cultures of common to many established organisations.

Experimentation-based strategy involves assembling a portfolio of experiments, each testing a specific hypothesis. **Conversations about the portfolio of experiments** allow

learnings to feed back into the conversations about impact and about the ecosystem, as described above. While experimentation may (and should) take place at all levels and as part of any activity, enabling continuous improvement, the portfolio of experiments being managed by an organisation's leadership will make up only a small proportion of all activities. Leaders will pay disproportionate attention to these experiments. They will want to ensure rigour, sufficient resourcing and a strong focus on sharing learnings across individual experiments. If an experiment proves successful, leadership will want to scale it up, mainstreaming it and adapting its operations accordingly.

Replacing the classical strategic plan by **dynamic conversations about impact, ecosystem and experiments** enables organisations to quickly adapt to changing circumstances, speed up learning and thrive both as individual organisations as well as in their role as participants in broader ecosystems.

Kickstart as a source of ecosystem innovation experiments: M-Industrie CTO, Eliana Zamprogna, evaluating commercial partnership potential with Kickstart start-ups and scaleups during the Kickstart 2019 Selection Days.

by Jennifer L. Sparr, Nora Varesco Kager and Gudela Grote

Ecosystem Innovation and Culture Change in Organisations

ETH zürich

"Do you know what my favorite renewable fuel is? An ecosystem for innovation"
Thomas L. Friedman

Global markets and technological developments lead to the loss of monopolies and fiercer competition; radically new products, services and business models threaten the established ones – clearly, these are tough times for many organizations, not only in Switzerland. However, tough times also come with new opportunities. Organizations have begun to realize that to keep up with these developments and to strengthen the Swiss marketplace, they need to work together. In collaborating with external partners, they can create value that no single organization could create alone. Therefore, many of the larger organizations in Switzerland have started to open up to external collaborations and to engage in ecosystems for innovation. Today, these organizations are somewhere on their way from traditional, closed innovation settings (innovating within the company with limited exchange with the external world, "not invented here" syndrome) and open innovation (working together in defined projects with customers, suppliers, and universities to innovate within the core technology domains), towards ecosystem innovation (innovating together in multiple forms with multiple externals in both core and new technology domains and new business models). This transition requires profound changes in the way organizations work within and beyond their boundaries.

Creating a culture of ecosystem innovation starts with curiosity amongst potential partners. Startup founders and corporate managers meeting during Kickstart 2019 Selection Days.

An organization's preferred and enacted styles of collaboration are deeply rooted in the values and assumptions of its identity and culture. Culture change is key to the success of engaging in ecosystem innovation.

The nature of collaboration in the transition from closed to open and ecosystem innovation

In the transition from closed to open and ecosystem innovation, the nature of collaboration for innovation within and across organizations changes tremendously. In closed innovation, the collaboration mainly relies on single formal units within the company that collect outside information to explore and exploit within their given domain. The predominant mindset in this type of innovation is "we can do it all alone" and the famously coined "not invented here syndrome", which prevents collaborations with external parties since usually companies in that stage are very protective of their own knowledge.

Going beyond that, in open innovation the formal innovation units open up to exchange with external parties, including competitors, suppliers, universities and startups. They recognize the necessity to both share their knowledge as well as to receive outside knowledge, and to combine their efforts to both innovate within their given domain and to explore new options in new domains. At this stage, the exchange is still mostly restricted to designated innovation units within the organization. There are the "innovation people" who handle the exchange with the outside world, while the others continue to focus on the core business.

Ecosystem innovation goes beyond open innovation. An ecosystem allows companies to create value in ways that no single firm could manage on their own; the ecosystem includes the consideration of challenges that different actors

need to overcome to make sure that value is created in the first place. This value is created through interactions, cooperatively and competitively, across industries and countries. To do so, the organizations start to organize and allow for both formalized exchange with externals through the designated innovation units, as well as more informal activities by multiple units and individuals, which enable a more dynamic approach to innovation, thus moving beyond traditional areas and technologies. Innovation becomes a constant buzz in the organization rather than a shielded activity in a separate part of the organization.

The organizational culture challenge

With these changes, it is more important than ever for companies to build an organizational culture that not only values and supports innovation and change, but that is open to collaboration and being part of an ecosystem that expands well beyond the company's boundaries. Organizational culture is about "the way we do things around here", which is an expression of the shared values and assumptions of the people in an organization. It is based on the organization members' collective identity, that is the understanding of "who we are" and "what we do". To support ecosystem innovation, assumptions and mindsets of employees need to open up from "not invented here" to "creating value as part of an ecosystem".

Successful ecosystems rely on a common vision, strategy and identity that allows them to pull together. To engage in ecosystem innovation, organizations and their members are required to identify with the ecosystem. However, at the same time, organizations need to maintain their distinctive identity. Therefore, in the transition to ecosystem innovation, organizations need to learn how to keep the balance between keeping their distinctiveness as an organization while

identifying as part of the innovation ecosystem. In the following, we elaborate on how developing a culture that allows for both will help organizations deal with the uncertainties involved in the collaborations within the ecosystem.

Changing the organizational culture is not an easy or quick endeavor, as the following quotes from our 2018 interviews with Kickstart partner-organizations illustrate. One of the gatekeepers explained **"... this is a question of culture, organizational culture, which we need to address now. This means that our departments need to learn how to deal with such outside innovations, how to cooperate with a startup; this includes totally different time horizons, planning processes and communication needs compared to now where everything is much more complicated and fixed. This means culture change..."**

Another interview partner said, when talking about the experiences of an intrapreneurship team, **"...it is not their fault or weakness that the company does not have the culture or practice to engage in this topic. It is all still too new. The pressure is too low, the pain too little. We will need to bang our heads [encounter difficulties when innovating in the traditional way], also in the Swiss area, the whole German-speaking area, until we recognize that, if we want to keep up or catch up with all the high-flyers, we will need to approach things very differently."**

How to develop a culture that supports ecosystem innovation (while remaining distinctive)?

How can organizations develop their culture to be part of and support ecosystem innovation while keeping their distinctiveness? To answer this question, we need to have a closer look at the main influencing factors for organizational

culture. These are the company's strategy, structures and interactions, including leadership and collaboration within the organization. Within those factors, we can find answers to the question of how to build a culture for ecosystem innovation.

Vision, Mission, and Strategy

The company's strategy is built on the company's mission, which formally defines the organization's reason for being. The vision, which defines the overall aspirations of a company in the mid- to long term. Companies can use their mission and vision as powerful tools to both define their purpose large enough and relevant enough to fuel the need for the joint effort of ecosystem innovation, but specific enough to keep their distinctiveness amongst their competitors. Consider, for example, a Swiss pharma company. An inspiring mission that clearly can benefit from ecosystem innovation (and therefore is not very distinctive) would be "to continuously improve the health and life of people in Switzerland and the world". Combined with the vision for the company, for example "taking the lead in developing new pharmaceuticals to cure the top three widespread diseases" (which is distinctive since it claims the lead but remains inviting for ecosystem innovation), they can both open up to the ecosystem while staying distinctive at the same time. The means to achieve the vision while serving the company's mission of course need to carefully be specified in the strategy, which defines the company's goals and metrics, and identifies the ecosystem that can help to realize these goals while also defining measures on how to ensure the position of the organization.

Organizations are well advised to ask themselves the following questions:

- **Do we have a mission and vision that are clear and inspiring and at the same time large enough to invite ecosystem innovation while allowing us to be distinctive from our competitors?**
- **Does our strategy process include both goals to engage in the relevant ecosystems and goals that serve the distinctiveness of our company?**

Structures and processes

In the past decades, the strategic focus of many organizations has been strongly on quality and efficiency. They have built their structures and processes based on lean principles, which over time have shaped their collective mindset and actions. Ecosystem innovation requires organizations to open up their neat structures and processes, allowing for more flexibility and spontaneity. Therefore, many organizations currently try to reorganize themselves to become more agile and dynamic. However, to be both innovative and profitable, organizations need to develop structures that help them to be both – efficient and agile at the same time. This has been called a shift from static to dynamic efficiency. For example, cross-functional teams have helped organizations to become more flexible while keeping the given structures for the core business. Other, more radical structural changes, for example as in holacracy, promise more agility while often relying on quite rigid rules.

Structures and processes affect the organization's culture, because they shape the individuals' identity within the organization (e.g., being part of a specific division, team or process) and, importantly, they provide the vessel for collaboration within the organization and across the organi-

zation's borders. For ecosystem innovation, structures and processes need to allow for and facilitate the collaborations with the ecosystem while at the same time provide the boundaries that protect the organization's distinctiveness. In the delicate task of adapting their structures and processes to facilitate ecosystem innovation, organizations can use this as the guiding question, together with refining questions such as:

- **Do our structures and processes allow for and facilitate the collaborations with the ecosystem while at the same time provide the boundaries that protect the organization's distinctiveness?**
- **Do our structures and processes allow our people to collectively embrace the constant mess, chaos and buzz of innovating while keeping up orderly processes?**
- **Do our structures and processes tolerate the uncertainty of experimenting and ideation while offering clear guidelines of how to do so?**

The third factor that significantly influences the organizational culture are the interactions within the organization. Two aspects are especially relevant, namely leadership and networks. As in every major change in organizations, the support from the (top) management is crucial.

Only if an organization's management believes in and supports ecosystem innovation, and as a consequence, is a role model for engaging in ecosystem innovation and showing how to integrate the cooperation with external parties with the organizations' distinct interests, will employees adopt this mindset and behavior, too. Further, management support makes it safe to engage in innovation activities. Our Kickstart interview partners from 2018 support this insight. For example, one of them remarked on partnerships with

startups: **“Given that our teams are not all managing directors, obviously, we, our department head, or even the person above her should also be very supportive. Depending on the scale or the size of these partnerships, for some of them we really need that push from the top.”** Another one reflected on the participation in the program: **“If a CEO or a director adopts this as their baby and gives their ok to take part in the Kickstart program, this increases the pressure from above and also increases the legitimization for those who get involved towards their supervisors. There might be other companies where this is common practice, however, we are still in part a classical hierarchical organization where people wouldn’t dare [to get involved in the program] if the supervisor would not clearly tell them what they are allowed to do.”** Clearly, top managers have an important role in communicating the importance of joint value creation and making courageous decisions that allow for synergies while preserving the organization’s interests. They need to role model how to reach out to others and become part of the ecosystem that drives change while staying true to the values of the company. They are required to lead and support innovation while allowing others the space and discretion to innovate within and across the organization’s border.

Opening up for ecosystem innovation means for organizations both formal and more informal connections and exchange with external parties. To orchestrate these efforts, informal networks within the organization become more important. For example, one of our interview partners explained why he was chosen as a gatekeeper for the Kickstart program: **“...because I have been with [the company] for a long time now and know many processes, many internal stakeholders, so that I probably can quickly get an overview and open doors.”** Another one highlighted the importance of networks within the company **“... it is a**

Startup pitches during 2019 Kickstart Program.

challenge to know the right people, it is also important to meet quickly with people who have a big network themselves, so that you can say – hey, I need something for this or that topic, do you know where this has been worked on, did you ever do anything related." There are many ways in which network building can be facilitated in organizations. Within the organization, for example interdisciplinary teams, co-working spaces and mentoring programs (including reverse mentoring) help to create and sustain networks. To connect with the ecosystem and to facilitate network building within the ecosystem, programs like Kickstart, multi-stakeholder groups like digitalswitzerland (https://digitalswitzerland.com/) and platforms like One Young World (https://www.oneyoungworld.com/) – and these are only a few examples – offer great opportunities.

Organizations who prepare to engage in ecosystem innovation while keeping their distinctiveness will need to answer the following questions:

- **Is our (top) management a driver for ecosystem innovation while strengthening the company's distinctiveness in terms of, for example, their communication, decisions and role modeling?**
- **Do we support formal and informal networks both within and beyond our organization's boundaries that help to orchestrate the manifold collaborations within our company and the ecosystem while strengthening the distinctiveness of our company?**

Conclusion

To build an organizational culture that supports ecosystem innovation means to develop a complex organizational identity that values being part of the ecosystem while being distinctive from other organizations. Organization members need to learn how to live in both worlds, how to contribute to the success of their company while joining forces within the ecosystem to allow for purpose-driven innovation. They will need to learn how to find comfort in being curious while relying on the certain, being willing to experiment while keeping the order, and being ready to share while protecting their assets.

Figure: Key questions for culture change towards ecosystem innovation: How to be part of the ecosystem while staying distinctive as an organization.


KICKSTART
Mirjam Bamberger
KICKSTART
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by Holger Greif, Peter Kasahara and Christoph Birkholz

Ecosystem Innovation from the CEO's Perspective

pwc

KICKSTART

To survive in the digital, fast changing and often disruptive environment, companies need to acquire new skills and new working practices. They need to innovate constantly, and it is vital that they understand the new driving parameters of innovation and how to achieve them effectively. CEOs will play a leading role in this process: they have to define their company's strategic positioning, and it is up to them to own the innovation process and to decide what co-operations and partnerships to forge. There is no doubt about it: innovation is both an external and an internal process.

New business ecosystems are evolving rapidly, around the globe and across industries, thereby pushing the boundaries of traditional sectors and value chains. Amazon, Alibaba, Apple, Facebook, Ping An, Rakuten Ichiba and Tencent are well known ecosystems, some of these companies being the biggest animal in their respective habitat. digitalswitzerland, with its network of incumbents and startups driving Switzerland's digitalisation, is an ecosystem on its own and blurs the traditional borders of an association and an ecosystem. Ecosystems involve multiple stakeholders such as incumbents, startups, infrastructure providers, collaboration platforms and communities, incubators and accelerators, but also capital providers and regulators – and ultimately customers. The boundaries of an ecosystem are fluid and new participants are replacing old ones on a regular basis.

Executives from diverse sectors coming together at Kickstart events.

Ecosystems are defined by the interplay of their members, the dynamics of their infrastructure and how they embrace new technologies – with a special focus on insights, trust and resilience as well as providing access to value for the customer. These goals are only feasible by combining various value chains and/or online and offline experiences. Ecosystems inherently cannot be controlled. However, CEOs can have a driving force and generate structures and processes that enable ecosystem innovation.

Ecosystems drive ever shorter innovation cycles, based on the interaction with competitors, partners and customers. In many situations, the ecosystem itself is the only opportunity to customise products, based on data from various providers. What would an entertainment streaming platform be without insights into preferences and personalised content? A company that wants to thrive in the future will undoubtedly have to implant ecosystem innovation in its DNA. We understand ecosystem innovation as a process that takes place within a network of related stakeholders. What are the key requirements for ecosystem innovation, what skills are needed, what organisational processes and structures have to be set up? How can CEOs lead their organisation and their teams to actually live ecosystem innovation?

1. Why you should focus on ecosystem innovation

- **Stay relevant in the market**
- **Have access to relevant/important talents**

Innovation is driven by two main factors: changing customer needs and demands and the availability of talent. In the future, these two drivers can only be captured by ecosystem innovation.

1.1 Your customers are in the driving seat

Previously, markets and market conditions were determined and dominated by the large players, the market leaders. Market-access costs were high, in some industries extortionate. New participants were struggling to enter the market place, and if they managed to do so, it took them years to gain the smallest of market shares. Today's exponential development of disruptive technologies, changed customer expectations, and new platforms are turning market dynamics upside down. In some industries, new players may enter the market in no time and rapidly leave often inflexible incumbents behind. Technologies and platforms drive competition and lend new impulses to innovation, accelerated by new market players. If large players with often rigid organisational structures want to react to changing customers' requirements in a timely manner, they need to set up fast and agile structures and processes as well as interact with startups, intra-teams and tech companies. In other words, they need to nurse an effective ecosystem.

Digital transformation is all about customers; however, their needs and requirements are changing fast. Their interactions with other customers and suppliers on a broad array of communication media and the emergence of new trends and beliefs in communities inevitably lead to a perpetual transformation of these requirements. Customers demand seamless services and experiences from whoever can provide them. They have countless touchpoints with many players, the times of bi-directional relationships between a company and its customers are gone. Customers move in an ecosystem with various interlinked actors – if they buy a product online, not only the supplier, but also the payment service provider and the customer's bank are involved.

Customers demand tailored offerings and services:

- **personalisation of products and services**
- **enhanced user experience across all touchpoints with your company**
- **transparency regarding production process, products and services**

Their benchmark is not your company's service. They expect from your company the same or a better performance than the most satisfying performance they have experienced from any other company. Such companies must not necessarily be competitors or even be in your line of work or products. It is their performance to meet the customers' needs that counts, and the satisfaction your customers got out of it.

Customers are well connected, their networks are extensive, there are no boundaries, they are always one step ahead and represent an ecosystem of its own. To keep up with their requirements – or ideally be able to anticipate them – a company should adopt a broader perspective and venture into the ecosystem.

1.2 The battle for talent

Talent is key for innovation. However, talents are becoming less loyal to one single company. In the rat race for the workforce of the future, new skillsets apply and the requirements are changing in the blink of an eye. Skilled talents are strongly sought after by competitors and startups. A company has to be able to pinpoint the talents that are available in-house and identify those employees that will have to be recruited externally. It has to closely watch demographic change and the permanent need for upscaling. It has to enable lifelong learning and upskilling. To attract and retain the necessary talents, new life and work plans as well as an innovation

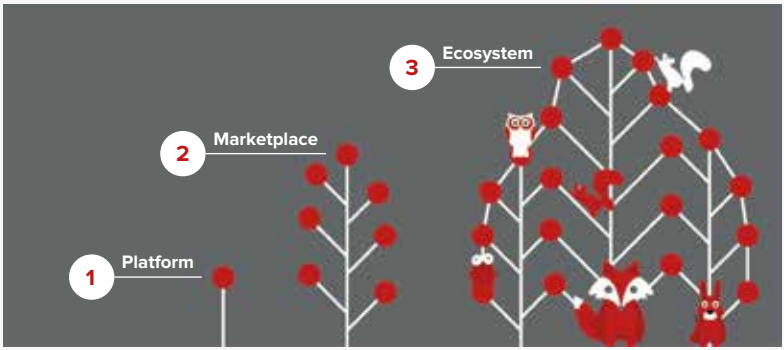
friendly work environment must be on offer; monetary compensation is only one of many incentives. The employees of the future are not looking for a job for life, they want flexible work models and are seeking freelance opportunities.

However, even the largest innovation leaders such as Google or Amazon might not be able to attract and have all the talents and resources they need to maintain their edge in-house. To gain access to new systems and technologies, they enter partnerships or – more often than not – simply acquire promising competitors and startups.

CEOs have to lead ecosystem innovation by inspiring their teams to look beyond the internal organisation. They have to push and incentivize the active curating of the relevant innovation ecosystems so that their teams become experienced ecosystem innovators and are able to decide which steps need to be taken in-house, what should be addressed in the ecosystem – and what strategic partnerships on all levels of the value chain should perhaps be considered. To enable ecosystem innovation, it is crucial to think in terms of the ecosystem.

Figure: From (technical) platform to marketplace to ecosystem.

This is what an ecosystem looks and feels like – and yes, it is difficult to navigate safely.



2. How to foster ecosystem innovation

- **Decide on your company's role in the ecosystem**
- **Enter partnerships**
- **Adopt the new mindset and install the necessary structures**
- **Set acupuncture points**

To foster and practice ecosystem innovation, CEOs first and foremost have to reach a deep understanding of their future ecosystem and the role they want to play in it. They also have to choose the intensity of their engagement in the respective role. With regards to leadership, new approaches are needed. As you cannot control the ecosystem, a controlling style of leadership is most likely not the right one. Agile work models and trust in the teams are both a challenge and an opportunity for your organisation.

2.1 Define the way you act in the ecosystem

The three fundamental roles of companies in any ecosystem are:

- **participator**
- **orchestrator**
- **supplier**

Participators join an ecosystem by contributing and offering their own products and services to the end customer.

Orchestrators take an active role in influencing the ecosystem. They build platforms and marketplaces that are open to third party product and service providers, they integrate third party offerings and manage the interactions between the ecosystem participants. Orchestrators are often the owners of the platform technology, and they fuel the ecosystem in parallel. However, an ecosystem is much more than a technology platform. It is not only the marketplace

Over 50 CEOs and executives participated and met the startups at the Kickstart 2019 CEOs Dinner.

where customers purchase services such as Uber rides, it is a system of many different organisations and individuals interacting with each other in **co-opetition** – sometimes competing, sometimes supporting each other, sometimes both at the same time.

Suppliers take a prominent role and offer their services to parties engaged within the ecosystem, thereby enabling new, innovative business models (B2B, B2B2C).

With respect to the definition of the role of an orchestrator, however, it is pivotal to understand that an ecosystem does not have a central actor that orchestrates and controls the system. The ecosystem itself is "centric" in the sense that different actors co-exist and nurture each other within the system. Yet, a company can engage in influencing the ecosystem and take a leading role in it. Keep in mind that to describe a complex, multi-facetted, interactive and dynamic business environment, the term ecosystem was borrowed from nature – where there are no central or core orchestrators but actors that both compete and depend on each other.

2.2 Innovating equals co-operating

In other words, what role does a CEO want to play? In order to determine the company's strategic alignment, CEOs take stock of their in-house resources, analyse key partnerships, the community, competitors, suppliers, customers, and other stakeholders; they identify the key players of the ecosystem and the companies capable of disruption, and understand the specific sources that drive innovation in the ecosystem.

CEOs must consider whether the big incumbents – competitors, tech players and other third parties – have an interest to fill gaps in the ecosystem or not. If they do so, the

company must evaluate if it might not make more sense to be a participator at a big platform or an orchestrator or supplier in a niche market. As companies can no longer offer everything end-to-end, they have to gradually find and establish their new role in the ecosystem. This gives rise to strategic questions with respect to how CEOs can open up their company and allow third party innovation.

Ecosystems by definition build on partnerships. No partnerships, no ecosystem. The strategic goal a company wants to achieve by means of a partnership – such as an improved product offering or gaining access to partner technologies or networks – defines its structure. The structures may range from referrals and white-label usage to process outsourcing and product development to collaboration and integration.

2.3 Mindset and structures are key

Ecosystem innovation is a mindset and breaks the boundaries of closed innovation. To unleash ecosystem innovation, which happens bottom-up, it must be supported from the top. A specific mindset and innovation fostering structures have to be installed. From silo-thinking to cross-divisional teams. From in-house to the ecosystem. From external partnerships to outsourcing and M&As. Questions such as “How much freedom in decision-making is granted to any team member?” and “How do we pull idea generation, experimenting, piloting and execution of new projects inside our company?” all have to be answered. At the same time, revenue expectations and a corresponding time frame will have to be discussed.

To introduce the mindset and culture that enable true innovation, CEOs should make sure that the people involved in the process of ecosystem innovation are granted autonomy.

The respective teams must be encouraged to reach out and take an outsider's perspective – even if this collides with traditional company views and values. Offering new working models will attract and retain the best talents. In hiring and developing talent, diverse backgrounds and perspectives should be taken into account. CEOs and their innovation workforce can seek external input through learning journeys, cross-sectoral dialogues, customer quests and the participation in ecosystem innovation programmes. Structured programmes and processes as well as venturing programmes help to implement the culture of ecosystem innovation in your company.

Last but not least, all decisions should be taken from a long-term perspective – but with a clear short-term action and outcome orientation. Innovation in general and ecosystem innovation in particular should not be subject to short-term pressures and hasty bottom-line considerations. Rather think of intermediate goals and KPIs with regard to the ecosystem innovation process.

CEO checklist

- **Checklist for ecosystem innovation**
- **You make it happen**

To ensure that the company is able to institutionalise ecosystem innovation, CEOs are advised to take the following seven steps:

WHAT	WHY	HOW
 **Ecosystem**	**Define your current and future ecosystem(s) and encourage ecosystem mapping around customer needs and systemic challenges.**	Sit down at the table with your managers and define and visualise different ecosystems. Map your ecosystems, their purpose, their flows and their respective participants' interactions. Define your company's added value that is not easy to copy. Be explicit, agree and disagree with your executives about which ecosystems are relevant and which are not. Define your ecosystem vision and what capabilities you can offer to an ecosystem. Define where you can save cost by being part of an ecosystem. Ecosystems offer single access through various touchpoints, such as loyalty, currencies, etc. Do not only focus on the old well-known industry competitors, think out of the box.
 **Company culture**	**Enable a company culture that supports ecosystem innovation.**	To unleash bottom-up ecosystem innovation, a specific mindset that supports ecosystem innovation throughout your company has to be installed. Fight the "not invented in-house"-mentality. Do not control the entire innovation process, but remain close to it. Refrain from deciding which projects or initiatives are pursued or how and on what people spend their time. Define your ecosystem KPIs – and no, it is not revenue per month –, create a space and an environment to test new ideas and ways of working. Ask how you aim to influence other actors within the ecosystem. Ask how you can incentivize other actors to collaborate with you. Strive for a fair culture and for co-creation. Check frequently your current job profiles, how they will evolve in the next two years – and how to upskill your workforce.

WHAT	WHY	HOW
 3 Leadership	**Adopt a style of leadership that puts trust in your teams and supports agile work models.**	Are you focused on control? Then you need to change quickly. You cannot control ecosystems, but you can define guard rails and give impulses. Give your teams leeway to thrive and innovate. Trust your teams. Support them to innovate with the existing business lines. Find out what skills are missing for a new ecosystem contribution in-house. Hire talents from outside your industry or even from the public sector. Develop a governance that spans across both internal and external boundaries, e.g. intrapreneurship processes and spin-out agreements. Get rid of as much top-down control as possible. Be bold and open up – also in a literal sense. Abolish access control at the main entrance and get to know customers and people from the street. Your sensitive departments and data are not located in the entrance hall anyway. Look for young talents in your company who can do "reverse coaching" for you and your executive team.
 4 Customers	**Get to know your customers.**	Ask your teams to get instant and constant feedback from your customers and non-customers. Where do your customers see evolving ecosystems? What are their new demands? Make your teams reach out to (potential) customers before you talk budget. Add the customer feedback to your executive meeting agenda. Request from your staff to collaborate with counterparts from other companies and to develop external partnerships.

WHAT	WHY	HOW
 **Cooperation**	**Cooperation trumps competition.**	Develop both in-house and external cooperation. In-house: Get rid of silos. Foster interdepartmental cooperation and install cross-teams. External: The days when competition was the name of the game are over. Always check first if collaboration is possible as cooperation trumps competition. Respect your competitors. Play the ecosystem or die.
 **Community**	**Develop your community building capabilities.**	The employer of the future is a community builder – it is in the communities where trends, beliefs and values are created and developed. Develop and sustain community-building and networking skills. Learn from communities that have been successfully operating for years, such as the multi-stakeholder initiatives digitalswitzerland and Impact Hub.
 **Review**	**Last but not least: celebrate success.**	Periodically review successes and failures and adapt. Communicate and celebrate lighthouse innovation and success – firmwide.

As your company's CEO, you are the person who drives an innovative environment by enabling and participating in your ecosystem's innovation activities. Learn from those who understand new technologies. Reverse coaching is the name of the game. Get all the resources and technologies you can. Make sure that your company runs smoothly today. But you also have to set the course that will bring success tomorrow, be aware of that. Ecosystem innovation will help you achieve these goals.

Ringier CEO and digitalswitzerland initiator, Marc Walder, addressing the CEOs and Executives during the Kickstart 2019 CEO Dinner.

Carmen Walker Späh, Government Councillor and Head of the Department for Economic Affairs Canton of Zurich at Kickstart 2018 Closing Ceremony.


AN INITIATIVE OF
HUB Zürich
480 KG
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5 KG
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65 KG
00 LBS
4 CUM.
VYmal
RESEARCH
RSL

by Lukas Peter, Tina Werro, and Andrea Back

Collaboration Between Corporations and Startups: The Startup-Collaboration-Model

swisscom

Institut für Wirtschaftsinformatik
Universität St.Gallen

Introduction

The framework explained in this article is based on PhD research at the University of St.Gallen and professional experiences gained in both Switzerland and Silicon Valley. Silicon Valley remains the world leader in high-tech startups to which the rest of the world looks for inspiration, giving rise to cutting-edge companies such as Apple, Intel, Google, Facebook and Twitter. In 1998 Swisscom established its first Silicon Valley Outpost in Palo Alto. The Outpost as well, identifies technology developments and new business opportunities by fostering the exchange and collaboration with major technology firms, incubators and accelerators, investment experts and ambitious startups. With years of experience and a solid network built up, the Outpost further serves its Swiss headquarters with insights on latest trends and technologies, valuable partnerships, and a visionary mindset. With the aspiration to connect Switzerland with the Silicon Valley and to accelerate its overall innovative strength, Swisscom runs a Corporate Program and industry-specific Focus Weeks for visiting individuals and groups. During those customizable programs, corporate executives, innovation managers or industry experts benefit from privileged access to the Outpost's local network and first-hand insights like the SCM from innovators and digital disruptors of Silicon Valley.

There are a number of challenges when engaging in collaboration with startups. For example, collaboratively

developed ideas are at high risk of failing when there is a dearth of support from senior management. Thus, a conscious and active support from above becomes an overwhelmingly essential requirement for a corporation when it strives to openly and collaboratively innovate with startups. To ensure this support as well as a lasting success, a deliberate decision to boost innovation and adopt it as a major component of the chosen business strategy is highly important. Firms need to properly manage the expectations of the shareholders, i.e., achieve a balance between the lasting and immediate returns of an investment plan. Major corporate departments might be reluctant to do business with startups and to use their relatively novel products if they are unable to get references and recommendations from past corporate customers. Different business departments might have conflicts when collaborating or predicting the possible results of a collaboration and this can cause differences in demands as well as schedule setbacks. Furthermore, collaborations between large companies and startups is significantly different from collaborations between two (or more) large companies or SMEs, as they face a scarcity of resources, simpler organizational processes, and market uncertainties. These factors typically also challenge the corporation to adopt a more open-minded and strongly vision-driven culture.

The Startup-Collaboration-Model

To face such challenges, it is necessary to put careful thought into what collaboration option to pursue. Guiding frameworks regarding this decision are scarce and existing decision-making tools used to choose collaboration options between two or more large companies cannot be applied to collaborations with startups. Therefore, a categorical framework for corporate innovation managers, the Startup-Collaboration-Model (SCM), has been developed as a directive concept to differentiate between prevalent forms of

corporate-startup collaboration. The eight characterizing categories of the SCM are (1) strategy, (2) structure, (3) culture, (4) resources, (5) performance, (6) startup, (7) ecosystem, and (8) financing. The nine distinct forms of collaboration are (a) corporate venture capital, (b) mergers & acquisitions, (c) procurement, (d) business incubator, (e) corporate accelerator, (f) corporate company builder, (g) co-working space, (h) startup platform program, and (i) innovation lab.

The purpose of the SCM is to deliver a guideline for innovation managers to support their decision-making as to which collaboration form to choose when aspiring to openly innovate with startups. The SCM details the required depth of a corporation's involvement (by category) in the startup(s) for each collaboration form.

Table: The Startup Collaboration Model: an in-depth view of corporate involvement level with an assessment of characterizing categories for nine startup collaboration forms (the darker the shade of red, the more intense is the category-specific involvement and effort required for a corporate to align with the startup(s)' needs) (own illustration).

	Corporate Venture Capital	Mergers & Aquisitions	Procurement	Business Incubator	Corporate Accelerator	Corporate Company Builder	Co- Working Space	Platform Program	Innovation Lab
Strategy									
Structure									
Culture									
Resources									
Performance									
Startup									
Ecosystem									
Financing									
General Corporate Involvement Level	medium-high	very high	low	high	high	very high	low	medium	medium

Several aspects have to be considered when choosing the form of collaboration that best suits the organization's **strategy.** Although every form of collaboration can be used to achieve a variety of goals, there should be a clear prioritization in order to avoid a diffusion of effort and resources. Depending on where the priority lies, the impacts of the collaboration will occur at different times. Therefore, the determination of the strategic goal should always happen with a view to the necessary time commitment. The distinction between core, adjacent and disruptive business is recommended. The criteria follows the logic that a business model further away from the corporate's core business requires more freedom, produces less synergies and the corporate's knowledge is less relevant. In contrast, the closer to the core and the higher the strategic relevance, the greater the need for control and involvement. As shown in the SCM framework above, the darker the shade, the more complex the strategic considerations are for the collaboration form.

Without sufficient freedom (vs. control) and a lean orientation of corporate **structures,** the success and innovation of startups may be significantly limited. A lean orientation here refers to the culture of experimenting, iterating, investigating and testing in the creation of products or in service innovation. It is therefore important for the collaboration process to involve trustworthy internal mediators determined to push forward innovation and to facilitate the fostering of internal connections to both the involved business units and the C-level management. The darker the shade in the SCM, the more corporate involvement is required in order to align to startup needs.

General challenges in the execution of collaborations may result from differences in organizational **culture** and work practices and differences in organizational timelines.

Established companies are generally large in size, have extensive financial resources, but also lack entrepreneurial culture and agility and hence fail to produce disruptive innovation beyond incremental upgrades and efficiency gains. Startups, in contrast, tend to be lean, risk-taking and agile, and produce disruptive results in a short time. The greater the cultural differences, the higher the demanded corporate involvement to coordinate a collaboration.

Both hard and soft **resources** are at the center of the collaboration. Hard resources are equipment, software, etc. whereas soft resources are the skills, experience, etc. In cases where soft resources are of special interest, equity collaborations are preferable. Acquisitions are more suitable to take control over hard resources, as hard resources are easy to value and easy to turn into synergies relatively quickly, whereas soft resources often get lost if the acquired company loses its freedom. One of the costs associated with equity ownership is the loss of motivation in the target company's workforce. If this motivation is of central interest in the collaboration, it is inadvisable to choose a strongly integrated form of governance. The darker the shade in the SCM, the higher the required corporate provision of resources towards the startup(s).

The measurement of **performance** of innovation in general is challenging given the ambiguity in determining what constitutes successful innovation. Moreover, the performance of an innovation program is further challenging to measure because it is typically not possible to objectively and unambiguously evaluate if the performance was a direct result of the program. It is therefore suggested for corporations to closely link their Key Performance Indicators (KPIs) to the program's specific goals over a long-term period. Thus, KPIs that are linked to the overall company goals (e.g. inno-

vation portfolio growth, entry of new markets, talent acquisition) should be applied with prudence. The darker the shade in the SCM, the higher are the efforts to define suitable and effective KPI indicators.

A startup should retain a maximum amount of freedom until it is ready to scale its business. Hence, the stage of the **startup** in terms of development and funding is crucial. Therefore, mergers & acquisitions is only advisable for later stage startups. However, there may be a trade-off between preserving the startup's freedom and the rising price of the startup for acquisition. Procurement usually happens with later stage startups due to the nature of the process, but also because extensive co-development requires a lot of resources from the corporate and only produces little return if there is no equity stake in the startup. All other forms of collaboration are well suited to give startups the amount of freedom they need to develop in their early stage. The lighter the shade in the SCM, the more freedom a startup should be given.

The startup **ecosystem** is an important consideration in assessing options for collaboration. It is observed that the leverage of such an ecosystem is crucial for most of the collaboration options. Subsequently it is very important for a corporation to reach out and to become part of the surrounding startup ecosystem by building valuable relationships with the community through mutual support, networking events, referrals and the inclusion of beneficial actors in internal corporate processes. The offering of a collaborative innovation program to engage with startups may serve as a catalyst for corporations to become integrated and influential parts of the ecosystem. The darker the shade in the SCM, the higher are the estimated efforts to become part of the surrounding startup ecosystem by building up valuable relationships

to the community through mutual support, networking events, referrals or the inclusion of beneficial actors into internal corporate processes.

Finally, when considering the last dimension of the SCM, **financing,** it is important to determine who within the organizational hierarchy will have the authority to mobilize financial resources and what effect this may have on the speed and effectiveness of a particular form of collaboration (e.g., up to which threshold should the innovation unit be able to mobilize resources and how easily can it access the authority for resources beyond that threshold). High financial investments (dark shade) are associated with a similar or a higher level of risk and vice versa. For example, when pursuing a risk-averse investment strategy, the riskiest options to choose (in relation to the financial investments required to pursue one of the collaborative open innovation options) are Corporate Company Builder and M&A.

Conclusion

The SCM is an involvement-level based approach in the creation of a guideline for innovation managers in order to assist their conscious decision-making on which collaboration option(s) to pursue when striving for open innovation with startups. When using this framework as a guideline, the fact that most companies start out with an informal, unstructured, bottom-up approach should be considered. Formalization usually happens whenever C-level management starts to perceive the topic as relevant, which tends to occur in the context of a strategy or leadership change. Top management provides a broad mandate and designates parts of the budget for the projects. The decision about the organizational form, however, is the responsibility of middle management, although it is typically limited to forms that do not require financial investments. It can thus be said that the

forms of collaboration which are in place today weren't the result of a strategic decision. Rather they are the result of an incremental process, where methods and resources grew along the way.

Nevertheless, the SCM contributes to a more comprehensive knowledge about collaborative, open innovation options for both practice and theory. It is certain that it becomes increasingly important for corporations to move fast and be agile in detecting, reacting to, and exploiting change in a fast-changing world.

Startup founders and corporates managers meeting during Kickstart 2019.

by Nicolas Bürer and Christoph Birkholz

Ecosystem Innovation in Switzerland – A Conversation Between digitalswitzerland's Nicolas Bürer and Christoph Birkholz of Impact Hub

NICOLAS_Dear Christoph, tell me, you are working in Switzerland in the innovation space for many years, how do you see concrete progress or not in the last few years and in which areas mainly?

CHRISTOPH_ The Swiss entrepreneurship and innovation space has developed tremendously in the last decade. Ten years ago the boundaries between large and small organizations were still very strong. Large companies mostly ignored startups or young founders, or they looked at them as "cute projects" rather than potentially serious competitors or partners. Equally, cross-industry and cross-sector (e.g., between for-profit and non-profit) innovation was less known. Today you will hardly find any large company that does not engage with startups for innovation, technology or product development. Swiss corporates operate 2-3 structured programs or activities for ecosystem innovation such as open innovation labs, internal incubators, accelerators or corporate venture capital units (CVC). Entrepreneurship has become an attractive, if not the most attractive career path of young graduates from top schools.

Startups, on the other hand, are increasingly seeking to collaborate with corporates and large organization in order to scale their effort. While purely digital platforms and marketplaces could be developed and scaled with venture

capital alone, the more advanced technologies (Deep Tech) like AI, robotics, sensors, etc. require sophisticated partnering between multiple players. Interestingly, it seems that CVC has also become more attractive to startups than 5 or 10 years ago, when CVC was still considered lower quality to conventional venture capital (with the exception of pharma/biotech).

With all this excitement and collaborative activities, we now expect some professionalizing and scrutiny around ecosystem innovation between large and small and across sectors. At Kickstart, we are learning every year more and more about the challenges and opportunities in actually delivering successful ecosystem innovation projects. And we will see both a degree of disillusion as well as very successful scaling around ecosystem innovation in Switzerland.

NICOLAS_Now looking forward, what are our own objectives for the next 2-3 years and your 10-year wishes about ecosystems and innovations in Switzerland?

CHRISTOPH_ In the next 2 to 3 years we will professionalize ecosystem innovation by scaling and showing success cases and developing more tools for successful partnering across boundaries. We also expect many more collaborations not only between startups and established companies and organizations, but between a diversity of players, including public institutions, city departments, universities, mid-size companies and especially scaleups with 100 and more employees. Kickstart and Impact Hub will be continue to be a driver behind such developments.

In 10 years, I would like to see Switzerland as a global leader when it comes to collaboration and ecosystem


KICKSTART
ACCELERATOR
Nicolas Bürer
Managing Director of digitalswitzerland
AN INITIATIVE OF
HUB Zürich
IN PARTNERSHIP WITH
digitalswitzerland

innovation for sustainable development. I believe that customer centricity and economic development are important impulses for ecosystem innovation, but its true potential lies in the ability to solve some of the major challenges of sustainable development such as the climate crisis, migration, extinction of species, collapsing ecological ecosystems, the application of general artificial intelligence for humanity and others. And there are countless business opportunities around these challenges, which we, in Switzerland, are ideally positioned to develop and benefit from.

CHRISTOPH_Nicolas, digitalswitzerland promotes and supports innovation in the Swiss business ecosystem. Can you share the why, how and what of digitalswitzerland?

NICOLAS_digitalswitzerland has the mission to position Switzerland as leading digital innovation hub worldwide. For that, we follow a cross-industry and multi-stakeholder approach in everything we do in the country. We have developed 6 horizontals and 4 verticals with in total about 20-25 initiatives. We aim to develop and implement concrete projects with clear impact. The digital day is one example.

At the end of the day, it is about defining an innovation identity for Switzerland. We are not Silicon Valley, Berlin, Israel or Shenzhen and should not try to copy them. It is about finding out our way of innovating mainly based on our skill set. digitalswitzerland is one of the actors helping in finding our identity. In addition, we aim to join forces with other innovation ecosystem players in order to multiply the impact. Collaboration is one of the key success factors in the future of innovation, and this is also valid for an association like digitalswitzerland!

digitalswitzerland's Managing Director, Nicolas Bürer, presenting at Kickstart 2018 Closing Ceremony.

CHRISTOPH_From your experience within digitalswitzerland, what are the success factors for ecosystem innovation? And which obstacles or challenges to ecosystem innovation have you experienced so far?

NICOLAS_ As I've observed so far, three main success factors to take into account:

First, an open mindset to transversal work, I mean, across organisations from different sizes and culture working together and also from different industries. Quite often, corporates are industry-oriented and startups rather technology-oriented. There is per definition a clash. Being open-minded and curious is key for working together.

Second, rapid try and fix approach. Since there are mainly impossible alliances and since strategies longer than 3 years are getting more complicated, this is essential, especially for incumbents or bigger organisation to encourage a rapid "internal or external proof-of-concept" approach, analyse and fix. If the project is fine, develop it further. If not, stop it and start something new. Don't wait for a new strategy which may take months before being ready. Innovation in the system is developing very fast, every organisation should also be fast.

Third, accept and encourage competition in the ecosystem itself. The Swiss innovation ecosystem is booming for a few years, we count more than 150 initiatives in the country! This is fantastic for the ecosystem because every player wants to win the race and it needs to be innovative. It leads to a wide range of offerings for organisations willing to learn how to become innovative.

I see one main obstacle so far: **The Silo-mindset.** Many organisations or departments still have a silo-oriented way of doing business and still believe only in industry-internal innovation. I think this is a dangerous approach. In some industries, which may be more protected from transversal disruption, it may work for some more years. But in general, innovation, coming from transversal technologies, is exactly what will not only protect you from being disrupted, but also to grow your business in new areas!

With 57 startups, scaleups and intrapreneurship teams, Kickstart has become one of the largest ecosystem innovation program. The momentum was only possible by digitalswitzerland and Impact Hub joining forces.

PART II


KICKSTART

by Josephine Ritzel

Ecosystem Innovation in Healthcare

KICKSTART

"... organizations should put even greater emphasis on collaboration and networking."

W. Vanhaverbeke. "The Interorganizational Context of Open Innovation"

Overall, the ecosystem innovation approach runs counter to the silo mentality. With the mutual goal to innovate, economic relationships between industries are built to tailor new innovative offerings. Regarding the healthcare industry, ecosystem innovation can be best described as new forms of partnerships and collaboration along the health value chain. The goal is to develop new solutions jointly, to share and further develop ideas, and in doing so, to bring innovation to the overall healthcare system. All this needs to happen in a framework that aims to align incentives across industry sectors and, most importantly, puts the patient at the center of attention.

By building partnerships and collaborations where patient centricity is key, significant advantages can be generated, such as:

- **elimination of redundancies**
- **build-to-scale economies**
- **improved health outcomes, etc.**

Why we need to consider ecosystem innovation as a great opportunity for Swiss healthcare?

The Swiss healthcare system is in need of innovation, costs are rising, and the measurement of outcomes is still inconsistent. Furthermore, healthcare is a highly regulated sector and the silo mentality still presents several major obstacles to transform the healthcare system to a digitally

integrated ecosystem. Nevertheless, as more and more co-operation and partnerships among different healthcare related stakeholders is occuring, Switzerland is well on the way to foster innovation.

What will a future healthcare system look like and how can ecosystem innovation be a game changer?

Applying the ecosystem innovation approach to the healthcare system opens an opportunity to work towards another big goal: value-based healthcare. As soon as the silo thinking is hacked, all involved stakeholders – providers, payers, suppliers, society and most importantly patients (or patient representatives) – will benefit from new advantages as the whole healthcare value chain is covered. The quote on the left sums up the essence of what needs to happen to shape the future digital, outcome-oriented, and patient centric healthcare system. It is supported by future oriented concepts like value-based healthcare. As highlighted at the latest ICHOM (International Consortium for Health Outcomes Measurement) conference in Rotterdam, the overall goal should be to develop a system where patients ask their doctors about meaningful outcomes, and doctors can respond with data-driven answers. To achieve this, stakeholders must work together – multi-stakeholder partnerships are vital to success. The concept of value-based healthcare includes and thereby aims to satisfy all the relevant stakeholders: patient, society, payers, providers and suppliers.

"Highly digitally integrated health ecosystems will allow better outcomes, and higher quality for lower costs."

Evangelos Avramakis,
Head Digital Ecosystems R&D, Swiss Re Institute

Value-Based Health Care Benefits

PATIENTS	PROVIDERS	PAYERS	SUPPLIERS	SOCIETY
Lower Costs & Better Outcomes	Higher Patient Satisfaction Rates & Better Care Efficiencies	Strong Cost Controls & Reduced Risks	Alignment of Prices with Patient Outcomes	Reduced Healthcare Spending & Better Overall Health

Figure: NEJM Catalyst (catalyst.nejm.org) © Massachsetts Medical Society

Of course, there are some obstacles to overcome, such as adopting new funding structures (i.e. holistic budgets instead of the so far rather siloed budgets), the interoperability of data, regulatory hurdles and fostering a new culture – as a shared decision making approach will definitely influence the way different stakeholders work together.

In 2019, the HealthTech Vertical engaged with six scaleups from Austria, Germany, Norway, Switzerland and USA.

Why we need startups and a platform to shape the digital healthcare system

Healthcare disruptors and transformers are much needed, not just because they are demanding a redo of the current healthcare system, but also because they bring in new views, ideas and, importantly, technologies, combined with an agile and quick path to implement. Most importantly, these startups do not just fill unilateral "innovation gaps" within one silo, but rather provide a holistic solution. The vision for the Kickstart HealthTech Vertical is to become a value-adding platform, where the different healthcare stakeholders cooperate and engage with startups from all over the world to create innovative and disruptive solutions.

Kickstart Health Tech Vertical Lead, Josephine Ritzel (center) with fellow Vertical Leads from Smart City & Technology, Food & Retail Tech, Cyber-security and EdTech & Learning.

by Christina Senn-Jakobsen and Ingeborg Gasser-Kriss

A Summary of the Swiss FoodTech Ecosystem – Then, Now & Out There

KICKSTART

Only a few years ago, there wasn't much of a FoodTech and AgriTech ecosystem to be found in Switzerland. Efforts to create a thriving startup culture and a supporting network were focused on HealthTech, FinTech and EdTech, as well as foundational DeepTech like Blockchain, Sensors, Robotics and AI.

On the one hand, this seems natural: Switzerland is known as a world leader in banking, pharma, science and engineering – but despite its well-deserved reputation for cheese and chocolate, it does not rank quite as high on the list of culinary innovation nations as, for example, France, Spain or Belgium.

So it may not be surprising that France, with its proud culinary tradition, already had a flourishing Food Vertical in its huge Station F in Paris; and that Israel, with its startup nation spirit and dependence on agriculture, had a thriving FoodTech hub in The Kitchen; while Switzerland seemed to focus elsewhere.

On the other hand, when we investigate the success factors required for a country to be an innovation leader in FoodTech, we find that Switzerland ticks all the boxes except one:

1. **A strong agricultural foundation**
2. **World leading research, science and technology in FoodTech**
3. **Support from the government and institutions for the sector**
4. **Investors, family offices and foundations willing to venture**
5. **Food entrepreneurialism imprinted in its cultural DNA**
6. **A population hungry to improve their living circumstances**

Few will argue with Switzerland's high scores on success factors 1-4. When it comes to factor 5, food entrepreneurialism may not be the first thing to meet the eye of the observer, but a quick look back in time reveals an impressive history of Swiss food system founders. Gottlieb Duttweiler, Ueli Prager, Theodor Tobler, Else Züblin-Spiller, as well as immigrants like Henri Nestle, Philippe Suchard and Julius Maggi – and many more – were driven by the desire to solve a problem of society which would benefit everyone – including themselves. New, better food and new business models emerged and had a lasting impact. Success factor 6 – also known as "the fire in the belly" – has often been quoted as the critical lacking ingredient in the Swiss innovation ecosystem. But more recently, especially when it comes to Food and AgriTech, the place of that fire has been filled by an even greater urgency: the global crisis of human health and the health of our planet. Food and Agriculture Innovation will play an immense role in averting both crises.

In the biggest-ever food production analysis, led by Oxford University researcher Joseph Poore, published 2018, Poore states that: "...diet is probably the single biggest way to reduce your impact on planet Earth, not just greenhouse gases, but global acidification [and] eutrophication [of the oceans], land use, and water use [....]. It is far bigger than cutting down on your flights or buying an electric car. Agriculture is a sector that spans all the multitude of environmental problems." Needless to say, the single biggest and fastest impact to be made on human health is also through food. When it comes to food and agriculture, then, the "innovate or die" paradigm loses its twinkle in the eye.

In the face of such a challenge, it is uplifting to see a FoodTech ecosystem in Switzerland emerging at an impressive pace. The Founder Institute has set up a Chapter in Zürich focused on food, and seen passionate people joining the program to unleash their ideas and set up a business. Entrepreneurs share insights in meet-ups organized by Foodhack and Crowdfoods. ETH (Eidgenössische Technische Hochschule Zürich), EPFL (École polytechnique fédérale de Lausanne) and HSG (University of St. Gallen) have entrepreneurship on the curriculum and run multiple food startup programs such as 'HSG FoodTech Lab'. Industry partners such as Nestlé, Givaudan, Migros, Coop, Bühler, Barry Callebaut and RicoLab, – yes even some non-Swiss global players like Coca-Cola and Mondelez – engage in the Swiss ecosystem through partnerships with Kickstart Innovation in Zürich or Masschallenge in Lausanne. The government is creating manifestos to support this growth and slowly, (but steadily and increasingly) investors, family offices and foundations are opening up the doors to their board rooms. In typical tried and tested Swiss fashion, many of these initiatives are growing from the ground up, driven by a single company, university, VC fund or canton, rather than being cascaded from the top down.

Executives from startups and scaleups presenting their companies on stage during Kickstart 2019 Opening.

If the many actors and shapers in Swiss FoodTech and AgriTech now were to build a stronger collaborative network, connecting the dots between their activities and feeding into one another, the effect could quickly multiply and grow into a buzzing, vibrant ecosystem. Already we see collaborative partnerships emerge like the Future Food initiative forged by Bühler, Nestle and Givaudan with ETH and EPFL.

The Future of Food is now – and it's time to put Switzerland firmly on the map of Food Innovation Nations!

by Tim Lehmann

Six Ways of Innovating in One of the World's Most Advanced Education Systems

KICKSTART

Education technology startups compete for engineering knowledge, capital, and institutional partners in the high-margin, commercial technology markets. To compete in the global race for resources and attention, EdTech startups face decisions regarding where it is best to develop their companies and which regions could help them make their products profitable. This article showcases six ways of how EdTech startups can fine-tune their innovations in Switzerland.

According to The Economist, Switzerland is one of the world's most advanced education systems. Among the 50 countries covered in the latest index, Switzerland ranks second, right after Finland. Although economies such as the USA or China are known as some of the world's biggest EdTech markets and therefore provide the right market size to grow, they are apparently underachieving in future education demands, as stated in the Economist Group's recently published study. Switzerland and Finland, on the other hand, excel, particularly in their policy environment. When it comes to fine-tuning EdTech innovations for the global markets, these countries are definitely to be considered.

Quality and complexity of innovating in advanced systems

When innovating in advanced education sectors, EdTech startups need to take into account opportunities and

challenges. The opportunity to innovate in an advanced system lies to a great degree in quality: advanced education systems provide top engineering talent, ambitious and intelligent institutions from universities to foundations, and substantial funding sources from long-term capital to research grant funding. On the downside, challenges might lie in the overdetermined character of advanced, highly integrated systems. High-quality systems lead to complexity: demanding environments in which there is little space for poorly designed inventions. To come up with new solutions, considerable investments in collaborative alliances, sector know-how, and technologies are needed.

Six practices of innovation partnerships

At Kickstart's EdTech & Learning Vertical, we help international and Swiss technology ventures to make an innovative leap in and through Switzerland's education system. Our ambition is to help innovators create collaborative alliances. Based on the EdTech ventures that have participated

Kickstart EdTech pitches during Final Selection at Kraftwerk.

in Kickstart, we have come up with six exemplary collaboration practices to showcase their achievements.

1 – White-label product partnerships with local EdTech companies

Kickstart and foundation partners coordinated and funded a white-label partnership pilot between the Danish EdTech startup WriteReader and the local education software company Dybuster with market access to Germany. Growing into high-quality education sectors requires local know-how, networks and reputation. The local company helps by adding a high quality, premium element in a demanding local market for the global mass product.

2 – Engineering partnerships with science-driven technical universities

The Kickstart partner foundation Gebert Rüf provided the UK based EdTech startup RosieReality an innovation grant to develop their hardware into an AR/software technology in partnership with the Wyss Center, a prestigious Swiss university-industry center. Later, the Rosie team moved from London to Zurich where they became an official spin-off of ETH Zurich. Today, the startup develops an ambitious computer vision technology for the US, B2C consumer markets, and attracts global tech companies and engineering talent from around the world.

3 – Proof-of-concept in teaching with large-campus universities

The technical university partner of Kickstart, ETH Zurich, conducted a proof-of-concept with the Norwegian EdTech startup Differ for large-scale course collaboration: in a chatbot supported online environment, teaching assistants help students to collaborate on exercises. The pilot targeted a math student course for around 500 engineering

students, a very critical and thus demanding course for the university's ambition to educate top-tier engineers. Apart from the prestigious partner in the university landscape, the startup benefitted from intensive iteration with faculty and teaching assistants to test and further develop its product.

4 – Grant-funding for feasibility studies to advance product-market-fit

Two of Switzerland's largest foundations, Mercator Foundation Switzerland and Jacobs Foundation, provided grant funding for a feasibility study to test out the application of the Danish EdTech startup WriteReader in Swiss primary schools. The app helps children to learn writing and reading by creating their own books. The funding supported the test roll-out among 50 primary schools with an evaluation of how teachers perceive the app. The startup benefitted not only from the association with the prestigious foundations but also from a high-quality analysis and video documentary

Kickstart 2019 EdTech & Learning Vertical during the announcements at the Selection Days.

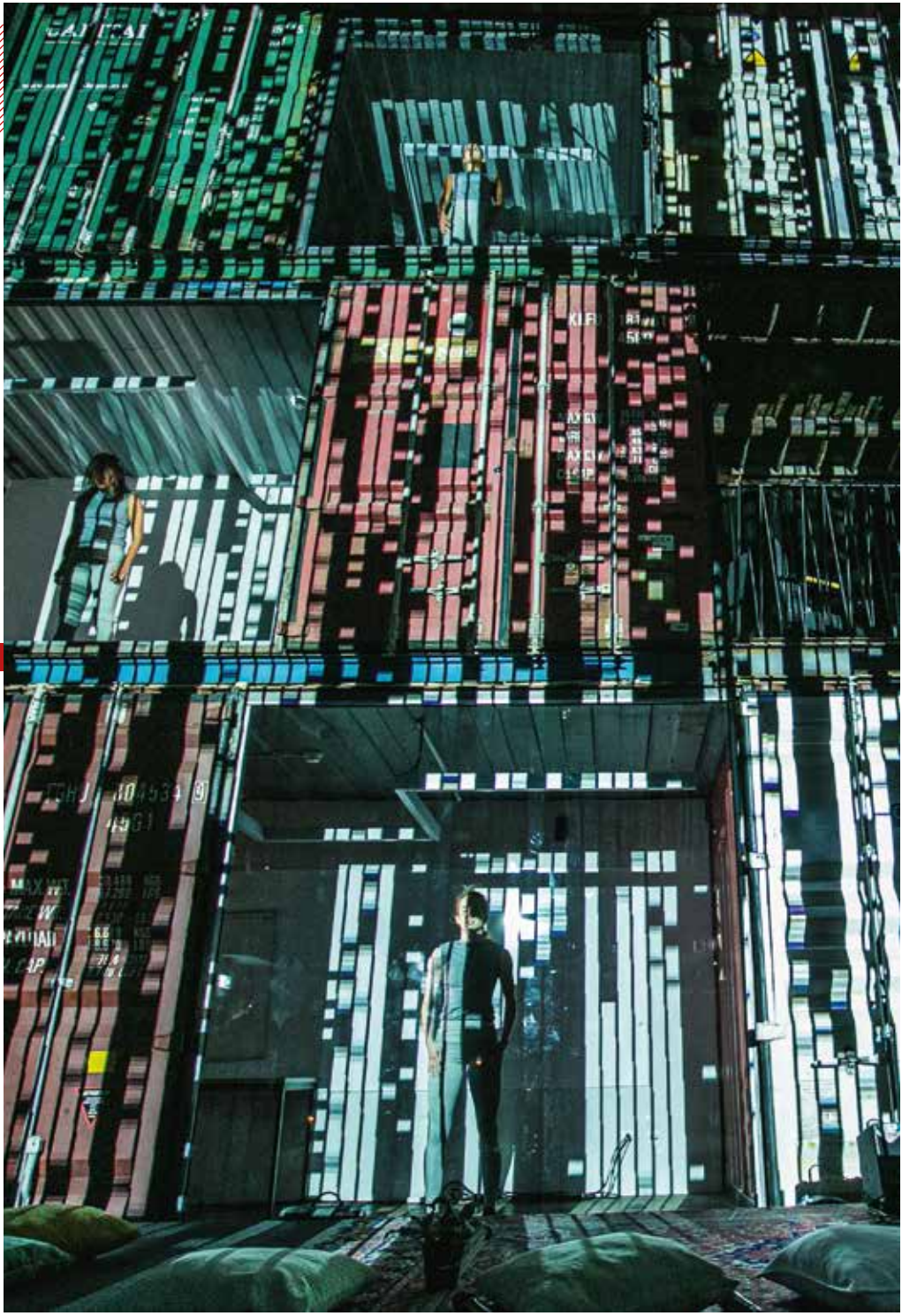
material of the test study for promotional activities in German-speaking countries.

5 – Proof-of-concept for product-market pivots with corporations

Kickstart partner corporation Swisscom implemented a proof-of-concept with the Swiss EdTech company TEACHY in order to bring more traction to the corporation's internal expert matching software. The EdTech company pivoted its student tutoring matching software and knowledge to motivate corporate employees to exchange their expertise and build knowledge-driven relationships.

6 – Venture Fund investment in EdTech startups

The Danish company Labster raised $21M in Series B Funding from different investors, including Kickstart partner Swisscom Ventures. This will help Labster to bring their Virtual Reality labs to STEM students, in order to provide a learning environment in which they can experiment with different lab scenarios. To grow an education product requires trusted and skillful investors who are willing to understand and learn that the EdTech sector is different from other tech markets.



by Raimund Neubauer

Smart Switzerland – Are We (Still) on Track?

KICKSTART

Today, Swiss cities rank very high when quality of living, personal security and attractiveness for doing business are considered as factors. These achievements are mainly based on investments and innovations made in the past. However, in an international environment with an ever-increasing pace in technology turn-over rates and development, Switzerland has to ensure that the country is not losing ground compared to international competitors.

Switzerland's Transition

Imagine Switzerland without its outstanding railway network. Today, it is considered to be the best in the world and a major pillar of Switzerland's economy[1]. The basis for this and other success stories was laid in the 19th century through visionary politicians and economic leaders like Alfred Escher, who amongst others planned and built Switzerland's first railway lines, contributed significantly to the foundation of ETH Zürich, and established the predecessor of today's Credit Suisse bank. At that time, Switzerland was a rather poor country and courageous decisions were taken in the context of poverty, emigration and economic shortages.

Today, the situation has completely changed with Switzerland being among the wealthiest nations on earth and having an extraordinarily high quality of living, personal security levels and attractiveness as business location[2].

Dance performance "2038 – Female Frequency" preview at Kickstart 2019 Opening Celebration.

[1] https://www.bcg.com/en-ch/publications/2017/transportation-travel-tourism-2017-european-railway-performance-index.aspx

[2] https://www.s-ge.com/en/article/news/20181-ranking-mercer

Persisting and New Challenges

Beside this remarkable evolution, various new challenges have emerged over the last decades. As an additional factor, the willingness to take bold actions and to accept a certain level of risk connected with innovative technologies seems to have decreased in parallel to the increased standard of living. Taking a look at today's mobility again: Switzerland has indeed one of the best public transport systems in the world. Nevertheless, the Swiss mobility sector still accounts for around 30% of Switzerland's CO_2 emissions – mainly caused by individual transport and not even taking into account aviation. In other economic sectors like electricity supply or real estate, the challenges and need for changes are equally extensive and also appear mostly unsolved.

Swiss political and economic leaders need to return to the spirit of taking courageous and visionary decisions to solve the country's challenges. This could happen by introducing innovative solutions and taking a certain level of risk connected with these new technologies, which in turn would prepare Switzerland for the future in a way that the country retains its position among smart and highly-developed nations. This is especially important, as large rising economies like China, but also established countries such as the USA, Japan, Korea and Singapore are currently in the process of transforming into innovation hot spots.

Kickstart and the Smart City & Technology Vertical

Contributing to the solution of these challenges, Kickstart's main aim is to bring innovation to Switzerland. This is achieved through bridging the gap between promising international later-stage startups and Swiss corporations, cities, universities and other organizations. Kickstart provides

a conceptual, organisational, and communicational framework for the concrete implementation of proofs-of-concept and other partnership projects between the startups and Swiss organisations. Kickstart's Smart City & Technology vertical focuses on topics such as Smart Energy, Sustainable Buildings, Future Mobility, IoT and Connectivity, City Services, and Industry 4.0. Within these focus areas, Kickstart and its Smart City & Technology partners – Axa, Axpo, City of St. Gallen, City of Zurich, Cognizant, CSEM, Empa Nest, Panter, PwC, Smart City Alliance, Stäubli, Smart City Alliance and Swisscom – jointly implement high-quality pilot projects to test the financial viability and technological feasibility of smart technology solutions proposed by international startups.

Together, all involved parties advance smart technology solutions that increase the sustainability, connectivity, productivity and resilience of Swiss businesses and cities, and ultimately, contribute to the attractiveness of Switzerland as a place to live and to do business.

At Kickstart's Meet & Match events, startups & scaleups do not only meet corporates, but also representatives from the Cities of Zurich and St.Gallen.

by Umberto Annino

No Absolute Security Exists – Open Innovation in Cybersecurity

satw it's all about technology

Cybersecurity – a brief introduction

In recent years, cybersecurity has become a term that not only attracts a lot of attention in the IT world, but is also widely used by non-IT specialists. The important distinction between the two terms "cybersecurity" and "information security" is often lost. Cybersecurity means the evolution of IT security, which has so far been taken less seriously. In order to achieve information security – a goal that is consciously or unconsciously important for all those who process data or information – cybersecurity is a fundamental foundation. Cybersecurity refers to the security of interconnected computer systems. Nowadays, these can appear in a "traditional" form, but can also be hidden or made less visible as the "Internet of Things" in many so-called "smart" devices. It is therefore about the security of modern, mostly internet-connected devices. What is important, however, is that the security of the processed information is at stake – abstracting the systems required for this – i.e. information security. Information security relies on cybersecurity, but cybersecurity alone does not guarantee information security. Security is defined as "free from danger" or "absence of risk." A risk is an unforeseen event that has positive or negative consequences.

This article assumes negative risks – risks should be controlled as comprehensively as possible. Four options are available for this purpose: Avoidance, reduction, transfer and

acceptance – ignorance is none of them. The most problematic risks are the “unknown unknowns”. By definition they cannot be controlled, but one can prepare oneself well and appropriate.

Cybersecurity and Open Innovation

Cybersecurity suffers today and for some years now in two areas:

1. No “Security by Design”

Security in digital products is not understood as “security by design”, but is (briefly) tested at the end of the development cycle to the disillusionment that the security of the product or service that has just been developed is not at its best. In most cases there is neither budget nor time to fix the vulnerabilities in the sense of the “agile approach”, security-fixes are then added to the backlog for the next release. These often conceptual (design) weaknesses are not simply resolved with an upgrade, but rather, often go ignored. Security is an (implicit) property and not an (explicit) requirement and imperative in the requirements engineering phase – the difficulty is to identify and control the necessary “ab-use cases” cases. Security is not what you want . It’s the absence of what you do NOT want.

2. No absolute security

Remember the “unknown unknowns” – absolute security cannot exist. It is difficult to convince various decision-makers about risks (risks are difficult to quantify and cyber risks have not been statistically evaluated to date). With the killer argument “there is no absolute security” the effectiveness of proposed controls for the risks are difficult to substantiate. Under these two vague conditions, it is understandably rather unlikely that a client would have a budget that speaks in favour of security. However, doing nothing


KICKSTART

and hoping for risks not to happen is neither a successful path to take.

Open Innovation in Cybersecurity: Internal Product Development

When developing products in-house, the innovation process should therefore be urgently focused on "open security innovation". Someone who develops a product or service is strongly focused on "use cases" so it is almost impossible to think about "ab-use cases" – but it is precisely these that have to be controlled. Typically, these inputs are more likely to be expected from outside than in a "closed innovation" organisation, unless there are specialists for threat modelling and zero trust systems in the team. Consider changing security advisors from time to time and focus not only on the "big brands". Only through constant open and authentic exchange and trust can cybersecurity win. The opponents today are perfectly organized and only have to find a small weak spot to reach their goal. This asymmetry can only be overcome by open collaboration.

Open Innovation in Cybersecurity: Product Use and Collaboration

Finding the "holy grail" or a completely innovative, new solution for existing problems does not happen too often. Nevertheless, good value and new insights can result from leaving the "comfort zone" to consider other methods and approaches. Specifically, instead of resorting to use the well-established (but typically less innovative) solutions and methods, why not giving a smaller, younger cybersecurity startup a chance to prove their worth? Even if not necessarily using the latest, innovative but less-established solutions and products in your critical production environment, supporting a proof-of-concept together with a cybersecurity startup can open new perspectives in your company and for

Kickstart team during 2019 Opening Ceremony.

your employees. By allowing for creative, previously less-known approaches and respective startup companies, you contribute not only to their success but help the open innovation of the ecosystem as a whole. Not to mention, your company is positioning themselves as approachable and open for knowledge exchange, increasing the attractiveness of the working environment.

Security: Switzerland's locational advantage

Switzerland as a place of innovation – especially in the area of cybersecurity – is predestined for political and structural reasons to generate cybersecurity innovation. The stable geo-political situation makes it possible to develop innovative products and services without significant political risks. The unique selling proposition "made in Switzerland" is one of the most valuable attributes in terms of security, as security is ultimately about trust.

In the centre of Europe, the routes to other incubators and knowledge are also pleasantly short. Structurally, the colleges and universities, which are among the best in the world in terms of STEM subjects (science, technology, engineering, mathematics) and business management, offer themselves as suppliers of brainpower. The dual education system also promotes non-academic careers and professional careers – it pays off to innovate in Switzerland. Not everything is perfect (yet). Politically we are experiencing issues reviewing the Data Protection Act, which is indispensable for the promotion of trust in digital ecosystems. The developments in the area of cybersecurity are positive, the recent appointment of the first Federal Delegate for Cybersecurity is an important step towards the implementation of the "National Cyber Strategy 2.0". A little more drive is desirable as the cultural Swiss consensus is not always conducive in the global market, but "security before speed" is to be preferred.

Kickstarting Cybersecurity

Having Kickstart Innovation launching the cybersecurity vertical brings more visibility to the theme and the start-up scene in Switzerland. Although some ideas have already become companies before, with corresponding structures and networks that are now being formed, the open innovation claim for cybersecurity will hopefully be further promoted. Real innovation is only possible in the (international) collaboration between public/state, private-sector, academic and "pro-bono" actors. In the field of cybersecurity, where the same evangelisms have been presented for more than 20 years – but rarely applied comprehensively – a bit more innovation won't hurt.

Kickstart 2019 Cybersecurity Vertical.

by Katka Letzing

Putting Switzerland on the FinTech Map

FinTech has been a hot topic in Switzerland for a few years now, connected to the local banking industry and beyond. The digitalization of the financial markets has brought with it fast-paced developments, and in this regard Switzerland has been a leader in many ways.

FinTech Growth

FinTech's influence has been growing alongside digitalization and innovation in the financial industry. According to Forbes, an estimated 10 percent of all global European FinTech businesses can now be found in Switzerland. Since 2016, when published data showed 174 local FinTech firms, that number has almost doubled to **341 as of October, 2019.** Growth compared with 2017 alone has been 62 percent.

FinTech Challenges and Opportunities

Despite the thriving startup scene, FinTech adoption remains relatively low in Switzerland. According to a report by EY, only 30 percent of Swiss residents regularly use FinTech solutions for money transfers and payments, financial planning, savings and investment, borrowing, or insurance. The global average for the adoption of FinTech solutions is slightly higher, at 33 percent. Emerging markets such as Brazil, China, India, Mexico and South Africa have even higher adoption rates of about 46 percent.

Kickstart and FinTech Vertical

As in most industries, there's still too much silo-thinking, or only talk at best in a decentralized way regarding FinTech. Kickstart aims to change this through its 100% focus

on concrete, collaborative projects. Kickstart's FinTech vertical has been one of its strongest since the program started in 2016, and has brought many interesting solutions and startups to Switzerland. For the last four years, partners including **Accenture, Axa, UBS, Cognizant, Credit Suisse, EY, Frontier Network, Helsana, Panter, PostFinance, PwC, Raiffeisen, Dai-ichi life, Swiss Life, Swisscom,** and **Swisslinx** have been engaged in working closely with startups and scaleups in order to develop specific solutions and joint partnerships in the form of proofs-of-concept, commercial projects and strategic partnerships. To date, there have been more than 25 such FinTech partnerships formulated. This has been accomplished by maintaining a focus on partners' needs in regard to innovation, and carefully matching them with startups and scaleups. There has been an increasing focus in particular on PropTech, InsurTech, KYC, Digital Assets, RegTech, and WealthTech, in addition to technologies such as IoT, Distributed Ledger, Cognitive Intelligence, Blockchain and Artificial Intelligence.

"Collaboration with Kickstart startups and partners has helped us spur more innovation - either by disrupting or expanding into new business – and to generate additional growth."

Roland Cortivo, FinTech Expert, Swisscom

"Engaging in innovation projects has been particularly crucial for us, as one of the biggest banks in Switzerland. "

Thomas Saler, FinTech Expert, Credit Suisse

Kickstart 2018
FinTech & Crypto
Vertical.

Increasingly, we have been engaging with more mature companies – here are two examples of scaleups that were selected in the 2019 batch:

- **tigerlab** from Malaysia and the UK, which is focusing on offering flexible solutions in a market that is full of standardized and rigid systems. Their portal is in use by their 25 million-strong customer base.
- **Helios Data,** from Silicon Valley and an MIT Media Lab collaborator, which is pioneering the development of a state-of-the-art enterprise network data transparency, security and monetization platform.

There are also success stories including a commercial project undertaken by Fjuul and Helsana, to serve over 100,000 customers via the project Helsana+. In addition, Axa has been rolling out Veezoo's Augmented Advisory to their non-life tied agents through more than 250 agencies in Switzerland.

Ultimately, all of the corporates, startups and scaleups involved in the program have advanced the local FinTech ecosystem – and helped put Switzerland on the map when it comes to scalable solutions.

PART III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by Babar Baig

From Copenhagen to Zurich: How WriteReader Gained a Foothold in Switzerland

In summer 2018, the Danish startup WriteReader joined Kickstart as one of the selected EdTech companies. WriteReader's learning solution supports children in reading and writing by making kids authors of their own digital books. One year later, WriteReader has established three successful partnerships in Switzerland with the education ministry, a premier football club, and a software education company. Here is Babar Baig, CEO and Co-Founder of WriteReader, sharing his Kickstart story:

Having been part of several startup accelerator programs previously, we at WriteReader weren't sure if joining another program would be the right priority for us. We already had a globally working proof-of-concept. Yet, we were convinced that the Kickstart program is truly partnership-based – the partners, comprising universities, foundations, corporations and other leading Swiss institutions, had a big say when it came to the selection of startups for the program.

A Danish success story in Switzerland. Babar Baig with Daniel Marti, Head of Marketing at Young Boys Bern.

"As a startup, it is a dream scenario to come to a place where several potential partners are present and have already shown interest in your company."

Babar Baig, WriteReader

365 days, 3 Partnerships closed across three sectors

It's been a year since we joined Kickstart. Today, we have three running partnerships in Switzerland. We kept our pipeline broad, yet initially focused on getting a pilot running to validate our learning solution in the Swiss school system.

During the Kickstart program, we were able to launch a pilot project with Swiss primary schools, greatly supported by two leading Swiss Foundations, Mercator Foundation Switzerland and Jacobs Foundation, as well as Dybuster, a Swiss EdTech Company. As a foreign company, for WriteReader it would have been impossible to bring such diverse local partners together.

Our initial pilot partner, Dybuster was key to understanding the school landscape in Switzerland. Eventually, WriteReader became a good fit to expand Dybuster's product portfolio from helping children with dyslexia to general and creative literacy support for children. We are very happy to see that Swiss schools are now able to use our German version "Schreiblabor".

Through the "Kickstart Partner Safari" which was part of the Kickstart selection process, we met with the Canton of Zurich, who showed interest in exploring how our learning tool built for children would be applicable for basic competency education for adults. Through multiple interactions, we succeeded in agreeing on a 3-year digital flagship agreement for the Government's e-Lounge, a new basic competency initiative "Lernstuben".

Our Kickstart advisor, a seasoned Swiss entrepreneur, was a crucial part as well. He introduced WriteReader to the Swiss football club Young Boys Bern. We saw an opportunity

emerging to enable sports clubs to use WriteReader as a "Fan Engagement" solution. Today, WriteReader is thrilled to see Young Boys fans create and share their own digital fan books while learning to read and write at the same time!

Useful advice for future Kickstart startups

Tip No. 1:

Keep your focus throughout the program. We had a razor-sharp focus in the initial pilot. We realized that the basis of potential future partnerships would be dependent on a successful pilot with Swiss schools. Even though we had plenty of proof before, the pilot played out to be an important local signal of the quality of our solution. Time is limited and there is so much to do. So prioritization is key.

Tip No. 2:

Don't expect things will happen in a few months (it might happen and that would be great) but keep in mind that it is the long-term commitment of your time that eventually pays off. I have come back to Switzerland four to six times after the program and steadily followed up with the contacts initiated through the program. We had a broad pipeline and received several refusals, but the key was to keep pushing gently and to leverage the great network provided by the Kickstart program over time.

by Manuela Disch

Success Story of FinTechdb and Swisscom

FinTechdb is a database and marketplace of FinTech companies. They help enterprises find, understand and compare FinTech's technology and offerings and connect FinTech startups with businesses. FinTechdb has developed a suite of tools to understand the market and communicate how it evolves and matures. The team consists of two Italian school friends, Dario Ferrando (CDO) and Gregorio Gasperi (CTO), who then met Alex (CEO) in Berlin and became friends and collaborated to bring FinTechdb to life.

Swisscom, a founding partner of Kickstart, met FinTechdb during Kickstart's innovation program 2018 and entered a partnership. Together, Swisscom and FinTechdb are working on a new way to provide information on the Swiss FinTech market. Furthermore, their goal is to bring Swisscom's Swiss FinTech Map, that celebrates its 6th birthday this year, to a next level.

A first result is already public (see map below) – while Swisscom was responsible for the content and new framework, FinTechdb developed an algorithm that allows an automatic map creation and digitized the database. And there is more in the pipeline to come – stay tuned!

“Working with Swisscom has been fantastic, we’ve had the chance to build a product around a real customer with a lot of support and flexibility, we’re looking forward to future developments and collaboration.”

FinTechdb

“We are very happy that the Kickstart program brought us together. Developing a common product with the interdisciplinary FinTechdb team is not only fun but also a big enrichment.”

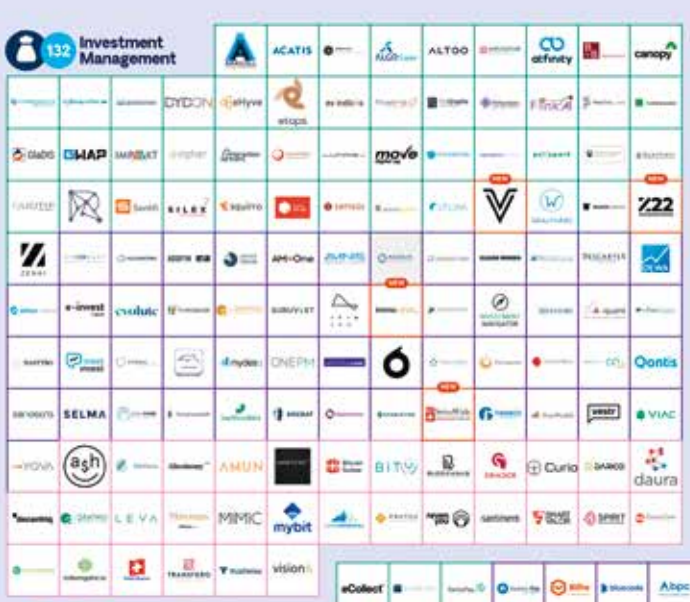
Swisscom

Swisscom’s Manuela Disch announcing multiple proofs-of-concept with Kickstart 2018 startups

FinTech Startup Map

341 October 2019

swisscom Fintechdb e.foresight



76 Analytics, Big Data & Artificial Intelligence

146 Process Digitisation, Automatisation & Robotics

119 Distributed Ledger Technology

Feedback? trend.marketing@swisscom.com

by Kathrin Puhan-Henz

Smart & City and Technology at Kickstart – What Can We Learn from the Bauhaus School (1919-1933) When Spreading New Ideas

YOUADVANCE

This summer, I visited Weimar, where the Bauhaus movement was founded back in 1919. At that time, Weimar was the spot where the National Parliament held its sessions due to the unstable situation in Berlin. Walter Gropius, the founder of the Bauhaus, based this innovative school on the idea of creating a "total work of art" (Gesamtkunstwerk). All forms of arts, including architecture, should eventually be brought together. The influence of the Bauhaus around Gropius lasts even today. Bauhaus architecture, design and products are visible and known across the globe.

What made the Bauhaus ideas so successful and long lasting? We propose that Three elements played a pivotal role in addition to Walter Gropius, the Bauhaus movement's charismatic leader. Firstly, the movement created a collaborative framework with a nucleus of followers or "evangelists". Secondly, it defined focus areas and stuck to them. And thirdly, it applied the framework and focus areas in the real world in order to learn, understand and adapt. To elaborate, I have highlighted each element's influence in the Bauhaus movement and how it is being utilized today in Kickstart's program.

Swisscom and FinTechdb regularly publish the FinTech Startup Map Switzerland.

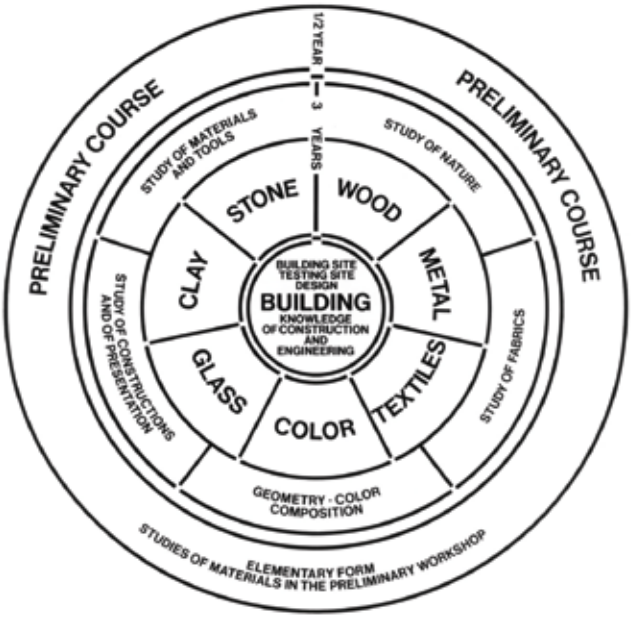
Create a framework collaboratively with a nucleus of future "evangelists" and stick to it

In 1919, Gropius introduced the Bauhaus Curriculum that represented his idea and structure for the Bauhaus School. It

remained the backbone of the school until its closure in 1933. The training comprised three sections:

1. **The Preliminary Course with elementary instructions of form in connection with material exercises in the special workshop.**
2. **Crafts Course with the result of a Journeyman's certificate of the "Chamber of Crafts"**
3. **Building Course ends with the master craftsman's certificate of the "Chamber of Crafts"**

Figure: Curriculum, Exhibition Catalogue MoMA 1938.



Today at Kickstart, such a solid foundation can be found for the vertical Smart City & Technology.

Each year, many local and international startups pitch to become part of the Smart City & Technology movement. This all happens in a very stimulating, collaborative and resource-providing environment.

Figure: "Kickstart provides a conceptual, organizational, and communicational framework for the concrete implementation of partnership projects between the startups and Swiss organizations." Ray Neubauer, Kickstart's Smart City & Technology Vertical Lead.

Define focus areas and stick to them

At the Bauhaus School, the focus was on color theory and workshops ("Werkstätten") in various art media, such as mural painting, glasmalerei, pottery, metal works, weaving, wooden sculpture to name a few. The Bauhaus attracted both genders and started its first class with a female majority.

Since the number of activities related to smart cities and smart technology is vast, the vertical Smart City & Technology is focusing on six main areas: City Services, Future Mobility, IoT Connectivity, Industry 4.0, Smart Energy and Sustainable Buildings. This year the jury has selected eight promising startups covering the areas mentioned above. Future Mobility is an easy to grasp topic: for example, the Paris based company ViaNova provides a platform for managing urban mobility through better data analysis.

Imagine, what would a city look like if we were able to connect all possible means of transportation? Another startup, Oxygen at Work in Zurich, improves the air quality in office spaces combining natural plants with modern technology in order to improve the health of the employees and reduce the energy consumption of buildings.

Apply the framework and focus areas in the real world in order to learn, understand and adapt

In 1923, four years after the Bauhaus School opened, the city of Weimar forced Gropius, due to political pressure from conservative circles in politics, to present "results" to the public. Within six months the students and Bauhaus teachers developed an exhibition ("Bauhaus Werkschau") and built the experimental "Haus am Horn". It was the first building based on Bauhaus design principles revolutionizing the 20th century architectural and aesthetic thinking. Examples are the modern floorplan, functional interiors and product design. Another spectacular example is the White City in Tel Aviv. 4000 Bauhaus inspired buildings were built in a short period of time. The conversion of the Bauhaus Framework has made Tel Aviv smarter indeed, remaining one of the most vibrant hubs for innovation to this day.

At Kickstart, startups providing services and solutions for Smart Cities are very interested to apply proofs-of-concept (POCs) in the real world. Partners and communities are ready to provide support for such pilot projects. However, Smart City ecosystems, as any new area, have a lot of risks such as unpredictable political guidelines, new data security laws, etc. Robust frameworks and focus areas such as the Smart City & Technology framework at Kickstart are essential to provide stability for the essential learning loop enabling adaptive design and meeting the ultimate goal to make cities smarter.

by Guillaume Gabus

The digitalswitzerland Challenge

digitalswitzerland

Intro

The “digitalswitzerland challenge” is a programme which was launched in 2017. It will take place for the fourth consecutive year in 2020. The goal is to promote collaborative innovation in an interdisciplinary way across the entire Swiss ecosystem. The “challenge” is organised by digitalswitzerland, a joint initiative by business, public, educational and academic institutions which aims to establish Switzerland as a leading international centre for digital innovation. We provide impulses, catalysts and connections to inspire and build unique Swiss-wide and cross-industry bridges across multi-stakeholder groups, with cooperation from other organisations in the ecosystem.

What‘s it all about

The “digitalswitzerland challenge” is precisely such a manifestation of how the digitalswitzerland network can be mobilised to realise a concrete and ambitious goal. We invite the country’s most innovative minds to jointly develop forward-looking concepts and “crazy” ideas and to put them into action. The challenge shows how Switzerland is a role model for sustainable innovation. The programme unlocks potential, creates new networks and visibly positions Swiss strengths and values within the global competition. Switzerland is to be turned into a SmartLab through implementation-oriented, problem-solving and fast-paced projects with directly measurable impact: newly founded spin-offs, established MVPs (Minimal Viable Products), implemented pilots, ventures, collaborations, and so on. The participating organisations develop a common knowledge advantage and

play a pioneering role in innovation processes, development of new business models as well as application and adaptation of new technologies.

How does it work?

The member organisations of digitalswitzerland team up to tackle their defined topics or major challenges with the help of digitalswitzerland. Each team formulates an ambitious but concrete goal: a bet requiring proof of feasibility to be provided by the members of the respective team. In order to have a better grasp, we will continue directly with some examples of our bets:

Riva Digital

The association Riva Digital, has set itself the goal of promoting digital solutions and, in particular, digital tools in the health sector that improve the health literacy of the population. They started as a team for the "digitalswitzerland challenge." The team made the following bet:

The team bets that by September 2017, it can create a digital ecosystem that enables people to increase their health competency through participation. Furthermore, the team bets that by April 2018, more than 100,000 people will be involved in the digital ecosystem and one year later these people will have demonstrably lowered their blood pressure.

What started as a bet has evolved into an association with over 30 members. Through this ecosystem, the members have jointly developed an application that digitally monitors blood pressure. The association continues to exist and plan to address further cases of medical illnesses which can be solved with the help of healthcare apps. In addition, the technology behind the blood pressure monitoring app has prompted two startups trying to commercialise the technology.

Daura

This startup offers Swiss SMEs and other startups access to the capital market and was launched as a bet as part of the “digitalswitzerland challenge”. Starting point for the considerations were the following questions: How can privately-owned companies easily acquire capital? What would a stock market look like for this type of company? The underlying problem was the following: Since the stock market is not accessible, raising equity for SMEs and startups prior to their initial public offering is difficult. Therefore, financing outside of stock markets requires large efforts. By legally securing the concept of digital property, the necessary confidence of investors to finance SMEs and startups outside a stock market can be created. The following bet was derived from this:

How can we digitally map the issuance and trading of Swiss Crypto-Share certificates until April 2018 and create a Minimal Viable Product (MVP) by April 2019?

Presentation of digitalswitzerland challenges at Kraftwerk Zürich.

The solution Daura offers today has exceeded all expectations: It enables easy access to the OTC capital market for Swiss SMEs and startups. By tokenizing shares and participation certificates, Swiss companies limited by shares can digitally and automatically keep their share register on a ledger and easily reach global investors registered on Daura.

Green Data Centers Label

The goal of this bet is to significantly reduce the energy consumption in Switzerland and to become an even more attractive data computation and hosting country. Introducing a decentralised 'green label' by 2019 with a carbon-neutral computation will lead to an energy efficiency strategy for data centres. The fundamental problem could not be more topical: driven by the adoption of new technologies such as IoT, data analytics, autonomous vehicles, data usage is expected to explode in the coming years. By 2025, 20% of the world's energy will be used for IT. Already today, Swiss data centres account for 4% of Switzerland's total energy consumption, which amounts to the total consumption of the Canton of Neuchâtel. Creating a "green label" for data centres has raised awareness in both the private and public sectors. The initiative, led by Hewlett Packard Enterprise, has launched an association that defined an ownership model between the members (ASUT, EPFL, Vigiswiss, University of Lucerne). The association is supported by the Swiss Federal Office for Energy. To date, seven pilots have been successfully completed, with savings of up to 30% achieved through a mix of KPI and technology resources. The association is actively looking for partners who are willing to collaborate and certify their data centre.

Learnings

Every beginning is difficult and also the road ahead is not easy. Of the 30 or more bets that have been placed in the last three years, 30% have stuck to their goal and achieved it. Thus the “digitalswitzerland challenge” proves that it has a high success value compared to other similar projects. This does not even include the lessons that every person who has participated has learned from their success and above all, from their missteps.

What distinguishes successful from unsuccessful projects? Two factors stand out:

One factor is the formulation of the bet, which teams put upon themselves. Successful projects are based on concrete and demanding challenges that are based on solving an issue, not on applying a particular technology. Although solutions to such well-defined challenges might be one-dimensional in their effect (e.g. high blood pressure, capitalisation of SMEs), they can lead as a first step to the development of new ecosystems or market segments. For example, Riva Digital has developed a sophisticated ecosystem that brings together public institutions like Gesundheitsförderung Schweiz, Swiss corporates, startups as well as research centres such as CSEM. This ecosystem will help to speed up future collaborations in digital healthcare applications.

Daura can be seen as one of the building blocks of a functioning financial market infrastructure based on distributed ledger technology. Daura also opens up new business opportunities for financial institutions.

The second factor is the composition of the team, i.e. the people who are in the foreground. A common challenge or goal among the team members can be extremely motivating and trigger a positive dynamic. And sometimes the common

AXA's innovation manager and intrapreneur, Christina Meyer, leverages both the Kickstart and the digitalswitzerland platform to scale the car-sharing venture "upto".

path is the goal. As one participant of the innovation challenge told me: "A successful bet is when everyone can look back and say: we have achieved something that most of the team thought we would never achieve."

You can find more information at
challenge.digitalswitzerland.com

by Adrian Müller, Matthias Filser, and Ben Graziano

The Big Leap from Science to Business

Zürcher Hochschule für Angewandte Wissenschaften
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What has a long tradition in the English-speaking world is also now being disseminated and accepted in Switzerland: the promotion of startups at higher education institutions. In the research and science environment, promising technologies and solutions are developed that can be successfully implemented in the economic environment. Higher education institutions also provide a breeding ground for innovative ideas as expert teams can be integrated into the existing internal or external higher education network. In addition, there are university-specific funding opportunities for research and development from which young companies can benefit if they meet the necessary requirements.

Every year, approximately 200 companies are founded around Swiss higher education institutions. As formal spin-offs and freely formed startups they venture into the market. This figure may not be particularly impressive compared to the 40,000 entries in the Swiss commercial register every year. However, these spin-offs have unique characteristics. They are mostly technology or knowledge-based and therefore often promise high growth and return potential, which attracts the interest of investors, industrial partners and the media. When successful, they are likely to grow fast, create jobs and tax revenues, and ultimately contribute to economic growth. Behind these spin-offs there are skilled scientists and/or students who develop novel ideas for products or services from their research, teaching or student activities. However, as promising as this may sound, even the smartest university member must overcome four common entrepreneurial hurdles.

1. A technological invention is not the same as a commercially successful product: users and consumers do not purchase basic technologies or knowledge, but ready-to-use products and services with genuine benefits. This benefit must already be recognizable before the purchase and must be presented in an appealing form. For researchers and developers, the way to understand markets and customers can be very long and time consuming.

2. Success in securing research funding does not necessarily indicate a viable business model: a funding committee for R&D projects usually needs to be convinced once, but customers have to be won over and over again. A solid business model finances itself through the generated cash flow and is able to adapt to changes in the environment and competition. Speed and flexibility are critical success factors.

3. Scientists may not necessarily become successful entrepreneurs: although research work can be entrepreneurial, the step into self-employment is not easy. Great persistence, willingness to take risks, having direct responsibility for employees and partners, as well building new confidence (e.g. approaching and convincing potential clients) are part of everyday reality. There is also the tormenting question of how one's own 150% work load should be divided between the higher education institution and the spin-off.

4. Specialist expertise and project management skills are no substitute for entrepreneurial know-how: entrepreneurship requires specific knowledge, usually of a business management nature, and above all a relevant and powerful partner network. This also includes the question of how founders allocate interests and company shares among themselves

and in relation to the higher education institution. Avoiding this question or creating the wrong structure and agreements causes many startup companies to fail.

Starting a spin-off is risky and challenging technically, economically and personally. Swiss higher education institutions are gradually becoming aware of this and in the last decade they have been steadily increasing the levels of support and assistance that they provide to aspiring entrepreneurs in their institutions. In addition to the official information and contact points of the higher education institutions, such as knowledge and technology transfer centers, initiatives such as incubator and fellowship programs with coaching opportunities, collaborative workspaces, competitions and student-led startup communities are being supported at an increasing rate. At ZHAW Zürich University of Applied Sciences, for example, the Institute of Innovation and Entrepreneurship runs the ZHAW Runway Incubator together with the partners Zürcher Kantonalbank and Technopark Winterthur. Graduates from any Swiss higher education institution can also take part in free, state of the art, national training and coaching programs and competitions operated by the Institute of Innovation and Entrepreneurship and funded by Innosuisse. In such programs, the necessary methodological tools can be acquired, for example, to develop and specify a business model, to compile a professional business and financial plan or to acquire the skills for convincing investors – and, perhaps most importantly, to connect with different support actors in the startup ecosystem and other like-minded entrepreneurs.

Startups and the promotion of entrepreneurship are today recognized worldwide as an important part of the academic ecosystem and fundamental for the image and rationale of higher education institutions. For Switzerland to retain its

place amongst the most innovative countries in the world and a leader in higher education, its higher education institutions must continue to promote startups and entrepreneurship. If this is to happen, the responsibility falls on those within the academic startup ecosystem to be clear about the benefits of startup and entrepreneurship. First, entrepreneurial initiatives and startups are an important channel for bringing novel solutions, newly created technologies and scientific findings to market and society. Second, successful startups often remain important and loyal research and development partners and enable higher education institutions to become part of the entrepreneurial ecosystem. Third, successful startups from higher education institutions act as inspiring and motivating role models for students and employees. And fourth, founders of successful startups are likely to return some of the achievement back to their Alma Mater, either directly through funding (Harvard and MIT are prominent examples) or indirectly as, for instance, by strengthening the institutes image as an incubator for innovative companies.

EdTech discussion at Final Selection 2018 with ZHAW and other partners.

by Christian Westermann and Philip van Hövell

PHREND: a Case Study PWC on Ecosystem Innovation in Healthcare

PHREND: the award-winning AI-based software developed by PwC Switzerland and NeuroTransData

PHREND is award-winning software developed by PwC Switzerland and NeuroTransData (NTD) combining artificial intelligence (AI) and analytics technology with medical insight and human-centred design to make the treatment of multiple sclerosis (MS) more effective and cost-efficient and to improve the care and quality of life of patients with MS.

Multiple sclerosis is a neuro-degenerative disease that mostly affects younger people. It is incurable and treatment mainly focuses on slowing the progression of the disease. There is a range of different treatments. However, which of the therapies will prove effective in individual patients is still a matter of trial and error. Such uncertainty has a detrimental effect on patients' quality of life and is a financial burden on the health care system.

PHREND is the world's first predictive and personalised software for the treatment of multiple sclerosis, based on a high-quality database of patient information. PHREND stands for Predictive Healthcare with Real World Evidence for Neurological Disorders. It is a web-based tool that has been developed by PwC in collaboration with NeuroTransData, a network of physicians from Germany working in the fields of neurology and psychiatry.

PHREND is an application that allows physicians to predict the efficacy of MS treatments on the basis of historical data. In collaboration with doctors and patients and by using a human-centred design approach, the technology was built to be perfectly integrated into patient/doctor dialogue. The AI-assisted algorithm instantly analyses patient data to predict MS treatment. The tool has won multiple awards and is widely accepted in the medical community. Statistics show that the personalised healthcare solution PHREND enables more effective treatment of MS.

Based on real patient data

The software is based on authentic experiences of thousands of MS patients and offers physicians and patients both a personalised comparison between different MS therapies and a second opinion on what drugs are likely to be most effective in their case. PHREND can assess the progress of the disease in each individual patient on the basis of the selected treatment and the evidence-based data from the NTD database. This makes choosing a suitable treatment both safer and more transparent.

PwC Switzerland has used a human-centred design approach to develop the personalised healthcare solution PHREND for a network of neurological specialists in collaboration with patients, their doctors and leading universities. The tool runs on an algorithm that comprises data from more than 25,000 patients over a ten-year period. The AI-driven algorithm generates predictions of treatment efficacy within seconds and is based on the ten most important patient characteristics that are clinically relevant to MS. Extensive user testing over ten design iterations has made the application easy to use and understand, for both patients and their physicians. In order to predict the efficacy of a suggested form of treatment, physicians simply enter a patient's data, such as gender, age, time since MS diagnosis and current form of therapy. Based on these

factors, PHREND has been calibrated in such a way that new patients with similar characteristics will be given a prediction of the likely progression of the disease after therapy.

Takes individual requirements into account

PHREND compares the individual efficacy of a range of therapies and predicts the likelihood that a patient will remain progression and progression-free under administration of a particular drug over a period of two to four years. PHREND's prognostic accuracy thereby surpasses that of an experienced neurologist. The software can factor in patient requests. Physicians can feed the tool with information as to whether the patient prefers pills, injections or intravenous infusions, or whether they favour traditional drugs over more recent products, and whether women may have a desire to become pregnant.

PHREND takes all the information available on past treatments and extracts the results and conclusions that are relevant to the case on hand. The model is dynamic and is constantly updated with new data. In addition, populations of conventional clinical studies were run on PHREND and the results compared: all widely-accepted studies revealed the same results. Data protection thereby adheres to the strictest requirements.

Not only does PHREND improve patients' quality of life, it also lowers healthcare costs, as elaborate trial and error procedures are no longer necessary. PHREND is currently exclusively used for therapy purposes in relapsing multiple sclerosis, although there are plans to cover the entire MS spectrum as well as other neuro-degenerative conditions. This is possible because the principles on which PHREND are based are applicable to a multitude of medical conditions, not just neuro-degenerative diseases such as MS, migraines or Parkinson's.

Made in an ecosystem

PHREND is the core of the patient-centred ecosystem DESTINY® (database-assisted therapy decision support system). DESTINY is NeuroTransData's overarching system that combines a database, health account, users and digital modules under one roof. DESTINY's vision is to improve quality of care of patients. Cross-practice collaboration and continuous use of digital support systems aim to ensure individualised treatment. DESTINY is a valuable ecosystem that assists physicians and patients during the treatment process.

Figure: DESTINY® ecosystem.

DESTINY and its components are extensively and actively used by physicians. Both DESTINY and PHREND are flagships of the progress of digitalisation and ecosystem innovation.

"PHREND enables me to work more efficiently and make better decisions. The tool gives me an added degree of certainty and is a solid basis on which to justify the choice of therapy to health insurers."

Dr. Arnfin Bergmann, NeuroTransData

by Till Haug

A Case Study: Veezoo's Solution is Being Rolled out to 250 AXA Agencies

AXA and Veezoo, who met during the first iteration of Kickstart in 2016, have further extended their successful partnership. Veezoo provides a sales intelligence solution that makes the distribution of one of the biggest Swiss insurers more effective and efficient. Now, AXA rolls out Veezoo's Augmented Advisory to their non-life tied agents in more than 250 agencies in Switzerland.

Who would have thought that an informal get together would result in such a successful partnership: Veezoo is a Zurich-based ETH spin-off, that has developed a unique conversational solution based on artificial intelligence, which can analyze large amounts of data in seconds. Similar to Google or Siri, employees can enter a question using a simple input field, which is then answered by the intelligent software based on the available data. For instance: "Which customers were not in touch with us over the last twelve months?". At the first Kickstart edition in 2016, the young company met with one of Switzerland's leading insurance companies, AXA, for the first time. For AXA, Veezoo's technology appeared interesting for many reasons, and, after several months of negotiations, Veezoo and AXA announced a six months pilot phase in the late summer of 2017.

An efficient and effective solution for the distribution

User feedback during the pilot was highly positive, too: "A salesperson is very often not structured in such a way that he or she knows what to select when and where in order to get the right result. The Veezoo technology is exactly, what

Visualization of Veezoo used for the Axa proof-of-concept.

we as sales forces need and makes our work a lot easier," said a general agent of AXA.

Overall, the innovative solution of Veezoo helped AXA to increase the efficiency and effectiveness of their distribution. The decision was made to put Veezoo into the hands of its sales force employees company-wide. Meanwhile, it is used to identify customer needs better, increasing the customer happiness and performance of the client advisors.

The secret of a successful partnership

Three years after their first meeting, both sides are extremely happy with their partnership. "Having such a successful relationship is not a given," said Till Haug, Co-Founder of Veezoo. "I believe the secret is that we always meet at eye-level with transparent communication. We give our very best to see behind AXA's pain points and address them quickly and properly. Working with AXA has been a pleasure throughout." Daniel Zöllig, Product Owner Distribution MIS at AXA, agrees: "The cooperation with Veezoo is very successful and uncomplicated. The speed of implementation is impressive. Working together with a startup is an enrichment and generates a refreshing vibe."

For the two partners, it does not seem to stop there. Another evaluation is already ongoing, and Veezoo might be used even more widely spread within AXA in the future. This will certainly not be the last we hear about AXA and Veezoo.

The team behind Veezoo.

by Katka Letzing

Kickstart 2018 Collaborations

Since 2016, Kickstart has been focusing on accelerating partnerships with increasingly later-stage startups which have proven to be much better matched for corporates and public institutions. To date, more than 75 proofs-of-concept, pilots, commercial projects and other partnerships have been initiated in Switzerland and abroad. Kickstart has played an important role in helping its partners to scout the right start-ups and has led an overall selection process involving more than 150 partners and over 2000 startups from more than 50 different countries. In the last 12 months alone, Kickstart has engaged in four different verticals with 30 startups, as well as with over 30 different partners from the public and private sectors.

Summary of the 2018 collaborations:

EdTech & Learning Vertical | 10 collaborations

- **ETH Zurich** has collaborated with **Differ (Norway)** to build digital learning communities for Federal Institute of Technology (ETH) Zurich students by testing Differ's software in a pilot project with one ETH bachelor course engaging more than 500 students. ETH Zurich also explored collaboration with **Potential.ly (UK)** to support ETH students' professional development paths and career-readiness in the scope of a pilot with selected students doing company internships.
- **Mercator Foundation Switzerland** executed a joint pilot project with **WriteReader (Denmark)**, a platform that helps children to learn reading and writing by creating their own books at school, as well as **Jacobs Foundation** and **Dybuster (CH)** with different schools.

2018
Kickstart
Partner Safari.

- **Migros Club School** accomplished a PoC with **Labster (Denmark)** aiming at evaluating a new method for creating digital language learning content in 3D Virtual Reality environments and the impact of such content on client engagement.
- **Swisscom** and **TEACHY (CH)** collaborated in a PoC to explore opportunities in the field of 1on1 personal learning between Swisscom experts and Swisscom employees.
- **The University of Zurich** cooperated with **Labster (Denmark)** to explore laboratory simulations and virtual reality in university science instruction.
- The Career Services and The Dean's Office of the Faculty of Arts and Social Sciences of the **University of Zurich** have been developing application opportunities with **Potential.ly (UK)** to use the platform to increase the career readiness of students at UZH. Further, the Faculty of Arts and Social Sciences of the University of Zurich has worked with **Differ (Norway)** to increase collaboration amongst students and teaching assistants by using the platform.
- **ZHAW** engaged in a PoC with the Bernese educational startup **TEACHY (CH)** in the field of student tutoring to promote the educational careers of its students.

FinTech & Crypto Vertical | 10 collaborations

- **Credit Suisse** has explored various partnerships, including a proof-of-concept with **Yukka Lab AG (Germany)** for using augmented language and machine learning to analyze global financial news from trusted sources. Next to that, Credit Suisse engaged with Switzerland-based company **Altoo AG**, offering solutions for wealthy individuals and has engaged together in the area of future private banking platform solutions. With **Asteria (Sweden)**, Credit Suisse has engaged in cash flow advisory for small & medium-sized corporate clients and with **Gauss Algorithmic (Czech Republic)** engaged in the area of data analytics. Collaboration with **Reportix (Germany)** was focused on the potential for digitization and automated processing of documents and forms using non-proprietary Ricardian Contracts (human and machine-readable contracts).
- **Swisscom** has engaged in a PoC with Norwegian startup **FinTechdb (Norway)** to better map the Swiss FinTech ecosystem as well as explored opportunities of "Open Banking" for the Swiss financial industry with the FinTech companies **Altoo AG (CH)** and **Yukka Lab AG (Germany)** as a joint partnership.

Final Closing Announcement by Stephanie Wickihalder from Credit Suisse and FinTech startups.

- **AXA** has been collaborating with **Reportix (Germany)** to explore opportunities for new insurance products providing trust, transparency and automation created by block-chain-based platforms.
- **PwC Switzerland** and **YUKKA Lab AG (Germany)** engaged in the development of joint business cases in the field of Augmented Language Intelligence for the financial industry.
- **C4DR** engaged with **Trakti (Italy)** in Trakti's Smart Contract platform with C4DR's Blockchain-powered Supply Chain Finance Business and Security Token Factory.

Food & Retail Tech Vertical | 9 collaborations

- **Coop** has explored with **Alver (CH)** to integrate products using their innovative vegan protein for product development. Further, Coop has been running two proofs-of-concept to explore the benefits of a new ultra-local urban distribution model as well as using **LuckaBox's (CH)** cloud-based technology for effective last-mile deliveries. Coop also has been engaging with **microPow (CH)** with a goal to bring enhanced, shelf-stable, natural microPow aromas into a variety of food products.
- **Migros** engaged in two PoCs with **LuckaBox (CH). The Migros Cooperative Zurich** launched a pilot project with the startup and thereby expands its range of services. Since November 2018, customers of Migros City have been able to have their purchases delivered directly to their homes.
- **M-Industry** has been conducting a PoC with **Besso (Germany)** aiming at testing Besso tea pads in the Swiss market, which moved to a commercial project.
- **Mondelēz International** engaged with **Alver (CH**) in the application of a new sustainable plant-based protein source in different snack form as well as with **microPow (CH)** exploring the opportunities to better preserve high-value ingredients in snacks to make their benefits fully available to consumers.

The Smart Cities & Infrastructure Vertical
| 6 collaborations

- **Empa** collaborated with **BlockDox (UK)** to implement their IoT and AI-driven sensor analytics solution at the NEST research and innovation building as well as with **FlecoPower (CH)** on an assessment of the technical implementation of using the electricity consumption flexibility of the Empa NEST demonstrator to help stabilizing the local electricity grid in Dübendorf.
- **ewz** collaborated with **BlockDox (UK)** to implement their patented IoT and AI-driven sensor analytics solution at the collaboration space **Kraftwerk** in Zurich Selnau. ewz also engaged in a pilot with **Fleco Power (CH)** to test a control unit in a charging station for electric vehicles operated by ewz. In addition, ewz is collaborating with **Akenza (CH), formerly Hivemind,** to set up different IoT/LoRaWAN use cases and implement and visualize them on the their IoT platform and their collaboration.
- **The City of Zurich** has engaged with **Pedius (Italy)** on a collaboration to make calls for selected services accessible for the deaf and hard of hearing.

Visualization of developed IoT platform by Akenza (former Hivemind) in collaboration with ewz.

8 Key Learnings

1. **Aligning on the timing and expectations of the partnership is very important.**
2. **Using a shared legal framework (exclusivity, IP and other matters) is very crucial and should be checked on independently by each party.**
3. **The importance of creating a 1-to-1 relationship with customers and partners in order to gain valuable insights should not be underestimated - including the investment in trust with different stakeholders.**
4. **Finding the right balance for persistence. Collaboration may require more time and energy than one expects beforehand, and out-of-the-box project management is often needed.**
5. **From consumers and partners to humans - seeing your customers and partners as people is essential.**
6. **One focus, one pilot - maintaining focus is very often underestimated and can be reflected in the quality of the project.**
7. **Win/fail fast, learn even faster - ending a project can be more appreciated than proceeding with a doomed project, because of the prompt management of expectations and related savings.**
8. **Celebrate each success, and share it with your stakeholders.**

The key learnings above have been collected from interviews with partners and startups.

THANK YOU

Your Kickstart Team.