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3. Triple Helix ecosystems and regional development

3.1. Regional Triple Helix models: drivers, dynamics, public policy

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### **The Studios a European Business accelerator, triple helix model**

#### ***Introduction***

Howest has a long history of working closely with industry partners. In fact, it was founded by industry-players in the late 1880's. Howest is now part of the Ghent University Association (60.000 students which equals 30% of higher education in Flanders). Howest is growing fast but remains relatively small (6.000 students), which gives it flexibility and fast-decision-making abilities. It has the mentality of an innovation-driven SME.

Howest has a solid reputation when it comes to valorization -oriented, client-driven research, community services and permanent training, both nationally and internationally. Fifty-five percent of our partners are industrial (Large Enterprises, SMEs, Sector Federations) and not-for-profit partners (8%). Forty-five percent are government and partner-research institutions. Since 1997, Howest has generated more than 90 billion Euro in innovation-funding for valorization -oriented research. With the help of a well-developed research and valorization program, within applied research, it made sense to create a service geared towards our undergraduate and graduate students. The result was the creation of an on-campus business accelerator, which helps to give graduating students the possibility of starting up their own companies within a known and safe environment. Additionally, it widens their network of advice and support by giving them direct access to senior entrepreneurs and national Chambers of Commerce, as well as to Creative Starters that offer workshops and memberships for young bright people who want to create their own start-ups.

The Studios embedded collaboration with Howest University makes it a successful triple helix model. It takes full advantage of its industry liaisons, which help in networking, mentoring and fine-tuning the business ideas and approach with the startups. Its association with the University of Ghent gives it insights on the more academic approach. Its close relationship with public institutions helps stimulate companies in innovation by bringing them closer to possible funding for feasibility studies, prototype development and the like.

*Start capital (E-Clic - European Collaborative Innovation Center) Interreg North Sea Region (European funding for inter-regional collaboration) co-financed national and regional government and municipality.*

The Studios business accelerator was launched within the North Sea region Interreg project called E-Clic (European Collaborative Innovation Centers). Thanks to E-Clic, not only were we able to come up with the 'The Studios' concept but also to give it a broader, European context by working towards similar goals with E-Clic's European partners in Sweden, Norway, The Netherlands, The UK and Germany.

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Our goals at The Studios include but are not limited to:

- Learning from and collaborating with other existing accelerators
- Being on top of the new, related concepts that come along
- Co-working and being part of a larger national and international network
- Extending our network and fostering optimal matches between micro-companies and freelancers, which allows increased flexibility with remote 'offices' being more and more possible thanks to WIFI.
- Having available spaces for seminars, workshops and other sessions, along with a creative room – all which are very attractive within our creative industry.
- Welcoming continued input from our young entrepreneurs, product developers and designers.
- Benefiting from our valuable collaboration with Howest and all the great things it has to offer.
- Creating a good vibe in the building with a great mix of people, open spaces and offices which combined promote interaction and create synergy. (We weren't convinced by the word "synergy" at first either – but we sure have seen it come to life here!)

### **Methodology**

*The Studios – where creative businesses work*

#### *Who is at The Studios:*

Creative minds from the fields of industrial product design, new media & communication technology and digital arts and entertainment. Each person brings something unique to the mix.

#### *Why The Studios:*

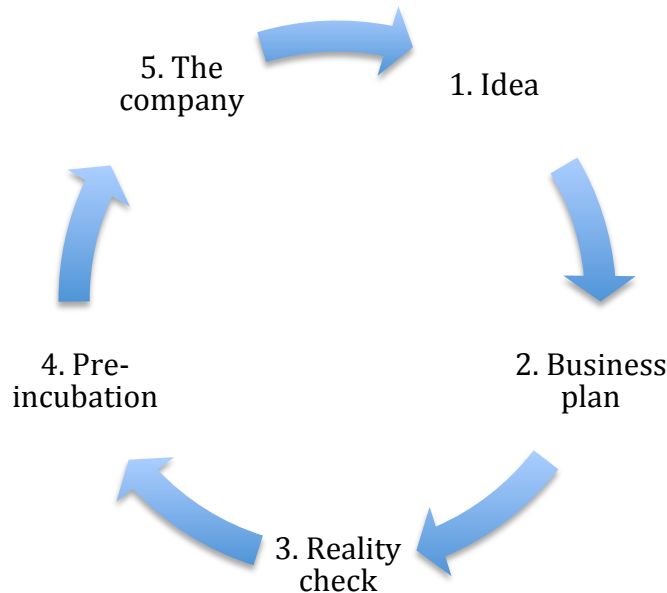
The Studios brings a mix of innovative people together, eager to build successful companies. With Howest as a neighbor, companies have loads of resources, knowledge and facilities, research access, a library and more. The Studios is a fully equipped, dynamic setting with affordable offices, meeting rooms, a hall of fame display area, seminar space, brainstorming gardens, parking areas, a lively kitchen and even a basketball court. Inspiration and innovation are in every corner.

#### *Making it happen:*

The concept was created by 'Elevenfeet', a young product design company (*settled at The Studios*). Before construction could take place, the concept had to be visualized and this is where another start-up company named 'Triangle Factory' came into the picture (*settled at The Studios*). They focus on 3D-visualizations and instead of creating a common model, they created a walk-through of the new environment.

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***Assisting the starters.***



***Screening and advising the starters, pre-incubation process:***

The Studios focuses on companies within the fields of industrial product design, new media & communication technology and digital arts & entertainment. These companies should consist of at least two driven entrepreneurs who need to pass a screening process, during which they propose their ideas and business plan. This is part of a delivery for the professional bachelor (Small Business Project). If talent is spotted there, and students want to work more intensively on the idea, they can do an internship in their own company, with guidance from The Studios. They go into pre-incubation for 3 months starting in February. During this period they can research more on the idea, if it has a market and social acceptance and commercial potential. If they are still driven and convinced about their company idea, they can stay at The Studios until September. After September they need to decide if they will go to work as an employee, start up their company or continue studying.

This process is attractive and challenging considering the student has to go through the whole process of focusing on the idea, building up the company along with its potential clients and markets. They also have the opportunity to explore whether they want to work with private capital, business angels, venture capital and the like.

***From pre-incubation towards a company with a legal structure.***

We have learned quite a lot these last years from practicing this methodology and it is clear we need to adjust the process, in terms of earlier integration into the undergraduate curriculum.

Up until now, we have only started talking about entrepreneurship and practicing Small Business Projects (SBP) during the last year of undergraduate studies (Bachelor degrees) in almost all disciplines at Howest. Within the final semester, students generally must also do an internship in their own country or abroad.

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We have come to conclude that the introduction to entrepreneurship is happening too late. Therefore, we are starting to integrate the concept into the curriculum from the moment they begin their studies and expect more entrepreneurial activities and results by the time the final year comes. In terms of integrating entrepreneurship teachings into the curriculum, the classic lecture approach is avoided and replaced by a more hands-on workshop principle with lessons coming from real entrepreneurs they can relate to. This allows students to learn from peers, who started their own businesses and have first-hand, inspiring experiences to share. The idea is that by the end of the final year, students will be influenced and inspired to start up their own companies. By then, they will also have become familiar with The Studios on campus business accelerator so the step from student to start-up at The Studios will feel quite natural.

Once they are set-up at The Studios, the start-ups are closely followed by experienced mentors working within the accelerator. It is interesting to see how each start-up develops within the first year. They become more mature, more serious and learn to value networks, all of which increase the quality and quantity of their work.

*Triangle Factory observations after a year.*

*The Story of Triangle Factory:*

In 2008 they came in second in the worldwide Microsoft Imagine Cup, for game development.

#### **Team Drunk Puppy Productions**

Team Members: Kenny Deriemaeker, Filip Van Bouwel, Timothy Vanherberghen, Jeroen van Raevels

Kenny, Filip and Timothy, started their own company in 2010 and joined The Studios in January 2010.

By winning the Imagine Cup, they received €15,000 as capital for starting a business. In the beginning, they were convinced they needed a bank loan or a private investor to be able to launch their start-up. After several rounds of meetings with banks and investors, Triangle Factory decided neither approach was an option and decided to invest in their company themselves.

They did very well in their first year thanks to their Howest network, good contacts and by speaking to the right people at the right time. They developed a Facebook game, which in Belgium terms is successful, and they are the first company to leave The-Studios-at-Howest nest, to move on and grow further by going into partnership with their most important client

#### **Testimonial from Kenny Deriemaeker – Triangle Factory:**

*“As every young entrepreneur will quickly realize at one point, your idealized ‘Big Plan’ can fall apart fast when the realities of time and money start setting in. They force you to go outside your comfort zone a little bit and get to know about subjects and people you normally wouldn’t come into contact with. You get pushed to try new technologies, to understand what a client’s needs are, and to deliver quality on time and within a budget.”*

*Lessons learned from Kenny Deriemaeker after 1 year Triangle Factory:*

- *Have a back up plan, if things don’t work out like you thought*
- *Be critical*
- *Take responsibility*
- *Don’t sink your time into meetings and emails*
- *Focus*

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*The exit of Triangle Factory:*

Triangle Factory is one of the first companies that will leave the The Studios to go into a more close collaboration with their new partner Proudfield to get more active in the social media space. They will share an office together, and might merge in the future.

This growth fits in well with the concept of The Studios as it is not our intention to keep the start-ups in the business accelerator for more than two or three years. The idea is for the companies to move on as they grow, partner with other companies, or even attract investors, which will be discussed further later.

*The story of Elevenfeet:*

Elevenfeet, came together during a pilot internship project. It was the first time they worked in a multidisciplinary team and had great experiences with their clients. Actual leads came out of the internship, which triggered Elevenfeet to start their company. Elevenfeet is active in several, quite varied start-up support organizations, such as Creative Starters (a local government driven network to support creative starters) and the Belgian Chamber of Commerce called VOKA with their Bryo (BRight YOUNG entrepreneurs) initiative to support young entrepreneurs. VOKA Bryo can be compared to a network of researchers who create spin offs, while Creative starters is more of a mix of different sectors and is not as academically linked. Both of these organizations work for them in a different way and lead to different results.

*Bottlenecks for Elevenfeet after a year experience:*

- *Project management*
- *Time management*
- *Administration management*
- *Growth management*

*The story of Mobilejuice*

Another start-up that came from the same academic year as Elevenfeet and Triangle Factory was Mobilejuice. Mobilejuice shared similar start-up experiences with the other two companies but differed in that they had a private investor from the start. The investor, an established company specialized in events and other services, saw that Mobilejuice could fill their mobile needs. Mobilejuice have the advantage of being professionally guided and of working with an experienced investor with a sales channel behind them.

It is important to note that these three companies, prior to establishing their legal structure, prepared six months ahead thanks to their Small Business Project and doing internships within their own companies. During these internships, which is the pre-incubation stage, they were able to prospect the market potential, look for valuable partners and explore and expand their talents. They learned and adapted at an early stage and continue to do so. This is what will make them successful!

*The mix with senior entrepreneurs:*

At The Studios, we have two other companies; MobileMinds and Stack and Heap. The founders of these companies are more experienced as they have existed for quite some time. MobileMinds is a spin-off of digital communication company Sweet Lemon. Stack and Heap is a consulting agency for enterprise companies, specialized in Adobe Flex technology and Java. Stack and Heap was founded by alumni from Howest. These "senior" companies bring business experience and maturity into The Studios. The open set-up of the building naturally leads to spontaneous conversations, lunches

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together and so forth. Combined with all the things that are happening in The Studios, the mix of companies creates real synergy and business opportunities. Over the past year we have had nearly 1000 visitors at The Studios from Howest of course, but also via partner organizations and European partners as well.

*The open spaces:*

When the companies get started at The Studios they immediately get introduced to each other, the open-space environment, the multidiscipline-approach and creative mix. While each company of course keeps its own identity, the variations at The Studios make it a special environment, where people get the opportunity to think beyond their own skills and comfort zones. The clients and contacts that come in for meetings can clearly see the different aspects of The Studios eco-system and also have their own creativity stimulated thanks to this confrontation.

*The networking with the industry for young starters:*

The Studios is managed by Christel De Maeyer, who has years of experience with the digital wave on an international and national level. De Maeyer's own expansive group of contacts combined with Howest's industrial-liaison program in various domains, open up an immeasurable network to starters here. The Studios organizes monthly seminars, workshops and international conferences with leading speakers, where a good mix with senior and junior entrepreneurs is created. This leads to new insights, a professional attitude and a drive to be successful and learn from the best.

The Studios' seminars focus on various topics in relation to business, market-trends, technologies as well as experimental and inspirational ideas.

Howest University organizes 3 international conferences, which attract leading speakers from all over the world:

- Multi-Mania; for multimedia designers and developers – sponsored by industry partners,
- Designweek; for industrial design and architecture
- Design for Persuasion. Co-organized with Dr. BJ Fogg, Director of the Persuasive Technology Lab at Stanford University.

*User groups and other cluster-organizations:*

As in all other countries, Belgium also has its set of Adobe-Microsoft usergroups, Mobile Mondays, 140 char meet-ups, etc... Our students and starters get involved in these user groups as much as possible. For students, participation in such groups can be their first introduction to the real world of business and entrepreneurship. These are the starting seeds for spotting who has the drive or special talent. Invaluable lessons are learned by talking to peers and observing them. For the starters, it is a very informal way to meet with peers and exchange knowledge and it generates leads and projects as well.

***International aspects:***

In 2010, The Studios at Howest, in a partnership with IBBT (Interdisciplinary Broadband technology research center), went into close collaboration with U.S.-based Silicon Valley business accelerator, Plug and Play Tech Center. Through this shared network, The Studios is able to introduce Belgian



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companies to the US market. Howest students will also have the opportunity to do internships via Plug and Play and to learn more about the Silicon Valley entrepreneurial approach, which varies a lot from that in Europe. This is just the first exciting step of a hopefully long-term, fruitful collaboration.

The first reactions from Belgian companies that have spent a reasonable amount of time in Silicon Valley with a product in prototype mode have been revealing though not surprising. As the business culture and approach are very different in the US than in Belgium, there has to be an openness and change of mindset to properly adjust to the fast US market, valley of business angels, venture capital, etc... Belgian companies, however, do succeed in starting and having a business in the US, if they prepare well! The first U.S. experience teaches Belgian businesses that preparation is the absolute key. Also essential are acting quickly, doing good follow-up, building up a network and going to a lot of events, mostly organized in the evenings. Belgian companies also need to determine whether they are going for sales pitches or for venture-capital pitches, as each has to be approached differently. They also have to be prepared to present their ideas in one-minute demos and be very clear about what they want to achieve.

Needless to say, companies have to realize that such a trip is an investment of time, money and effort. They have to be dedicated to the experience and make a clear choice to go abroad as they risk too much by approaching it too lightly.

The Studios will collaborate on a second screening in Q3 to select Belgian companies that want to explore the US market. Based on the first experience, The Studios will also be more involved in the preparation process, with advice and insights from the companies that have already gone through this process.

#### *Our Students going international:*

Howest organizes yearly inspirational trips for its students to The U.S., China and European countries to broaden their horizons. In each of these countries, Howest has liaisons through which students can do international internships as well. International internships happen on a limited level. In 2008-2009, eight digital arts and entertainment students did their internship abroad, in Germany, Sweden and the Netherlands. Twelve multimedia and communication technology students interned abroad, in the UK, Spain and Denmark.

#### **Bar d'office, co-working spaces; the next logical step to mingling and mixing:**

The Studios has recently joined Bar d'office, a co-working concept, that started in Antwerp and is spreading all over Belgium. Co-working spaces are mainly setup for freelancers and people who travel a lot and who want to create synergy with other people in the same or related line of business. The multidiscipline approach is also applied here and stimulates the growth of temporary collectives, which can evolve into different, sometimes larger and more complex, projects. Each co-working space has a set of services, which the co-worker can use once within the network. The co-worker joins the network by becoming a member and paying a monthly fee. The members are entitled to a certain amount of hours in a co-working space, which they can use in several, different spaces. This approach helps people avoid isolation and mobility problems and opens up a new and different network. The creative hubs and co-working spaces bring people together who are working independently yet allow members to keep their autonomy and independence.

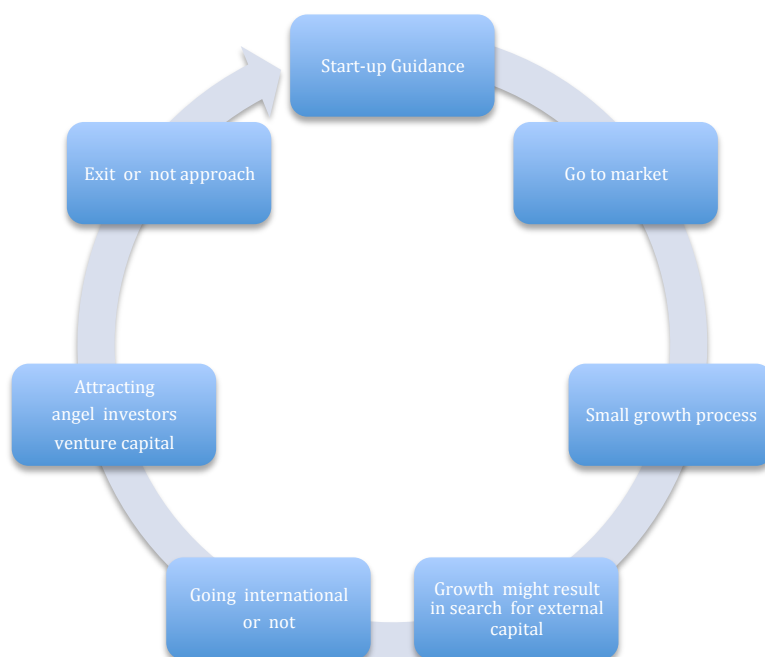
#### **Pitfalls and constraints in entrepreneurship in an EU and Belgian context:**

Entrepreneurship in Europe is perceived very differently than it is in the US. In the US, there is room to explore and experiment and to fail and start over. In Europe, the mindset needs to change in this

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perspective. There are a lot of stimulating local and European government programs to support and help start-up companies, though some are more successful than others. Unfortunately, as long as the perception of entrepreneurship remains risky and negative, the majority of people will not dare to start a business and will instead choose to stay within the comfort zone of being an employee. Each country has its own set of rules. Recent statistics show that 45 % of people in the EU start a business, 55 % in the US and 75 % in China. <sup>1</sup> The lower percentage in the EU is not because it is administratively difficult to start up a business, although in some countries it is a cumbersome process. It is mainly due to the lack of risk-taking in the EU. Even when it comes to calculated risks, which business is all about, there is such a strong stigma related to failure within the EU. Fear of failing prevents young entrepreneurs from starting up a business. In some countries, such as The Netherlands for example, the law is very hard on those who fail, not allowing them to have a second chance. Other disruptive factors can be high tax rates on companies and the heavy social charges that need to be paid when hiring people. Finding a balance between the US and the EU model would be very welcome for most entrepreneurs on both continents if it combined the best of both worlds. Nevertheless, Europe does have a 45% rate of people that start up businesses. Hopefully the percentage will increase even further as such growth is needed to keep the innovation processes and prosperity going in the EU.

**Offering a roadmap for growth, ecosystem:**



Public/government funding channels in Belgium are numerous, but not always easy to access for young starters. This is different for start-ups that spin off from a University, where researchers have already had experience working with funding and know these channels very well. The founders of

<sup>1</sup> Marco Curavic (Head of Unit Entrepreneurship, European Commission DG Entrepreneurship & Industry)



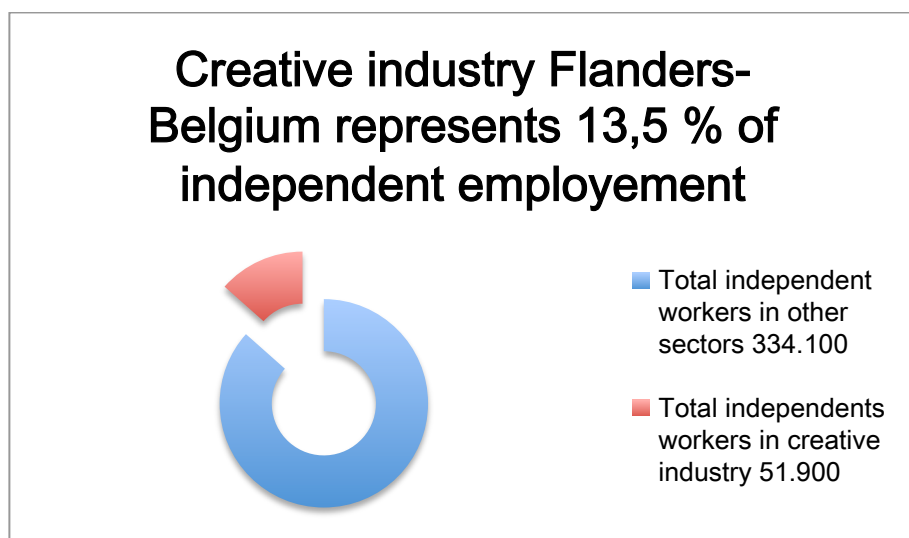
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these spin-offs are generally slightly older as well, but the 'business' problems remain the same. Their need for capital is also very different compared to the starters we house in The Studios and they are likely to look for venture capital or angel investors in Belgium or abroad. This is an area in which Howest's collaboration with the University of Ghent is helpful as Howest benefits by learning about this process through them. These lessons will be essential when The Studios' starters go into the 2.0 phase of their company. At that stage, they will be growing and might need venture capital in order to expand, hire more employees and possibly internationalize their company within other EU countries or even within the US.

***The creative sector in Belgium - Flanders:***

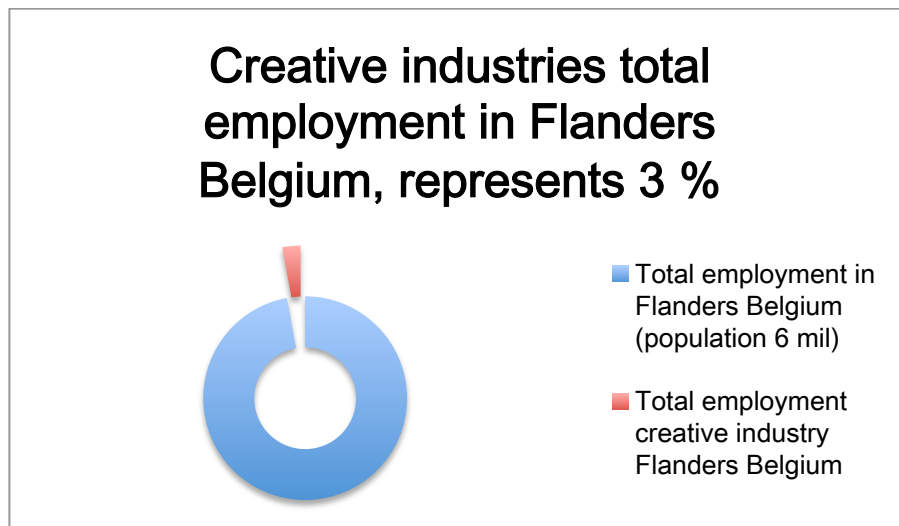
As the focus is more and more on the creative sector, The Studios has worked together with Flanders DC on the platform 'Creative industries' to do a study on what this market represents in Flanders, Belgium. The study is in collaboration with Antwerp Management School, with the latest facts and figures coming from 2008.<sup>2</sup>

These figures show that the creative industry represents 3 % total added value in Flanders. This is good for 13,5 % of independent employment within full-time employment. In terms of independent employers, they are exceedingly within the food-service industry, metal and ICT sectors.



<sup>2</sup> Guiette, A., Jacobs S., Schramme, A., & Vandenbempt, K. (April 2011). , Antwerp management school

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It is strongly believed that the creative industries are drivers for innovation and prosperity in Belgium and the EU in general.

In parallel with this study, a round-table creative-industry day took place, during which six priorities for the Belgian government were outlined as stipulated below:

**1. Working towards an international future with the creative industry**

The forum of creative industries would like to form an international umbrella organization to set up an action program. Internationalization is financially and content-wise necessary to build long term careers. Internationalization also has a positive effect on Flanders' image

**2. Working towards more clustering and cooperation**

A better cross-sectorial organization, a collaborative strategy and stimulating better usage of sharing knowledge, will make it easier for the creative industry to play a potential role in exploring social innovation. There is a need to collaborate with the policy makers to create an integrated policy for media, culture, economy, innovation and education.

**3. Working towards an entrepreneurial, creative industry**

Business and entrepreneurial skills are not only essential to getting access to financial aid, but also help a creative activity to consolidate, valorize and grow.

**4. Working towards a better financial climate and tax policy**

Create a favorable fiscal environment for creative people (creators, designers, writers, composers, film-makers ...) and encourage and optimize investments in the creative industries. Keep in mind the nature of the creative process.

**5. Working towards a better infrastructure**

Encourage clustering by developing co-working spaces with an optimal digital infrastructure in cities (i.e. free wifi, living labs) to develop and support new ideas, to have a more community-driven approach and have the ability to explore new platforms.

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6. Working towards honest compensation and protection of creativity  
Recognize intellectual property as an important source of income for the creative industries and guarantee a fair payment for creators.

*These 6 recommendations are a first step for those within the creative industries to organize themselves and strive for a more international approach when in collaboration with organizations that are not used to working with the creative industry.*

### ***What have we learned from our first year in operation***

As mentioned before The Studios currently houses four companies, of which two are start-ups and two are senior companies. The companies appear to be doing well thanks in part to the connection with Howest and to leads that come in via existing networks. The synergy that is created among the companies and the availability of the creative, open space has played a large role in The Studios' success so far.

With that said, we also see that start-up companies have a lot to learn in terms of business etiquette, follow-up, creating offers for clients, market-response, committing to deadlines, having deliverables and so forth.

The seminars held at and by The Studios are also a great asset as they can be used to repeat the important messages about good business practices as well as true stories of both failure and success. The good spirit and open environment at The Studios allows for spotting sensitive areas and lack of experience and guiding the start-ups pro-actively.

In conclusion, it can be said that The Studios at Howest is the start of a successful initiative that is unique to the region. The Studios welcomes many visitors from Belgium's neighboring countries and beyond, who see The Studios as a great example of a creative hub; a business accelerator for the new creative economy and all it demands.

#### References:

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<http://howest.be>  
[Howest website, English version](#)  
<http://eclic.wordpress.com/>

Keywords: pre-incubation, networking, mentoring, industry liaisons, academic association.

*Bio: Christel De Maeyer, manager The Studios at Howest*

Christel De Maeyer, BA in communication management - advertising has been riding the digital wave since 1989. De Maeyer did numerous electronic productions in the early 90's in a B2B and B2C market. In the booming CD-ROM days, she managed and produced children edutainment titles. In the early internet days, De Maeyer worked on numerous media campaigns for MSN, public Flemish television and major brands. During the internet hype, she started an official Macromedia Authorized training partner center and sold it to the international Pan European group Vision It. Multimediacollege™ is still alive in the group, under its own brand and as an Adobe authorized training and consulting partner.