Workshop
International Incubation
Best Practices and Cases

Tehran, 07.01.2020
Introducing
Fast Forward Advisors
MISSION & VISION

We make
Highly innovative small companies
GROW
MISSION & VISION

And help

Mature corporations
be more INNOVATIVE
While partnering up with and supporting **Ecosystem Players & Multipliers**
MISSION & VISION

Founded in 2011

We define ourselves as Entrepreneurial Consultants

We are deliberately Industry-Agnostic

We work 100% as Remote Teams
PRESENCE AND CLIENTS
LEADERSHIP

Luca Mohammadi  
Managing Partner  
Asia

Experience / Education:

Frank M. Saviane  
Managing Partner  
Europe & LatAm

Experience / Education:

ADVISORY BOARD

Gianfranco Pizzuto  
Co-Founder Fisker Karma
US$ 2 bn valuation, raised Series D from top-tier investors in SV (e.g. Sequoia)

Tom Strødtbeck  
Former Director NBIA
Worked with 40 incubators worldwide and had over 500 keynote speeches / workshops in the world most renowned top conferences
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Brief Intro
Our Thoughts on Iran
GLOBAL TRENDS
EXTERNAL FACTORS

Globalization Regionalism
Tech & Product LC
Computing & Cloud
Blockchain

New Business Models
Distributed Systems
Crowd / Empowering
GLOBALIZATION VS. REGIONALISM
THE PROBLEMS / CHALLENGES IN IRAN

- Sanctions
- Public / Private Sector
- Institutions
SANCTIONS

■ SWIFT / Financial Markets
  - Iran can’t participate in global largest payment system
    → EU starting INSTEX efforts

■ Trade / Business Restrictions
  - Certain asset classes are under special inspections to oblige western / global regulations
New Data Gives Unprecedented Insight Into How Iranians Use Bitcoin

Out of 1,650 Iranian bitcoiners surveyed in Persian Telegram groups, 25 percent earned $500 to $3,000 a month from working with cryptocurrency, according to a survey conducted by the analytics firm Gate Trade.
GII 2019 RANKINGS
UNDER & OVERPERFORMANCE
INSTITUTIONS

OVERVIEW OF THE ISLAMIC REPUBLIC OF IRAN’S RANKINGS IN THE 7 GII AREAS

The Islamic Republic of Iran performs the best in Human capital & research and its weakest performance is in Institutions.

- Human capital & research: 43
- Creative outputs: 45
- Knowledge & technology outputs: 46
- Global Innovation Index 2019: 61
- Infrastructure: 68
- Market sophistication: 100
- Business sophistication: 113
- Institutions: 116

*The highest possible ranking in each pillar is 1.

* GII 2019, WIPO
# Strengths & Weaknesses

## The Islamic Republic of Iran’s Innovation Strengths and Weaknesses

The table below gives an overview of the Islamic Republic of Iran’s strengths and weaknesses in the GII 2019.

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<th>Strengths</th>
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<th>Rank</th>
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<td>Tertiary education</td>
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<tr>
<td>2.2.1</td>
<td>Tertiary enrolment, % gross</td>
<td></td>
<td>30</td>
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<tr>
<td>2.2.2</td>
<td>Graduates in science &amp; engineering, %</td>
<td></td>
<td>9</td>
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<tr>
<td>3.2</td>
<td>General infrastructure</td>
<td></td>
<td>23</td>
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<td>3.2.3</td>
<td>Gross capital formation, % GDP</td>
<td></td>
<td>8</td>
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<tr>
<td>4.3.3</td>
<td>Domestic market scale, bn PPP$</td>
<td></td>
<td>18</td>
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<tr>
<td>6.1</td>
<td>Knowledge creation</td>
<td></td>
<td>32</td>
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<tr>
<td>6.11</td>
<td>Patents by origin/bn PPP$ GDP</td>
<td></td>
<td>14</td>
</tr>
<tr>
<td>6.14</td>
<td>Scientific &amp; technical articles/bn PPP$ GDP</td>
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<td>27</td>
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<tr>
<td>6.2</td>
<td>Knowledge impact</td>
<td></td>
<td>23</td>
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<tr>
<td>6.2.1</td>
<td>Growth rate of PPP$ GDP/worker, %, 3-year average</td>
<td></td>
<td>18</td>
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<td>6.2.5</td>
<td>High- &amp; medium-high-tech manufactures, %</td>
<td></td>
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<tr>
<td>7.1</td>
<td>Intangible assets</td>
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<td>7.11</td>
<td>Trademarks by origin/bn PPP$ GDP</td>
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<td>7.1.2</td>
<td>Industrial designs by origin/bn PPP$ GDP</td>
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<th>Weaknesses</th>
<th>Code</th>
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<td>1.2</td>
<td>Regulatory environment</td>
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<td>116</td>
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<tr>
<td>1.2.1</td>
<td>Regulatory quality*</td>
<td></td>
<td>127</td>
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<tr>
<td>1.3</td>
<td>Business environment</td>
<td></td>
<td>123</td>
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<tr>
<td>1.3.1</td>
<td>Ease of starting a business*</td>
<td></td>
<td>123</td>
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<tr>
<td>2.2.3</td>
<td>Tertiary inbound mobility, %</td>
<td></td>
<td>97</td>
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<td>2.3.3</td>
<td>Global R&amp;D companies, top 3, in mn US$</td>
<td></td>
<td>43</td>
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<td>4.2</td>
<td>Investment</td>
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<tr>
<td>4.2.1</td>
<td>Ease of protecting minority investors*</td>
<td></td>
<td>125</td>
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<tr>
<td>4.3.1</td>
<td>Applied tariff rate, weighted mean, %</td>
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<tr>
<td>4.3.2</td>
<td>Intensity of local competition*</td>
<td></td>
<td>113</td>
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<tr>
<td>5.2.4</td>
<td>JV–strategic alliance deals/bn PPP$ GDP</td>
<td></td>
<td>110</td>
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<tr>
<td>5.3</td>
<td>Knowledge absorption</td>
<td></td>
<td>120</td>
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<tr>
<td>6.3</td>
<td>Knowledge diffusion</td>
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<td>116</td>
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<tr>
<td>7.2</td>
<td>Creative goods &amp; services</td>
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<td>120</td>
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<td>7.2.4</td>
<td>Printing &amp; other media, % manufacturing</td>
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<td>102</td>
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<tr>
<td>7.3.4</td>
<td>Mobile app creation/bn PPP$ GDP</td>
<td></td>
<td>96</td>
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FFA Incubation Meta Framework
FFA INCUBATION
META FRAMEWORK (FFA IMF)

- An incubation framework based on 100+ incubator cases
  - Strategy & Objectives
  - Market & Industries
  - Ecosystem Focus & Development
  - Services & Processes
  - Funding & Shareholders
  - Infrastructures & Team
  - Business & Financial Model
FFA IMF
STRATEGY & OBJECTIVES

- Is there a clear strategic setup?
  - Long-term and Short-term Objectives
  - KPIs: Business / Financial / Institutional / Impact
  - Focus on specific Sectors / Technologies / Phases / Maturity
    - What is needed in the markets that you work in?
    - If from an university → what is the university good at?
  - You can use Business Model Canvas to model your STP / incubator
Are you focusing on a certain market & industry?

- What are your specialized in? (what is the specialty / core competence of the university?)
- In which markets do you want to support your tenants / companies for PMF / scaling / commercialization?
- Why? → focus helps in bundling resources and increase outputs
Is there an tech research & entrepreneurship in place?
- Local, national, regional or international level?
- If not, planning (with or without institutional help) how to close the gaps
What if we don’t have a specific ecosystem (or is too small)?
- Try to create a “new” one, based on history, core competence, resources, and trends
- Connect or be a first-class provider of larger ecosystems in your country, region, globally
- Facilitate discussion with public and private sector to enable missing parts

Examples:
- Israel
- China
- CEE countries in Europe
**FFA IMF**

**SERVICES & PROCESSES**

- **Evolution of support**
  - **Level 1: infrastructure**
    *Provides high quality space and facilities together with value-added services*
  - **Level 2: startup/SME support**
    *Facilitates the creation and growth of innovation-based companies through incubation and spin-off processes*
  - **Level 3: b2b linking / partnerships**
    *Links innovative companies and research institutions throughout the world, facilitating the internationalization of their tenants*
FFA IMF
SERVICES & PROCESSES

■ Evolution of support

- **Level 4: collaboration**
  
  Stimulates and manages the flow of knowledge and technology amongst research institutions, companies and global markets

- **Level 5: commercialization**
  
  Supports their tenants in testing, validating and reaching commercialization goals in target markets
What is the set of products and services that you are providing?

- hosting services = offices / labs / IT / equipment
- TTO = IP tech transfer, IP sold/licensed
- training services = workshops, b2b sessions, group mentoring & advisory
- incubation = companies internationally trading, startups in different phases, valuations raised
- acceleration = startup / scaleup portfolio, boosting in valuation, exit strategies
- professional services = b2b matching with corporations, ecc.
- networking services = enabling intangible assets (like e.g. partnerships, introductions, mentoring)
- commercialization services = support in finding and implementing softlanding in specific countries
FFA IMF
SERVICES & PROCESSES

- Adopting standard processes to ensure operational excellence

  - Standardize at least non-value adding steps in your services
    - offering / pricing
    - dealflow / origination / selection
    - legal
    - decision making stage gates (!)
    - kpis and reporting
Where is your funding coming from?

- **Private vs. Public**
  - mix would be ideal
  - private for business / finance
  - public for institutional matters
- **Shareholders and BoD**
  - should enable short-term and long-term agility and execution
Where is your funding coming from?

- **Offices, Labs, Coworking Spaces, Event Spaces, ...** (Tangible)
  - depends on what you want to offer and your business model
  - digitalization → dematerialization (but community and trust still important for an ecosystem)
  - ICT networks and services
- **Networks / Connections, Partnerships, Access to Assets / Opportunities, ...** (Intangible)
  - don’t have high cost and can make the difference
  - some are strategic / some other could be activated at request
Is the Team / Talent suitable?

- Business Incubation needs T-shaped professionals that can “connect dots” and have the right “openness”
  - Mix of entrepreneurial, corporate and institutional talent, but all with the same “philosophy”
  - International profiles that connect within and outside of ecosystems
  - Be able to connect to specific expertise that can be found outside (mentors, consultants...)
Diversification is key for success

- Mixed revenues / income from:
  - public funding & grants
  - projects (collaborative within own ecosystem or other ecosystems)
  - revenues from products / services to tenants / ecosystem stakeholders
### Business Models of Products / Services

- hosting services = linear business model
- TTO = % of royalties, % of deal
- training & event services = paid for external parties, free internally
- incubation = revenue share, equity → SME monetization or Exit strategy
- acceleration = same as incubators (but more early stages for early validations)
- professional services = % on deals made between companies
- networking services = participation fees, % of long term potential of the partnerships
- commercialization services = % of revenues in new market