



Cluster ACT

Aggregation and Collaboration Tools to enhance cluster network in the maritime sector

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D2.3 – Tailored guidelines for setting up the networking mechanism

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Responsible partner: IBAN
Authors: Anselmo P., Bosio A.
Co-authors: Kraskovic C., Guty R.,
Sdoukopoulos L, Tsafonias G.,
ElAhamy N., Cosic B., Blanco A.
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1. Scope and structure of the report

The report builds upon (a) the state-of-the-art analysis conducted in D2.1 and the outcomes of the questionnaire survey with regard to the skills and competences that both innovators and investors should present for supporting business development, and (b) the different networking formats presented in D2.2 as well as the set of indicators defined there for evaluating the impact and efficiency of a networking mechanism. To this end, the report provides guidelines for selecting and setting-up the most appropriate mechanism for enhancing networking and cooperation activities among SMEs, big corporate companies, research actors (i.e. spin-out firms and open innovation players) and investors (business angels, venture capital firms and corporate venture players). The above are being coupled with an action plan that can provide real added value and support business development in the maritime sector of the Mediterranean region. The selected networking mechanism will be implemented within the framework of Work Package 3 of the project.

2. Selection, format, advantages and criteria effectiveness

2.1 Networking mechanism selection process and format

In D2.2, a comprehensive review of relevant information sources was conducted for identifying and categorizing available networking mechanisms that can be used for efficiently bringing together SMEs wishing to further develop their business ideas and technologies and consequently access the market and provide real added value, and investors looking at extending their investment portfolio and exploit available opportunities that the maritime sector has to offer. Moreover, considering also the results of the state-of-the-art analysis conducted in D2.1, a meaningful number of criteria were defined in D2.2 for selecting the most appropriate mechanism for networking.

The networking goals of SMEs are to attract business interest and the involvement of investors (considering various players), with the ultimate aim to set up a cooperation agreement. The goals of investors are to find risk capital investment opportunities in order to achieve, in a medium period, relevant Return of Investment (ROI). The goals of big companies are to identify open innovation knowledge-based partnerships and increase in that way their business community or cluster.

Considering the aforementioned goals and the networking mechanism selection criteria defined in D2.2, **match-making meetings organized within the framework of relevant maritime sector events and/or fairs are being considered as a key networking mechanism to be exploited.** More specifically, such events and/or fairs are organized at a large scale, receiving support from various international / national organizations, institutions, associations, maritime clusters, etc. with the aim to attract business interest from various players and provide in this way multiple networking opportunities. Match-making events therefore, fully dedicated to innovative SMEs can attract institutions and big corporate companies (e.g. Corporate Venture Capital and open innovation players) that may potentially also act as sponsors.

The selected match-making format therefore that will be followed in the next project activities (hereinafter “**ClusterACT matching tool**”) includes the following components:

- A web site portal, that will eventually include a B2B web matching tool
- Physical meetings: one day SMEs’ dedicated exhibition area - morning and afternoon pitch sessions
- Networking coffee breaks and lunch

2.2 Networking mechanism advantages

As previously highlighted, networking is a key and essential activity for SMEs since the potential benefits to be derived are multiple and substantial, ranging from attracting investments to getting business insights, learning from best practice examples as well as failures, teaming-up with other competent teams or individuals, etc. The key advantages the **ClusterACT matching tool** has to offer can be summarized to the following:

- Specialization
- Business credibility
- Relationship and trust building
- Direct and personal contacts
- Exchange of targeted information and valuable insights
- Showcase of best practices, physical and via platform
- Access to finance monitored (all attendees will be registered)
- A considerable number of dissemination channels will be available

2.3 Networking mechanism criteria effectiveness

The **ClusterACT matching tool** is expected to greatly facilitate and support the achievement of the ClusterACT goals and objectives. The following selection criteria (Table 1), as reported in D2.2, have been positively validated against the selected networking mechanism.

Table 1: Criteria for selecting the networking mechanism

Criterion	Brief description
Openness	open to all key actors (SME's, investors, institutions, other supporting actors, etc.)
Representativeness	participation of all key actors involved in the maritime sector is ensured
Flexibility	physical meetings easily customized and/or adapted to different Countries/partners
Low complexity	the format has a simple and comprehensive structure; the role and expectations of each player are clear
Scalability	the format can be easily scaled-up or down, considering Countries/partners expected participation
Matching	physical and online matching of actors involved is facilitated, multiple cooperation opportunities can be exploited
Easy profiling and facilitation of information exchange	all involved players can be easily identified, relevant information can be seamlessly shared among them (e.g. contact details, business interests and goals, etc.)
Impact maximization	the greatest positive impact is generated for all actors involved during promotion phase, execution and follow on activities
Self-assessment and improvement potential	due to the profiling activities a self-assessment process can easily undertake; areas for improvement can be easily identified and assessed during execution and format replication

3. Description of the mechanism's implementation

The ClusterACT project acts as a flagship initiative that aims to support investment readiness and access to finance for early-stage businesses, start-ups and SMEs in the blue economy. Within this initiative, a relevant community will be established facilitating connections and interactions between companies and investors.

The aim of the networking mechanism is to organize venturing-brokerage events for knowledge based SMEs, to create partnerships and to set up investments for implementing innovative projects and strengthen EU-Mediterranean area networking.

The **ClusterACT matching tool** concept note will include an exhibition area focusing on physical match-making activities fully dedicated to selected SMEs (as a result of a relevant call that will be issued). The selected SMEs will be matched with financial business institutions, big corporate companies (e.g. Corporate Venture Capital and open innovation players), venture capitals, business angels, family offices and other businessmen and industrial communities.

3.1 Preliminary actions

The preliminary relevant actions to be undertaken are presented herein (Table 2).

Table 2: Preliminary actions to set up the ClusterACT matching tool

Action	Objective to achieve
Identification, in the Mediterranean region, of relevant maritime sector fairs or connected innovation or thematic events	the most appropriate relevant event. "Location", "Date", and "Logistical aspects"
Identification of: <ul style="list-style-type: none"> • international/national organizations • public institutions (at local/national/international level) • entrepreneurial associations and focused business communities • maritime clusters • medium-sized and big companies • banks, venture capital and private equity investors • family offices and business angels 	the partner to involve in the event. "Partnership" the sponsor to involve in the event giving financial support (in kind and/or in cash). "Sponsor" the investors gathering and involvement. "Investors"
Identification of offline and online media	Media partner supporting (in kind) the visibility and promotion of the event. Raise attention of new-comers key players (partners, sponsors, investors, etc.) "Communication"
Identification of other players	Interest or willingness of other players to promote the event to other actors they are in contact with (i.e. via social network) "Co-promotion"

3.2 Structure

The structure of the **ClusterACT matching tool** will be flexible, so that it can be easily adapted for adhering to the specifications of each partner country, and better meeting the goals and needs of the different prospective participants (i.e. SMEs, investors and other players, etc.). More specifically, the **ClusterACT matching tool** format will include:

- A web site portal (before the event) facilitating the event presentation, companies' showcase, matchmaking tool (online month -1), news and agenda
- One day dedicated to the SMEs exhibition area (light stand walls plus desks and chairs) where structured contact networks can be facilitated
- Business area dedicated to morning and afternoon pitch sessions (5 minutes of presentation and pitching per SME). Pitch live streaming.
- Networking coffee breaks and lunch (casual contact networks)
- The web site portal updated (after the event) with photo gallery and video pitching sessions (once relevant authorization is granted).

3.3 Implementation plan

The plan for implementing the **ClusterACT matching tool** includes the following steps:

- Concept note and rationale preparation. First draft of event plan describing accurately the benefits for the participants and highlighting the potential of this ClusterACT initiative.
- Identification of **SMEs to be targeted** and to be contacted for getting involved in the initiative. This will be supported by the setup of an **Advisory Committee** that will define, in each local context, which are the targeted SMEs and what are the most appropriate criteria for selecting them.
- Classification of targeted SMEs according to the following criteria: (i) maritime sector, (ii) company stage, (iii) EASME seal of excellence, etc.
- Selection of SMEs (max 30) which will be performed on the basis of a number of qualitative and quantitative criteria, as listed below:
 - Sector thematic relevance
 - Potential, ability to create new business and market opportunities
 - Capacity to deliver new product or services from the current state of affairs
 - Intellectual property strategy and patents holding
 - Organization and team
 - Market and economic key performance indicators achieved
 - Previous (or in progress) investment round, investors backed experience
 - Investors' needs and requirements (see D2.1)

A second preliminary phase will focus on ensuring participation of more **investors** (i.e. banks, venture capital and private equity, etc.), family offices and business angels, funding advisors but also tech driven medium-sized companies and industries that are interested in the fields of the value propositions presented to increase potential investment opportunities.

The **event announcement** and the **agenda** will be then published on the web platform. The event announcement will include the **event details and rules**:

- **timetable**, opening online registration
- **selection procedures**

- **SMEs application form:** business plan executive summary (max 5 pages), power point pitch deck (max 12 slides) and a short video spot (max 5 minutes)
- **deadline for SMEs** to submit the application form
- **registration form for investors**
- **registration form for other participants**
- **privacy policy and confidentiality** considering the information management policy

Concerning the **investors**, the on-line registration will open 3 months before the event. All participants will be able to register after submitting their short profile to the dedicated online platform. The profile will briefly describe each organization, main fields of interest and the kind of collaboration they are searching for.

The **web site portal** will provide all registered participants with a catalogue of selected SMEs and registered investors. In order to ensure a successful matching process, all participants will be requested to scrutinize the profiles of other participants and identify potential partners with whom they would like to get in contact with prior to the meeting.

The list of **selected SMEs** will be communicated by mail to the participants 30 days before the event.

The **leaflet** of the event will include the selected SMEs showcase, i.e. 1/2 page: company name, contact person, sector, business model and value proposition (source the executive summary).

Thanks to the expected commitment of **sponsors**, it will be possible to set up a prize (in kind/services or in cash). The presence of a prize is significant for attracting prospective participants in the launch phase of the initiative.

Sponsors' representatives and innovation experts will be involved as members in the **evaluation committee**.

3.4 Description of the event

The duration of the **event** will be one day and a half. The half day will be dedicated to preliminary activities (day A), while the matchmaking session will be set the second day (day B).

SMEs will present their pitches to a large group of attendees (free participation, previous registration mandatory). They will be stimulated to present their products, services, prototypes or solutions to enhance their RDI impact and to open up their markets from a commercial point of view and in terms of networks with the investors. Specific attention will be given to proper planning, timing, stakeholders' participation and responsibilities of the partners.

The day before the event (**day A**), the selected SMEs will meet the organizing committee to receive an orientation session about the event program and receive the last suggestions with regard to their pitch. This will be an informal meeting, where each SME will have one minute to present its profile, and the **Coaching Group** and the rest of the participants will ask questions and recommend improvements for the next day presentations, when they will have 5 minutes to pitch.

The event (**day B**) will include:

- Availability of a dedicated exhibition area
- Information point and registration desk
- Plenary session, Welcome addresses, Presentation of the day agenda. Rules for pitching and face-to-face meetings

- Pitch presentations by SMEs: in the plenary session, SMEs will briefly present (5 min) their projects by using a pre-established format
- Multilateral informal meetings: individual meetings where SMEs will have the opportunity to meet face-to-face with their potential partners and discuss on opportunities for cooperation partnership, investment and fund raising. This session will be similar in notion with a matchmaking event, a quick and easy way to meet potential cooperation partners. People will meet and have a brief discussion (20 min).

3.5 Draft agenda for the event

Day A.

SMEs arrivals

Pre-Event meeting. Selected SMEs will meet the organizing committee and receive last suggestions with regard to their pitch. The Organizing committee will provide them with information about the running order for pitching, scheduled meetings, etc.

Networking light dinner

Day B.

Selected SMEs stand preparation at the exhibition area

Registration of participants

Welcome addresses (plenary session). Presentation of the day agenda. Rules for pitching and face-to face meetings

Exhibition area opening

Pitching presentations (plenary session)

Networking lunch

Face to face meetings

Closing remarks and delivery of prizes

4. Evaluation and impact assessment

4.1 The impact assessment method

An impact assessment method will be implemented in order to evaluate the impact of the selected networking mechanism. Participation cannot be the only indication of the impact imposed. Besides external evaluation, it is very important that all attendees also self-evaluate the networking mechanism (i.e. goals, needs and expectations). These integrated evaluations will better inform the improvement process, if required, so that the impact of next events can be further maximized.

An impact assessment method is presented herein, building upon a number of carefully selected quantitative and qualitative indicators (Table 3).

Table 3: Selected indicators for assessing the impact and efficiency of the networking mechanism

Indicator	Brief description
Partnership	Number of international/national organizations - public institutions (local/national/international level) – entrepreneurial associations and focused business communities - maritime clusters - big companies, banks, venture capital and private equity investors – family offices and business angels involved in the event
Sponsorship	Number of public institutions (local/national/international) and private business players (entrepreneurial and business associations, big companies, banks, VC and PE investors) giving financial support (in kind and/or cash) to the event
Media partner	Number of offline and online media supporting (in kind) the event promotion
Co-Promotion	Interest or willingness of other players to promote or suggest the event to other actors they are in contact with (i.e. via social networks)
Communication	Number of published press releases and press articles (offline and online) dedicated to the event
Call for participation	Number of applications received from companies and innovators interested to participate in the event
Registration	Number of registration forms received (e.g. companies, innovators, investors, professionals, etc.)
Participation rate	Number of actors that participated in the event and the networking activity
Representativeness	Types of actors (e.g. companies, innovators, investors, professionals, etc.) that participated in the event and the networking activity. Different sectors represented
Effectiveness	Evaluation questionnaire <u>Overall satisfaction:</u> structure and format / time planning <u>Meetings & Contacts:</u> number of actors benefiting <ul style="list-style-type: none"> • Selected SMEs: business collaborations, feedback and opportunities received • Investors and Clusters: quality and relevance of SMEs’ pitching - business collaborations, future investments and networking opportunities offered <u>Re-exploitation:</u> comments and suggestions
Credibility	Relevant information promoted beforehand for the event and credibility of networking activities.

The networking mechanism event will be evaluated thanks to a specific “evaluation form” distributed during the event to all registered participants. The evaluation form will be structured in order to take few minutes to be completed. The questionnaire will need to be filled in by all attendees and returned to the organizers until the end of the event. The questionnaire will be also circulated (by email) to the participants just after the event. The proposed questionnaire will foresee two different sub-sections: one for selected SMEs, and another for investors and clusters.

An evaluation report will be prepared within the next 30 days of the event, and therefore a last section on conclusions and/or next steps will be included. Specific focus during the evaluation will be also dedicated to “replication and diffusion”, i.e. how can the mechanism be successfully replicated and adjusted to other territories.

4.2 Contents of the evaluation form

Participant name

Company

Sector (s)

Overall satisfaction

Has the structure and format of the event and networking activities facilitated the interaction of the different types of participants and the easy exchange of relevant information?

Time planning: Was adequate time allocated to the matching event and the networking activities?

Meetings & Contacts

- Participants per country
- Represented sectors of activities involved
- Number of actors (e.g. companies, innovators, investors, professionals, etc.) that have benefited from the event and the networking activity

Selected SMEs business collaborations

- Comparison between expectations and achieved results
- Number of successful collaborations established between different actors within the framework of the event and the networking activity.
- Relevance and usefulness of the feedback received
- Evaluation of future investments and networking opportunities received

Investors and Clusters business collaborations

- Comparison between expectations and achieved results
- Number of successful collaborations established between different actors within the framework of the event and the networking activity
- Quality and relevance of the selected SMEs
- Evaluation of future investments and networking opportunities offered

Re-exploitation

- Comments and suggestions
- Participants will participate to the same or similar event and networking activities in the future?

5. Networking mechanism – integrated actions

The objective of the next project activities that fall within the framework of WP3, is to generate a consistent and diversified flow of investments in open innovation initiatives conducted by SMEs and start-ups having or targeting a cross-border dimension, with the aim to sustainably grow their share in the identified sectors.

Based on the common methodology set in D2.2 and the guidelines presented herein, WP3 will aim to scout and support the financing of start-ups and SMEs in the maritime sector, by recruiting business angels and facilitating the setting up of an international Business Angels Network (BAN) and local clubs/syndications.

The implementation of WP3 will also include integrated actions aiming to stimulate and enhance the networking mechanism with the objective of achieving two long-term goals:

- the creation of investors networks in each partner Country, involving Business Angels networks (BAN)/investments clubs, venture/corporate capitals firms and big firms
- the set-up of a Co-Investments Funds Roadmap.

5.1 Setting up of a Business Angels Network (BAN) and clubs/syndications

Since there is a strong need to support the local and international aggregation processes for business angels, specific measures will be implemented to facilitate these dynamics. More specifically, a financing open innovation programme will be designed in order to adequately support the setting up of a Business Angels Network and clubs or syndications. The programme will include key features from the report on the analysis of current maritime innovation scenarios (D2.1), taking into careful consideration open innovation practices developed as part of the “Investment readiness programme” and the “Ready to invest programme” (Task 3.1). The setting-up process will be driven at the same time at the local and international level, in order to set up clubs or syndications that could enhance investments flow in the maritime sector with a cross border focus. Strong consideration will be given also to link new actors with existing networks or aggregation players. The purpose is to obtain acknowledgement in the productive, business and innovation scenario and become a reference player.

5.2 Setting up of a Co-investment Funds roadmap

Co-Investment funds are an important tool that can really support, in the start-up phase, the Angels' investments. A Side-car Fund that co-invests in business opportunities in which Business Angels and/or other Institutional Investors have decided to invest, will be also considered. The roadmap to be established will be a mid-long term operational plan that will cover all related issues (e.g. financial, legal, sustainability, negotiation with investors, organisation and managerial support, companies' governance, annual reporting, technical support, quantified targets & objectives, set up of dedicated exit strategy). The fund will foresee the commitment of public authorities as well as the involvement of industry players and potential buyers and customers interested to support and to be involved in the development and commercialization of innovative solutions.