

KIC InnoEnergy

Lessons learnt

Prague, 22th January 2013

Diego Pavía - CEO

Agenda



Reminder

Key Success Factors

1. **Building the Business Case**
2. **Building the partnership (industry)**
3. **Governance**
4. **Operations**
5. **Soft factors**

Five key messages

Conclusion

KIC InnoEnergy – Reminder (1/1)



The leading engine for innovation and entrepreneurship in Sustainable Energy



KSF: Building the business case

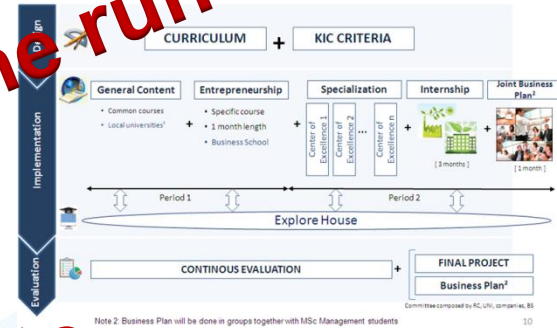


Building the business case	Rationale
Start with a STRONG KERNEL of partners, that are used to work together	Easy ramp up. Trust. Stability. Firing power.
Agree on the IMPACT you want to do	Agreeing on a common vision & mission
Define first the WHAT , then the WHO , then the HOW	It is the "products" that a KIC delivers that define the KIC. The rest are means to the goal.
Agree on the SUSTAINABILITY model	A company without a sustainability model has no future. Key players will not engage in it.
Define the BUSINESS MODELS for all business lines (Product, Customer, USP, ...)	See previous.
Be ready to invest 2M€ to build a sound case	It is serious job from top brains
Agree on the VALUES	Brands heavily the new entity and differentiates from the "source" entities.

370 students in our 120 ECTS Masters*

84 engineers in our PhD School

49 professionals in our Exec. programs



Note 2: Business Plan will be done in groups together with MSc Management students

10

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20 patents filled (1/1M€; 1/67M€ in FP7)

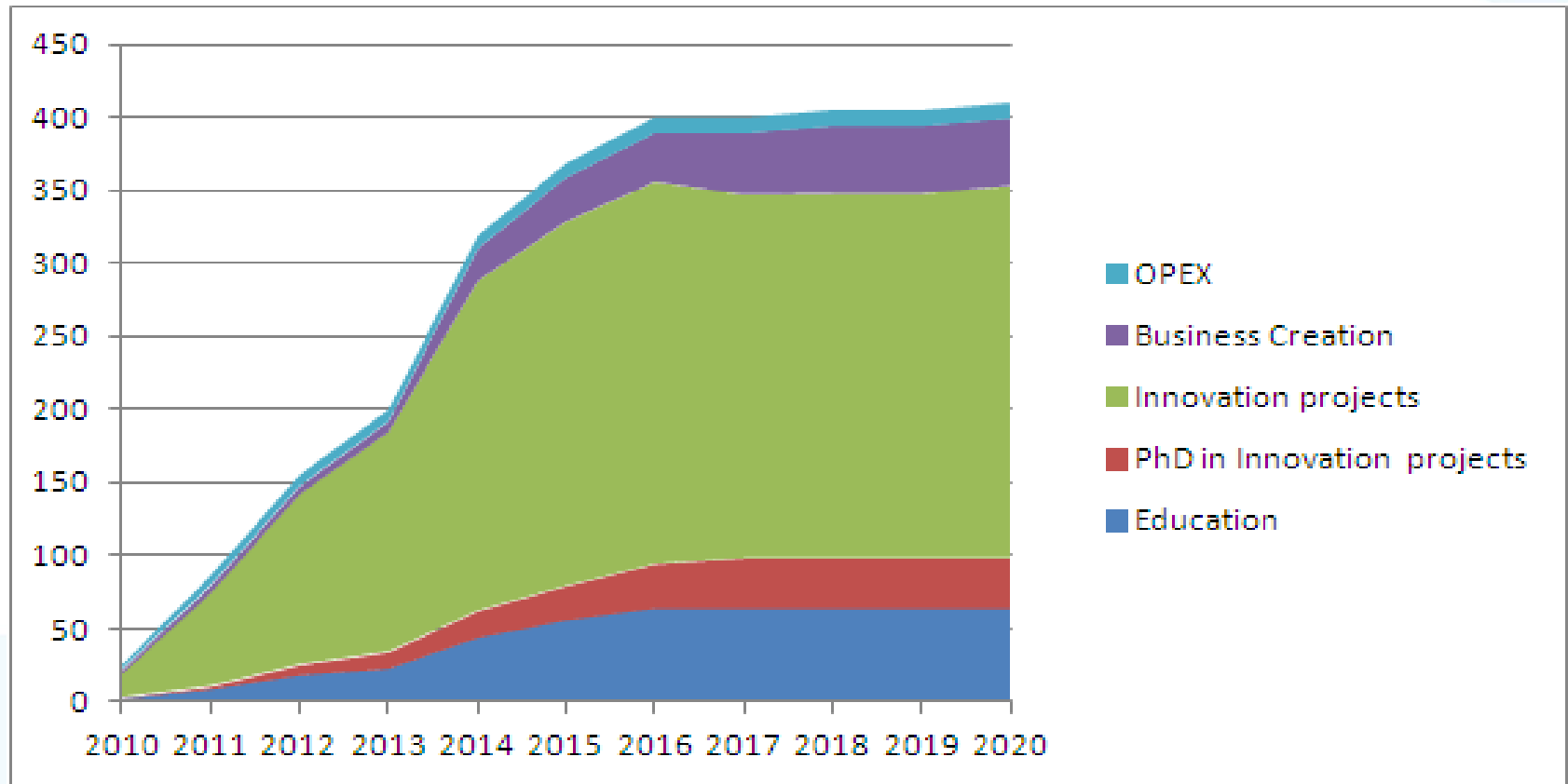
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51 ventures nurtured in our Highway*

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Business plan (2/3)

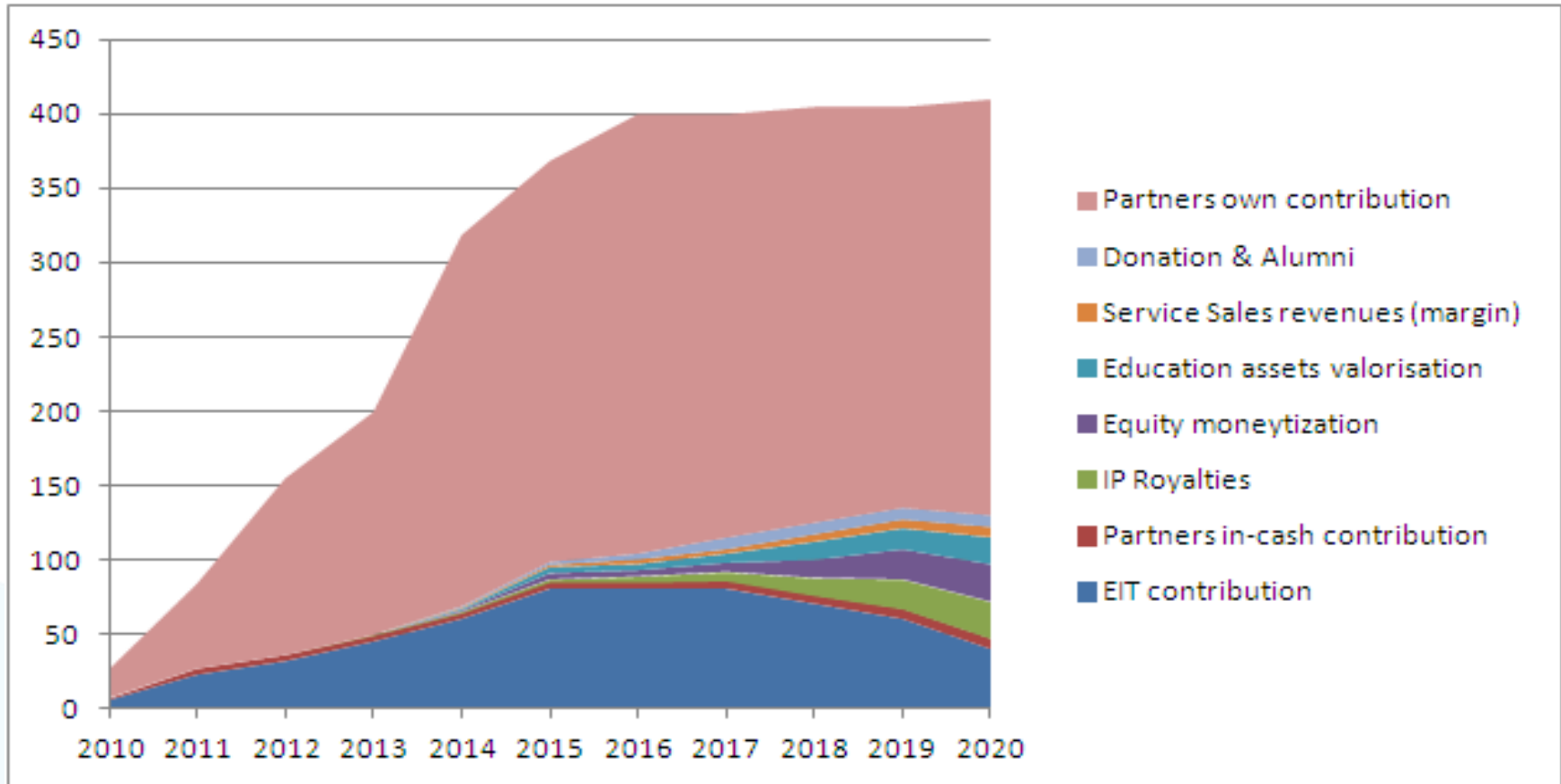
..... then the how



KIC InnoEnergy business plan budget (€m) split by business line 2010-2020

Business plan (3/3)

..... finally the sourcing.



KIC InnoEnergy business plan financing (€m) split by source 2010-2020

Partnership/People	Rationale
Build a Strong Kernel	Stability. Push and pull effect ensured.
Choose the BEST for the goals defined, not the friends.	Only the fittest will win
Get the commitment of the rainmakers of the partners institutions.	Rainmakers mobilise organizations. KIC have no resources of its own.
Obtain a Heavy presence of Industry , so the complete value chain is acting	Legitimacy to the business case. Ensure impact.
Obtain the involvement of the Right functions from industry (HR, BU, also R&D), so the P&L is involved	Real involvement of industry is when P&L is affected
Give high visibility and empowerment to believers and early adopters	We are changing the game, we need game changers

FAQ: Industry buying in (1/3)



Only industry heavy involvement and leadership legitimizes us

Presence in partnership (from **14** in 2010 to **55** in 2011 to **95** in 2012)

CC Germany	CC France	CC Benelux	CC Iberia	CC Poland	CC Sweden
AVA-CO2	Acerde	Ares RTB	Cidete	BPTE	ABB
Bauer Holzenergie	Amcor	BIC Industries	EDP	EdF Polska	Cortus
Boson	Aperam	BTG Woris B.V.	ESADE	Eko GAW	Elforsk
Drexel & Weiss GmbH	Areva	CG Holdings	Gas Natural Fenosa	Kwant	Energyxperts
DVGW-EBI	Batscap	Cofely Refrigeration	Iberdrola	MALEX	Ericsson
E-Flox	Disatech	Delft Patents BV	RobCork	Metal ERG	Fortum
EIFER	EDF	DSM	SgurrEnergy Ltd.	Multichem ECO	Green Exergy AB
EnBW Energie	ERAS-Labo	Eandis	SIMO	PGNIG SA	Seabased
Evohaus GmbH	GDF Suez	MTT	Tecnologia	Promont	SP
IDS	Grain2	NXP	Termo Fluids	Rafako	Stri
LignoGen	Gravit	Peer +	Wavec	SIF-PAS	Technion
Modinger	Irysolar	Progression		Syngaz	Vattenfall
Outotec GmbH	Luxol	Saint Trofee		Tauron	
Statfisch Analysen Systeme Gmb	McPhy	Solvay			
Steinbeis	Plastipolis	Terra Energy			
TTI GmbH	Raigi	Triphase			
Viessmann	Schneider	Van Looy Groep			
	SCT	Waifer			
	SITA				
	S'tile				
	Top Industrie			FFPP	
	Total			Private owned partners in 2011	
	Vinci			Private owned partners in 2012	

Coverage of all value chain
Coverage in all nodes
Covering all activities

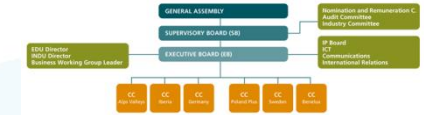
Governance

- **Shareholding structure**

- 10 out of the 29 **shareholders** are industries
- 1 shareholder is a private Business School

- **Supervisory Board Structure**

- **9 of the 14** Supervisory Board members come from private companies
- All **subcommittees** (Industry, Audit and Nomination) are chaired by private companies
- The **Vice Chairman** is from Industry



Financial commitments

- For 2011, 2012 and 2013 the **share of the budget from the industrial partners reaches 31%** (out of an aggregated total of 380M€ for the 2 years).

Operations: Industry lead working groups

- ***TAG 2022 Working Group*** (Energy landscape in 2022)
- ***Business Working Group***: Yearly industry requirements for Innovation projects
- ***Innovation projects KIC selection Committee*** (the big share of the budget): 7 out of 14 coming from industry, Chair person from Industry.
- ***Education Industry sub Working Group***: Continuous industry needs in Education

What does industry get from education?

- The **talent** adapted to their needs:
 - **Fresh outs** recruits
 - Long life learning

What does industry get from Innovation projects?

- New **product and services** for their own Business Processes (growth, early adopters)
- A bit of **financial** complementarity (always helps if no red tape)
- A **trusted network, with the best**
- **Roadmap complementary** to their needs

What does industry get from Business Creation?

- **Early adopters of new technology**
- **Spin-outs** as HHRR management
- **Investment** possibilities

What does industry get from such a governance?

- **Long term commitment => If no 7 years, then no industry**
- **Stability** in the network
- **Governance rules close to theirs**
- Shorter **Time to market**

Governance	Rationale
Choose a company (with all its governance structure attached) as legal vehicle	The only viable structure in the long term. Unefficient to start with another structure.
Long term commitment from shareholders	Only then industry will join then.
Financial commitment from shareholders	The best filter. Walk the talk.
Balanced representation of the three dimensions of the KT in the governance bodies	Otherwise it will destroy the uniqueness.
Align strategy/objectives/PMS/incentives	Can it be otherwise? Efficiency, empowerment, accountability
implement the legal framework stable ASAP (Activity contracts, IP, Equity holdings, ...)	Confort for partners. Predictability. Structuring.

FAQ: One organization, geographically distributed



CCs: The rainmakers of ONE business plan



	Operational Structure			
	Manager	Dev- Units		
		Bus. Creation	Thematic leader	Education
CC Sweden	Kenneth	Ingvar	Bo	Stefan
CC Poland	Rafal	Thomasz	Thomas	Wojtek
CC Germany	Frank	Rolf	Thomas	Claudia
CC Alpes Valley	Serge	Frédérique	Laurent	François
CC Benelux	Klaas	Sven/Aart	Lucienne	Johan
CC Iberia	Mikel	Josep Mikel	Antoni	Josep
KIC	Arne/Bart/Diego	Elena		Torsten

Run as a company
Business Process in place
Scalability assured

	KIC level	Charter	Members																								Structured Periodicity	Output		Owner																				
			CC France		CC Benelux		CC Ger		CC Iberia		CC Poland		CC Sweden		KIC	ExTeam	Recipients level1	Recipients level2																																
			Strategy	Executive Advisory	CEA	Anova	GER	Grenoble IIP	IRISA-LYON	KUL	TUE	EANDIS	TNO	VITO	KIT	EndW			UPC	ESADE	Gas Natural	IST	IREC	AGH	GIG	ICHPW		TAURON	POLSK		RTH	ABB	Uppsala Univ.	Vallentia	EDF	TOTAL	KIC central	CC Man.	CC strou.											
Sup. Advisory Board	*	*		1	1							1	1				1	1					1	1	1	1	1	1	1	1	1	1	1	1	2 months	EB	CCs	KFZ												
Executive Board	*	*																																				15 days	CC board	Part.	DP									
EDU DU	*	*		1		1											1	1					1																3 weeks	EB/CC EDU	Part.	TORSTEN Franss								
INDU	*	*																																							3 weeks	EB/CC Indu	Part.	ELENA Bou						
IP Committee	*	*		1	1								1	1														1														2 months	CC	EB	CCs	MICHEL No				
Int. Relations	*	*		1													1	1																									5 months	EB	CCs	PHILIPPE Te				
Thematic topic1	*	*																																																
Thematic topic2	*	*																																																
Thematic topic3	*	*																																																
Thematic topic4	*	*																																																
Thematic topic5	*	*																																																
Thematic topic6	*	*																																																
Finance WG	*	*		1			1										1						1																						1 month	EB/CC Fin	Part.	BART de Beer		
External Comms	*	*					1																																								2 months	EB/CC Coms	Part.	JEANINNE Petr
ICT	*	*																																																
CC Executive Board	*	*																																																
	*	*																																																

Executives use to run 300M€ companies

Soft factors	Rationale
Make each one understand the other motivations	Only by understanding the counterpart you can work with them
KIC is a new space that does not belong to anybody but belongs to everybody	It is a new baby, with its own life, so independant from all.
Use consultants as a PMO to help building everything	They can play "neutral"
Be aware of cultural factors .	They are a source of conflict and of inefficiency.

Five key messages (1/2)



1. A KIC has nothing to do with any other EU instrument or Innovation engine

=> You have to “deconstruct” many mindsets before you “construct” a KIC

2. The context (EIT, acceptance of KICs in EU landscape, understanding of what KICs are, ..) is TODAY much more stable and predictable

=> Management of expectations much easier !!

3. The Concept has been proven, we have surfed the death valley

=> But we have just started to demonstrate some impact. Let's be humble.

4. A KIC is not for everything. It is only for goals that require collaborative approach.

=> Do not try to bring anything and everything to a KIC.

Five key messages (2/2)



5. The delivery resources do not belong to the KIC.
The delivery resources are distributed across Europe and even outside
The employer of those delivery resources is not you
“Potestas” does not work, only “autoritas”

=> Normal management techniques are not 100% applicable

The potential of the knowledge triangle is unique.

***KICs are the solution for structural, impact oriented,
collaborative innovation***

Start with the what, and stay focused.

www.kic-innoenergy.com