Pilot action template for six-domain regional ecosystems

CERIecon – CE119	**Final version**
Deliverable D.T2.1.1	**05 2017**

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1. Project summary and document introduction

Change is still needed to make the cities and regions in Central Europe better places to work and live. Daring young entrepreneurs with brilliant ideas could contribute considerably to this change. But they can't. Factors such as a lack of an entrepreneurial culture and mind-set leading to a limited interest in entrepreneurship are hampering their efforts. There is also inadequate training to improve their skills and entrepreneurial competences and innovation in general is being hampered by the lingering effects of the historical east-west divide and the recent economic crisis through an underinvestment in R&D.

And yet, entrepreneurs must be empowered to create change; they "form the majority of business entities and are the biggest employers" in Central Europe. "It is important to provide, at regional level, the right mix of financial and non-financial support to assist entrepreneurs to create new firms." "And this is our goal. By mid-2019, we will contribute to a change in the way entrepreneurs are inspired, trained and supported through a balanced package of strategies, actions plans, pilot actions, training, and tools to create new-type comprehensive regional innovation ecosystems in seven Central Europe regions. With our three-step logical project approach (Development – Implementation – Improvement), we want entrepreneurs and SMEs to benefit the most from what we do. But also their regions will benefit because from now on regional smart specialization strategies will be further used to develop novel technologies, and brilliant products and services for economic and social innovation." The joint development of all outputs and a transnational network interlinking the regional ecosystems to improve international skills emphasize the project's transnational character. At present, there is presumably no such state-of-the art innovative support scheme in Central Europe. "That is why everything that we do will be transferable for the benefit of others."

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WORK PACKAGE T2 will implement the new-type comprehensive six-domain regional innovation ecosystems in PP regions to train and create new firms, above all through synergies with funding initiatives.

It will also implement the trans. network that interlinks the ecosystems to accelerate international SME growth. T2 pilot actions will implement, test and evaluate the T1 eConcepts, leading to strategy finalisation. T2 will produce four outputs to achieve Project SO2/Results.

Output O.T2.1: Reg. Playparks: 7x reg. pilot actions for innovation ecosystems implementation in PP regions through two activities: (1) Development: Pilot action template for six-domain reg. ecosystems, leading to (2) Implementation: Reg. Playparks in PP Regions based on reg. pilot actions.

Output O.T2.2: Playparks network: 1x trans. pilot action for innovation ecosystems network implementation through two activities: (1) Development: Pilot action template for trans. network incl. links between reg. Playparks and the network, leading to (2) Trans. Pilot Action tailored to and implemented in the project area.

Output O.T2.3: Playparks network: Joint Playpark staff training through two activities: (1) Initial joint trans. training of Playpark staff and after the 1st cohort training experience at the reg. Playparks (2) Augmented joint trans. training of Playpark staff.

Output O.T2.4: Playparks network: Training methodology and materials ePortfolio through one activity: (1) Training methodology and materials for Playpark staff training. Process-related communication aims to increase the commitment of the target group (policy/support/SME/funding initiatives) and to create a positive attitude towards the Playparks and network.

Led by an experienced start-up/SME support provider (PP10), all project partners will be involved in all WP activities. T2 is the logical result of T1 and prepares the way for T3.

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DELIVERABLE D. T2.1.1

Pilot action template for six-domain reg. ecosystems

PP develop a pilot action template for six-domain reg. ecosystems incl. support methodology and interaction with funding initiatives. The template will be the basis for the reg. pilot actions leading to Playpark implementation.

This Pilot action template for six-domain regional ecosystems will implement, test and evaluate the WP T1 eConcept leading to strategy finalisation. This document is intended to provide a manual for Playpark implementation, featuring implementation guidelines and tools. Each region will then define its own "customization" according to the specific functions the Playpark will provide for the territory, bringing into 'life' the seven regional Playparks.

What is a Pilot Action?

"A pilot action is to be understood as a practical implementation of novel schemes (e.g. services, tools, methods or approaches). An experimental nature is central to a pilot action (or pilot investments, if relevant) which aims at testing, evaluating and/or demonstrating the feasibility and effectiveness of a scheme. Therefore, it covers either the testing of innovative solutions or demonstrating the application of existing solutions to a certain territory/sector. The results and practices of pilot actions should be exploited on and transferred to other institutions and territories. A pilot action is limited in its scope (area, duration, scale etc.) and must be unprecedented in a comparable environment."[1]

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[1] Interreg CENTRAL EUROPE Cooperation Programme Annex 08: Methodological Document

2.   The CERIecon Playpark: setting the scene

As outlined in the description of the project relevance the CERIecon regions reflect the uneven distribution of economic strength in Central Europe, which is rooted in the historical 'east-west divide'. Common territorial challenges can be summarized as underinvestment in R&D plus a lack of interest in entrepreneurship and self-employment; inadequate training to improve skills and competences; modest advancement in economic and social innovation; unequal levels of male/female entrepreneurs; and demographic change leading to out-migration or immigration. […] It is therefore necessary to implement new smart solutions in transnational cooperation that will change this baseline in the project regions and offer possibilities to other Central European regions and across the whole of Europe.[2]

The **main objective** of the CERIecon project is to increase and improve the skills of employees in the business sector (particularly in start-ups and young SMEs) in CE Member States regarding novel technologies, innovative products, services or processes and social innovation contributing to regional smart specialization strategies. An entrepreneurial culture will be developed and fostered so that more and more young females and males are inspired to become entrepreneurs and develop their own firms. Their skills and entrepreneurial competences will be improved through the best possible regional support and training available in **new-type comprehensive regional innovation ecosystems**. These ecosystems will incorporate and utilize regional smart specialization strategies (RIS3) as drivers for innovation. […] By mid-2019, CERIecon will have changed the way entrepreneurs are inspired, trained and supported through a balanced package of strategies, actions plans, pilot actions, training, and tools to create new-type comprehensive regional innovation ecosystems and a transnational innovation ecosystems' network in a majority of Central European Member States. [3]

According to the project, new-type comprehensive regional innovation ecosystems [so called **Playparks**] are regional physical centers of excellence. Each Playpark (one per region) will inspire and train at least 30 start-ups and young SMEs during project lifetime. The Playparks will provide SME improvement training in all six domains of a successful ecosystem (i.e. policy, finance, culture, supports, human capital, and markets - D. Isenberg) and will be interlinked in a transnational network to improve international skills. The ecosystems and network will be prepared according to clearly defined action plans with breakdowns of strategy goals and objectives into timelines of specific tasks, etc. (**Work Package T1**) and pilot actions to implement and test these novel schemes. [4] On a logical sequence **Work Package T2** (New-type innovation ecosystems in seven CE regions interlinked in a transnational network) will implement the new-type comprehensive six-domain regional innovation ecosystems in PP regions and **Work Package T3** (Improving skills and competences for economic and social innovation in seven CE regions) will start testing the efficacy of the Playpark by improving the skills and entrepreneurial competences of 210+ start-ups/young SMEs ('n' individuals) in seven CE regions.

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[2] As from the Application Form, section C.1 "Project relevance"

[3] As from the Application Form, section C.2 "Project focus"

[4] As from the Application Form, section C.2 "Project specific objectives"

3.   The CERIecon Playpark: Concept and Supporting Methodology

The concept of the CERIecon Playpark aims to create an optimal environment for idea generation, development, improvement and application transforming individuals into entrepreneurs and young start-ups into competitive and competent organizations ready for markets and competitors.

At the end of the six-month programme at the regional Playpark, cohort participants ought to be prepared for their entrepreneurship venture and for the creation of a start-up adjusted to the regional ecosystem.

The CERIecon Playpark is based on:

- an equipped physical space for idea development and start-up establishment,
- innovation creation and development of best practices coupled with
- specific local actions targeted to bridge gaps and start-up challenges caused by regional 6 domain deficiencies.

Additionally, each Playpark can add their own sub-specialization (or focus) in the selection and developing ideas – from development of social or "non-profit" ideas to targeting specific sectors (creative, ICT, manufacturing etc.) or targeting specific beneficiaries' segments (students, unemployed, women, high risk-high reword ideas etc.). The regional Playpark focus can also be defined according to the results of the perceived end-users support and training needs compared to current provision survey (Deliverable D.T1.1.3).

Furthermore, the local aspect of each Playpark will also reflect challenges identified through six domain framework self-assessment. Each partner is free to adapt and expand activities in order to address local deficiencies and pitfalls of startup ecosystem.

Beneficiaries, that is cohort participants will have access to a physical space – office or co-working zone.

Each Playpark will create a physical space according to the needs of their targeted beneficiaries segment and their capabilities. The physical space might be equipped with office furniture, basic IT infrastructure (computers, Wi-Fi, photocopier, phone), tools for creativity and networking. Beneficiaries will be supported along the whole entrepreneurial idea development process during the six-month period. Partners can extend that support period or establish strategic partnerships with local institutions in order to assure undisrupted development cycles after the end of six-months period.

Basic Playpark premises and office infrastructure suggested availability is from regular working hours up to 24/7 availability, according to regional capacities.

Each playpark will integrate:

- teaching (joint cohort workshops and lectures);
- consulting (1on1 structured activities);
- mentoring (1on1 unstructured ad hoc activities and help during implementation) activities into the six-month programme.

The topics and work plan are described in chapter 8. "The CERIecon Playpark: Six-month Programme". However, the ratio of teaching/consulting/mentoring can be defined by each Playpark and adapted according to cohort structure and needs.
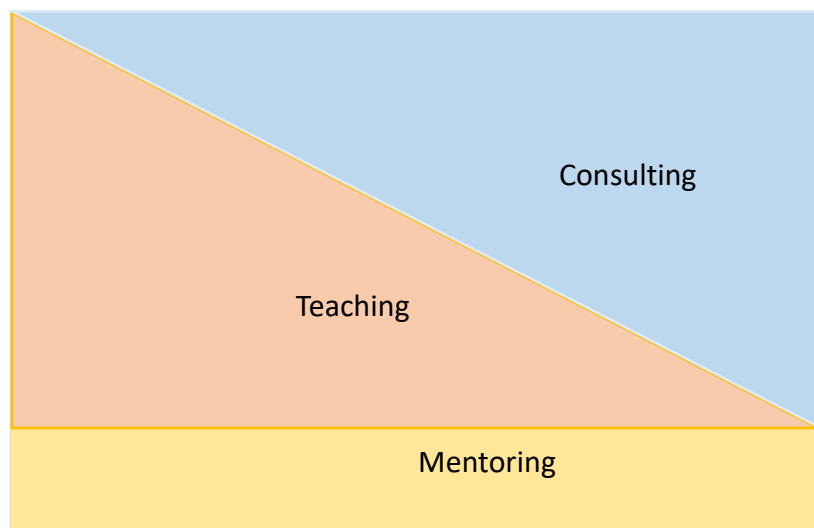
In order to organize the Playparks' activities in a productive and effective way, the suggested principle is:

1) to have more joint activities during the first stages of the idea development (focus on joint learning of start-up management and entrepreneurial skills)

2) to gradually shift focus to individually based work and support of each participant later on (focus on individual and specific tasks of each participant project).
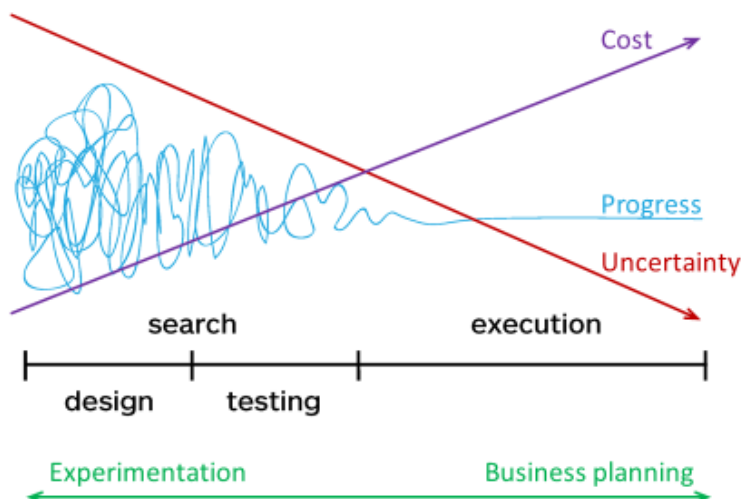
The topics and workplan consist of:

■ standard start-up and entrepreneurial support/development activities based on globally identified best practices and tools

■ locally specific activities aimed to constrain regional entrepreneurial ecosystem deficiencies and shortfalls or to address regional topics defined by partners and regional stakeholders.

The programme consists of a series of activities with the aim of idea formulating and improvement, customer and market understanding, product/service and business model development, formulation of appropriate competitive strategies, development implementation, bootstrapping and financing the venture.

The mentioned activities will be merged into context and adapted to each specific regional Playpark and its cohorts.

Even cohorts within same Playpark might be different in scope and sector – e.g. the fist cohort might be a "social entrepreneurship cohort", the second might be "cultural and service based entrepreneurship cohort" while the third cohort might be "high tech entrepreneurship cohort".

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[5] Source: Figure created by PP10 – STEP RI.

Cost

Progress

Uncertainty

search · execution

design · testing

Experimentation · Business planning

[6]

Playpark activities will be listed as a linear process - as a sequence of steps, decisions, tests and achieved results. It is important to understand that this is just a theoretical model.

In real life, the process is iterative and chaotic - very soon after the start, needs and interests of each cohort member will diverge.

Playpark management should combine joint training activities and individual consulting and mentorship according to the real needs of the members of each cohort.

The programme aims to lead cohort members during the chaotic stage of designing and testing – searching for the right solution that creates value and benefits for customers, enables the creation of a sustainable and potentially scalable business for entrepreneurs and contributes to regional and national competitiveness and society wellbeing in general.

The aim of the process is to reduce the initial uncertainty through experimentation and focused actions at initial stage, while the costs are still low, in order to enable investments into the start-up's execution and scaling in the latter stage, minimizing the risks and allowing fact based decision making and business planning.

4. The CERIecon Playpark: Target group

The innovation ecosystems and the network will inspire and improve the skills and competences of at least 210 start-ups (of preference young females and males) and young SMEs ('n' individuals) in seven CE regions during project lifetime.

According to the approved Application Form the common Playpark functions and "services" target group consists of both young emerging entrepreneurs and young SMEs (with less than 5 years of existence). This is the main target group to be involved in WP T3 "Improving skills and competences for economic and social innovation in seven CE regions".

According to the specific Playpark regional customization, each CERIecon Playpark will define their own regional target group within their own regional pilot actions D.T2.2.2- D.T2.2.8. and respective outputs O.T2.1 regional Pilot Action plans.

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[6] Source: Damien Newman, Central / Alex Osterwalder, Strategyzer. Osterwalder, Alexander; Pigneur, Yves; Smith, Alan; Bernarda, Gregory; Papadakos, Patricia (2014): Value Proposition Design: How to Create Products and Services Customers Want (Strategyzer); published by John Wiley & Sons.

5. The CERIecon Playpark: Attracting Target Group

In order for the innovation ecosystems and the network to inspire and improve the skills and competences of at least 210 start-ups and young SMEs[7], these have to be motivated and interested to take part in the training.
Beneficiaries can be motivated through the envisaged Idea Generation Labs as well as through various dissemination channels, the ones most considered most suitable for the region.

5.1. Idea generation Labs

Idea Generation Labs are events – workshops with a few major aims:

- As promotion of the Playpark - to attract potential Playpark beneficiaries;

- As Idea generation event - to help Lab participants to develop and formulate their idea;

- As Idea (pre)selection event - to start the process of identification and selection of potential Playpark beneficiaries;

- As mini "bootcamp" - to improve skills and competences of Lab participants.

Although participation is optional, Idea generation labs are a part of the "Playpark process" and not separate, standalone event. It is one possible starting point during which Idea Generation Lab participants are guided and supported in formulating the idea.

Basic Idea Generation Lab schedule:

Day 1

- Understanding the Innovation Challenge

- Finding needs and problems & asking people

- Generating ideas

Day 2

- Rapid prototyping

- Business modelling with the lean canvas

- Final pitches

Suggested requirements – each Playpark is allowed to adapt and adjust to regional needs and possibilities:

- Seminar room (> 50 sqm)

- movable tables and chairs

- Participants: 10 – 30

- Teams: 2 - 6

- Facilitators: 1- 2

- Pinboards: 1/team

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7 As from the Application Form, section C.1 "Project relevance"

- Flipchart, magazines, scissors, glue sticks
- Prototyping material
- Camera

The pilot Idea Generation Lab concept will be introduced during the Initial joint trans training of Playpark staff in Cracow (D.T2.5.2) and improved during second training in Brno (D.T2.6.2).

5.2. Other dissemination activities

As defined in the regional Stakeholder Engagement Concepts (D.T1.1.2), the identified stakeholders shall be timely informed regarding activities connected to the Playparks.

Non-prescriptive dissemination activities:
- Targeted presentations at partner's premises
- Newsletters
- Participation to related events
- Co-organisation of related events
- Social media (Facebook, LinkedIn, Twitter, etc.)
- Media (newspaper, TV, radio)
- Brochures and posters at targeted premises

6. The CERIecon Playpark: Application Procedure

The application procedure to the Programme will consist of three rounds:
1. checking of administrative requirements;
2. selection of best candidates;
3. final interview.

The application process is also open to those applicants who did not attend the Idea Generation lab.

To facilitate the application procedure, a template will be created and sent to all partners.

The template will contain relevant data that has to be sent in order to fully evaluate the business ideas.

The template will have to be accompanied by the CV of the individual/team and a copy of the ID card or some other document for identification.[8] The application deadline must be at least 3 weeks before the start of the six-month training, so a detailed selection can take place.

Documentation will be sent to the dedicated Playpark email address and evaluated by the CERIecon project team and the trained trainers.

6.1. Application template - elements

Regional Playparks are welcome to translate template elements into national languages.

Basic knowledge of English is important for the cohort exchange and presentation of ideas, but not for the initial selection of ideas so idea applications in national languages are to be regarded as acceptable.

Playparks that are oriented towards social entrepreneurial projects can adapt wording. Words "profit" and "sustainable", "customer" and "beneficiary/user", "price" and "contribution/fee" etc. can be used interchangeably.

Basic info

- Project name

- Team leader name

- Address (Street, City, ZIP, Country)

- Email

- Phone

- Team members

Description of the business idea

- What is the key technology (without any technical details)? What are the expected final products or services? What is innovative about your business concept? Comparison with competitors. (max. 1500 characters)

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[8] Personal data has to be treated according to the privacy policies in effect at the time of receipt of the application.

Customer benefits, target groups and market

- Who are your targeted customers? Why would the customer be willing to buy your product/process/service? Please describe your target market. How do you expect to attract your customer? (max. 1500 characters)

Risks and opportunities

- What strengths and weaknesses does your product/process/service have in comparison to existing products and competition? Please describe your unique selling proposition (USP) (i.e. advantage above other products available in the market). What are the risks and what are the opportunities of your business idea? How do you intend to face these risks? What is your target for the business in the next 3-5 years? (max. 1000 characters)

Sustainability/Business model and Finances

- What product/services does the customer pay for and what is the market price? What is the expected revenue? Do you have a list of the initial expenses (cost and revenue plan)? What financial requirements are expected for the establishment of the company? How do you plan to cover these requirements? (max. 1500 characters)

Human Resources

- What expertise/competencies do members of the team have: Please describe the technical and business expertise of the team. What additional personnel is required? Is there a person in the team who is responsible for Sales & Marketing or for Administration? (max. 1000 characters)

Have you already established a company?

- Yes/No

Further procedures and establishment process

- What actions have you already taken towards the establishment of the company? Does a business plan already exist for the establishment of the company? What are the next steps in the development process of your idea (product development, acquisition of markets, business plan creation, raising capital)? (max. 1000 characters)

7. The CERIecon Playpark: Selection criteria

After attracting beneficiaries, the next step is the selection process of Playpark cohort trainees.

Three main selection criteria have to be applied within the selection process:
1) even distribution of female and male participants
2) even distribution of economic and social innovation business ideas
3) the idea must focus on an area of nat./reg. RIS3.[9]

Each Playpark can add additional criteria according to their priorities and area of expertise and interest.

Furthermore, the identification of the most appropriate candidates can be supported by adding additional criteria as:
1) innovation degree of the idea
2) impact and scalability of the idea
3) additional regionally defined criteria.

Suggested estimated timeline of the 30-day selection process:

▪ Promotional activities (21-45 days before start)

▪ Day 1 Open call, application form active/available for download

▪ Day 5-15 Innovation Lab

▪ Day 20 deadline for applications

▪ Day 30 Results announcement
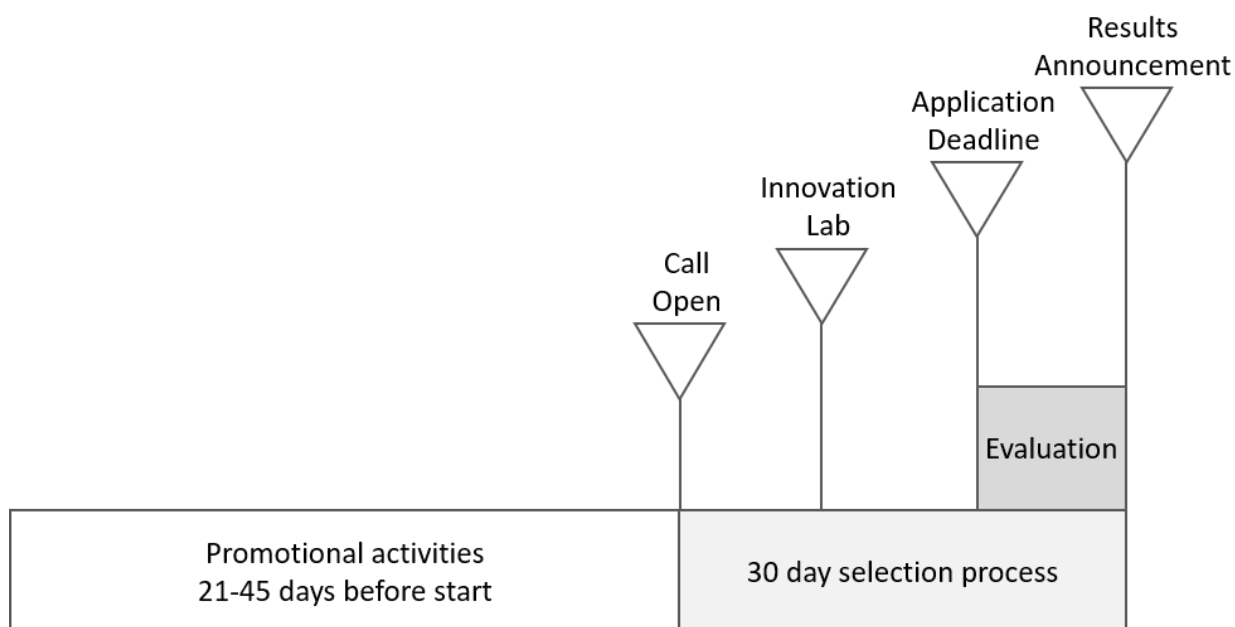
[10]

It is important to mention that this is a suggested timeline. PPs are free to adapt the activities timeline to their regional needs.

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[9] As from the Application Form, Output O.T3.2, O.T3.3 and O.T3.4
[10] Source: Figure created by PP10 – STEP RI.

A proficient level of English is an "idea-non-related" selection criteria but it is a prerequisite for participation in the Playpark finals. It is strongly suggested that at least one member of each team can communicate in English in order to present the idea and is able to participate in the cohort Playparks Exchange.

In case too many good ideas apply each regional Playpark will set an upper limit based on specific regional capacities.

However, at least the 10+ best per region are chosen for a 6-month improvement training.

Waiting lists and possibility of late acceptance can be introduced within each Playpark in order to assure full usage of existing capacities and a greater number of beneficiaries.

If allowed, late entry during Playparks cohort programme should be compensated with additional mentorship and accelerated development process.

Strong emphasize should be given to retaining beneficiaries and achieving planned outputs. Due to the programme limitations, the selection process and the criteria for idea and team assessment represent the very first step and are the critical factors for retaining beneficiaries within the programme.

8. The CERIecon Playpark: Six-month Programme

In order to improve skills and entrepreneurial competences of SMEs an integrated bottom-up approach involving and coordinating relevant actors must be implemented. These actors are, in CERIecon's case, young regional entrepreneurs and SMEs.

In order to do so, the regional entrepreneurs/SMEs will be initially inspired in two-day regional Playpark idea generation laboratories. From these, the 10+ best per region are chosen for a 6-month improvement training.

During the six-month comprehensive training at the regional Playpark, they will take part in five-day joint trainings at other regional Playparks within the network; pitch their ideas at transnational Playpark Finals, etc.

Synergies with funding initiatives will support these start-ups/SMEs in becoming new firms.

Finally, they will be asked to evaluate their total training experience leading to an optimisation of the project's smart strategies.

The policy domain will be RIS3. At present, there is no such new-type six-domain innovative approach for start-ups and SME support in the project regions and presumably in the whole programme area.

8.1. Six-month Activities Timeline

The standard activities are listed as if there is a linear, straightforward start-up development process but implemented in iterative "define-test-check-adjust-repeat" way until each project reaches the manageable level of uncertainty.

[11]
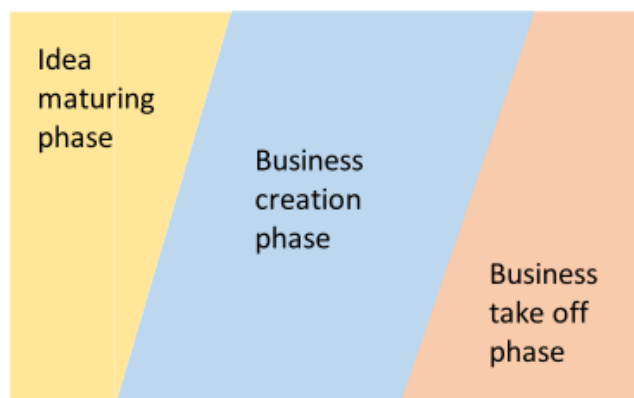
The three phases are:

1. Idea maturing phase during which cohort members challenge their initial assumptions, fine tune and pivot their idea, improve their understanding of target customers, create drafts of the business model and business development cycle.

2. The business creation phase is based on initial implementation activities – development of prototypes, establishing the links with other companies, looking for partnerships, getting first traction on the markets, additional pivoting of the product/service and defined business model, getting insights about company establishment/development and real life operations implementation, creation of go-to-market strategies, understanding the financial and resource related challenges, looking for funding sources and potential investors.

3. Business take off phase during which participants start with implementation of incubated idea from initiating the establishment of the company, initial production and go to market activities, piloting and hiring, searching for financial support to scale up and internationalization activities. Real content and activities of the business take off phase will substantially differ among participants - it will reflect initial status and starting point of each participant, their capacities and capabilities and maturity of their idea that will define their readiness for market.

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[11] Source: Figure created by PP10 – STEP RI.

Each Playpark will (within the respective regional pilot actions - deliverables D.T2.2.X - Pilot action for the respective region and implementation of the reg. Playpark) define the ration and distribution of teaching, consulting and mentoring activities.

The suggested ratio and frequency of activities per type are:

- Teaching: 4 to 15 events, up to 100 hours of joint cohort workshops and lectures;

- Consulting: 1 to 2 meetings a week, up to 50 hours per team;

- Mentoring: 1 to 2 meetings a week, up to 50 hours per team.

The estimated total effort is between 600 to 1.000 hours per cohort, depending on the mentor structure and capabilities, Playpark characteristics and cohort composition. Each partner will adapt the estimated time effort and frequency of activities so that it best suits the needs of the Playpark beneficiaries.

8.2. Playpark actions logic

Playpark actions aim to guide participants during their idea development process and transforming it into viable business. It is an iterative process during which participants search for a viable business model by designing and testing key elements of their idea and all necessary components for successful market introduction. Once the answers are there and a manageable level of uncertainty is established, execution can take place.
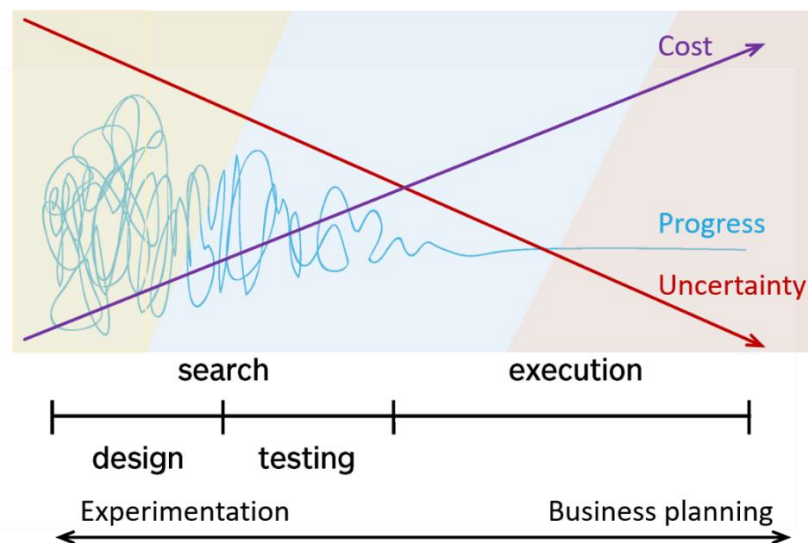

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The key principle is that during the search phase participants are focused on experimentation (using limited resources and funds) preparing themselves for the investment and take off of the business once they have sufficient knowledge of their potential customers, competitors, markets, risks, funding needs, environment and any other aspect that is crucial for successful take off and continuation of their operations.

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[12] Source: Damien Newman, Central / Alex Osterwalder, Strategyzer. Osterwalder, Alexander; Pigneur, Yves; Smith, Alan; Bernarda, Gregory; Papadakos, Patricia (2014): Value Proposition Design: How to Create Products and Services Customers Want (Strategyzer); published by John Wiley & Sons. Original concept adapted by PP10 – STEP RI.

Following that logic, twelve group of topics within four respective actions are identified:
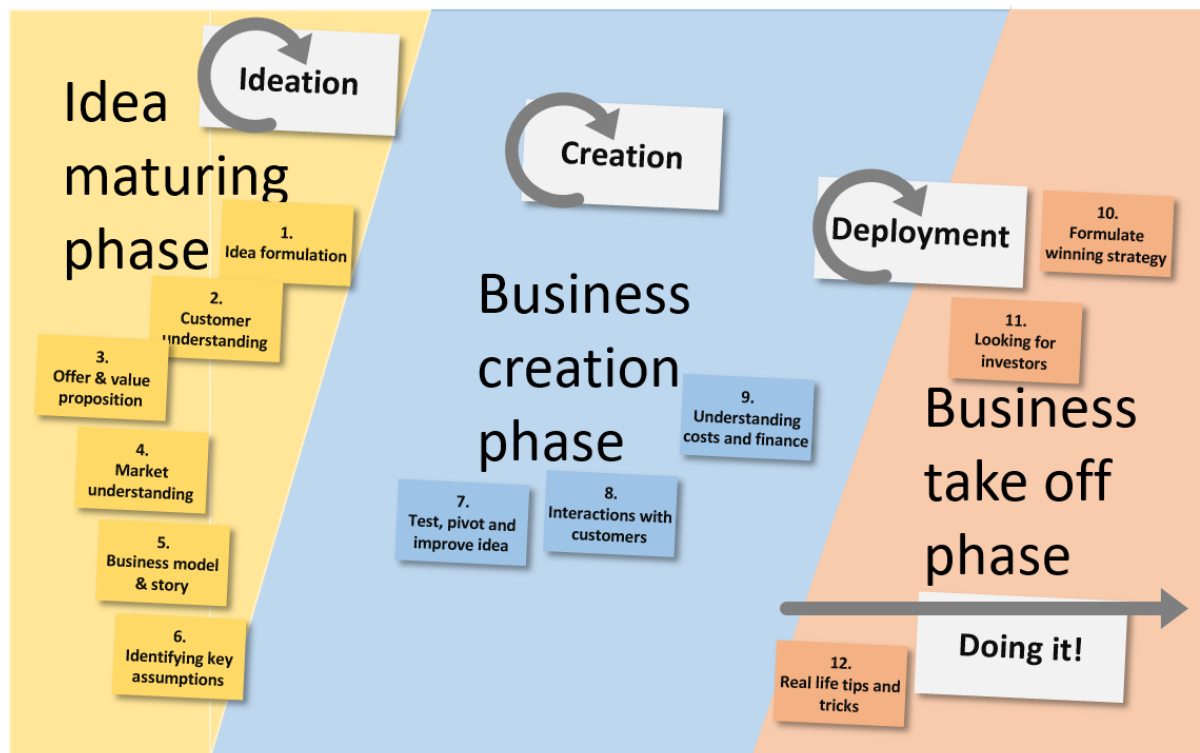
First action: Ideation

Participants join the Playpark with their idea, during Ideation they will clarify key elements that are important for the implementation of the idea:

1. Idea formulation – initial description and definition of key elements that allows clear and focused understanding of the idea and necessary development actions

2. Customer understanding – initial description of targeted users and customers of envisioned products, services and benefits that idea aims to deliver

3. Offer and value proposition – each new product, service or business model brings different value and benefits to targeted users. The initial definition of the value proposition allows comparison with existing solutions and focused follow up development.

4. Market understanding – the market is defined by competitors, suppliers, distributors, social, demographic and various key characteristics of targeted users

5. Business model & story – initial definition of key business model elements, their interrelations and prerequisites for sustainable commercial, social and environmental elements of running business.

6. Identifying key assumptions – a key part of idea development is the identification and clarification of unknown elements of customer behavior, markets, value proposition acceptance... Previous elements are mostly assumptions which have to be clarified and checked before starting real and costly operations.

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[13] It is important to mention that this is not the curriculum to be followed and adopted in full. This represents the possible activities of the regional Playparks.
Source: Figure created by PP10 – STEP RI.

Second action: Creation

During Creation Playpark beneficiaries test the idea and its elements aiming to confirm and clarify underlying assumptions that are critical for market uptake, improve their understanding of customers, their behavior and "whereabouts „and identify all resources and conditions that are needed for successful development and deployment of their idea:

7. Test, pivot and improve idea – implementation of customer development process and its logic of "going out of the building"

8. Interactions with customers – a crucial part of assumptions testing and new idea/business development are the interactions with customers, users, beneficiaries in order to identify their perception of the idea in values it creates.

9. Understanding costs and finance – the prerequisite for sustainable business creation is clear understanding of finance, costs, incomes and its dynamics. Costs of running business and customer related costs are starting points for implementation in real life situations.

Third action: Deployment

During Deployment Playpark beneficiaries are focused on preparing for and attracting funds, developing competitive strategies and honing their communication and presentation skills as well as their message:

10. Formulate winning strategy – crafting a successful strategy for market introduction, relations with customers and competitors, starting, growth and diversification phase

11. Looking for investors – preparation for access to the usual source of capital for startups in development and especially in scale up phase are private and public investors – presentation and negotiation skills, creation of presentation content and elements for traditional and alternative sources of finance.

Fourth action: Doing it!

Finally, while Doing it!, most of the Playpark beneficiaries will learn and apply formal skills and competences of running business, paying taxes, hiring, preparing formal business plans and proposals, working with accountants and lawyers etc.

12. Real life tips and tricks – Legal, tax and accounting, human resources and employment issues, business plan formulation basics and any other real life challenges that participants will face will be addressed, mostly through mentoring and customized consulting.

Playpark staff should be able to support and guide Playpark beneficiaries during the whole process, regardless of the format (lectures, mentoring or consulting) of the services, at the basic and general level.

In case of need for specific knowledge, regarding technology, IPR, international law or similar, Playpark mentors are expected to understand the problem and find the most appropriate available temporary mentor in the region.

The Playpark concept is based on innovation management tools and concepts that will enable participants to solve problems and make decisions during creation of their entrepreneurial undertaking:

"Tools" are standardized activities and best practices in start-up/innovation development lifecycle known to partners and applicable in Playpark.

"Concepts" are general up-to-date entrepreneurial and innovation creation knowledge, thinking tools and guidelines for decision making process or conduction the innovation development process.

The key tools and concepts will be presented during the Initial joint trans training of Playpark staff in Cracow (D.T2.5.2).

It is expected that each Playpark mentor would be able to present and apply them while working with participants.

The six-month Programme process and related usage use of tools and concepts is iterative.

The list of tools is non-exhaustive; each partner is free to add additional tools and to expand the proposed practice during their work with cohorts, according to their specific ecosystem and needs of their cohort.

Tool usage and experience should be documented and exchanged among partners in order to enable best practices and to assure improvement of Playpark activities and impact.

Lessons learned and usage experience with the key tools and concepts, as well with the additional ones, will be presented and exchanged during the augmented joint trans. training in Brno (D.T2.6.2), in order to improve the overall Playpark practice of each partner and enable best practice exchange.

The following table provides a list of tools and concepts suggested for standard usage during the 6-month Programme within 12 topics.

Some of tools and topics will be introduced to participants during the Idea Generation Lab enabling them to create, initially formulate, envision and pivot their ideas.

As already stated, the list is not exhaustive, all partners are welcome to introduce additional tools and share their experiences and insights within network.

Action/group of topics with description	Tools/concepts
	• **ToT workshop** • Individual and "peer to peer" learning, knowledge exchange platform and suggestions for individual learning

Ideation

1. Idea formulation Idea framing - Basic description of the entrepreneurial idea	
Starting point of entrepreneurial journey. Aim is to define and formulate short, clear and simple description of starting idea, its targeted markets, assumptions about competitive advantages and reconditions for success. It is starting reference point for incubation and start-up development. Might include: • Name and description of key product or service and reasons for success, "product box" exercise as tool for visualization of key elements of the value proposition. • Since the entrepreneurial idea is the starting point, a clear formulation and definition is crucial, even for changing and pivoting existing ideas. Note: Even though some of the cohort members will attend the idea generation lab workshop, it is suggested to start with idea formulation, presentation and idea challenge (between peers, too). Suggested formats: workshop and mentoring	• **Ideation** • **Sources of innovation** • **Idea Lab** • Idea framing form • Product box exercise • Elevator statement
2. Customer understanding Understanding of customers, their behavior, characteristics and preferences.	

Customer understanding is critical - each entrepreneurial initiative starts and ends with customers – customers are the reason and final measure of an idea and venture. Actions include description of customers' problems, customer profile, its reasons to buy and use, customers circumstances, willingness to pay, motivation and other key aspects. Furthermore, it can enable identification of traditional aspects of market and customer research – demographics, market segmentation based on product categories and industry types, technologies etc...	• **Jobs to be done framework** • **Empathy map** • **Value proposition canvas** • **Customer segment profile** • End user profile, **Customer persona** • Non consumption circumstances / barriers for consumption
3. Offer and value proposition Value proposition	
The value delivered to customers is based on products, services and related business model. In order to create value a proposition appropriate for targeted customers, entrepreneurs should understand the customers' circumstances, competing value propositions, level of needs and whether those needs/problems are satisfied and important from the customers' perspectives. Actions include description of existing and future solutions, key features, how those features relate to customers and competitive solutions.	• **Strategy map/value curve** • **Value proposition map** • **Value proposition canvas** • Disruptive innovation vs sustaining innovation • Value proposition evolution • Outcome driven innovation
4. Market understanding **Market segmentation, Competitors and substitutes**	
Market understanding, identification and description of market segments that will be targeted. Understanding of competitors, their strengths and weaknesses, identification of risks associated with targeted markets.	• **End user profile** • **Market segmentation** • Five forces • Customer lifecycle / experience mapping • Value chain
5. Business model & story of running sustainable business Rationale of how the startup will create and deliver value to users, customers, society and capture value to ensure sustainability and scalability of its operations	
The Business model is the rationale of how the organization creates, delivers and captures value.	• **Business model canvas** • **Value proposition canvas** • Risks identification • Key assumptions

In order to create a compelling and convincing description of entrepreneurial idea, key elements of business model have to be described and combined into a logical and sustainable fit. Furthermore, business model concepts enable entrepreneurs with a more flexible and adaptive concept of idea and business development than traditional business planning concepts since they describe logic instead of goals and targets - assumptions and testing are an intrinsic part of business model logic. The business model also reflects the actual purpose of the entrepreneurs, and subsequently their basic values and their degree of societal responsibility. For the current emerging wave of social business or sustainability driven start-ups a business model reflects the fundamental challenge to link „making money" with the objective to generate positive societal impacts.	• Business model patterns • **Sustainability-driven entrepreneurship** • **Storytelling**
6. **Identifying key assumptions** Key assumptions, experiments	
Identification of key elements (of value proposition, markets, customers, competitors…) that need to be tested before entering the market. Introduction of strategic management process that is based on assumptions and learning process instead on goals and achieving targets.	• Interview methods • Validation tools • **Test card** • **Learning card** • Assumptions based planning • Discovery driven planning • Assumption based planning • RPV framework
# Creation	
7. **Test, pivot and improve idea** Getting answers to assumptions, Customer development process, Testing, Learning and improving, MVP, Traction,	
"A start-up is a temporary organization in search for a sustainable business model" Basic info about Steve Blank's customer development process, initial traction, low cost management… but also help during experimentation, development of minimal viable product MVP, pivoting and testing, traction and go to market results Access to finance - public, commercial and private sources of cash Presentation skills Unique selling proposition/Elevator's statement	• Bootstrapping • **Customer development** • Lean startup • **MVP** • **Field research** • **Validating issues and users** • **Rapid prototyping** • **Visualizing the idea** • **Playpark Xchange**

Verbal and nonverbal communication - basics Pitching your idea, product or business	
8. **Interactions with customers** Customer lifecycle, sales process, marketing	
Deep understanding of customer behavior enables creation of appropriate sales process, targeted marketing and superior go-to-market strategies. Body of knowledge includes basic sales skills and marketing tools.	• **Customer lifecycle / experience mapping** • Sales skills (transactional vs solution selling approach, cold call, elevator statement, closing, negotiating…) • **Marketing coordination strategy tool** • **Storytelling**
9. **Understanding costs and finance** Money related issues and decisions, Costs of running business, customer related costs, R&D…	
Understanding of costs and profits creation mechanisms based on business model, pricing strategies based on costs and value delivered.	• **Pricing basics** • **Costs drivers** • **Income sources**
# Deployment	
10. **Formulate winning strategy** Competitive strategies, go-to-market, positioning…	
Once customers are identified and tested, take off / scale up of the business is possible. Most of the activities are based on mentorship (1on1 unstructured ad hoc activities and help) during implementation and Playpark beneficiaries decision making process.	• One page strategy • Emergent vs deliberate strategy • Disruptive strategies (low cost, new market creation) • Customer chasm • Value proposition evolution
11. Looking for investors Funding issues, Access to finance – available sources, presentation skills, pitching deck, alternative funding	

General knowledge regarding access to finance – adapted to local conditions and available public, credit, investment and alternative sources like peer to peer, crowdfunding etc. Presentation skills and key elements of pitching the business idea.	• **Pitch preparation** • Presentation skills • Pitch deck • **Funding sources** • Business plan • **Crowdfunding**
# Doing it!	
12. **Real life tips and tricks** Legal framework, Tax and accounting, HR issues, business plan basics, financial management…	
Basic knowledge about doing business, finance, accounting, legal system etc. in particular country. Key operational elements that define and impose limitations within local ecosystem - from business perspective - legal business forms, starting business procedures, taxes… • Payments, fund management, credit applying and costs • Legal obligations, requirements and rules – regarding business founders and managers, new employees • Basic accounting principles, obligations and tasks • How to pick an accountant • Key reports and forms that entrepreneur needs to submit to authorities • How to check financial health of other company • Payment assurances, forced collection, financial enforcements… Business plan writing - usual content and key elements meaning / formulation	• "How to start a company" • "Basic accounting concepts" • "Taxes for beginners" • "Financials for beginners" • **Business plan financial elements** and template

8.3. Regional assessment of domain gaps and tools identification form

Each regional Playpark manager will assess the respective regional ecosystems in order to identify gaps against the six domains of the entrepreneurial ecosystem and its key elements.
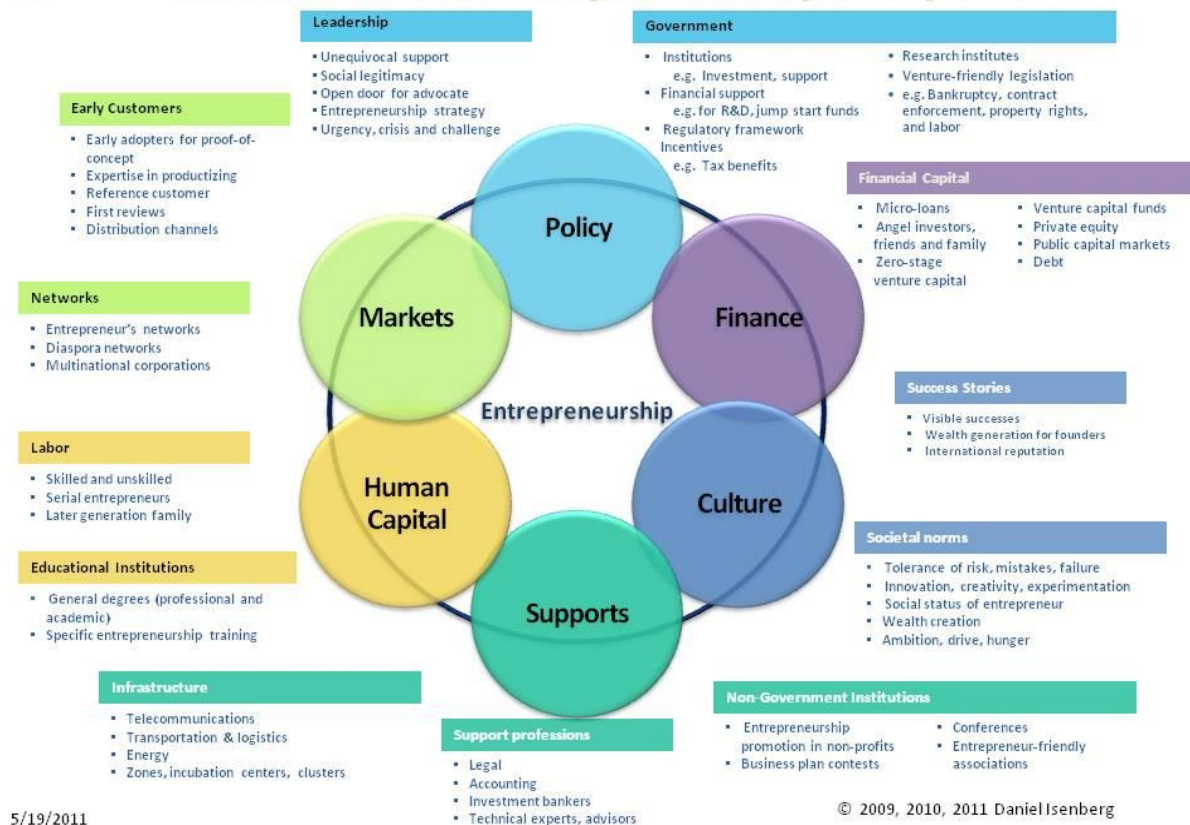
Once the gaps are identified, Playparks should aim to limit their negative impact through selected actions integrated in Playpark activities.

Selected actions might be based on standard common tools and concepts or on special, regionally adapted interventions.

It is suggested to limit number of regionally specific actions to enable follow up and impact assessment.

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Each partner will fill this table while creating deliverables D.T2.2.X - Pilot action for the respective region and implementation of the reg. Playpark:

Domain	Regional gaps identified	Regional specific actions
Culture a conducive culture (e.g. tolerance of risk and mistakes, positive social status of entrepreneur); • Success stories • Societal norms		
Policy facilitating policies and leadership (e.g. regulatory framework incentives, existence of public research institutes); • Leadership • Government		
Finance availability of dedicated finance (e.g. business angels, venture capital, micro loans); • Financial capital		
Human Capital relevant human capital (e.g. skilled and unskilled labor, serial entrepreneurs, entrepreneurship training programme);		
Markets venture-friendly markets for products (e.g. early adopters for prototypes, reference customers)		
Supports a wide set of institutional and infrastructural supports (e.g. legal and accounting advisers, telecommunications and transportation infrastructure, entrepreneurship promoting associations)		

9. Template for Regional Pilot Actions

1. <u>REGIONAL ASSESSMENT OF SIX-DOMAIN GAPS AND TOOLS IDENTIFICATION</u>

Fill in table with the emphasis on what will the regional Playpark do to compensate for any gaps in the six-domain system.

Domain	Regional gaps identified	Regional specific actions
Culture		
Policy		
Finance		
Human Capital		
Markets		
Supports		

2. <u>MAIN TOPICS OF THE NATIONAL/REGIONAL/LOCAL SMART SPECIALISATION STRATEGY (RIS3)</u>
What are the main economic and social innovation topics of the relevant RIS3 for the regional Playpark?
How will the regional Playpark engage the participants to develop viable business ideas to fit these topics?

3. <u>REGIONAL PLAYPARK TARGET GROUP</u>
Description of the Regional Playpark's Target Group
Description of how the Regional Playpark will attract and involve the Target Group (equal numbers of female/male participants and equal numbers of economic and social innovation business ideas/firms based on the relevant RIS3)

4. <u>REGIONAL PLAYPARK IDEA GENERATION LABS</u>
When and where will they take place?
What will be the content?
How can a participant apply for the regional Idea Generation Lab? Application Procedure.
How will participants be selected for the regional Playpark Training?

5. <u>REGIONAL PLAYPARK SUPPORTING METHODOLOGY</u>
What final outcomes from the participants are expected by the regional Playpark after the six-month training?
How will they be achieved?
What will be the contents/topics of the six month training?
Which training tools will be used?
Timeline of the six-month training at the regional Playpark
What kind of support will the regional Playpark provide after the six-moth training?

6. <u>REGIONAL PLAYPARK FUNDING INITIATIVES</u>
How will the regional Playpark help the participants to find money to finance their business ideas?
How does it work?
Names and contact details of funding initiatives that cooperate with the regional Playpark

Overview and information/guidance about funding initiatives and how they will support the participants in bringing their ideas/firms to market.

Each project partner should list available funding initiatives for their respective regions:

Funding initiatives and sources/managing authority	Target groups – eligible beneficiaries	Identified best practices and deficiencies

http://tinyurl.com/CERIecon

www.interreg-central.eu/CERIecon

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