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A study of what no longer can be called incubation

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This is a study with particular focus on the pilot case as oriented towards cultural (and artistic) an creative sector start-ups. Reviews of business incubation more broadly can be found elsewhere: e.g. Dee et al (2012)

Acknowledgements

This report (I believe that is its proper genre for it is not written, nor intended as a book) is but one artefact amongst many that all belong to the outputs and/or results of this project. There have already been many more – presentations and conversations in particular – and even more are already scheduled to follow. Arriving at this point, when I can refer to output and anticipate future events, is the a result of primarily two *'field contacts' – Debora Voges* and *Rickard Mosell*. It was together with these two, open-minded people, already acquainted with the future, that I started to sketch the study. – *"A pilot project incubating creative industries start-ups..."* As an entrepreneurship- and organisation researcher with particular interest in organisational creativity, I could not but want to study that. Debora and Rickard had already plotted in ways that made our discussions co-creative and their initiative was crucial for making this study happen. In addition, also Katarina Scott and Lars Mattiasson have been as generous as curious; two *'talents'* in people I continually say are key to all learning processes. I, and I hope we, have learnt a lot together.

The study has relied on many people's time and engagement. The Creative Plot (TCP) team and incubatees in particular, but also several from Ideon Innovation have been generous with their time and spent some passion on this. Apart from already mentioned, and in alphabetic order: Ola Andersson, Philip Diab, Mats Dunmar, Joachim Hellberg, Hans Möller, Angelica Persson, Ingela Stenberg and Jimmy Wilhelmsson. Special thanks to Ola, Philip, Joachim and Mats that have shared ideas and time with me. Ola let me in on coaching sessions, Philip opened up his sales coach training for me to observe and document, and Mats has been eager to exchange ideas on incubators and incubation and has also let me sit in on his coaching sessions.

The people that have been the natural centre of attention in the project and the study, and whose time and thoughts I have tried to handle cleverly are of course the incubatees: Action Entertainment: Petter Gantelius; Diiz Access AB: Cecilia Björkland; Nerdy by Nerds: Peter Arneryd, Adrian Roos, Oscar Andersson; Ioaku: Fanny Ek; and PipeDream Production: Mathias Dümmatzen, Madeleine Andersson and Markku Lorentz. It has been inspiring and great fun to have gotten access to your journeys and roads not travelled by thus far and best of luck with future creations.

Participants at various dissemination events, and future readers of this report: thanks for feedback already provided and welcome with more. All writers – and for researchers this is no different – share their words with their readers. What it all means and will lead up to is a relational matter, multiplying in interpretations and proliferating throughout polymorphous social networks. I look forward to the echoes of this spread and regard them as part of the knowledge-creation process.

Copenhagen, Lund, Malmö and Skurup
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Executive summary

Report from a pilot project incubating culture and creative sector start-ups, The Creative Plot, Ideon Innovation, Lund, fall 2011–spring 2013

Background

According to recent research on business incubation – a phenomenon that dates back to the 1950s in the US, but which flourished in the 1980s in particular throughout the so-called Western economies – we now have the 3rd generation of incubators running.

This kind of incubator is characterised by an emphasis on sponsoring business start-ups by providing access to networks, reducing operating costs (office rent, back-office services), and offering business coach services to the incubatees.

The recently completed research project, studying the pilot incubator for creative/cultural industries at Ideon, Lund – the incubator belonging to *'The Creative Plot'* (an initiative larger than the incubator, but with the incubator as central component) - has generated results indicating the need to reconceive what an incubator is. The findings provide inputs to an on-going discussion of how the next, the 4th, generation of incubators should be designed (thought and practiced).

The research project is an 18 months field study, following the planning, preparation, launch, operation and first 12 months of running the incubator. Alongside this project, prof. Daniel Hjorth, Copenhagen Business School – conducting the study – has also supervised parallel studies of Swedish and Danish incubators. Together these studies provide a broader base for rethinking incubators.

Main results, in sum:

1. Incubators need to be understood not primarily as places for hatching start-ups, shielding them from a hostile environment, but rather as an externally oriented bundle of resources run by a team operating as an institutional entrepreneur.

2. This means a shift from incubators towards thinking excubation – externally oriented processes creating space for invention for start-ups.

3. Generally, it seems more important to focus on business model innovation, rather than on an invention (great idea) or new technology. It is business model (how value is created and how value is captured by the business) innovation that needs to be more in focus when designing the 4th generation of incubators (excubators). This requires entrepreneurship from the central team running the *'excubator.'*

4. Excubation requires less management and control, less standardisation according to a centrally governed system imposing templates and forms for how to run local operations. Rather there needs to be more entrepreneurship, more organisation-creation (a definition of entrepreneurship) that is characterised by networking and a dialogic learning culture.

5. Rather than seeing incubators as hatching places, shielding start-ups from a harsh environment, excubators are modelled as mobile resources following start-ups wherever they are in the market. More like cross-country skiing coaches, running alongside the tracks, providing nutrition and information where and when this is needed. It is organisation-creation, a centrally entrepreneurial skill, which holds these resources and networks together. The focus is to create space for innovation, rather than managing a place for incubation.

6. The specific focus on cultural/creative industries start-ups, which characterises the *'excubator'* at The Creative Plot, meant that a more dialogical learning-culture was established, and that the Institutional Entrepreneurship Team operated as a creative response to emerging needs in the start-up processes.

In conclusion this means that the industrial era, ending with a strong focus on entrepreneurship and new business formation, also refined the incubator model up to its (often called) third generation. Present post-industrial times, however, characterised by aesthetically oriented innovation and collective forms of creativity, cannot persist within this model for supporting start-ups.

Creating new, growth-capable companies has become a more collective and organisationally challenging process. It requires not only entrepreneurship from the founding people, but also institutional entrepreneurship from the supportive milieu. Reflecting on the metaphor of incubation this means it is no longer accurately described as incubation (literally meaning to lie on, to help to hatch) as the focus shifts from bringing the new into a protective environment, to actively organise better conditions for the new, i.e., change the conditions for start-up in their *'natural'* environment by creatively organising its many environments.

To stress the difference, the outreaching focus, we call it excubation. In effect this means that multiple supportive organisational contexts need to be secured in the many networks and competitive situations where a start-up needs to operate and learn to thrive.

Contents

Report on the 'creative industries pilot incubator'

"Everybody thinks it is a problem that Sweden hasn't really had a definition of creative industries, while in other countries it has been very defined. And people see it as a problem, when actually I think at this point it is an advantage. Because it is very difficult to define what you don't know what it's going to be. We strongly believe that there are many new areas that you can't really define which will arrive from the cross-overs from [...] an example that we have in the incubator; nano-technology and fashion. So, that's what we are exploring." (Debora, 2012 10 18)

General introduction

Basically, we are not sure to what extent incubation works. Incubation started in 1942 (student incubator, New York) but took forms that we can see as more similar to what flourished in the 1980s in the late 1950s. Research on the topic generates as much scepticism as it does praise. There can be several reasons for this, but the nature of the phenomenon – incubation – is so sensitive to cultural, social, and economic dynamics at the time of studies, that it makes sense if incubators were notoriously difficult constructs to manage, study and build.

I'd like to use penicillin as a metaphor describing the scepticism about business incubators: if you use penicillin you will have a strong short term protection against bacteria that impacts negatively on your health and strength. However, your long-term capacity to resist future attacks might suffer from your short-term strength. So, what do you do: use penicillin or build up long-term strength? Some consider entering into a business incubator using penicillin for short-term strength. The result is stronger businesses in shorter amount of time. But by exit, are they as well prepared for survival?

Amongst the relevant background statistics to incubation we should note that 70% of all entrepreneurial efforts fail within their first 10 years of *'operation (Shane, 2008). This is of course relevant to the extent we understand incubation as concerned with 'entrepreneurial efforts.'* I will do so. It makes sense to define incubators as organisational efforts seeking to provide beneficial conditions for entrepreneurial processes, increasing the latter's chances of resulting

in sustainable businesses with growth potential. These *'organisational efforts'* will thus be in focus in this report as this is where a lot can differ between incubators.

Organisational efforts will most often include:

- physical place(s)
- shared equipment – reducing costs and saving time for incubatees
- intensified networking opportunities
- intensified learning opportunities
- support advisors and coaches
- management (of resources, projects, budgets, targets)

Such organisational efforts (cf. Leblebici and Shah, 2004), provided by the incubator, are included to provide a more fertile soil for the starting (or recently started) company. Exit from the incubator should then be characterised by a company with greater growth capacity (strength, health) and expectations than similar start-ups that have not been in the care of an incubator (for usually two or three years).

Entrepreneurship is a key to economic growth (Schumpeter, 1934) and the primary source of new jobs creation (Birch, 1979). Societies across the globe have – since the 1980s' enterprise culture/discourse (du Gay, 1997) – been interested in finding ways to support entrepreneurship due to the link to job-creation, the latter being the central basis of what we call the welfare state. The palette for governmental support of entrepreneurship in societies is very rich (Stevenson and Lundström, 2001). However, it is important to note that incubators should be understood as part of this palette and that they emerged into the status as a prioritised tool for start-up support in the 1980s, *at the dusk of the industrial economy.*

Indeed, incubation is a concept that focuses on providing a supportive milieu for start-ups, i.e., companies that are achieving being (Kuratko and Sabatine, 1989). It is this process of becoming a company and a company with capacity for growth that is the central concern for governments, incubators and incubator management. To incubate is a concept that describes a bird sitting on an egg to keep it warm and bring it to hatching. The Latin *incubare* means in- (upon) + cubare (to lie), i.e., to lie upon. I make a short note about this here as this study indicates the model that was described by the concept *'incubator'* and *'incubation'* (flourished in the 1980s) has perhaps seen its better days. Incubation is perhaps a model that fitted the industrial economy well, but since *the dawn of postindustrialism* (Austin and Devin, 2003; Chesbrough, 2003; Baldwin and von Hippel, 2011) the conditions for starting and running a business have changed. Daniel Bell launched the concept of post-industrial society in 1973, and the concept is associated with post-fordism (as a model of production), information-economy (growth and circulation of information), knowledge-economy (basis for value-creation is increasingly the capitalisation of knowledge), and a networked society (the accelerated interconnectedness of the world, as exemplified in the globalisation of capital and integration of the Asian economies into the world market).

This study of providing more fertile conditions for creative industries start-ups indicates that *'incubation'* does not describe well what has been going on. It has not been a process of *'lying upon'* *'eggs'* to provide for them more favourable conditions. This suggests we should no longer think *'providing more favourable conditions for start-ups'* using the concept of incubation. Perhaps this concept had its time towards the end of the industrial economy, struggling to transform into a post-industrial one (Austin and Devin, 2003; Hjorth, 2003) by emphasising entrepreneurship. The industrial society and economy was a highly managerial one. The post-industrial, I suggest, is an entrepreneurial one. Incubation fits a managerial economy, whereas the new model has to become more resonant with

an entrepreneurial one. The post-industrial era seems to provide different environmental conditions (markets, societies, industries) as well as new knowledge of how to promote entrepreneurship, which, taken together means that providing more favourable conditions is a challenge that has to be thought and practiced differently too.

This report will provide a contribution to re-thinking what we used to mean by incubation on the basis of a longitudinal field-study of *'incubating'* creative industries start-ups at Ideon, Lund. The more immediate research context for the analysis of material generated during this study is provided by two PhD projects for which I have served as supervisor (main- and co-supervisor): Anna Alexandersson's study of incubators in Sweden, and Christine Thalsgård Henriques' study of an incubator program at Symbion (a Copenhagen based incubator). Both of these studies have also been longitudinal field-studies with rich qualitative data as their bases. Together all three studies point at the need for *a new model of what we used to call incubation*.

Structure and purpose, and a note on the existing model

This report will provide a short overview of incubation and incubator management on the basis of existing research on the area. Following this, a discussion of whether *'creative industry'*-cases are unique in important ways, suggesting there are reasons to adjust incubation as this is thought and practiced according to the literature, will be needed. Thirdly, the field-study is summarised and reported. Fourthly, on the basis of the field-material, some themes, which will be the focus of the analysis, are identified. Fifthly, the analysis provides the new knowledge – generated via this study, and in conversation with relevant previous research – that we will use for the development of a new incubator model. Finally, this model is presented and shortly commented. The model is the basis for generating feedback in conversations with relevant partners during dissemination seminars to follow.

From the above follows the structure of this report. In addition to the above, a short framing of the analysis will be included, where the relevance and specific nature of an entrepreneurial perspective on incubation is clarified.

As to the purpose of the report, this is stated in the background documents from the fall (August) of 2011 (on the basis of meetings and dialogues with Debora Voges, project leader for The Creative Plot (TCP), and

Rickard Mosell, CEO for Ideon Innovation): "The purpose with the research process being to study, describe, analyse and build a final model for successful incubation of creative industries *'potentials'* (Appendix B, p. 1). By *'potentials'* we here meant creative industries start-ups that would successfully become established as companies with growth capacity. Part of the research project's ambition was stated as finding out whether creative industries start-ups were different from *'regular'* start-ups, and to what extent that would require a correspondingly different incubation model. The pilot project – incubating creative industries start-ups as part of TCP[1] at Ideon Innovation, Lund – meant that the existing incubation model was modified, dynamically, along the way. This makes sense and is indeed an observation from the field research material that will be brought into the learnings-discussion later on. However, it also makes it difficult to do a more strict comparison of the existing *'normal'* model (Appendix C) and the one proposed on the basis of the results of this study of the pilot. It should also be noted that the pilot incubator (TCP) is not finished within the time frame of this research study.

Note on method (elaborated in Appendix A)

1. The 18th months of on-sight observation and interviewing of preparation, organisation and incubation. In all approximately 50 – 70 hours of video-taped (between 28 to 128 minutes long) interviews and sessions provide ethnographic data.

2. 3 rounds of interviews with teams of incubatees (5 of them, most of them video-taped)

3. Multiple reflection session with incubator organisation (mainly 3 persons, video-taped; on-going discussions while on site)

4. Reflections from Science Park Incubator management (1 person, video-taped, and on-going)

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1   TCP describes themselves as: "The Creative Plot is a platform, an umbrella project, an initiative, an ideas factory, an incubator and much more. We have a plan. Allied with curious and ambitious friends we're creating a brand new creative hub in Lund. A place where the creative sector develops strong ideas together with academia and businesses, and where the results contribute to society in different ways. That is s why we explore and encourage new ways of working together, and sharing knowledge. And that's why we are always looking for new allies, partners and friends. Creative entrepreneurs, brave companies, curious scientists and passionate organizations are encouraged to join The Creative Plot, an initiative by the Cultural and Economic Development departments of the City of Lund." (http://thecreativeplot.se/en/about-the-creative-plot)

Incubators and incubator management

Incubators are part of a more general support system for entrepreneurship and new business formation that saw the light of day in the 1980s. David Birch published studies on job-creation in the small and rapidly growing firm (e.g. 1979) and could show that most of the new jobs were indeed generated by such companies. Combined with the Thatcherism and Reganism of the 1980s we saw a general political change that made Birch's studies find a broad and global audience in the political system, with a subsequent *'entrepreneurial era'* following (OECD, 1997; Alvarez, 1996; du Gay, 1992; Hjorth, 2003). Mature, industrial economies needed (and need) more new jobs and new growing small companies were/are the ones to provide them. Incubators are there to make more survive (70% dies within 10 years; Shane, 2008) and more grow faster (Hackett and Dilts, 2004). Theoretically, the effect of incubation is the following: *fig 0*.

The existing *'normal model'* mentioned above is very much influenced by the US National Business Incubator Association's approach, describing business incubation as: "...*a business support process that accelerates the successful development of start-up and fledging companies by providing entrepreneurs with an array of targeted resources and services. These services are usually developed or orchestrated by incubator management and offered both in the business incubator and through its network of contacts.*" (www.nbia. org). Incubators are now part of regional innovation
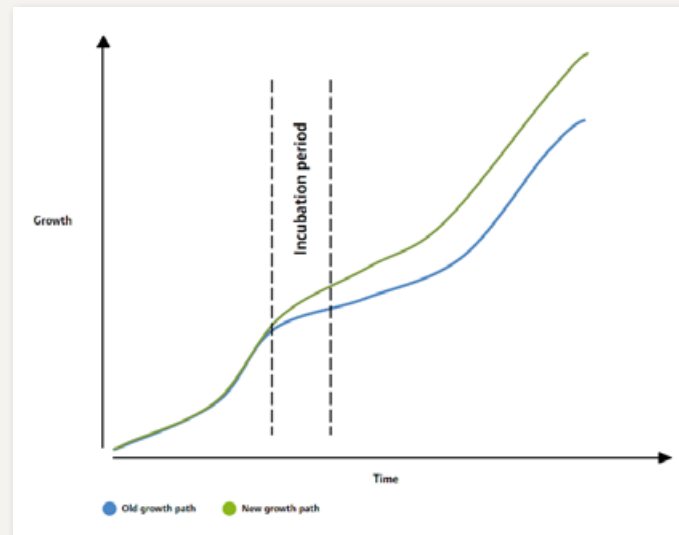

Figure 0: Theoretical impact of incubation on growth; Dee, Livesey, Gill and Minshall, 2011: 5.
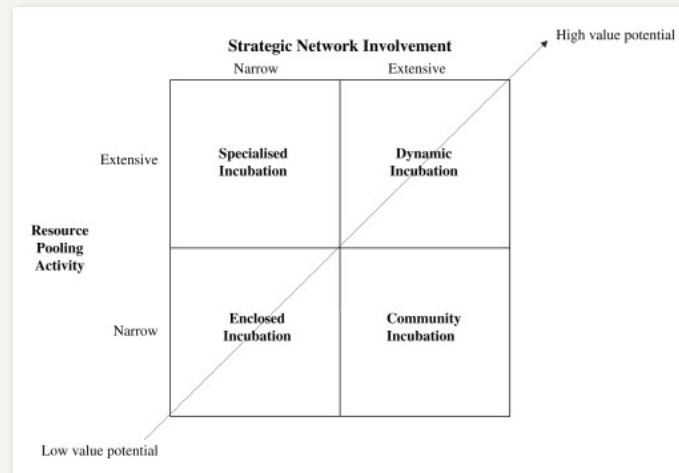

Figure 1a: The value matrix, Hughes, Ireland and Morgan (2007: 160)

systems discourses and national programs (in Sweden launched in 2003 by Vinnova) often exist so incubators can be targets for policy incentives (Stevenson and Lundström, 2001). It is also a result of a systemic milieu in Sweden where SISP (Swedish Incubators and Science Parks[2]) has had to lean on Almi and Innovationsbron (the latter which is now part of Almi) that have provided extensive institutionalizing forces into innovation support- and incubation systems. Such institutionalizing forces[3] include standardization of practices and principles, materialized in documents and templates offered to employees in the innovation-, incubation-, and start-up support systems in Sweden (see examples in Appendix D). The effect is that certain principles and practices (backed up by policy and templates) are legitimized (get resistant to social contestation) rather than other (Meyer and Rowan, 1977; DiMaggio and Powell, 1983). There is thus a push towards homogenizing the way incubators are managed. The official discourse describes it as the need for more 'formal client monitoring arrangements." (CSES, 2002: 59).

We can easily see how this can become a problem. If a certain model, approach or view is supported by a dominant player (such as Almi or Innovationsbron or SISP – the Swedish Incubators and Science Parks association) with authority to order reports and measure performance, a player that also provides support and templates for this model/approach, then this legitimized model/approach will reside in collectivities as a widely shared presumption. This I believe is the case with the existing model and approach to incubation (including the presumption that what needs to

be done for start-ups is to incubate them). The study of TCP indicates that creating beneficial conditions for start-ups can be done differently today.

Research on incubators and incubator management

There were 12 incubators in the US in 1980, approximately 3.500 in the late 1990s and now the estimation says 7.000 (www.nbia.org). We can thus not isolate this as a phenomenon that belongs to the entrepreneurial era of the 1990s. Instead the growth has continued and accelerated. There is not much research on creative industries incubators (but see Montgomery, 2007, which is mainly descriptive work) and it is indeed a question to be answered – whether there are reasons to think of and design such incubators differently than *'regular'* ones.

Hughes, Ireland and Morgan (2007) compare what they call *'enclosed incubation'* (what would be a more traditional way of running an incubator) with what they call *'dynamic incubation.'* The latter is defined via a matrix describing how incubators work with resources and networking: *fig 1a.*

Dynamic incubation is thus characterised by extensive resource pooling activity and extensive strategic network involvement. The latter is defined as *"...the extent to which a firm interacts with others to acquire knowledge."* (Ibid., p. 158) whereas resource pooling is defined as *"...the extent to which a firm is willing to pool and share its resources with others."* (Ibid., p. 157). The authors measure performance across several variables and conclude that the dynamic incubation model is superior across all, compared to the other three models. Pooling and networking are central to entrepreneurial ways of organising according to research (Katz and Gartner, 1988; Vesper, 1980; Johannisson, 1998; Hjorth, 2003) wherefore we have reasons to conclude that providing better conditions for start-ups – what we used to

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2 Swedish Incubators & Science Parks - SISP - is the member-based association of Swedish incubators and science parks. SISP's 65 members act as nodes in regional Swedish innovation sytems and together operate almost 80 innovation environments.

3 There is also the Incubator Forum, an international network for incubator managers of technology incubators with links to universities.

call incubation – needs to become a much more entrepreneurial bundle of processes. Bøllingtoft and Ulhøi (2005) also provide support for this conclusion. Henry Chesbrough, pioneering the concept of Open Innovation, has provided support for this view too (Hansen, Chesbrough, Nohria and Sull, 2000).

Hansen et al. state upfront that *"...well-designed incubators maintain a spirit of entrepreneurship."* (2000: 76). They also use the concept of *'entrepreneurial drive'* by which they mean *'stimulating individuals to pursue risky and disruptive innovations'* (p. 80). They look into what incubators offer and point out that *'organized networking'* is not too common: *Figure 1b: What incubators offer; Hansen, M. T., Chesbrough, H. W., Nohria, N., and Sull, D. N. (2000: 77).*

We recognise a lot of things from the standard composition of an incubator environment, but notice that a core entrepreneurial element – organised networking – is seldom part of the *'services.'* This, together with pooling of resources and a more dynamic operation – flexibility to incubatees' needs – are also solutions pointed at from the material generated in Henriques', Alexandersson's and my own study. There are indications from these studies that a more entrepreneurial leadership – flexible access to resources, pro-active networking – provides a more productively supportive incubator context. This, together with the proven difficulties with relating specific management practices to the performance of an incubator (Aution and Klofsten, 1998), suggest we need to think less in terms of incubator management and more in terms of a type of institutional entrepreneurship when we seek to develop a next generation of incubators.

What, then, does the existing model look like? In TCP's case, the normal is defined by Ideon Innovation's model. It needs to be said that during the time of this study, and since Rickard Mosell started as CEO of Ideon Innovation, this model has been under revision and development. This per
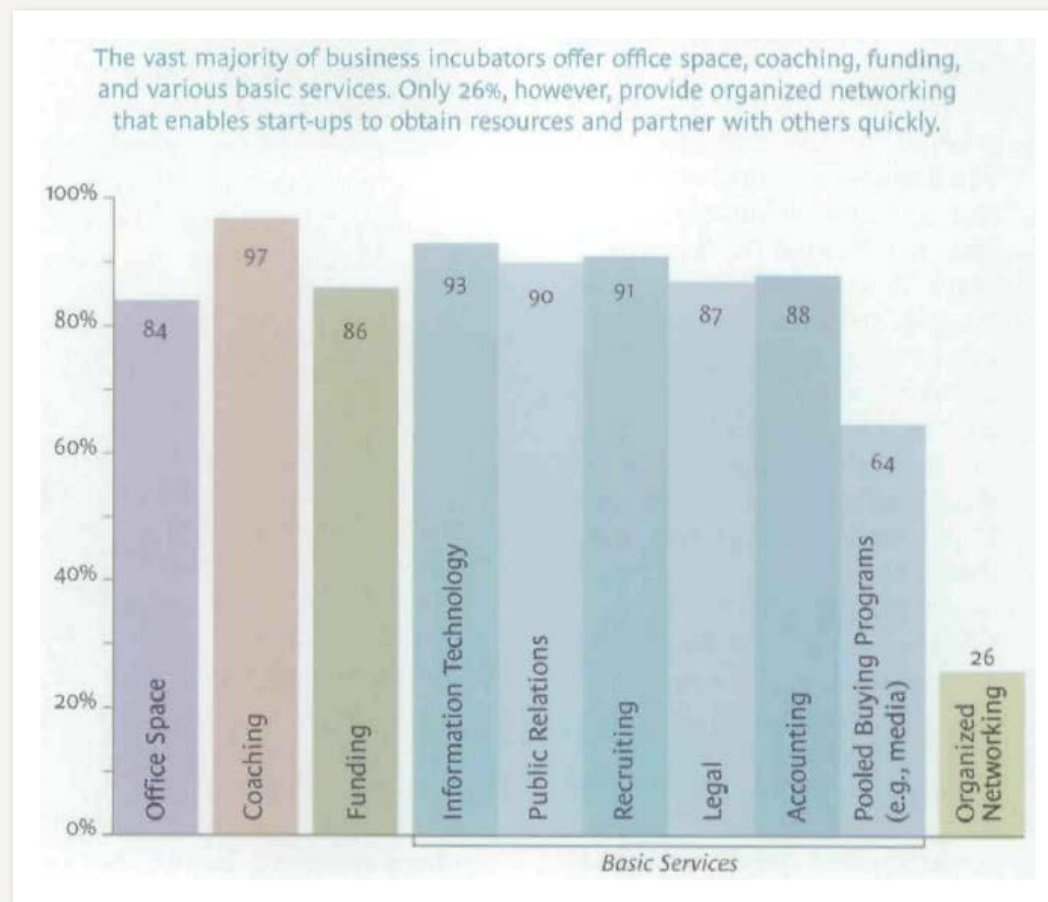

Figure 1b: What incubators offer; Hansen, M. T., Chesbrough, H. W., Nohria, N., and Sull, D. N. (2000: 77).
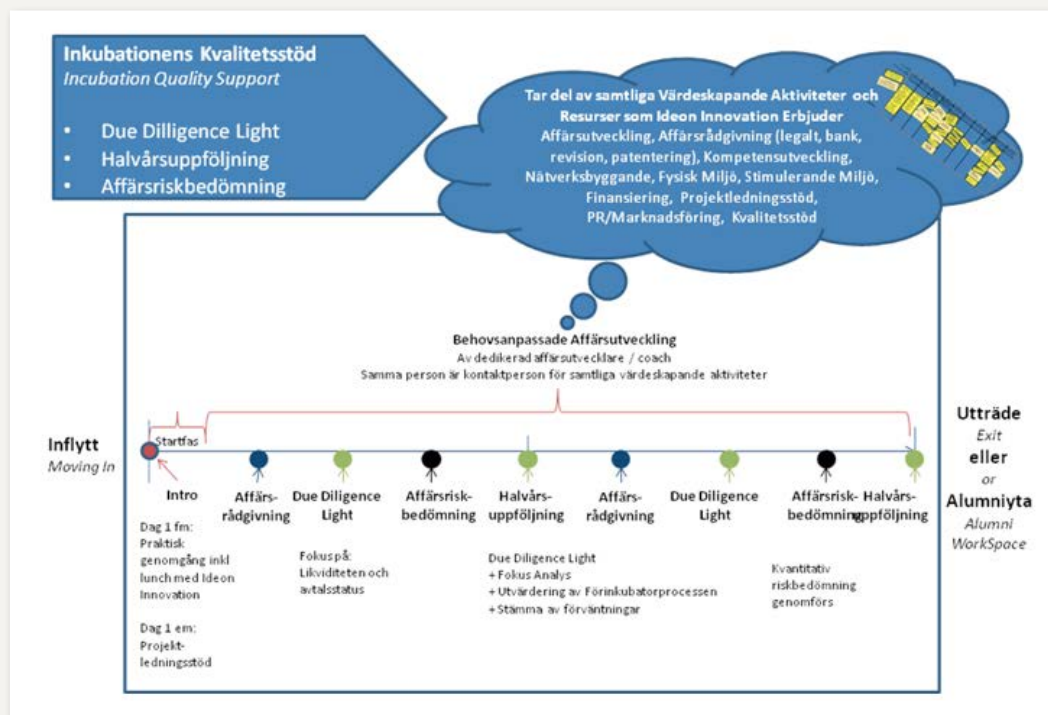
Figure 2a: Incubator, Ideon Innovation, Dunmar, 2011: 7.

se has been an important quality of the context of TCP's, i.e., that there has been room for manoeuvre and a willingness to welcome experimentation. TCP has thus made good use of the label *'pilot'* hovering above their incubator so as to be able to try out new solutions.

If we look into where this revision work (which I also studied but this work was still on-going at the end of this study) started, we find a 2011 model (Dunmar, 2011, Appendix C) Core value creating areas: 1) Business development; 2) Strategic services; 3) Financing; 4) Network building. Other value creating areas: 5) Physical environment; 6) Stimulating environment; 7) Competence development; 8) Frame contract; 9) PR and marketing; and 10) Quality support. The model for incubation looks like this: *Figure 2a: Incubator, Ideon Innovation, Dunmar, 2011: 7.*

The input to this model is to a large extent provided by the templates and forms that Innovationsbron and Almi provide. SISP's US-based corresponding agency – NBIA, National Business Incubators' Association – is also influential on how the former frames and understands incubation. There is a tension built into such models, a tension between managing to secure a certain output and the entrepreneurial process as needing freedom to manoeuvre so as to creatively respond to emergent conditions for doing business. Alexandersson (2013: 10) points out this tension saying: "If entrepreneurship is considered as directional, linear, and basically a process of gathering the necessary resources (Shane, 2003), then business incubation is all about structuring that process. On the other hand, regarding entrepreneurship as a dynamic process of creative organizing (Johannisson, 2005), entails that a standardized incubation process based on managerial control and evaluation becomes more problematic. One can thus see how the so-called third generation of business incubation (see below) corresponds quite well to the more linear model: *Figure 2b*.

What we will see as coming out of the results of my study (as well as Henriques', 2013, and Alexandersson's, 2013) is that the third generation model and its way of working does not provide an entrepreneurial enough drive (Hansen et al., 2000) to provide good enough conditions for business start-ups in the postindustrial era. The way start-ups become businesses with sustainable growth capacity is different today compared to when the design of the third generation of incubators was made (late 1980s and early 1990s). Today's start-up- and innovation conditions are characterised by hybrid organisational forms, complex networks (Hansen et al., 2000), collective creativity (Hessel, 2013) open innovation with shared intellectual property rights (Chesbrough, 2003), temporary organisational forms and distributed leadership (Hjorth, Austin and O'Donnell, 2010). There is an emergent need to head for a forth generation of incubator models. We will affirm this need and initiate the work of developing the thinking that can contribute to such a model.

Wennberg, Wiklund and Wright (2011) and Amezcua, Grimes, Bradley and Wiklund (2011) also stress that the conditions for incubation seem to have changed. What we used to call incubation seems to work better to the extent that the incubator management (team) operates as an institutional entrepreneur. By this is meant that:

the development of specific networks and networks with specific competency is supported in connection with the individual incubatee (team), which increases the incubatee's legitimacy and power to act;

They further show that if the start-up operates in a market where the start-up density is low (not a lot of start-ups), the incubator has an impact by legitimising the whole area in which the incubatee operates (cf. also Powell, Koput, White and Owen-Smith, 2005). If the start-up density is high,

	First generation	Second generation	Third generation
Name of the period	Infrastructure: economies of scale	Business support: accelerating the learning curve	Networks: facilitating access to external resources, knowledge and legitimacy
Offering	Office space and shared resources	Coaching and training support	Access to technological, professional, and financial networks
Theoretical rationale	Economies of scale	Accelerating the learning curve	Access to external resources, knowledge, and legitimacy
Years	1950s – 1980s	Mid 1980s – mid 1990s	Mid 1990s – 2000s

Table 1. Summary of the evolution of business incubation's value proposition (synthesized from Bruneel, Ratinho, Clarysse, Groen, 2012; NBIA, 2012; Lalkaka, 2000).
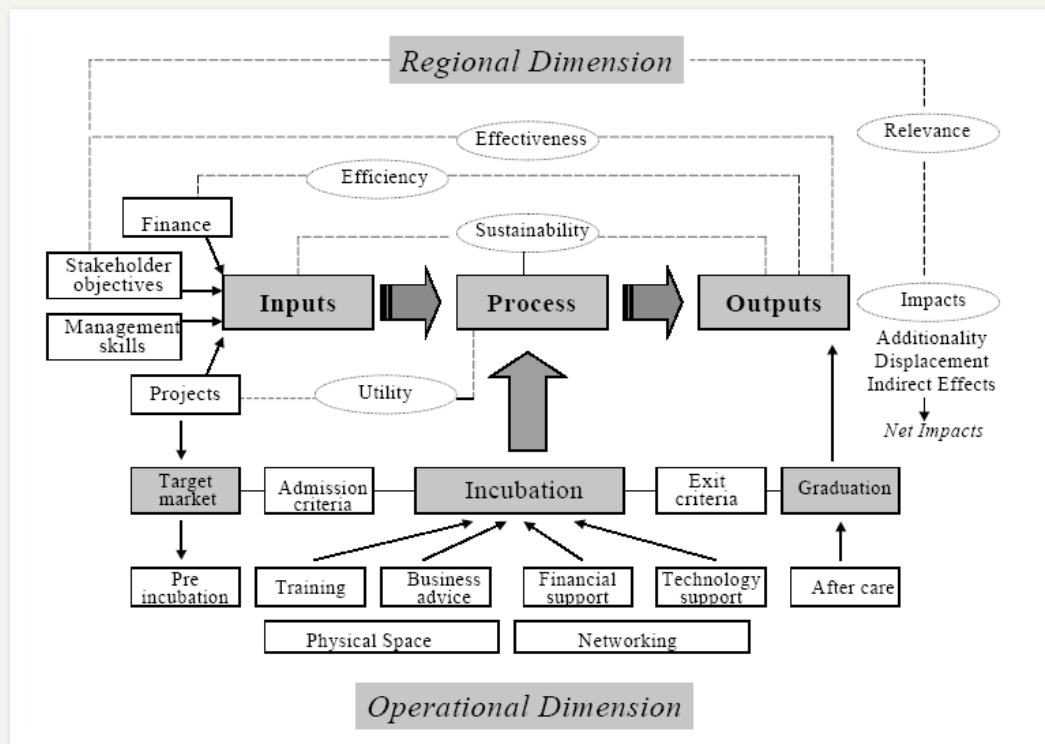
Figure 2b

Figure 3: Business incubator model (CSES, 2002: 25), typical of 3rd generation models.

greatest impact is achieved by connecting specific start-ups with established organisations (by the help of increased matching skills).

The Scandinavian context and critique of the third generation of incubators

As a background the European Commission report on business incubators (CSES, 2002) provides a model below (Figure 3). The inputs are stakeholders (e.g. providing finance), management resources, and projects put forward by entrepreneurs. The outputs are successful companies with growth potential and job- and wealth creation as result: *Figure 3: Business incubator model (CSES, 2002: 25), typical of 3rd generation models.*

Alexandersson (2013: 25) summarises the research well in the following quote: "*What do we know about the outcomes of business incubation? Are business incubators effective economic development tools? The empirical findings are not conclusive regarding their economic impacts. Research has not been able to verify if they actually are efficient job creators (Campbell et al. 1988). However, the research indicates that the incubator is a relatively cost efficient economic development tool (Markley & McNamara, 1995). The second issue is whether the incubator influences the survival rate and performance of the incubated firms. A number of studies have assessed incubation programs by comparing performance indicators between firms within the incubator and off-incubator firms (Colombo & Delmastro, 2002; Culp, 1996; Molnar, 1997). The findings from these studies, generally, indicate that the incubated companies outperform the control group. [...] However, post graduation there is no significant difference between the incubated firms and the control group, which calls into question the long-term benefits of the business incubation.*" Suffice to say that there seems to be a need to find a new way to do what we have previously done in the form of incubation.

What Alexandersson (2013) as well as Henriques (2013) further show is that there are reasons to critique existing incubators for their lack of attention to entrepreneurship and for their lack of entrepreneurial forms of organising (what Hansen et al, 2000, called 'entrepreneurial drive'; Chan and Lau, 2005; Mian, 1997). But also that there are too few studies of incubators that take the incubatees' perspective into account. It is mainly done by asking incubator management questions. The problem of lack of attention to entrepreneurship and a dominance of management and managerial perspectives is partly explained by the dominance of management in the industrial era (Grey, 1996; Hoskin, 1998; Hjorth, 2003). The third generation of incubators simply reflects this managerial dominance in the industrial era and has yet to be more radically re-invented, i.e., has itself to become the target of disruptive innovation (Chesbrough, 2007).[4] Stimulating entrepreneurship in organisational contexts – such as in the case of corporate entrepreneurship or intrapreneurship – has proven to be notoriously difficult (cf. Burgelman, 1983). Perhaps because management has a hard time to let go of their top priorities – economic efficiency and social control. Management research on the topic has thus not delivered a method or model for supporting entrepreneurship in organisations (Zahra, Nielsen and Bogner, 1999). Instead a form of 'managerial entrepreneurship' is often promoted, a tamed, controllable version, allowing management to persist in a dominant rule (Kelley, 2011). Post-industrialism (Dean and Kretschmer, 2007) demands innovation to an extent management cannot and should not be the source of, wherefore the balance has to tilt in favour of entrepreneurship. This goes also for the next generation of what we used to call incubation.

Entrepreneurship in organisations – such as incubators – has to be thought and practiced differently. The relation between the established order (which is under the rule of management) and organizational creativity (entrepreneurship) is central to all forms of organizational entrepreneurship (Hjorth, 2005). This relationship, as pointed out above, has been mainly theorized from a managerial perspective (see for example Burgelman, 1983; Sandberg, 1992; Stopford and Baden-Fuller, 1994). By conceptualizing entrepreneurship as a tactical art of creating spaces for play (heterotopias), Hjorth (2005) contributes with an alternative framework for thinking and practicing entrepreneurship from an entrepreneurial perspective. Austin and Devin (2003) provide a similar conclusion when they say managers can learn from artists. These artful processes have four characteristics: (a) Emergent, yet reliable process, (b) Iterative, not sequential, process shape, (c) Openness to uncertainty, and (d) Failure as a step on the way to valuable innovation. The "...very essence of an artful approach consists in managing successfully when you don't know (exactly) where you'll end up" (Austin and Devin, 2004: 50). This is an entrepreneurial form of organising that we might expect characterises starting a new business as well as creating the organisational context most conducive to starting a new business – i.e., the incubator.

We thus have two approaches to entrepreneurship in the literature: one makes it into a part of strategic management (a view that is born in Schendel and Hofer, 1979) and thus a managerial task, and another that stresses the difference between management and entrepreneurship (Stevenson and Gumpert, 1985; Hjorth and Johannisson, 1997; Hjorth and Gartner, 2012) and tries to save entrepreneurship from being managerialised. This identification of two approaches or views is important as it has implications for how one understands the role of management in relationship to entrepreneurship processes (creating organisation, setting

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4   In addition, entrepreneurship as an academic discipline was taken up by strategic management research, which made entrepreneurship into something rather tame, i.e., manageable (Hjorth, 2003).

up ventures, innovating business models). The question is whether incubators are managerial or entrepreneurial concerns? It is safe to say (Alexandersson, 2012; Henriques, 2012) that the type of governmental rationality that dominates incubators of the third generation is managerialism (Grey, 1996; Miller and Rose, 1990).

Pointing towards an organisational context conducive to creation both Henriques and Alexandersson conclude that dialogue, openness, flexibility, sensitivity to individual incubatee's needs are part of creating space for creativity/innovation/play in organisational contexts. Professionalisation of today's business organisations, including incubators – which have been standardised in Sweden during the last decade – has meant too much managerialisation: too much control and priority to economic efficiency, according to the assumption that entrepreneurship is something management can stimulate. Austin and Devin (2003) describe that artful processes are characterised by managing less, and stepping away from control and standardization. Understanding that the latter is there to make measuring and comparison possible, we should also realise that there is a time for that, but also a time for leaving space for play. Release, play and dialogue are part of how entrepreneurship emerges in such spaces for play (Hjorth, 2005). Alongside management this might look like madness. When the time has come for innovation, however, the tables are turned and not providing spaces for play seems mad. Management, when we focus on the conditions and context for entrepreneurship (cf. Covin and Slevin, 1991; Pinchot, 1985), secures the room for manoeuvre, the space for play, which strengthens the innovation process (innovation = invention x entrepreneurship) so that entrepreneurship can become organisation-creation. Specific solutions answering to the dynamic needs of a start-up can then be created.

The time is thus right for connecting the dots from societal-economic developments; towards the postindustrial society/economy; learnings from creativity oriented management research (e.g. Austin and Devin, 2003); and our various empirical studies registering that the third generation of incubator model has reached its limits, and say:

- Management needs to take a step back and focus on securing the boundaries and the political and financial conditions for running the incubator;

- incubator leadership needs to operate according to the ideals of entrepreneurship as an organisation-creation force and thus act as an institutional entrepreneur itself: creating conditions conducive to creation, i.e., create organisational conditions in the institutional landscape of incubatees;

- taken together, this points towards a fourth generation of incubators, which is perhaps not properly named *in*-cubators, but rather *ex*-cubators, a suggestion we need to empirically substantiate further.

Specific introduction to the TCP study

Background to research study

Before I describe the incubatees at TCP (Appendix H) and the TCP management team (Appendix I), I would like to shortly describe the study.

The description of the study of this pilot project (TCP's incubator offer, see Appendix G) included an aim stating what we have mentioned above as being problematic: *"to test the incubation model currently being used within Ideon Innovation on creative businesses, by recruiting four to five potential businesses in their embryonic stage and helping them develop into fully-fledged businesses."* Due to the dynamic adjustment of this model that took place in practice – this *'standard'* model that in itself was not crystal clear in practice – an emphasis was rather placed on the creative task of *"developing a model that would be specific to the creative sector and; that, if proved successful, could be replicated by others."* (Project description) The project was also described as exploring what the specific needs of *'creative industries'* start-ups would be and how an *'incubator'* could meet those.

The project was structured in three phases:

1. Preparation (stage 1+2): Preliminary conceptualisation and development of tentative model and method for incubating creative industries projects. Support the identification of 4-5 potential businesses (on the basis of 1. and other possible relevant criteria). Fall 2011 – Spring 2012

2. Field research (stage 3): Research the incubation- and development processes. The purpose with the incubation processes being to support the development of those co-located candidates into fully-fledged businesses. Spring 2012 – Spring 2013

3. Analysis and writing/reporting. (stage 4+5): Analysis of the empirical material and writing of report. On the basis of proposing a new model/approach to *'incubation'* of creative industries start-ups, publications and dissemination events will communicate those results. Summer 2013 – Fall 2013

The question whether there is a meaningful difference between *'regular'* incubator-models and those targeting *'creative industries'* (see www.generatorsverige.se[5]) had to be dealt with in a more processual manner. There was no local possibility for a direct comparison. There was no *'before and after'* set-up possible. However, the adjustments that were done, dynamically along the way, still give an indication of the needs of the creative industries start-ups. Adjustments made in the TCP case, together with learnings from Henriques' and Alexandersson's studies are thus important indicators of what a new model needs to look like. This topic is also part of several interviews with the

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5   Generator Sverige has made a number of studies of KKN industry initiatives in Sweven. (KKN – Cultural- and Creative Industries). Read reports at: www.generatorsverige.se/kunskasp There are 54 reports inbetween 1999 and 2013.

TCP management team. A second question of particular interest here is whether proximity to the Ideon Innovation environment does have a positive impact on companies in a creative industries incubator. Again, there is no direct comparison available (there is no dummy set-up with a creative industries start-up outside the Ideon Innovation environment). However, the relationship to the immediate environment is a topic covered in interviews with incubatees (described below).

Field research was focused on generating *'thick'* data; qualitative data that provides an in-depth picture of the studied companies. This was done using a combination of participant observation (anthropological method; Geertz, 1973; Czarniawska-Joerges, 1992) and interviewing (Kvale, 1996). As far as possible, field-data was recorded on video (and if not possible on audio and via notes). The field-study included also the preparatory phase, as I was also interested in how the pilot was set up and framed. In this sense, the focus on the five incubatees – starting with auditions for selecting them amongst applicants – is an embedded case in the more general case of the pilot project (establishing a creative industries incubator in the Ideon environment in Lund).

The relationship between the incubatees and the physical environment, the relationships to complementary resources, and relationships to specific expertise available in the incubator-environment are central for the field study. Of primary interest is to study how the incubatees experience and understand the supportive qualities of their immediate environment.

The analysis (which partly was initiated during phase 2) focuses on the primary field-data (video, audio, written notes) together with secondary contextual material of relevance for the analysis of the primary data. The analysis draws upon previous research on incubation and creative industries companies. The interpretation of the rich data

from the anthropological observation and interviews generates a basis for reaching a new understanding of how the successful incubation of creative industries start-ups can be done, developing new knowledge, assessing existing models, and recommending modifications or the creatio-nion of novel approaches/models. Such recommendations form part of reports and presentations of various kinds that belong to the output of this study.

Background to and establishment of TCP

–*"In a way, this is like an enterprise as well."*
[describing the work of establishing and running the cultural incubator] (Debora, 2012 06 28).

We may ask: *'why now'*? But if we understand the concept of *'window of opportunity'* (knowing the importance of timing for entrepreneurial processes to emerge) it is hard to find a better example of this in practice: Lund's municipality had had people looking into something like a cultural incubator as part of and aftermath of the 2009 application to become cultural capital 2014. Lund's municipality had a new head of culture, and new head of business, Ideon Innovation had a new CEO, and Innovationsbron and Tillväxtverket (the Swedish Agency for Economic and Regional Growth) all of a sudden wanted to look at the creative/cultural industries.

Let us describe this a bit more carefully. The creative plot (TCP), which is a name that is found after the pilot project had started, has a complex process of achieving being. Lund had applied to become Cultural Capital in Sweden and Katarina Scott was part of the team that worked with this process (her focus was on the economy and organisation) and Debora Voges was hired to look into the possibilities to include an incubator of some kind. TCP is also greater than the incubator as it is a more general ambition to "...

help people in the cultural and creative sector to work more efficiently...get more people to work in the sector, make more money and have better conditions for work...and for the greater society to take advantage and benefit from this." (Debora, 2012 06 28). There was a frustration in Lund about the fact that they have the ideas and students and creativity, but most people feel they need to go somewhere else to act, to start their businesses. TCP was part of the plan to change this side of Lund's image and make it more action/business oriented. Those within the cultural and creative sector that approach TCP with an idea will be assessed: if it is a for-profit project that would qualify as a business start-up, they are considered for the incubator. Otherwise TCP still tries to provide support in other ways (still with focus on trying to help them generate income more efficiently).

In the *'Kulturhandlingsplan'* for Lund there was stated that establishing an incubator was on the table (Katarina, 2012 06 28). Torsten Schenlaer, head of culture at Lund's municipality, who had allied with Per Persson – head of business at Lund municipality since mid 2010 – pushed and provided the managerial authority and legitimacy needed for this to happen. At that point Debora was engaged and Katarina (from Lund's municipality) was also tied to it. Debora was brought in as she had been hired in 2009 to develop an *'old idea'* that Lund municipality needed a culture-incubator. This had been discussed for years (Debora, 2012 06 28). She was asked to develop this (then called *'innovation laboratory'*) into something that could become part of Lund's application to become cultural Capital in Sweden (sent in June 30th 2009). Part of that concept development (including her researching all existing incubators) meant that what she had to develop needed to link the University, Culture and Creative Sector, and Business (Debora, 2012 06 28). Central was the idea of cultural enterprises and to make cultural organisations become more *'business like.'* Debora then produced a concept with

three components – an incubator, a production space, and a research centre. –*"At the time I wasn't to keen on working with Ideon."* (Debora, 2012 06 28). She describes lack of interest from Ideon's and the incubator's side at that point in time.

Meanwhile (2009 – 2010) the Cultural Department at Lund's Municipality re-organised itself from being a more traditional governing body to become much more event-based and proactive in developing the city (Katarina, 2012 06 28). Torsten Schenlaer was appointed new head of culture at Lund municipality in 2009 and started in January 2010. Some of the projects included in the application from Lund to become cultural Capital in Sweden (2014; Umeå got it) were still financed in the action plan for culture that Lund had decided to execute. Part of this was the incubator idea and Debora and Katarina were (on part time) assigned to work with it (start March 25th, 2011, Debora, 2012 06 28). Rickard Mosell (previously at MINC, Malmö city's Incubator) was appointed new CEO for Ideon incubator (Ideon Innovation) during the spring of 2011. He believed that the concept of innovation had to be broadened: *"Innovations are so much more than that which you can patent."* (Rickard, 2012 06 28). He was thus much more open to the idea of a cultural incubator and Debora formed an agreement with him (July 2011). –*"This is what we all love doing. We feel extremely passionate about what we're doing. It is not really like a job. Because we are so keen on making this succeed."* (Debora, 2012 06 28) When I ask Rickard to explain why, so quickly, TCP was established and became a brand, he says *"it is because Debora, Katarina, and Lasse [Lars] that are the core team in this act with such incredible passion."* (Rickard, 2012 06 28). Katarina says: *"It is so damn fun to see others succeed...it is damn fun to see those moments of release/delivery...you sleep so good at night."* (2013 03 05). She also says that *"everyone [in the management team] is turned on by ideas; everyone wants to help."* (2013 03 05).

The Swedish agency for economic and regional growth (Tillväxtverket) had published a call for applications for pilot projects that fitted the ambition to establish a cultural incubator. To be able to apply for this money, they also had to do it together with an existing incubator, and this is where the pieces in the jigsaw puzzle started to fit: Torsten and his collaboration with Per, Rickard, Katarina, Debora and the possibility to find financing from the Swedish Agency for Economic and Regional Growth. Part-financing was also secured from applying to the agency's fund through a competitive process.

Lars Mattiasson joined in February 2012 as the in-house business coach specifically focusing on the TCP incubator. The TCP management team is then Debora (70%), Lars (60%), Katarina (20%). Katarina (2013 03 05) describes the 'chemistry' in the team as immensely important for its way of working (organic, flexible).

Katarina describes TCP as working in the in-between of culture and business (2012 06 28) with the purpose to support cultural projects to become businesses (or better at generating income). The feedback yearly on from TCP's milieu (the regular Incubator, the cultural and business sector people) is: '"Its so fun here since you [TCP] started. You seem to have great fun, and come up with crazy and fun stuff. " –"Everyone wants to be part of it. Everyone wants to join." (Lars, 2012 06 28). –"The innovation system has become precisely that...too much system, with boxes to fill in.[...] We are not part of that...we are not governed by Almi or Innovationsbron...We use exactly as many boxes we think we need and we rename them..." (Katarina, 2012 06 28). –"When we got the 'Fokus Affärsutveckling' (Almi's/ Innovationsbron's tool/approach for managing the incubation process start-ups) from Innovationsbron we said 'sorry this does not fully apply to the creative industries..." (Debora, 2012 06 28). –"But we're a pilot, so we are allowed to do things differently. I would like to stay as a pilot for ten years." (laughing, Debora, 2012 06 28). They all agree the in-between status or the 'outside the system' status is a key to them being able to do things – incubation - differently. When I ask Rickard whether he believes something different is required for incubating the creative industries start-ups, he says: "No, I don't think that. What is needed is to establish credibility. [...] Take an accountant. They can assess any company, principally, and no one questions that. [...] You don't need to know the specific product or industry to be able to ask important questions. And it will be no difference in this case just because it is a cultural-creative company." (Rickard, 2012 06 28). At the same time, Debora answers the Rambøll consultants, assessing on behalf of the Swedish Agency for Economic and Regional Development, wondering what the needs or challenges the creative/cultural industries start-ups have, that: "Many do not necessarily think that an incubator is a place for them. Many people don't even know what an incubator is...this is a very jargonish world and it brings the wrong associations, I think, an incubator...amm...so that's the first challenge when you say 'come, we have an incubator' to people in the creative sector, and they say 'I don't want to be incubated.' So people do not necessarily come to Ideon from the creative sector." (2012 10 18).

In the fall of 2012, a number of articles are published about TCP and their incubatees, creating media attention that partly adds credibility and legitimacy to the pilot, but also stirs up some political tensions: everyone wants to be part of or take credit for what now seems to become a success (meeting, 2012 10 02).

In terms of important stakeholders, Debora (2013 03 05) identifies Lund's municipality, Ideon Innovation, Region Skåne, and The Swedish Agency for Economic and Regional Growth. In their conversation with Innovationsbron (now in Almi), talking about registering as an incubator, the reply was that they could not register due to the fact that they do not meet the relevant criteria. This outside position,

however, is described as favourable so far. Lars and Debora also mention other culture and creative sector incubators, like CRED (Varberg, www.cred.nu), Uminova (Umeå, www.uminova.se), and the Fashion Incubator (Bårås, www.modeink.se). Financers are Lund's Municipality, the Swedish Agency for Economic and Regional Growth, EU-funding via the local representation of the Swedish Agency for Economic and Regional Growth, and temporarily also from Region Skåne. The management team at TCP have all part time salaries (70%, 60% and 20% of full time salaries). Lund's municipality – according to a general sense during late spring 2013 – is committed to support TCP financially beyond the present financing (which is partly from the municipality and partly from other sources as mentioned above).

Background and general description of TCP incubator/incubatees

Identifying and recruiting incubatees

Quickly there are quite a few candidates interested in entering the TCP incubator. There is room for only 5, but there is interest from some 20 candidates in early spring 2012 (meeting, 2012 03 05). This was the reaction to the first call, which was circulated with the word-of-mouth method. A second call, this time more official and published, goes out in March and a new round of auditions is held in April. Interestingly enough, hesitations in the discussion of which applicants to invite to Stage 2 (see below), i.e., to come and present their cases to TCP, quite accurately predicted problems with these applicant's cases. There are also, however, applicants that look strong on paper but perform badly at Stage 2 and are rejected at that stage. In conclusion, what seems most problematic are those that perform well, have good social skills, but not really a strong business case,

and/or no mature business idea. There is an obvious risk that such cases are granted access to the incubator without ever building a business with growth potential.

Identifying the candidates to TCP's incubator was also a question of thinking differently about criteria and method. TCP's core team decided to think more in terms of the performative and social dimensions of what it means to assess potential candidates. The screening process therefore included an *'audition'* element and a test-coaching element. The purpose with the former was to see whether the applicants could *'perform'* when asked to, i.e., could they present their idea and potential business in a convincing and clear way. The purpose with the latter was to see whether the applicants were coachable. They met with a business advisor for 30 minutes (too short one advisor thought) to see whether they could be dialogical about their proposal (Video, 2012 03 22). Potential incubatees had to pitch their ideas to a panel, do a mock-up coaching session (to see how coachable they were), and participate in a collective debate session. The social or human side of the incubatees were thus more in focus. *"It was the pressure, putting them on the spot, and having to perform within half an hour that brought up issues, internal issues that they had and that really meant that they were not going to make it... it was a way to push them to the limit where they had to perform."* (Debora, 2012 10 18, describing how the audition was helpful in identifying who was ready or not to enter the incubator.) What makes the incubator work well, she adds, is the human factor.

In the preparatory discussion (meeting in the TCP management team, Rickard and some business coaches, January 2012) there is an intense debate around how to think about profitability as an ambition in these cultural/creative industries applicants. The purpose is to figure out how to assess their presentation of motivation (do they want to make profit) and the weight to be placed on their

capacity to present the business side of their projects. Do cultural industries people do what they do to impress peers and critics, or is there a concern for securing revenue streams? A publicly funded incubator can perhaps not finance individual art projects. There are other sources of money for that (under the ministry of culture and numerous funds, including private ones). Incubators are put into the world to make more businesses see the light of day and be more fit to survive and grow. Again – why grow? Because society wants more new jobs. This perspective is not totally clear, however, at the early stage of the TCP discussions on selection criteria. One business advisor suggests that TCP should look for culturally/creatively talented people that also have an interest in making money, and this emerges as the particular selection criteria of the creative industries incubator. There is also a conclusion saying that there is a self-selection element in this, meaning people who only want to develop artistic projects for themselves, with no ambition to build a sustainable/profitable company with growth capacity, those will probably seek other funds rather than apply to an incubator.

In the meeting (January, 2012) there is a discussion about the importance of the incubatees (as persons) to be socially capable (including being coachable and being able to perform on call). Rickard (Ideon Innovation) interprets this a need for auditions as a format for screening candidates. This concept is applied and the format for the screening sessions is very much designed along those lines: have them perform and see to what extent they are coachable.

The screening criteria, subsequently developed (Appendix E, March 8th 2012) were sent to the invited candidates beforehand and specified the following:

Screening criteria

"The criteria, both when it comes to selection- and success criteria are very, very focused on certain type of enterprise...and in many cases there are companies that might not have that huge growth potential but what they would generate is a chain reaction around them because of their innovation factor...or simply because they are needed for other things to happen. And we need to find a way to quantify that and make the support infrastructure understand the value that brings to both the economy and society..."

(Debora, 2012 10 18).

During *Stage 1* (shortlisting) of the process your application was assessed according to the following criteria:

- *willingness to turn your idea into a business:* we are looking for business potential
- *maturity of your idea:* is your idea ready to come into an incubator environment or does it need more time to be developed?
- *fit with the cultural and creative sector:* we will be looking at whether your business idea falls within the cultural and creative sector
- *the added value that The Creative Plot at Ideon Innovation can provide to your start-up:* is the incubator the best support structure to develop your idea? Are we the best equipped to help you?

In addition to the above criteria, during *Stage 2* (selection) you will be assessed according to the following criteria:

- *uniqueness/originality of the business idea:* we will look at how carefully you have explored your market opportunity/ the issue in the market that you are addressing and how well your proposed business, fits this market opportunity/addresses this issue? Has anybody else tried to explore that opportunity? If so, have you come up with a new/better solution?
- *scalability of the business:* does your business have growth potential?
- *profitability:* we are flexible here, and we understand that in some exceptional cases within the cultural and creative sector the chosen business model will not aim to make profit but to break even. We will take this into account as and when relevant.

In terms of the team:

- personal motivation and determination, experience and knowledge: we want to make sure you have what is needed to turn your idea into a business
- *"coachability"*: are you able to listen, be challenged? Are you open to new ideas and suggestions?
- *commitment to engage with The Creative Plot at Ideon Innovation:* in order to make the most out of this opportunity we want you to actively take part in the activities and social network of The Creative Plot at Ideon Innovation. We believe each startup has lots to contribute to the environment, but in order to do this, you need to be physically present at our offices and have the willingness to engage with The Creative Plot at Ideon Innovation." (March, 2012)

The feedback from the candidates participating at this *'audition'* was *'super positive'* (meeting 2012 03 22, Debora). At this meeting – generally discussing the group's view on the experience of having screened candidates at the auditions – the TCP team (together with Rickard from Ideon Innovation and a business advisor from Ideon Innovation that had been involved in the audition) tried to distinguish what made these candidates different, i.e., why would they perhaps not have qualified into a regular incubator but fit well with TCP's? It proves to be rather difficult to specify what is different with these start-ups in terms of incubation. This discussion is complicated by the fact that assessment of the three first candidates takes place at the same time (on the basis of their auditions). However, one circles in on the cultural aspect of their business, which might be about audiences, aesthetic concerns, or an art-aspect being dominant, and say this is probably what would have excluded them from a regular incubator. So, the regular incubator has screening procedures that lack the capacity to appreciate and evaluate those aspects. TCP wants to offer a different framing and thus room for candidates that would otherwise not match the regular incubator's screening procedure.

The corridor talk about the experience from the auditions circled in on the difference too. Business-idea wise applicants were both not that different and still very different (feedback from Ideon Innovation, meeting 2012 03 22). Idea-wise most would qualify into the regular incubator, but the way they framed their idea and the language they used to present it would often generate the reaction that they could not qualify for a regular incubator. Typically, scalability and profitability are framed differently in many creative industries start-ups (meeting, 2012 03 22) and this obviously becomes problematic for a publicly funded initiative like an incubator that is there to support the creation of new companies with growth capacity (i.e., the generation of new jobs). In another decision meeting (2012
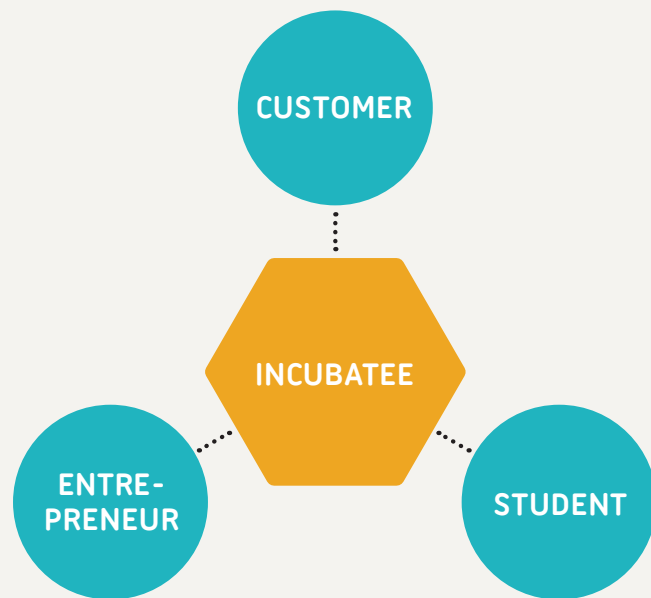
Figure 4: Multiple roles of incubatees

04 17), selecting a new set of candidates to invite to stage 2, i.e., to the audition (2012 04 27), the question comes up: *"but is it not really difficult to measure creativity?"* The question reflects the frustration with both the applicants' applications (e.g. lack of understanding of what a business plan is) and with the forms used to assess the applicant's. Again, this goes back to the question of difference, because even though the forms have been adjusted to fit creative industries applicants, there are difficulties selecting the right ones on the basis of written applications. This strengthened the point with including an *'audition'* at stage 2. At such an occasion, the creative, aesthetic, artistic had to work with the business aspect in order to be convincing.

Media attention
Appendix F lists the media coverage of TCP or its incubatees. There have been stories both about TCP as such and about the incubator. There have also been stories about some of the incubatees. All in all, this has been very important, Debora says (meeting, 2012 10 02) for establishing credibility and legitimacy. More fundamentally, however, it has provided *'proof'* that this idea, the pilot project, could achieve being. That it actually was established and that it is viable. *"I think the key thing for us has been the first 3, 4 months; whether we were going to get incubatees or not, what quality [of incubatees], what types of incubatees, whether we would get publicity, and so on."* (2012 10 02).

On the question whether media attention has meant anything for the incubatees, Katarina says (2013 03 05) that it has perhaps meant they get access quicker to various places/contacts. And she emphasises: *"It mainly has an effect on us and our possibility to keep doing what we do."* (2013 03 05).

Media attention is particularly important as there is a gap between the existing supportive infrastructure (for innovation) and the creative/cultural start-ups: *"There isn't*

a culture, at least in Sweden, of investors thinking of culture- and creative sector as a potentially profitable business sector. So, there is an educational process that we need to go through for investors to fully understand that...it is as risky as any other business...There is a lack of trust." (Debora, 2012 10 18)

Incubating the incubatees
Ideon Innovation as context
As part of Ideon Innovation's self-assessment day (2012 11 19), a day that includes the TCP team too, the question of the dynamic process of incubation is discussed. This dynamics is exemplified by the incubatees' roles – customers, students and entrepreneurs – that they can move between during the incubation. This depends on when they enter the incubator; as freshly started or as on their way of building their company. If more fresh, the role of student – where the business advisor is the main corresponding role from the incubator's side – will dominate. In this role they need to learn what to demand. The business coach needs to advice them so that they can make the right analysis of their needs at a particular stage. As they build a stronger business case, their role as entrepreneurs become more dominant, which means they seek access to customers and financers via the incubator's network, using the incubator's brand as legitimizing asset. The customer role is more general, but will be explicit in relationship to the offers that the incubator provides: educational components, events, and services. *Figure 4: Multiple roles of incubatees*

This would mean that the incubator needs to *'complexify'* themselves accordingly (Weick, 1979) and provide a capacity for understanding this dynamics so as to match it with the right supply at the right time: precision in the relationship with the incubatee.

In October 2012, Rambøll performs an assessment for the Swedish Agency for Economic and Regional Growth as part of the agency's need to see to that the funds they

have provided to the pilot have been well used. Rickard is interviewed (as Ideon Innovation is the host for the TCP incubator) and asked to describe Ideon Innovation. He says that Ideon Innovation wants knowledge intensive companies that need to understand that a heterogeneous composition of knowledge is required for the emerging businesses to become sustainable and gain growth capacity. Emphasis, Rickard adds, is also placed on internationalisation and therefore scalability is important so that growth can happen. 30% of the inflow to Ideon Innovation is represented by researchers and students from Lund University, but the rest is often from local business life, which in turn has strong connections to Lund University (due to the start-ups being knowledge-intensive). Rickard is also specific about his role when he talks about Ideon Innovation's understanding of innovation: *"I have been CEO here for one and a half year and what I have contributed with is to broaden the concept of innovation. To shift focus from product and patents to the business window [opportunity] and the people...that there is a drive and one wants to develop the business and find deals."* (2012 10 18).

Rambøll also asks about his view on a culture and creative sector business [Culture- and creative industries business], and he says that *"they often live more in the present and do not package things for the future, do not attend to sales nor focus on volume. They create resources in order to make one event happen and then it is taken down...this is a bit my prejudiced view. But I have always had a broad understanding of innovation and therefore seen cultural and creative sector businesses as innovative and as a natural part of an environment like this one. [...] Historically one has perhaps seen cultural and creative sector businesses as all voluntary/non-profit."* Rickard also says, on Rambøll's question of what kind of need these businesses have, that *"they need to dare to take on board a business perspective. [...] One cannot govern them too much and press management*

upon them, but to make the lift their heads and ask what kind of business potential there is in what you've just been running. [...] Incubators can help these culture and creative sector businesses by relating them to people that know how a business works and can get the sales process going...and culture and creative sector companies are often catalysts for other companies in the incubator as the former are often good at communication." (2012 1 0 18)

He also stresses that business advisors dealing with culture and creative sector start-ups need to know this kind of companies as well as other industries. That way the input provides a good mix of knowledges, helping the culture and creative sector-start-ups to make better decisions. He also stresses that TCP incubatees have been mixed into the regular incubator; that they haven't been allowed to cluster to themselves in a corner. They are then offered support from a *"smorgasbord"* of resources, based on the fact that Ideon Innovation has an overview of the innovation-support-system in the region. This means that the incubator can pitch for the incubatees and provide access to resources. Special emphasis is placed on sales-coaching where they are offered individual coaching in groups. The group is a mix of incubatees from the life-science incubator, the regular (Ideon Innovation) incubator and the TCP incubator, and incubatees commit to individual goals that are expressed to all in the group and followed up each week. Rickard also stresses that there is usually a communication gap between culture and creative sector start-ups and the business angels network. The latter are not used to invest in culture and creative sector-start-ups. There is a lack of understanding and thus trust. Physical meetings is one way to build trust and thus make cultural and creative sector start-ups into potential investments. Debora adds: *"The rationale [for how we work in the incubator] is work as much as possible in partnership, so if somebody is doing something, do it with them, and if a topic is interesting to a wider group of people*

open it up to them, make it available to as many people as possible, spread the word as widely as possible, and do it at minimal cost." (2012 10 18).

In addition, Rickard says that due to the fact that he came from MINC (Malmö city's incubator), that had a *'design hub'* as part of it, the TCP pilot was not such a big deal, it was rather normal to him. But he has understood that it was more foreign to Ideon Innovation historically. The impact that the TCP incubator has meant, Rickard says, is that they now have a more open approach to what could become a growth-company; that the concept of innovation has broadened; and that the business model is more in focus. The latter means that the product or service does not need to be unique as uniqueness can be found in the business model as such. Not so much a difference for him (given his background) but for investors and stakeholders around the *'regular'* incubator. He also explains why TCP was named separately and with its own web page: given the traditional engineering focused history of Ideon Innovation, there had to be a separate brand for the creative/cultural industries incubator, and there had to be another way of communicating. Thus, TCP was named and their own web page was launched. This also meant that TCP used *'its own language for communicating and recruiting start-ups for the incubator.'* (Rickard, 2012 10 18). *"Debora, Lasse and Katarina looked at our material and re-wrote it using a language that they thought would attract the kind of start-ups they wanted to see in the incubator."* (Rickard, 2012 10 18).

Debora says that they [TCP] wanted to establish the TCP incubator together with an existing incubator. Because they don't believe that the two *'worlds'* are that different. By doing it together with an existing incubator, they could explore the synergies between these two worlds. *"They do speak different languages, and they do talk about things in different ways, but we believe that they have much to gain from working together. [...] It is not that we believe that*

people from the cultural- and creative sector are necessarily more creative, it's just that they work in a slightly different way." (2012 10 18).

Lund's municipality as context

Rickard specifies what he finds is different about the creative/cultural industries incubator in Lund: Lund's municipality has backed it up via both the head of culture and the head of business. This is a significant signal, Rickard says, and further legitimizes the creative- and cultural sector as a business to pay serious attention to.

Another important element of the TCP incubator context is Lund's municipality. TCP is more than the incubator, although the latter is the flagship (Debora, 2012 10 18). Importantly, the TCP management team is partly financed by Lund's municipality and this means that they have one leg in the cultural world and one leg in the business world; that they can talk both languages; and that they can *"occupy the space in-between."* (Debora, 2012 10 18). Debora emphasises that this connection, this support from Lund's municipality, means that many activities are open also to the general public. Not only to TCP incubatees.

The history of Ideon, and how it relates to Lund as a city and Lund's University, can be studied via several sources, e.g. *Idén om Ideon* (Westling, 2001).

TCP's incubator

"We feel we have to help them, to go that extra mile, so for us it is important that in some shape or form they advance, they grow into a self-sustainable business. To what extent they will be able to do that within twelve months...we will see."

(Debora, 2012 10 02).

"If you think about the whole support structure...there are lots of doors to knock at, but you don't think those are for you if you're an artist or if you work in the creative industries. So, some people might give up even before they start because they don't know where to go. [...] You need to do a little bit more of support because it doesn't exist that support structure outside...so that's something that we discovered...I think we've spoken to fifty people about them coming to the incubator."

(Debora, 2012 10 18).

The *'moving in'* is a bit slow, but the first ones are in place before summer 2012 and in the fall the *'house is full'*, meaning there are five incubated companies. Their environment at Ideon is characterised by a rather stiff corridor with offices, a joint semi-open space where the business advisors are located, and in the immediate surroundings, café and restaurant and several meeting rooms of various sizes. Debora describes that they have taken risks inviting early stage projects into the incubator, and says that next time *"...we would place them in the pre-incubator. But that's the thing, we didn't have a pre-incubator. And now we have secured a pot of money to help companies that could potentially come into the incubator at a later stage, so we call it the 'backstage'...where people will prepare to go on stage. So instead of pre-incubator, we call it the backstage. So, we have about...probably ten companies, at completely different stages*

of the process...but they call us up and we meet." (Debora, 2012 10 02). There is a challenge of getting the incubatees to actually come and establish a presence. The idea with some cross-fertilization is central on the agenda of the incubator management team. Both within the TCP incubator, but also in-between this and the *'regular'* Ideon Innovation incubator. Various ways to facilitate this are used: joint events; incubator management walking around and being cross-fertilizing bumble bees; the establishment of a *'backstage'* room where one can hang out, exhibit one's business and arrange meetings. *"One of the key findings is that due to the logistics of the space, we have to broker the relationships... we talk to all of them, and we know; 'you should talk to so and so...', but we want that to be more spontaneous."* (Debora, 2012 10 02). She continues to describe the idea for this place (the *'backstage room'*): *"I could give you the brief so that you see how we have thought about it...playfulness and fun, fun, fun...it needs to be completely flexible...everything should be able to change places and be moved around, and...people need to own the space...be useful for whatever people think... it needs to be useful."* (Debora, 2012 10 02). *"I hope that in twelve months we will not be brokering relationships; people will feel they know other people well enough to open the door... but it doesn't happen yet, it is very formal."* (2012 10 02). She expresses a strong concern for bringing some *'life into the building'* and organise social events that make people meet.

The importance of collaborations between incubatees is further stressed by Debora and she provides a number of examples of this happening with very positive results. This, however, needs to be pushed as an important element of the incubation. At some point, when Ideon Innovation launched its new web page, there was a celebration and TCP brought some jokes, including the proposal to build a smart phone app that translated between business jargon into culture jargon: *"For example; 'business to business' = partnership."* (Debora, 2012 10 02). Collaborations across

the incubators – TCP's and Ideon Innovation – has this effect of cross-fertilizing: business language and cultural language are mingled.

Lars provides a perspective on the dynamic adjustment of the incubation model as he reflects, one year after the auditions, upon how it was then framed compared to how it is now. *"My conception of what was needed was perhaps more based on formal ideas and models and the need for those in order to develop businesses. [...] The models are needed, but they also need to be modified and adjusted in order to fit."* (Lars, 2013 03 10). He says that the reality of incubating has made it more evident that the team (the TCP management team) needs to be heterogeneous for it all to work. He says: *"This enables us to open more doors quicker than if we did not have a heterogeneous group. Because it is very much about opening doors."* (2013 03 10)As we talk about the *"smorgasbord"* that an incubator offers – coaching, networking, branding, financing, mental support, business plan and business plan building, sales knowledge, sales support, leadership – and Lars is asked to reflect on that *'offer.'* He says that in the start it is very much about personal time, with the incubatee, in order to create an understanding of this specific person's needs. *"And it is my task to find out how the gaps could be filled. Then you have to provide resources to make this happen."* (2013 03 10) He also stresses that sales coaching and sales support is very important as it is something that is often postponed, *"...although that is where the business deal is found."* (2013 03 10). Lars also stresses that the relationship to the regular incubator (at Ideon) is crucial, since this provides input that he translates in order to apply it to the TCP incubator. He points out that the interaction with the regular incubator (at the Thursday meetings) means learning in both directions, but also that he sees no need for a separate culture and creative sector incubator, but one that is related to a regular one.

Debora describes (2013 03 05) that they based their model on research on existing incubators, but put more time for coaching into the incubation process *"as we thought that we might need to help these companies a bit more. And one thing we were quite clear about was that we wanted to have money in the budget for joint activities and to also provide mentors or access to key peer advisors within the relevant areas."* She also describes that a key quality of the design of the incubator was that it needed to be *'extremely flexible.'* She reflects: *"We thought we were being flexible...we tried different things to see what was the best model, but actually, the model is flexibility itself. And what we are thinking now is that they [the incubatees] don't all need the same, and it is not because this is a pilot and we are learning with them, but what makes it different is that we are not imposing any model on them, but we are very receptive to what their needs are. And they are all getting slightly different things, based on what their needs are and what demands there are at the stage they are on and depending on which idea they are developing. The other thing is that we thought we were going to do lots more activities. We thought of it more like a school thing [laughing]...and actually there is no need to have that amount of 'extra curricular activities' because there is only a certain number of hours during the day and the key priority for them is to move the business forward. It is a mixture of proactive and reactive."* (Debora, 2013 03 05). She also raises worries about their capacity – as *'incubator'* managers – to keep this flexibility and their speed in responding to needs when new incubatees come in.

In terms of whether there is going to be success or not, Debora says it is always a combination of the maturity of the business idea, the maturity of the persons (which might be operating entrepreneurially or not) and the time they are able to devote to their start-up process. The estimation, by the TCP team, is that all incubatees have received about the same amount of time with advisors. But what they do with

that input is of course difficult to know (Debora, 2013 03 05). They also believe the incubatees have been receptive to their coaching. This was of course one important element of the audition, to be able to test for that. It remains a challenge, however, to make the incubatees use each other's experiences and skills. This never happened accidentally, or spontaneously, that they are all at the incubator at the same time without that being specifically organised.

"We are aware that what makes it [the incubator] work is personalities, people and engagement or what we call the human factor. The fact that we are so…flexible and we take everything personally, on individual basis and it is built on trust and the relationship that we have with them, and we are not sure how we can grow that, the way we are working. […] We are under the radar of the innovation system because we are a pilot, so we get away with not having to meet criteria that Ideon Innovation has to meet, and we don't have to report…" (Debora, 2013 03 05). There is *'space for play'* here, organisationally. This seems to be tied to at least two factors: that they are still a pilot, and can use the pilot label to justify a more experimental approach; and that they do not belong to one system in particular, but are financed by several sources, and thus don't need to comply with a particular reporting standard. An in-between status, an entre-space, or a splice (that Katarina uses to describe this, 2013 03 05) that is used. Debora describes a strategy that is *"there, always in the back of my mind"* but a structure for how to do things that is really flexible. *"There is a strategy, there is a very clear strategy, because nothing, nothing that we do is kind of…it all fits into the puzzle. It is more like…you have all the pieces of the puzzle…and you know what the puzzle should look like, but you don't know in which order you are going to put the pieces into the puzzle. And I thought we were going to have an order, and it hasn't been at all like that, and that is what I have learned…to let go. […] We have some implementation plan that we left behind months ago… Flexibility has become*

more than a key thing…" (2013 03 05). Everyone in the TCP management team also stresses the importance of the people involved. There is a link: Torsten Schenlaer (head of culture, Lund's municipality), Per Persson (head of business, Lund's municipality), Rickard (CEO, Ideon Innovation), Debora, Katarina, Lars (or Lasse as he is called)…are all the right persons in the right places for TCP to have happened and become what it is. *"I don't know if anyone wants to replicate this, if it is possible with different persons."* (Debora, 2013 03 05).

Katarina says that common to all incubatees in TCP is that they have a great drive; they want to push on with their projects. I wonder then what difference the incubator makes, and she points to two aspects: it goes faster, and they are not alone (2013 03 05). The former is partly contested by incubatees stressing that the learning makes them move more carefully forward, which is still understood as a positive outcome of being incubated.

The philosophy is well summarised in the reply to Rambøll's question about what Debora thinks the TCP incubator can offer the creative/cultural start-ups: *"We said, we're gonna see what they need […] We are trying to get them to work with us to identify their needs. Basically, we are trying to find out what is the best way to help them."* (2012 10 18) There is a dialogical approach here, trusting TCP's capacity to respond quickly to emerging needs. This is very different from applying pre-manufactured templates according to a general model. The TCP team try to encourage the incubatees to help each other and companies across the two incubators (Ideon Innovation and TCP) to help each other. *"We see ourselves as brokers in every possible way…we listen to them and we make suggestions, and we agree what it is that they want and we find it for them."* (Debora, 2012 10 18).

Incubatees' views

The incubatees are described as being 'at completely different stages both in terms of the maturity of the idea and in terms of the maturity of the entrepreneurs themselves...the speed at which they could learn and advance.'

(Debora, 2013 03 05).

Five incubatees are invited into the TCP incubator as a result of the auditions in April and May 2012. They are presented in the following way:

1. *DIIZ Access AB* – A design company that creates fashion accessories using graphic design. The products can be bought at shops in Sweden and Copenhagen under the trade mark DIIZ. Founder: Cecilia Björkland. The accessories are designed and manufactured in Sweden, but the inspiration for the design comes from big cities around the world and from the people that inhabit them. We who work with DIIZ are attracted by the urban landscape where there is place for everybody and where new influences grow. We call it Urban Dawn by DIIZ.

2. *Action Entertainment* – Inside The Box © – capturing the essence of creativity. Founder: Petter Gantelius. Inside The Box is a brand new service for companies who wish to make their creative processes more potent and efficient. The concept consists of three parts.

- *The Box* – Physical workplace for one or two employees enables full documentation

- *The Flow* – Software that quickly and easily captures the work flow

- *The Read* – Interprets the process from several innovative perspectives

Through the interpretation of an existing work flow the client is made aware of how resources should be allocated in many processes to come. That makes a strong leverage possible, giving benefits to the employees creative freedom as well as the profitability of the company.

3. *Marappo AB* – Is a unique Swedish jeans brand that is locally produced in Malmö. They value quality and want to give you a handmade feeling with their products. Later re-named into Nerdy by Nerds. Founder: Peter Arneryd, Adrian Roos and Oscar Andersson.

4. *Ioaku* – nominated Precious Talent 2012. In 2013 she won it! (www.ioaku.com/press) Creates jewelry that inspires and gives one self-esteem through unique, breathtaking and powerful design. Founder: Fanny Ek.

5. *PipeDream Production* – a little bit of Broadway. PipeDream Production delivers music theatre, shows, happenings and stage technology for local companies and individuals. Founders: Mathias Dümmatzen, Madeleine Andersson, and Markku Lorentz.

As of August 2013, DIIZ and Action Entertainment will leave the incubator, PipeDream Production will discontinue their start-up process, and Ioaku and Nerdy by Nerds will continue in the incubator.

Incubatees' reflections along the way

The incubatees are promised anonymity as voices in this material. They are of course public via TCP's web page and it is obviously no secret to anyone who they are, but the research project promised that they would not be directly identified.

On the question of what is special about creative/cultural industries start-ups, one incubate says: *"Often people who come from the artistic world do not burn for generating money, but want to show the world what they can do, what kind of personality they have and forget a bit that the reality is different, that you need money to survive...they are so focused on their thing."* (2012 06 19)

Summer/Fall 2012

Early experience from having entered the incubator:

"When we first heard about the possibility of getting into an incubator we though 'isn't that about technology, data and the like. When we then were informed about TCP we thought, that could well be something for us."

"I have learnt that nothing is predictable. That a business plan...a strategy needs to be flexible. And that it is OK to adjust along the way. [...] The incubator includes all the support you could need and this has helped me a lot."

"It was turbulent at start, but since I began with the coaching sessions I started to sort things out, take away things, and done things I was previously scared to do. This has made me move on, and from that I am further encouraged."

"Support for financing is unclear. I didn't know what to do when I had little or no financing, and there I think they didn't know how to work with us in TCP."

"It was very well timed. I don't know if I had made the move at that point without meeting [the business coach] and TCP. But when I came into the incubator, then it was like 'all in', let's do this. [...] Until I entered the incubator and took the decision...I had started like a year before...all moved in slow motion. I was in full employment and did some things here and some things there but not at all as focused."

"The added value is the knowledge and support, and the drive you get from being here. [...] You get a certain way of thinking and a drive just by coming here, and that adds joy to it."

"In here, people look at the potential for it to become something good. Outside, people mostly look at what is missing for it to become something good."

Why did you want to be incubated?

"As single entrepreneur I thought this looked exciting to come into an environment."

"I have the foundation, the core, but although I have knowledge of all the parts, and I know what is my specialty, what I know one hundred %...at the same time I am all alone, and then you need expertise for 'how to think this,' 'do this way instead,' get feedback and test ideas. What I find really interesting here is that there are so many people with different professional backgrounds and experiences, which means you can do something new, for example from the technical side, and mix that with my thing. And to be pushed and have good people around you that can support you."

What about your growth ambitions? Do you want to grow big? *"Yes, of course!"*

"This is where I saw the potential [with coming into the incubator], that I could find better ways of presenting and selling my ideas. Find a language that works better in relationship to my customers. Become better at selling. Now, however, as I am here, I have shifted focus on developing a new business concept, one that I could never have pulled off without being in an environment where there are people that can help me clean the idea and that can help me find partners and solutions. I will focus on both now."

"To me incubation is primarily coaching and networking. I am not too interested in working together with the other TCP people, I see no clear value in that, but more in the companies in the regular incubator."

"Artful entrepreneurship exists and if one can show that here, that there is something relevant."

Working with business plan:
"I had one when I entered, but then I have put it aside. We work with a mindmap to see how things move. My business plan is in the desk drawer and it can stay there for now." "If I needed to go to the bank, I would have to pull it out again."
"It was useful in the beginning to frame what I was doing."

"Myself, when I see a business plan I want to fall asleep after two pages. But I don't want others, reading my business plan, to do that, so I wanted to make it different."

"We had a business plan when we entered, and now when we [5 months later] met with investors we went through it, and it was surprising to us how much that had changed. [...] It is not really a plan. It changes constantly."

"There was a way to grow the business that we found out after entering the incubator. Scaling it up. That's the change of the business model that has happened. We did not have that before."

"Business coaching has been valuable. But more building business models rather than business plan. [...] And I think business coaching should be more of a must. On a regular basis. Homework. I believe they should have pushed harder, so the innovation process would have moved more quickly."

The incubator environment: What's its contribution?
"The people, the coaches, but also the other incubator businesses. We have started some collaborations..."

"I learnt from another of the start-ups yesterday that Almi had been interested in going in with some financing, and didn't know that Almi would be interested in such cases, when it is about design..."

"I have learnt a lot...about the fashion industry, about retail channels, but above all...how difficult it can be, and that you don't have control the way you think...prices are decided by the market, you have to accept that and then see how you can make it."

"Everything from the economy, all the budgets, to the right investors...and the network which is here, which is an incredible thing."

"Absolutely, being able to do something together with other companies is interesting. There is a point with being here together."

Business coaches: *"I want specialists."*

"It's good to be part of a business environment. Where people think like me even though they don't think the same."

"I go back and forth a lot, a round my decisions, and then it is good to have someone that can push you. [...] It is the road to the decision that takes too much time, and there you need someone that can push you."

"From being here you get to know that within other companies there are always things that you can learn from, that you can use in yours."

"The office space as such...I don't spend much time here because the place itself is dead boring. And that's important. I have alternative and I rather use that. Plus there is a bad mobile phone connection, so I have to walk out, and that is not good either, some calls are sensitive and I don't want to be in the open. So I have no place to be for that. If you want to create an innovative environment, you also have to have a place where you can be comfortable to work."

Spring 2013

Reflections on the first year:

"I was rather sceptical. I didn't know what an incubator was. I didn't know what incubation was. I talked about an art project and the development of that. I was sceptical. I thought it would be another thing that I would not quite find time for."

"It moves very quickly. I am surprised by this. Although I thought it would go quick, but still..."

Stil a point with being incubated? "It gets better and better for each day, as far as I'm concerned. [...] Great to have the [business coach] and be able to phone anytime to discuss things. People phone everyday, and you need someone that can think from the outside too."

"Business coaches, yes, but also IP, PR and personal coaching...has also been good."

"I haven't met the other [incubatees] that much. When I'm here, others are not here and vice versa. But we are different [in TCP] and the longer the process moves, the more we will be here, the more help we need."

"I believe it has moved forward as it has [with success] because I entered. It's not that X or Y says 'don't do this', 'do that,' it is more that I can think and exchange thoughts with them."

"Network...I have met many people that I would never have met otherwise [if not in the incubator]."

"It is primarily the network contacts that is extremely useful. You get a lot out of that. There are several players that we have got access to via networks that people in this environment have."

"Before we didn't talk that much to other people about what we did. We had our own, rather closed world. Now, entering into all these networks and contacts is very different and a great thing. In the beginning it was like...ok...talk with others about our project, but now it is all the time talking to everyone and check out what can work."

"I need to learn more about building a company. If you want to build a big company I believe it is important to know every part of it.[...] I believe it is important to understand it, because I want to be in control."

You have made the first step and established the business, and so is the incubator important also for the next step? "Yes, I believe so. The incubator is important for every step. The bigger business, the more challenges. [...] I don't feel I am finished here, things have moved all too quickly.[...] Absolutely one more year."

"The challenge is to get the right investor in. It needs to be someone that shares our values."

"Looking back it is probably good that we didn't get external money in earlier, for we have kept the concept intact and been able to refine it instead."

"I actually believe things would have moved on faster if we would have remained outside the incubator.[...] We would have built a less mighty business, but quicker. We would have had a small business by now, but not such a cool concept that we have today."

"In here there is a desire for innovation that I think is difficult to find in the world of culture [where I am usually circulating.] Most people that I work with [from the cultural world] is rather conservative and elitist, and so it was quite liberating to come here and discover there is another perspective."

Media attention: "Yes, that has been important. As a confirmation that you do the right thing. But also morally, that people appreciate this. But also the confirmation on the idea on the project. You never get that running a basement company."

"There are so many offers all the time, and it is difficult to know what's real and what's not. You can get money from here and there, and selecting, filtering is an increasingly important help, if you can get it here."
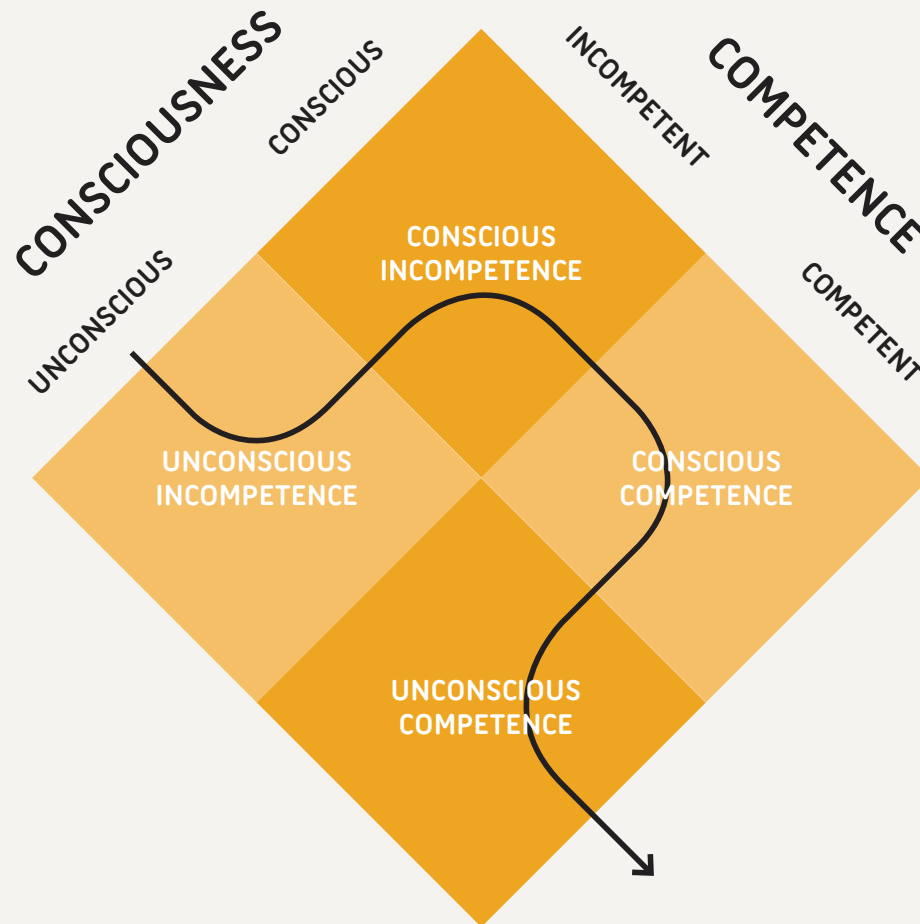
Figure 5: Principles for learning (origin of model is unclear).

"My idea became a more commercial one as I sat down and sketched how it could meet the criteria that I met here – that it should be scalable, be able to grow and make profit."

"The language barrier is huge. In the beginning there were many questions I simply couldn't answer, as I didn't have the language. Now I have, and maybe I am one that also speaks in jargon.[...] Maybe there should have been a manual, including the terms used and the reasons why they are used. Some kind of introduction letter to the terminology, that would be worth a lot.[...] There is a big gap between the world of culture and the world of business."

"Yes I believe it would have been possible [without being incubated], but I'm not sure I would have done it. It would have been difficult for me to filter out this idea without so many eyes on it. Partly though my business coach, but also via the business coach I have met people that have provided feedback on my project. People I don't know and therefore give me more straight feedback. My own network is always too positive about my ideas."

Sales coaching:
Sales coaching is given specific attention in this study. The principles at play in the individual coaching in group (which is the pedagogical model used) are several, a mix of various theories on learning. Amongst the more clearly present we may note the following:

1. A model of tactic and explicit knowledge, focused on the idea of conscious and unconscious competence.

Figure 5: Principles for learning (origin of model is unclear). This reflects a somewhat dated model of learning, where we today would stress the relational (rather than conscious) and the roles of language (what has entered our language or not; cf. e.g. Harland (2003).

The model is based on Polanyi's (1958) pioneering work, later explored in Thomas Kuhn's work on paradigms (1962), and more familiar in a business administration context, in Nonaka and Takeuchi's work (1995) on the *'Knowledge-creating company.'* In the latter work, the authors discuss how tacit knowledge (implicit, held in cultures, bodies, habits), which is unarticulated (not necessarily unconscious) and therefore difficult to communicate and make social (i.e., available for others to learn) can be explicit and therefore get learning going on an organisational level. Nonaka and Takeuchi talk about technical implicit knowledge (know-how, e.g. to ride a bike) and cognitive implicit knowledge (e.g., know what values are cherished in a national culture) and explicit knowledge (printed in manuals and books). Knowledge, rather than being *'justified true belief'* (the common definition used in Western knowledge) is specified as *'meaningful, action-oriented commitment'* and acknowledges thus a more social dimension. Implicit (tacit) knowledge is made explicit via four processes: socialization (knowledge is shared via dialogue, observation, imitation), externalization (knowledge is articulated, printed, circulated), combination (knowledge is systematised, in relation to to other explicit knowledge systems), and internalization (knowledge is transferred from explicit sources and learned by the person).

The authors summarize this learning (knowledge creation) process in the following model:

Figure 6: Spiral of organizational knowledge creation, Nonaka and Takeuchi, 1995: 73 Epistemology: theory of how knowledge is created; Ontology: being or reality.

Apart from such an (implicit, mainly) model for learning, the sales-coaching also showed clear influences from a more action-oriented model of learning. We find such in the most commonly circulated model for learning in business school contexts – Kolb's model of experiential learning (1984) *Figure 7*:
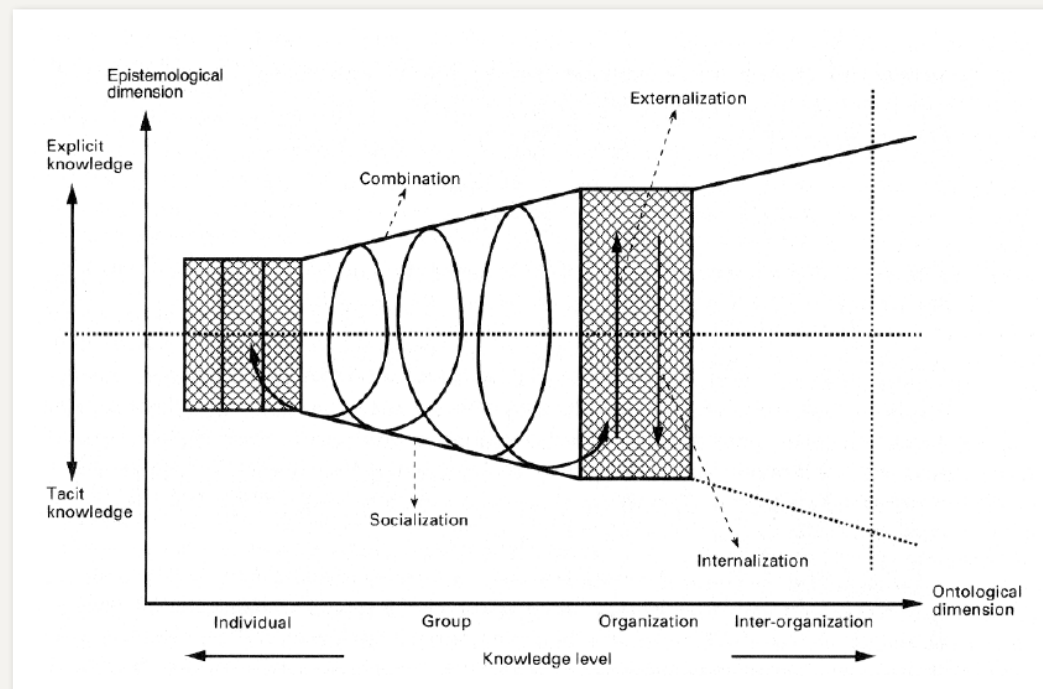
Figure 6: Spiral of organizational knowledge creation, Nonaka and Takeuchi, 1995: 73
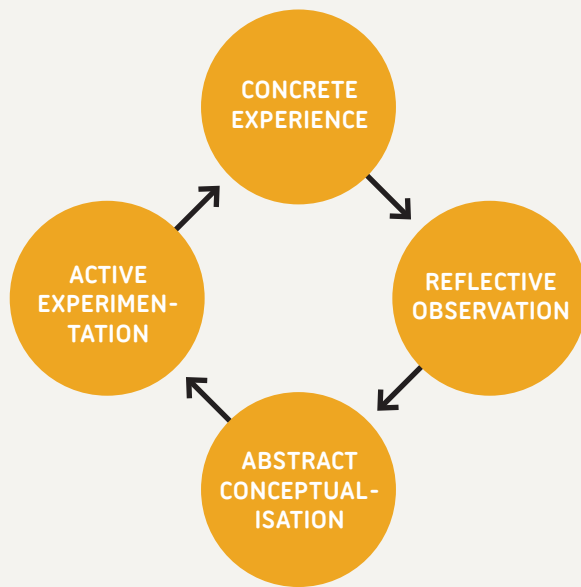
Figure 7: Learning from experience; based on Kolb (1984)

1. New or re-interpreted experience as the start (e.g. starting a business)
2. How is this to be understood (in relationship to previous knowledge)
3. New idea can be formed, a concept that can direct future action.
4. The new ide or concept is applied in new action (the theory is tested) and initiates a new loop in the model.

The 'sales coaching' sessions were much about getting individuals to challenge themselves, formulate their own goals, but in a social setting. They had to decide to act, take upon themselves homework, and report back to the coach how the 'active experimentation' worked. The talk in groups were about: what should I have done, what did I not do, what did I do, and what did I learn from it. One could thus see that reflection was supported by feedback from others, and that conceptualisation was also supported by dialogue in groups.

Quotes from incubatees:

"Sales, this is where I have learned the most. It has also brought confidence in me as a competent person rather than an arty one."

"What has been important to me is that we see each other on a regular basis, and that we get assignments that we have to do, and that you have some pressure. And best of all is that we put the goals ourselves. [...] It's not that someone else is directing this, at the same time there is follow-up."

"I make phone-calls now that I previously tended to postpone. [...] Often calls where I previously have promised to do things and get back, and then I haven't done this and then it has become embarrassing and so I have postponed it further...those calls I have now go to."

"I previously took part in the education – operative sales – but there I was totally free to draw on the sales coach and that didn't work for me. It was a lot about making cold calls and it was hard for me to get through that way."

"Understanding the sales process was a kick for me: contact, information, facts, generate interest, purchase-signals...when you're inexperienced you often get a bit scarred when you get the purchase signals...or you don't hear them. [...] Now I can hear the signals and this was a key for me."

"I still need the incubator as much as when I arrived. I am not 'there' yet. I have no clear picture of how my company will look and I need support. I believe it will take two years."

"The sales coaching was perfect for me. I know I can present my idea, but I'm not good at describing my products/ services via media. I have focused on that. But I learnt to focus on what I am good at instead. That was a comfort zone that cracked. I wanted to sit and make fine adjustments to marketing material. Instead I learnt to phone customers and schedule meetings."

Exit:

"At that time I think I feel Malmö and Skåne are oo small. 'Now I need to get away,' personally. And that I have come that far that I am present on several markets. And that I feel I have control, understanding, budgets in order, and I feel ready to go on my own."

Analysis

"Innovation = Invention x Entrepreneurship"

(Hjorth, 2012: 2)

Creativity as social, learning as dialogical

In the growing literature on post-industrial innovation it slowly becomes clear that collaboration is one of the best kept secrets of creativity (Austin and Devin, 2003; Hargadon and Bechky, 2006; Amabile et al, 1996). For this to happen, learning (as noted in the discussion of sales coaching above makes clear) is required. Knowledge needs to be generated in an experiential fashion (Kolb, 1984) and socialized and combined so that internalization can happen – knowledge becomes an integrated part of peoples' skills and competences.

Henriques is surprised she cannot find a language for learning in her study of a Copenhagen incubator – *'only deliverables.'* She also notes that the business advisors were not actively working with networking. Finally, she stresses there was little talk about creating the company. All of these components are clearly present in the TCP incubator. There is an active and even experimental learning culture; business advisors (specifically so in TCP, but also in the Ideon Innovation context) are actively networking for and with the incubatees; and most of the incubatees talk about creation and building their innovation process. Coachability was also an issue, both in Henriques' study and in Alexandersson's. There were problems with coaching and dialogue. TCP's way of stressing coachability and prioritizing it as part of the screening procedure – called audition – proved to be a key element of establishing a dialogic culture focused on learning.

As Looy et al (2003: 191) concludes from their study of high-tech entrepreneurship, *"[T]he process of knowledge-driven entrepreneurship...cannot be confined to individual entrepreneurial activity. Entrepreneurship finds its origins and growth in a multitude of interactions, which unfold among a variety of actors"* (Looy et al. 2003, 191).

From being to becoming: there IS nothing to incubate

Neither persons nor projects are stable enough to talk about incubation in the traditional sense (as present in the third generation of incubation models). The people/projects that are part of TCP's supportive environment for start-ups have businesses that continuously become something other than they were, and pull the people involved into an open future (Popp and Holt, 2013). Strictly speaking, there is nothing, but something becomes new. There is thus a danger that the system's interest in systematizing (under the banner of professionalizing) incubators, presses templates and report systems upon incubator management teams, which squeezes out the processual dynamic of start-ups so as to make them fit for reporting systems. The incubator's *'profit'* from this (and thus incubator management) as they fulfill the pre-established criteria and show up in the system as eminently controllable.

As Hackett and Dilts' (2004) literature review of business incubation (covering 1984 – 2000), which is a standard references (Bergek and Norrman 2008, Warren, Patton and Bream 2009, McAdam and Marlow 2011), has shown, it is difficult to describe *"what happens inside the business incubator"* (Hackett and Dilts 2004: 63). It seems more important to focus on *'how'* something becomes. The *'incubatees' views'*, presented via quotes above, is thus a somewhat unique contribution from this study. It is difficult to find a simple correlation between the level of

entrepreneurial activity and economic growth (Lundström and Stevenson 2005: 267). Nor has it been particularly clear how incubators are capable of compensating for market failures (Phan et al. 2005, 166). However, if we let go of the dream that makes us look for general models across national contexts, and instead seek the specific conditions for innovation and entrepreneurship that may emerge in a specific place and time – such as in the case of TCP – we are led to see that the specific can disrupt the continuity of what is hypothesised as general knowledge. Gartner (1993: 236) has put it more sharply in his conclusion: *"There is no average in entrepreneurship"* (Gartner 1993, 236).

Dialogic, flexible, open

Prodan provides a rather typical description of a third generation incubator: *"...it provides entrepreneurs with expertise, networks and tools they need to make their ventures successful. Incubation is defined as a business support process that accelerates the successful development of start-up and fledging companies by providing entrepreneurs with an array of target resources and services. These services are usually developed or orchestrated by incubation management and offered both in the incubator and through its networks of contacts. An incubator's main goal is to produce successful firms that will leave the programme financially viable and freestanding"* (Prodan 2007: 29). In contrast, TCP's implicit model is characterised by:

- incubating also processes and not only entrepreneurs,
- provides more than business support in terms of mental support and personal development (individual coaching);
- it does not so much provide resources and services, nor orchestrates for the incubatees as much as with them;
- gives not only access to networks, but stimulates networking as a central skill for incubates to learn.

The key is the dialogical relationship established with the incubatees. The continuous conversation about what is needed, the organisational openness and flexibility according to which *'everything'* should be possible to solve. *"We are designing it while we are doing it."* (Debora, 2012 10 18; describing how they run TCP's incubator to the Rambøll consultants.)

Several voices describe Innovationsbron (which was recently included in Almi) as more occupied with management (control systems, templates, assessment schemes, and the like). This is understood as a closed system, inflexible and monological. This is natural, we could think, when a national system seek to assess performance and control (to some extent) operations in the name of a professionalization. Without specifically targeting Almi, the TCP team emphasised the need to stress the pilot status of the project, which made it possible to selectively use *'the system'* so as to include greater freedom to manoeuvre. They knew that the central/national interests that naturally prioritise their own goals often at the expense of their customers (the incubators), would have a much harder time trying to stay sensitive to local needs and their incubatees' wishes. TCP shielded their local design by referring to the prefix - *'pilot.'* However, it is also part of Ideon Innovation. Also Rickard describes (2012 06 28), a tendency that the central system expects that *"...we should serve them rather than [them] working together with us to solve problems and achieve something."* Similar views regarding Almi (as a slow and difficult to collaborate with organisation) circulate in many peoples' views throughout the study.

Rickard is also a strong advocate for heterogeneity, or *'to establish not clean environments'* as he puts it. This is of course a generative condition for dialogue: if we develop homogenous groups/organisations there is little point in conversing. Notice that it is easy to forget the fact that TCP makes a difference as a creative/cultural industries

incubator precisely because it is not separate from the regular incubator. TCP's incubator is done together with Ideon Innovation (the regular incubator). They don't do things the same way. They do them differently, but they maintain a close relationship with Ideon Innovation.

See the business that is not presented in business language

That these TCP incubatees' ideas were qualifying for a regular incubator but that the way of presenting them would disqualify them should make us think about what the business viability is made of. There needs to be a value offer and a value capturing system (Chesbrough, 2007). Business models do two things: create value and capture value. If there were not net value created throughout the various activities that make up the business, others involved in the activities would not participate. If one cannot capture a portion of this value, the business is not sustainable over time. Chesbrough (2007: 13) describes a business model's functions accordingly: *Figure 8:* Functions of a business model, Chesbrough (2007: 13).

There needs to be a market and customers willing to pay for the value offer. It seems that the cultural/creative industries incubatees typically have a business idea where the novelty of the product/service is not the key, but where the business model is what is innovative. The innovative element comes precisely from a cultural/aesthetic/artistic aspect of the value offer. This requires business model innovation in order to get at a value capture capacity that can secure revenue streams, profits and growth. In addition, the value creation and capture is often articulated in a language that might make it difficult to detect the business model. If the screening panel, and the tools used for screening applicants to the incubator, cannot *'see'* though the *'cultural/ artistic/aesthetic'* to the viability of the business- (or value-)

The functions of a business model are:
1. Articulate the value proposition, that is, the value created for users by the offering
2. Identify a market segment, that is, the users to whom the offering is useful and for what purpose
3. Define the structure of the value chain required by the firm to create and distribute the offering, and determine the complementary assets needed to support the firm's position in this chain. This includes the firm's suppliers and customers, and should extend from raw materials to the final customer
4. Specify the revenue generation mechanism(s) for the firm, and estimate the cost structure and profit potential of producing the offering, given the value proposition and value chain structure chosen
5. Describe the position of the firm within the value network (also referred to as an ecosystem) linking suppliers and customers, including identification of potential complementors and competitors
6. Formulate the competitive strategy by which the innovating firm will gain and hold advantage over rivals

Figure 8: Functions of a business model, Chesbrough (2007: 13).

proposal, it seems reasonable to think that it is a question of knowledge on behalf of the screening panel, and the knowledge that is materialised in the institutionalized system of templates that support judgement in the screening process. For difference to be recognised as positive, it needs to be understood differently (Austin and Devin, 2003).

Today, probably the business school students and the engineering school students don't need a business plan, but the cultural sector people do, simply to understand how a realistic presentation of their project should look like.

In search of a new model of incubation

Lars (TCP business coach) makes a connection between the heterogeneous group and speed: that more options become available and can be explored quicker when the group is more heterogeneously composed. On the direct question as to whether a method has crystalized from the TCP management team for how to work with the incubatees, he replies that he doesn't think so. But he also says it is a question of intuition more because a conscious discussion of how to work hasn't yet taken place. He also places emphasis on the relationship to the regular incubator. This seems to mean that a separate incubator for creative industries is not meaningful to him. There needs to be a relationship. So, again, it does not mean that there should only be one *'regular'* incubator that all apply to. They should cluster together, and formalise relationships with knowledge sharing at the core, to increase heterogeneity and take advantage of differences. Lars stresses that the cross-learning potential would be lost if one built separate incubators for the cultural/creative industry. He also emphasises that the door-opening role that incubators have will be significantly reduced should one choose not to operate with established incubators with tighter and richer networks with businesses.

The major concern when talking about growth of the incubator is to what extent they can remain loyal to *'the human side'* of it (Debora, 2013 03 05). That TCP is more than the incubator seems important in this respect, as the activities that TCP organises apart from the incubator are directed more towards the cultural sector, providing various ways of supporting the emergence of new businesses from this sector: e.g. master classes in children's books illustration (http://www.sydsvenskan.se/kultur--nojen/bildskapande-pa-nya-satt/).

It is rather amazing to hear that when I ask directly about crucial learnings from the first year of running the incubator, Debora, who spent extensive time researching the questions involved and studying existing incubators and incubator models during the preparation time before starting TCP, already refers to *'gut feeling'* when she picks crucial learnings. With Nonaka and Takeuchi's language (1995) this means that the knowledge-creation process has gone a full loop and that this new way of doing it is already internalised. Alternatively, the new has not yet been socialised or combined enough for it to be possible to articulate in a new language. What she does say, however, is that there is a strategy without structure. This comes really close to processual thinking in strategy research. Chia and Holt (2009) articulate this as *'strategy without design'*. The purpose with such a strategy is precisely to allow for dynamic processual emergence to happen, which is typical of TCP: flexibility, openness, dialogue.

"We will not have a solution, but rather something like a better understanding, and may be some recommendations." (Debora, describing the outcome of the pilot to the Rambøll consultants, 2012 10 18).

If we try to crystalize what a new model, a forth generation, of incubation would build on, we would have to include the following components: A) entrée; B) the importance of creativity in organising; C) a new balance between an entrepreneurial and a managerial mode of organising.

A. Entrée
What characterises the incubate candidates upon entry:

- little business experience relative to typical business school and engineering school based start-ups

- aesthetic elements are central to the product/service, which needs to mingle productively with economic and technological elements, and this balance is more complicated than is often assumed

- for this reason, and perhaps somewhat counter-intuitive to how we usually legitimise incubators, the process is by some of the incubatees described as slowing the start-ups down as it includes lots of business knowledge relative to business school or engineering school start-ups

- relative to other start-ups, the creative industries start-ups are characterised by founders' networks being more oriented towards the cultural and artistic, why much effort and time needs to be devoted to building business-oriented networks, networking with and for the incubatees

- for this reason, the incubator personnel's competency profile becomes more crucial in steering these start-ups right in their journey into business networks and markets, and there is not so much support to be found in the templates available and prescribed in the innovation support system

- since cultural/creative industries start-ups emerge from the landscape of cultural-artistic support, this world needs to be represented in the creative industries incubator

Debora says that the maturity of the ideas as well as the maturity of the entrepreneurs did differ a lot, and that it is extremely difficult to assess the latter. In principle the candidates you meet at the audition – a screening form that allowed for a different framing of the projects – are aspiring entrepreneurs. Some of them perform entrepreneurially, while others are far from such a style of operating. This seems to suggest that most problems with incubatees in terms of having them learn and develop their business could come from them having a relatively mature business idea when screened, but themselves being rather immature as persons starting a business. There might be fewer tools for supporting this side in the *'regular'* incubator, but something that is compensated for in a more flexible model, responsive to individual needs rather than pushing a particular model, supported by the many templates and documents provided by Innovationsbron (Appendix D).

In sum, this suggests that: industry-focused expertise (e.g. fashion) is central to compensate for the lack of business-centred networks; cultural sector expertise is required for the handling of the public sector support and the heavy influence of politics that characterise this sector; a more general bridging expertise that can handle both the political system, the business networks, the incubation management system and the aesthetics side seems also central to the kind of general entrepreneurial leadership that can facilitate the successful organisation of the cultural/creative industries incubator.

In terms of the entrée to the incubator, a key element was finding coachable start-ups. The creative/cultural industries incubator attracts start-ups that often need to *'mingle'* aesthetic knowledge and perspectives apart from economic and technological. The latter two dominate start-ups and the support system is more apt to deal with this. The aesthetic component is new and the tendency is to shield it off and protect it from being contaminated by (primarily)
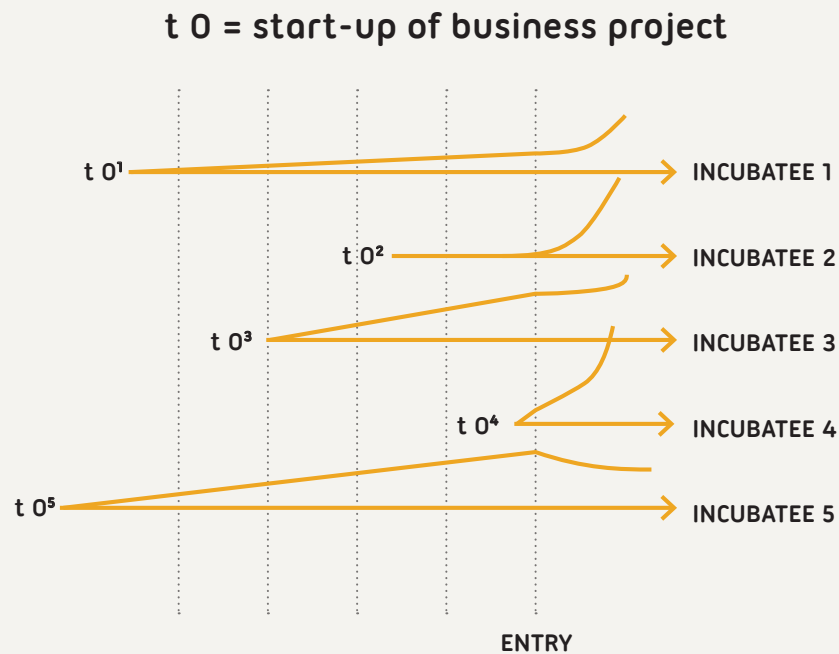
t 0 = start-up of business project

Figure 9: Development dependent upon entry relative to start-up age.

economic concerns. For this reason the people involved in the start-up need to be receptive to new knowledge and perspective in order for the build-up of a sustainable company to take place. This is a crucial condition for a dialogical culture to be established (strongly emphasised in Alexandersson's study).

We can imagine different development curves towards a sustainable business with growth capacity, depending on how the three variables – A: maturity of business idea; B: maturity of entrepreneurship; and C: time to devote to the start-up during the incubation process - work together. A and B are also affected by when they actually started their project, i.e., when the incubation entry comes in the more general timeline of the start-up. Incubation might have more or less effect depending on when the incubation time is located in the more general start-up timeline: *Figure 9:* Development dependent upon entry relative to start-up age.

The above seeks to show that depending on start-up history, and maturity of the entrepreneur(ial team; notoriously difficult to control for), the acceleration of the start-up, the building up of a strong business with growth potential, can be very different. It seems, however, that when entry into the incubator is relatively early, it takes longer time for the start-up to pick up speed and stabilise a business of growth capacity.

One of the incubatees said that the incubation probably had slowed them down, but that this was the good thing. They had started to build their business more carefully by being well advised in various ways. All new knowledge made them realise lots of things they would simply have sprung over otherwise. If you enter early, speed might not be top priority as you need to carefully invent a business model first (Chesbrough, 2007). Then grow.

B. The importance of creativity in organising: entrepreneurial organisation

A more flexible incubator-process has proven to be the key element in the TCP case. One way to describe this is to say that less incubator management and more incubator entrepreneurship (as organisation-creation; Vesper, 1980; Katz and Gartner, 1988; Hjorth, 2012) has been applied in the process. It has been less pre-fixed design (Chia and Holt, 2009) of the process and more listening for needs in a dialogic relationship with incubatees, and quickly respond to those needs when expressed. This has resulted in a mix of tailor-made solutions and activities and offers common to all.

The fact that the incubator, early on, took upon themselves the demand to be creative by naming themselves The Creative Plot (TCP) is important in itself. The signal value of this move cannot be underestimated. It said to the world that this incubator is in itself creative and wrote a social contract with the incubatees that they entered something creative. TCP was also more than its incubator, again an important way to contextualise the latter in a generative milieu. This signal also back-fires, and places demands on the incubator too. However, it also provides a pedagogical message to the incubatees that their start-ups need, in addition to a business plan, also a creative plot – a convincing story that can attract customers, financers, partners. Let us look closer into this entrepreneurial mode of organising.

The importance of openness

TCP, by naming itself *'the creative plot'* also signals openness. A plot is not a strategy, nor a plan, but a form for a narrative, open to changes in the conditions for its emergence. So, the importance of a more processual approach to strategy (Chia and Holt, 2009), a strategy without design or pre-fixed structure, could be said to characterise the early developments of this creative industry incubator.

The importance of flexibility

In incubator literature, there is a long-running discussion of how the system for managing the incubatees should be designed. In many ways this, on the basis of this study, seems to be the wrong question. Rather than looking for a proper design, attending to the adaptive capacity in the emergent process seems like a more fruitful tactic. The early days of a start-up (and it takes roughly 5 years for a start-up to reach a business platform-based stability, a time within which the greater part of them would have gone out of business) is characterised by multiple, shifting and competing needs. Different start-ups experience these needs at different points in their trajectory wherefore the primary skill required from incubator management seems to be flexibility and sensibility to emergent needs.

The importance of political sensitivity

Any incubator, and especially one that tries out a new concept – like TCP – is subject to the liabilities of newness and an indefinite (difficult to determine) status in the political system. At the start, being something new attracts interest. However, if results of the kind that the political system can use and benefit from do not appear, the political system quickly seeks ways to disassociate itself from the start-up of the new incubator. What is unique with TCP is that it is born with the joint blessing from the business- and cultural departments in Lund's municipality. This has established an axis of stability in the political back-up of the *'experiment'*. This seems rather unique and is most likely referable to individual approaches represented by the head of culture and the head of business in Lund's municipality. The fact that they can talk with each other, coordinate activities together and jointly support this incubator has had a tremendous impact on the stability of the context in which it has flourished.

The importance of a 'plot'

Management is an efficient use of existing resources. It attends to economic efficiency and control in order to secure a planned result. In the incubator system there has been lots of discussion about what is the proper way of managing the incubator (Alexandersson, 2013). Incubator management would play *one* role in incubation as the process whereby start-ups are provided a supportive context for their establishment and build-up of growth capacity. However, what we seek to strengthen in start-ups is often a *mix of their entrepreneurial and their managerial strengths*. The former is often assumed to be in place due to the fact that they have started a start-up. The latter is assumed to be the missing component and incubators are often designed accordingly, i.e., to inject managerial competency into the start-up. This risks resulting in a *'managerialisation'* of the start-up, which squeezes life out of it and makes it focused on controlling a business that has not yet been created.

The importance of an embedded design

Although a different entrée and a different organisation of the process is suggested as success criteria on the basis of the TCP study, it still makes sense to have creative/cultural industries incubators as part of or closely related to a *'regular'* incubator. This provides a healthy spill-over effect and increases the learning potential for the incubator as a whole (including its creative/cultural industries incubator). On a general plane, this resonates with creativity research suggesting that heterogeneity drives creativity. To separate out an organisation with only technological- or cultural-oriented start-ups would exclude too much creative potential. Better then to think more dynamically and flexibly about the organisation process for the incubatees: at certain stages in the process, the need to focus on particular challenges that characterises a certain kind of company, or start-ups at a certain stage, or start-ups on a specific market...will emerge, and a key for incubator leaders is to respond entrepreneurially to this, i.e., as opportunities to create value for the incubatees.

Discussion and elaboration on results

On the basis of the empirical evidence from the ethnographic study we may conclude that there is a need for a creative/cultural industry incubator. Not as a separate entity, but as characterised by a different mode of organising and stil related to the *'regular'* business incubator environment. This secures the necessary heterogeneity that provides better conditions for learning to happen.

Again: the need for a cultural industry incubator *does not* suggest a separate organisation for those incubatees, however, it *does* suggest that a different way of organising the incubator process might be applied.

Indeed, there might be good reasons to suggest that separating out this particular *'genre'* of start-ups would have a detrimental effect on their possibilities to build the kind of strength and growth-capacity that we aspire for as output of incubators more generally. Rather the contrary, being in the midst of the *'usual'* start-ups provides the kind of healthy competitive and inspiring environment that helps push the creative industries start-ups ahead and place sufficient attention on business model innovation. It also makes the networking environment properly dense with multiple spill-over potentials in terms of learning and benchmarking. It makes networking with and for the incubatees into a natural priority of *'incubator'* managers, which we now should re-name into institutional entrepreneurs.

There seems to be two important differences when it comes to the question of how the incubator process for the creative/cultural industries incubatees is organised: A) The entrance and the screening of candidates for entering into the incubator might benefit from a different organisation and a different set of assessment criteria; B) In addition, the incubation process might also require a different organisation, notably more flexible and adjustable to the needs of particular start-ups. *"We want to be as flexible and open minded as possible. If something doesn't work, just drop it."* (Debora, 2012 10 18).

This is perhaps an odd way to go about supporting start-ups in the incubator environment. There is often an invention, a new idea, the potential solution that has provided the spark for the start-up process to take off in the first place. However, the difference between an invention and an innovation is that the latter has a market that sustains the growth of a healthy business. An innovation is an invention that has been able to generate a value proposal that attracts customer wants, and a business model that secures a value capture through which sufficient revenue streams are secured and the sustainable profit- generating capacity of the business is reached. What is needed for the invention to become an innovation is what we here refer to as entrepreneurship – organisation creation on the basis of a business model innovation. Entrepreneurship is then the organisation-creation capacity in the start-up process. We have summarised this in the simple formula:

Innovation = invention x entrepreneurship

In accordance with our above discussion, management would play a role in this equation too. Entrepreneurship, as organisation creation, would have to be supplemented with management so as to secure the efficient use of resources created. However, one could say that the need for management is generated by entrepreneurial activity. It needs to start in the creative process, i.e., it is because there is
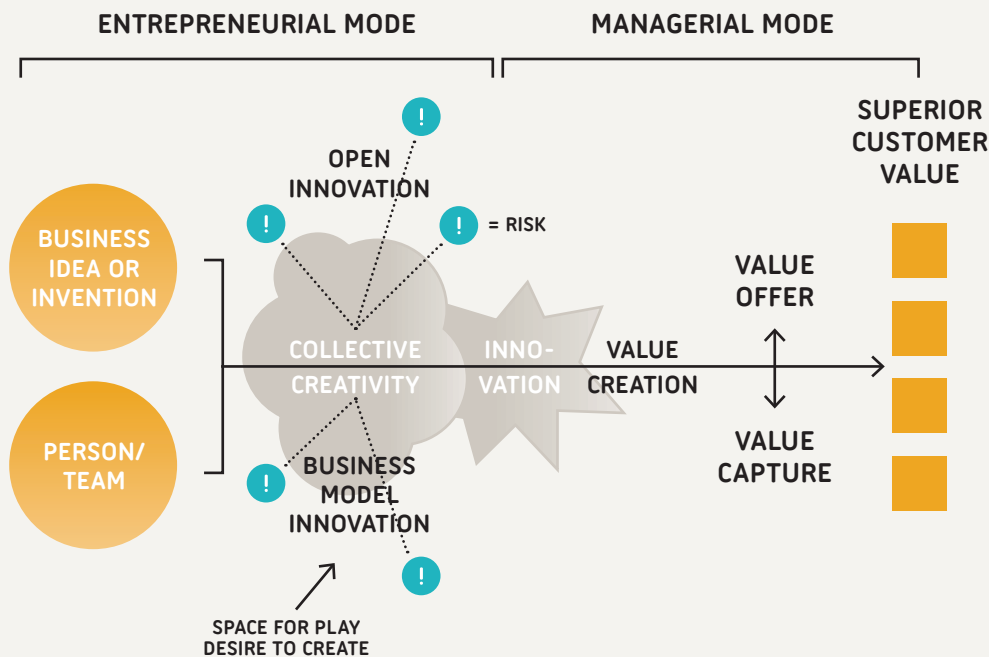
ENTREPRENEURIAL MODE   MANAGERIAL MODE

OPEN INNOVATION

! = RISK

SUPERIOR CUSTOMER VALUE

BUSINESS IDEA OR INVENTION

PERSON/ TEAM

COLLECTIVE CREATIVITY

INNO-VATION

VALUE CREATION

VALUE OFFER

VALUE CAPTURE

BUSINESS MODEL INNOVATION

SPACE FOR PLAY DESIRE TO CREATE

Figure 10: Relationship between entrepreneurial and managerial mode of organising innovation processes, drawing on Hjorth (2005).

entrepreneurship that we need management. The relationship, in the process of starting up a new venture, between management and entrepreneurship could thus be pictured accordingly: *Figure 10:* Relationship between entrepreneurial and managerial mode of organising innovation processes, drawing on Hjorth (2005).

What the image wants to convey is the dynamics between entrepreneurship and management in the process of innovating. The picturing of this as a straight line is simply for representational reasons, i.e., so we can see one loop in what otherwise is more sensibly described as an on-going spiral of building strength and sustainable profit-generating capacity of the business:

The presence of the market is also not restricted to the final stages of an imagined start-up that ends in a sustainable business with growth potential. It seems to be a key element in such supportive contexts that the presence and nature of the market is made clear *throughout* the process: networking for and with the incubatees is one key tool for achieving this market presence. Especially in the case of creative industries start-ups, and the cultural sector oriented businesses within this, the market and how it operates needs to become clear early in the start-up process. This involves sales training, meeting potential investors, business coaches, and continuous working on the business model as an area of innovation per se. However, when one does market-entry, this is also when a unique value offer, backed up by a solid value-capturing capacity, tries its customer-creating capacity for real. In this respect, there is a unique market – unique to that moment of truth – that completes the preparation stage.

The person/team (Figure 9.) with a business idea (an invention), describes what we look for in the screening-procedure of an incubator. The key here was to find a coachable individual or team, one with receptive capacity or power to be affected by the *'cloud'* of support that surrounds

the incubatees. Receptivity, or one's power to be affected, seems tied to spontaneity (or one's power to affect) (Hjorth, 2013). Receptivity is often the first capacity a body looses in contexts where you feel insecure. Learning is thus made difficult (Hjorth, 2011). A dialogical culture that on the basis of trust converses the incubatees in order to learn what they need to learn has greater chances of nurturing receptivity and openness.

The dawn of a 4th generation business incubation - excubation

There are many ways an incubator can be different: *Figure 12: Principle components in incubation process.*

A) Screening potential candidates that have submitted written application (possible pre-incubator candidates)

B) Selection and decision to call to Stage 2 on the basis of submitted written applications

C) Stage 2 screening on the basis of live performances and test coaching (audition)

D) Decision to invite to the incubator on the basis of C)

E) Incubation process

F) Exit decision

G) Post-incubator business

TCP have been different on A through F (some decisions to exit have been taken; G has not been part of this study). 'A' was characterised by active recruitment and the intentional build-up of an extensive pre-incubator environment, including marketing- and brand building events that legitimised the profile of the pilot and called attention to what was happening; 'B' was done as a collective learning process while developing criteria for selecting the best matching incubate candidates; 'C' emphasised performance and was
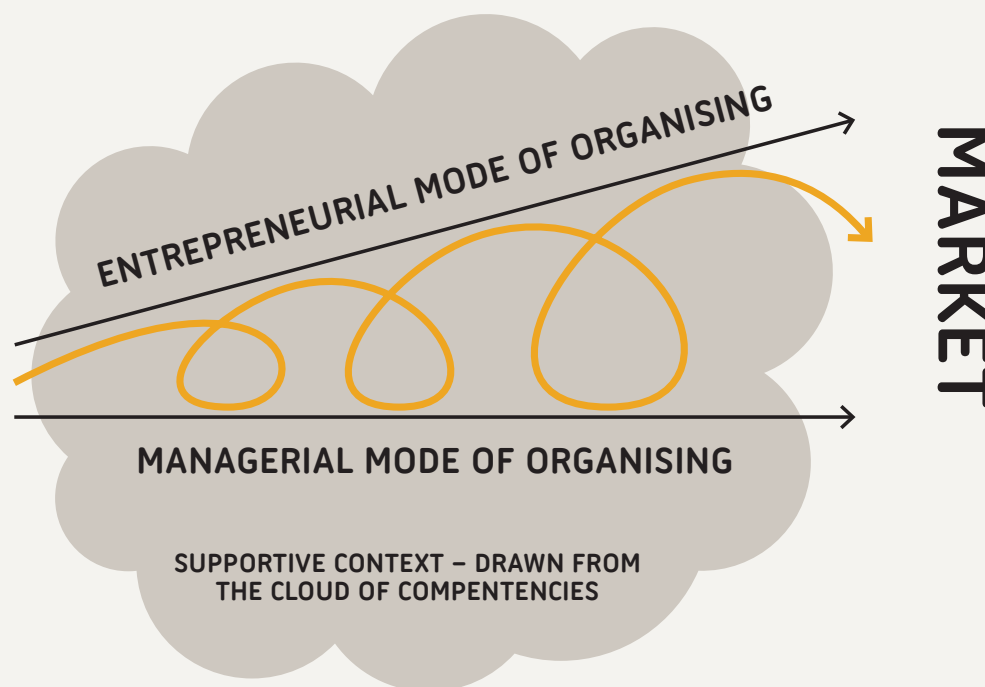
Figure 11: Supportive context for business start-ups. Entrepreneurial emphasis initially, and managerial emphasis towards the end.
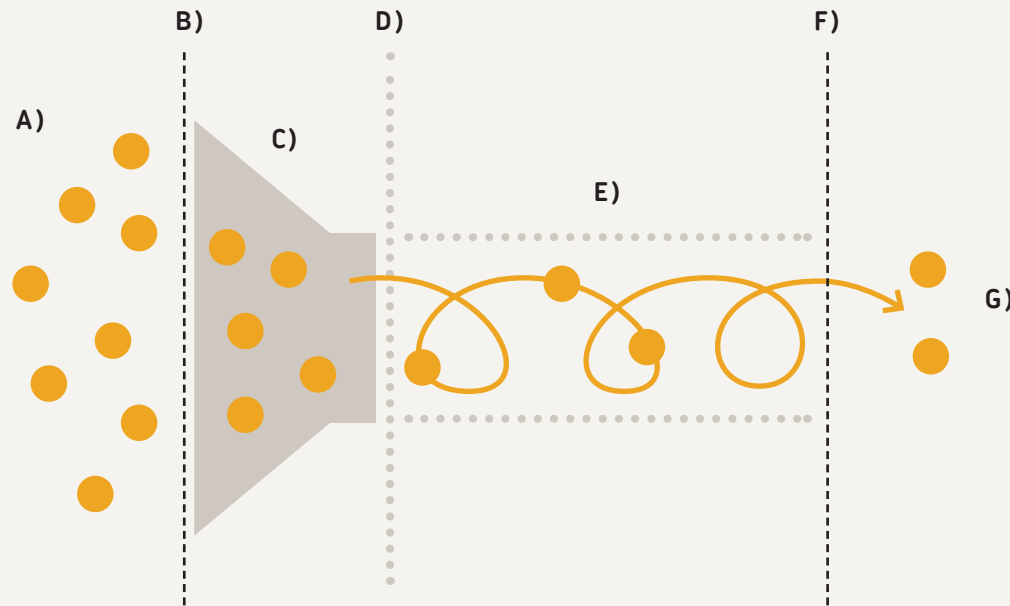
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framed as an audition, it importantly tested for coachability (receptivity) but also spontaneity, or the capacity to deliver on the spot and to communicate ideas; *'D'* is again a collective decision making process, not too different from a regular incubator; *'E'* the incubation process is characterised by openness, flexibility, dialogue, two-way learning, and active networking with and for the incubatees.

In-cubation is thus not a well-found concept for describing what characterises this supportive milieu for creative/cultural industry start-ups. It is not so much placing a hen on an egg to make it hatch. It is not so much protection *from* negative forces as it is selective connection *with* affirmative forces. It is a form of institutional entrepreneurship that actively perforates the start-up processes with generative questions and constant invitations to co-create learning needs. It is a constant organisation-creation for the purpose of matching those needs, but also to experiment with what might be needed for a business model to be stabilised or innovated. Not so much *in*- and not so much – *cubare*. Rather con- (meaning *'with'* or *'together'*) and curare (take care of). Con- or co-curation. To emphasise the reach-out orientation, the role of institutional entrepreneurship, the organisation-creation element that actively seeks out affirmative forces to team up with, and stresses the break with the incubator, we name the 4th generation *ex*cubator. It is rather the environment that is made conducive to the individual needs of each incubatee.

The forth generation of business excubators would thus be characterised by:

1. Stronger emphasis on affirmative measures, rather than corrective ones: more proroll (make it move, strengthen momentum) and less controll

2. Less concern with standardisation of the excubation process since this seems more to reflect management's need for control and capacity to report and measure according to normalising urges

3. Greater attention to learning as a central process of being excubated. This requires attention to language, to tacit/implicit knowledge and the providing of arenas where combination (thanks to heterogeneity) is possible, with the subsequent acceleration of learning as a consequence

4. A dialogical culture, careful listening, trust-based diagnoses of needs, tightly related to the courage to one's experiment, the willingness to fail ones way forward (in an organisational context where failing is the only sure sign of creating)

5. Emphasis on entrepreneurial mode of organising. Organisation-creation as the key concern for incubator entrepreneurs (that need to supplement incubator management). Capacity to create organisation where this is missing is a key to maintaining speed in business model innovation processes

6. Flexibility: try it quickly, drop it if it doesn't work

7. Attention to the greater context: provide more than the excubator, generate a context in which the excubator has a natural key place, but with an action range that extends far beyond that core place

8. Attention to media: generate legitimacy for the excubator by articulating its plot in the greater whole

9. Active networking for and with the excubatees: the importance of industry-specific expertise is evident; more general business coaching is available in regular incubator, and they need to constantly mix: try to change the environment with and for the excubatee rather than protect the excubatee from the environment (again institutional entrepreneurship as crucial)

10. Have someone study you so the excubator-level learning process receives constant inputs.

Designing the 4th generation excubation – model and principles

Figure 13: Excubation, principle model

What explains the reason for this design? Basically, what is important for the incubator to work is that it connects invention, entrepreneurship and innovation:

Innovation = Invention x Entrepreneurship
Invention is here broadly defined as the new idea, or the primary source of novelty. For this novelty to result in a value that is superior/novel/different enough for customers to pay for it and thus generate revenue streams that are the basis for profit, a lot of organisation-creation is needed. This is entrepreneurship. Entrepreneurship is thus how a value offer can become a value capture. The model that explains how this is working is what we call the business model (Chesbrough, 2007). Entrepreneurship is thus the form of organisational creation that transforms value offers to value capture. Value creation stems both from the invention (the great new idea, or the great new technology) and from the business model per se.

If we stress that the next generation of incubators need to be excubators rather than in-cubators, it means we are no longer prioritizing the hatching philosophy – to get start-ups into a place and protect them from the hostile

Figure 13: Excubation, principle model

INCUBATEE RELEVANT MARKET

INCUBATEE RELEVANT MARKET

INCUBATEE RELEVANT MARKET

INCUBATEE RELEVANT MARKET

INCUBATEE RELEVANT MARKET

INCUBATEE RELEVANT MARKET

INCUBATEE

INCUBATEE

INCUBATEE

INCUBATEE

INCUBATEE

INCUBATEE

SCIENCE PARK
Reseach based knowledge intense entrepreneurship

FINANCIAL RESOURCES
Venture capital, Publicity provided capital, Business angels

INNOVATION PROCESS TOOLS
Focus on business model innovation

INNOVATION ARENA
Practice based innovation challenges, Coopetition projeects

POTENTIAL PARTNERS
Complementary businesses, Catalyst partners

EXPERT KNOWLEDGE
Industry-, Sales-, Media-, Marketexperts

INCUBATOR ENTREPRENEURSHIP TEAM (IET)

The principles applied here are:

- Incubator management is reconceptualised as institutional entrepreneurship

- Incubatees are reconceptualised as excubatees, to be supported in their natural *'habitat'*

- A start-ups' challenge is to create superior customers value on an existing market, or open a market (via radical innovation).
  For this value to become concrete revenue streams to the start-ups, a working business model is a key (sometimes the business model is the innovation)

- The creation of a working/innovative business model requires support/input from a network of competencies

- The IET, as the core of this network, is the connecting networker in this network, channelling people, knowledge, resources.

environment. Instead, we need start-ups to be out there, running their race, but with the excubator team to work like institutional entrepreneurs, creating space for play/innovation for the excubatees where and when they need it. Images of a cross-country skiing coach, running alongside the tracks, feeding the runner with nutrition and information is telling.

In the next generation, 4th as it were, of incubators there is no longer focus on the incubator (as a place). Focus is instead on excubating (as a verb, as a creation of space), meaning focus shifts from providing a place for hatching to the creation of space for innovation. According to the model above, this requires:

Practices

1. Precision partnering: find co-learning partners (often other excubatees, but mainly experts); find co-design partners (packaging the offer); find co-creators (key partners is capturing value). The IET has the overview and networks to provide precision in partnering.

2. The use of innovation process tools: the principle is open innovation and the organisational form is crowd-sourcing (network you way to a controllable creation of the future). For this facilitation of arenas for pooling experiences is a crucial element of what the IET provides.

3. Science parks, or access to research-based environments is a key to assess the novelty of ideas used in value creation. The IET provides legitimacy and, when needed, *'translation'* capacity between research and start-up practice.

4. Access to financial resources. The IET secures the legitimacy and brand value of the excubator that minimises the risk component in the potential investor's assessment of a start-up. Being connected to an excubator should make start-up success more likely

and therefore a start-up more attractive as a target for investment. Media contacts are crucial in this perspective and the IET needs to master the public positioning of the excubator via media.

5. Innovation arenas are ways to pull existing businesses' innovation challenges into the milieu that the IET provides. This increases the likelihood that new knowledge is created in the meetings facilitated. Organising innovation arenas is also a key component in manifesting the usefulness of an excubator (and the networks it handles) to local/regional business life. This is the important dialogue with existing businesses that the IET should secure.

6. Expert knowledge is a key element in making the start-up process speedier. In the creative industries start-up cases, sales expertise has proven particularly useful and important. There is also legal expertise (increasingly important in open innovation projects) and business coach expertise, which all should help reduce unnecessary mistakes to happen, and help excubatees learn from failures, in themselves inevitable on the route to success. Failing to learn from failures makes them into mistakes.

The precise design of the excubator network should reflect the local/regional character of the Universities and business life involved. For the creation of space for invention to happen, public players – not the least municipal departments in business and culture – play an important role as both concerned with collective creativity that benefits society as a whole. They are like the oil in the machinery, reducing friction and minimising the risk that parts get worn out.

Appendix A (Method)

Organising is related to in this text as a discursive set of practices, knowledge, roles, and responsibilities, constantly moving a field of possibilities for action. According to this continuous movement, the field of possibilities is always open to governmental rationalities to conduct the conduct of others. At the same time, according to the same openness, there is always freedom to act, and this freedom is also why power can operate, both as negative and positive/productive. When an order is accomplished – that we might refer to as organisation – this is a temporary result of a set of discursive outputs that also produces its own disorder. A formal re-organisation or the attempt to create a new organisation, as in the case of TCP, is therefore often targeting what can appear as relatively stable in organisation. In the creation of TCP, roles (the persons' relations to their employee selves) and responsibilities, together with information systems for making the local world knowable in a new way were focused.

Ethnographic descriptions, Czarniawska-Joerges (1992) write, retell, in our language – which is marked by science – stories that were told by people speaking in other languages

Geertz (1973) goes on to describe *ethnographic description*: *"It is interpretive; what it is interpretive of is the flow of social discourse; and the interpreting involved consists in trying to rescue the 'said' of such discourse from its perishing occasions and fix it in perusable terms."* (p. 20).

Writing alternative stories is helped by attention to that which 'conditions, limits, and institutionalises discursive apparatuses (Dreyfus and Rabinow, 1982), such as cultural-local ceremonies.

Clearly, the elements of ethnography are related to the method as this is used in the study:

- Qualitative, that is, seeking closeness, spending time, learning to know people as well as what they say/do: this relates to building and dwelling, and repetition is also here a textual practice of creating one's fieldworker self, visiting places over and over again, talking to people again and again. When trust and homeliness have been built, dwelling – as a way of living – can become introduced. This is where you *as a researcher* can start to identify the gaps and interstices and note where the stories end and thus where writing can begin.

- Embracing multiplicity and differences and making variations *'survive'* through a sensitive writing of a rich story: Repetition includes this element of ethnography through citing the stories and academic discourse. The preparation for writing that repetition does goes further, though. It wants to establish a rupture, a disruption of the on-goingness of the dominant discourse. Repetition works to establish an event through which a difference (and therefore the question of how differences are made, how exclusions and inclusions work to establish boundaries) can become manifest.

- A concern for everyday life: Participation – as the last part of the way – shares this focus on the everyday life. Not only since the practices of everyday organising are where the normalised and neutralised march on most effectively, but also for the attention to the marginal and silenced. In this sense the everyday wo/man is the conversational partner during fieldwork as an ethical

choice. We are also concerned about the *'survival'* of everyday life, in language, as we write for the academic community.

In contrast, what Linstead (1993) calls *'deconstructive ethnography'* – driven by a spirit shared by the *way* developed here – works through: *"...giving attention to the historicity of epistemology ...as well as its textuality, and drives to demystify both traditional theoretical concepts, including those which it applies itself, and the workings of common-sense or naturalized perception."* (Ibid., p. 68).

Silent history is then a concept that works in double ways: the silent histories of the official story, *and* the silent history of the researcher preparing for writing. Genesis – repetition – participation set out to trace the multiple becomings of traditions of thinking in the dominant discourse as expressed in the official story.

The ethnographic is also an apparatus, not all that different from what Latour and Woolgars (1986) describe as the fact-producing part of the laboratory: *"Indeed the strength of the laboratory depends not so much on the availability of apparatus, but on the presence of a particular configuration of machines specifically tailored for a particular task."* (p. 65). Deetz (1992) notes that: *"Foucault used the term apparatus to denote the heterogeneous forces that direct the presence of certain constitutive conditions."* (p. 86).

I see a thread running from this priority of Lent above Carnival; the guarding function of seriousness against laughter; the development of interest as the greater passion, for the control of passion; the modern university; the dominant late modern institution of market capitalism; the strong position of the business schools; the central role of the manager; the force of managerialism... all of which creates a margin, silent histories that we should attend to if we propose to write on entrepreneurship and organisation.

Appendix B: Background document, plan for stydy

Incubator for Creative Industries
Link2 and Ideon Innovation, Lund
Debora Voges / Rickard Mosell

Daniel Hjorth, Dr.Fil., Prof.
Department of Management, Politics
and Philosophy, Copenhagen Business School

Researching a Pilot incubator: providing a supportive infrastructure for the creative industries

In sum, this research project aims at:

1. Preliminary conceptualisation and development of tentative model and method for incubating creative industries projects.

2. Support the identification of 4-5 potential businesses (on the basis of 1. and other possible relevant criteria)

3. Research the incubation- and development processes. The purpose with the incubation processes being to support the development of those co-located candidates into fully-fledged businesses.

4. Disseminate: The purpose with the research process being to study, describe, analyse and build a final model for successful incubation of creative industries *'potentials'*, and to develop publications and dissemination events to communicate those results.

Short description of project:
The objective of the pilot project would be to test the incubation model currently being used within Ideon Innovation on creative businesses, by recruiting four to five potential businesses in their embryonic stage and helping them develop into fully-fledged businesses. The pilot will allow us to develop a model that would be specific to the creative sector and; that if proved successful, could be replicated by others." And: "The project aims to explore what the real differences and specificities between the needs of organizations starting up a business within the creative industries and in other sectors are.

Given this, we will conduct the pilot study accordingly: The project has three phases:

1. Preparation.

2. Field research.

3. Analysis and writing/reporting.

Appendix C: The 'normal' incubator model as locally described, Ideon Innovation

Inkubatorprocessen – en beskrivning av ett erbjudande

Beskrivning
Detta är ett internt dokument för att beskriva inkubatorpro-cessen hos Ideon Innovation.

Dokumentet kan fungera som underlag för extern kommu-nikation men ska då omarbetas.

Varför/Syfte
Att starta ett eget företag grundat på egna idéer och egen forskning utan det stöd en inkubator erbjuder är det vanligaste sättet. Genom att ta del av Ideon Innovations erbjudanden av en inkubatorprocess blir tillväxten snabbare och kommer att vila på en fastare grund. Detta innebär i sin tur större chans för överlevnad.

Genom reducerade startkostnader, professionell affärsutveckling, ett väl utbyggt nätverk och samarbete med andra företag i samma situation skapar Ideon Innovation en bra grogrund för framtidens företag.

Detta dokument beskriver det som Innovationsbron visar och kallar "Inkuberingsprocess": Fig AC1.

Ambition
Genom att delta i inkubatorprocessen är målet att ett *kommersiellt bärkraftigt tillväxtföretag ska kunna byggas fortare och starkare än om det skedde utanför inkubatorn.*

Målgrupp
Inkubatorprocessen vänder sig i grund och botten till personer som har en briljant företagsidé som uppfyller kvalificeringskriterierna.
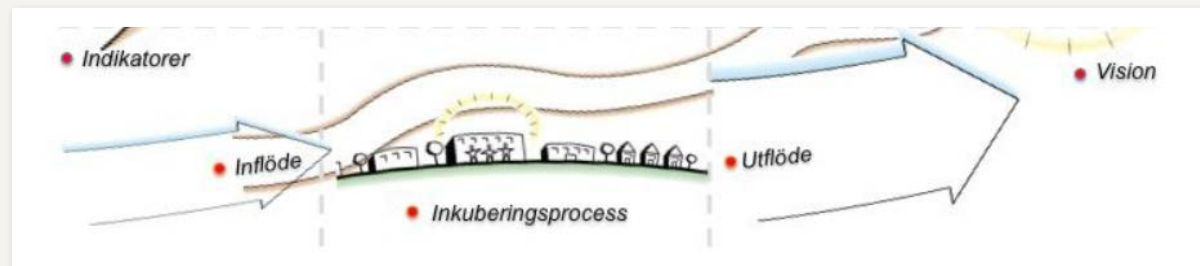
- *Specifika kvalificeringskriterier gäller.*
- *Den som ansluter sig till inkubatorprocessen ska vara en juridisk person. Processen ska öka värdet på ett bolag, inte primärt personerna bakom företaget.*
- *Företag, bolag, IBO, kund är olika ord för samma sak. Företagen som ansluter sig till inkubatorprocessen ser vi som och kallar kunder.*
- *Var de ledande personer i företagen bor och verkar är inte styrande. Oavsett stad, region eller land*
- *Både svenska och utländska juridiska personer är välkomna att ansluta sig.*
  - » *Företagen behöver inte vara svenska. Kan vara utländskt registrerade bolag*
  - » *Företagarna, till exempel VD eller CTO, behöver inte vara svenska medborgare*
  - » *Verksamheten behöver inte vara i Sverige*
  - » *Personen som leder företaget måste behärska svenska eller engelska*
  - » *Företaget ska dock ge något tillbaka till regionen i form av till exempel ökad kunskap, fler arbetstillfällen, skatteinkomster, klusterskapande eller annat värde.*
- *När vi behöver välja ger vi förtur till bolag från Lunds kommun och regionala bolag från Skåne samt svenska bolag. Förtur ges i den ordningen Lunds kommun, region Skåne, Sverige.*
- *Den framtida tillväxten i företaget ska på något sätt gagna regionen*
- *Deltagande kan ske virtuellt eller på plats i inkubatorns lokaler*

Fig. AC1

Kvalificeringskriterier
Finns. Se separat dokument.

Utträdeskriterier
Tanken är att kunderna ska lämna inkubatorprocessen så snart deras bolag är livskraftigt eller efter max två år.

1. *Max 2 år som ansluten till inkubatorprocessen*
   Detta innebär att även om företaget inte är livskraftigt får det lämna efter två år.
2. *Livskraftigt tillväxtföretag är målet*
   Detta innebär att så snart ett företag är livskraftigt ska ett utträde (eng. exit) ur inkubatorprocessen ske.

Mål

Företagarens mål med tiden i inkubatorn
Detta sätts individuellt för varje företag av affärsutvecklaren tillsammans med företagets ledning.

Målet med inkubatorprocessen
Skapa livskraftiga tillväxtföretag med dokumenterat strategiskt arbete och affärsplan. Hela poängen med inkubatorprocessen är att tillföra värde till kunderna så att det sydsvenska samhället får fler livskraftiga tillväxtföretag.

Definition av Livskraftigt Tillväxtföretag
Livskraftigt definieras enligt 4 variabler. Tillväxtpotential enligt ytterligare 1 variabel med 4 delar.

1. *Sålt till eller kontrakt med första kunden*
   [LIVSKRAFTIGT-FÖRSÄLJNING]
2. *Ha finansiering säkrad det kommande året antingen via försäljning till kund eller tillskott från ägare*
   [LIVSKRAFTIGT-KORTTIDSFINANSIERING]
3. *Ha tillfredsställande bemanning av företaget*
   [LIVSKRAFTIGT-BEMANNING]

4. *Ha professionellt styrelsearbete på plats*
   [LIVSKRAFTIGT-STRATEGISK LEDNING]

1. *Goda förutsättningar att:*
   [TILLVÄXT-EXPANSIONSPLANER]
   » *Inom ett år sälja utanför Sverige*
   » *Inom tre år exportera utanför EU*
   » *Inom 5 år vara 10-15 anställda*
   » *Inom 5 år omsätta 10-15 mkr*

Nyckeltal
Mätas 5 år efter utträde. Genom rundringning en gång om året.
- Antal anställda
- Omsättning
  » Försäljning inom Sverige, utanför Sverige men inom EU, export utanför EU

Hur
Under inkuberingsprocessen erbjuder Ideon Innovation ett antal värdeskapande aktiviteter och resurser. De värdeskapande aktiviteterna finns inom 10 områden. När och om de sätts in avgörs av företagets behov. Dessa är inte statiska utan förändras beroende på inkubatorföretagens behov; nya tillkommer, andra tas bort och en del justeras löpande.

De tio värdeskapande områden ändras, tas bort/ersätts med nya, långsamt. Ses som permanenta.

De värdeskapande aktiviteterna inom varje områden ändras snabbt och ofta. Ses som tillfälliga och vad som efterfrågas just nu bland våra kunder.

De värdeskapande aktiviteterna finns inom 10 områden.
Fyra av dessa efterfrågas av kunderna vid första kontakten mer än de övriga. Dessa fyra är inkubatorns kärnområden att skapa värde inom. Övriga värdeskapande områden behövs för att paletten ska bli heltäckande.

1. Affärsutveckling
2. Strategiska Tjänster
3. Finansiering
4. Nätverksbyggande
5. Fysisk Miljö
6. Stimulerande Miljö
7. Kompetensutveckling
8. Ramavtal
9. PR/Marknadsföring
10. Kvalitetsstöd

För affärsutveckling gäller 4 timmar/veckan (2tim i förinkubatorprocessen) av intern resurs, ej extern konsult. I extern resurs, något färre timmar.

Processen i korthet

Kvalificeringsprocess
- *Entreprenör kontaktar Ideon Innovation*
- *Ett eller två möten hålls för att reda ut om processen är den rätta för företaget och om företaget kvalificerar sig till processen*
- *Ansluter sig till processen*

Separat detaljerad kvalificeringsprocess finns.

Inkubatorprocessen

Fig. AC2
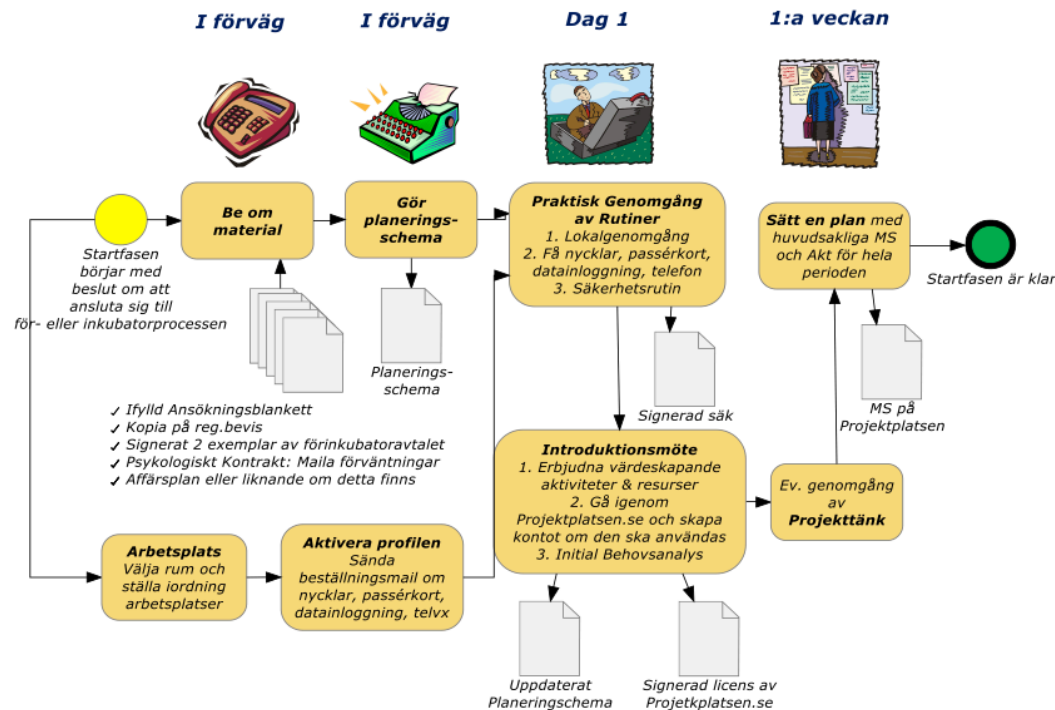
- *Inleds med en startfas*
  - » *Inflytt*
  - » *Intromöte om det praktiska*
  - » *Planeringschema*
  - » *Uppstartsmöte där plan för närmsta tiden arbetas fram*
- *Värdeskapande aktiviteter sätts in. Helt behovsstyrt.*
  - » *Till exempel affärsutveckling upp till 4 timmar / vecka, affärsrådgivning från externa experter inom patent, juridik och bank*
- *Utträde ur processen inom två år*

Processen s inledande startfas: Fig. AC2

Kopplingen till Förinkubatorn
Kunderna som ansluter sig till inkubatorprocesen har vanligen ett relativt klart koncept, är i slutet av sitt förundersökningsarbete och har påbörjat sin utveckling. De har däremot mycket kvar av sin utveckling och hela kommersialiseringen framför sig. Bilden nedan visar var förinkubatorprocessen tar slut och inkubatorn tar vid.

Kopplingen till Fokus Affärsutveckling
Det finns en koppling mellan ett verktyg för stöd till affärsutvecklingen och inkubatorprocessen. Nämligen mellan Innovationsbrons Fokus Affärsutveckling och Ideon Innovations inkubatorprocess.

Bilden nedan visar spåren i Fokus Affärsutveckling;
Koncept>Förundersökning>Utveckling>
Kommersialisering.

Kopplingen till Fokus Affärsutveckling ger inkubatorprocessen:

- Grunderna i systematisk affärsutveckling
- Ett gemensamt språk, en nomenklatur
- Verktyg för affärsutvecklarens möte med entreprenörer och innovatöre
- Möjliggör en kvalitetssäkring av affärsutvecklingen
- Användas som grund för en certifiering av affärsutvecklingarbetet

PS. Dessa argument här hämtade från Innovationsbrons hemsida. DS.

Kontrollstationer

Fokus Affärsutveckling

Inkubatorprocessen har två viktiga kontrollstationer

- Affärsriskbedömningen
- Due Diligence Light (inkl Halvårsuppföljningen).

De syftar till att säkerställa utveckling och kvalitet i affärsutvecklingen.

Med sex månaders mellanrum genomförs en Affärsriskbedömning med affärsutvecklaren och extern resurs som leder sessionen. Affärsriskbedömningen är en djupgående analys av bolagets status ur vilken prioriteringar, strategier och handlingsplaner tas fram. Den belyser även den operationella risknivån (och utvecklingen) inom marknad, produkt, finans, genomförande, samt organisation. Däremellan genomför en Due Diligence Light med fokus på formalia såsom avtalsturktur och likviditeten. Halvårsuppföljlningen är en mer omfattande Due Diligence.

Volymmål

Målet är 20 bolag. Detta inkluderar bolag genom den virtuell inkubatorn.

Detta innebär plats för 20-80 personer beroende på hur många arbetsplaster varje företag behöver.

Processens generella kvalitetsmål

- Inkubatorprocessen ska vara en de fyra bästa i Sverige
  - » Hur mäta? Varje år fråga Innovationsbron om vem som erbjuder den bästa inkubatorprocessen i Sverige. Om vi nämns bland de 4 bästa då är målet nått
- Bland topp 10 i Europa
  - » Hur mäta? Varje år fråga EBN om vem som erbjuder den bästa inkubatorprocessen i Europa. Om vi nämns bland de 10 bästa då är målet nått.

Tid / Längd på inkubatorprocessen

Inkubatorprocessen erbjuds under 24 månader. Därefter finns en så kallad Alumniyta.

Tidigare har ett tredje år funnits. Äldre bolag finns inne på tredje året. Inga nya bolag erbjuds detta tredje år.

Alumniyta

Se separat dokument.

Vem

Ideon Innovation har upplägget med en liten fast kärna personal på cirka 3 FTE samt ett 2–4 kontrakterade resurser.

De kontrakterade resurserna är affärsutvecklarna och ska uppfattas som och hanteras internt som anställda, men är på konsultkontrakt. Dessa kallas inte konsulter utan egen personal. Anställda och de kontrakterade affärsutvecklarna utgör personalen.

Därutöver finns ett stort nätverk av externa resurser och konsulter.

Totalt är ett 10-tal organisationer / 20-tal personer involverade i att skapa värde inkubatorprocessen.

En del värdeskapande aktiviteter och resurser levereras internt, medans andra köps in vid behov.

Värde/Investering

Kostanden för inkubatorföretagen, det vill säga inkubatoravgiften, är specificerad i separat dokument.

Värdet av inkubatorprocessen är högre än dess kostnad. Värdeuträkningen nedan är schablonbaserad och av enklare snitt. Tänkt att räknas om och underbyggas ytterligare under 2011.

Inkubatorn erhåller finansiering på ca 8 mkr för att tillhandahålla en inkubatorprocess.

Kostnaden att erbjuda inkubatorprocessen till 25 företag per år med 24 månader som max per företag är listat nedan. Antagandet är 30 anslutna kunder varav 25 i inkubatorn och 5 i förinkubatorn. Dessa delar på vissa resurser.

1. Affärsutveckling 4tim x 40v x 800kr = 128 000kr x 25 ftg = 3,2 mkr
2. Strategiska Tjänster 4 x 100 000kr = 400 tkr
3. Finansiering, se värdeskapande aktivitet för belopp
4. Nätverksbyggande 85% av dess totala kostnad (25 av 30 anslutna företag).
5. Fysisk Miljö 85% av dess totala kostnad (25 av 30 anslutna företag)
6. Stimulerande Miljö
7. Kompetensutveckling, se värdeskapande aktivitet för belopp
8. Ramavtal, se värdeskapande aktivitet för belopp
9. PR/Marknadsföring 85% av dess totala kostnad (25 av 30 anslutna företag)
10. Kvalitetsstöd 85% av dess totala kostnad (24 av 30 anslutna företag)

Baserat på ovanstående kan man rimligen säga att mellan 85-90% av inkubatorn totala budget går till inkubatorprocessen, det vill säga ca 6,8-7,2 mkr. Övriga går primärt till förinkubatorn.
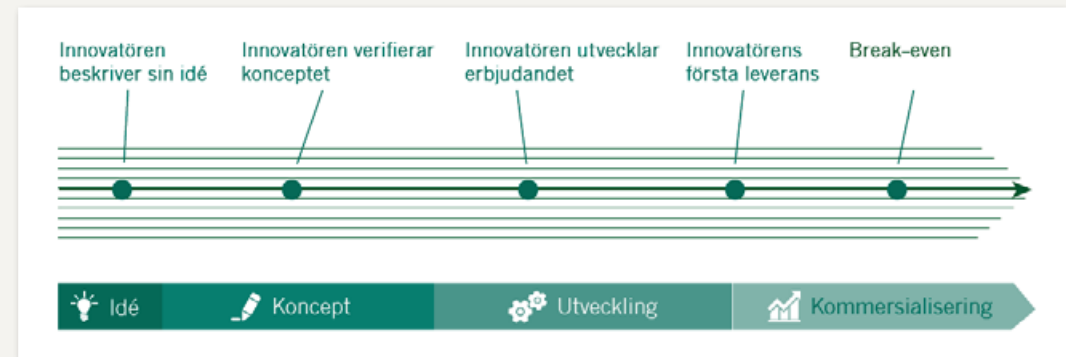
Värdet per år för processen uppskattas till i genomsnitt 3 gånger dess kostnad. Detta ger mellan 20,4 mkr och 21,6 mkr i värde. Detta motsvarar ett värde per kund och år på mellan 816-864 tkr.

Processansvarig
Mats Dunmar

Appendix D: Examples of Almi's templates and models

The *'project model'* that Almi uses to frame its customer offers (services). These offers correspond to four project phases towards commercialisation:

In total, there are 39 documents, templates and tools to download from Almi's web page www.almi.se/ Kunskapsbank/Dokument-mallar-och-verktyg/

Almi's innovation strategy, 2011, p. 21

More specified project model: Almi's innovation strategy, 2011, p. 23

Starting to Create a Value Proposition

Write down what you know and start talking to colleagues

First steps	Write it down: don't worry, it won't be right at first
	Start with the basics: NABC
	Pass it around to your colleagues to collect input
	Get out of your office: listen to prospective customers, partners and friends; spend a "day in the life of a customer"
	Capture and synthesize all ideas to improve your NABC
	As appropriate, protect your ideas with a nondisclosure agreement
Constant improvement: iterate, iterate, iterate	Don't fall in love with your first idea
	Use pictures, simulations and images; build multiple mock-ups
	Do it fast and repeat often!
Test of a Value Proposition	Compelling answer to the question: "Why will we win?"
	Applies to all clients

Improving Your Value Proposition:
Be Quantitative

Qualitative statements are **not** persuasive

Need	**Not**	The market is growing fast
	Rather	Our market segment is $2B per year and growing at 20% per year
Approach	**Not**	The ROI is excellent
	Rather	We have created a one-step process that replaces the current two-step process with the same quality
Benefits	**Not**	The ROI is excellent
	Rather	Our one-step process reduces our cost by 50% and results in an expected ROI of 50% per year with a profit of $30M in Year 3
Competition	**Not**	We are better than our competitors
	Rather	Our competitor is Evergreen Corporation, which uses the current two-step process. We own the IP for our new process

NABC – Fokus affärsutveckling; from Almi's *'documents, templates and tools'*

Appendix E: Screening criteria

Hello

We are glad to be able to confirm that you have been selected to participate in *Stage 2* of The Creative Plot at Ideon Innovation's screening process. A detailed schedule of the day is attached to this email. We will start the day with *Pitch presentations*. You will get 30 minutes to present your business idea to the panel (you can find the name of the panel members in the attached schedule), that will then have 15 minutes to ask questions and discuss your ideas with you (let us know if you will need any equipment for you presentation).

You will then have a half hour Coaching Session with Ola Andersson, one of our coaches. This will be an informal conversation and in order to prepare for it, you need to think about what you believe are the challenges your business will be facing.

Part 3 of the day is a Joint Session, where the three start-ups that have been shortlisted, and the panel will discuss the market opportunity or problem that each startup aims to address with their business idea. You will be given 15 minutes to present and describe what you see as you market opportunity or the problem/issue that your business is addressing. You do not need to disclose the details of your business idea to the other startups if you are concerned about confidentiality. The session will be moderated by Richard Mosell.

Note: The joint session will be held in English. The Creative Plot at Ideon Innovation is a pilot project that is being evaluated, and therefore some of the sessions will be filmed for research purposes. The material will only be viewed by Daniel Hjorth, who is carrying out the research around the recruitment and screening process of the project. Please let us know if you think this is a problem.

Screening criteria

During Stage 1 (shortlisting) of the process your application was assessed according to the following criteria:

- *willingness to turn your idea into a business:* we are looking for business potential
- *maturity of your idea:* is your idea ready to come into an incubator environment or does it need more time to be developed?
- *fit with the cultural and creative sectors:* we will be looking at whether your business idea falls within the cultural and creative sectors
- *the added value that The Creative Plot at Ideon Innovation can provide to your start-up:* is the incubator the best support structure to develop your idea? Are we the best equipped to help you?

In addition to the above criteria, during Stage 2 (selection) you will be assessed according to the following criteria:

- *uniqueness/originality of the business idea:* we will look at how carefully you have explored your market opportunity/ the issue in the market that you are addressing and how well your proposed business, fits this market opportunity/addresses this issue? Has anybody else tried to explore that opportunity? If so, have you come up with a new/better solution?
- *scalability of the business:* does your business have growth potential?

- *profitability:* we are flexible here, and we understand that in some exceptional cases within the cultural and creative sectors the chosen business model will not aim to make profit but to break even. We will take this into account as and when relevant.

In terms of the team:
- *personal motivation and determination, experience and knowledge:* we want to make sure you have what is needed to turn your idea into a business
- *"coachability":* are you able to listen, be challenged? Are you open to new ideas and suggestions?
- *commitment to engage with The Creative Plot at Ideon Innovation:* in order to make the most out of this opportunity we want you to actively take part in the activities and social network of The Creative Plot at Ideon Innovation. We believe each startup has lots to contribute to the environment, but in order to do this, you need to be physically present at our offices and have the willingness to engage with The Creative Plot at Ideon Innovation.

Do email, sms, call us if you have any questions or suggestions or if you want to discuss any of this prior to 15th March.

We want this to be a meaningful, fun, challenging and enjoyable day and we are really looking forward seeing you next week.

Regards,
Debora Voges

Venue: the Creative Plot at Ideon Innovation, Scheelevägen 15, 223 70 Lund, entrance from Ole Römersväg. Please go to the Agora reception and call Annou Nilson on 0734 485 667, and she will meet you at the reception.

Detailed Individual Schedule Screening Process 15 March 2012 (followed)

Appendix F:
Media cover

Press/Media – The Creative Plot, incubatees, etc.

2011

22 August 2011, Lokal Tidningen
"Lund får en kulturinkubator"
http://lund.lokaltidningen.se/
lund-far-en-kulturinkubator-/20110822/artikler/708249526

2012

26 April 2012, Kulturekonomi
"Samtal/Debora Voges: Vi Testar Hur En Inkubator För Kkn Kan Fungera"
http://kulturekonomi.se/tag/debora-voges/

4 September 2012, Sydsvenskan
"Kulturföretagande över en kopp"
http://www.sydsvenskan.se/lund/
kulturforetagande-over-en-kopp/

2 October 2012, Sydsvenskan
"Akrobater och IT-konsulter lär av varandra",
http://www.sydsvenskan.se/ekonomi/
akrobater-och-it-konsulter-lar-av-varandra/

10 November 2012, Sydsvenskan
"Ingenting är omöjligt"
http://www.sydsvenskan.se/ekonomi/ingenting-ar-omojligt/

2013

22 December 2013 Expressen
http://www.expressen.se/kvp/
trion-ska-satta-malmo-pa-modekartan/

21 March 2013 Sudsvenskan
Nördanas jeans tar form I Malmö
http://www.sydsvenskan.se/ekonomi/
nordarnas-jeans-tar-form/

12 April 2013 Sydsvenskan
Tilväxt I regionen – Gränslösa möten ska ge kreativa job
http://www.sydsvenskan.se/ekonomi/
granslosa-moten-ska-ge-kreativa-jobb/

18 April 2013 Arkitektur
"Lund – Lund har hamnat I Malmös medial skugga. Därför är del lätt att glömma att det numera är Lund som är bade lärdoms – och industristad I Skåne. Arkitectur spanar in I Lunds framtid"
http://web.retriever-info.com/go/?u=http%3A%2F%2Fweb.
retriever-info.com%2Fservices%2Farchive.html%3F-
method%3DdisplayPDF&a=24991&d=0575432013041
932D1364EE07F6DD5A7838CEDC9034009&sa=20104
40&t=1376573676&x=db82ced513c8afb4b0933ffb39aff
c0c&pp=[62,63,64,65]&x2=6679055332675c78b08829b
4345b29ed&pu=https%3A%2F%2Fwww.retriever-info.
com%2FproxyTest%2F%3Fid%3D057543201304193eL-
RjF4ihQUi3zyJoc0GU7XJ100001011q34%26x-
%3Dd79f11e84577ef111213878faf738d1c&pdf.
doResize=false
3 June 2013, Sydsvenskan
"Malmö och Lund far en bit av Bollywood"
http://www.sydsvenskan.se/kultur--nojen/
malmo-och-lund-far-en-bit-av-bollywood/

12 June 2013, Skanskan
"Tollywood pa Tangopalaset"
http://www.skanskan.se/article/20130612/
NOJE/130619841/-/tollywood-pa-tangopalatset

14 June 2013, Entreprenör
"Unga företagare satsar på local producerade jeans"
http://web.retriever-info.com/
go/?u=http%3A%2F%2Fweb.retriever-info.com%2F-
services%2Farchive.html%3Fmethod%3Ddisplay-
PDF&a=24991&d=057240201306143B556C70E-
A6393BC6861400AFCBE30B-
D&sa=2010440&t=1376573676&x=a5d336cf0f621e76c76
ec36ec6baa98c&pp=[11,12,13]&x2=0ded2951f5982fef1b-
6d27a4a5252a41&pu=https%3A%2F%2Fwww.
retriever-info.com%2FproxyTest%2F%3Fid%3D-
057240201306144jrexs1NI0w020RLE92fzYqZ1000010
10c24%26x%3D0c88361064bd6623e69191ac1bfa0b10

1 August 2013 Sydsvenskan
"Änglar tar plats vid drakar"
http://www.sydsvenskan.se/ekonomi/
anglar-tar-plats-vid-drakar/

29 August 2013 Sydsvenskan
"Vill ha mer skidskytte på Ideon"
http://www.sydsvenskan.se/ekonomi/
vill-ha-mer-skidskytte-pa-ideon/

6 September 2013
EK är årets smyckesdesigner
http://www.sydsvenskan.se/ekonomi/
ek-ar-arets-smyckesdesigner/

Appendix G:
TCP's offer

Our offer

19 September, 2012

Our offer is flexible and we adapt it to your needs. Together with our business coaches you will design a process that is unique to you and that meets your needs, experience and expectations. These are just some of the things you can take advantage of while being part of The Creative Plot at Ideon Innovation:

Creative enviroment:
Your offices will be located within a dynamic and creative environment. You will have access to meeting/conference rooms, kitchen facilities, wireless internet access, etc.

Business coaching & business development:
We know that all start-ups have different backgrounds, needs, and experience and therefore we tailor our offer to the needs of each start-up. As part of our incubator you will have access to our in-house business coaches and to additional external resources within our networks. The Creative Plot will support you both at the strategic and operative levels to make sure you make the most of your time within the incubator.

Network:
You will have access to an extensive national and international network through our business coaches, Ideon Innovation and our strategic partners. You will also have direct contact with other start-ups with whom you will be able to exchange thoughts, ideas and experience.

Knowledge:
The Creative Plot and Ideon Innovation offers a variety of courses, workshops, seminars etc. on an ongoing basis to help you develop both yourself and your business.

PR & Communication:
We will help you with your communication, marketing, PR, etc. with our contacts, knowledge and expertise and by organising relevant training/workshops/seminars as part of our programme of activities.

Strategic Partners:
You will have access to experienced business partners within law, IP/patent rights, taxes, etc.

Finance:
We will help you explore your options for financing your business through our competence, contacts and networks.

TCP objectives and strands of work

19 September, 2012

Our Objectives

- foster innovation and entrepreneurship within the cultural and creative sectors;
- increase the number of organizations working within the sector that are financially viable and sustainable long-term;
- increase the number of individuals, working and making a living within the sector;
- help the cultural and creative sector become more self-sufficient and competitive at the national and international level;
- increase the knowledge and understanding of the sector both within and outside of it;
- gather knowledge and evidence to advocate for the contribution the sector makes to society and the economy;
- bridge the gaps between academia, business and the creative sector by exploiting the synergies between them and encouraging new ways of working across boundaries.

Our four strands of work aimed at delivering our objectives:

1. Skills development for people/businesses working within the cultural and creative sector: workshops, seminars, networking, events, dissemination and knowledge exchange activities at the local, regional, and national level.

2. Support for the development of ideas and businesses within the cultural and creative sector: support for individuals that want to start up businesses or projects within the cultural and creative sector through our incubator and other ad hoc projects.

3. Advocacy and knowledge creation: generate debate, knowledge and understanding about the role the culture and creative sector play in society and the economy.

4. Dialogue between business, academia and the cultural and creative sector: activities and projects aimed at creating meeting spaces and opportunities for these sectors to converse, work together, exchange ideas and knowledge and to learn from each other.

Appendix H:
Incubatees at TCP

Our start-ups

18 November, 2012

Action Entertainment – Inside The Box © – capturing the essence of creativity

Inside The Box is a brand new service for companies who wishes to make their creative processes more potent and efficient. The concept consists of three parts.

The Box – Physical workplace for one or two employees enables full documentation. *The Flow* – Software that quickly and easily captures the work flow. *The Read* – Interprets the process from several innovative perspectives

Through the interpretation of an existing work flow the client is made aware of how resources should be allocated in many processes to come. That makes a strong leverage possible, giving benefits to the employees creative freedom as well as the profitability of the company.

Founder: Petter Gantelius
Mail: petter@gantelius.se
Call: + 46 (0) 706 63 53 51
Surf: http://gantelius.se http://actionentertainment.se

DIIZ Access AB – A design company that creates fashion accessories using graphic design. The products can be bought at shops in Sweden and Copenhagen under the trade mark DIIZ.

The accessories are designed and manufactured in Sweden, but the inspiration for the design comes from big cities around the workld and from the peoplw that inhabit them. We who work with DIIZ are attracted by the urban landscape where tthere is place for everygody and where new influences grows. We call it Urban Dawn by DIIZ. Welcome !

Founder: Cecilia Björkland
Mail: cecilia@diiz.se
Call: + 46 (0) 706 63 53 51
Surf: www.diiz.se

Marappo AB / Nerdy by Nerds – Is a unique swedish jeansbrand that is locally produced in Malmö. They value quality and wants to give you a handmade feeling with their products.

Founders: Oscar Andersson, Peter Arneryd, Adrian Roos
Mail: peter@marappo.com
Call: +46 (0) 706 68 58 51

Ioaku – nominated Precious Talent 2012. Creates jewelry that inspires and gives one self-esteem through unique, breathtaking and powerful design.

Founder: Fanny Ek
Call: +46 (0) 708 28 11 08
Mail: fanny@ioaku.com
Surf: www.fannyek.com

PipeDream Production – a little bit of Broadway
PipeDream Production delivers music theatre, shows, happenings and stage technology for local companies and individuals.

Founders:
Mathias Dümmatzen, projektledare
Mail: mathias@pipedream.se
Call: + 46 (0) 707 383910

Madeleine Andersson
Mail: madde@pipedream.se
Call: + 46 (0) 706 247328

Markku Lorentz
Mail: markku@pipedream.se
Call: + 46 (0) 739 230638

Surfa: www.pipedream.se

Appendix I: The TCP management team

The Creative Plot team
19 September, 2012

Debora Voges
Project Leader The Creative Plot

Debora is Project Leader for The Creative Plot. She has over ten years of professional experience within the cultural and creative sectors, and an additional ten within the business sector. She has extensive international experience and has worked in organisations such as the Tate Gallery and the British Film Institute in London. In 2009 the city of Lund commissioned her to carry out a feasibility study for the creation of an innovation centre and incubator for the cultural and creative sectors in Lund. The Creative Plot is based on the ideas developed for the feasibility study.

"I have always enjoyed combining my passion and knowledge of the cultural and creative sectors with business and strategy development. I am trained as an art historian and further educated in management, strategy, policy and leadership. I like challenges, I truly enjoy working across fields, exploring new territories and creating new opportunities. That is why The Creative Plot is the perfect place for me".

Call: +46 (0) 709 43 28 68
Mail: debora.voges@lund.se

Lars Mattiasson
Project Coordinator The Creative Plot

Lars Mattiasson comes from Kamen Communications Ltd. He works as a business developer with focus on sustainability within fashion, textile and the travel industry. He has many years of experience of product development, import and marketing from the textiles and the clothing industry. He has a strong interest in social entrepreneurship and social innovations and is involved in a project group that works with new business models for non-profit organisations.

Call: +46 (0) 766 10 95 73
Mail: lm@ideoninnovation.se

Katarina Scott
Project Coordinator The Creative Plot

Katarina Scott works as a part-time business developer for The Culture Department at Lund´s Municipal. She also runs a business with focus on project management and sustainability within the event, culture and the travel industry. She is an economist from start with lots of experience from different types of organizations and projects.

Call: +46 (0) 709 43 29 53
Mail: katarina.scott@lund.se

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