

Prospect Arctic Accelerator 2017

A business start-up program supporting
innovation and entrepreneurship in Arctic Norway

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Sponsors:



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Contents

INTRODUCTION.....	3
BACKGROUND AND EXPERIENCES FROM THE FIRST YEAR (THE PILOT)	3
OBJECTIVE AND TARGET GROUP.....	3
BUSINESS IDEAS AND INDUSTRY AREAS.....	4
THE RECRUITMENT PROCESS	4
MARKETING.....	4
APPLICATION AND INITIAL SCREENING PROCESS.....	4
INITIAL PITCH TRAINING WORKSHOP AND PANEL PRESENTATION.....	5
FINAL SELECTION OF CANDIDATES FOR THE ACCELERATOR.....	5
SELECTION CRITERIA	5
THE ARCTIC ACCELERATOR CURRICULUM	6
PROGRAM OUTLINE.....	6
START-UP BOOT CAMP.....	6
ACCELERATE THE BUSINESS.....	7
MIDWAY BOOT CAMP.....	7
DEMO DAY AND GRADUATION.....	8

Introduction

Background and experiences from the first year (the Pilot)

New business development and entrepreneurship, innovative competitive products and creating new jobs are key issues for a prosperous region in the north. Imperative is also having a diverse industry base where the industries are committed to co-exist and to be economically, socially and environmentally sustainable. The pristine environment of Arctic Norway faces several opportunities, but also challenges due to increased industrial activities, both onshore, coastal and offshore. Impacts include pollution, conflicts in coastal zone management, as well as global warming.

Together with the Lundin Foundation we created a unique program in 2016 aimed at elevating promising start-ups within selected industries important for developing the region: The Arctic Accelerator. The program is designed to encourage and support young entrepreneurs.

The experiences from the pilot program are described in detail in the milestone reports and in the final report. Some of the highlights:

- 23 teams/start-ups applied for the program.
- 14 teams/start-ups were invited to take part in the initial pitch training workshop which was the final step in the selections process. The workshops were completed in Harstad and in Bodø.
- Based on the pitch training workshop, 6 business ideas presented by 12 young people were selected to take part in the accelerator program.
- Five (5) of the entrepreneurial teams started their own companies during the program, one becoming a non-profit organisation.
- Four (4) of the ideas received external governmental grants during the program.
- Two (2) of the ideas have been selected by Lundin Foundation and two other private investors for closer evaluation with the intention of making an investment.
- Lundin Foundation offered the non-profit organisation an introduction to a broader network.
- In an online survey the participants gave the program a very high score (in average a score of 9, where 10 was the highest score).

The six business ideas covered the following topics:

- reducing food waste from grocery shops,
- new design of an enclosed cage for salmon farming,
- reducing cost and environmental impact connected to online shopping,
- a warning system for brake failure on heavy trucks,
- using locally harvested algae as a seafood speciality at the most famous restaurants in the world,
- converting plastic from waste to a valuable resource.

Objective and target group

The overall objective of the program is to boost and intensify the innovation process in promising start-ups with business ideas meeting the challenges and market opportunities in Arctic Norway. In this project, "Arctic Norway" is defined as Northern Norway, including the counties Nordland, Troms and Finnmark.

The Arctic Accelerator program aims to increase the recruitment of young entrepreneurs, and primary target group will be start-ups managed by entrepreneurs 30 years old or younger. For young entrepreneurs not already included in an incubator program, the Accelerator will strengthen the evaluation and early stages of the incubation process, leading to a more mature and complete

business idea and business model. As a result of the Accelerator, a higher number of start-ups with young entrepreneurs may be included in the business incubators in Northern Norway.

For entrepreneurs already included in an incubator program, the Accelerator will enable a more intense and comprehensive supervision of the start-up leading to a more agile market acceptance and commercialisation. Faster commercialisation is a tremendous advantage for both the business and the region.

Business ideas and industry areas

The start-ups must have excellent business ideas that have the potential to promote:

- A sustainable use of Arctic natural resources
- Co-existence of a diverse industry base in Subarctic and Arctic environments.
- Environmental protection

Business ideas within the following industry areas will be prioritised:

- Renewable energy
- Energy and natural resource efficiency
- Waste management and recycling

The recruitment process

The main objective of the recruitment process is to select the best business ideas for the Accelerator program. In addition, the recruitment process also aspires to stimulate interest in entrepreneurship amongst young people, and to promote awareness of the need for entrepreneurs for local and regional economic development.

The recruitment process will consist of 4 elements:

- Marketing
- Application and initial screening process
- Pitch training and panel presentation
- Final selection of participants

Marketing

KUPA will together with our network (including Kunnskapsparken Bodø (KpB), Norinova and the two universities in the north) launch an information campaign on the services and opportunities offered by the Arctic Accelerator. The campaign will be launched and intensified in the period August 15th to October 1st. Target markets for the information campaign will be:

- KUPA and cooperating business incubators with their network of start-ups.
- Entrepreneurial environments outside the business incubators (Flow, Start-up labs, etc.).
- Entrepreneurial environments at universities in Northern Norway; UiT – Arctic University of Norway and North University.

Application and initial screening process

Entrepreneurs will have to submit a formal application of maximum 2 pages where they describe:

- Business idea and market opportunities
- Entrepreneurial team and ambitions
- What they want to achieve through the program

Closing date for application is September 30th. Based on the application, entrepreneurs clearly not meeting the predefined selection criteria will be excluded from further process. The remaining will be offered initial pitch training, supervision and panel presentation.

Initial pitch training workshop and panel presentation

Given sufficient number of participants (> 5 in each location), pitch training, individual supervision and panel presentation with feed-back will be organized at three different locations in second half of October:

- Bodø
- Harstad
- Tromsø

The program will consist of the following elements:

Part 1: Workshop

The individual start-ups will receive 4 hours of lectures and 1 hour of individual supervision:

- Introduction to Business Model Canvas.
- Introduction to pitch presentation
- All participating start-ups prepare a presentation with individual supervision from advisors

Part 2: Panel presentation

- Presentation of business case (15 min)
- Questions and comments, dialogue (15 min)
- Feedback from panel (5 min)

Individual supervision will be carried out by advisors from KUPA, and the panel will consist of 3-4 senior advisors from:

- KUPA, chair
- Partners in the program
- KpB in Bodø and Norinnova in Tromsø
- Experienced entrepreneur

Final selection of candidates for the Accelerator

The final selection will take place latest the first week of November. Based on the panel evaluations, the 5-10 best candidates will be offered a place at the Accelerator program.

Selection criteria

The selection of start-ups to be included in the Accelerator program will be based on the following criteria:

1. A unique business idea within the defined industry areas.
2. A clearly identified unfulfilled need in the market, and a national or international addressable market.
3. A high job creating potential.
4. A dedicated, competent and reliable entrepreneur or team of entrepreneurs willing to accept the Accelerator's assistance.
5. Has needs the Accelerator program can meet either by the Accelerator itself or through our network.
6. Start-ups managed by entrepreneurs 30 years old or younger, or start-ups included in a business incubator program that will clearly benefit from the additional services of the Accelerator.
7. Entrepreneurs 30 years old or younger should constitute no less than 80 % of the participants in the Accelerator program.

Start-ups managed by entrepreneurs 30 years old or younger, may present more immature business ideas and need not be part of a business incubator program at the start of the recruitment process. However, the business idea must be evaluated and found to have the potential of obtaining an incubator status during or after completing the Accelerator program.

The Arctic Accelerator curriculum

The Arctic Accelerator will be a unique tool for selected businesses committed to escalate and intensify their development and commercialisation processes. The start-ups will through the Accelerator program be offered targeted supervision and network, exceeding what business incubators are able to provide of preincubation services due to financial constraints. The activities will be tailored to the needs of the individual business ideas, based on a development plan and coordinated with services in the business incubator. The Accelerator program will be free of charge for the selected start-ups. The program might use students as interns (if possible to coordinate with university curriculums).

Program outline

The program will be managed by a steering group with representatives from the Partners in the program including KUPA advisors. The steering group will continuously evaluate the program and secure necessary capacity in the event of adjustment or changes.

5-10 start-ups will be selected to participate in the program. The start-ups can participate in the program with all team members if they wish, however the program will cover the travel and accommodation costs for up to 2 team members from each start-up.

Start-up boot camp

Details

The start-up boot camp will be organised by KUPA and is an intensive 2-day program with educational elements and individual work. Short courses covering important entrepreneurial topics and workshops where the companies work on their business idea. KUPA advisors will participate and this will be the first meeting between the designated KUPA advisor and the entrepreneurs.

Topics covered

- Business model – the companies will work on a business model for their own business idea. KUPA use the methods from the Business Model Canvas to structure this work process.
- Tailormade project plans for idea/product development.
- Introduction to business management – e.g. how to set up a business, board, banking, accounting, handling orders, invoicing routines, budgeting.
- Investor strategies – an investor's concerns and the investor presentation.
- Public grant funding and other relevant sources for developing a business, and how to build a relevant network.

Objective

- The participants will get an introduction to important issues regarding product development and entrepreneurship.
- Each participating start-up should by the end of the boot camp have decided upon a business model which will be the foundation for further work during the program.
- Through brainstorming and problem solving issues and obstacles will be identified, and it will be evaluated how these can be solved.
- Each participating start-up will together with their KUPA advisor develop a weekly plan including milestones for the duration of the program to ensure progress.

Accelerate the business

Details

This phase will last up to 6 months and will primarily focus on developing the business idea and obtaining proof of concept. Also important is defining markets, customer segments and estimating market potential to ensure a market orientated product development. The participating entrepreneurs will have weekly updates with their advisor to go through the work plan and the progress. The program includes up to 100 hours supervision from KUPA or participating partners. 50 hours will be available for each team individually.

Activities

- Pragmatic advice during the program – all the must-do tasks for an entrepreneur. Use the business model and our other business developing tools to ensure all steps in the process are comprehensible and useful for the participant.
- Use of external mentors – the entrepreneurs will be connected to one or more mentors, ensuring learning and development. The activities between the companies and mentors will be included in each entrepreneur's work plan.
- We will actively use our Advisory Board with external industry advisors to ensure quality and a realistic process. The Advisory Board will be complemented with additional resources according to the needs of the participating entrepreneurs.
- We will use our network to find the right expertise to each participating entrepreneur.
- To test ideas and prototypes with possible partners/customers/other network.
- Fundraising and how to approach investors and related topics. The entrepreneurs will work together with their advisors on an investor presentation for Demo Day, and also participate in presentation training.

Objective

- This part of the program shall ensure a faster development of the start-ups.
- Obstacles in the plans will be identified and possible solutions should be described.
- The companies will be introduced to a relevant network covering production, customers and investors.

Midway boot camp

Details

The objective of the midway boot camp is to ensure progress, create learning across the teams of entrepreneurs, and practical performance training. The midway boot camp will be organised by KUPA as an intensive 2-day program.

Topics covered

- A first complete presentation of the business concept based on the 9 elements in the Canvas model.
- Become familiar with the expectations of the main stakeholders (investors, employees, customers, public society) for each business idea.
- To present the business idea in 60 seconds, in an understandable way and by making a short video.

Objective

- Be able to learn from the other entrepreneurs in the program, and discover the value of sharing with others ideas, challenges and experiences.
- Be able to present a complete business concept.
- Be able to manage expectations from stakeholders, especially from investors (owners).

Demo Day and Graduation

Details

This is planned as an investor day (a miniature “demo day”). The entrepreneurs will meet with possible investors both formally through an investor training session/panel presentation, and informally through a social event. For the entrepreneurs this will be both an “exam” from their time in the program and the start of the next step in their business development.

The panel will evaluate the business ideas presented and score a winner. The best idea in the program will receive a prize of NOK 40.000 from the Arctic Accelerator.

Topics covered

- Investors’ expectations and demands. An experienced investor will share with the start-ups what investors emphasise and expect from a possible investment case. All participants present their business idea, including challenges and further work, to a small panel of investors. Time schedule: 30 min each, including time for questions.
- The program will end with a social event with the entrepreneurs, Lundin Foundation (if they wish so), the advisors and the investor panel.

Objective

That all participating start-ups have agreed an individual follow-up meeting with an investor.