

Spin-off Austria Conference 2023

Report

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Introduction

The Spin-off Austria Conference on November 23, 2023, marked its fourth year as a significant event in fostering innovation and collaboration in the academic spin-off sector.

The conference serves as a critical meeting point for a diverse group of stakeholders, including academia, entrepreneurs, investors, and policymakers, to discuss and shape the future of academic entrepreneurship in Austria.

The Spin-off Austria Initiative, launched by Hermann Hauser and Herbert Gartner along with their respective organizations, Hermann Hauser Investment GmbH and eQventure, inaugurated this series of conferences in 2020. The current event was collaboratively organized by I.E.C.T. – Hermann Hauser (with Viktoria Tollinger as the Manager of Program Development) and New Venture Scouting (led by Werner Wutscher, Managing Director). Both entities have made substantial contributions to the spin-off domain through their roles in backing programs like the LBG Innovator's Road Programme, designed for academic entrepreneurs, and their support of the spin-off ecosystem at both national and international levels.

The 2023 conference was made possible thanks to the generous support of our sponsors [AplusB](#), [aws](#), [FFG](#), [iv](#), and [WKO](#). A big thank you is extended to them once again for their invaluable contribution!

Academic spin-offs, pivotal in transforming research into marketable innovations, play a crucial role in job creation, economic growth, and addressing global challenges like climate change and social inequality. The conference highlighted the need for increasing the number of academic spin-offs in line with Austria's FTI-Strategy 2030, and the necessity of evolving university support systems and funding strategies.

Key insights from the conference included the importance of standardizing and streamlining the spin-off process, enhancing entrepreneurial thinking within universities, and integrating spin-offs more effectively into the wider economic ecosystem. The event facilitated valuable exchanges of international practices and strategies, aiming to refine the journey from research to market innovation and reinforce Austria's position in academic entrepreneurship.

In the following, we will give a short overview of the current situation for Spin-offs in Austria, and then describe the main takeaways from each part of the conference.

Current Situation

In accordance with the national FTI-Strategy 2030, Austria aims for a significant increase in academic spin-offs. Efforts like enhancing support for Technology Transfer Offices (TTOs) and the introduction of Spin-off Fellowships showcase this commitment. These initiatives are yielding results: the Austrian Startup Monitor (ASM) (2022) indicates a rise in academic spin-offs. While from 2017-2019, only 16.4 % of all newly founded startups were academic spin-offs, this percentage increased to 23.5 % in 2020-2022. The ASM estimates about 90 academic spin-offs annually.

The recent surge in academic spin-off foundations is promising, yet there's a clear need for further development and refinement in this area, as highlighted by a 2023 study conducted by New Venture Scouting.

New Venture Scouting Study

In 2023, New Venture Scouting conducted a survey of academic spin-offs for the first time to capture the views of academic founders on the ecosystem.

The survey with 30 spin-offs participating reveals appreciation for the considerable support from universities, including TTO assistance and university resources, as well as leveraging institutional reputation to aid new enterprises. The ecosystem is acknowledged for its comprehensive advisory network and supportive programs.

Nevertheless, most importantly there is a call from spin-offs for a move towards a more standardized and transparent process with better communication during the overall process. The current highly individualized spin-off process often leads to insecurities for both academic founders and universities. This is reflected in extended deal closures, with an average duration of 10.8 months. In comparison, international spin-offs only need 8.9 months to achieve a deal with the university (source: spinout.fyi).

The unstandardized spin-off process is also reflected in a low satisfaction with the spin-off process in Austria overall (5.5 on a scale of 1 (horrendous) to 10 (the best)). However, the overall satisfaction with the achieved deal terms of Austrian spin-offs is rather high (8.3 on a scale of 1 (totally unfair) to 10 (totally fair)).

Besides the spin-off process with the universities, it can be mentioned that the vast majority of spin-offs from the survey was able to acquire funding (either public funding and/ or risk capital) but a lower amount than their international peers. Most spin-offs also acquired human capital. A managerial or business background is however vastly underrepresented in Austrian spin-offs. In comparison, international spin-offs often rely on hiring outside leadership.

No single player in the ecosystem can drive sustainable advancements for spin-offs independently. It requires a collaborative effort among all ecosystem participants, including universities, policymakers, and investors, to enhance the conditions for academic startups in Austria. The emphasis of this year's Spin-off Austria Conference was on the significance of this collaboration. We delved into the synergies and strategies for cultivating a robust ecosystem. In the ensuing sections, we will outline the principal insights from each segment of the conference.

Part 1 – Charting a Visionary Path: The Imperative of a Spin-off Ecosystem

Keynote: Unlocking the power of ecosystems: catalyzing spin-offs for a transformative future.

Speaker: Hermann Hauser, Co-Founder of Amadeus Capital Partners

Hermann Hauser emphasized the critical role of artificial intelligence (AI) in the ecosystem, comparing its potential impact to that of microprocessors in Silicon Valley and Silicon Fen. Despite the challenging environment for startups in Europe, potentially exacerbated by a looming recession, Hauser pointed out that downturns often present the best opportunities for starting a company. He highlighted the promising outlook for European venture capital, particularly in deep tech startups, with the European Innovation Council (EIC) fund dedicating €10 billion in this area. European startup culture has significantly matured, showcasing robust growth.

Key Insights:

- AI is the fastest-growing technology, having applications in virtually every domain and significantly boosting productivity.
- The need for international coordination in AI legislation to avoid disadvantages for European companies.
- Austrian ecosystem shows promising development, with cultural shifts nearly complete, and increased venture capital availability.
- Quantum computing is a vital area where Austria leads, but Europe risks falling behind the U.S. and China in funding and development.
- AI is central to Europe's economic future, with European VC performing well but still lagging behind the U.S.
- Europe's significant challenge lies in its aversion to taking risks.

- Standardized IP contracts between universities and startups are crucial to prevent lengthy negotiations that hinder startup success.

Panel: Entrepreneurship as a Third Mission and Driver of Change

Panelists:

- Monika Köppl-Turyna, Director at EcoAustria
- Henrietta Egerth-Stadlhuber, Managing Director at FFG
- Barbara Diehl, Chief Partnership Officer at SPRIND
- Christine Ruckenbauer, Head of Technology Transfer at Vetmeduni Vienna

Moderator: Kami Krista, Co-Founder of Elio

Key Takeaways:

1. Public Value of Spin-offs:

- Universities need to recognize the societal value of spin-offs, which contribute through tax revenues, job creation, and innovation.
- Austria excels in supporting early-stage startups but faces challenges in later stages (e.g. Series A funding)

2. Funding Dynamics:

- The balance between public and private funding is crucial, especially for riskier ventures.
- Austria has effective public funding for early-stage startups but needs improvement in scale-up funding.

3. Framework for Spinning Out:

- A standardized framework is necessary for a transparent and efficient spin-out process.
- More fellowship programs for spin-offs are needed. Although Austria does well in early-stage funding, there's a gap in scaling up support.

4. Innovation Programs:

- Open and easy mechanisms are essential for early funding of promising ideas in areas like AI and quantum computing.
- Challenge-based mechanisms for funding can foster real competition and innovation.

5. **University Mindset:**

- Universities should focus on long-term success rather than short-term licensing values.
- A cultural shift is required at universities, encouraging risk-taking and focusing on building successful companies rather than merely licensing to established corporates.

Conclusion Part 1

Overall, the first part of the conference underscored the need for a visionary and collaborative approach in fostering a thriving spin-off ecosystem in Austria. The discussions highlighted the importance of AI and quantum computing as key technological areas, the need for more effective funding mechanisms, and the crucial role of cultural shifts within universities to embrace and drive entrepreneurial ventures.

Part 2 – HOW the path towards a flourishing ecosystem can be formed. Best Practices of spin-off ecosystems

Keynote: Entrepreneurial Ecosystems: Towards a Dynamic Lifecycle Model

Speaker: Uwe Cantner, Professor at the Friedrich Schiller University Jena & the University of Southern Denmark

Professor Cantner's keynote focused on the theoretical aspects of the lifecycle model of entrepreneurial ecosystems. However, this academically oriented discussion was deemed less relevant for the practical focus of this report.

Panel: International Ecosystems in Comparison: Boosters and Challenges

Panelists:

- Marius Rosenberg, Life Science Entrepreneur & Investor
- Orsolya Ihasz, Lecturer in Entrepreneurship at the University of Cranfield
- Mart Maasik, Investment Director at UniTartu Ventures and Head of Entrepreneurship at the University of Tartu

Moderator: Kambis Kohansal-Vajargah, Head of Startup-Services at the Austrian Federal Economic Chamber

Key Takeaways:

1. Shifting the Academic Mindset:

- Founding a company should be seen as a positive outcome and contribution to society, rather than as a deviation from traditional academic paths.
- Professors should serve as role models, emphasizing entrepreneurship as a viable and valuable career choice.
- Universities need clear strategies and guidelines that encourage and support entrepreneurship.

2. Streamlining IP Transfer:

- Simplifying and expediting IP transfer processes is crucial.
- Virtual shares can make the process more transparent and efficient.

3. Fostering Talent and Diversity:

- Talent acquisition, especially from diverse backgrounds, is key to building a robust ecosystem.
- Focusing on the talent aspect can significantly leverage ecosystem development.

4. Deep Tech vs. Tech Startups:

- Deep tech startups often face longer periods without revenue but have the potential to radically transform markets.
- Fast market feedback is less common in deep tech, presenting unique challenges and opportunities.

5. Entrepreneurial Mindset and Skills:

- Encouraging researchers to think about the impact of their work beyond academia is crucial.
- Universities should offer entrepreneurship training and soft skills development to postdocs and researchers.
- Collaboration and co-creation are essential in developing an entrepreneurial mindset.

6. Estonia as a Case Study:

- Estonia's success in tech entrepreneurship highlights the importance of building bridges between tech and deep tech.
- Providing visible and flexible founding support services at universities is important.
- Collaboration at national and regional levels can enhance the effectiveness of the ecosystem.

Conclusion Part 2

This segment of the conference highlighted the importance of changing the academic mindset towards entrepreneurship, simplifying IP transfer processes, and focusing on talent and diversity. The panelists stressed the need for universities to offer comprehensive entrepreneurship training and foster a culture of collaboration and co-creation. Estonia's example was cited as a successful model in integrating diverse backgrounds and skills to create a dynamic and supportive entrepreneurial ecosystem. The insights gained from this discussion emphasize the multifaceted approach required to cultivate a thriving spin-off ecosystem.

Part 3 – Navigating the Austrian Spin-off Ecosystem: WHAT is missing?

Keynote: How to Innovate a Medical University – Why Entrepreneurship Matters!

Speaker: Birgit Hochenegger-Stoirer, Vice Rector at the Medical University Graz

Birgit Hochenegger-Stoirer addressed the unique challenges of spinning off in the fields of medicine and life sciences. She highlighted the need for strong cooperation with industry, given the long research and development periods, complex regulatory frameworks, and significant financial requirements in these fields.

Key Insights:

- Knowledge and intellectual property (IP) are unique assets that universities must manage professionally.
- A coordinated and transparent spin-off process is essential.
- Universities need to cultivate an entrepreneurial mindset, reliable governance, and professional business developers.

- The surrounding environment requires a supportive legal framework, private capital, and co-investment initiatives.

Panel: What are the Subsequent Actions and Tasks Required to Establish a Thriving Austrian Ecosystem?

Panelists:

- Elmar Pichl, Federal Ministry of Education, Science and Research
- Niki Futter, Chairman of the Board at invest.austria
- Christian Hill, Co-Founder of BRAVE Analytics
- Peter Busch, Global Product Owner DLT at Bosch
- Christopher Lindinger, Professor at University Mozarteum Salzburg & Member of the Founding Convent IDSA

Moderator: Werner Wutscher (Managing Director at New Venture Scouting)

Key Takeaways:

1. Prioritization Struggles in Universities:

- Balancing research, teaching, and tech transfer with limited funds is challenging.
- A clear and standardized framework for spinning out is needed, along with institutionalized dialogue between universities and industry.

2. Corporate Culture and Expectations:

- Universities often have unrealistic expectations regarding spin-offs.
- Founders frequently lack business knowledge, highlighting the need for co-founders with business acumen.

3. Entrepreneurial Recognition:

- Entrepreneurship is often undervalued in academia.
- A system that awards points or recognition for entrepreneurship could encourage more involvement in spin-offs.

4. Business Plan vs. Spin-out Contract:

- Conflicts arise between the optimistic outlook of business plans and the conservative valuation in spin-out contracts.

5. **Economic Expertise and Training:**

- Scientists transitioning to CEO roles require economic expertise and training.
- Corporate training programs for academic entrepreneurs can be highly beneficial.

6. **Simplifying Spin-out Models:**

- Phantom shares and simplified models for spinning out are recommended.
- University involvement in spin-offs is becoming more accepted by investors.

Conclusion Part 3

This segment of the conference explored the critical gaps and challenges in the Austrian spin-off ecosystem, particularly in the medical and life sciences fields. Key themes included the need for professional IP management, fostering an entrepreneurial culture in universities, and balancing the scientific and business aspects of spin-offs. The panelists emphasized the importance of government support, standardized processes, and the integration of business skills for scientists. These insights point to a need for a more streamlined and supportive framework to nurture successful spin-offs in Austria.

Spin-off Austria Gathering

Following the day's conference, an evening gathering was held at the Federal Economic Chamber in Vienna. This event featured keynote speeches and panel discussions, providing an opportunity to delve deeper into the conference's themes. While the subjects mirrored those discussed during the conference, we will refrain from elaborating on each programme item in this report to avoid repetition. Nonetheless, we extend our heartfelt gratitude to our esteemed speakers and panelists. Their contributions at the Spin-off Austria gathering not only facilitated invaluable networking but also enriched the topics from the online conference with their unique insights:

Keynote: The Imperative of Spin-offs and the Need for Cultural Shift

Speaker: Edeltraud Stiftinger, Managing Director, Austria Wirtschaftsservice

Panel One: The Spin-off Journey in Austria: Perspectives from Founders

- Anna Pölzl, Co-Founder & CEO, nista.io
- Julie Rosser, Co-Founder & CEO, Pregenerate Inc.

- Rupert Ursin, Co-Founder & CEO, Quantum Technology Laboratories GmbH

Panel Two: Fostering Success: Ecosystem Stakeholders on Advancing Austria's Spin-off Landscape

- Oliver Holle, Managing Partner, Speedinvest
- Oliver Vitouch, Rector, University of Klagenfurt
- Markus Wanko, Managing Partner, Xista Science Ventures
- Georg Kopetz, CEO & Co-Founder, TTTech

Conclusion: Key Takeaways from the Spin-off Austria Conference

The Spin-off Austria Conference brought to light crucial insights and strategies essential for fostering a robust spin-off ecosystem in Austria. Aimed at guiding decision-makers, the conference emphasized the collaborative effort required from various stakeholders, including universities, policymakers, investors, and entrepreneurs. Here are the key takeaways from the conference:

1. Embracing a Visionary Approach:

- Artificial Intelligence and Quantum Computing are pivotal technologies shaping the future. Austria, and Europe at large, must invest strategically in these areas to maintain a competitive edge.
- The need for standardized intellectual property (IP) contracts between universities and startups is critical to streamline the spin-off process and encourage more ventures.

2. Fostering Entrepreneurial Mindsets:

- Universities must adopt and nurture an entrepreneurial culture. This involves reshaping the academic perspective to view spin-offs and entrepreneurship as commendable and valuable career paths.
- Practical business knowledge and skills should be integrated into academic curricula to prepare researchers for entrepreneurial ventures.

3. Building a Supportive Infrastructure:

- Establishing clear, standardized frameworks for spin-offs is vital for creating a transparent and efficient ecosystem.

- Balancing public and private funding, especially in the early stages of startup development, is essential to support a variety of ventures, particularly in deep tech.

4. Addressing Ecosystem Challenges:

- The medical and life sciences sectors face unique challenges, including long R&D periods and complex regulatory environments. Tailored support and strong industry cooperation are crucial in these fields.
- Conflict resolution between the optimistic aspirations of business plans and the conservative nature of spin-out contracts is necessary to encourage more ventures.

5. Encouraging Collaboration and Diversity:

- Collaboration between academia and industry needs to be institutionalized. Dialogue and partnerships will drive innovation and practical application of research.
- Diversity in teams, in terms of skills and backgrounds, is a significant asset for the development of a dynamic and innovative ecosystem.

6. Role of Policymakers and Stakeholders:

- Policymakers play a crucial role in creating conducive environments for spin-offs through supportive legislation and funding mechanisms.
- Decision-makers across all sectors must recognize the long-term value of spin-offs in driving economic growth, technological advancement, and societal progress.

In conclusion, the Spin-off Austria Conference highlighted the need for a holistic and integrated approach to developing a thriving spin-off ecosystem. This involves not only addressing the immediate needs of startups and entrepreneurs but also fostering a culture of innovation, collaboration, and risk-taking. The insights and recommendations from the conference serve as a roadmap for decision-makers to strategically support and grow the Austrian spin-off ecosystem, with implications for the broader European context.

All keynotes and panel discussions are available for viewing via video on the Spin-Off Austria website: <https://www.spin-off-austria.at/conferences/conference-23-nov-2023>.