D6.2 Sustainability strategy and work plan

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Executive summary

This deliverable outlines the current strategy for maintaining and building on the activities and results of ODINE. In D6.1 the exploitation strategy is split into open data network, commercial results, infrastructure, knowledge, and the acceleration programme. Similarly, the core elements relevant to those areas are

- improving access to open data through guidance and tools such as Open Data Certificates,
- providing all published materials on the web for up to 4 years after the project finishes in line with Article 28.1,
- facilitating access to other networks such as a corporate incubators, events such as the South Summit and funding opportunities,
- measuring the economic impact of incubated SMEs and startups to spotlight the commercial ambition, generate stories and evidence the return on investments, and
- continue running an acceleration programme that takes in open data startups, independently supported from the ODI and WAYRA.

The report is split into three parts:

1. The first section describes how we are enabling a sustainable commercial open data ecosystem.
2. The next section details the strategy of measuring and supporting the success of open data SMEs and startups.
3. The third section outlines how we continue an open data incubator and acceleration programme after ODINE finishes.

1. Creating a sustainable commercial open data ecosystem

Facilitating easier access to open data

The liaison suggested in task 4.5 includes data providers, such as governments, companies and organisations and they will be asked to provide some of their data, or other forms of collaboration, to the SMEs. As part of this task, and beyond the project, we are continuing the efforts to facilitate access to datasets and in general improving the conditions for businesses using open data.

For example, the ODI is maintaining a guide on how to find open data.[1] We are also planning to join all relevant resources into a report that is aimed at an audience across Europe, including a couple of case studies and one-page guide summary. It should allow SMEs and startups get access to data more easily and will be available on the web.

As part of the ODI's work, we want to capture the demand for specific open data types and specific datasets and needs in terms of quality. We hope to use this information to help us lobby for more, better quality open data that companies want and can use. To get gather specific open data requirements in terms of domain, quality and access and processing, the ODI is in the process of launching another survey. We are following some standards from our earlier *Open data means business* study.[2]

The ODI is continuing its support for *Open Data Certificates*, which helps to assess and recognise the sustainable publication of quality open data to encourage its ongoing re-use. We have recently launched auto-certification, which makes the process of certifying existing open data faster and easier, helping publishers to start the process and focus resources on where they can best add value.[3]

Part of the sustainability of ODINE is delivered through the continued effort the companies make when they go after their business. Any success stories will be useful and will be used for dissemination and thus supporting the sustainability of a commercial open data ecosystem.

Support, resources and materials available after the project

All published materials on the web will continue to exist on the ODINE's web presence for at up to 4 years after the project finishes as suggested in Article 28.1 of the grant agreement. We will

[1] https://github.com/theodi/shared/wiki/Finding-Open-Data
[2] http://theodi.org/open-data-means-business
[3] https://certificates.theodi.org/en/autocertification

also try to syndicate as much as possible of the content on the partners' websites, for example a transfer of the evaluation platform (Easychair) to the innovation centre at Southampton.

Much content from WP5 on training for open data innovation will be available after the project finishes. For example, the ODI plans to continue to offer the business innovation workshop developed for ODINE. The webinars scheduled for M12, M15, M18, M21, M24 will be recorded and will be available on the web.

An open data ecosystem case study: Arup

Arup is a multinational professional services firm that provides design, engineering and consulting services for the built environment. It has around 11,000 employees and a turnover of £1.05bn in 2014.

Traditionally, Arup would complete its research and development (R&D) in house in order to develop new commercial services or improve existing ones, sometimes working with academia and other groups. The firm is now shifting to a more open, collaborative approach, in which it experiments with external ideas, and explores different paths to market. Arup's open innovation approach is best demonstrated by its continued work with startups incubated at the ODI: Mastodon C and OpenSensors.

Mastodon C is a specialist big data startup. In a recent project for one of Arup's clients, it used its data science expertise to help Arup quickly derive commercial insight from vast amounts of batch data related to airport infrastructure.

Arup first worked with OpenSensors, an online platform that enables users to publish real time data, to install 200 smart sensors in its own London offices. This helped the multinational firm take a hands on approach to Internet of Things (IoT) research that could be quickly scaled-up for more commercially focused projects.

Arup is now looking to partner with the startups on more work, such as the creation of a new asset monitoring platform. This ongoing relationship is indicative of Arup's approach to open innovation, in which it seeks to foster long term partnerships. Volker, Director of Arup and leader of its IT and Communications Systems practice, explains that:

> *"what's different to previous approaches is that we don't just want to go and contract something. It wasn't just a commission to say 'here, develop some code for us.' The idea is that we would be strategic development partners."*

Arup's motivation for adopting this approach and becoming a 'porous' organisation is the acceptance that rapid, disruptive change is unlikely to come solely from within. Large organisations like Arup will have to quickly absorb new ideas, technologies and data in order to

remain competitive over the long term. This requires an ecosystem in which startups, large corporations and others interact. Volker outlines Arups view that:

> *“we think there are domains that would benefit not just from open data but an open innovation process. It's not just data, it's also open source in terms of code or the development of other digital assets.*
>
> *I can't see an end to technical disruption rolling into our industry. The idea that we will have all the experts in house is unrealistic.”*

Working in this way enables both Arup and the startups to rapidly move into emerging domains more quickly than they could alone. Damien McCloud, Global Geographic Information Systems Leader at Arup, describes this and the ODI incubator’s role in supporting the developing ecosystem:

> *“The ODI gave us knowledge of, and a conduit into, the startups, which we didn't have previously. We didn't know what we didn't know. It's given us access to these companies. The market changes so rapidly and Arup does so much already; we see it as a way of identifying what's relevant in the market and absorbing it by osmosis very quickly.”*

For startups, this collaborative way of working provides a number of other benefits as well. Primarily, Arup offers the opportunity to scale promising products or services quickly through immediate access to clients and markets. As Volker explains:

> *“the principle thing we bring is scaling. If we set up the asset monitoring platform that we are discussing with [the startups], we will be able to contact 100 clients within months - a different scale and a different pace than they would have been able to otherwise.”*

Significantly, the relationship does not require Arup to demand equity from the startups they work with. This enables the startups to retain independence and control over their own futures.

Beyond direct commercial work, the collaboration has the potential for wider, long term impact. Working with startups in this way means that they can inject new ideas into Arup’s values, principles and policies. This is particularly relevant to the ethical considerations to be made around the use, reuse and sharing of data. Working this closely enables both sides to shape the other’s thinking.

This experimental approach taken by Arup, where targets are often more loosely defined, with fewer concrete objectives or plans, requires an attitude to licensing that is different to that taken by many other large organisations. According to Volker, this attitude is likely to be developed by startups through their incubation at the ODI:

> *"open innovation framework and the use of Apache licensing for code development and sharing is really attractive to both sides. It allows us to create IP without having to have complex legal agreements, lawyers, and background and foreground IP discussion that just slows everything down in this new world.*
>
> *What I found is that startups coming out of the ODI already have that understanding in their fabric. Some of the bigger companies that we work with or other startups without that background have a different view of the world. You spend more time with their lawyers than with their developers."*

This approach to working with others, including startups, differs from the one traditionally taken by organisations similar to Arup. Volker contrasts his company's position in the ecosystem with that of other large companies:

> *"there are lots of big businesses that have got accelerators or incubators but they usually involve investing in the startup, taking equity out and having very clear IP rules attached. That's a completely reasonable model that lots of companies use. We are exploring a different way of doing it."*

2. Creating sustainable open data companies

Supporting open data companies through access to funding

A key condition needed for open data SMEs to prosper is a favorable access to funding to grow their startup and ensure sustainability. At the core, the ecosystem will only thrive if a relevant percentage of open data companies have a sustainable business model and continue to operate.

WAYRA will encourage open data SMEs to attend investor-startup events such as 4YFN, WebSummit, Slush, TechCrunch and South Summit. These startups may also have the chance to participate in pitching sessions and competitions. It is a great opportunity for startups to gain visibility, connect to funds and corporations and strengthen networking capabilities. To get the most out of investor meeting and events, SMEs will be trained on a set of best practices to perform these activities though a Funding Methods webinar performed by WAYRA. This will increase the chances of success for the startups boosting the sustainability of the startups. WAYRA will also provide visibility of the ODINE startups within its VC and BA network.

An early success story from cohort 1 is BikeCitizens who raised €500 000 in funding from the *Österreichische Forschungsförderungsgesellschaft* and another €110 000 from a crowdfunding campaign in December 2015.

WAYRA will also put together a success stories document. The goal of this document is to encourage investments and increase ODINE deal flow.

How we measure the impact of open data companies

In the words of management gurus around the world: “what gets measured, gets managed.” We are collecting a series of metrics that help us quantify the impact and success of the ODINE participants.

What we deem critical for understanding the overall impact of ODINE companies are the following metrics:

1. Economic impact (sometime referred to as value unlocked) as a sum of:
    a. Sales, the value in Euro of any individual or recurring from selling a product or service
    b. Investment, any form of venture capital, angel investment, crowdfunding or related finance sources.
    c. Efficiencies, any quantifiable impact for customers or users for example cost savings.
2. We are also collecting how many people are employed by the SMEs and startups.

Companies fill in those metrics while they complete the biweekly report. We also periodically remind them in review meetings and as part of their milestone reviews. The milestone review form includes metrics like revenue, gross profit or monthly active users.

While the tracking during the 6-month incubation period happens continuously, surveying metrics like investments happen on a more ad hoc basis after the graduation event. Touch points are significant news, events, and as part of other feedback mechanisms. Some sales cycles, and even more so investment funnels, are often longer than a few months. A critical meeting with a mentor during the incubation period may only convert into a sale after a number of months and therefore it is important to collect these metrics beyond the incubation period.

The ODI will continue to measure and collect the impact of companies after the ODINE project finishes. The metrics are published, for example, as aggregate statistics in the ODI’s dashboards[4] and in many other communications that relate to the Open Data Incubator.

[4] http://dashboards.theodi.org/company/all

3. Continuing the Open Data Incubator

Open data network, commercial results, infrastructure, knowledge, acceleration programme

Deliverable 6.1 from M3 goes into details regarding the exploitation strategy. In general, the aim of the project is to strengthen the European data economy by planting the seed for a sustainable network of open data businesses. This aim is aligned with those of individual consortium partners and therefore pertinent for the sustainability strategy.

With respect to 6.1 five areas were identified and are, for convenience, reproduced below:

1. Open data network
2. Commercial results
3. Infrastructure
4. Knowledge
5. Acceleration programme

The first four points have been addressed in the first and second section on creating a sustainable commercial open data ecosystem and creating sustainable open data companies. Therefore the section below focuses on the acceleration part of ODINE.

Strategy and work plan for the acceleration programme

The ODI aims to find, support and promote open data startups so that they can play a key part in growing the ecosystem. As part of our core strategy we connect, equip and inspire people around the world to innovate with data.

The ODI will continue to run an open data incubator after ODINE finishes. We are committed to support at least 20, 10 and 10 startups for the years 2017-2019 respectively. Our Node network is also set to increase with the following numbers for 2017-2019: 55, 76 and 107. The network built through ODINE will allow ODI's global partnership model to grow. We are in the advantageous position to have motivated and impactful Nodes, who sometimes themselves are startups. This network will allow the ODI to exploit the learnings from this project to maintain and improve the innovation approach championed by ODINE.

Relationships with the ODINE participants do not end after the 6 month mini-project. Depending on scope, opportunity and the engagement by the SMEs and startups, we will continue to support them achieve a sustainable business model. For example, it might be interesting to add 'graduates' to venture capital pitching events *after* the support period and in particular if they

focus on a vertical, for example, Internet of Things. The ODI Summit 2016, 2017 and similar events are also a welcome opportunity to bring the community together and create the longed-for spillover effects. Equally, we will try to place some of the most relevant startups into other acceleration programmes as well as encourage them to form partnerships with large corporations in a model as described in the case study earlier.

The ODI, as part of its effort to run an open data incubator, will continue to make use of the mentorship database. The learnings from ODINE, how to engage people from the open data community at a pro bono basis to help businesses, are extremely valuable and allow us to scale the support to a number of companies that would otherwise not be possible.

WAYRA will continue to open the possibility of investing and accelerating open data SMEs and startups. It will also take the best practices learned from ODINE and continue to use them in the acceleration of open data SMEs.

WAYRA as part of Telefonica Open Future_ will also transfer its best practices to other initiatives under the group such as Crowdworking Open Future and Amerigo. Telefonica Open Future has presence in four European countries: Spain; Germany; Finland and UK.

Telefonica Open Future believes that the opportunity to innovate, develop business ideas and create important economic impact in the new digital era is something everyone can have access to. Open Data accelerates that belief by providing freely available resources to do this. Ultimately, the more data is released, the more opportunities will exist so that entrepreneurs can develop open data businesses that will lead to economic growth, job creation and citizen wellbeing. With Open Data, new opportunities to solve citizen paint points and create benefits, which ultimately translate into great value propositions, are growing.

From Telefonica Open Future, we think that it is important to push technological innovation and to help out in the development of the digital era by supporting these open data SMEs and startups. We find that we are able to boost the success rate of startups by providing them many of the acceleration services similar to those offered by the Open Data Incubator for Europe inspired by the Wayra acceleration guide, which include funding up to 100 000 Euros, mentorship and visibility to venture capitalist. Entrepreneurs create businesses, jobs, innovative solutions and economic growth. It is why we have developed an open ecosystem of innovation and believe that open data further fuels this new collaborative environment.

In summary, the current and future activities by ODI and WAYRA, as part of Telefonica Open Future, guarantee that the strategy outlined in this deliverable has a high rate of success and therefore builds on the results and learnings gained from ODINE.