Spin-off support at Tecnalia Spain

The case study provides the CEO’s perspective on Tecnalia Ventures’ incubation and acceleration services for deep tech spin-offs, including the strategy to support spin-offs, its impacts, and lessons learnt.

**Topics covered**
Deep tech start-ups, accelerator, incubator, investors, business support

**Tecnalia Ventures**
- Founded in 2013 as subsidiary of Tecnalia
- Inspired by Israeli tech transfer model
- Provides acceleration, incubation and venture building services for Tecnalia’s most promising technologies
- It develops early stage deep tech spin-offs for international markets
- It also provides consulting services for governments, companies, and investors in Europe, Latin America and Asia

**Inspiring Business Forum (IBF)**
- Platform to link spin-offs to investors and large firms to business opportunities
- Large firms get access to Tecnalia spin-offs

**Tecnalia Venture’s Entrepreneur’s Club**
- Organises talks and coaching sessions
- “Human capital investment forums” to recruit CEOs

**Tecnalia**
- Private foundation (non profit)
- Established in 2011 from a merger of 8 research institutes
- Objective: Transforming technology into GDP by creating business opportunities for companies and improving people’s quality of life
- Annual revenues of EUR 108 million in 2018
- Board of trustees with representatives from client companies
- 6 business divisions:
  - Energy and Environment
  - ICT
  - Industry and Transport
  - Health and Building Technologies
  - Lab Services

**Strategy to support spin-offs**
- Focus on market pull (what investors want and VC as clients)

**Accelerator incubator programme OMEGA**

**1st stage**
- Pitching sessions in front of an investment committee
  - Committee consists of real investors and technology experts

**2nd stage**
- Funding of spin-offs for prototype building and product development

**Regional eco-system approach**

**Minds**
- People that create technology-based business opportunities

**Management**
- People with an entrepreneurial profile capable of bringing products to market

**Money**
- Committed investors with long-term investment strategies

**Main challenges for deep-tech spin-offs**
- Need for public procurement schemes for technologies of deep tech spin-offs
- Small companies are penalised in public procurement
- Establish flexible hiring schemes for CEOs
- Supportive taxation of early stage investment and R&D
- Establish a public fund to acquire stakes from the RTOs’ deep-tech spin-offs (avoid liquidity concerns)

**Selection criteria for technologies**
- Technological value proposition from the perspective of profit and loss (P&L)
- Competitive advantage based on industrial and intellectual property
- Team competences including technical skills and entrepreneurial skills
- Impact on the creation of new markets

**Lessons learnt**
- Translate research into technological products that resolve problems of end user companies
- Protect technology in a way that will maximise its future economic value
- Assemble well-rounded team of technological experts & business/marketing/sales experts
- Team needs to be able to launch product on the market

**Impact**
- As of 2019: 555 patents and 167 patent families in portfolio
- 95% of success rate in patent concessions
- 2017: 2nd Spanish company in terms of EPO/PCT applications (27)
- Successful spin-offs
  - E.g. Nuevas Estrategias de Mantenimiento S.L. (won EARTO’s European Innovation Award)

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