

Startups and big firms lift innovation tie-ups

160 partnerships formed since launch of Spring Singapore's Pact scheme last year

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[SINGAPORE] Co-innovation – collaborating to introduce new ideas or methods – between startups and large organisations (LOs) is beginning to see acceptance here, even as observers question its feasibility and look for deeper roles from the players and government.

Just last year, Spring Singapore launched its Partnerships for Capability Transformation (Pact) programme to facilitate collaborations between LOs and small and medium-sized enterprises (SMEs) – startups included. Since the launch, over 160 partnerships have been formed.

Pact aims to foster mutually beneficial collaborations to accelerate the innovation process and create new products and services, Ted Tan, deputy chief executive of Spring Singapore, told *The Business Times*.

Beyond Pact, more startups and LOs are forming synergistic partnerships on their own, said observers.

"The idea of co-innovation is very attractive. Startups bring a different approach and more agility to help LOs create value and solve problems," said Arnaud Bonzom, assistant director for entrepreneurship, SMEs, technology and social impact at Insead's career development centre.

Startups, despite their size and youth, tend to pursue innovations LOs overlook, have a culture that recognises and fosters innovation, are nimble, responsive, passionate and driven, and can even give LOs the image of being innovative when they collaborate with startups.

Conversely, partnering LOs lets startups acquire knowledge and know-how, access new markets and customers, leverage assets to build new products, and quickly build their visibility and credibility which may otherwise take years to do on their own.

However, LOs may not be too keen on co-innovation as they have little incen-

Co-innovation case studies		
SINGAPORE-BASED STARTUP	PARTNER LO	CO-INNOVATION
Capillary Technologies, customer relationship management software maker	American Express, US	Capillary will provide value-added customer engagement solutions to drive customer loyalty and store sales to select American Express merchants in the US.
ViSenze, intelligent visual recognition firm	Rakuten Taiwan, Taiwan	ViSenze's technology will enable value-added visual search (search using images, not text) and visual recommendation functions on Rakuten's e-commerce sites in Taiwan.
ClearBridge BioMedics, medical technology firm	National Cancer Centre Singapore (NCCS), Singapore General Hospital, Singapore	ClearBridge will support NCCS in testing and commercialising the circulating tumour cell technology, and establishing Asia's first Circulating Tumour Cell Centre of Research Excellence.
Akimi Technologies, web and mobile development studio	Cerebos Pacific (for BRAND'S InnerShine), Singapore	Akimi has designed a Valentine's Day web game for BRAND'S InnerShine's website to engage new, younger and tech-savvy audiences via gamification – a bold move by a traditional LO.

tive to work with startups given the latter's financial risk, limited resources and track record, said Stephen Lim, CEO of enterprise software solutions firm SQL View and former chairman of the Singapore Infocomm Technology Federation.

Startups may not want to be involved too, said Mark Sin, a technical lead at a Silicon Valley-based consumer electronics firm and president of Singapore-Connect, a grassroots organisation that supports Singaporeans living in San Francisco.

"LOs are likely to declare that all intellectual property rights and royalties be assigned to them, as they will not want the startup – having done a project for them and learnt valuable insights about them – to be acquired by a competitor or move on to commercialise the same idea. Thus, the rules they establish will probably not be in favour of the startup mentality to go big," he said.

Yet, Johnson Chen, co-founder of local medical startup Clearbridge BioMedics, believes mindsets

are changing and co-innovation is gaining traction here.

"While local LOs are typically wary of working with startups, this is changing as the pace of innovation is increasing. It is clear that such collaborations are beneficial to both parties and Singapore needs to main-

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– Clearbridge BioMedics co-founder Johnson Chen

tain its competitiveness in today's global economy. Only by collaborating can companies in Singapore be more innovative, competitive and efficient," he said.

A first step would be for the government to genuinely commit to facilitating successful collaborations, and not just execute policies to appear action-oriented or clock key performance indicators, said SQL's Mr Lim.

"The government is the

best entity to pry open the doors into the boardrooms and corner offices of LOs," said Jeffrey Paine, founding partner of Golden Gate Ventures. It should also curate the startups and ensure that decision-makers from the LOs sit in during pitch meetings so as not to

"waste the entrepreneurs'

time".

"The government should reach out to the community at large to assure them there is value in entrepreneurial efforts," said Desai Arcot Narasimhalu, director of the Institute of Innovation and Entrepreneurship at Singapore Management University. It could demonstrate this by partnering startups or hiring failed entrepreneurs for their entrepreneurship pro-

grammes, he added.

So while the government plays the role of leader and facilitator, startups and LOs too, each have a distinct role to play in fostering co-innovation.

Startups need to show LOs they have a solution and the execution capabilities to solve a problem or add value to their business, said Chua Meng Kiat, founder of Akimi Technologies.

They should do their research and understand their potential clients' priorities, challenges and internal processes, as well as identify decision-makers to pitch to, said Oliver Tan, CEO of ViSenze.

Added Aneesh Reddy, CEO of Capillary Technologies: "The best advice we can offer startups is to have patience, and to be prepared to commit time and resources to manoeuvre through LOs with their established processes, structure and protocols."

LOs, on the other hand, have to recognise the need to collaborate with startups to inspire change, encourage innovation and deliver improved offerings to their customers, said Harshul Sanghi, head of American Express (Amex) Ventures, the corporate venture arm of Amex.

This could lead to a deviation from the standard "checklist approach" and increased willingness to engage new innovations early, said ViSenze's Mr Tan.

Obtaining top management support and buy-in is also critical, and there need to be policies in place to facilitate engagements or projects with startups. For instance, approval processes and team dynamics within LOs can be streamlined to keep pace with the agility of the projects, said a Cerebos spokesman.

Finally, LOs should offer interesting and challenging projects, advised Mr Sin.

"If they post boring projects, what challenge is there for the startup to try and do them? There is no adventure to be sought. Those will be more useful for larger firms, such as an outsourcing firm, to pitch their services."