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## Diversity Connectors for Start-ups: the Art of Mixing Barcelona Activa, April 26-27 2017 Note of the Workshop

Some introductory comments from participants about their goals for the Diversity Connectors for Start-ups project:

- *I would like to create an initiative which can be adapted to the local context and ecosystem, Margaux from La Ruche*
- *I hope that this initiative helps the technology ecosystem to become more diverse - Anne from the Shortcut which is building the process to encourage less obvious groups to access their services and set up their start-ups.*
- *We aim to create a project which innovates integration – Adela from the Melting Pot, which encourages migrants to set up their own restaurants and diverse food marketplace and an incubator*
- *We seek to connect people, regardless of their organisations - Smart Support Hub, a smart development centre funder. Projects are related to youth, entrepreneurship, education, disaster recovery and business continuity management*
- *To connect initiatives like this with corporate partners, Farid from Social Impact Hub, where social and inclusive entrepreneurship as its two main strands.*
- *The Diversity Connectors should be a family of facilitators, Ana from Migration Hub*

### Conclusions from the Panel Discussions

- It will be a challenge to bring together different types of businesses i.e. start-ups and small local businesses and social enterprises. They have different approaches, goals and needs, but there is value in sharing the same space.
- There is a need for clarity of terminology and for the participants to decide what types of businesses they wish to include in the project, e.g. start-ups, small local businesses and social enterprises.
- Young people need support in setting up a business before the business is registered – you must take a risk and guide them until the market opportunity and clients are certain.
- Many cities are looking for new solutions for helping migrants and refugees find employment. One way is to help them establish their own businesses.
- Migrant start-ups already have some skills with expansion prospects and need more connections.
- There are often too many incubators and new co-working spaces; many are empty, which indicates that the managers are not able to reach out to some groups of potential clients.
- Communication between co-working spaces, incubators and potential migrant entrepreneurs needs to be improved.
- We need to consider whether diversity connectors must be a physical space or whether it can also be a virtual space. Start-Up Lisbon encourages people to share knowledge on a Facebook page, about lawyers, suppliers etc.
- A public-sector organisation has the responsibility to serve the entire city and can take on non-profitable tasks. However, the public sector does not necessarily have a broad view because it responds to the voters' priorities and political landscape.
- The private sector is more able to be flexible.



- Why is the concept of Diversity Connectors challenging?
- Where incubators are run by a local provider, it is more difficult to create diverse spaces. They often do not understand the conditions under which migrants operate. For example, In Germany you need a capital of €25,000 to register a business.

## Case studies

### La Ruche, Paris

- La Ruche experiments with methods to organise space in a way that everyone feels comfortable, but we do not target minorities specifically.
- We are a combination of co-working and incubation.
- All entrepreneurs can take part in the same activities and use the same tools.
- The La Ruche incubator located in the ban lieu has a different ecosystem from the ones which are in the business parks and universities.
- La Ruche invites the high-tech incubators to the ban lieu to make them feel the importance of being a part of the community.
- In La Ruche, the community approves new applicants, because the members share many things and sometimes want to keep their information confidential.

### The Shortcut, Helsinki

- The question of location is critical - in the high-tech zone or in the migrant community.
- The Shortcut in Helsinki chooses to be in the middle of the buzz, where the investors and other entrepreneurs are, so refugees and migrants can leave their background behind and be just one of the gang.
- In Helsinki, there are a lot of mainstream incubators which inform migrants about opportunities and top up this information with informal education on tech-related business skills
- However, the needs of migrant and refugee entrepreneurs are totally different and often very basic. It is important for them to have role models. For migrants, confidentiality and being certain that they will not get in trouble with the authorities over papers etc. is crucial.

### Migration Hub, Berlin

- Migration Hub is a family. We interviewed all kinds of refugees, initiatives etc. to find out what they needed.
- We help migrants realise their ideas.
- The Migration Hub which has mapped 2,300 organisations across Europe - ideas, social enterprises, start-ups, with the overall goal of interconnecting and federating the initiatives.
- The Hub offers space for free to migrant entrepreneurs. The space is now one of the 100 landmarks in Germany, a building built by the Nazis, and symbolically it is important to make it a space for diversity.
- When you attract the people, how do you help them exchange information with one another? First, have a sense of purpose - why do I want to be an entrepreneur, and second, a sense of belonging, e.g. each team organises breakfast and cleans up, to share responsibilities and have a sense of belonging.



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- We encourage a post-modern sense of business which is more about collaboration and sharing rather than competition. Women, locals etc. should be included. An ethos of socially responsible business, collaborative, networked and co-dependent.

### **Barcelona Activa**

- In Barcelona, in many co-working spaces, there are foreign nationals but they are in the same economic, social and legal situation as the citizens of Barcelona, so they are not socially diverse.
- The design of such an institution needs to be piloted, because you have two groups with so different backgrounds and needs. The community relations are also a resource.
- Sometimes it is better for incubators to have relationship not with individuals but with communities.
- Barcelona Activa, the business development agency of Barcelona, acts as a connector of diverse parts of the business ecosystem in the city.
- Barcelona Activa provides services not for specific groups but for specific needs.
- Immigrants often do not have work permits. Some have more than eight years in Spain, but they do not have the right to set up a start-up.
- Migrants don't have social capital, savings, information, so they have specific needs. It would be best to cater for these needs in a mainstream space but this is very difficult for the institutions to realise.
- Barcelona Activa offers services to anyone who wants to set up a business in Barcelona. Since 1986 over 1,000 start-ups have gone through Active's incubators.
- Barcelona Activa works with universities, foundations and accelerators, renting out spaces and choosing start-ups and entrepreneurs.
- All services are free, there is a little payment for specific projects (e.g. growth programmes)
- In 2016: Barcelona Activa created 236 companies and 559 new jobs, the occupation rate of its co-working space was 86%, 62% of its participants had a survival rate of 4 years.
- The total budget of Barcelona Activa is around 40 million Euros.

### **Conclusions and Action Points**

Rather than re-create the wheel, participants at the workshop agreed that Diversity Connectors for Start-ups should be a benchmark for incubators to measure their progress in creating a diverse environment. Our goal is for the Diversity Connectors logo to be used to by those incubators which consider diversity an advantage and recognised by corporate and public sector funders.

Workshop participants suggested the following good practices to be incorporated in the Diversity Connectors Benchmark:

- Create a Charter for the Diversity Connector incubators and have everyone subscribe to its shared values - respect, confidentiality, diversity
- Adopt a non-silo approach, offering specific add-on services and training for under-represented entrepreneurs.



- Specify that refugees are welcome but the distinction is dropped when they come in.
- Create events with a specific methodology to mix different people, immigrants, women, youth, corporates.
- Engineer a good information flow about events, opportunities, spaces etc.
- Ensure that there are people from disadvantaged groups participating in events, opportunities and co-working spaces
- Encourage companies, public authorities and philanthropies to invest in diversity connectors.
- Create the conditions for open innovation, where you combine the leanness, agility and speed of start-ups with the resources and structure of enterprises, via on-demand teams.
- Connect competing projects and try to get them to cooperate with one another (Start-up Lisbon tries to do this).
- Provide people with skills to create participatory workshops and lunches to make sure that they engage
- Prioritise funding from the start for these businesses
- Think creatively about how to fund the incubator, for example, the Lift asks businesses that graduate from its programme to become partners and invest in the incubator.
- Consider different models of incubation. Be open to question your idea about what is an incubator.
- Be very flexible, open-minded and understand the role of place, time, education, gender etc.
- Ensure that Diversity Connectors have intercultural skills.
- Develop diversity within the leadership of the diversity connector; there needs to be a way that incubator graduates can move into leadership roles.
- For migrants, you need more social and cultural training, but the business mentoring is the same for all start-ups.
- If the culture of the space is openness, this can put off some people who may prefer to remain confidential. You need to gradually reassure them.
- When working with corporates, you need to understand their needs, e.g. they want to hire refugees.

## Funding

### Corporate Funding

- Social impact investment by corporates has less red tape, is quicker and comes with access to facilities, mentoring etc. It is perceived by corporates as part of their corporate social responsibility (CSR) commitment. However, building evidence for return on investment (ROI) as well as social return on investment (SROI) will help the corporate to build a stronger business case enabling it to attract more funding for its social impact investment programme.
- The interest of some corporates in funding incubators is in creating innovation hubs for themselves. Look for companies that look for talent - these are the people who want to create start-ups. Orange's innovation department makes partnerships with



incubators because people who innovate are there. Deloitte also has this kind of programme.

- Corporates collaborate in organising events, often with universities and research sectors etc.
- Private companies do not have an interest in mentoring new entrepreneurs.

### **The Role of the Public and Not-for Profit Sectors**

- If public organisations run Diversity Connector incubators, they need to behave in an open and flexible way.
- The public sector must step in where the private sector has no interest.
- But the public incubators need to be competitive.
- Public institutions can think more long-term and take risks because they are publicly funded. They can invest in Diversity Connector incubators.
- Sometimes big NGOs have resources, but not the skills and flexibility, while public organisations have the infrastructure.
- The private sector also has foundations which can help. These foundations are often willing to change their portfolio if you help build their business case, whereas CSR departments do not have much money and are less flexible.
- A triangle of public, private and philanthropic organisations could drive the growth and sustainability of Diversity Connector incubators.

### **Evaluation and measurement:**

We need to undertake an assessment of

- the audiences (industries)
- the maturity of the business idea (quality and quantity)
- what kind of learner types are the entrepreneurs?
- if the entrepreneurs have a genuine motivation for business
- the diversity of incubator models, i.e. mainstream incubators that diversify, specially connected diverse incubators, and hybrids
- shared case studies, including learning from failure

### **Methodology:**

To be included in the methodology:

- good practice databases with open licencing
- organised knowledge exchange (online)
- 'Fuzzy' exchange
- Regular meetings to find partners for training, mentoring, advice etc.
- We need training for different industries and stages of development as well as general and specific services for under-represented groups.
- Mixing industries makes perfect sense, but not mixing total beginners with later stage companies as later stage companies would be acting as mentors.
- We need Diversity Connectors for start-ups and small local businesses, which do not have the ambition to create new products and services or to create a scalable business model, and social enterprises.



- What is needed is a short set of guidelines of how to bring diversity in a meaningful way into existing incubators, either in a shared space, or by collaborative initiatives between incubators and other partners.
- The Diversity Connectors label should be awarded by the Council of Europe or a new NGO comprised of all the incubators that create the label.
- The label needs to be put on the market, under the auspices of the ICC and with approval by the corporate sector.
- We should include companies that lead by example in diversity. Map the companies beforehand. The association can run an annual price.

### **Next Steps:**

#### **Communications**

- Participants are to finish their videos for the Website page if they have not done so already – all participants in the workshop
- The ICC will explore if/how we can make the Website interactive for people to ask each other questions, share resources etc.
- We need to set up a consortium with a Memorandum of Understanding with a clear goal, and a timeline. It should be adapted to all small and big organisations and offer different levels of involvement.

#### **Definitions and Mappings**

- We need to establish a common language about what we mean by a start-up (we need some definitions about diversity, incubators, start-ups, accelerators etc.) and small local businesses which do not have the same goals, in terms of developing new products and services and expansion and social enterprises.
- We need to map diverse enterprise, whether they are high or low entry-bar start-ups, small local businesses or social enterprises.
- We also need to map incubators which focus on high entry-bar start-ups, low entry-bar start-ups small local businesses that do not have the ambition to grow or introduce new products or services in the marketplace and social enterprises.
- In France, there is a mapping of all incubators, as well as in Germany - we need to capitalise on this.
- Lublin and Reggio will do similar mapping in their areas and organise knowledge exchange in their area. We can use the questions Alexy sent when including new organisations.

#### **Diversity Connector Benchmark and Label**

- It was agreed that our goal is to build a multi-stakeholder alliance to promote a Diversity Connector guidelines for incubators, to certify and train new Diversity Connector incubators, and to help build a business case and find funding for them.
- Given that some organisations work with small local businesses and social enterprises without start-up ambitions, we should explore including them in the guidelines as well
- A set of guidelines will be created and will contain examples of actions to be based on real existing incubators. The draft guidelines will be ready by the next workshop.
- We will work on a methodology to build the business case and an evidence base to substantiate the added value of the Diversity Connectors label.





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- Participants will be invited to propose to pilot the Diversity Connector idea by putting forward a short concept paper.
- The ICC will select test cases to trial the Diversity Connectors Benchmark and collect evidence of good practice during the process
- Participants will use the logo which is awarded when they achieve the label.

### **Corporate Involvement**

- As a next step, a meeting of corporates, which are currently supporting incubators, will be organised to test ideas about networking and supporting incubators which are Diversity Connectors.
- We will map what the corporates fund and on what conditions.
- Participants will be asked to send information about the corporates they work with if they think they would be interested.

### **Next Workshop**

- The next workshop will be held in Berlin, September 19-20, 2017. The Migration Hub will host it. It will include a workshop and site visits.
- Ana Maria Alvarez, Director of the Migration Hub, will conduct group training in diversity at this workshop, so that the participants can become examples and ambassadors of the diversity concept.
- The participants will agree the guidelines for the Diversity Connectors Label at this workshop.
- Among the group, people have amazing skills on intercultural competence and design thinking etc. and they could provide some training in Berlin.
- 21 September – workshop participants will be invited to stay on to attend Wikitalks. Alexander Bets from Refugee Studies at Oxford will speak and refugees will tell personal stories. There will be two days of workshops and visits, plus the full day conference on the 21st.