

How Innosuisse is Supporting Entrepreneurs to Launch and Grow their Startup Business

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Abstract: Switzerland has a dynamic startup ecosystem, especially in the life sciences sector. For over a decade, the figures have shown growth in the number of startups being incorporated. Yet transforming an innovative idea or research results into strong products on the market and making a company grow is a challenging endeavour. Innosuisse – the Swiss Innovation Agency fosters the innovative power of startups, Swiss SMEs and other innovative organisations by providing support, therefore ensuring that they remain internationally competitive in the digital age. For science and technology-based startups, Innosuisse offers a number of targeted programmes.

Keywords: Life sciences · Research and development · Science-based innovation · Startups

1. Bustling Startup Ecosystem in Switzerland

Switzerland is well known for its innovative power. Innosuisse, as the federal funding agency for science-based innovation, supports Swiss startups, innovative small and medium-sized enterprises (SMEs), other organizations and researchers by means of funding, consulting and training. In 2019, it awarded funding contributions of a total amount of CHF 243 million. Regarding startups, Switzerland has seen a steady increase of their number. From 2004 to 2011 the figures increased from under 100 to over 300 newly founded startups per year. Since then, entrepreneurs have founded between 200 and 300 new startups each year.^[1] Internationally, this figure is high compared with countries like Sweden, and is similar to Israel's. Innosuisse defines startups as young businesses which have innovative approaches based on science or technology and scalable business models. The life sciences sector is well represented in the startup landscape of Switzerland: the share of financial transactions including financing rounds and sell exits, *i.e.* when a startup is sold to another company or investors, amounts to over 18 percent of total transactions around Swiss startups.^[1] According to the Global Entrepreneurship Monitor 2019, the perceived ease of starting a business in Switzerland is high and ranks above-average compared with other innovation-based countries.^[2]

Yet transforming registered patents into strong products on the market and turning a newly listed business into a successful and growing company are challenging endeavours. There are important factors that foster success, particularly for science or technology-based startups. First, it is the business or product idea itself. This is the foundation for prevailing as a startup against established competitors. In order to market an idea, an entrepreneur needs to present customers with an attractive solution to fulfil their needs. The uniqueness and innovative dimension of the product or service should be a key consideration, and these aspects must be easily presentable. If the idea is too complex, potential buyers may be discouraged. Furthermore, the focus should be on the needs both of the market and customers, rather than on the idea itself. Without a potential market, even the best idea is bound to fail. The second factor, which is at least as important as the idea itself, is the entrepreneurial team. In order to attract investors,

the team needs to be balanced so that members complement one another. The team not only needs to have sound knowledge in a special field, which helps them to turn an innovative science or technology-based idea into a novel product or service, but it also needs to understand that a good business idea needs money and customers, and that the idea might have to be adapted accordingly depending on the circumstances. Founders ought to be flexible and know how to move in a corporate environment. They must be able to communicate and sell effectively, as well as be able to convince those around them including potential investors of the merits and potential of their business idea. Furthermore, starting a new business requires experience and stamina. During the first few years in particular, the investment in terms of time is high, while the salary is low. Founders can look for the skill set needed by involving further co-founders or management team members. It is not necessary for one person to be managing it all.

Yet not all entrepreneurs are born all-rounders and they often lack the aforementioned experience. The good news is that there are also ways of filling in gaps in knowledge. Founding a company requires careful planning, and in Switzerland there are numerous ways of getting the necessary support.

2. Top-quality Courses for Startup Entrepreneurs

Innosuisse – the Swiss Innovation Agency offers the startup training programme to help entrepreneurs develop their business idea, set up their company and implement a strategy for growth. The four training modules, from two-hour motivational 'Business idea' events (module 1) to intensive five-day courses, are led by experienced entrepreneurs and held all over Switzerland.

Module 2 'Business Concept' allows those interested in setting up their own business and founders of a startup to enhance their entrepreneurial skills and refine their business concept. Module 3 'Business Creation' provides entrepreneurs, who are set to launch their business shortly or have already done so, with the theoretical tools required to found a company and practical answers to their project-related and company-specific issues. In Module 4 'Business Growth', participants learn through theoretical elements and practical examples how to set up processes and structures to enable a company to achieve growth.

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3. Coaching Paves the Way to Success

Entrepreneurs who are developing a business idea further or have founded a startup can sign up for the Startup Coaching offered by Innosuisse. This is a personal coaching programme to support promising science or technology-based companies. Upon admission to the programme, startups receive a voucher that enable them to call on the sound advice of coaches with startup expertise and experience. A personal coach will support the startup with individual coaching regardless of the stage of development for a six-month Initial Coaching and a Core Coaching for up to three years. In the Initial Coaching, the startups test their business models rigorously together with seasoned entrepreneurs. In the Core Coaching, the personal coach evaluates the economic viability of the business idea, supports startups in developing their strategy and brings in special coaches from various fields, such as organisational development, financing or intellectual property.

The innovative product or service has to sell on the market, so distribution channels are needed. To expand a startup business internationally, Innosuisse also offers market entry or market validation camps in ten locations worldwide, including the USA, China, India and the UK to support startups to enter those markets. In addition, Innosuisse also gives startups with global ambitions the chance to attend international trade fairs as visitors or exhibitors.

Finally, if a startup with at least five full-time employees (FTEs) has entered the growth phase, and would like to speed up development significantly, Innosuisse also offers support through the Scale-up Coaching. Coaches will assist the company with the implementation of scalable processes, modified organisational structures and networking, financing and internationalisation activities for a maximum of two years.

Over the years, a growing number of startups have applied for coaching support. In 2019, 477 Swiss startups applied compared with 341 in 2018 (Fig. 1). Out of the 305 startups that were taking part in the coaching programme by the end of 2019, 41 percent were active in the life sciences.



Fig. 1. Number of startups enrolled in the coaching programme by sector of activity at the end of 2019.

4. Certificate for More Opportunities

Awards or certificates won by startups may not only help raise their profile with the public but also with potential investors or business angels. A startup can be certified by Innosuisse if it successfully completes the Core Coaching programme and fulfils all the criteria demonstrating its growth potential. The certificate proves that a company is 'ready for sustainable growth'. An award certificate is an important factor in making a startup more attractive to investors and improve the chances of securing awards and funding. Furthermore, certified startups receive invitations to events, fairs and exhibitions more often. The certificate also improves access to other institutions' initiatives and programmes.

To gain certification, a startup has to prove it has a solid base and is able to handle future growth. It should also be prepared to apply for additional financing and be managed by a team of professionals. Finally, it has to show that it has market access. Certification can be a significant step on the path to growth and success.

5. The Fascination of Surgical Precision

A good example on how Innosuisse supports promising startups is Kylane Laboratoires. The Geneva-based startup is targeting

the growing market for dermal fillers with advanced products with a high safety profile and better efficacy. Hyaluronic acid solutions are by far the most common filler injections. However, innovation in the field is limited and mainly driven by marketing and solutions that are not clinically validated. Kylane is currently addressing facial treatments, such as wrinkles and scars with a range of advanced HA fillers. The Kylane founders have identified an opportunity to develop advanced products, such as Oxifree and Rheopure, two clinically validated technologies. They make it possible to develop injectable products with a high level of safety and a greater ability to create volume, while being properly integrated into the skin tissues.^[3] Kylane intends to sell the products to medical doctors, especially dermatologists and plastic surgeons for patient treatment. Innosuisse has supported the development of Kylane through the Core Coaching programme. The company has recently also obtained the Innosuisse Certificate to further foster its growth.

6. Developing Science-based Innovation

Research and development play a key role for the competitiveness and growth of the Swiss economy, one of the most innovative countries in the world.^[4] Innosuisse therefore supports startups and more mature companies alike to work with Swiss research institutions on jointly pushing forward innovation in order to bring new products and services on to the market.^[5] Each year, Innosuisse co-funds several hundred of these joint R&D projects. Companies – especially SMEs – are thus able to leverage R&D capacities of academic institutions to develop their innovative ideas into marketable products and services. Innosuisse supports joint R&D projects involving companies, public authorities, non-profit organisations and higher education institutions in all thematic areas.

In 2019, Innosuisse approved 404 funding applications for innovation projects. 25 percent of the projects approved were in the life sciences sector (Fig. 2).

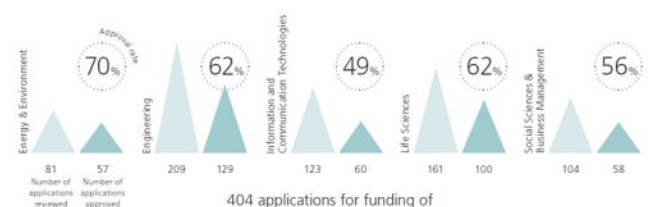


Fig. 2. Number of applications of innovation projects submitted to Innosuisse and approval rate by sector of activity in 2019.

Innosuisse also gives Swiss innovation actors access to international funding schemes such as Eurostars. Innosuisse also supports SMEs with Innovation Cheques to test the feasibility of an innovative idea with a research partner. SMEs and startups can also get free support from a mentor to help them prepare their submission for an innovation project or find the right research partner to start their innovation project.^[6]

Received: June 26, 2020

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- [4] See for example WEF ranking: K. Schwab, 'WEF global competitiveness report 2019', 2020, Geneva: WEF

- [5] For more information: <https://www.innosuisse.ch/inno/en/home/start-your-innovation-project/innovation-projects.html>
- [6] Use the Innosuisse Guide to find the Innosuisse offer that suits your needs: <http://innosuisse.guide>

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The definitive version of this article is the electronic one that can be found at <https://doi.org/10.2533/chimia.2020.758>