



A blueprint to support European deep tech scale-ups

Synthetic presentation

March 2023

Executive summary (1/2)

This blueprint provides guidance on how to design a programme to support deep tech scale-ups in Europe

- It is a deliverable of EIC ScalingUp, in order to give back and share the learnings of the programme
- It is an attempt to fill the gaps and inefficiencies of the European deep tech ecosystem acknowledging that most of the issues are structural and cannot be directly addressed by the programme
- Its differentiation lies first at the unique intersection of i) European scale, ii) deep tech focus and expertise, iii) scaleup stage and challenges

The selection process is a critical step to ensure the value-add of the programme. Companies should be

- Deep tech companies with a product about to go to market (> TRL 6) with >5m€ previous funding
- Willing to participate, available, ideally planning to fundraise in the next year
- Grouped by ~10 companies in a given market / field for greater synergies (network, experts...) and similar funding stages
- Selected by a jury composed of commercial investors (fundraising potential), corporations (market potential) and mentors / experts (mentoring opportunity)

The blueprint is a 12-month programme with two parallel workstreams: **Enable and Amplify**

The **Enable** workstream will aim to

- Build a sense of cohort with an in-person onboarding kick-off, and create a trusted relationship
- Invest time early to i) understand the company (Listening), ii) align on priorities based on a scale-up health-check assessment to address with a lead mentor (ideally a former deep tech entrepreneur) seconded by experts (Framing), iii) mentor on these scaling challenges (Working sessions)
- Challenge deep tech companies on their pitch early, to get them up to speed for networking
- Co-design with them a list of relevant investor / corporate contacts (bus. dev. & fundraising support)
- Align on a set of events for roadshow and networking, customised to their needs and timeline

Executive summary (2/2)

The **Amplify** workstream starts in parallel and builds on some prerequisites of the Enable workstream

- Organise roadshow & networking activities: online sessions, onsite events, ad-hoc introductions with qualified audiences and follow-ups
- Boost their visibility through newspapers, social media, podcasts with content-driven communication
- Plant seeds leveraging the cohort as an asset to have indirect impact on future deep tech companies i) give back / share lessons with start-ups, ii) raise awareness of regulators, and iii) Limited Partners

The success of the implementation of the blueprint lies in its execution, which depends on budget, resources, expertise and brand. Running a successful programme requires

- A founder / entrepreneur-centric mindset and culture for a customised support
- A passionate team of experienced and engaged lead mentors/experts and solid key account managers (project management)
- A privileged access to a network of quality investors and corporations
- A rigorous selection of companies willing to engage and available on the committed times
- High quality events with selected audience and participants (VIP-like)
- Fluid, dynamic and trusted interactions between all participants
- A strong narrative and brand to attract companies, investors and corporations

Potential adopters with relevant or complementary skills could be European agencies / institutes, corporations, association of entrepreneurs, investors...

For further questions, please contact the authors

BCG

- Anne-Douce Coulin coulin.annedouce@bcg.com
- Jean-François Bobier bobier.jean-francois@bcg.com

Deepwave Ventures

- Arnaud Legris arnaud@deepwave.ventures
- Massimo Portincaso massimo@deepwave.ventures

Context: European deep tech scale-ups face 7 key challenges

Europe-specific challenges	Investment	<ul style="list-style-type: none">• Lack of European lead investors for larger deep tech rounds, with the right expertise, size and mindset• Insufficient exit perspectives (M&A, IPO) for deep tech in Europe
	Board of directors	<ul style="list-style-type: none">• Lack of Non-Executive Directors in Board compositions to bring expertise and outside thinking• Underleveraged pool of C-levels with relevant experience to be trained for Board positions
	Storytelling	<ul style="list-style-type: none">• Still areas for improvement to craft a compelling narrative and pitch to investors• Underleveraged European press to promote deep tech companies
	European institutions	<ul style="list-style-type: none">• Still areas for improvement for European institutions on speed and process• Insufficient share of voice of deep tech companies in regulatory debates
Broader challenges	Market	<ul style="list-style-type: none">• Long lead times to partner and collaborate with corporations• Some risk-aversion from European corporations to collaborate with deep tech companies
	People	<ul style="list-style-type: none">• Lack of senior profiles for scale-up positions (CFO, CMO, COO...) with relevant experience• Global competition for the best deep tech talents in specific domains (e.g., semi-conductors)
	Partnering	<ul style="list-style-type: none">• Nascent deep tech ecosystem in Europe for deep tech founders to connect and learn from peers• Country-bound competition limiting the emergence of European deep tech leaders

Source: *Can Europe create its own deep tech Giants?* : <https://www.bcg.com/publications/2022/how-can-europe-build-deep-tech-leaders>

The programme will support deep tech companies in their scale-up journey

The programme aims to support and accelerate European deep tech companies in their **scale-up journey**, especially

- ✓ Mentor them on their specific scaling challenges
- ✓ Boost their visibility in the ecosystem and in the media
- ✓ Level up their pitch and pitching skills
- ✓ Introduce them to relevant stakeholders (investors / corporates / partners)
- ✓ Plant seeds for the ecosystem and future companies

Overall, such a programme would attempt to fill gaps in the European deep tech ecosystem

The selection of companies is critical for the success of the programme



Companies would be selected based on the following criteria

- ✓ Their deep tech innovation solving fundamental challenges and leveraging strong technologic IP, often from research institutes / universities (e.g., synthetic biology, advanced materials, quantum, photonics, chemistry...)
- ✓ Their maturity / scale-up readiness:
 - > TRL 6¹ (validated product about to get to market / about to scale)
 - Or initiated clinical trials with first internal results
- ✓ Their global ambition
- ✓ Their total equity and grant raised²: >5m€³ (validation by investors)
- ✓ For European programmes: diversity / geographical balance



Companies would explain if and how they be could benefit from it

- ✓ What would companies get out of this programme?
- ✓ Are companies motivated and available to join the programme (with enough resources)?
- ✓ Are companies open and willing to receive feedback and collaborate?
- ✓ Are they already involved in a fundraising roadshow / do they plan to fundraise in the next 12 months? Are they already engaged with consulting firm or investment bank?
- ✓ Adding a cap on the amount that companies are looking to raise (e.g., not more than 50m€) could bring more coherence in the cohort and the programme, including the type of investors involved



Companies would be selected and grouped by market / industrial sector (typically ~10 per group)

- On the one side, it creates synergies on mentors/investors/corporations with similar topics within a group
- On the other side, it requires to manage closely potential conflicts between competitors selected together in the programme



The selection panel would be composed of

- Commercial investors – to ensure the investment potential
- Corporations – to ensure the market potential
- Mentors / experts of the programme – to ensure that they can be helped by these mentors / experts

1. Some companies with a lower TRL and heavy CAPEX such as nuclear fusion, could be addressed on a case-by-case basis ; 2. Ideally excluding grants but bootstrapped companies to be assessed by the selection panel, likely endorsed by their investors, debt could be considered as a criteria of maturity ; 3. A higher threshold could disadvantage companies from less developed VC ecosystems

A programme with 2 parallel workstreams: **Enable** companies to be **Amplified**

Enable

Prepare companies for their scale-up journey

Companies would be mentored on specific challenges / needs to be in a better position as a deep tech scale-up

Companies would be prepared for the Amplify workstream

Expected output / deliverables

- A deep tech scale-up “health check” assessment and mentoring sessions
- A reviewed pitch deck for first reach outs
- A list of outreach contacts (from the business development and fundraising support)
- A calendar of roadshow and networking activities

Amplify

Promote and connect companies with relevant stakeholders

Companies would be promoted through various media channels, and introduced to relevant contacts in roadshow and networking events

The programme could also be a leverage point to activate the ecosystem

Expected results

- Qualified introductions and networking with potential investors, corporations and partners
- Mentions and visibility in the media
- Increased awareness / education of the ecosystem to the challenges and opportunities of Europea deep tech scale-ups

Key principles to design the blueprint from the lessons learnt of the EIC ScalingUp pilot



Ensure involvement of companies: « they get out as much as they put in »

- Build trust with founders / CEOs, be mindful of their time with clear objectives
- Stay synchronized with their needs and agendas
- CEO-led interactions, ad-hoc delegation to other C-levels

Invest more time early in the programme (by listening and framing the challenges and appropriate support)...

...to save time later with the most relevant sessions, events, and introductions



Provide customised mentor and expert support for scale-ups

- Allocate a lead mentor to each company, supported by ad-hoc experts
- Shift from generic start-up advice, to specific scale-up deep dives
- Ask difficult questions and provide direct / honest feedback



Leverage the power and intelligence of the group

- Create a sense of cohort with in-person kick-off
- Animate the group of mentors and experts with steering committees and leverage their network / joint expertise



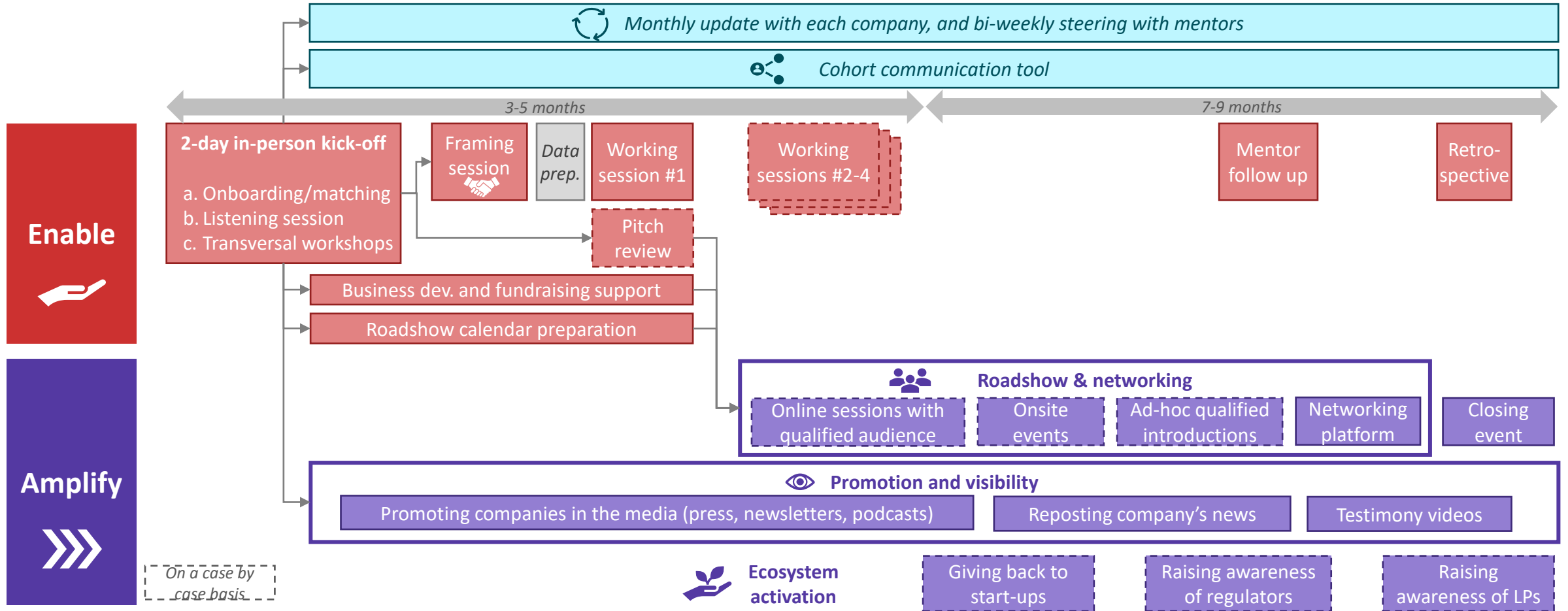
Adjust roadshow & networking to companies needs and timing

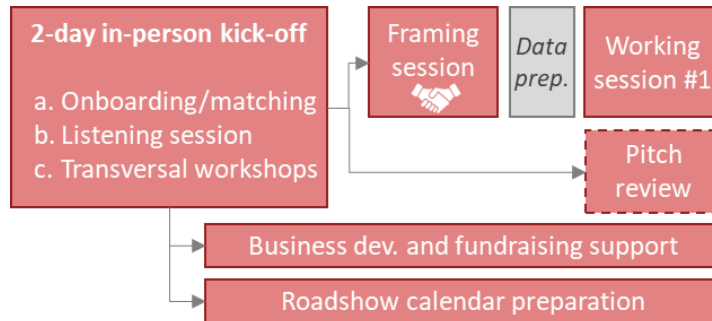
- Co-design the list of investors / corporations, possibly beyond typical deep tech investors
- Prioritize between pitches / onsite events / qualified introductions



Boost their visibility by leveraging and enriching their marketing content

Two workstreams in the blueprint for a ~12-month programme: **Enable** and **Amplify**





A **2-day in-person kick-off** (see appendix) to

- Onboard companies on the programme and match each company with a lead mentor
- Organise a **Listening session** for each company where the mentor and ad-hoc experts
 - Understand the journey and status of the company
 - Identify its scaling challenges, leveraging a health-check assessment (see appendix)
 - Record the pitch and provide first feedback for reach-outs (e.g., for growth investors)
- Run workshops on transversal challenges common to several companies
- Facilitate informal chat and networking (e.g., evening cocktail)

A **Framing session** where the mentor shares the results of the assessment and agrees with the company on the shortlist of challenges to address, which will define the agendas of the (1 to 4) **Working sessions**, and the related company data to send to the mentor and experts

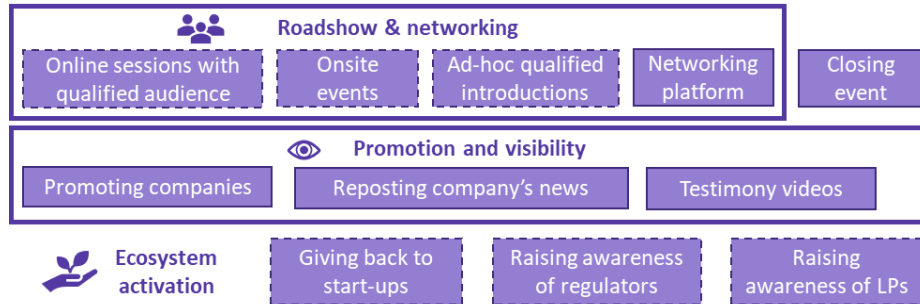
(if needed) A **Pitch review** to validate if the feedback has been included

Business development and fundraising support (initiated at the kick-off) to brainstorm and co-design a relevant list of investors and corporations for the company, looking beyond the obvious. It does not aim to replace a professional fundraiser, but be a facilitator

Preparation of the roadshow calendar to book placeholders months in advance and adjust it based on the needs of companies and the output of the working sessions and BD / fundraising support

The **Enable** workstream will aim to

- Build a sense of cohort
- Understand the company, align on priorities based on a scale-up health-check assessment and mentor on these scaling challenges
- Challenge deep tech companies on their pitch
- Co-design with them a list of relevant investor / corporate contacts
- Align on a set of events for roadshow and networking



The **Amplify** workstream starts in parallel and builds on some prerequisites of the Enable workstream, in order to

- Organise roadshow & networking activities to broaden their connections with the relevant stakeholders (cf. business development and fundraising support)
- Boost their visibility through newspapers, social media, podcasts with content-driven communication
- Generate impact in the ecosystem for the future generations of European deep tech scale-ups

Roadshow and networking activities leverage the output of the BD/fundraising support

- Organise online sessions for 1-4 companies to pitch or discuss with a qualified audience (investors or corporations), and follow-up with contacts
- Organise onsite events (near transport hubs) with both pitching and panel sessions, facilitate networking and leverage 1 to 1 meeting platform
- Facilitate introductions with qualified contacts (clearing potential conflicts)

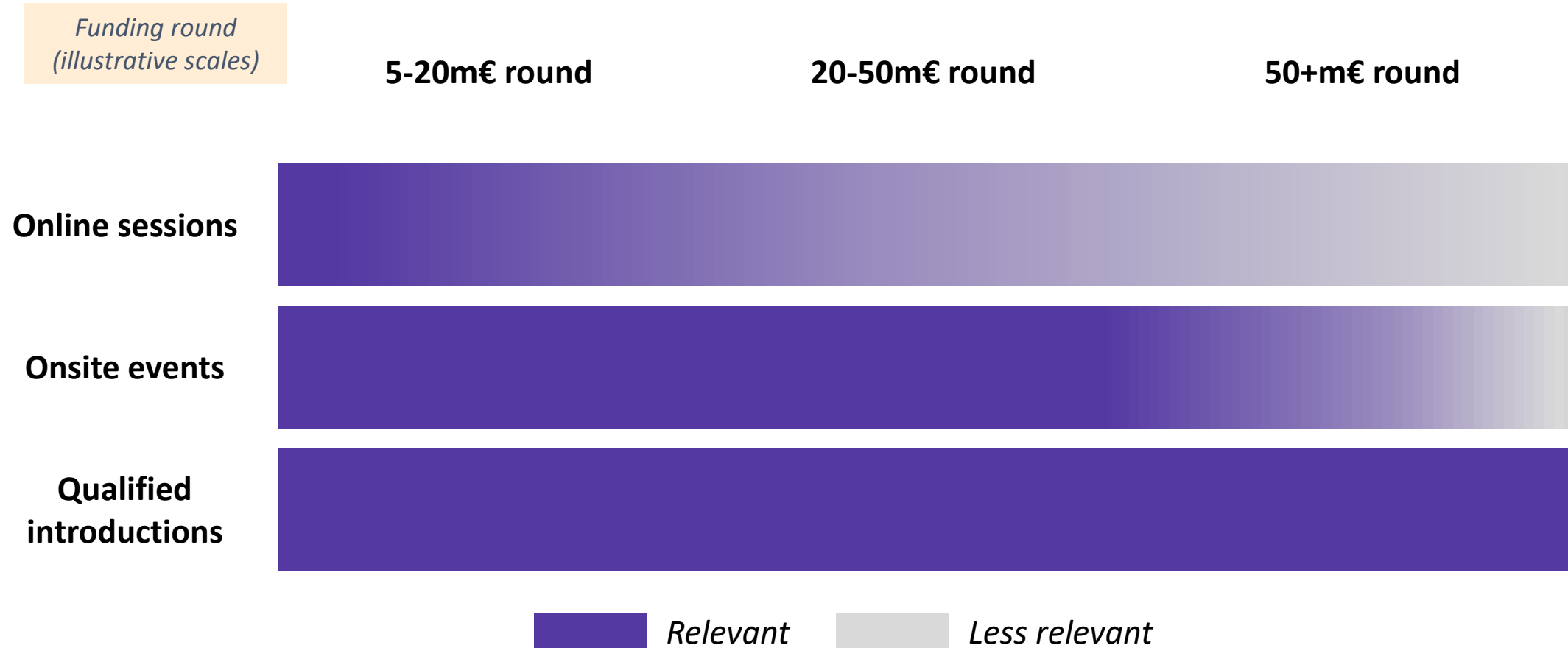
Promotion and visibility activities

- Promote companies in the media through interviews with journalists / podcasts
- Repost company's news (e.g., fundraising / technology milestone, talent search...)
- Create ad-hoc content to further amplify them (e.g., testimony videos)

Ecosystem activation is an opportunistic activity – the objective is not to have an impact overnight, but plant seeds for the future in a small step strategy

- Leverage companies or mentors of the programme to **give back to start-ups / entrepreneurs** about the challenges of scaling a deep tech company, to have fewer of them facing the same challenges
- Facilitate the creation of a short document (e.g., 2-3 page white paper) by companies facing the same regulatory / policy challenges and amplify it in the media, be the voice of scale-ups to MEPs and **raise their awareness**
- Organise an event with Limited and General Partners (LP / GPs) to **convince LPs** that deep tech scale-ups can be a relevant investment thesis with testimonies of GPs and success stories of deep tech companies

Not all roadshow activities are relevant for all scale-ups



Key profiles to support companies



Mentor

Profiles: former deep tech entrepreneur, non-executive director, operating partner (+ ad-hoc expert senior profiles)

Responsibilities

- Be the focal point for companies in terms of content
- Mentor companies on their challenges and ask experts for specific support
- Challenge their pitch
- Ensure the coherence of questions and recommendations
- Make relevant introductions

1 for 1-3 companies
(depending on availability)



Expert

Profiles: senior profiles from VCs / investment banks, corporations, research institutes on key topics (market, tech, investment...)

Responsibilities

- Ask tough questions on scale-up challenges
- Challenge their pitch
- Make relevant introductions

(Depending on availability)



Key Account Manager

Profiles: Chief of staff-like / project manager / event organization (supported by dedicated logistics team depending on events)

Responsibilities

- Be the focal point for companies in terms of process and tools (incl. cohort communication e.g., LinkedIn group)
- Drumbeat the programme process (incl. confidentiality) and roadshow
- Have a monthly check-in with companies (e.g., mail, call, text message) and build trust
- Coordinate mentors / experts on tasks, company needs and introductions

~1-2 per track¹



Marketing Manager

Profiles: Marketing and communication manager / former journalist

Responsibilities

- Coordinate with marketing teams of companies on latest news and leverage their content
- Promote companies in media (relationship with journalists)
- Build brand awareness
- Produce / supervise production of content (e.g., podcasts, video)

~1 per track¹

1. ~10 companies per track

Direct and indirect KPIs to measure the success of the programme

Direct KPIs

- Level of satisfaction of the companies in the programme
- Amount of time that senior leadership of companies dedicate to the programme
- % of companies reusing the label of the programme
- Number of introductions made
- Number of participants to the events (investors, corporations, institutions, research partners)
- Number of LPs / start-ups impacted (if dedicated events)

Indirect KPIs

- Total amount of equity or debt raised by companies in the course of the programme (*the target could be discussed at the beginning of the programme with each company*)
- Number of partnerships signed with corporations / partners
- Number of jobs created thanks to the fundraise

Implementation considerations based on the key principles of the blueprint

The success of the implementation of the blueprint lies in its execution, depending on budget, resources, expertise and brand.

Running a successful programme requires

- **A founder / entrepreneur-centric mindset and culture** for a customised, dedicated, trusted and reactive support: from selection, mentoring and support, roadshow and networking, promotion and visibility
- **Market / field-focused tracks** to maximise synergies between companies, mentors, promotion and roadshow participants
- **A passionate team of experienced and engaged mentors, experts and key account managers**
- **A privileged access to a network of quality investors and corporations**
- **A rigorous selection of companies** willing to engage and available on the committed times, in a small confidential / club-like set-up (~10 companies per track on average)
- **High quality events** with selected audience and participants (VIP-like)
- **Fluid, dynamic and trusted interactions** between all participants
- **A strong narrative and brand** to attract companies, investors and corporations (leveraging the measurable KPIs of the success of the programme) - having a catchy cohort name (e.g., the Mavericks)

Such a blueprint should not be implemented with as a one-time project. It should set up a core internal team to learn and improve the programme, develop a solid brand over time, build and nurture its network and ecosystem.

Potential adopters of the blueprint (individually or as a consortium)

European agencies or institutes on a given topic / industry / mission – leveraging their European scale, network and deep tech expertise (e.g., European Space Agency, European Institute of Innovation & Technology...)

Corporations – leveraging their technology and market expertise, their European or global scale and network (as a parallel to the ones already running programmes for start-ups)

Associations led and animated by deep tech entrepreneurs – leveraging their expertise in scaling deep tech companies, their network in the corporate, start-up and investor worlds

Investors – supporting companies that they finance (e.g., debt providers, consortium of VCs by sending companies to this programme or providing mentors / experts)

Innovation agencies – joining forces to extend their reach and support to a European level while leveraging their existing capabilities, expertise and networks

Research institutes – bringing experts to the programme with their technology knowledge to advise companies in their product scaling)

Existing acceleration programmes or future editions of EIC ScalingUp – identifying ad-hoc improvement opportunities from the blueprint



Appendix

Complementary elements on blueprint implementation

Illustrative involvement of companies over the 12 months of the programme

2-day kick-off

2-day onsite event

1-day closing event

Working sessions
BD and fundraising support

Online pitches and
media interview

Awareness on
regulation

Follow-up
and retresp.

Testimony in next
programme?

~4
days

~3.5
days

~4h

15-30min monthly update (update on needs, coordination on visibility news and roadshow...)

~8 days spread
over 1 year

Example of 2-day in-person kick-off

Day 1

Morning

- 9-10am** Breakfast and arrival of participants
10-11.30am Welcome and onboarding
- Objectives, timeline, activities and tools
 - Who could companies be introduced to
 - Testimony of peer from previous edition
- 11.30am-12pm** Mentors/experts introduction and icebreaker
12-1pm Lunch

Afternoon

- 1-2pm** Break time to manage company business
2-4pm Collaborative transversal workshop #1 : challenges of deep tech scale-ups, board composition, pitching skills, IPO...
4-6.30pm Listening session (lead mentor / experts) (~3-5 sessions in parallel, others working with KAMs on calendar or draft list of target investors / corporations)
- 1h Understand the company's journey and background
 - 1h List and discuss the priority scaling challenges for the company's perspective
 - 30min Record the pitch and provide first feedback
- 7pm** Free time followed by cohort dinner and cocktail

Day 2

- 9-10am** Breakfast and arrival of participants
10am-12pm Collaborative transversal workshop #2: challenges of deep tech scale-ups, board composition, pitching skills, IPO...
12-1pm Lunch

- 1-2pm** Break time to manage company business
2-4.30pm Listening session (lead mentor / experts) (~3-5 sessions in parallel, others working with KAMs on calendar or draft list of target investors / corporations)
4.30-7pm [if needed] Listening session (lead mentor / experts) (~3-5 sessions in parallel, others working with KAMs on calendar or draft list of target investors / corporations)
7pm – Closing remarks and next steps

Dimensions of the health-check



Overall strategy and vision

- Which vision of the market?
- Which long-term vision for the company?
- Which business model?



Product and industrialisation strategy

- Which technology or engineering risks remain?
- Which development timeline and milestones?
- Which supply / procurement strategy?
- Which scaling challenges for industrialisation?
- Which challenges on regulatory timelines?



Commercial strategy / go-to-market

- Which prioritised segments?
- Which distribution channels? which geographies?
- Which existing contracts or letters of intent?



Competitive positioning

- Which differentiation vs. competition?



Marketing / communication strategy

- Which visibility in the media? Which branding?



Financials analysis (on top of the financial plan)

- Which burn rate and CAPEX investments?
- Which cash sensitivity to delays in time to market?
- Which financing streams / pools?
- Which time horizon to break even?



IP / R&D strategy

- Which IP strategy (trade secret, patent)? on which geography?
- Which defensibility and freedom to operate?
- Which additional research activity is planned?



Board and investors

- Which composition of the board of directors / advisory board ?
- Which composition of the cap table?
- What fundraising strategy? Which exit strategy?



Company operating system

- Which organisation & processes to scale?
- Which ESG strategy?



Talents

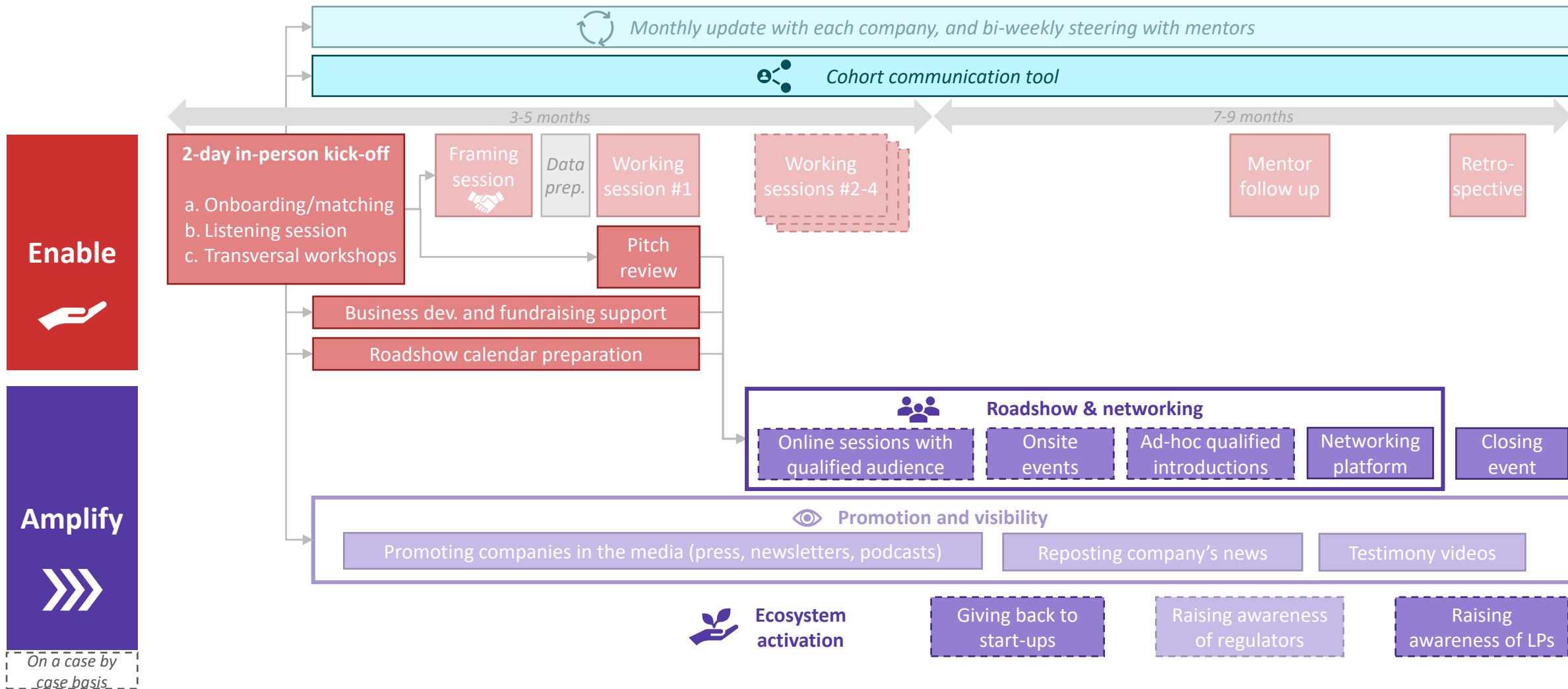
- Which C-level set-up for the scaling phase?
- Which deep tech resources / talents are secured?



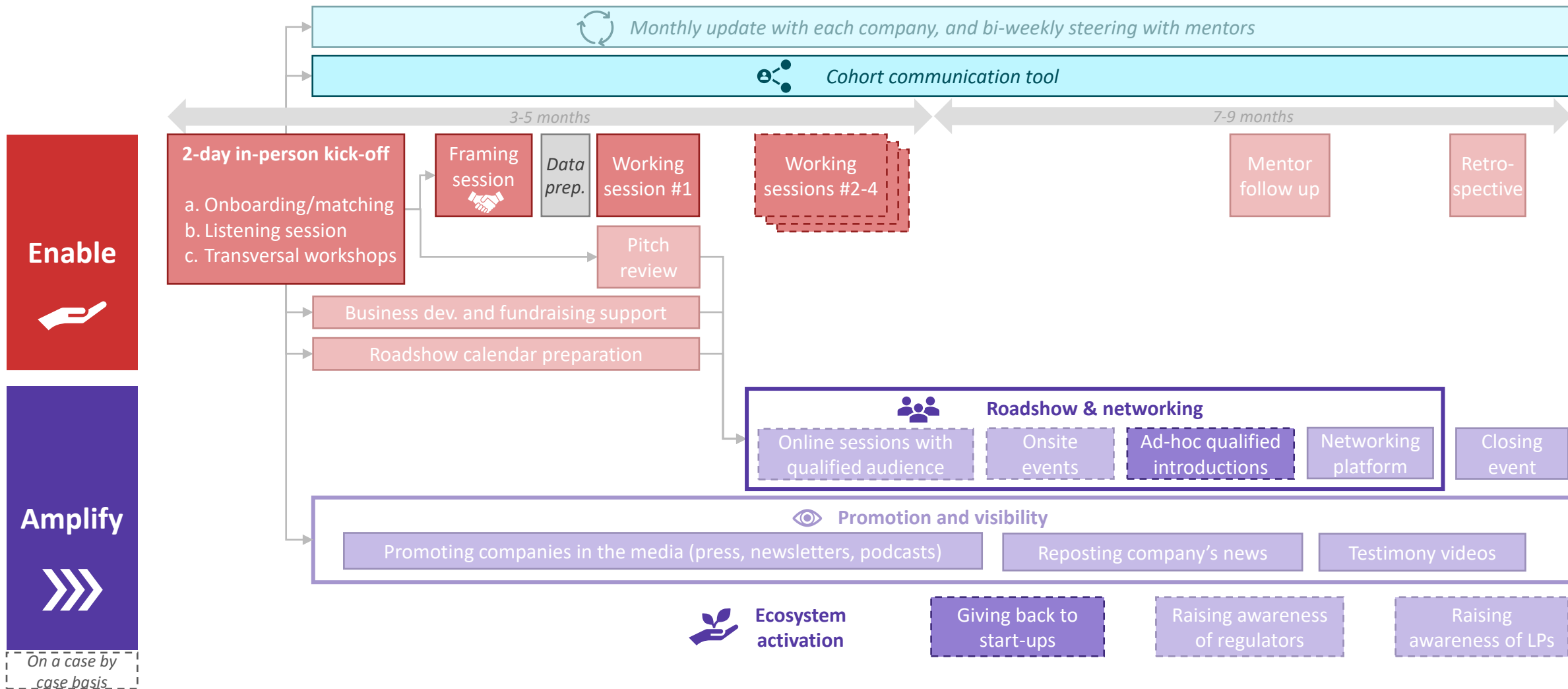
Appendix

How the blueprint aims to address the challenges of European deep tech scale-ups

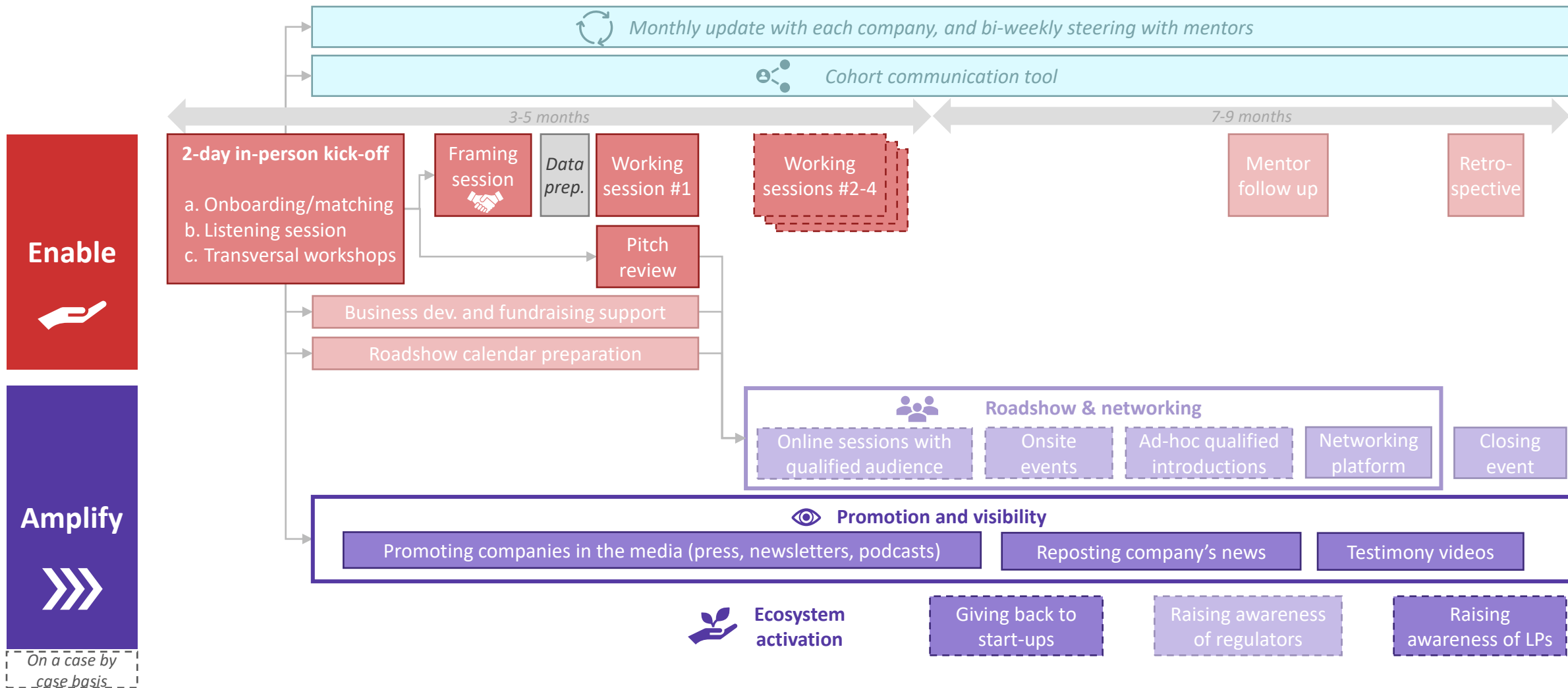
How the blueprint aims to address the scaling challenges: Finding a lead investor



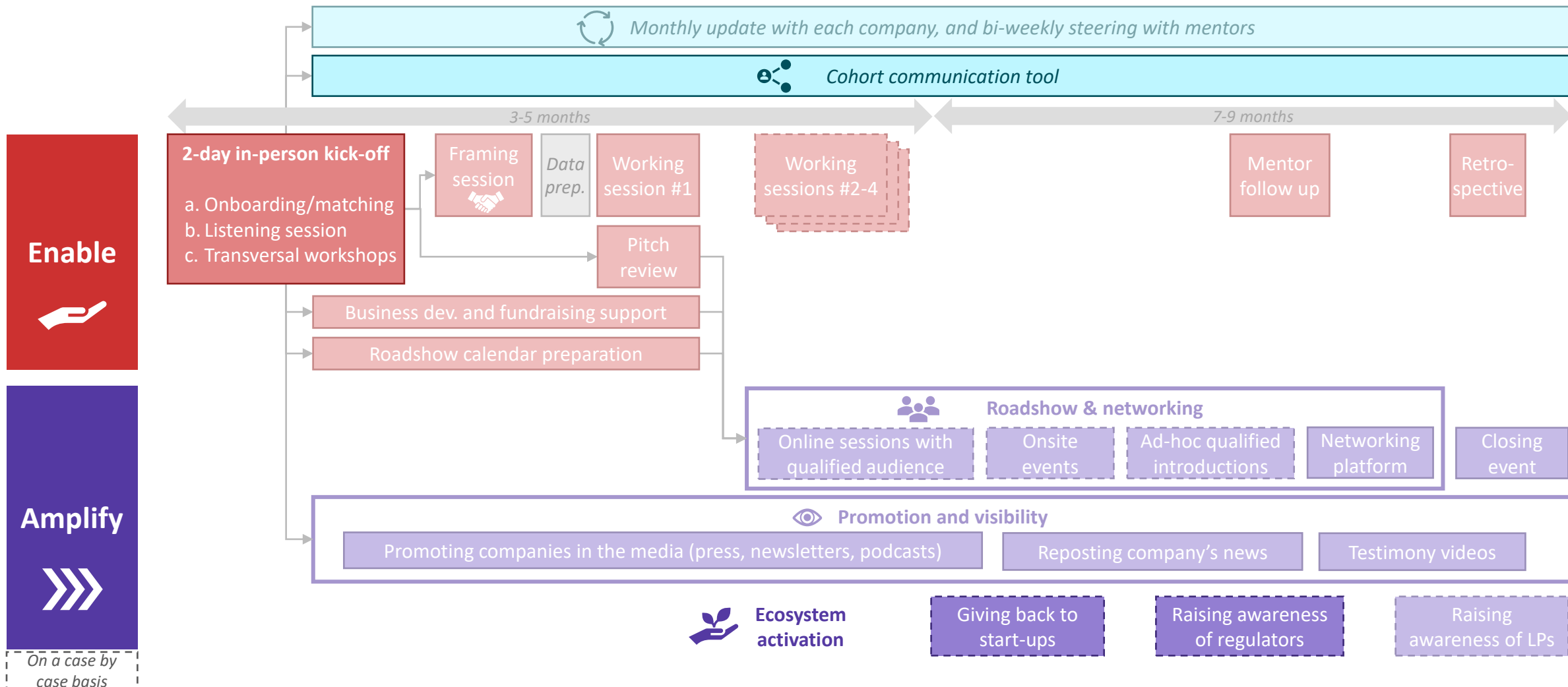
How the blueprint aims to address the scaling challenges: Building a strong board



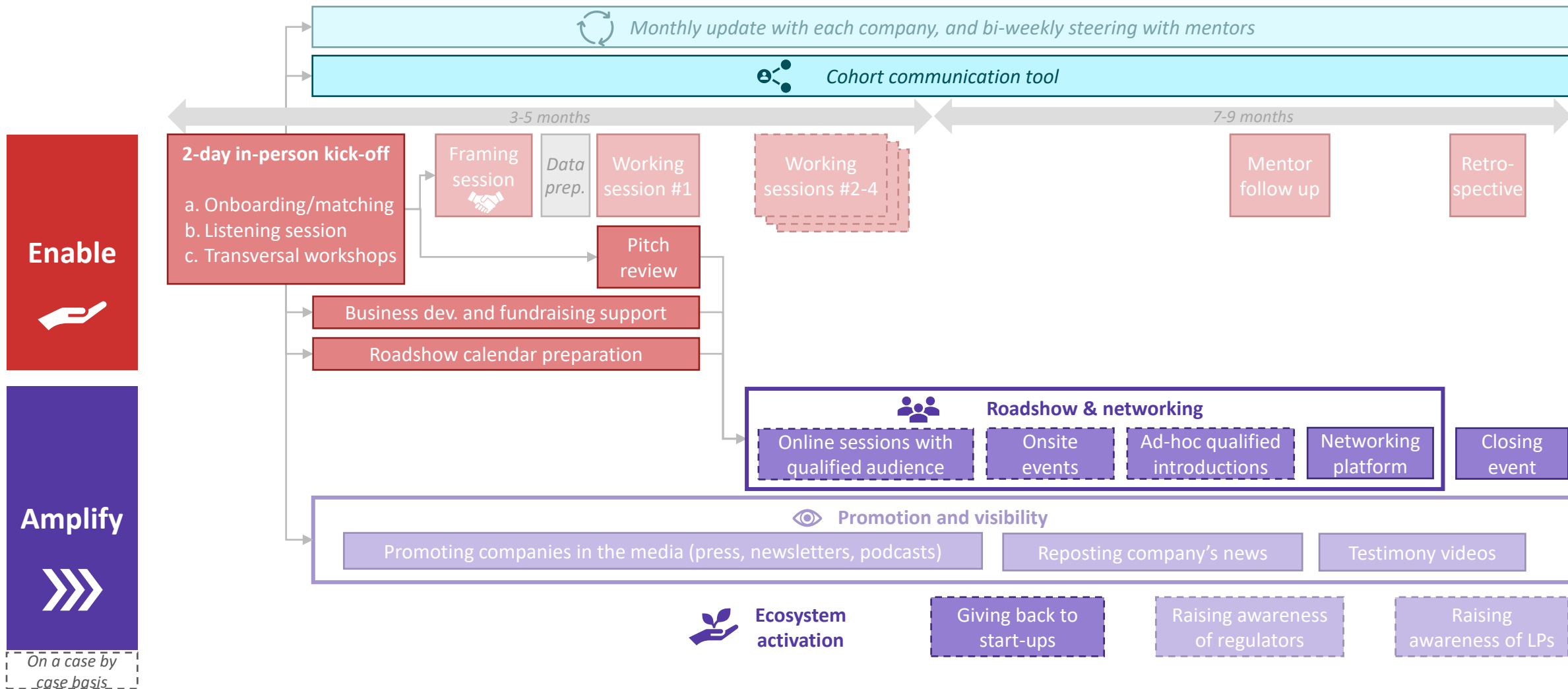
How the blueprint aims to address the scaling challenges: Developing a compelling investment narrative



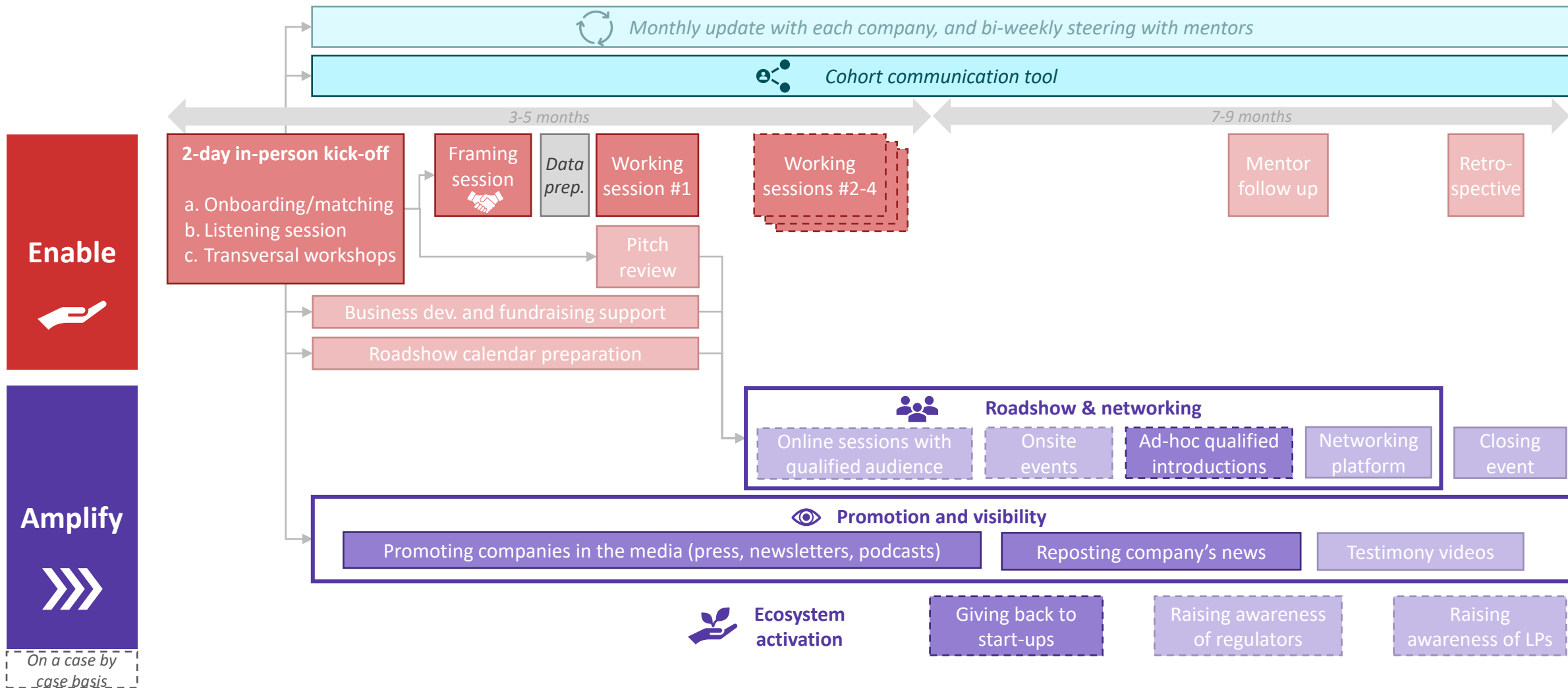
How the blueprint aims to address the scaling challenges: Navigating European institutions



How the blueprint aims to address the scaling challenges: Partnering with large corporations



How the blueprint aims to address the scaling challenges: Attracting best talents, skills and leadership

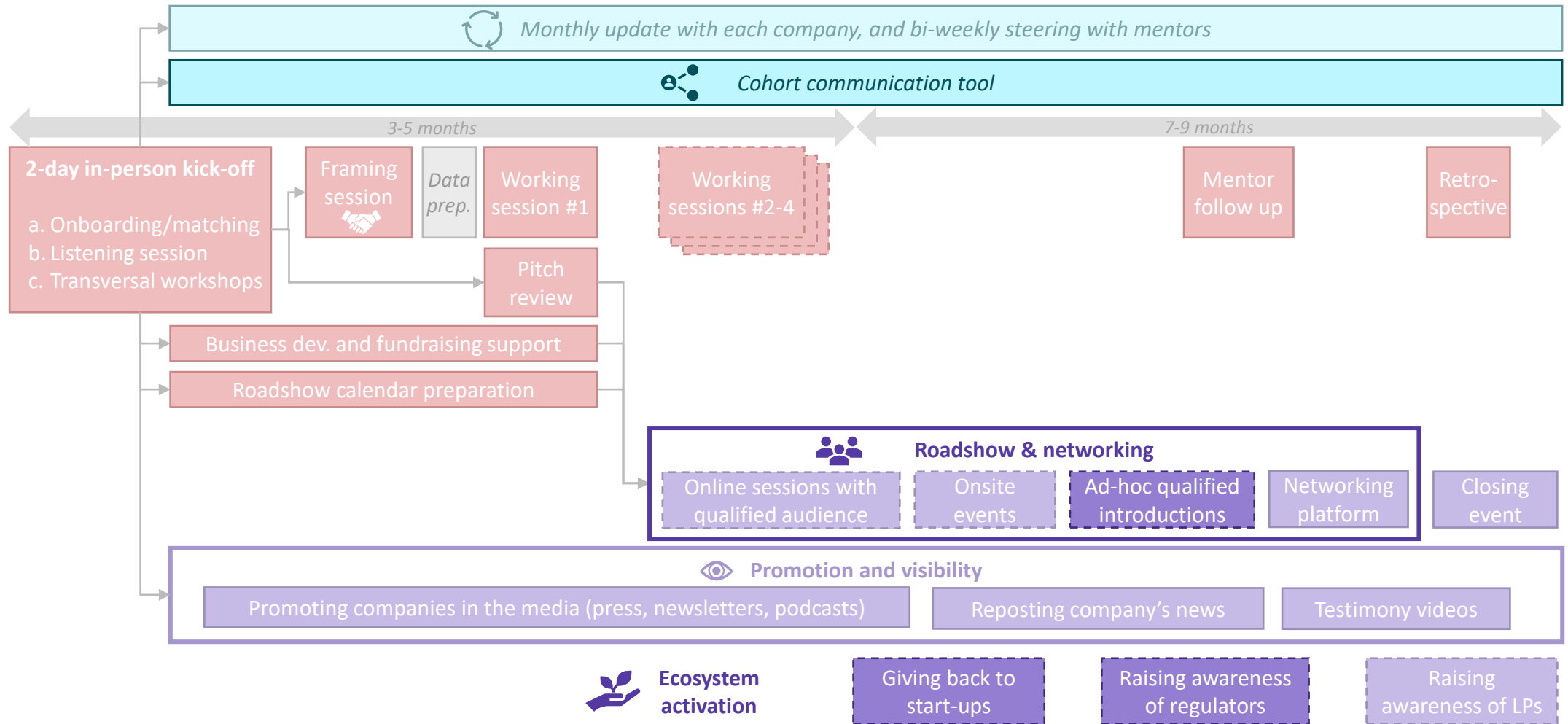


How the blueprint aims to address the scaling challenges: Partnering in the ecosystem

Enable

Amplify

On a case by case basis





Appendix

February 2023 survey results

4 main areas assessed in this survey



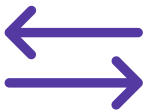
Overall satisfaction



Programme organization and sessions with experts



Roadshow / networking activities and promotion



Evolutions of the programme in the blueprint



A majority of **Very or Completely satisfied** companies in the Growth Club



of companies surveyed **satisfied¹** by the programme (or more)

More specifically



of companies surveyed **“Very satisfied”** or **“Completely satisfied”** by the programme

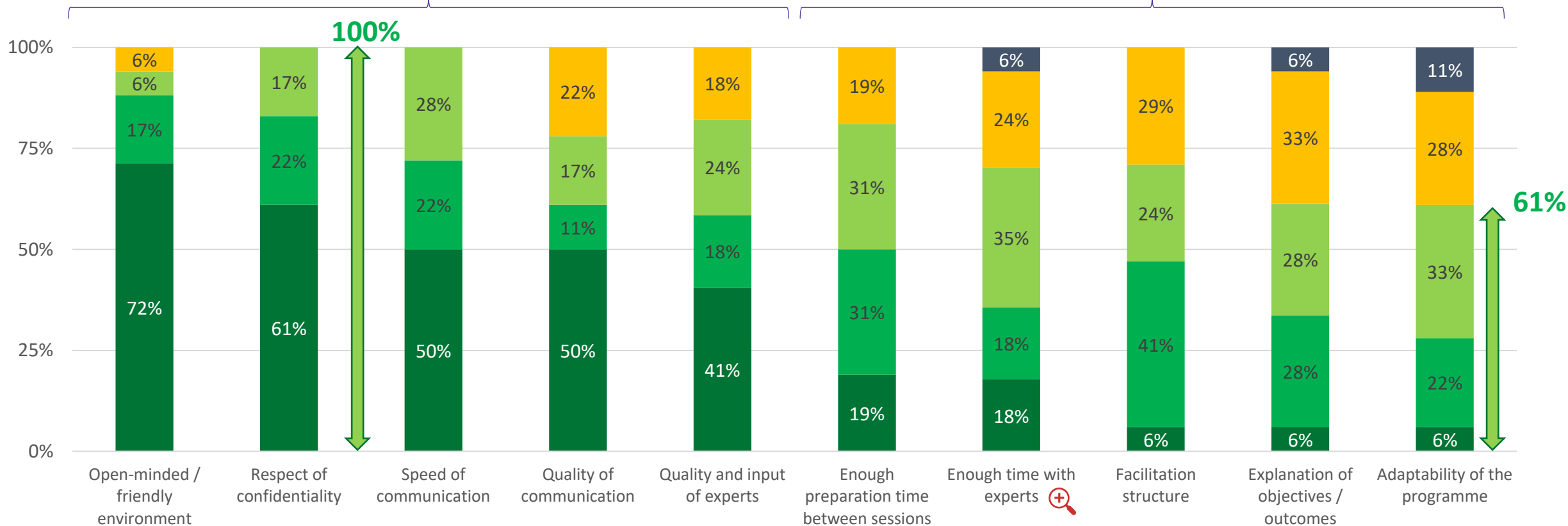
1. “Satisfied”, “Very Satisfied” and “Completely Satisfied” responses ; Sources: 18 respondents from the EIC Growth Club companies as of February 2023



~60-100% satisfaction¹ by dimension: a positive set-up but insufficient customization

Successful at creating a positive set-up with relevant expertise and process / organization

More efforts required on the customization of the programme to companies and time management / visibility



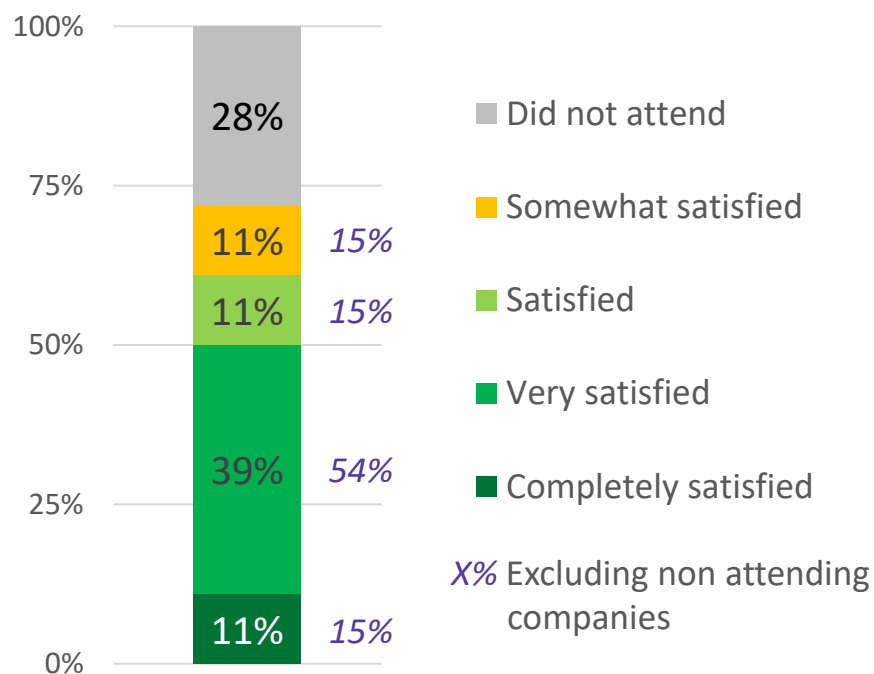
1. "Satisfied", "Very Satisfied" and "Completely Satisfied" responses ; Sources: 18 respondents from the EIC Growth Club companies as of February 2023

■ Completely satisfied ■ Very satisfied ■ Satisfied ■ Somewhat satisfied ■ Not satisfied at all



Companies welcomed horizontal sessions and 50% benefitted from 1-3 extra individual sessions

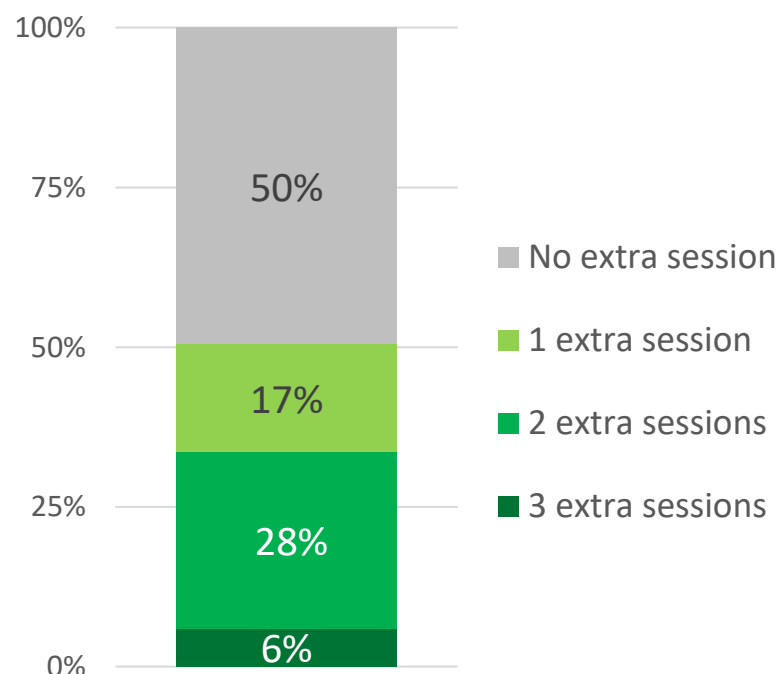
85% of companies satisfied by horizontal sessions when they attended



Satisfaction of companies on horizontal sessions (e.g., pitching skills, fundraising strategy...) (%)



50% of companies surveyed benefitted from 1-3 extra individual sessions (on top of the ~2 initial ones)

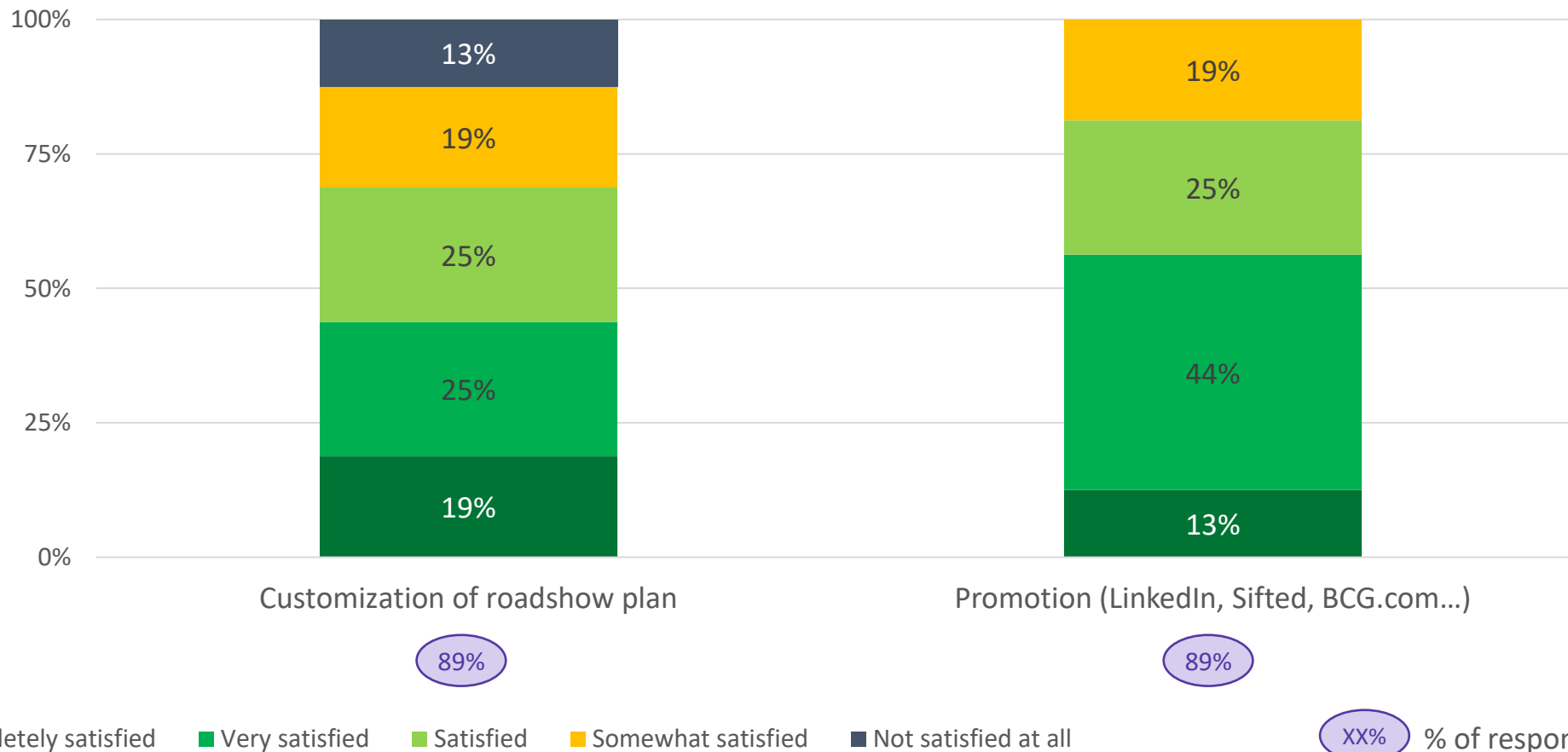


Share of companies with extra sessions (%)

Sources: 18 respondents from the EIC Growth Club companies as of February 2023



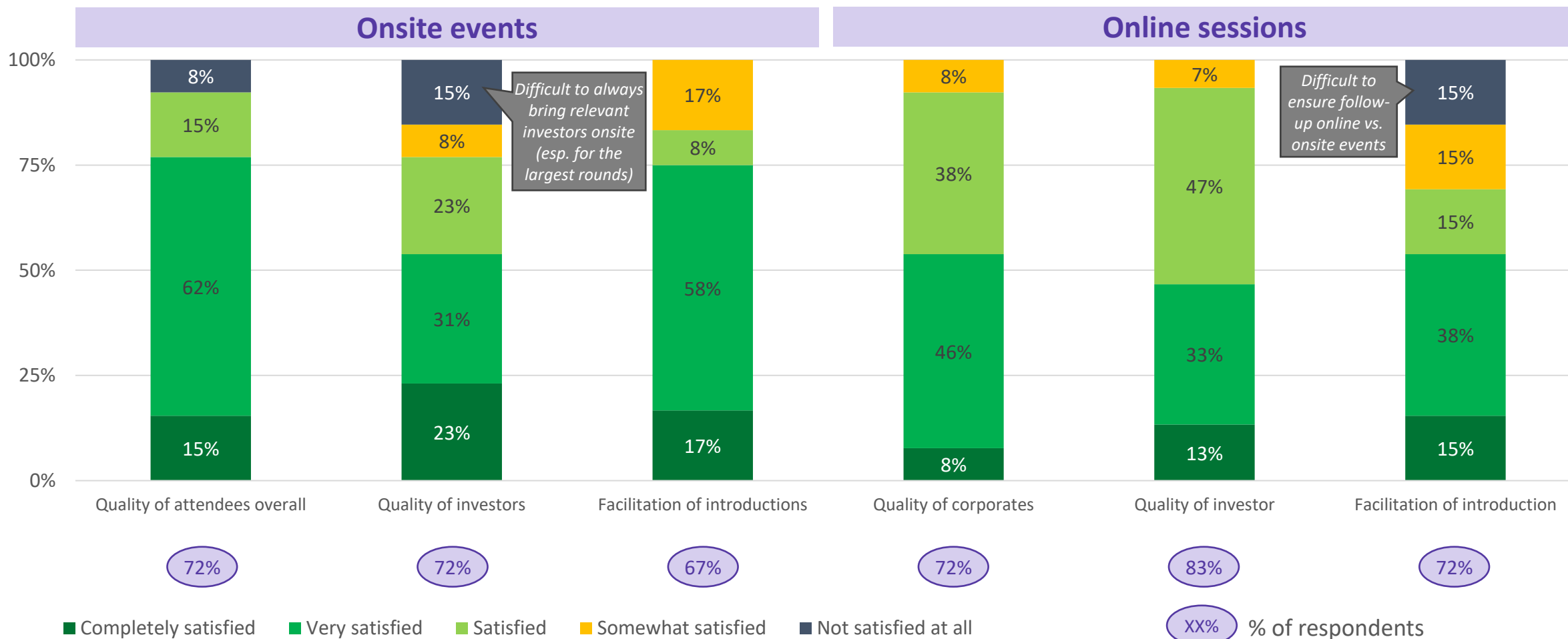
~70% satisfaction for roadshow customization & ~80% satisfaction for promotion activities



Sources: 18 respondents from the EIC Growth Club companies as of February 2023



~75-90% satisfaction for events & ~70-90% for online sessions



Sources: 18 respondents from the EIC Growth Club companies as of February 2023



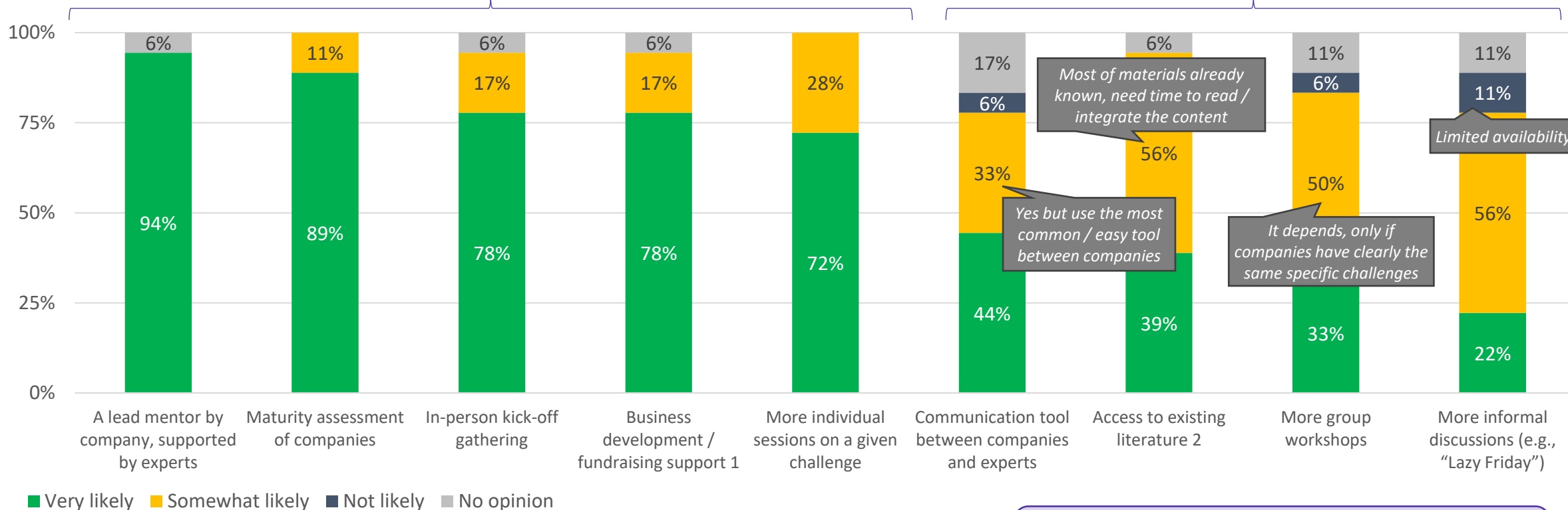
This document reflects only the authors' views; the European Commission is not responsible for any use that may be made of the information it contains.



Confirmation of blueprint: lead mentor, maturity assessment, in-person, customized support

Evolutions to ensure more customization and expert preparation for roadshow activities and the specific challenges of their scale-up journey

Limited availability of companies requires to be pragmatic and only focus on selected value-added activities



Most of materials already known, need time to read / integrate the content

Yes but use the most common / easy tool between companies

It depends, only if companies have clearly the same specific challenges

Limited availability

33% would be interested in paying for an enhanced version of the programme

1. to shortlist the relevant investors / customers / partners ; 2. materials such as (e.g., IPO process, non-dilutive funding...)

Sources: 18 respondents from the EIC Growth Club companies as of February 2023

The logo features a white stylized arrow pointing up and to the right, followed by the text "EIC ScalingUp" in a bold, white, sans-serif font.

EIC ScalingUp

THANK YOU!