

NOT ONLY UNICORNS, MAY ITALIAN COMPANIES "ADOPT" A STARTUP IN ORDER TO GROW

Digital Magics promotes the "Open Innovation Summit 2016" to facilitate the fusion between traditional companies and digital startups to leverage economic recovery

Let's push aside Unicorns – the startups valued over \$1 billion – and let's make sure that at least 5% of the 200,000 Italian companies, with more than 10 employees, "adopt" a digital startup, thus creating thousands of new jobs, thereby increasing GDP and competitiveness of the Italian entrepreneurial system. Such is the recipe launched during the **Open Innovation Summit 2016** (July 1-2 in Saint-Vincent), organised by **Digital Magics**, business incubator listed on AIM market of Italian Stock Exchange (symbol: DM).

The main players in the market, institutions, including investors, incubators and startups met to debate over developments, trends and opportunities to innovate internal business processes, products and services; thanks to the Italian young innovative enterprises with high-tech standards. Among those present at the event were: **Paolo Barberis**, Councillor for Innovation to the Presidency of the Council of Ministers, **Stefano Firpo**, General Director at the Ministry of Economic Development and **Marco Gay**, President of Confindustria Young Entrepreneurs and also Vice-President of Digital Magics.

The event was also attended by the top management of **Bricoman, Cisco, Investors Club, dPixel, Ernst & Young, euro engineering** (Adecco Group), **H-FARM, IBAN, IBM Italy, Italian Startup, Kanso, Nana Bianca, PoliHub, QVC Italy, Smau, Talent Garden and Tamburi Investment Partners**.

*"The 'Open Innovation Summit 2016' – explains **Alberto Fioravanti, Founder and Executive President of Digital Magics** – is the third meeting by [GIOIN](#), the first network dedicated to innovation of Italian companies reserved for entrepreneurs, top management and professionals. The event aims to become the annual reference point for measuring the state of Open Innovation in Italy. GIOIN – Gasperini Italian Open Innovation Network – is the brainchild of Enrico Gasperini, Founder of Digital Magics and recognised as a pioneer in the field of innovation, who passed away prematurely in November 2015"*

*"Fostering the relations between Italian SMEs and startups, thanks to programs of 'Open Innovation' – says **Marco Gay, President of Confindustria Young Entrepreneurs and Vice-President of Digital Magics** – will in turn trigger 'virtuous cycle' and create added value for both parties. This model, which can lead to 'corporate venture capital', is applied in many countries around the world with great success. The meeting between companies and startups should lead to the acquisition of the latter and to industrial exits. A matching up of new digital ventures with traditional industries represents a natural accelerator for the innovation of the latter, which will bring our tradition and our Made in Italy to compete even more successfully in international competition"*

*"Today – explains **Layla Pavone, Managing Director of Digital Magics for Industry Innovation** – when we speak of startups, the mantra is the word EXIT, i.e. the young Italian innovative companies are born to be sold to the highest bidder after a few years. It's clear, in this sense, the speculative vision attributed to those who decide to do business, as it is equally obvious that the role of venture capital will assume a strategic importance in the short term. The goal is to have a very high return on the investment within a few years. Hence the myth of the Unicorn, or the startups estimated at more than one billion dollars"*

In 2009 – it was said during the *Open Innovation Summit 2016* – that there were only 4 startups in the world estimated at a value of more than one billion dollars. In time their number grew significantly. Today, according to data gathered by CB Insights, there are **152 worldwide. In Europe** (Source GP. Bullhound) the number reaches **47**. The largest ones are, in order, Spotify, Skype and Zalando. Hello Fresh, Blippar and Evolution Gaming are among the latest arrivals. **In Italy** there has been until now **a single Unicorn: Yoox**

that as of April 2016 had a value of 4 billion dollars. Eighteen Unicorns are born in the United Kingdom, seven in Sweden, six in Germany, three in France. These European companies have taken between 7 and 9 years to become Unicorns. And over and above the investments collected, at the moment only 60% of Europeans Unicorns makes profits. In order to understand the power relations with our country, only 7 successful startups have collected more than 10 million as of today.

According to Digital Magics, **Unicorns can not be the foundation of the startups ecosystem**, partly because they are often the result of overestimations. If we think of the business fabric in our country, it would be more profitable to support the growth of startups in a healthy and reasoned manner. There are nearly 6,000 startups listed in the special section of the Register of Companies at the Chambers of Commerce and more than 200,000 large and medium-sized Italian companies with at least 10 employees. If only 10,000 (5%) of the latter ones - which certainly have the need to innovate - created synergies with these startups, in a profitable process of contamination, this would in turn create an opportunity to relaunch the Italian economy and our GDP. Therefore, it is no longer the case to focus solely on Unicorns and Exits, but it is necessary to work on promoting the meeting between SMEs, large Italian companies and innovative startups, with the goal to create and foster partnerships in a perspective of business development, i.e. revenue growth, on both sides.

GIOIN - *Gasperini Italian Open Innovation Network* – is an initiative by Digital Magics and **is the brainchild of Enrico Gasperini**, Founder of Digital Magics and recognised as a pioneer in the field of innovation, who passed away prematurely in November 2015. GIOIN offers **paths of information, training and sharing** to access support tools and incentives for finding unconventional solutions, critical to addressing the challenge of innovation, improving industrial processes, generating value and creating new products and services through digital innovative startups. The aim of GIOIN is to train the *Innovation Officers* of the future within companies.

GIOIN is organised in collaboration with MF-Milano Finanza. Event partners are: ContactLab, Boraso, QVC Italy, Talent Garden, DLA Piper and Dol.

[Digital Magics](#), listed on AIM Italia (symbol: DM), is an incubator of digital projects that provides consulting services and acceleration services to startups and enterprises, to facilitate the development of new technological businesses. Thanks to the partnership with Talent Garden and Tamburi Investment Partners, Digital Magics has created the most important national platform for innovation for DIGITAL MADE IN ITALY, by offering services for the digital transformation and “Open Innovation” to excellent enterprises, while providing support to innovative startups to create successful projects, from conception to IPO. The incubation and acceleration services offered by Digital Magics are active in the TAG co-working campuses present throughout Italy. Complementary services include investment activities, which have produced over the years a portfolio of 60 investments in startups, scaleups and digital spinoffs with high growth rates. Accelerated companies are flanked by Digital Magics LAB, a team of highly experienced business partners, and benefit not only from the large network of private and institutional investors that support them through “club deals”, but also from the many partner companies that support them on an industrial scale.