The start-ups’ Networking Innovation

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Key words
Collaborative entrepreneurship, start up, relational proximity, Incubators, knowledge spillover

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In the Entrepreneurship Network a key role is recognized to Incubators that as knowledge intermediaries support the relationships within incubatees, and between these latter and external actors. As emerged in the Italian Incubator Case, the start-ups’ networking generates knowledge spillovers. The Incubator facilitates relationships at different levels of network: micro, meso and macro.

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1. Introduction

Entrepreneurship is the fountainhead of endogenous changes in the economy, bringing about technological, institutional, and organizational innovation (Terjesen and Wang, 2013) through the creation of new knowledge.

The economic literature outlined many insights into the decision to become an entrepreneur by means at micro level of individual-level factors (Parker, 2009, Santarelli and Vivarelli, 2007). But more and more entrepreneurship has emerged at a new system level (ecosystem) through which knowledge is combined and generated.

As depicted by Braunerhjelm et al. (2009) the entrepreneurial activity is the key factor in transferring knowledge to exploit commercial opportunities (Landström et al, 2012). In a new venture development the recipient firms combine the originating firm’s knowledge with other knowledge to create their own unique innovations (Sorenson, Rivkin, and Fleming, 2006). Yang et al. (2010) conceptualize a knowledge spillover that emerges when an originating firm’s knowledge spills over to recipient firms and is subsequently recombined with other knowledge through the innovative activities of recipient firms (Yaam and Steemsa, 2014; Lombardi et al., 2011).

Even if knowledge production has a spatial dimension (Audretsch and Feldman, 2003) which kind of space can we consider? Traditionally geographical space is considered as key driver to develop knowledge spillover. Scholars such as Zaheer and Bell (2005) suggest that cluster firm performance differs from other firms because of the easier access to knowledge spillovers that cluster firms have. Marshall (1920) has discussed knowledge spillover as one of the incentives for firms to cluster in certain places. The level of knowledge spillover entrepreneurship depends on the level of new knowledge, on the speed of knowledge creation, but also on entrepreneurial absorptive capacity. This latter involves the ability to absorb external knowledge and the ability to start a new business to exploit the knowledge.

The new knowledge spillover perspective is founded on a new kind of proximity. The geographic proximity considered by Porter (1990) to sustain the knowledge spillover and the industry proximity analyzed by Jacobs (1969) can thus be integrated with relational proximity that is founded on shared vision and shared destiny. These interactions are based on similarities in terms of the way in which actors perceive, interpret, understand, and assess the context in which they operate (Wuys et al., 2005).

Therefore, the modern enterprise cannot be understood through the analysis of what it contains, but only from the spatial relations that produce it and in which it is placed (Yeung, 2005; Bathelt, 2006). In the relational space, firms coordinate their actions in order to learn and generate new knowledge (Boschma, 2005): everything has a position, but also everything is in a relation with the rest through interdependencies and connections.

After the literature review, the analysis concerns the networking sustained by ComoNExT Incubator (Lombardy Region) that involves the incubatees and external actors. Follows the discussion.

2. Entrepreneurship Network: the development of relational proximity

Even if in Schumpeter’s view the entrepreneurship was founded on the entrepreneur considered as an innovator (Van Praag, 2005), over time the attention in entrepreneurship has been shift on external issues related to the liability of newness (Nagy and Lohrke, 2010). The field of entrepreneurship is considered by Shane and Venkataraman (2000) as the “scholarly examination of how, by whom, and with what effects opportunities to create future goods and services are discovered, evaluated, and exploited” (p. 219). This definition denotes a wide variety of entrepreneurial operations, including production innovation, start-ups, new ventures, corporate venture spin-outs and spin-ins (Jennings, Greenwood, Lounsbury and Suddaby, 2013). The
development of business relationships is a key issue for investigating new business development, for exploring the formation of new business, the process of entrepreneurship and new venturing (Snehota, 2011; Baraldi, 2008; Bocconcelli and Hakansson, 2008).

From this perspective, the collaborative entrepreneurship emerged as focused on value generated by external knowledge and the interconnected relationships. On the basis of relational embeddedness the development of a firm depends on the development of its relationships (Echols and Tsai, 2005). How can relationships sustain entrepreneurship? Several studies have provided evidence that collaboration tends to allow the recognizing of entrepreneurial opportunities (Singh et al., 1999; Hoang and Young, 2000). Relationships enhance also productivity of scientific knowledge (Wuchty et al. 2007; Huang and Lin 2010), provide reputational content (Shane and Cable, 2001; Hoang and Antonicc, 2003), access to capital and professional services.

A source of entrepreneurial opportunities is identified in new knowledge that can be created through a new venture. As outlined by Audretsch and Lehmann (2005) “the knowledge spillover theory of entrepreneurship identifies one source of entrepreneurial opportunities—new knowledge and ideas” (p. 1193). Several authors (Agrawal et al., 2004; Chatterji, 2005; Klepper, 2001, 2006; Shane and Stuart, 2002) have provided studies of knowledge-spillover entrepreneurship resulting from spin-offs from incumbent firms. Entrepreneurs, via creating new firms, play an important role in commercializing new knowledge. In addition to this the ability of an entrepreneur to understand new knowledge, recognize its value, and subsequently commercialize it by creating a firm is identified in entrepreneurial absorptive capacity (Qian and Acs, 2013).

The knowledge spillover generated by interaction are traditionally linked to geographical proximity that promotes and makes cooperation easier between local players and therefore that enhances individual and regional capacity to innovate. Marshall (1920) pointed out the benefits of localization, especially considering the industrial atmosphere. In a traditional perspective while short distances favor interaction, networking, collaboration and innovation, long distances require more complementary proximities to achieve closeness (Boschma, 2005).

Could knowledge spillover be generated only by geographic proximity? Geographic proximity facilitates four important proximities that improve knowledge sharing: social (trust), organizational (organizations’ interdependence), institutional (norms) and cognitive (knowledge) proximities (Boschma, 2005; Howells, 2002). The multidimensional approach suggests that also more radical forms of distance can be fruitfully integrated into knowledge networks, provided that they are mediated by proximity that exists along another dimension.

In this context the relational proximity refers to both social and cognitive inter-organizational proximity (Nootbeoom, Vanhaverbeke, Duijsters, Gilsing, and Oord, 2006). Therefore, relational proximity facilitates knowledge acquisition, particularly of the tacit type, since involved agents act in a very similar way (Storper, 1999). Firms gather in collaboration advantages when customers, partners, competitors and all stakeholders cooperate to co-innovate (Chesbrough and Appleyard, 2007). Relational proximity is strictly related to relational capital that is considered by many scholars as a form of social capital (Granovetter, 1974) contained in a business relationship (Chang and Gotcher, 2007). The relational capital is generated by the close interaction between partners that is founded on mutual trust, respect and friendship (Yli-Renko et al., 2001).

Relational proximity is developed in a relational space that characterizes the business ecosystem (Moore, 1996; Siegel and Renko, 2012) highlighting the role of interdependence rather than geographic proximity to explain collaboration and innovation. In a relational perspective, established firms and new ventures play different but often complementary roles that position them to exploit particular areas of the ecosystems (Livingston, 2007). The process further promotes productive co-specialization that enriches the variety of entrepreneurial activities in the ecosystems.
Network in entrepreneurship has been mainly investigated in social perspective: The entrepreneur is embedded in a social network that plays a critical role in the entrepreneurial process (Aldrich and Zimmer, 1986).

In the industrial network perspective, the interconnection of the relationships thus creates a value network founded on collaboration, with different actors in order to share resources (Håkansson et al., 2009). This kind of relationships outlines the relational space that overcomes the geographical borders. A business network founded on activities links, resources ties and actors bonds can be considered a space connecting different actors that occupy a certain place (i.e., positions). The boundaries of the network, and then the relational space, are based on relationship development (Huemer et al., 2004), generating new opportunities for knowledge sharing between actors. From the interactive perspective, actors are the product of their relationships.

The latitude of the business in the resource constellation activity pattern and web of actors is important for business development (Snehota, 2011). The latitude confers on the business its potential and distinctive characteristics, and the business network confers on the business its distinctive features and makes every business unique. The uniqueness of the latitude in the business network is also consequent to how it evolves over time (Snehota, 2011) and space. Network is seen as critical for the survival and growth of entrepreneurial venture because it can provide access to information, advice and influence as well as resources held by others (Hoang and Antonicic, 2003).

The space positions each single interaction in relation to others and provides the focal interaction with an extended context (Håkansson et al., 2009: 38). What occurs between two firms may bring them closer to another interaction, thereby leading them to change positions in the business landscape. This influences and is influenced by firm boundaries.

Nor is such space limited to geographical, cultural, industrial, or intellectual boundaries (Håkansson et al., 2009: 260). The boundaries of the network, and then the relational space, is not static, but it changes based on relationship development (Håkansson and Snehota, 1995; Holmen and Pedersen, 2003; Huemer et al., 2004), generating new opportunities for knowledge sharing between new actors. Every position in a network is based on certain resources, but the network is also defined by the positions of the counterparts and their resources. Ties (boundaries) between the organizations of the network are considered to be factors that determine the growth and development of the firm (Gibbert and Valikangas, 2005).

As depicted by Baraldi (2006) in the space perspective, the interactions with places occur through the resources that the firm handles on a daily basis. Firms develop knowledge about how to use each other’s resources efficiently while producing joint values. Considering knowledge as resource, the value of this one is generated by interaction (Håkansson and Waluszewski, 2002, 2007). The development of innovation is founded on the continuous interactive learning that is based on collaboration and related to the creation, exchange, and combination of knowledge (Håkansson and Johanson, 2001; Håkansson and Olsen, 2011).

Research in the IMP tradition concludes that businesses and their contiguous business networks co-evolve in time and space. The boundaries of the new business enterprise are continuously redefined as the context in which it operates is in continuous motion (Snehota, 2011). In the process of new business development, the joint use and combination of resources involves mutual adaptation and joint learning (Håkansson 1993). As stated by Snehota (2011) “the new business enterprise is not an entity outside the business network but is always a part of it; its development also shapes the existing business network” (Snehota, 2011).
3. Research Approach

The main aim of this paper is to investigate the networking characterizing the Entrepreneurship Network. How can start-ups and new ventures access to competences and capabilities required to develop entrepreneurial activity?

The research investigates the relational space outlined by interconnected relationships belonging to different level of space (micro, meso and macro) that configure the network. As stated by Nicholson et al. (2013) a focus on a relational space, “made of all the different relationships built among local actors” (Capello and Faggian, 2005:78), and relational proximity and distance within it may yield different insights into the impacts of relationships on the recursive interplay between firm and regional competitiveness.

The Industrial Network Approach considers space and place as a feature of resources: Products, facilities, organisational units, and business relationships acquire space-related features from the places with which they are associated (Baraldi, 2006: 301). Places can both enable and constrain inter-firm interactions and resource combination. The dynamic features of place influence different resources as generated by their combination (Håkansson, Tunisini and Waluszewski, 2006). The analytical scales of space are divided in micro, meso and macro spaces. Micro spaces are confined in buildings, meso spaces range from collections of buildings, and macro spaces are extended to whole nations and countries (Baraldi, 2006).

The research investigates the key relationships developed by an Italian Incubator and its start-ups in different dimensions of network (micro, meso and macro) considering the impact of these relationships on the development of entrepreneurial activities of the main start-ups involved.

The paper applied a qualitative approach (Dubois and Gadde, 2002; Dubois and Araujo, 2004) and a case study approach (Beverland and Lindgreen, 2010; Harrison and Easton, 2004, Barrat, Choi, Li, 2011). “In-depth case study research analysis is especially suited to theory building in an area where there is little prior research and understanding is relatively poor” (Benbasat etal.,1987). A semi-structured interview guide was developed, based on systematic review of the literature (Perkmann et al., 2013; Eisenhardt and Graebner, 2007; Sloan and Oliver, 2013).

This case study aims to generate concrete and context-specific knowledge. Therefore, the research approach has required a relatively tight structure with clearly devised questions, enabling empirical data to be collected (Yin, 1994;). Following Eisenhardt (1989), Stuart, McCutcheon, Handfield, McLachlin, and Samson (2002), Miles and Huberman (1994), Stuart et al. (2002), and Yin (2009) in adopting the principles of theory building based on case studies, the paper is at the mapping/relationship-building stage of identifying and describing the key variables that are in play (Stuart et al., 2002).

The analysis adopted an abduction process that enables data-driven theory generation (Järvensivu and Törnroos, 2010): choices related to the theoretical framework influenced the empirical investigation. The research involved a systematic combination of the continuous interaction between theory and the empirical world (Dubois and Gadde, 2002 Dubois and Araujo, 2004; Piekkari et al., 2010).

This case is founded on 15 in-depth semi-structured interviews (face-to-face, e-mail, videoconference, and phone interviews) and it belongs to a wider research.

Going more in depth in the structure of the research, this latter worked on three stages. The first stage was the pre-understanding stage, which consisted of collecting the primary and secondary data in order to outline a general picture of entrepreneurship network. Stage 2 involved semi-structured interviews with key referents of ComoNExT Incubator, ComoNext TH, their start ups and tenants. During stage 3, the analysis concerns the external partners of ComoNExT Incubator and ComoNExT TH.

The main semi-structured interviews were realized over a period of three years, lasting from 60 to 120 minutes, with the key referents of ComoNExT Incubator, ComoNExT Technological Hub, start
ups and tenants, and firms involved in the innovation projects. Data were collected also by telephone and email. In the second stage the interviews included general company data, mission, innovation approach and the interconnected relationships in several projects. In the third stage interviews were referred to service incubator development.

The primary data were combined with secondary data gathered from the firm’s website, reports, trade press and other company documents. The holistic description of the network generated by multiple sources of evidence (Järvenшив and Törnroos, 2010) has been required to analyze in greater depth the interconnected relationships.

As stated by some scholars the limits of spatial proximity need to be further investigated (Belussi, Sammarra, and Sedina, 2010). This is an emblematic case in which we can observe the emerging of Entrepreneurship Network and relational space.

### 3.1 Research context

Analyzing entrepreneurship and new business development, incubation represents a method of providing business assistance to firms in the early stages of their activity (Bøllingtoft and Ulhøi 2005; McAdam and McAdam 2008) also through service differentiation (Vanderstraeten and Matthysens, 2012).

More and more the Incubators have been identified in organizations that support start-ups, spin-offs, and new ventures, helping them develop their business (Colombo and Delmastro, 2002) through a supportive environment (Lindholm-Dahlstrand and Klofsten, 2002). While in the past the supportive environment was related to physical space, nowadays incubators provide mainly added value services.

This evolution in Incubator’s business model has outlined different generations of Incubators. The first-generation Incubators were linked only to the provision of physical space (Lindholm-Dahlstrand and Klofsten, 2002; Lyons and Li, 2003). The second-generation Incubators sustain new business initiatives that can help establish start-ups and grow them by offering physical spaces together with specialized services. The innovative services were related to business assistance and technical assistance. Nowadays the Incubators have undertaken a key role in the knowledge transfer process; the value provided by the third generation Incubators to new firms includes preferred access to network as part of their value proposition (Hansen et al., 2000). Such Incubators are often located inside the Science Parks that support the innovation process for tenants and other actors involved in R&D projects. Networked Incubators (Maia et al., 2012) provide access to an extensive network of resources that can be used and leveraged by the start-ups.

### 4. The networking inside and outside the Incubator

#### 4.1 Micro network

The relationships ComoNEXT Incubator - incubates

ComoNEXT Incubator provides specialized technical assistance and logistics solutions through which a business idea can become a start-up. ComoNEXT Incubator is located at ComoNEXT (new energy for territory), the first Italian technological hub (TH) founded in the Lombardy Region in 2007 in order to improve the attractiveness of the local economy. The Technological Hub covers an area of 20,986 sqm where 73 enterprises are settled and 400 people work together. The high-tech firms are specialized in IT, robotics, biotech, new materials, and 3D technologies.

In 2012, the Como Chamber of Commerce launched the “Business Incubator” call for proposals. The main aim of the call was to found an Incubator providing assistance in the development and promotion of innovative business initiatives. The last call for new start-ups was held in 2014.
ComoNExT Incubator and SiFooD – Science & Innovation Food District, sustained by Whirlpool, have promoted a call for the selection of innovative ideas aimed at the creation of start-ups in line with the themes of Food Waste Reduction. 35 applications from entrepreneurs and start-ups were collected. As of today the Incubator counts 18 start-ups that can benefit of rooms and workstations in open-space areas with dedicated furnished offices with 24-hour accessibility. At the beginning of 2015 the evaluation committee of the start-up, consisting of members of the Board of Directors and representatives of SiFood and ComoNExT, has selected four winners to pass to the next stage. This latter is related to the construction of a business plan and the possibility of being incubated in ComoNExT. With a total budget of the call for 120,000 Euro + VAT cash, provided by SiFooD, each of the start-up winners will have a voucher worth up to € 30,000 + VAT spendable in the 18 months of incubation at ComoNExT and services "acceleration" offered free of charge from the network of Associates SiFooD such as services and laboratory testing as well as coaching.

In addition to this, the start-ups of ComoNExT Incubator are assignees of the contribution of Phase 1 of € 15,000 for technical assistance to the development of the company. They are also evaluated for admission to Phase 2, involving participation at EXPO in Italian Pavilion.

The selected start-ups are: Forfirm, Geppetto Laboratory and Rigam Engineering. The activity of these start-ups is innovation oriented. Forfirm provides services to smartify the supply chain of customers. Forfirm manages a quotation request through an automatic workflow to share needs with current and new partners.

In an innovation perspective, Geppetto Laboratory creates interactive design objects, reconsidering craftsmanship and integrating it with alternative modes of interaction and technological functionalities. The lab offers support in the realization of interactive installations and products. Concentrating its experiences on the recovery of materials and their reuse, the Geppetto Laboratory aims at being an innovative studio focused on interactive component and/or focused on multimedia. It relies on the high expertise and skills, ranging from product to graphic design, from computer to electronics engineering.

Founded on innovation, Rigam Engineering designs and builds machines and plants for industrial automation, provides design and consulting in the field of industrial production, studies innovative solutions with high technological content. Rigam Engineering designs and builds new packaging solutions for the food industry, focusing on the user friendly packaging, innovative systems which create better solutions for producers and for consumers. Rigam Engineering has developed the production of a device to facilitate the extraction of products from containers, in particular to extract products in fillets (eg. tuna, mackerel).

The relationship between the Incubator and its incubatees is founded on services generated by Incubator that include the study of specific areas of the business plan and project management, corporate communication, marketing plan, management of enterprise and calls for subsidized loans. All the start-ups entered into the Incubator can use the main services provided by the Incubator in a direct or indirect way.

The incubatee developed several relationships with the Incubator in order to benefit from the main services. For instance each office provided by ComoNExT Incubator can accommodate small laboratories and facilities for small-scale productions. Sizes range from a minimum of 54 square meters to a maximum of 206 square meters. The Incubator also supports the sharing of common spaces: meeting rooms of different sizes, training rooms, an auditorium, cafeteria, and parking. The Incubator offers the possibility of organizing conferences, business meetings and workshop. Focusing on facilities, the Incubator is only a few kilometers away from Milan and close to the most prestigious research centers and scientific universities.

Shifting the attention on services provided by the Incubator, these latters concern all stages of a firm’s life cycle. Developing relationships with the Incubator the incubatees are supported for instance in the check-up stage that is designed to survey the components of the business and identify value-based features and critical issues related to its development: Analysis of the company’s technological capability; product analysis; qualitative analysis of the company’s
economic situation and analysis of the company’s organizational structure. In addition to this the Incubator provides analysis of the decision-making process, communication and analysis of internal and external information flow and the definition of the company’s positioning. The Incubator assists entrepreneurs with the assessment of the technical, economic and financial feasibility of their entrepreneurial idea, from market analysis to the formulation of a business plan. Furthermore the Incubator sustains incubatees in turning business ideas into projects and deliver the new product/service. The services sustain different aspects in the development of a project such as technical feasibility, economic and financial sustainability, market analysis and communication strategy. The Incubator also supports firms in finding the best way to protect an idea and it allows to explore the possibility of accessing seed and venture capital.

Thanks to its in-house skills and cooperation with companies in specific countries and sectors, ComoNExT Incubator attends incubatees in the development of trade channels in the process of internationalization.

The relationships incubatees - tenants

The incubatees of ComoNExT Incubator have the possibility to interact among them. In addition to this the start ups cooperate with tenants located inside the Technological Hub. Among the key relationships developed this year, there is the relationship between Geppetto Laboratory and Emotional View. Emotional view involved Geppetto Laboratory in a research project in order to realize an advertising campaign commissioned by a customer of Emotional View belonging to Food Industry. Geppetto Laboratory has been involved by Emotional View as the lab offers support to individuals and companies in the realization of interactive installations and objects. Emotional View that focuses on advertising and film/documentary projects founds its activity on the use of drones.

ComoNExT Incubator facilitates relationships also between start-ups and tenants belonging to ComoNExT Technological Hub. Geppetto Laboratory, Emotional View and Coelux developed innovate projects with GAM.

In addition to this Emotional View cooperates with Coelux, the hightech spin-off of Insubria University at Como, Italy. Coelux changes the way spaces are experienced: Airport, shopping malls, stores, offices, fitness centers, hotels, museum, housing. Coelux technology has a particularly high impact in underground spaces like subways and parking garages.

Relevant relationships have been developed between innovative start up and D-Orbit which mission is focused on stopping the systematic increase of concentration in uncontrolled debris in space, promoting a sustainable access to space and adding a fourth dimension to the common notion of sustainability: earth, air, sea and space. D-Orbit offers smart propulsive devices that remove artificial satellites from their orbits at the end of their useful life. De-Orbiting and re-orbiting are executed quickly, safely and at time convenient for the end user. D-Orbit is installed on the satellite prior to launch.

Moreover GAM is a study of mechanical design in the different sectors of: handling and robotics, packaging, automatic assembling lines of rotary table, automation for the electronics industry and automotive. The founder of GAM is involved also in a start up: Emotional View.

The tenants work also with other tenants such as SEAM Engineering and Directa Plus. In fact GAM cooperated with SEAM Engineering that provides a range of services in the fields of environmental and health engineering, offering highly qualified consulting in: water treatment exhaust air treatment environmental impact assessment energy efficiency engineering drawing service and rendering engineering software gis service. GAM cooperated also with Directa Plus, a technology company pursuing the development and commercialization of innovative manufacturing processes for the production of engineered metal and carbon nano-structures.

The start-ups and tenants have the possibility to cooperate also with the founders of ComoNExT Incubator, that is ComoNExT TH and H-FARM Venture Incubator.
4.2 Meso network

The relationships ComoNExT – Local firms

Through the relationship between ComoNExT Incubator and ComoNExT Technological hub the incubatees can access to the partners of ComoNExT TH such as the partners of its DRIADE project, the local cultural firms involved in Artimede Project and the local organizations involved in invest in Lombardy.

In particular start ups working in automation industry, such as GAM and Rigam Engineering had the possibility to develop relationships with the firms belonging to DRIADE and DAFNE project. Characterized by a strong orientation to networking activity with local firms, in 2008 ComoNExT was recognized by the Lombardy Region as the leader of the regional DRIADE (Regional Districts of Innovation Attraction and Dynamism of local economy) project. This project aims to contribute to the process of the evolutionary maintenance of the metadistrict model. The Region adopted a bottom-up approach and provided specific funding to support the new meta-clusters (e.g., aerospace, shipping industry, automotive, power generation, transmission and distribution, sustainable building).

In DRIADE, the DAFNE action promotes the business cooperation in meta-districts focused on sustainability. The DAFNE project, driven by ComoNExT TH, searched for heterogeneous firms and organizations focused around all aspects of living concepts and stems from the need to encourage and support new forms of cooperation.

Through interconnections of relationships and after several meetings, the actors of DAFNE founded an organizing committee consisting of 95 actors, such as SMEs, large companies, universities and research centers, associations, trade unions, business consortia, service centers, a development agency, and public institutions. This aggregation supported a series of projects, actions and investments shared by multiple actors. Thanks to cooperation among the different actors, several innovative projects started improving the quality of life in terms of security and autonomy, paying attention to pollution and environmental impact as well as to the dimensions of values and the features of territories. The actors of DAFNE promoted new areas such as home automation and home care.

The relationships ComoNExT Incubator - cultural organizations

Some start ups working on service context such as Emotional View and BYOmusic had the possibility to develop relationships with cultural firms belonging to Artimede Project founded by ComoNExT Incubator. Build Your Own Music is a web-based company that offers custom services for musicians. On the web site a musician can decide every little detail of the guitar or bass spare parts to buy. These parts are designed by BYOMusic following the customer choices, and produced by local craftsmen.

In a local context, ComoNExT Incubator, together with Cariplo Foundation and Como Chamber of Commerce, developed Artimede Project providing added value services and coaching activities to sustain cultural firms located in Lombardy territory. Cultural firms produce and distribute products or services related to cultural expressions. Besides the traditional arts sectors (performing arts, visual arts, cultural heritage), these products and services include film, DVD and video, television and radio, video games, new media, music, books and printing. In Artimede Project, the main goal of ComoNExT Incubator is to enhance the innovative cultural start ups in the city of Como, through the creation of a cultural widespread center in the territory, the networking to sustain the sharing of public and private for the promotion of the cultural and sustainable urban development. Artimede Project aims to build a system of cooperation between cultural operators that can actively contribute to the presentation of cultural system in Como.
In Artimide Project, the Incubator sustained the realization of Artificio, the center of creativity. The space becomes a tool to provide services at different building floors:
- Ground floor: Coffice, the combining of café and office supports informal relationships to sustain business
- First floor: LabBla. Laboratory and meeting room to promote test, discussion and coordination
- Second floor: Volodromo, theatre and dance can be combined in arts activities
Several start ups have been founded through Artimede. An example is a cultural pasture: a mix between a mountain hut, and a space dedicated to exhibitions and museums. In addition to this, with the project “So do all”, ComoNExT sustains cultural start-ups finding new resources. The goal is the creation of partnerships in attracting financial resources and in contributing to the growth and development of the Como city.

The relationships ComoNExT Incubator– Invest in Lombardy

The incubatees and tenants of ComoNExT have the possibility to cooperate with international actors involved in Land in Lombardy project. Thanks to Land in Lombardy project, the Incubator has created relationships with foreign organizations. Land in Lombardy is the program dedicated to overseas firms that wish to test Lombardy Region as a business location. It is managed by Invest in Lombardy, with the cooperation of Lombardy Unioncamere Association, the Lombardy Chambers of Commerce network, and Lombardy Region.

ComoNExT Incubator has developed relationships with other partners involved in the project that are: Cremona Chamber of Commerce, located in Cremona; C.S.M.T. Gestione, located in Brescia; Filarete Foundation, located in Milan; Lariofiere, located near Lecco; Parco Tecnologico Padano Technological Hub, located in Lodi; Polo Tecnologico dei Servizi Technological Hub, located in Pavia; Tecnocity - Euroimpresa, located near Milan.

In Land in Lombardy project ComoNExT offers free for 3 months an office between:
- Independent offices (from 50 sqm to 200 sqm, to be furnished) equipped with technology infrastructure that can accommodate research laboratories and small-scale production;
- Working station in open space;
-16 equipped shared meeting and conference rooms from 8 to 100 participants for free.

The benefits generated by the collaboration between foreign firms and ComoNExT Incubator can be summarized in services provided to new start-ups and to existing incubatees: networking with Universities and research centers; networking with Investors and banks; networking with tenant companies of ComoNExT TH and with other innovative companies in the Region. In addition to this, a team of engineers in ComoNExT can help in the matching between tenants and universities, research centres, investors and banks.

The partners are involved in a broad range of business activities and can help firms throughout relationships with accountants, law firms, consultancy firms, banks, real estate agencies, recruitment and human resource agencies.

Invest in Lombardy provides an established local network that guides the investors throughout the whole start-up process together with provincial centres and qualified private partners (consultancy firms, professional studios, banks and real estate agencies). The industries considered in the project are: agrofood, food and beverage; construction; education and training; energy and renewable energies; environment and agriculture; ICT; life sciences, bioeconomy & biotechnology; manufacturing; mechanical; mechatronics; pharmaceutical and medical device; tourism. The organization supports on all aspects of setting up and expanding the business in Lombardy.

4.3 Macro network

The relationship: ComoNExT Incubator - H- FARM Venture Incubator
Relevant relationships have been developed by Incubator with the co-founder of ComoNExT TH: H-FARM Venture Incubator. ComoNExT TH had the possibility to meet with and get to know H-FARM as both were involved in a national agreement recognized by the Minister for Innovation to promote the development of innovation in Italy. ComoNExT TH and H-FARM worked together and got to know each other’s approach to innovation. ComoNExT TH was interested in H-FARM’s innovative business model working within the digital context while adapting it to the peculiarities of the home market.

H-FARM, born at Ca’ Tron, a historic 1,200-acre farm close to Venice (Italian Veneto Region) has expanded into the United States, India, and the United Kingdom. The objective of H-FARM is to create a district of digital, such as a small Silicon Valley.

The main aim of H-FARM is to assist and accelerate the development of entrepreneurial initiatives in Internet, either through mentorship activities and with financial support. In fact, in addition to be an accelerator in charge of direct mentoring start-ups, H-FARM provides real estate services, administration general services, and sales and marketing services to accelerate the development of new initiatives. The venture Incubator offers a hybrid model that reflects the dual souls of H-FARM as a venture capitalist and incubator. As a venture capitalist, H-FARM invests seed capital, generating finances for early stage activities; as an incubator, H-FARM provides services to speed up actual business development. H-FARM accesses a continuous and high-quality deal flow: more than 400 proposals each year are evaluated and selected by a dedicated team. The initiatives begin a path of incubation ranging from an average of 36 to 48 months.

Thanks to the cooperation with H-FARM, ComoNExT TH decided to adopt an innovative Incubator model; it created an Incubator service providing value-added services founded on networking. For the management perspective, ComoNExT evaluated H-FARM’s experience. H-FARM initially controls a large part of the shares, but favors the spread of the remaining capital to investors and employees of the company. From the beginning, the key people are shareholders with the motivation and stimulation that can result from sharing the property. Using this shared model, ComoNExT TH and H-FARM, supported by the Como Chamber of Commerce, worked together to develop the ComoNExT Incubator.

Focusing on those start-ups supported by the cooperation between ComoNExT TH and H-FARM, on the basis of competences sharing, E-CON provides consulting services primarily in the field of sustainability for the design, construction and operation of green buildings with low environmental impact and for the construction of plants for the production of energy from renewable sources. In a similar way the business idea of Edilizia Insieme is conceived in response to concrete needs of the construction industry emerged from the confrontation and interaction with real builders, craftsmen and professionals in the area. It aims to become the reference point for all online workers in the construction industry, as a catalyst and facilitator of proposals and offers of collaboration. In addition, iPassMe born with the need to help firms to innovate, bringing them closer to the world of mobile marketing, realizes a platform able to provide the opportunity to create and manage the electronic Pass.

In this way the Incubator provides specialized services for the initiation and development of the company through the skills of ComoNExT, especially the structuring of innovative ideas, the preparation of the business plan, and networking. Moreover the three start-ups accessed to innovative services provided by ComoNExT in cooperation with H-FARM, such as the mentoring service related to the investigation of specific areas of implementation of marketing plans, creation of partnerships or commercial contracts, internationalization, trademarks and patents. The core service provided by the Incubator supported the evolution of the start-ups on the base of internal and external networking.

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The relationships ComoNExT Incubator – International firms
The Incubator and the Technological Hub developed relationships with several international organizations providing potential business connections to incubatees. Focusing on relationships between the TH and international organizations, the Virtual Reality Development Center (CSRV) located at ComoNeXT TH aims to collect research and develop the virtual reality industry to provide technologies and services in interactive communication (3D) that support design and education. The industries of focus are: wood and furniture, fashion and home appliances, consumer goods, machinery industry, marine and construction, architecture, aerospace and medicine, energy, and automotive. To manage the project ComoNExT developed a strong relationship with Sviluppo Como, which financed the project, and with a technical partner—namely, Eon Reality Inc. of Irvine, California. In addition, through the SME2 project, ComoNExT TH encouraged SMEs of supply chain to undertake training (Vocational Training and Education [VET]) in mobility, supporting the networking between these firms and the identified organizations. The project is based on training periods for employees of SMEs within firms that want to adopt proven methods for research topics and development and to promote their adoption in the field of VET.

5 Discussion

Entrepreneurship drives economic evolution, determining its speed and direction (Terjesen and Wang, 2013). Going more in depth, the Entrepreneurial activity has also been viewed as an essential feature for organizations to prosper in today’s changing environment in which knowledge is the main driver of value. In this context the research results are mainly ascribable to networking approach adopted by Incubator, start ups and other actors to sustain the diffusion of entrepreneurship. The interconnected relationships are supported by Incubator and developed by start ups and firms with heterogeneous actors such as other start-ups, and other firms, universities, chambers of commerce, research centres, providers of technology allow the development of entrepreneurship. Due to the limits of small dimension, start ups and new venture need to looking for resources mainly ascribable to professional capabilities and heterogeneous competences. In this way Incubator facilitates relationships among heterogeneous actors outlining the entrepreneurship network.

P1 The diffusion of entrepreneurship is founded on networking that involves actors characterized by different knowledge, and that outlines the Entrepreneurship Network.

The borders of Entrepreneurship Network are not related to geographical dimension. The networking is developed in a space that is characterized by different perspective of proximity. In a space perspective networking involves relationships among tenants and incubatees located at the same Incubator/Technological Hub. We can consider the project developed by Geppetto Laboratory and Emotional View, as well as the cooperation between GAM and Emotional View, the project that involved GAM and Coelux, in order to realize the light windows. Other relationships concern GAM and SEAM Engineering. The relationships described show how the projects and services provided by Incubator in order to sustain entrepreneurship involve several organizations in different places and that are characterized by different resources. Going more in depth, each actor provides specific resources and among these ones, knowledge acquires a key role to sustain the development of entrepreneurship. In any specific project different actors share competences and capabilities that differently will be difficult to find.
The *micro network* concerns relationships between the Incubator, the Technological Hub, tenants and incubatees. The relationships with tenants involve for instance GAM. The relationships with incubatees concern new start-ups such as Forfirm, Geppetto Laboratory, and Emotional View. In addition to this we can consider E-CON, Edilizia Insieme and iPassme.

The *meso network* involves the actors of local network such as organization belonging to DRIADE project and DAFNE project such as Como Chamber of Commerce, and Lombardy Industrial Association. In addition to this the local network is made up by Invest in Lombardy and Cremona Chamber of Commerce. Also in this case the innovative meta districts and the home living concept projects were realized through the cooperation among actors characterized by different competences.

Differently the *macro network* is founded on relationships between ComoNExT, H-FARM, the Italian Association of Science Parks, the International Association of Science Parks and Whirlpool that supported the Si-food project. We can also consider the main international actors with Innovafor.

In addition to this, the knowledge involves firms belonging to different network space. Thanks to its competences Geppetto Laboratory could develop relationships with cultural firms involved in Artimede Project. Geppetto Laboratory aims at being an innovative studio in the Italian territory, and at giving life to all those artistic initiatives that need an interactive component and/or focused on multimedia.

In network perspective actors are located in different position that is not related only to geographical dimension but also to relational proximity that refers to other kind of proximity (cognitive, social, institutional). The space overcomes geographic borders. The strength of relationship concerns a relational perspective.

**P2. The development of entrepreneurial relationships overcomes the geographical borders and is founded on relational proximity**

The entrepreneurship is supported by the interconnected relationships between actors that belong to different network positions but that are characterized by a convergence in terms of those objectives that focus on innovation. Too little closeness would harm collaboration, and too much closeness would facilitate collaboration but at the same time would reduce the potential of newness and innovation (Boschma, 2005). We can consider some values that overcome geographic proximity. In ComoNExT Incubator there are start-ups that share the same values about sustainability. E-CON provides consulting services in the field of sustainability for the design, construction and operation of green buildings. In addition to this, the nature of ComoNExT is strictly related to this topic; in fact, the mission of the TH is to develop “technological animation” in the territory, thereby improving the sustainability. These values also characterized the actors involved in DAFNE project.

The attention on this topic is also a feature of H-FARM and its portfolio; the platform “Grow The Planet” debuted in 2012 gaining popularity, awards and important partnerships (Slow Food, WWF Italy). In addition to this D-Orbit is a B certified company. B Corporations are a new kind of firm that uses the power of business to solve social and environmental problems. Certified B Corporations meet higher standards of social and environmental performance, transparency, and accountability.

**P3. The networking is founded on the sharing of the same values that characterize relational proximity and outlines the borders of the network**

The heterogeneity inside the Incubator sustains the collaboration between actors characterized by different core activity. Thanks to the experience gained to date, GAM is able to quickly enter into the merits of the technical discussion that is submitted, to analyze critically and solve any problems to deal with. GAM also provides direct advice, both in the offer phase with feasibility studies and
presentations with three-dimensional layout, both during construction and commissioning of the plant or machine.

**P4. Heterogeneity of specializations improves the value of knowledge spillover. This is the premise to develop disruptive Innovation.**

Disruptive innovation characterizes the startups belonging to Incubator. As described by Christensen (2000), disruptive innovation is a process by which a product or service takes root initially in simple applications at the bottom of a market and then relentlessly moves up market, eventually displacing established competitors. An innovation transforms an existing market or sector by introducing simplicity, convenience, accessibility, and affordability where complication and high cost are the status quo.

Emotional View and GAM, for instance, work on drones. These latter are generated by, and generate the process of innovation.

In addition to this, the services provided by Incubator and the innovative projects generated some changes not only to specific start-ups but also to different local organizations belonging to the territory.

The transfer of knowledge is therefore not out of pure “epidemiological contact”, but rather founded on stakeholders’ commitment, engagement, and trust. These dimensions influence the strength of a relationship based on a shared vision and shared destiny. In addition, the stronger relationships generate the improvement of the relationship’s DNA and the development of relationships characterized by a high relational proximity that serves as the basis for trust and a competitive advantage (Cantù, 2013).

It then becomes the fundamental skills of the actor–network coordinators to support a common vision that unites in this way not only the actors settled (characterized by a first geographical proximity), but also the actors that participate in local or international projects. Following this perspective, Incubators will become crucial intermediaries, identifying themselves as promoters of innovation preconditions for long-term growth for the Entrepreneurship Network.

The attention of ComoNExT Incubator stresses not only traditional elements of entrepreneurship, such as tangible assets and real estate operations, but also increasingly innovative services related to external networking. ComoNExT Incubator bases its competitiveness on high-level services related to technology transfer, training, and networking. The main value added services are related to coaching and training activities in order to support start-ups in different steps of new venture development.

### 6 Implications for research and practice

In the process of entrepreneurship, start-ups and new ventures develop relationships with heterogeneous stakeholders to access to different competences and capabilities. Several changes have characterized the entrepreneurship from Richard Cantillon in his *Essai sur la Nature du Commerce en Général* to the collaborative entrepreneurship.

In a collaborative perspective, the interconnection of relationships outlines the Entrepreneurship Network in which Incubator takes the role of intermediary.

These intermediaries lost the role of physical space providers and adopt the new role of relational space providers. Nowadays, incubators require efficient networking within the incubators that fosters co-operative, formal contract agreements as well as informal interactions between the incubatees. In this process Incubators support the development of relationships and thus the sharing and combining of heterogeneous knowledge, not only within tenants located “inside” the physical space, but also between actors that occupy a different place in the relational space of the
Entrepreneurship Network. Knowledge spillovers are generated through relationships that overcome geographic boundaries. Start ups select stakeholders based on relational proximity: firms develop strong relationships with actors that are characterized by a shared destiny, shared vision and goal convergence. In this way, start ups and new ventures are supported by Incubators in selecting the right stakeholders with which develop long-term relationships to share knowledge resources and co-develop entrepreneurship. Furthermore, start-ups could in this way improve their peer-to-peer relationships with other incubates, tenants and external partners. A further step of the research is to measure the level of relational proximity and to compare the approach adopted by knowledge intermediaries in international contexts.

References


