

# What is IQ?

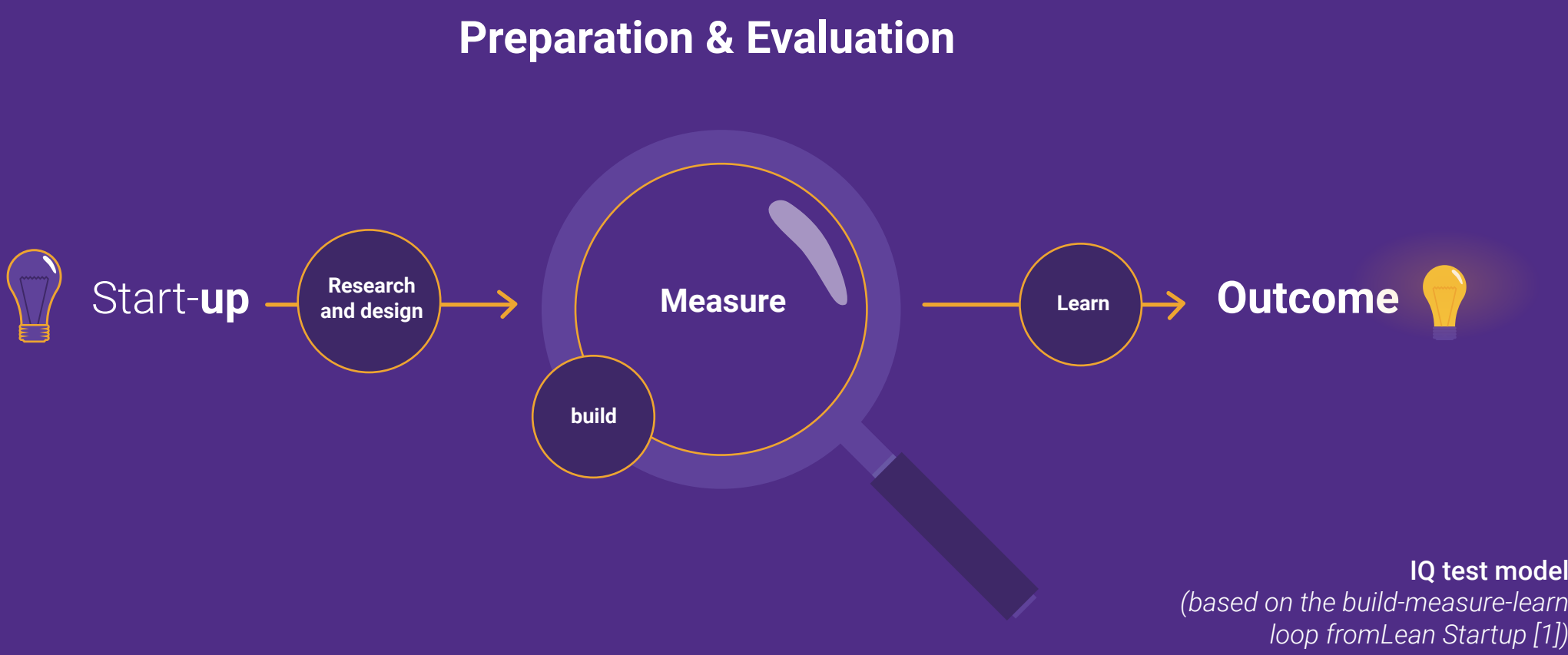
The Inno-Quarter (IQ) project is a business test program at festivals for sustainability minded innovative start-ups.

**Participation in IQ should:**

- improve the business through learnings relating to the business model
- increase market uptake through engagement of potential customers early on

**Testing**

The aim of the IQ method of festival-testing is to improve the odds of succes for sustainable and innovative start-ups.



## Guiding questions for testing at a festival/event

The IQ test model with seven key questions was proposed, based on the build-measure-learn loop from Lean Startup [1]

- 1 Research and design:**  
What test aim informs the test? Is there a need for exploration or testing an as-sumption? And what does the start-up thus need from potential customers? (e.g., information, inspiration, commitment, purchases, co-creation?)
- 2 Preparation and evaluation:**  
What expertise is needed from the program managers? (From basic business model knowledge to information on what test data investors might like to see to how to build a prototype?)
- 3 Build:**  
What is the goal of the test and what is the function of the prototype? (This determines what the prototype should be able to perform and how refined it should be.)
- 4 Festival space:**  
Who/what is present within the festival space? How can they/it best be interacted/engaged with?
- 5 Measure:**  
What data should be collected and what can be measured within the specific festival space?
- 6 Learn:**  
What happens to what has been learned when it is used outside the festival context? How is everything learned used after the festival? And who learns? (Only the start-up or also potential users, or others?)
- 7 Outcome:**  
What is a successful experiment? What outcomes are key for the start-up?

## Market uptake

**44** start-ups are counted that participated in IQ and launched their product/service to the market afterwards at some point.

Some start-ups had priorly launched, when including those, **68 of 121** start-ups that participated in IQ have had a product/service on the market.

The three-year survival rate of IQ start-ups is

**56%**

This suggest that IQ participants do well in terms of survival. It is also much higher than the common expectation that 9 out of 10 start-ups fail (10% survival rate).

*Notably, most participants do not launch directly after IQ, most questionnaire respondents reported it was too early to know if market uptake had improved. Half of the participants did report increased interest after participation.*

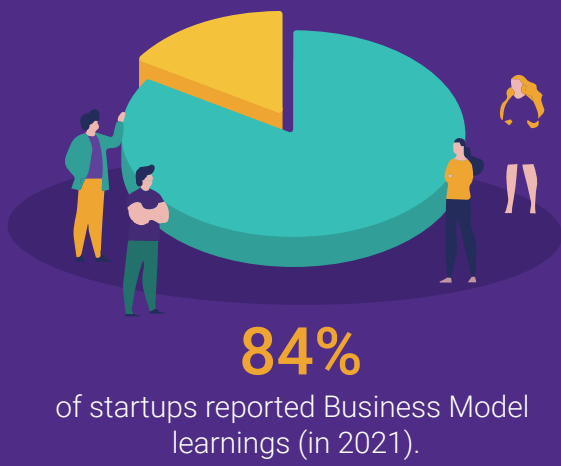
on par with the region's countries expected average three-year survival rate of innovative enterprises with zero employees (based on Eurostat data).



## Business model learning

Questionnaire data showed that **84%** of the (32) respondents derived business model learnings. Based on this sample, it may be expected (95% confidence) that among the whole group of 121 startups that tested at a festival or event between 69% and 99% had business model learnings.

*The questionnaire also showed that specifically, business model learning relating to the value proposition and customer segment blocks were prominent.*



### Mission driven business model

Scope of Inno-Quarter testing			
<b>Mission</b> What is to be accomplished with the business for the greater good			
<b>Purpose</b> Those things that are important to accomplish to those engaged and impacted by the business	8x	<b>Value proposition</b> The offer of benefits that specific customer segments derive from the product or service.	
<b>Partner segments</b> Partners required to accomplish the mission.	8x	<b>Customer segments</b> Groups of people and organizations that are served by the business.	
<b>Activities</b> Actions that are crucial to the success of the mission.	9x	<b>Relationships</b> How the business relates to companies.	13x
<b>Resources</b> Crucial resources for the success of the mission		<b>Channels</b> How the business communicates and reaches customers	18x
<b>Cost Structure</b> All costs related to the business operation.	<b>Implementation</b> Realization of the mission aims.		<b>Revenue Streams</b> All streams of financial income.
<b>Mission Achievement</b> Key performance indicators of mission impact.		12x	

Compiled model based on the Business model canvas (Strategyzer.com), the Mission model canvas (Strategyzer.com), and the concept of 'joint stakeholder purpose' (Freudenreich et al., 2019)

Based on:  
Tiekstra, S.M., Smink, C.S. and Brezet, J.C. Business tests programs for sustainability-minded, innovative start-ups at festivals and events: Inno-Quarter project report. Date of publication: 2022.

- References:
- [1] E. Ries, *The Lean Startup: How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses*. Crown Business, 2011.
  - [2] "Business Models," Strategyzer.com. <https://www.strategyzer.com/expertise/business-models>
  - [3] A. Osterwalder, "The Mission Model Canvas: An Adapted Business Model Canvas For Mission-Driven Organizations," Strategyzer.com, 2016. <https://www.strategyzer.com/blog/posts/2016/2/24/the-mission-model-canvas-an-adapted-business-model-canvas-for-mission-driven-organizations>
  - [4] B. Freudenreich, F. Lüdeke-Freund, and S. Schaltegger, "A Stakeholder Theory Perspective on Business Models: Value Creation for Sustainability," *Journal of Business Ethics*, no. 0123456789, 2019, doi: 10.1007/s10551-019-04112-z.



# Summary of results

A selection of Quotes that present the utility and learnings achieved through Inno-Quarter

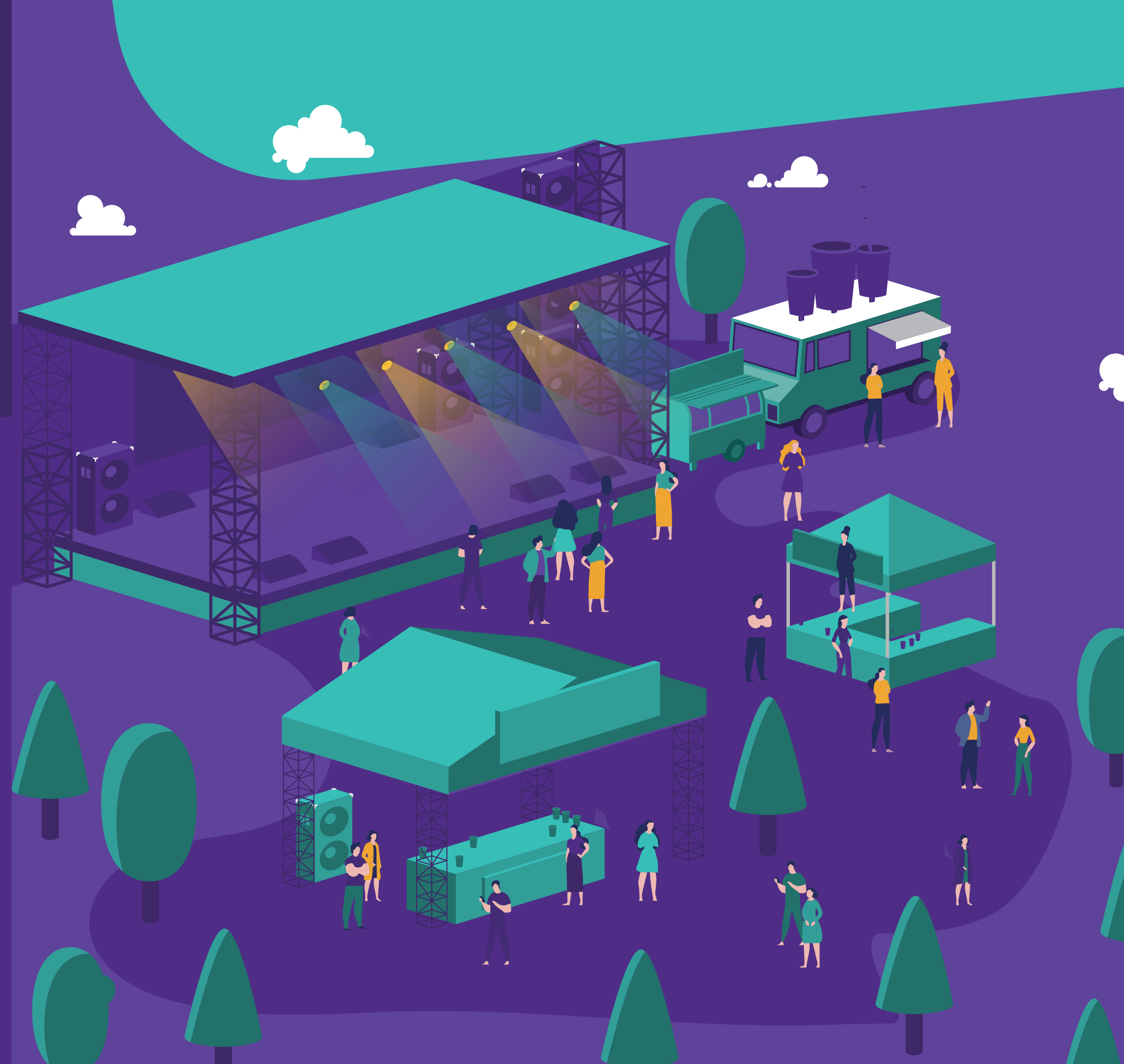
## A. From the Coaches

"I think one of the big learnings is that this **[the Inno-Quarter approach]** is really helping the startups. It is really helping the startups to go out there, to do something they are not sure about, and to try to test in a real context. I think it is one of the biggest learnings".

- Startup coach

"The most important part was to actually interact with people. And I figured out what is important for people at the early stage is to just get ourselves out there and force yourself to do things, you know? We forced them to talk to people".

- Startup coach



## C. From the Managers

"You don't have to be a multi-billion-dollar company to do innovation. So, it's also, I think, really nice for the audience to meet all the startups and see its people like you and me. **It's been good for the culture here**, the Inno-Quarter".

- Program manager

"It [Inno-Quarter] could help to keep the startups in the region because we also have the problem of brain drain. There is no incubation program in this region. So, if startups want to have serious incubation programs they have to go out to other cities. So, in that perspective, further developing the approach to a full program such as an accelerator in a follow-up project **could really benefit the region**".

- Program manager

The Potential of the Inno-Quarter Approach for Regional Innovation Support can be categorized in three categories

- 1 Regional Entrepreneurial Human Capital
- 2 Upscaling of the Inno-Quarter methodology
- 3 Perceptibility of regional innovations

## B. From the Participants

"The learning was: why solicit feedback and how ultimately? So, first of all, to get a structure and why the whole thing is important. That opened my eyes. I have otherwise never asked for feedback when making decisions. I always decided on something by myself and then just did it that way".

- Program participant

"Yeah, so one thing that was mentioned a lot in the workshop is being active in approaching people. [...] I realized I had to go one step further. To be even more open to different people and to be more self-confident".

- Program participant



Sustainable Implementation of the Inno-Quarter Mechanism possible through

- 1 Public subsidies
- 2 Integration into existing entrepreneurship programs
- 3 Developing a self-sustaining business model