



Europeana – Core Service Platform

DELIVERABLE

Europeana DSI

MS15 - Europeana Inc Business Plan

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Statement of originality:

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Introduction

This milestone should be read in conjunction with [Europeana Creative's D3.4 'Final Report on Europeana Labs Network Sustainability Plan and Generic Business Models'](#) In this deliverable we conclude that our best markets for the services of Europeana Labs are a) the **Developer** of Apps and software related to cultural heritage; b) the **Digital Innovators** – these are very small start ups such as Public Domain City, who can make use of content from Europeana to create new business and c) enterprises such as Etsy, with whom we can forge **partnerships** to reach the maker community. None of these however have the potential to generate income directly for Europeana. Nor unfortunately do our partnerships with organisations such as Artspresso, iTunes U or Google Field Trip. These do provide new audiences and visibility for our digital cultural heritage institutions but do not in themselves generate new revenues for the cultural heritage sector or Europeana. This plan deals largely with our business relationships with Developers and Digital Innovators. We are working on partnerships but these are not revenue generators and are detailed in the deliverables D3.1-D3.4 and will be reported on in progress reports for DSI2.

The conclusion of D3.4 is therefore that Europeana can be a multiplier and help others to create jobs and economic growth. The customer segments identified can be helped to achieve their goals and dreams: by making it easier to find content of sufficient quality to suit their needs; by providing inspiration and a thriving network of like-minded people; by giving the very best people the chance to develop their ideas to the next level. The indications are that generating substantial revenue or creating a spin off Europeana Inc is unlikely. This Milestone is therefore presented with this in mind and suggests a much less ambitious concept, requiring less human resource to set up and manage, but with the idea of being able to foster a spirit of support and incubation and to have a critical evaluation of results before even considering a fully fledged Europeana Inc.

Overall we are looking to have an economic effect rather than creating revenues for Europeana: i.e. With incubation we hope to support a number of (4-6/yr) cultural developers/digital innovators in accelerating their business (through support, crowdfunding, etc). The economic impact is that they will survive as economic entities and become role models (ripple effect) for others. Cloud services, on the other hand, is primarily a cost reduction exercise i.e.: saving costs across the sector. Consultancy will be limited to areas where it is easy to replicate work or documentation already undertaken for Europeana to the benefit of other digital libraries across the globe.

However, within the plan for Europeana Labs we outlined that Europeana can maybe generate some non governmental income under Incubation support and Cloud Services and together with a third strand of Consultancy in the setting up of digital libraries both at country and content level across the globe, we describe these below. Under DSI1 we will put these three income streams in place, evaluate the results and decide what should be pursued for the second half of 2016 into 2017 under DSI2.

¹http://pro.europeana.eu/files/Europeana_Professional/Projects/Project_list/Europeana_Creative/Deliverables/eCreative_D3.4_KL_v1.1.pdf

1. Incubation Support

Incubation support will be offered to the 2 markets identified in D3.4 of Europeana Creative. The Digital Cultural Heritage Developer and the Digital Innovator. This support is outlined in Europeana Labs <http://labs.europeana.eu/incubation> and includes various services at each step from an idea to a market-ready product.

The current incubation process has been designed based on a few key things we learnt from Europeana Creative:

Need for a simpler and automated incubation process

Europeana Creative designed a [business incubation support package](#) customised according to the needs of the Europeana Creative Challenge winners. The incubation support combined the expertise of many partners across Europe which ensured the depth and breadth of the support but turned out to be challenging in terms of scheduling and coordination and time-consuming for all participants with and delivered too many cooks.

Incubation success lies in incubatees' hands

Europeana Creative partners committed their time, expertise and other resources to help incubatees develop their ideas further. However, we came to understand that we can play only a facilitator role and incubation success depends to a large extent on an incubatee's clear vision and commitment.

Redefining service scope and relevance

During the project we gained valuable knowledge about the feasibility of some approaches and the effectiveness of the various incubation services. For example, we faced difficulties in attracting traditional investment which forced us to look for alternative financing strategies. On the other hand, the positive experiences with the co-creation workshops made us consider them as a new incubation service.

Europeana Labs Incubation Service – The Approach:

The development of incubation service under Europeana Labs has a threefold approach:

1. Developing the 'pipeline'
2. An incubation funnel - further develop the process and service packages to guide and nurture incubatees from ideation to a market-ready product
3. Promoting the value of Europeana incubation services - through marketing of the service and resulting incubation case studies e.g. real-life examples of successful incubation

Developing the 'pipeline'

Over the past couple of years candidates for incubation came from the hackathons organised by Europeana, local business lounge events of Apps4Europe and online competitions of the Europeana Creative and Apps4Europe projects. Similar events take place throughout Europe and

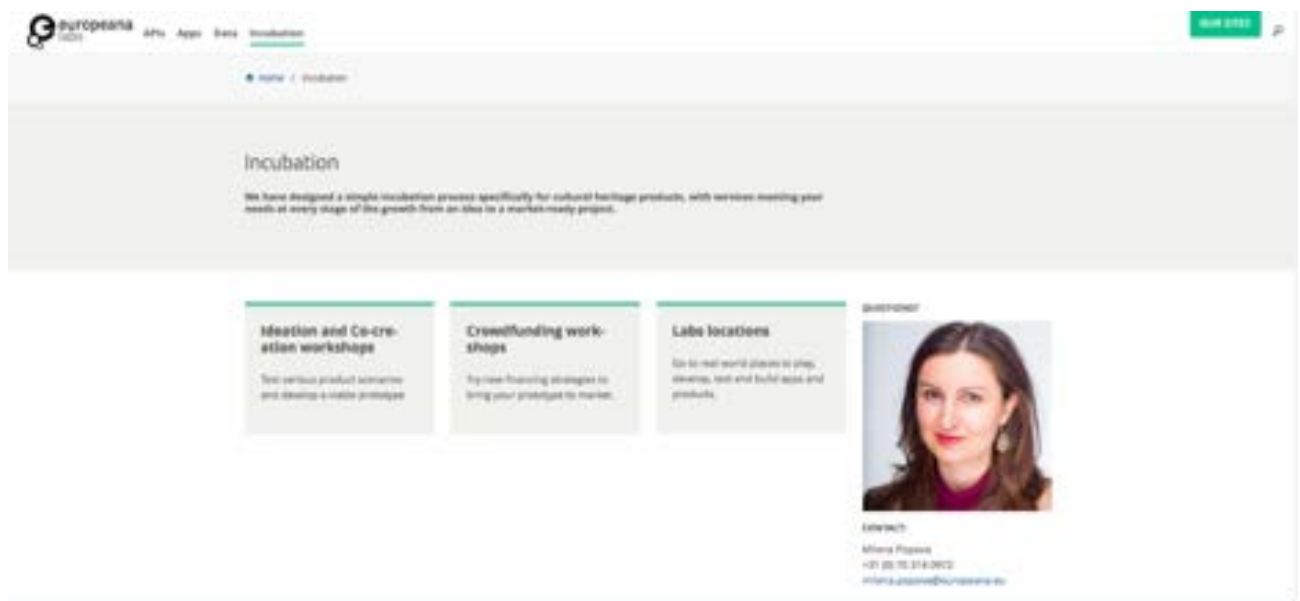
we will promote and market the incubation services we can offer and hold further competitions, with the aim of receiving applications from:

- Creative industries which result in prototypes re-using Europeana collections and API
- Prototypes developed in the partner innovation labs
- App contests organised by/within the partner innovation programmes (Smart Cities, European Capital of Culture initiatives, etc.)
- Winners of partner project challenges (for example Europeana Food & Drink, Europeana Space)

To structure the process, applications will be reviewed on a monthly basis and, if approved, assigned specific incubation support.

An incubation funnel

Developers and Digital Innovators via Europeana Labs can get access to guides and services to help them either create and develop an idea, find funding or bring it to market. These services are piloting, co-creation and crowdfunding, - over the course of the coming months we will add in a section on “Investor Camps” to advertise the opportunities for further investment and showcase any results.



1. New idea or prototype monetary support - piloting
2. Co-creation workshops for product development
3. Access to finance: crowdfunding workshops and investor camps

Many of these services are provided internally by Europeana, however, for some we will work with partner companies. A key partner is Platoniq, who will support incubatees with their market-validated co-creation methodology and use their associated crowdfunding platform, Goteo.org managed by Fundación Goteo. There is no specific required order for the use of the 3 services. They may be used separately or in hierarchical order or another order according to the need of the product or idea.

The three services are detailed in the following section.

Promoting the value

Promotion of the services to the pipeline will be of two types:

- Indirectly - via coordinated marketing campaigns with relevant partners, such as various labs networks, Smart Cities, partners projects. The partners will raise awareness about Europeana Labs services among their members and thus indirectly encourage the creation of new prototypes.
- Directly - via communication with App contest organisers and creating mini friendly competitions between and within each of the physical partner labs encouraging them to submit ideas and prototypes for the following incubation services, managed by Europeana Labs. The community of developers and digital innovators around Europeana Labs will be strengthened as a network reaching out into their own networks to promote the services on offer and encourage take up.

Services of the Incubation Funnel

1. New idea/prototype monetary support or piloting

The submission of new ideas to Europeana Labs for the use of Europeana data will be encouraged by offering some subcontracts for the development of these ideas². A series of small competitions will be set up encouraging developers and digital innovators to submit for small start up grants (subcontracts) ranging from 1000 to 20,000 euros to create pilots using if required our scrum/agile methodology. Two competition rounds will be held with DSI1, each to be evaluated and altered as necessary. The first of these competitions will run in December 2015, with the aim of awarding subcontracts from January 2016.

Competitions to re-use Europeana Data

The competitions will be on subjects under Design, Education, Tourism, Fashion. They will involve relevant partner labs and be promoted via their networks and social media. Competitors will submit their ideas and products stating where they are in their development, who their audience is and what kind of help they need from small scale pilot funding support to added help to develop the idea or for crowdfunding. A team of experts will judge the entries based on whether the idea or product has an audience, business potential and is likely create greater visibility and interest in Europeana data.

² [1] Task 3.1.1.to encourage and nurture development on the data of Europeana a series of subcontracts will be awarded based on ideas submitted to Europeana Labs that are seen to have market potential. A to-be subcontracted amount of 75,000 euro has been set aside for this purpose.

Each subcontractor will have to report regularly on progress and their results will be showcased in Europeana Labs.

Impact: 4-7 pilots subcontracted by end of DSI1,
4- 6 new case studies for Europeana Labs
10 partner labs advertising the competitions

Evaluation: Analysis of process improvements for competition and allocation of funds
Analysis of control mechanisms towards fundees
Critique for take up under DSI2

2. Co-creation for product development

Europeana co-creation workshops are aimed at individuals with good ideas (developers, digital innovators) and the cultural heritage institutions themselves. Together with our physical labs participants can proactively and collectively explore different possibilities for building various products and services using digital cultural content. Following an innovative and effective methodology developed by [Platoniq](#), based on real needs and opportunities in the digital heritage sector, you can generate new development scenarios in agile ways, learn about and discuss trends, and prototype solutions based on your own goals and needs.

Additionally, the workshop can cover development aspects based on Scrum framework principles, adapted to cultural institutions teams and practices. The methodology and workshop as a service is detailed in [Co-creation made agile leaflet](#). Therefore this can be done as a free DIY exercise and a full online version of Europeana labs co-creation kit is in the making. It is conceptualised as a repository of canvases and instructions ready for interested organisations to download and print.

Equally the services of Platoniq can be purchased. When purchased via Europeana Labs 10% of the price of the workshop is put back into the development of Europeana and Europeana Labs.

Impact: 2 co-creation workshops held by end of DSI1,
10 leads generated for co-creation workshops
10 partner labs promoting the workshops
2 new case studies for Europeana Labs

Evaluation: Analysis of process improvements for selling crowdfunding workshops
Analysis of workshop results
Critique for take up under DSI2

3. Access to Finance: Crowdfunding & Investor Camp

Crowdfunding

Crowdfunding is the practice of raising small amounts of money from a large number of individuals to finance a new business venture. It has grown in popularity globally as it expands the pool of investors beyond the traditional circle of owners, relatives and venture capitalists and benefits from the powerful outreach of social media.

It is also considered an effective way to raise additional capital from other sources as the accumulated crowdfunding validates project's viability and reduces the risk (and thus increase the attractiveness) for traditional investors.

Europeana works with Platoniq's crowdfunding platform Goteo.org to help you design and promote your crowdfunding campaigns. Together with Goteo.org two campaigns were run in 2015 for Europeana Beacons and for Van Go Yourself. The latter was quite successful the former not. Taking the lessons of these Platoniq is happy to advise on crowdfunding via workshops. Europeana will run 1-2³ workshops under the current DSI project for ideas that are deemed to have crowdfunding potential. Otherwise the workshops are available to cultural heritage institutions for a small fee. Already visible on Europeana Labs a promotion of these workshops will start in December 2015.

The connection with Fundación Goteo and the Goteo.org platform will be firmed up and launched in the first quarter of 2016.

As well as offering an interesting model for our target audience the tax redemption example of Goteo is maybe replicable across Europe where similar platforms or organizations can also take advantage of tax breaks from their countries to nurture creative industry start ups. Europeana Labs will therefore carry a list of other organisations who have similar values for innovators to contact.

Two campaigns raising awareness of crowdfunding will be run, towards the Cultural Heritage institutions starting in November and December of 2015, and the Digital Innovator market, in January/February 2016. We will make use of the Europeana Association AGM and the Chef's table at DISH for promotion. Based on the level of interest we will follow with one or two workshops will take place by the end of DSI1. Under DSI2, a proposal will be made to use some of the money as matching funds for Crowdfunding campaigns.

³ Workshops on improving re-user activities and potential – subcontract WP3, 20,000 euros

Impact:	20 leads for crowdfunding evaluation 1-2 crowdfunding workshops, supported by Europeana DSI1, from January/February 2016 on 1-3 crowdfunding campaigns by end of Europeana DSI1 2 new case studies for Europeana Labs on crowdfunding
Evaluation:	Analysis of process improvements for selling crowdfunding workshops Analysis of workshop results Critique for take up under DSI2

Investor Camp

It is understood that investors are much more interested in a startup idea or product if they have tested it by raising some crowdfunding. Europeana has joined forces with Media Deals which is pan European Investment Network focussing on the creative industries and in particular in Audiovisual, Video Games, Music, digital art and e publishing . Their Network made of Business angels, seed investment funds and specialized funds is able to invest up to a few millions Euros per year. Media Deals is also co investing in projects and companies with minority stakes in a portfolio of 8 companies at the moment.

Media Deals outlined the following issues of relevance for cultural entrepreneurs in general and Europeana Labs in particular:

- Key role of finance for involving the creative industries (as finance is critical for developing and commercializing their project ideas)
- Top barriers for investment are the lack of revenue generation, scalability, 'exit' and skilled management teams (based on a survey with 250 investors)
- Need for new financial instruments, such as net revenues investment and buy out options for entrepreneurs
- Need for leverage through heritage institutions (Brands) to set up credibility of possible projects to be presented to investors
- Possible roles of incubators in securing financing – the roles range from (a) developing a portfolio of pre-selected projects looking for finance to (b) micro seed-funding for project development, (c) coaching for business planning/IP valuation, (d) development of local investment eco-system, (e) education of local investors and involvement of international co-investors

Taking candidates from our Crowdfunding campaigns into investor lounges or camps organized by Media Deals is one of two ways we hope to increase access to investment for our developers and digital innovators. The other is to advertise on Europeana Labs via a blog that asks for ideas from the community of Developers and Digital Innovators to put before investors. If we get enough takers we will organize a workshop using investors in key creative culture hubs of Amsterdam, Belgium (BXL/Antwerpen) , Paris, Luxembourg, Vienna and Switzerland (Geneva, Zürich)

Impact: 15 leads for evaluation if an investor lounge is appropriate
Recognition of service by the Labs community

Evaluation: Analysis of promotion to results
Critique for take up under DSI2

Evaluation

All of the above areas will be subject to critical evaluation and success criteria, linked into our new Impact Framework. An internal report will be generated to decide which areas should be further developed under DSI2.

2. Consultancy

Europeana is requested to advise on the setup of digital libraries. Subjects range from legal frameworks to data models and multilingualism to network, organisation and communications.

The work requires the involvement of different experts within Europeana and the rates charged vary accordingly.

For 2015/2016 we are already involved with one such project: EU-Brazil Sector Dialogues Support Facility - Phase III under Information Systems and Digital Cultural Collections CULT0004 8th Call for Participation 25 days work for 16,500 euros.

In the pipeline is work for Korea, India and China.

We are also talking to the Sloane Foundation about creating a global digital libraries interoperability project for their funding.

A series of subcontracts with EU projects also fall under this category of consultancy.

Impact: 2-3 consultancy projects set up by mid 2016
Submission for a global interoperability project with the Sloane Foundation by mid 2016

Evaluation: Analysis of work to benefits relationship
Critique for implementation under DSI2

3. Cloud Services

Under the Europeana Cloud project a new service is being set up providing storage and data enrichment and display services for aggregators. The first 3 aggregators are Europeana Foundation, Poznan Supercomputing Centre and The European Library. This service will be

managed as a legally separate entity and is being set up as a cooperative by the end of March 2016. By joining forces we can lower the costs for the Europeana platform and for participating aggregators, who are anyway essential to the overall concept. The business plan will be released by the end of 2015. In essence we expect to be able to share the costs towards Europeana's core services. At present, each domain aggregator is spending a great deal of money and resources on its own ingestion systems. For some, these systems are in dire need of updating. Repeating the work on these various systems across Europe is cumbersome. Europeana will, together with these domain aggregators, re-invent and develop its ingestion system, using the new Europeana Cloud Services, so that we can take the burden of these processes away from the domain aggregators, saving them money and time. Instead of aggregators, they would then become important relationship managers, supporting their members to provide data to Europeana and other services in a standardized way and to advocate for better quality data, as required by users. Part of the funding for domain aggregators currently comes from their members paying a membership fee. We propose that once we can all share the aggregation with new technologies and automated machine processing, the domain aggregators can use some of the membership fees they receive to pay Europeana for these new services. For their contributors the services that are held in the Cloud will be usable in return for the fee they are paying. We will be able to jointly innovate in both technology, data models and frameworks. See [video](#)

Impact & Evaluation is currently under Europeana Cloud and will be added to this plan once the full business plan for Cloud Services is agreed.

Resource Plan

Europeana “inc” is headed up by a Europeana Director, with the following resources under consideration:

- Business Development manager responsible for partnerships and overseeing plans of DSI partners to fruition as well as nurturing new business, supported by:
- Creative Industries Community Developer with emphasis on community development and technical support – coordinating the development of Europeana Labs
- Business Development Coordinator (new position from January 1) – responsible for running competitions, marketing the services and following up on leads and case studies.

Platoniq responsible for Co Creation and Crowd Funding workshops

Media Deals responsible for developing investor opportunities

Partner Labs are responsible for promoting competitions and workshops and holding them

Consultancy – cross team effort against individual projects largely using R&D for EDM, LOD and Multilingual knowledge, but also product development and the tech team plus legal and impact know how.

From April 2016 - **Cloud services** manager responsible for the business and technical delivery of cloud services should be supported by a team of developers and an account manager.

Revenue & Costs

The costs will be largely the running and development of Europeana Labs, some workshop and financial support costs plus the costs of personnel outlined in Resources above. Each area of Europeana inc will have its own cost centre with Cloud services actually being set up as a distinct legal entity. A cost of 3.5 people plus product development time and a share of the platform running costs is envisaged. For the first year this should be less than 300,000 euros. By 2018 Income needs to have outweighed the costs in this area.

Timeline

Services/ Month	Nov'15	Dec'15	Jan'16	Feb'16	March'16	April'16	May'16
Incubation competitions							
Campaigns		1st campaign			2nd campaign		
Application evaluation				Evaluation		Evaluation	
Co-creation workshops							
				1st workshop		2nd workshop	
Crowdfunding							
	1st campaign			2nd campaign			
			Evaluation		Evaluation		
				Workshop tbc		Workshop tbc	
Investor camps							
Consultancy							