



# INNOVATION CENTRE DENMARKS' POSITIONING STRATEGY TOWARDS DANISH ENTREPRENEURS

*Innovation Centre Denmark's positioning strategy for attracting Danish entrepreneurs to China*

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## Resumé

**Formål** Dette speciale tager udgangspunkt i hvordan Innovation Centre Denmark i Shanghai (ICDK) kan positionere sig overfor danske entreprenører, som overvejer at etablere sig på det kinesiske marked.

Et veludviklet økosystem for entreprenører i Danmark, har medført et stigende antal af start-up virksomheder. Men på grund af Danmarks begrænsede markedsstørrelse, forhindrer det mange entreprenører i at vokse og skabe profit, som bidrager til national vækst. For at imødekomme dette, har den danske regering placeret såkaldte Innovationscentre på strategiske vækstmarkeder, så som Kina, for at supportere danske virksomheder, forskningsinstitutioner og entreprenører med at opnå succes på det internationale marked.

Siden 2007, har ICDK assisteret danske virksomheder, institutioner og forskningsenheder inden for ICT, cleantech og lifescience med at etablere sig i Kina som en del af at muliggøre den danske vækststrategi for Kina.

I Kinas nyligt præsenterede 13 Fem Års Plan lægges stor vægt på at skabe en langsommere, men mere bæredygtig vækst gennem innovation, bilaterale samarbejdsaftaler såvel som videndeling for at imødekomme deres økonomiske udfordringer. Den kinesiske regering har investeret i at Shanghai bliver et internationalt hotspot for innovation, entreprenørskab og forskning. I forlængelse af det har Shanghai en markedsstørrelse, som rummer mange muligheder for danske entreprenører. Ydermere er Shanghai også kendt for at have et veludviklet økosystem for internationale entreprenører, hvilket naturligt har medført stigende konkurrence og højere kompleksitet.

**Metode:** Med udgangspunkt i et filosofisk hermeneutisk paradigme og en abduktiv struktur, er der en kontinuerlig vekselvirkning mellem helhed og delelementer i et forsøg på at skabe en dybere forståelse af innovationscentret og entreprenørskab i Danmark og Shanghai. Seks kvalitative interviews med relevante personer fra entreprenør økosystemet i Danmark og Shanghai udgør primære data. Artikler, rapporter, og politiske dokumenter udgør sekundære data. Tilsammen danner det empirien som analyseres i en teoretiske ramme, hvilket som er udgjort af de traditionelle steps i marketing planlægning på et strategiske og taktisk niveau.

**Hovedkonklusioner:** ICDK har i øjeblikket ikke formuleret en marketing strategi og har heller ikke et klart defineret fokus, hvilket medfører at de ikke klart får klart kommunikeret hvem de er og hvordan de kan være en værdiskabende partner for danske entreprenører. De har samtidig en uoverensstemmelse mellem ambitionsniveau, distributionskanaler og allokerede ressourcer til at assistere de danske entreprenører.

Hvis ICDK målretter sit fokus til en klart defineret målgruppe af danske entreprenører inden for ICT, life science og cleantech, vil de kunne opnå klar og transparent identitet, bedre tilpassede serviceydelser og en styrket markedsposition.

Hvis ICDK indsnævrer deres fokus til kun at omfatte relevante danske entreprenører inden for ICT, lifescience og cleantech, vil de kunne kommunikere en klarere identitet og skabe et sammenhængende image, hvilket vil styrke deres position på markedet. Som led i denne nye definerede positionering er det essentielt for ICDK at positionere sin værdiskabelse på baggrund af at de er kendere af markedet, erfaringstunge og har et stærkt netværk i Kina.

Deres services er samlet i en såkaldt "Partnership Model" og bliver præsenteret på deres hjemmeside. Samtidig benytter de sociale medier i form af LinkedIn til at promovere sig selv over for en bred vifte af interessenter, men ikke specifikt rettet mod entreprenører. Deres hjemmeside meget kompleks og præsenterer ikke den egentlige værditilvækst som de ynder efter at skabe. Jeg anbefaler at ICDK kan positionere sig mere overbevisende overfor relevante entreprenører, hvis de skaber bedre struktur på deres hjemmeside. Alternativt vil det skabe en endnu stærkere profil, hvis de allokerer nogle ressourcer og laver en separat hjemmeside, der udelukkende fokuserer på entreprenørerne. Samtidig skal de undersøge hvilke sociale medier ud over LinkedIn, som i højere grad bruges af og tiltaler relevante entreprenører og promovere sig via disse.

Alt i alt vil disse ændringer styrke ICDKs position overfor relevante danske entreprenører og samtidig skabe en bedre sammenhæng mellem deres ambition, evner og image. Herved tror jeg på at ICDK kan være en sand værdiskaber for sig selv, sin målgruppe og regeringen, for herved at sikre sig sin egen relevans og eksistensberettigelse.

## TABLE OF CONTENT

<b>CHAPTER 1.</b>	<b>5</b>
1.1 <i>Introduction</i>	5
1.2 <i>Personal motivation and background</i>	6
1.3 <i>Research question</i>	6
1.4 <i>Clarification of concepts</i>	7
Innovation, entrepreneurship & entrepreneurs	7
Entrepreneurial ecosystems	9
<b>CHAPTER 2.</b>	<b>9</b>
2.1 <i>Methodical approach</i>	9
2.2 <i>Philosophy of science</i>	9
2.3 <i>Research structure</i>	11
2.4 <i>Research approach</i>	11
2.5 <i>Theoretical framework</i>	12
2.6 <i>Data collection method</i>	13
Primary data	13
Primary data collection	14
Secondary data	17
2.7 <i>Selections and delimitations</i>	19
<b>CHAPTER 3.</b>	<b>20</b>
3.1 <i>Setting the scene: Marketing strategy</i>	20
3.2 <i>Innovation Centre Denmark</i>	21
3.3 <i>The Sino-Danish collaboration and strategic partnership</i>	22
<b>CHAPTER 4.</b>	<b>23</b>
4.1 <i>Marketing planning: Situational analysis</i>	23
4.2 <i>The internal environment</i>	24
4.3 <i>Internal analysis of ICDK</i>	24
4.4 <i>The external environment</i>	25
4.5 <i>Analysis of the external environment in Denmark</i>	28
Sub question 1: Why should Danish entrepreneurs consider going to Shanghai?	41
<b>CHAPTER 5.</b>	<b>42</b>
5.1 <i>Marketing objectives and goal formulation</i>	42
5.2 <i>Analysis of Marketing Objectives and Goals</i>	42
Marketing Objectives	42
Marketing Goals	44
<b>CHAPTER 6.</b>	<b>45</b>
6.1 <i>Segmentation</i>	45
6.2 <i>Segmentation analysis</i>	47
6.3 <i>Targeting</i>	50
6.4 <i>Targeting analysis</i>	50
6.5 <i>Positioning</i>	51
<b>CHAPTER 7.</b>	<b>52</b>
7.1 <i>Marketing Mix: the 7 P's</i>	52
7.2 <i>Products/Services</i>	52
Product/services analysis	52

7.3. <i>Price</i>	54
Price analysis	54
7.4. <i>Place &amp; Physical Evidence</i>	54
Place & Physical Evidence analysis	55
7.5. <i>Promotion, People &amp; Process</i>	57
Promotion, People & Process analysis	58
7.6. <i>Positioning strategy &amp; competitive advantage</i>	62
<b>CHAPTER 8.</b>	<b>63</b>
8.1. <i>Evaluation &amp; Measurement of effect</i>	63
<b>CHAPTER 9.</b>	<b>64</b>
9.1. <i>Budget</i>	64
<b>CHAPTER 10.</b>	<b>65</b>
10.1. <i>Conclusion</i>	65
10.2. <i>Perspectivation</i>	69
<b>References</b>	<b>72</b>
<b>Appendixes</b>	<b>76</b>
Appendix A: <i>Transcribed interview with Max Henry</i>	76
Appendix B: <i>Interview with Steen Teisen</i>	84
Appendix C: <i>Interview with Darren O'Connell</i>	91
Appendix D: <i>Interview with Marc Alding</i>	105
Appendix E: <i>Interview with Morten Brandtoft</i>	114
Appendix F: <i>Interview with Jens Reimer Olesen</i>	124
Appendix G: <i>Mail correspondence with Morten Brandtoft</i>	137
Appendix H: <i>The Partnership Model</i>	139
Appendix I: <i>Innovation Centre Denmark's overall KPI's</i>	140

## CHAPTER 1.

### 1.1 Introduction

The overall economic situation in Denmark has not met the expectations and prognosis made last year. The Confederation of Danish Enterprises evaluates that the latest numbers from Statistics Denmark indicate that it is very likely that the GDP growth will only reach between 0,5 % and 0,75 % in 2016 (Juel, 2016). Chief Economist Steen Bocian states “*That is not just low, it is extremely low*” (own translation) and Chief Economist Erik Bjørsted elaborates by saying, that if there had not been a considerable improvement in employment, it would have been difficult to even talk about growth (Juel, 2016).

Entrepreneurship has long been considered good for economic growth and development of countries. According to the yearly published report from the Global Entrepreneurship Index, Denmark ranks as the best country in Europe and the fourth best country in the world to be an entrepreneur in (GEDI, 2016). Despite the fact that Denmark has a growing entrepreneurial ecosystem, especially in Copenhagen, where the number of newly established businesses are considerably increasing, it is a problem that only very few of these businesses have made it to the list of the 100 largest businesses during the last 30 years (Simonsen & Gelbjerg-Hansen, 2016). One of the problems is that Danish entrepreneurs lack the ambition and ability to pursue opportunities in a global scale (Simonsen & Gelbjerg-Hansen, 2016). To accommodate these challenges, Denmark must provide the Danish entrepreneurs with better knowledge, guidance and tools to be able to grow their businesses by entering foreign markets.

The Danish Government acknowledges the need to foster innovation and entrepreneurship as one way to improve national growth. The Ministry of Foreign Affairs (UM) and Ministry of Higher Education and Science (UFM) have created six innovation centres in some of the fastest developing markets in world, in order to provide the assistance needed for entrepreneurs to enter foreign growth markets. One of these interesting growth markets is China and as result Innovation Centre Denmark, Shanghai (ICDK) was established in Shanghai in 2007.

Shanghai is an unusual place. It is Chinese, but not entirely; it is a hybrid of Eastern and Western businesses and social traditions, which is found nowhere else in mainland China. There are several reasons why Shanghai is immensely interesting. Firstly, ICDK's office is located in Shanghai and that gives it a better knowledge of the market as well as valuable network. Secondly, Shanghai is the largest city in China, which also provides interesting opportunities for Danish entrepreneurs, who are used to operating in a very small market in Denmark. Thirdly, Shanghai is used to and welcomes foreigners and is the most internationally minded city in China. Fourthly, China is the world's fastest

growing economy, and the political focus has shifted from enhancing low-value manufacturing towards becoming leaders within innovation and knowledge-creating. One way to become an innovative world leader is by fostering entrepreneurship within tier one cities, such as Shanghai, while at the same time invite foreigners to be a part of it.

## **1.2. Personal motivation and background**

I have had an interest for entrepreneurship the past several years as a result of being an active part of the entrepreneurial ecosystem in Copenhagen both professionally and personally. My interest and pre-understanding of China is based upon a six months' internship from August 2015 to February 2016 as innovation- and communication intern at Innovation Centre Denmark in Shanghai. This position further spurred my interest in international entrepreneurial development and how it affects national economic growth. During my internship I participated in several entrepreneur-related events, talked to several entrepreneurs and visited many of the entrepreneurial hot-spots in Shanghai.

Since ICDK aim to assist Danish entrepreneurs in going to China, it makes sense to get an in-depth evaluation of the opportunities and barriers, ICDK must take into consideration when positioning themselves as knowledgeable partners in China.

Based on my internship at ICDK and observations about the entrepreneurial ecosystem in Shanghai, it is my prejudices that ICDK need a deeper understanding of the entrepreneurship ecosystems in Denmark and Shanghai in order to be able to achieve their goals and provide the most optimal service for the Danish entrepreneurs.

## **1.3. Research question**

ICDK does not currently have a marketing strategy and thereby lacks a clear strategy in order to be able to assist Danish entrepreneurs in the most optimal way. Moreover, they need additional knowledge about the differences and similarities between the entrepreneurial ecosystem in Denmark and Shanghai, and what opportunities and barriers this provides. Through the steps of a marketing strategy analysis, ICDK and the services they offer Danish entrepreneurs is analysed in order to evaluate how they should promote their "Partnership Model" in a way that positions them as credible, highly-skilled and knowledgeable partners for Danish entrepreneurs.

The above mentioned form basis for the following research question:

***How can ICDK position themselves towards Danish entrepreneurs to reach those, who are interested in establishing/expanding their business to Shanghai?***

The research question will be answered through the following subquestions:

- *Why should Danish entrepreneurs consider doing business in Shanghai?*
- *How can ICDK improve their competitive position and differentiate themselves from competitors that offer similar services?*

## **1.4. Clarification of concepts**

### **Innovation, entrepreneurship & entrepreneurs**

Entrepreneurship has been going on since the middle ages, however has gained increased focus, development and emphasis by economic policy makers as well as in general society during the late 20th century (Yang, 2012,1). Audretsch and Thurik label the current economic period in the Western world as the *Entrepreneurial economy*, which is based less on the traditional inputs of natural resources, labor as well as capital and to a larger degree on the input of knowledge-creation, ideas and innovation (2001, 267).

There are numerous definitions of an entrepreneur, depending on the field of science. For the purpose of this thesis the definition of entrepreneurship and entrepreneurs are stemming from an economic perspective within the field of social science, because it relates to the question of what happens when entrepreneurs act (Swedberg, 2000). Economist such as Schumpeter and Kirzner are considered some of the most acknowledged theorists in defining entrepreneurship (Kjeldsen, 1991). Schumpeter and Kirzner are considered to have some similarities, however they have two different viewpoints about how entrepreneurship affects the market.

Schumpeter emphasizes the importance of innovation, and while traditional economic behaviour is somewhat automatic in nature, the entrepreneur has to think very carefully about his actions because it is basically something new (Schumpeter, 1934, 128; Swedberg, 2000, 12). This is still relevant today, and it makes good sense that ICDK must have a large amount of knowledge about the Chinese opportunities to effectuate and assist such careful considerations. Schumpeter defines an entrepreneur as someone, who is searching for new opportunities and creates distortions in the market equilibrium through innovation. He regards innovation and new combinations of factors as



fundamental to the entrepreneurial process (Schumpeter, 1928). He later refers to this as the process of creative destruction (Schumpeter, 1948).

Kirzner defines an entrepreneur as “... *a decision-maker, whose entire role arises out of his alertness to hitherto unnoticed opportunities*” (1973, 39). In short, this means that entrepreneurship arises from an *alertness towards profit opportunities* (Kirzner, 1997). He believes that entrepreneurs try to find “gaps” in the existing market, where there are potential profit opportunities to pursue. Schumpeter and Kirzner have similar beliefs regarding an entrepreneur as someone who identifies unexploited opportunities by looking beyond current market boundaries. However, they differ in how these opportunities are identified and how it affects the equilibrium in the market. Schumpeter argues that entrepreneurship defines a new market by generating imbalance at the current market, whereas Kirzner argues that entrepreneurship balances the current market, by filling the “gaps” (Jong & Orietta, 2010).

Executive Director of ICDK, Morten Brandtoft defines an entrepreneur “*as someone who puts things in motion, find new ways, methods and technologies to realise and become useful one way or the other... It can be related to starting a business, however can also be something that makes the public or society better and not necessarily with an economic perspective*” (own translation, 01:33). He continues by saying that it is important for Denmark to have a lot of entrepreneurs, because they are the main force of creating development and wealth in the Danish society (02:33). According to serial entrepreneur, Jens R. Olesen, an entrepreneur is “*someone who has the courage to pursue opportunities... and someone who creates some sort of incremental value added effect that did not exist before*” (own translation, 06:02-06:50).

Based upon above definitions, entrepreneurs and entrepreneurship are referred to as *opportunity entrepreneurship* in this thesis. Opportunity entrepreneurship is the voluntary choice to start a new business or develop solutions based upon the understanding that an unexplored and/or underexploited opportunity exist in the market (Acs, 2007). According to Acs, opportunity entrepreneurship has a positive and significant effect on national economic growth and development, since the entrepreneurs aspire to create large international businesses that provide new jobs. Entrepreneurship based on necessity does not (Acs, 2007). In this thesis, the term entrepreneur therefore relates to those individuals, who aspire to build large growth businesses or develop solutions, based upon perceived opportunities in the market. This thesis relates to ICDK’s definition of innovation as the translation of ideas and knowledge into products, solutions and processes with societal, economic and commercial value (ICDK, 2015, 3).

## Entrepreneurial ecosystems

Due to the new complexity and development of the notion of entrepreneurship, businesses are no longer evolving in a “vacuum” but have become a system of interactive and dynamic ecosystems. It is argued that such dynamic ecosystems provide better opportunities to grow and generate employment. Mason & Brown define entrepreneurial ecosystem as “*a set of interconnected entrepreneurial actors (both potential and existing), entrepreneurial organisations (e.g. firms, venture capitalists, business angels, banks), institutions (universities, public sector agencies, financial bodies) and entrepreneurial processes (e.g. the business birth rate, numbers of high growth firms, number of serial entrepreneurs, degree of sellout mentality within firms and levels of entrepreneurial ambition) which formally and informally coalesce to connect, mediate and govern the performance within the local entrepreneurial environment*” (Mason & Brown, 2014).

## CHAPTER 2.

### 2.1. Methodical approach

The following is a clarification of the approach that is used to answer the research question, and what prerequisites this creates for the application and coherence between empirical data and theory. Also, it is an explanation and assessment of the different research methods and how these affect the quality of the findings and conclusion.

### 2.2. Philosophy of science

The philosophy of science works as a perception of particular patterns, which form a common frame of reference that is deterministic for the way the research is done and what kind of results it will generate. The premise for this thesis lies within in the *Philosophical Hermeneutical* paradigm developed by Gadamer, where the main purpose is to create meaning and common understanding, through interpreting individuals and their social context (Nygaard, 2012, 29-32).

Within Philosophical Hermeneutics, elements such as *prejudices*, *the hermeneutical spiral* as well as *horizons* are defining elements in the research process of creating understanding.

#### *Prejudices*

According to Gadamer, my pre-understanding or prejudices are the fundament for any development of knowledge and new understanding (2007, 253-257; Nygaard, 2012, 77-79). This means that my background, previous experience, and interest in the subject, act as the starting point of the research.

Also, it is not possible to separate the subject and the object, since I, as the researcher, cannot stand outside the researched. Thus, all involved parties are co-creating for a whole and eventually common understanding (Nygaard, 2012, 81).

*Situation and horizons: the hermeneutical spiral*

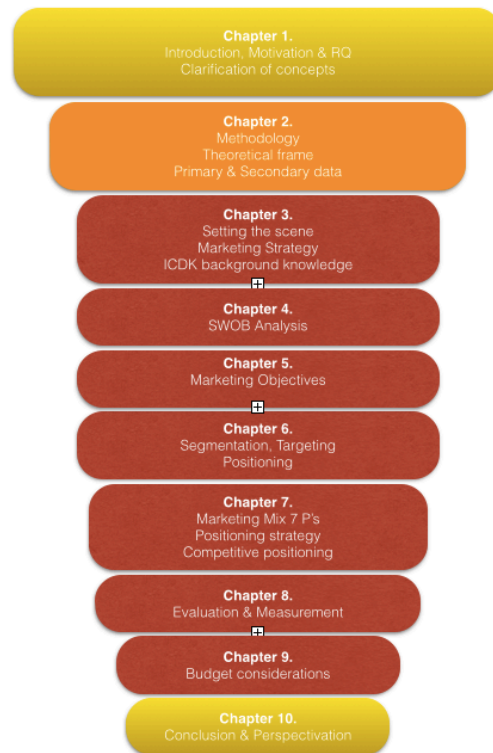
This common understanding is created through the hermeneutical spiral, defined by Nygaard as “*We can only understand the meaning with the individual parts, if we look at them in a broader context - and we can only understand the context as a whole by the individual parts of it*” (Own translation, Nygaard, 2012, 77). The hermeneutical spiral is a processual approach, where there is a continued reciprocity between the individual parts and the context to create the most optimal conditions for a common understanding (Nygaard, 2012, 77; Bryman, 2016, 395).

*Understanding and fusion of horizons*

My prejudices have been tested, evaluated and interpreted into new knowledge and understandings. Ultimately, the goal in the hermeneutical philosophy is to create mutual understanding, referred to as fusion of horizons that form the basis of new layers of understandings (Nygaard, 2012, 29+33; Gadamer, 2007, 322).

## 2.3. Research structure

The following model is an overview of the structure of this thesis and how the different chapters relate to each other.



## 2.4. Research approach

This thesis is mainly explorative and descriptive with elements of normativity, since I interpret empirical data against the theoretical framework to answer my research question. It is normative in the sense that it provides an understanding that opens up for further analysis of how ICDK could optimize their current marketing strategy for entrepreneurs at an operational level.

An abductive research method is used to develop new knowledge and deepen my understanding continuously through the whole process to answer the research question (Ankersborg, 2007, 27). Abduction is the interaction between theory and empirical knowledge and differs from the traditional methods, deduction and induction, where the researcher has a point of departure in either the theoretical or empirical (Nygaard, 2012, 89).

Abduction is used as a part of creating meaning and understanding (Brier, 2012, 283), and is similar to the hermeneutical spiral, due to the constant reciprocity between the interconnected parts and the whole, to interpret meaning and create new understandings (Brier, 2012, 285; Bryman, 2016, 394). This means that a combination of deduction and induction are used by letting a theoretical and

empirical horizon meet and challenge assumptions. Thus, enable a new meaning and fusion of horizons about the research area (Nygaard, 2012, 89; Brier, 2012, 283).

The advantage of this research approach is my ability to work in-depth with a certain field of research, while at the same time being able to develop the frame along the way. However, this may also be the biggest disadvantage since this approach makes it hard to create comparisons and reproduce findings.

## 2.5. Theoretical framework

The theoretical framework is made on the basis of Kotler et al.'s *Marketing Strategy* and modified to fit ICDK as a business-to-business (B2B) public institution that is doing business in a relationship approach. The creation of a marketing strategy includes several steps. The second step, the SWOT ("SWOB") analysis has been modified to fit the purpose of this thesis (see chapter 4). To analyse the levels of entrepreneurship in Denmark and China, Porter's three levels; *factor- efficiency- innovation-driven* economies is included. This is done to analyse how entrepreneurship affect the economic development and growth potential in both countries. Based upon the overlap and consistency in the what the interviewees perceived to create the biggest opportunities and barriers, some *General National Framework Conditions* as well as *Entrepreneurial Framework Conditions* in terms of *Finance, Government Policy and Culture* were selected for further analysis. The interaction between primary and secondary data as well as theory provides an even deeper understanding of the opportunities and barriers in Denmark and China, specifically focusing on Shanghai. The marketing plan at a strategic level also includes analysis of ICDK's marketing objectives and goals as well as an segmentation, targeting and positioning analysis. Based upon the findings at the strategic level, an analysis on the tactical level is made with theory from the Porter's *Marketing Mix*. The Marketing Mix is modified to match ICDK that sell services instead of physical products with an emphasis on the promotion P (see chapter 7).

These theoretical tools act as the frame in which the empirical data supply the knowledge to be interpreted. The interaction between theory and empirical data provide a stronger basis for the creation of common understanding and perspective. The different parts of the theory and analysis are interrelated and depend upon each other. As such, the analysis has a broad starting point by determining entrepreneurship at a national level, which is narrowed down to focus on ICDK and how they can position themselves favourably towards Danish entrepreneurs. Nevertheless, it is important to acknowledge that theory also has a horizon that limits the degree of interpretation. By choosing e.g. marketing strategy as a frame for the empirical data, it provides a certain outcome compared to other theories that could have been used instead. As such, every selection naturally comes with a

deselection. This acts as a limitation to my understanding because it does not have unlimited value of explanation or make infinite interpretation possibilities (Nygaard, 2012, 83+91).

## **2.6. Data collection method**

This section explains the relevant data collection techniques in terms of the conducted primary and chosen secondary data that are essential to answering the research question and subquestions.

### **Primary data**

The primary empirical data are qualitative and consist of six semi-structured interviews. Kvale defines the research interview as “*an inter-view where knowledge is constructed in the inter-action between the interviewer and the interviewee*” (2007,1). In order to create the prerequisite for interpretation and to enable a new understanding and perspective, I seek to create meaning of the interviewee’s world-view, their understanding of ICDK, the phenomenon international entrepreneurship as well as what perceived opportunities and barriers these individual understandings hold (Bryman, 2016, 395; Kvale, 2007, 20). The interviewees have been chosen due to their relevance for the research area. All of them have different roles related to entrepreneurship and therefore presumably different understandings, which provide many different nuances and perspectives to the analysis and interpretation.

#### **Overview of primary data**

##### **1. 15 January 2016: Max Henry (French)**

25 years of experience in China. Currently working at Supply Chain Council in China, Founder of Entrepnr - the largest Shanghai entrepreneur network, Co-founder of Naked Hub (Incubator space), CEO of marketing/media company Chain Media.

Length of interview: 33:15 min.

##### **2. 27 January 2016: Steen Teisen (Danish)**

25 years of experience in China. Started by selling Widex hearing aids to Chinese people. Currently co-owner of hearing aid company Loose Canon, co-owner of Red Hot Shots Media/graphic design, and act as advisor for startup business Matz Furniture.

Length of interview: 37:00 min.

##### **3. 4 February 2016: Darren O’Connell (Irish)**

6 months experience in China. Was an entrepreneur back in Ireland, and are currently working at China’s largest accelerator program ChinaAccelerator.

Length of interview: 55:16 min.

#### **4. 5 February 2016: Marc Alding (Danish)**

6 months experience in Shanghai, founder of restaurant chain Equilibrium in Shanghai.

Length of interview: 44:27 min.

#### **5. 19 March 2016: Morten Brandtoft (Danish)**

8 months experience in Shanghai. Currently works as Executive Director at Innovation Denmark Denmark in Shanghai, former entrepreneur and career in large Danish companies.

Length of interview: 53:03 min.

#### **6. 1 April 2016: Jens Reimer Olesen (Danish)**

No experience with living in China, however has done some business with Chinese manufacturers. Serial entrepreneur, founder of Graduateland, Flystar Media, Garnio, and currently founder and CEO of Ontame.io.

Length of interview: Part 1: 36:10 min., Part 2: 16:06 min.

### **Primary data collection**

I used Kvale's seven stages of interview inquiry in the *pre-interview*, *interview*, and *post-interview* phases with some modifications in accordance with the abductive approach (Kvale, 2007, 11). The process include the following; 1. *Thematizing* 2. *Designing* 3. *Interviewing* 4. *Transcribing* 5. *Analysing the data* 6. *Verifying* 7. *Reporting* (Kvale, 2007, 35-36).

#### **Pre-interview phase:**

When I decided to write about ICDK and entrepreneurship it was due to my aforementioned interest in pre-understanding of and wonder about the subject. Since the research question for this thesis was not completely defined when I conducted the interviews with Henry, Tiessen, O'Connell and Alding, I choose to focus on subjects related to entrepreneurship in China, to find out what opportunities and barriers they believed to be present for foreign entrepreneurs in Shanghai. Hence, the purpose of the interviews conducted in Shanghai was to challenge my own prejudices and horizon related to mentioned themes within foreign entrepreneurship in Shanghai and find out how others made sense of that context. The first interview guide was therefore more broad and generally defined than the ones made for Brandtoft and Olesen, because they were based upon the perspectives and new understandings I got during and after the first four interviews.

### ***Evaluation of pre-interview phase***

The purpose of the interviews is to create an in-depth understanding of different elements that affect and influences ICDK the different framework conditions within Denmark and China as well as entrepreneurship. I acknowledge that by doing some of the interviews before having a research structure it prevents precise questions that might have led the interview in a more targeted direction. However, this way of doing it have presumably provided additional insights that I might not otherwise have obtained or become aware of.

Naturally this approach risks generating too vague or broadly defined data. However, the abductive process between theory and empirical data is a part of accommodating the level of uncertainty, while also challenge my prejudices. Thus made it possible to reformulate some of the questions to be more specific or ask several times to make sure I got a nuanced understanding. The interviews, as well as theoretical knowledge, build upon each other in a spiraling process, which has the advantage of being very flexible towards implementing changes, while pose the risk of losing focus.

### **Interviewing phase**

The actual interviews are all characterized by an exploratory approach with the interview guide as the starting point and guiding “star”, but held very open and with little pre-planned structure (Kvale, 2007, 57). The interview guide opened up for additional questions in order to obtain descriptions of the interviewees’ life-world and different perspectives (Kvale, 2007, 51). Prior to all of the interviews, I shortly presented the subject and purpose of the interview, and was careful not to impose my opinion or understanding beforehand (Kvale, 2007, 55). Since the first minutes of an interview are vital in terms of creating trust and confidence between the interviewees and myself, every interview started with an *introductory question* about themselves and their background, with the ambition to make them feel comfortable. Furthermore, I was very keen to position myself as an attentive listener that showed interest in and respect for the interviewees (Kvale, 2007, 55). So I asked a lot of *follow-up, probing and specifying questions* about the things they talked about (Kvale, 2007, 61). It was my experience that all of the interviewees felt more comfortable after five to ten minutes and it often resulted in more “honest” and personal answers afterwards. The following questions were a mixture of *direct and indirect questions* as well as *structuring questions* to get the interviewee back on track or change the subject when the topic was exhausted (Kvale, 2007, 61). I tried to include what Kvale refers to as *qualified naïveté*, since it was my ambition to appear open and curious towards any given topic, while at the same time be aware of my own prejudices that might lead to certain answers (2007,12).



### ***Evaluation of the interview phase***

I acknowledge the potential risk of having a mixture of Danish and English interviews. However in the actual interview situation it felt awkward and made the situation more formal than intended to make the interviews with Brandtoft, Olesen or Alding in English, with the risk of less straightforward answer as the interviewees would have been more aware of the interview situation. Moreover, by interviewing different European nationalities, there might be some cultural as well as verbal and non-verbal cues that I might have interpreted incorrectly (Kvale, 2007, 68). However, the cultural differences are not as eminent between European countries, as between the Danish and the Chinese culture, it minimises the risk of making fatal mis-interpretations.

To limit the risk of projecting my own perception about the different themes, I was aware of limiting the amount of leading questions. Leading questions risks to influence the answers, however it does not necessarily create useless answers, but can enhance the answers and enable a different discussion (Kvale, 2007, 88). Additionally, it was important for me to pursue in-depth knowledge about their perception of the context, while at the same time respecting the integrity and personal space of the interviewed (Kvale, 2007, 8).

### **Post-interview phase**

All of the interviews were recorded and afterwards transcribed (see appendix A, B, C, D, E, F) for a better overview and access to useful data. The process of transcribing transform a social interaction; including voice, bodily expression and non-vocal cues into written material. Some of the nuances thereby also disappear or might even get distorted, since it will be interpreted in another context and from a written medium (Kvale, 2007, 93). To accommodate that and get as many nuances and useful meanings, I listened to the interviews numerous times, before, while and after transcription to get as accurate and valuable understandings as possible.

In terms of translating the interviews into useful data to use in the analysis and as part of the interpretation process, I categorized the six interviews according the interview questions and theory, among others from the General National Framework and chosen Entrepreneurial Framework Conditions.

The categories from which I extracted data were:

- ⇒ General perception of entrepreneurship in China and Shanghai based upon general Government policy and economic development
- ⇒ The funding environment and access to finance for entrepreneurs
- ⇒ The Chinese government's policies and their consequences for entrepreneurs

- ⇒ The cultural and social perception of entrepreneurship in Denmark as well as foreign entrepreneurship in Shanghai
- ⇒ The perception of opportunities and barriers for entrepreneurs in Denmark, China and Shanghai

### **Evaluation of the post-interview phase**

Since continued interpretation is part of the abductive research method, it means that quantitative data, explicit coding or content analysis would not generate meaningful data for this thesis and the method used is not a strict step-by-step process. The interpretation process of extracting meaning of the transcribed interviews are found through holding separate passages and categorisations against theory and secondary sources in a back-and-forth process of interpretation (Kvale, 2007, 109).

*Communicative validation* is a method to test and validate interpretations and understandings with others (Voxted, 2006, 201). For example, after the first interpretation of the interview with Brandtoft, I asked him additional questions to make sure my understanding was correct and my pre-understanding aligned with that of Brandtoft's. (see appendix G). In addition, I tried to improve my understandings by constantly talk to related people in my network and by attending several entrepreneurial network meetings during the process.

### **Secondary data**

I have used several secondary sources to provide additional perspectives, insights and understandings about ICDK as well as entrepreneurship in Denmark and China.

According to Scott there are four factors to consider in terms of assessing the quality of secondary sources in terms of *authenticity*, *credibility*, *representativeness*, and *meaning* (Scott, 1990, 6). The most influential secondary sources used in this thesis are presented and evaluated based upon those factors in the following.

### **Political and official documents**

I have chosen to include official political documents and growth strategies from the Danish Government as well as the Chinese Government, since they add valuable nuances and knowledge to the research area (Bryman, 2016, 552). Political documents are valuable because of the bias they reveal and for the understanding they contribute to. I have been careful not to depict them as anything but ambitious strategies and not depictions of the world as it actually is (Bryman, 2016,

553). In terms of authenticity, credibility, representativeness and meaning they have some important aspects to be aware of, which are presented in the following.

At the 12th National People's Congress of the People's Republic of China on March 5, 2016 Premier Li Keqiang delivered results from 2015 and emphasised the political focus and direction in the 13th Five Year plan. I have chosen to use this source since it provides interesting knowledge and are presented in the way the Chinese Government (CPC) wishes China to be perceived. I assumably could have obtained the same "factual" knowledge by choosing a non-political western translation, however the content and context would have been presented in a different way. It is the general presumption that the Five Year plans are not just empty aspirational talk, since the CPC has proved themselves very efficient in making large changes. However, it is important to note that the context affects the content considerably. For example, it is a general understanding that the Chinese politicians' most important task is to maintain power and build legitimacy around the Government. I have used these official Chinese political documents to get an understanding of the Chinese Government's intentions and ambitions for China to become a world-leading innovation-driven economy.

The Danish Government's policies have been used several times in this thesis, as they also emphasize the importance of fostering innovation and entrepreneurship, also internationally, to generate growth in Denmark. Denmark and China formed a strategic collaborative partnership in 2008, which has been validated and positively reinforced once a year ever since through official meetings between representatives from both countries. Based upon the Danish Government's overall growth strategy and most likely the collaborative areas in the Sino-Danish strategic partnership, the Ministry of Foreign Affairs also made a Danish growth strategy for China in 2012. This strategy explains what Denmark must focus on to stay relevant and uphold the partnership with China to increase Danish growth. As with the Chinese 13th Five year plan, these must also be interpreted relative to the political context.

### **Articles, academic reports and non-academic reports**

I included Larsen & Wraa-Hansen's study made in 2012 about framework conditions for entrepreneurship in Denmark, to use in the analysis of the Danish ecosystem for entrepreneurs. They provide interesting points about the general development of Danish growth in terms of entrepreneurship. In terms of authenticity, representativeness and credibility the level of the report is generally high and backed up by in-depth analysis based on primary qualitative and quantitative empirical data conducted specifically for that report. I am aware of the fact that since the report is

from 2012, some of the findings are likely to have changed due to the fast changing development of the entrepreneurial ecosystem in Denmark. Therefore, the report acts as a substitute for my own lack of general knowledge and understanding about the Danish environment and also acts as an assessment of my prejudices to generate qualified understandings (Ankersborg, 2007, 110).

I have also included several reports and articles from different secondary sources, such as SovereignGroup, McKinsey, ICDK's report about innovation and Global Entrepreneurship Monitor due to their relevance towards innovation and entrepreneurship. Moreover, they provide additional knowledge to support the primary data in order to develop new understandings and meaning. The use of several reports is likely to increase the authenticity, credibility and representativeness in terms of the findings each of them provide. Despite that, I am aware that they are all consultancy businesses and similar to the political documents mentioned above, insights are provided with the ambition to demonstrate their position as legitimate and knowledgeable partners for potential clients (Bryman, 2016, 553).

## 2.7. Selections and delimitations

**Abductive approach and research structure:** Since there is a large amount of reciprocity and coherence between the theory and empirical data, the different chapters are based upon the previous chapter's findings that enable a continuously sophisticated analysis. This also means that some elements that are normally separated, such as the positioning strategy and marketing mix, have been incorporated in each other to provide a better consistency and understanding for the reader.

**Marketing planning at a strategic and tactical level:** This thesis focuses on ICDK's marketing plan at a strategic and practical level. An operational marketing plan is not included. The marketing strategy and tactics provide an extensive and solid foundation for ICDK to make the operational implementation plan regarding their Partnership Model.

**Terminology:** Throughout this thesis, the term R&D entrepreneurs are applied. They refer to those entrepreneurial businesses that are related to ICDK's sectors and who have the potential to generate national growth. Furthermore, the Innovation Centre Denmark in Shanghai is referred to as "ICDK".

**Competitive environment:** In relation to ICDK's competitive position, it has not been possible to make an extensive nor in-depth overview of all the competitors, who offer similar services to entrepreneurs on the Danish as well as Chinese market. However, to exemplify how other competitors position themselves towards entrepreneurs, ChinaAccelerator has been chosen as an example.

**Segmentation and targeting analysis:** This research is made from ICDK's point of view in terms of how they should optimize their marketing plan to reach Danish R&D related entrepreneurs in a broader macro-economic and national perspective. This macro perspective prevents a more precise definition of the R&D entrepreneurs that ICDK should target. For further investigation and for ICDK to make an implementation plan, it would be relevant to ask the targeted R&D entrepreneurs about their perception of the Chinese market and what they need to be able to enter it.

**Evaluation & Measurement:** Chapter 8 proposes some general guidelines on how ICDK should measure the effect of their marketing efforts, since it has not been possible to obtain information about how they currently do it. Furthermore, an extensive and in-depth analysis of the possible outcomes are out of scope for this thesis. The Partnership Model is so new, that ICDK has not had any entrepreneurs through the process yet, which makes it even harder to evaluate. However, it is an important element to take into consideration.

## CHAPTER 3.

### 3.1. Setting the scene: Marketing strategy

Creating a marketing strategy has become a key concern for businesses as well as public institutions and depends on extensive research, analysis, understanding and critical evaluation of the internal and external environment (West et al, 2015, 31). The creation of an effective marketing strategy is becoming ever more important due to the ever changing and fast developing world we live in today (West et al, 2015, 31). There has been much speculation in what determines a good strategy formulation and execution and the academic theory in the area differs, both in degree of complexity and actual research. Many theorists have attempted to define the role of postmodern marketing today (Kotler & Lee, 2006, 38). Brown (2006) argues that marketing is no longer one definition, but able to match a multitude of interpretations depending on its use (in West et al, 2015, 16+32). However, the many different perspective have the following in common: *"postmodern marketing strategy can provide considerable insights into markets ... and the end point of the strategy needs to engage, be interactive, and take into account the buyer's perspective"* (West et al, 2015, 17).

Marketing strategy has undergone great development from the traditional tools developed by Porter, Kotler, Mintzberg, Ansoff etc. in the 1980'ies. The traditional strategic tools are still used today but can no longer stand alone, as the world has become more complex (Hollensen, 2015, 2) Today, the businesses face new opportunities along with increased complexity, due to the globalisation, digitalisation and technological development. The customer is also more powerful, since they have

become more knowledgeable, borderless as well as have easier access to other possibilities, which forces businesses to incorporate customer opinion to a larger degree than traditionally - also in the public sector (West et al, 2015, 44; Hackley & Hackley, 2014, 10). This means that the planning of marketing strategy is no longer a straightforward, linear, rational or even controllable process (Hackley & Hackley, 2014, 10). The strategy making process should therefore include both traditional marketing tools, such as the SWOT model and the Marketing Mix analysis as well as new ones to improve the quality and applicability in a fast-changing environment.

The marketing discipline has developed from a *transactional marketing approach* (TM), concerned primarily with making people buy towards a *relationship marketing approach* (RM), where there is a much larger focus on enhancing and maintaining strong long-term relationships with all stakeholders through mutual value exchange and trust (Hollensen, 2015, 2). To do that, there must be a much larger cohesion between the different areas in the business, and *Integrated Marketing Communication* (IMC) has become the new mantra to create that. Kotler & Lee states, that IMC works well in the public sector as well (2006, 11). In the public sector, marketing planning can be used to achieve visions and increase revenues, service utilization, improving citizen satisfaction and enable overall economic national growth (Kotler & Lee, 2006, 11-13). The following chapters will be an example of such a merge between traditional and contemporary marketing methods to illustrate how ICDK as a public institution can use marketing planning at a strategic and tactical level.

### **3.2. Innovation Centre Denmark**

Innovation Centre Denmark is a collaboration between the Danish Ministry of Foreign Affairs (UM) and the Danish Ministry of Higher Education and Science (UFM). The first centre was established in Silicon Valley in 2006 and is also the largest centre. In total ICDK have 6 centres globally - in Silicon Valley, Shanghai, Munich, São Paulo, New Delhi and Seoul. Their headquarter is located at the Ministry of Foreign Affairs in Copenhagen together with Denmark's national investment promotion agency Invest in Denmark.

The general slogan for ICDK is: *We build bridges between research and business – globally.*

ICDK Shanghai (ICDK) was established in 2007 and is the second largest centre. The largest centre is the one in Silicon Valley. ICDK Shanghai aims to promote Denmark as a leading knowledge society by assisting small and large Danish businesses, research institutions and entrepreneurs to navigate and grow in China through close collaboration with Chinese customers, commercial partners and research divisions (ICDKa, 2016). Since ICDK is a public institution, and aims to

strengthen the diplomatic and bilateral ties between Denmark and China within innovation, research, knowledge-sharing and education to achieve the national ambition of creating growth in Denmark.

The ICDK Shanghai mission statement is: *We help you navigate in China and open doors to research and business opportunities.*

The team in Shanghai consists of Executive Director Morten Brandtoft, Innovation Attaché Nina E. Hassel and three high-skilled Chinese innovation consultants that assist Danish stakeholder within the sectors information communication technology (ICT), clean-tech and life-science. There are also several Chinese and Danish interns assisting the daily operations and make content for promotion through various distribution channels, such as social media and their webpage. ICDK Shanghai offers a broad array of services for Danish entrepreneurs, such as *business model innovation, idea-generation and knowledge-sparring, innovation workshops and seminars, technology- and partner-scouting, incubator deskpace, matchmaking events as well as research cluster information* (ICDKb, 2016). As a new initiative, all of these services have been structured in a so called “Partnership Model” (Appendix H) as a visualisation of the logic steps entrepreneurs must go through before establishing their business in China (see chapter 7). A couple of times a year, they publish research reports about innovation, development and knowledge within life-science, clean-tech and ICT between Denmark and China.

### **3.3 The Sino-Danish collaboration and strategic partnership**

Denmark and China have had good diplomatic relations the past 65 years, which are continually being renewed and referred to as a mutually beneficial relationship. The diplomatic relationship is important to Denmark, since China is currently forming the foundation to make fundamental changes in the global knowledge circuit. Since Denmark is dependent on their ability to develop new ideas and stay leaders within knowledge-development, it is crucial that Denmark sustains these ties with China.

In 2015, China became Denmark’s largest trading partner in Asia. The Danish export to China has nearly tripled in the past decade to almost 60 billion DKK. Denmark currently has around 500 businesses and operations in China, employing around 250.000 Chinese employees. (Xinhua, 2016).

In 2008, the Danish Government formed a partnership agreement with the Chinese Government called *Comprehensive Strategic Partnership*. This strategic Sino-Danish partnership includes agreements within green development, knowledge transfer and student- exchange education

programs (UM, 2012). In relation to the Comprehensive Strategic Partnership, the Danish Government formed a *“Growth strategy for China”* in 2012 with the *“goal to improve the Danish businesses ability to exploit the great opportunities within trade (import/export) as well as investment that exist in China”* (Own translation, UM, 2012). Furthermore, China wish to move towards a larger degree of social and environmental sustainability and it is therefore important that Denmark sustains the interest and good reputation with Chinese policy makers. The Danish Government aims to enable small and new Danish businesses as well as entrepreneurs to become successful in China.

The Danish Government has chosen to focus their efforts to accommodate Danish businesses on several sectors, such as (UM, 2012, 4):

- *Food, Agriculture, Fishing*
- *Energy and environment-technology*
- *Marine, the Blue Denmark, Water (consumption and waste-reduction)*
- *Infrastructure*
- *Health, pharmaceuticals and social welfare development*
- *Science, Education and innovation*
- *Urbanisation and consumption*

On a recent meeting between President Xi Jinping and Prime Minister Lars L. Rasmussen, both parties emphasized the importance of strengthening the strategic Sino-Danish relationship within fields such as innovation, inter-connectivity, low-carbon and circular economy, healthcare and food, and green development (Xie, 2016).

By having an entry point like ICDK in China it provides another way to strategically strengthen the Danish presence in China. While at the same time create new grounds for collaboration between China and Denmark, especially within the areas of ICT, Life-Science, and Clean-tech. Moreover, it also acts as a way to ensure that Danish research and innovation is among the world leaders. Naturally, ICDK's mission is formed based upon above Sino-Danish policy and to accommodate the overall goals for creating economic growth in Denmark.

## **CHAPTER 4.**

### **4.1. Marketing planning: Situational analysis**

The situational analysis is where ICDK assesses background information, makes an analysis of the market and organisational forces as well as a review of performance and lessons learned from past experiences (Kotler & Lee, 2006, 283). This analysis of internal and external factors is also referred



to as a SWOT analysis in terms of: *Strengths, Weaknesses, Opportunities and Threats* (Kotler & Lee, 2006, 283; Kotler & Keller, 2012, 51). The SWOT has been modified to a “SWOB”, where *Threats* has been replaced with “*Barriers*” to better match the purpose of this thesis. Since it is not sufficient for ICDK to know about the environment for the Danish entrepreneurs in Denmark, they must also have in-depth knowledge about the market they are operating in. This is a rather unconventional use of the traditional SWOT to provide an in depth evaluation of national and international external factors that defines the two different ecosystems ICDK must navigate in.

## **4.2. The internal environment**

ICDK's Strengths and Weaknesses related to entrepreneurship are analysed by the impact of factors such as available resources, current alliances and partners, capabilities, reputation as well issue priority (Kotler & Lee, 2006, 283). These factors are not static and the weaknesses can be turned into strengths and capabilities by investing and optimising key areas (Hollensen, 2015, 250). If it is not possible to turn weaknesses into strengths, ICDK must plan accordingly to minimise the risks or rethink their strategy.

## **4.3. Internal analysis of ICDK**

Based upon primary and secondary empirical material and my prejudices, it is my general understanding that ICDK have some significant strengths in terms of resources available to them. Oxford Research analysed their efforts in 2015, which supports the following strengths and provides an overall positive evaluation of their reputation and image (Jensen et al., 2015, 4) Firstly, ICDK is an institution with presence in some of the most interesting growth markets all over the world. By being where it all happens, whether it is in Silicon Valley or Shanghai, it provides them with capabilities to become continuously skilled and knowledgeable partners for their clients. Secondly, they are supported at governmental level, and probably that gives them access to and opens some doors that might be closed for others. Thirdly, ICDK has been in China since 2007 and has three highly educated Chinese consultants, which strengthens ICDK in terms of experience, cultural understanding and in-depth knowledge about the market. Fourthly, they have already formed many Sino-Danish alliances with valuable partners that can help to pave the way for Danish entrepreneurs. Last but not least, they are specialized within the sectors of ICT, life-science, cleantech and within higher education and research, which are some of the most emerging and interesting sectors with a high political focus in China at the moment (Brandtoft, 2016, 29:53-31:49; Jensen et al. 2015, 5+7).

In terms of weaknesses, the Oxford Research evaluates that ICDK in Shanghai has a relatively large share of its clients in the commercial area receiving services that are more market-oriented than

oriented towards genuine innovation activities. This can be perceived as a weakness, because it positions ICDK in a relatively undifferentiated grey zone between the innovation services of the ICDK and the more classical market-oriented services of the Trade Council (TC) (Jensen et al. 2015, 8). This risks to blur the projection of a clear and consistent image to clients and to “waste” resources on helping clients that TC or other consultancy businesses would have an equally good match with.

This could be explained as a result of a lack of clearly defined strategy as to how to promote and position themselves towards potential clients, including Danish entrepreneurs. Furthermore, the core team in Shanghai only consists of five full-time employees and given that they aim to assist larger Danish businesses, research departments, higher education initiatives as well as entrepreneurs, it raises the concern whether they have sufficient resources to provide the high level of quality, value-creation and satisfaction, they aim to provide for all target groups. This will be analysed and evaluated in greater detail in the following chapters.

#### **4.4. The external environment**

An opportunity is where the client (the Danish entrepreneurs) has a want, need and interest that the institution (ICDK) has a high probability of profitable satisfying (Kotler & Keller, 2012, 51). The environmental barriers are defined as “*challenges posed by an unfavourable trend or development that, in absence of defensive marketing action, would lead to lower sales or profit*” (...and thereby customer satisfaction) (Kotler & Keller, 2012, 51).

The external environment in Denmark and China are analysed by the forces that presents either opportunities or barriers within culture, demographic, economic, political and legal forces (Kotler & Lee, 2006, 283). The following analysis can be defined as a hermeneutical spiral, with a starting point in a general overview of the broader macro- economic environment in Denmark and China based on theory from Porter’s three stages of economic development in countries (*factor-, efficiency- and innovation-driven economies*) (Porter et al., 2002b) and Global Entrepreneurship Monitor’s (GEM) *General National Framework Conditions* as well as empirical data. This will lead to a more specific analysis of the entrepreneurial ecosystem in Copenhagen and Shanghai, based on chosen theoretical *Entrepreneurial Framework Conditions* as well as empirical data resulting in an evaluation of the opportunities and barriers that it poses for Danish entrepreneurs and thus answers subquestion 1.

##### **Factor-, efficiency-, and innovation-driven economies**

Porter’s three stage model refers to the different economic levels as “factor-, efficiency- and innovation-driven economies” and is relevant since Denmark is an innovation-driven economy and China an efficiency-driven economy. The different levels recognize different factors as relevant in

order to increase entrepreneurial activity and generate growth (Porter et al, 2008; Porter 1990). The characteristics of the efficiency-driven and innovation-driven economies are incorporated in the analysis of China and Denmark, while the factor-driven stage has been excluded due to its irrelevance for this thesis.

### **GEM and Framework Conditions**

GEM is the most comprehensive worldwide investigation of the level of entrepreneurial activities, aspirations and attitudes all over the world. The GEM model of entrepreneurship predicts that established business activity at the national level varies with General National Framework Conditions (GFCs), while entrepreneurial activity varies with Entrepreneurial Framework Conditions (EFCs) (Reynolds et al., 2005). This means that both dimensions are interconnected and also dependent on each other. EFCs can be seen as defining the rules of the game for entrepreneurial activity and if these are changed, it means that the rate and nature of entrepreneurial activity also changes (Levie & Autio, 2008, 240). When these elements are combined in a specific context in the national macro factors, the EFCs, they enable an in-depth overview of different countries' entrepreneurial ecosystem (Singer et al, 2014, 12).

### **General National Framework Conditions (GFC's)**

The GFC's affect entrepreneurs directly and indirectly since the entrepreneurs are also going to compete in the existing market as every other business or institution (Reynolds et al, 2005). These are factors such as general economic development, Government policy, demographics and socio cultural development, and will be used to evaluate the environments in Denmark and China (Singer et al, 2014).

### **Entrepreneurial Framework Conditions (EFC's)**

The GEM framework conditions include 9 dimensions that can be used to analyse how nations differ in terms of entrepreneurship and how it affects economic growth (Singer et al, 2014). I focus on *Finance, Government policy as well as Cultural and Social Norms*, and they will be outlined in the following. However, since all factors are somewhat interrelated, some parts of the analysis overlap with some of the other EFCs.

These nine EFC's are:

- **Finance**
- **Government policy**
- *Government entrepreneurship education*
- *Research and development transfer*
- *Commercial, Legal and policy infrastructure*

- *Entry regulations*
- *Physical infrastructure*
- ***Cultural and social norms***

## **Finance**

Finance is defined as the availability of financial resources for small and medium enterprises (SMEs) (Singer et al. 2014, 57), and is one of the most widely recognized regulators of allocation of effort to entrepreneurship (Levie & Autio, 2008, 41; Boulton & Turner, 2005, 22). Some up-front investment in entrepreneurial activity is essential to establish a development in the national economy (Levie & Autio, 2008, 41).

## **Government policy and regulations**

Government Policy is defined as “The extent to which public policies support entrepreneurship” (Singer et al., 2014, 57). Government policy is also considered an essential regulator of how much entrepreneurship contribute to national growth. According to Singer et al., this EFC reflects both the general policy interest, as well as the policy aimed at entrepreneurs and innovation (2014). There is a general consensus that policy makers, who have an increased attention and awareness towards entrepreneurship, will positively affect the allocation of effort into it (Singer et al., 2014; Acs, 2007). Therefore, policymakers should focus on contributing to creating an environment and market conditions, that is responsive and interesting to motivated entrepreneurs as well as in line with the overall economic situation in the country (Singer et al, 2014; Acs et al. 2008). Also it is important to emphasize that the optimal levels of entrepreneurship may vary and have different gap-filling functions given their different stages of economic development (e.g. efficiency-driven or innovation-driven economies).

Governments can directly affect entrepreneurial businesses through their regulatory systems. After financial opportunities (or lack of same) to get funding, regulatory issues, taxes and labour market rigidities are commonly viewed as one of the main barriers to entrepreneurs (Singer et al, 2014; Acs et al. 2008). There are two ways in which regulations impact on the entrepreneurial process. Firstly, rigid regulations and delays in obtaining the necessary permits and licenses, which prevent the entrepreneurs from starting their business (Acs et al, 2008). Secondly, inconsistent and non transparent application processes increase compliance costs and may take a long time, which may impact the entrepreneur’s resources negatively to establish themselves (Baumol & Strom, 1990; Levie & Autio, 2007, 8).

## **Culture/Social values**

Culture and social values are defined as “*The extent to which social and cultural norms encourage or allow actions leading to new business methods or activities that can potentially increase personal wealth and income*” (Singer et al, 2012).

The entrepreneurial culture is an important aspect of demonstrating what values and norms are constituent in different environments. Culture and social norms affect all other framework conditions, since it influences people’s thoughts, attitudes and support towards entrepreneurship. This is important to consider, since the entrepreneurial culture in Copenhagen probably differ from that of Shanghai.

It is important to distinguish between national culture and universal values with context specific beliefs or attitudes towards entrepreneurship. Several studies suggest that there exist some correlation between national culture and entrepreneurial activities. However, the attempt to measure the effect of national culture on entrepreneurial activity, using standard national culture measures have been inconclusive (Levie & Autio, 2008, 244). The GEM report distinguishes between the national *Cultural Context*, and *Entrepreneurial Culture and Social Norms*, which is context-specific beliefs about attitudes towards entrepreneurs (Singer et al, 2014).

## **4.5. Analysis of the external environment in Denmark**

This will include data from the conducted interviews, as well as some of the findings from the extensive study about entrepreneurship in Denmark made by Larsen & Wraa-Hansen. This sector acts as an overall evaluation of Denmark and the entrepreneurial ecosystem in Copenhagen to provide an evaluation of the opportunities and barriers ICDK can use in their positioning.

### **General National Framework Conditions in Denmark**

The innovation-driven level is the third and highest level of economic development, where companies compete by producing and delivering new products/services by using highly sophisticated processes and knowledge. This means that economies that have evolved from a technology-importing economy (efficiency-driven) to a technology-generating (innovation-driven) economy are also characterized by innovating sectors within the global technology development (Porter et al, 2002, Acs & Autio, 2011, 2). An Innovation-driven economy like Denmark is characterized by the production of innovative, highly advanced products and services in an international perspective/scale, which becomes the dominant source of competitive advantage (Porter et al, 2002, 17). The focus in the innovation-driven economy (knowledge-based economy),

should to a larger degree be to ensure that entrepreneurs create very large and successful businesses (Acs & Autio, 2011, 8).

### **Economic situation in Denmark**

Since the recession in 2008, Denmark has slowly generated growth of 1,2 % GDP in 2015, but has yet to reach the same level of GDP growth as before the recession (Worldbank.org). To foster growth, Denmark must improve products and processes via innovative thinking to create growth. New technologies and knowledge are needed and several studies show that internationally adopted institutions and businesses have the best chance of generating growth (ICDK, 2015, 11). Denmark is acknowledged internationally for their high level of research quality and ability to generate innovative knowledge (ICDK, 2015, 11). The Danish Government has been continuously improving the framework conditions to foster entrepreneurship, especially within research and science in terms of investing 3.1% of the gross domestic GDP in research and development to generate new knowledge and science (ICDK, 2015).

### **Entrepreneurial Framework Conditions in Copenhagen**

#### **Finance**

According to Olesen, there is a lot of money and investment opportunities in Denmark, however there is an overall tendency that early stage capital is getting harder to obtain (Olesen, 34:04-36:10). This can partly be explained as the result of the recession, where many banks and investors have become more risk averse. Capital can also be obtained by venture capital investments, private equity, crowdfunding and private business angels, to mention a few of the many investment opportunities (Larsen & Wraa-Hansen, 2012, 42).

It is also possible to apply for public funding. However, is it generally considered difficult and time consuming to get, and often with too small of an outcome (Larsen & Wraa-Hansen, 2012, 50). Olesen would like to see a change in Government policy that enables more incentives for private investors to support entrepreneurs, thereby making it easier for an early stage business to achieve successful growth faster (Olesen, 24:16). Moreover, he argues that it is first when Danish entrepreneurs have reached a certain stage and size, that it makes sense to apply for investments outside of Denmark (Olesen, 35:27).

#### **Government policy**

Brandtoft believes that entrepreneurs create a society that is in “continuous development” and elaborates by saying that it is therefore vital that Denmark has many entrepreneurs, because that is what “*we must survive on in the future*” (own interpretation, Brandtoft, 02:33). According to the study

by Larsen & Wraa-Hansen, all of the political respondents agreed that entrepreneurial activity is beneficial for the Danish society (2012, 73). Since Denmark is an innovation-driven economy, it is essential to develop new knowledge to secure development and growth. The Danish Government has lowered the barriers and improved legislation within establishment, improved market conditions, decreased complex salary/wage and tax regulations as ways to accommodate that (Larsen & Wraa-Hansen, 2012, 73).

In addition, a vast amount of both public and private support programs exist for entrepreneurs. Public programs, such as ICDK's "Partnership Model", act as an accelerator that offer advisory in a combination of online and offline services. In recent years, many support facilities and programs have emerged all over Denmark - especially in Copenhagen.

### **Culture/social values in Denmark**

The public stance towards entrepreneurship is overall positive in Denmark. Brandtoft also believes that the culture has changed very much. He elaborates by saying *"Just a generation ago, there was not a lot of parents who would have appreciated if their children became entrepreneurs, and I think there is a very different attitude towards entrepreneurship today"* (Brandtoft, 14:28).

Furthermore, several media channels and online fora have put entrepreneurship on the agenda through articles, blog posts and infographics. There exist a large amount of networking groups on social media, where like minded people can meet and seek support from each other. There are even television programmes such as "Løvens Hule" (Lions Den) to promote entrepreneurship. All of these different initiatives are part of framing the public's perception and increase the popularity about entrepreneurship. This can, arguably, also be part of generating more acceptance of, interest in and willingness to become an entrepreneur.

The entrepreneurial ecosystem in Copenhagen is defined by networking, where entrepreneurs tend to help and inspire each other. The entrepreneurial ecosystem in Denmark is still quite small compared to other countries, and from the many incubator spaces and networks, there has grown a sense of community between the entrepreneurs (Larsen & Wraa-Hansen, 2012, 51; Olesen, 27:42-28:57). The culture of social acknowledgement is increasing in the entrepreneurial community, which is evident from the many large award shows, such as TechBBQ or Nordic Startup Awards held once a year.

### **Summary: Opportunities in Denmark and Copenhagen**

The entrepreneurial ecosystem in Denmark, especially in Copenhagen, is thriving. The culture is embracing entrepreneurial activity in well established networking communities. Olesen states that when he started as an entrepreneur in 2009, an established entrepreneur ecosystem did not exist and the entrepreneurial ecosystem has experienced a lot of development the past 5-6 years (Olesen, 21:22). He calls the entrepreneurial ecosystem in Copenhagen as “*something amazing with a voice*” (Olesen, 21:22). Furthermore, Olesen believes that Denmark is one of the best countries to start a business in, since entrepreneurs can receive a lot of assistance and has an ecosystem with a legit voice.

Some the reasons for this positive development is to be found within the political focus to foster entrepreneurship by developing a more favourable legislative and regulatory system that makes it easier to establish, maintain and grow a business. The practical barriers of starting a company have been lowered, as everything can be done online for a very low set-up cost (Olesen; 21:47). Olesen believes that the ecosystem has a “voice” now that is really valuable in reaching politicians and put initiatives on the agenda (21:22). This create the ability for entrepreneurs to suggest policies that will simplify the process, decrease the level of bureaucracy and enhance the establishment and foster even more entrepreneurship. If the rules and regulations were simplified, it would arguably create incentives for more people to engage in entrepreneurship.

Moreover Danish universities and research institutions have done a lot to support and co-create entrepreneurship, both in terms of education and by facilitating innovation labs and small incubators (Olesen, 21:22).

As global competition increases, the need for Denmark to make high quality research and innovation is mountin. Denmark already has a strong position as a leading research nation, also internationally (ICDK, 2015). One of the factors that distinguishes Denmark, is the close cross-border cooperation between businesses and research institutions, since it is considered to increase the quality of the research. Due to globalisation, digitalisation has eased exchange and sharing of information globally. Adding up, this opens up for new potential cooperation opportunities (ICDK, 2015, 7). Denmark is known to be particularly strong within environmental research, sustainability, clean energy, clean-tech and life-science (ICDK, 2015, 6).

Another explanation of the positive development is the change of general opinion in society that approves entrepreneurship to a much larger degree than earlier. The media’s promotion of entrepreneurship as a positive and attractive career decision, is also part of positioning entrepreneurship positively in the minds of the general population.



### **Summary: Barriers in Denmark and Copenhagen**

Even though Denmark is an innovation-driven economy, there is only a few start-ups that have accomplished to grow into a considerable and successful international growth businesses within the past 20 years. Olesen believes that in 3-5 years, some of the larger start-ups have been sold, thereby generating large amounts of money that can be re-invested in the ecosystem creating a “trampoline effect” (Olesen, 31:00-33:23). Hence, according to Olesen, there are still some general challenges for Danish entrepreneurship. One of the main barriers for entrepreneurs to thrive and grow into large businesses is the difficulty to get access to funding. The capital market in Denmark is relatively small yet mature, which means that investors are considered to be risk averse against investing in the small start-up businesses. Another barrier is the size of the market, which is very small in Denmark. Entrepreneurs within niche markets often have to look abroad for larger customer groups to become successful. All of these barriers partially obstruct the growth start-ups in becoming really big and thereby also hinder the general development in the ecosystem (Olesen, 23:34).

### **Analysis of the external environment in China and Shanghai**

The following is an analysis of China with an emphasis on the entrepreneurial ecosystem in Shanghai, to provide an evaluation of the opportunities and barriers.

#### **China's economic situation**

Since the “Opening-up and Reform” program implemented by the Communist Government (CPC) in 1978, China has transformed from a centrally planned closed economy to one of the largest manufacturing and exporting economies in the world today (Ross, 2015). Today, China is the world's largest emerging market economy, both in terms of a population of almost 1,4 billion and total economic outcome. Also, China is the world's largest exporter and second largest importer, while also having the fastest growing consumer market (Ross, 2015).

Even though China is amongst the most influential economic powers globally, they too experience challenges such as a rapidly aging population, high levels of pollution, an increasing debt as well as declining return on investment (Woetzel et al, 2015). China still has some way to go before becoming an innovation-driven economy, which is evident due to the fact that China's economy is still driven by an equal contribution from manufacturing and services (approximately 45 % each) and the agricultural sector contributing with about 10 % (Ross, 2015). Equivalent to an efficiency-driven economy, China has the world's largest and most diverse manufacturing industry in the world (Ross, 2015).

Even though China is a large country with many different regions, most of the economic output is generated through a highly efficient manufacturing system. Development in efficiency-driven

economies happens through investment in infrastructure, the creation of business friendlier government administration, better education, internationalisation, strong investment incentives, improved skills and better access to investment opportunities (Acs et al. 2011, 2; Porter et al, 2002, 17). For China to move away from a manufacturing society towards an innovation-driven economy, an increase of innovative entrepreneurship enables a better overall development in national performance and competitiveness. Since this demands better strategies to accelerate growth and adjust to market conditions globally (Acs et al., 2008, 231; Porter et al, 2002, 17).

### **Urbanisation and radical shift in consumption patterns**

As a result of China's economic development and growth, they experienced a large-scale urbanisation, where people in search of job opportunities migrated from rural areas to live in large cities. This has completely changed the Chinese demographic structure and market composition. According to Premier Li Keqiang, there has been an increase of 13.1 million urban jobs in 2015 (Li, 2016, 1). According to Woetzel et al., an additional 100 million people will move from rural areas to urban megacities by 2020 (2015, 2).

China's economic growth has also lifted millions out of poverty, resulting in an expanding and wealthier middle-class that is estimated to consist of 476 million people equal to 68 % of the urban population. This is noteworthy, since it is believed that the middle-class, and especially the upper-middle class is going to drive domestic consumption of goods and services in China in the future (SovereignGroup, 2015, 10; Ross, 2015).

### **GDP deflation and declining growth**

Since 2008, the Chinese GDP growth has been declining to an all time low of 10,4 trillion \$ equal to 6,9 % GDP growth rate in 2015, which is signalling a weakening economic pace that is affecting the rest of the world as well (Magnier, 2016). The Chinese Government (CPC) has acknowledged the need for a solution and the 13th Five Year Plan (13-5), focuses on a transition to slower but healthier and more sustainable growth. Although the Five-Year Plans are typically general in nature, they provide a good indication of the potential opportunities for certain industries (SovereignGroup, 2015, 12).

### **China's New Normal**

At the 12th National People's Congress of the People's Republic of China on March 5, 2016 Premier Li Keqiang delivered results from 2015 and emphasised the political focus and direction in the 13th Five Year plan. The 13-5 acts as the blueprint and strategy for how the CPC will overcome aforementioned challenges and pursue opportunities to stabilize the economy and spur growth. Their

mantra “New Normal” indicate that China is moving towards a slower but more sustainable economic growth driven by innovation, consumption and knowledge-creation that is no longer as dependent of production and manufacturing. This political ambition is not evenly dispersed over the whole country. For example Shanghai, as part of the Yangtze Delta, is one of the most developed so-called tier one cities in China.

Premier Li emphasized the importance of innovation and entrepreneurial activity and stated that there had been a growth in terms of registration of new businesses of 21,6 % equal to 12.000 per day in 2015 (Li, 2016, 1). He further emphasized the importance of this continuous development since *“New driving forces played a major role in keeping employment stable and pushing ahead industry upgrading, and are now driving profound economic and social change in China”* (Li, 2016, 1).

The 13th Five Year plan has emphasize five specific areas that will be in focus from 2016- 2020, which will be outlined in the following.

#### 1. Innovation

CPC emphasize their ambition to move China from an efficiency-driven to an innovation-driven economy. They aim to do that by building new science- and knowledge research parks, supporting technology development programs, building first-class science and technology hubs and assisting in the construction of internationally competitive high-innovation enterprises (Li, 2016, 10). Furthermore, they wish to encourage the public to start their own businesses and engage in innovative projects (Li, 2016, 10).

The CPC has invested 200 million \$ in research and development, as it is their ambition that 2,5% of China’s GDP will come from R&D by 2020 (Li, 2016, 11). This is the largest investment in R&D ever made by any country.

#### 2. Coordination

The CPC aims to balance the current, growing gap between the urban and rural areas. They wish to advance the modernization and provide liveable cities for 100 million people and project that 60 % of the Chinese population will live in urban areas by 2020 (Li, 2016, 11).

#### 3. Green Development

They aim to build an environmentally friendly ecosystem that protects the environment. The CPC has realized the importance of creating solutions that preserve, restore and protect the quality of the air, soil and water. During the next five years, they aim to cut water consumption by 23 %, energy

consumption by 15 %, and CO2 emissions by 18 % and to increase the coverage of forests to 24 % (Li, 2016, 12).

#### 4. Opening Up

Li emphasizes the importance of the continuous development of market powers and *“promote the optimization of imports and exports, significantly increase the proportion of trade in services, and promote China’s transformation from a trader of quantity to a trader of quality”* (2016,12). By this, he opens up for further collaboration with foreign countries and expands an open economy based on new initiatives within science and engineering projects. Also, entrepreneurship will be a bigger part of fulfilling the goals of the 13-5.

#### 5. Sharing

They have a vision of a people-centered development, where they want to fight against poverty and meet the basic needs of the people to meet common prosperity. They aspire to create a better and more sustainable social security system that is able provide education, healthcare and cultural institutions to everyone (Li, 2016, 12-13).

### **Opportunities and barriers within General Framework Conditions**

For China to move from an efficiency-driven economy towards an innovation-driven economy, the CPC must improve their education system, enhance better market and labour optimization, provide incitement for financial market development and investment opportunities, and increase knowledge and technology implementation in the overall Chinese entrepreneurial ecosystem. Simply put, innovation and knowledge-creation must accommodate for previous drivers of growth (Woetzel et al. 2015).

The CPC are, as the rest of the world, increasingly interesting in fostering entrepreneurship. According to Acs, entrepreneurship is good for economic development, in the sense that entrepreneurship creates new businesses, which create new jobs, strengthen competition and aspire to overall change in production due to more efficient production-methods in society (2007, 97). In the modern economy, knowledge is the driving force, and previous drivers such as raw materials and physical labour has been replaced (Drucker, 2001; in Acs 2007).

### **Entrepreneurial Framework Conditions in Shanghai**

China has experienced massive growth over the past 30 years and this has especially developed tier one cities like shanghai into rather sophisticated and fast paced places for entrepreneurship (SovereignGroup, 2015, 3). A lot of people come here with a pretty western mindset for

entrepreneurship and Teisen even refers to Shanghai as having a *Silicon Valley DNA* in terms of entrepreneurial thinking (11:18). All of the interviewees seem to share the same understanding of Shanghai as an interesting and international place with many business opportunities - even in the small niche markets. However, it is also the general perception that Shanghai is a very complex and immensely competitive market.

China aspires to incorporate foreign knowledge and experience as a part of the business environment. Especially Shanghai has an international and fast paced environment, which makes it far more evolved than other large tier one cities like Beijing. At least in terms of foreign entrepreneurship (Brandtoft, 08:09). For foreign entrepreneurs, Shanghai is more interesting than Beijing, due to many opportunities in a broad array of different sectors as well as diverse environment (Henry, 5:48). However Shanghai is not a forgiving place and Alding does not think the success rate is very high for entrepreneurs (24:34). Both O'Connell and Henry believe that a lot of foreign entrepreneurs underestimate how difficult and competitive the market is, and consequently get the business environment, cultural understanding and positioning all wrong (4:06; 17:00). Also, to Henry, Shanghai is so developed that it is just like many other highly developed cities in terms of maturity and cost. Entrepreneurs should consider other cities in Asia, because there are more opportunity, lower entry barriers and living cost (Henry, 28:35). In contrast, O'Connell believes Shanghai to be very cheap and time-saving in terms of software development compared to places such as Copenhagen (17:47). Shanghai is known to be one of the most interesting places for high-tech foreign entrepreneurs, and the contrasting opinions about the environment might be due to O'Connell working within the tech environment and Henry working within non-tech.

### **The physical environment for entrepreneurs in Shanghai**

To implement the CPC's innovation-driven development it is the ambition to turn Shanghai into a global innovation center by implementing reforms to enhance technological, research and science related innovation, the transfer of knowledge and increased protection of intellectual property rights. To enable all of this, the CPC has invested more than 3,7 % of Shanghai's GDP to optimise the industrial structure and build an international advanced science and technology park. Besides from the construction of high-tech research facilities, the CPC also aims to attract top laboratories, research institutions, universities and multinational businesses from all over the world (Gov, 2016).

China is making market and labor reforms, reducing the regulatory and entry barriers for new businesses and entrepreneurial spirit, while at the same time supporting the incubator facilities and accelerator programs to foster entrepreneurial incentive. Even though the cost of living in Shanghai

is cheaper than in Denmark, it is still one of the most expensive cities in China. In Shanghai there exists an increasing number of places, where international entrepreneurs can establish themselves, seek business partners and get information about funding. Generally, these places are split between tech and non-tech entrepreneurs. Usually, these hubs come with a wide array of different networks and events that everyone is welcome to join. From visits to some of the incubator hubs in Shanghai and Copenhagen, such as Naked Hub, Innospace, ChinaAccelerator, Rainmaking Loft and Dare2Mansion, it is my impression that they provide a cosy atmosphere, creative environment and professional network that many early stage entrepreneurs need.

## **Finance**

Finance is one of the most widely recognized regulators of allocation of effort to entrepreneurship (Levie & Autio, 2008, 41). The access to funding in China is a complex matter and difficult to get a clear picture of. In cities such as Shanghai with a thriving international entrepreneur ecosystem, there exist funding opportunities from the first early stage funding rounds to larger rounds.

There is overall agreement among the interviewees that there is a lot of money in the ecosystem, but it is difficult to find the right funding pools and get an overview of existing opportunities. In accordance with aforementioned growing middle class, there is a lot more money in the hands of private people and companies, which creates a lot of opportunities (Teisen, 20:38). The CPC has made it a lot easier and more accessible for local entrepreneurs - especially within science - to get access to government-led initiatives. This will most likely benefit local entrepreneurs and only in very few cases benefit foreign entrepreneurs.

Despite that, there might be a growing trend for some of the very successful Chinese entrepreneurs such as Jack Mae (founder of the world's largest e-commerce Alibaba), and other giant e-commerce successes such as Tencent and Chinese Google pendant Baidu, to re-invest large amounts of money in local as well also foreign businesses (Brandtoft, 5:16). Despite that, it appears that such investors are primarily investing money in foreign companies, when they have reached a considerable size, proof-of-concept and success. This is in accordance with Henry, who believes the funding pools are drying out quickly and the investments made are fewer, but bigger (Henry, 07:51-08:37). Accordingly, all of the interviewees believe that foreign entrepreneurs should bring money from home to help them get settled and wait to seek funding until they have achieved the same proof of concept and success in Shanghai.

## **Government policy and regulations**

Governments can directly affect entrepreneurial businesses through their regulatory control, and EFC defines this as “*The extent to which public policies support entrepreneurship*” (Singer et al., 2014, 57).

Chinese policymakers should focus on creating an environment and market conditions that are responsive and interesting to motivate entrepreneurs as well as being in line with the overall economic situation in the country (Singer et al, 2014; Acs, 2007). The CPC aims to create better incentives for entrepreneurs to start their business, generate new knowledge and create more jobs, which contribute to national growth. Also by supporting a creative environment that foster new ideas, they will also become a vital part of the Chinese development and thereby reach the goal to become an innovation and knowledge-driven economy. Since Shanghai is one of the most developed cities in China, it makes good sense to create the best conditions to foster entrepreneurship and innovative development there. However, frontier entrepreneurship requires a lot from the political system, in terms of stronger protective property rights, an impartial legislative system, transparent regulations and processes, freedom of speech as well as multiple sources of idea generators and sparring partners (Huang, 2010). Even though it is a political objective for CPC to foster frontier entrepreneurship, it can be questioned whether China currently has a system that is based on such democratic principles.

In the 13-5 the CPC has also emphasized the importance of opening up and creating international collaborations. Brandtoft stresses this and believes that the governmental changes and investments in entrepreneurship will have a positive effect in a few generations' time, since it will have built a really solid foundation (Brandtoft, 04:38+ 05:49).

The CPC has been loosening up the regulatory process towards entrepreneurship in terms of getting a license. However, the legislative and regulative areas are still defined by high complexity and with a lot of bureaucratic steps to go through. In China, foreigners must apply for an Wholly Foreign-Owned Enterprise license (WFOE) if they want be registered in China. Even though the process of getting one has become easier, it often takes a long time and persistence (UM, 2012, 21; Alding, 35:23). According to interviewees, there are slightly different opinions about how difficult it is to start a business in Shanghai. According to Teisen, foreigners cannot just start a business as easy as locals and have to go through a bureau to do it (08:00). Despite that, he believes that it has become much easier for foreigners to establish a business during his 25 years there. However, Alding, who has been in Shanghai for six months, thinks that the CPC needs to make it easier to establish a business, as it is “absolutely hopeless” at the moment (22:39). Due to the complexity, it is considered

common practice to bend the rules and there is no way of knowing when you encounter a rule that must be followed, and when you encounter one that can be somewhat interpreted - unless you are a local or have the right connections (Alding, 35:23-36:40).

To sum up, despite the CPC's ambition to liberalise the market in terms of regulations and processes, it is still not easy to register a business in Shanghai. Danish entrepreneurs will have to lower expectations and accept different, complex and often slow regulations and processes. As previously mentioned, Denmark is one of the easiest countries in which to start a business, and according to Alding "... *you find out how big the contrasts are, and how much easier it is to be an independent business owner in Denmark compared to China*" (own translation, 24:12). All in all, this prevents frontier entrepreneurship to happen at the same speed as in e.g. Denmark, thus confirming that it requires time and consistency in policy interventions in order to build factors that contribute to frontier entrepreneurial activity (Singer et al, 2014, 20).

## **Cultural and social**

### **National Cultural context**

Recently, a more positive stance has developed towards self-initiative, independence, innovativeness, individual effort as well as creativity. This have most likely also changed the perception and thereby desirability for the Chinese to become entrepreneurs.

For example, previously China did not have a history of perceiving entrepreneurs as someone, who created growth for China. (Huang, 2010). On the contrary, most commentators credit the Government, foreign direct investment and massive infrastructural improvement as the reasons for China's development and growth. However, with the Government's emphasis of innovation through entrepreneurial businesses and success stories such as Alibaba, Tencent and Baidu, it has influenced people's perception and made entrepreneurship more desirable and socially acceptable.

### **Entrepreneurial culture and social norms**

Entrepreneurship has also increased considerably in China during past couple of years and changed the way it is perceived by the public. First of all because the media are portraying it more frequently and in a more positive way. Stories about successful entrepreneurs make the headlines, many books have been written about the subject and TV shows are being broadcasted on TV. Moreover, Chinese scientists have contributed to research about entrepreneurship, which has given it a more legitimate image, too (Yang, 2012, 10).



In terms of culture and language barriers, many experienced entrepreneurs and investors advise foreign entrepreneurs to get a local Chinese partner. All of the interviewees agreed that getting local help to understand the culture, overcomes language barriers and establishes connections that are vital to become successful in Shanghai. Nevertheless, one must be patient and take the time to find the right partner. As Teisen argues *“we need some help, definitely. We need some people to help us read the signs and understand a little bit more. We cannot rely on ourselves ... Coming here alone and trying to do everything by yourself, I think that would be an uphill battle”* (25:32 + 26:57).

Professor and leader of Copenhagen Business Confucius Institute (CBCI), Verner Worm, argues that it is crucial that the ICDK headquarter in Denmark is aware of and take into consideration how demanding it is to enter the Chinese market (Hansen, 2011). Furthermore, it is important to create alignment between the Chinese business culture and foreign business strategy and product offer (Hansen, 2011). It is worth mentioning the Chinese language as a barrier for Danish entrepreneurs. Worm argues that you cannot understand China, if you do not understand the language as a lot of understanding about the business culture is embedded in Mandarin and related Chinese dialects (Hansen, 2011).

### **Competitive forces: direct and indirect**

This is a brief overview of ICDK's direct and indirect competitors in Denmark as well as in China (see delimitations).

Direct competitors are defined as businesses offering the similar services as ICDK (Kotler & Lee, 2006, 31). ICDK's primary competitors are other institutions or people, who offer similar accelerator services to assist Danish entrepreneurs in going to China. Indirect competitors are defined as those businesses or actions that Danish entrepreneurs can use to fulfill the same needs (Kotler & Lee, 2006, 31). ICDK's indirect competitions could be defined as the Danish entrepreneurs, who go to China without using such support services.

In the database, [www.inno-overblik.dk](http://www.inno-overblik.dk), (information about a broad array of different areas related to entrepreneurship), more than 30 accelerator programs exist in Denmark with the purpose of assisting entrepreneurs in going global. Besides this, are all of the additional programmes and support functions. However, ICDK have a competitive advantage and edge, because they seem to be one of the few, who are specialised towards China.

Unfortunately, I have not been able to find a Chinese pendant to [www.inno-overblik.dk](http://www.inno-overblik.dk), so it has not been possible to provide an overview of the international accelerator services in Shanghai. However,

according to O'Connell, who is an employee at ChinaAccelerator, numerous accelerator programs exist that are specialised in guiding foreigners to China, since it is considered to increase the chance of success (O'Connell, 09:24). Some of these accelerators have a very strong position on the market and one of them is ChinaAccelerator. ChinaAccelerator is a part of the Global Accelerator Network (GAN) that has collaboration partners all over the world, along with a vast amount of experience in assisting entrepreneurs in setting up their business in China (O'Connell, 12:27). They offer a very large global Chinese network, a well-structured six months accelerator program, an investor network along with a lot of experience in cross-border entrepreneurship (O'Connell,13:27-27:33). In this way, they have an overall stronger position in the competitive market than ICDK. As a result, it is important for ICDK to monitor and compare competitors and their services, prices, channels and promotion, while at the same time evaluate how their potential customers perceive them compared to competitors. This enables a better choice of marketing strategy and development of a stronger position in the market (Kotler & Lee, 2006).

### **Sub question 1: Why should Danish entrepreneurs consider going to Shanghai?**

Danish entrepreneurs should consider Shanghai if they are confident and hardworking, have a viable idea for the Chinese market and are geared for a fast-paced and competitive environment. Shanghai is the largest city in China with a population of 25 million people and is moreover the most developed and internationally oriented city.

Denmark has a very small domestic market, which hinders many startup businesses from growing into large scale-ups. There is a very broad array of sectors that would be considered small and insignificant niche markets in Denmark. However, given Shanghai's large size and considerable market volume, some very interesting, large and potentially profitable markets exist there.

As mentioned previously, the CPC emphasize their ambition in the 13-5 plan to develop China into an innovation-driven economy and secure a slower but more sustainable growth to overcome current national challenges. This creates opportunities that are targeted to a very large spectrum of Danish businesses, research institutions and knowledge-creators. It is worth highlighting sectors such as urbanisation, environmental solutions, life-science, cleantech, welfare- and health technology, ICT, as well as consumer goods.

On the downside, Shanghai's increased popularity has also resulted in a highly competitive market, and it takes a great deal of effort to achieve success in the market. In terms of investment, it is a

general presumption that there is a lot of capital in the market, however it is getting increasingly difficult to get. Danish entrepreneurs must therefore bring enough capital to enter and establish themselves on market and wait to seek funding until they have proof of concept in the Chinese market.

The general population in Shanghai has an overall positive stance to western foreigners and entrepreneurship. The entrepreneurial ecosystem is also sophisticated with a lot of entrepreneurial hubs and network communities. Moreover, the many different support functions in terms of accelerator programmes can assist entrepreneurs in making market research, which is considered vital to success. Also, such services help pave the way through a complex legislative system, understanding the culture and meeting valuable business associates. The perks of being a part of the entrepreneurial ecosystem are easier access to knowledge-exchange from like-minded people. It is not recommended that Danish entrepreneurs go to China on their own, since Shanghai is so competitive, different and complex to navigate in.

## **CHAPTER 5.**

### **5.1. Marketing objectives and goal formulation**

The following is a formulation of ICDK's marketing objectives and goals. They act as the "guiding stars" for the marketing strategy, and are based on ICDK's key strengths and capabilities in relation to market opportunities, barriers as well as competitors and in accordance with their overall KPI's (see appendix I) (Hollensen, 2015, 250; Kotler & Keller, 2012, 52).

There is a difference between marketing objectives and marketing goals. Marketing objectives are detailed and express a desired behaviour or action, change in brand image or increased knowledge. Simply put, the marketing objective should state what ICDK wish to achieve with their "Partnership Model". Marketing goals are the realistic, quantifiable and measurable expressions of the marketing objectives that should be achieved within a certain period of time (Kotler & Lee, 2006, 284).

### **5.2. Analysis of Marketing Objectives and Goals**

#### **Marketing Objectives**

ICDK's main objectives are to create brand awareness and preference, along with customer satisfaction, retention as well as loyalty (Hollensen, 2015, 253). As stated in their mission, ICDK aim

to assist entrepreneurs, who consider going to China. Furthermore, Brandtoft emphasize how they, to a larger degree, wish to build stronger relationships with the Danish entrepreneurs and related partners in China. In addition, and as a part of creating awareness, Brandtoft wants to promote China as an interesting business opportunity within a broad array of sectors. According to the relationship approach, competitive advantage is to a larger degree a question of customer perception rather than actual reality (Hollensen, 2015, 251). This also means that creating a strong image in the minds of the Danish entrepreneurs is important to success. Consequently, ICDK can benefit from getting a very close relationship, based on mutual respect, dialogue and feedback, to make their services better and accommodate rising issues and existing barriers (Hollensen, 2015, 251).

ICDK also have an indirect objective to foster international frontier entrepreneurship as part of the Danish Government's national growth strategy. ICDK's priorities and initiatives towards the services, offered to Danish entrepreneurs, are in accordance with the overall government's strategy to enable Danish growth via innovation, international expansion and cross-border collaboration (Appendix I).

As analysed in the SWOB, ICDK have some significant strengths and resources available to them to achieve mentioned objectives. 1) They are supported by the government, 2) they are present in an interesting growth market, 3) they have skilled Chinese employees specialised within ICT, life-science and clean-tech sectors and 4) a large network of valuable collaborative partners, providing them with capabilities to become skilled and knowledgeable partners for the Danish entrepreneurs.

ICDK have a weakness in terms of being confused with the Trade Council. Furthermore, they do not appear to have formulated a specific target group and as a consequence risk to assist seemingly irrelevant clients outside of their scope. As mentioned, a marketing strategy and more explicitly stated marketing goals could enable a more focused and clear purpose with their "Partnership Model" aimed at the Danish entrepreneurs. When held against market opportunities and barriers, these strengths and capabilities are all part of formulating ICDK's objectives and goals. The following objectives are formulated upon ICDK's need for long-term growth, development of existing market, as well as a combination of profit versus nonprofit societal goals (Kotler & Keller, 2012, 52).

1. Create awareness of China as an interesting partner and business opportunity for Danish entrepreneurs - especially within clean-tech, life-science and ICT.
2. Strengthen the ties and increase collaboration between Denmark and China, especially within innovation-creation, knowledge-sharing, education and science.
3. Position ICDK as a valuable and preferred partner in assisting Danish entrepreneurs in terms of access, explore, engage and potentially establishment in China.

4. Get an extensive knowledge of the investment opportunities for foreigners in China and collaborate with potential liaisons in that network.

## Marketing Goals

ICDK have 11 key performance indicators (KPI's) upon which they measure their overall annual performance, delivery and success (Appendix XC). They have an overall earnings target (before deduction) in 2016 of 2.100.000 DKK. They currently do not measure specifically on entrepreneurs, since all of their clients are accumulated and measured as one group (Appendix G).

The following marketing goals are specifically formulated towards ICDK's targeted entrepreneurs, who are interested in the Chinese market. They are arranged hierarchically according to importance, they are measurable, realistic and in accordance with the overall objectives (Kotler & Keller, 2012, 52). If ICDK achieve their goals, they are closer to creating a positive image, increase satisfaction and create relationships based on mutually beneficial value. The following goals are based upon ICDK's mission, the general KPI's, marketing objectives, as well as their strengths and weaknesses:

Goal	Goal Specifics
1. Assist entrepreneurs, who have bought services from the "Partnership Model".	30 companies, min. 15 targeted entrepreneurs
2. Host larger Ecosystem Tours and Innovation Camps for relevant Danish entrepreneurs in China.	Min. 2 tours/camps.
3. Host/participate in promotional activities in Denmark and China to advertise for opportunities in China and ICDK's services.	Min. 6 events at relevant places for entrepreneurs
4. Participate and engage actively in networks that foster international entrepreneurship and promote bilateral research collaboration within sectors: education, clean-tech, life-science and ICT.	Min. 10 related networks/fora in Denmark and China
5. Create and maintain a portfolio of Chinese partners/consultancies, who act as points of entry, cultural- and	Min. 50 Chinese partners

language link, investors, to provide more in-depth knowledge and information about China.	
6. Engage alumni in advisory boards, network sparring, angel investments and/or entrepreneurship activities for Danish entrepreneurs.	Min. 25 Sino-Danish Alumni
7. Solve science and higher education related tasks for researchers and businesses.	Min. 15 tasks
8. Promote Denmark as a knowledge society in relevant Danish and Chinese media.	Min. 15
9. Measure satisfaction percentage of all paying and non-paying entrepreneurs.	Min. 75 % indication of very high satisfaction of provided services

## CHAPTER 6.

### 6.1. Segmentation

Segmentation is the process of dividing the market into smaller groups, where people have similar needs and characteristics, which arguably make them respond in similar ways to ICDK's service offering and strategic marketing programme (Hollensen, 2015, 290). Naturally, these groups are not static and will vary both in size and opportunity over time and depending on the market situation. According to Hollensen, there are five factors that must be evaluated to make an effective market segmentation. Those are *assessment of adequate size, measurability, accessibility, responsiveness, and compatibility* (2015, 293). Since ICDK is targeting a B2B market, the following will therefore focus on that segmentation process (Hollensen, 2015, 294). Compared to B2C segmentation, the B2B market is often more difficult and less transparent to segment.

Wind and Cardozo (1974) propose that segmentation should happen through an outside-in approach, where macro-level segmentation leads to more sophisticated micro-level segmentations (in Hollensen, 2010, 295). The macro-segmentation is an evaluation based on ICDK's situation and market position (Hollensen, 2010, 295). The micro-segmentation requires a higher degree of market knowledge, focusing on the characteristics of decisive factors within each macro-segment. This

includes factors such as variables within ICDK, buying decision variables, perceived importance of the purchase and attitude towards ICDK (Hollensen, 2010, 296).

In relation to the traditional macro/micro level segmentation process, the two-step approach by Freytag & Clarke is becoming increasingly popular within the relationship approach, since traditional segmentation can be very time consuming, costly and require a lot of effort to do in praxis in an ever changing market (2001, 475-476).

In this simpler two-step selection process, first ICDK must choose attractive future segments for further evaluation. Segments need to be selected where the company can create competitive advantages and gain the position in the segment they aim for (Freytag & Clarke, 2001, 481). Second, ICDK must involve the target segments in terms of entrepreneurial businesses and related parties and try to understand their individual needs and wants (Freytag & Clarke, 2001, 476). In this process, ICDK must aim to find the most optimal match between the Danish entrepreneurs' demands and their own capabilities and objectives. By doing that, target segments are formed in the interaction and relationship between ICDK and the Danish entrepreneurs. The process becomes mutually beneficial, since ICDK will have a better understanding of what the Danish entrepreneurs actually need, and ICDK will be able to make the right adjustments. Consequently, the Danish entrepreneurs will have a better outcome and satisfaction, resulting in willingness to participate in the program (Freytag & Clarke, 2001). This synergy also provides a better incentive to create a long-term relationship (Freytag & Clarke, 2001, 477; Hollensen, 2015, 307).

The following segmentation and targeting analysis are a fusion of those two approaches, since the first one, in a traditional approach, would be too time consuming and require more in depth data than what has been conducted for this thesis. The second approach might be a little too loosely defined since ICDK is a public institution and therefore subject to the Government's strategic objectives as well.

## 6.2. Segmentation analysis

By dividing the market of Danish entrepreneurs into smaller groups of similar needs and characteristics, ICDK will have a clearer overview of how they should position themselves and their services in the most optimal way to achieve their objectives and goals. Segmentation is therefore important according to Freytag & Clarke because *“It normally would be impossible to have a close relationship with every customer, so strategic decisions need to be made concerning with whom, how close, when, and for what purpose the relationships will be”* (2001, 476). The following macro-level segmentation analysis is based upon Hollensen’s five factors for effective segmentation; *adequate size, measurability, accessibility, responsiveness, compatibility* (2010, 287).

In terms of adequate size, the entrepreneurial ecosystem in Denmark has grown considerably over the past 5-10 years and it has become more popular and easy to be an entrepreneur. Since Denmark is an innovation-driven economy, they are also dependent on generating national growth through innovation and knowledge-creation and in fostering large scale businesses. The Danish Government aims to foster such entrepreneurs by making advantageous policy and support for them. Hence, Denmark is also more depending on frontier entrepreneurs to create a society that is in continuous development and characterized by the production of innovative and highly advanced products/services in an international scale (Brandtoft, 02:33; Porter et al, 2002, 17).

Denmark is globally known for its high level of research quality and ability to generate new knowledge and solutions, especially within environmental sustainability, green energy, life-science, medicine and pharma as well as education technology (ICDK, 2015, 6-7+ 11). Denmark is especially acknowledged within cross-border collaboration between researchers and businesses, as it is known to increase the quality (ICDK, 2015, 7). The Danish Government has invested a lot of money (3.1 % of gross domestic GDP) into Danish research and development to generate innovative growth. Also, Danish universities and science communities have also contributed to the development of the ecosystem by establishing innovation labs for entrepreneurs within research and development (Olesen, 21:22). Favourable policies, support systems and positive media attention are arguably also part of generating higher acceptance, interest and willingness to become an entrepreneur. So, since entrepreneurship is becoming increasingly popular, there are also an increasing number of entrepreneurs within the segments relevant to ICDK.

Regarding measurability, there are numerous different networks, communities, cluster and places that could host entrepreneurs within relevant R&D sectors, according to inno-overblik.dk. However, an actual measurability of the market requires more in-depth investigation. ICDK must conduct

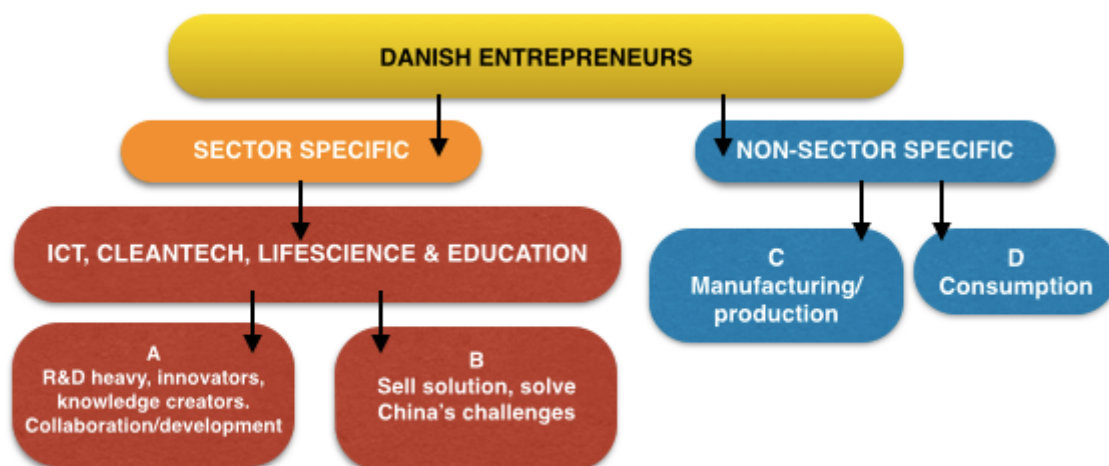


further research to find the most relevant places, network, science parks, university innovation hubs etc. to evaluate where it makes sense to promote themselves.

The Entrepreneurial ecosystem in Denmark is generally very open-minded and accessible. It is defined by networking and knowledge-sparring. In terms of responsiveness, the Danish entrepreneurs have a lot of opportunities related to support services, which may make them accustomed to many different offers and high quality. Consequently it is important that ICDK position themselves specifically aimed after their interests and needs and continuously adjust their services after that.

At the moment, it appears that ICDK has an overall positive image, however has a very broad and non-defined customer segment, and as a consequence risks to lose focus and not be perceived as the specialised entity they aim for (Jensen et al, 2015). This is evident due to the fact that several entrepreneurs have a problem of distinguishing ICDK from the Trade Council (TC), and they are often referred to as the same. Also, by spending time and resources on helping a entrepreneurs, who are outside of their scope, they risk to waste resources and perhaps do not have the capabilities required.

This confusion does make sense, since the TC and ICDK share office in Shanghai, they offer very similar services and are both assisting Danish businesses in going to China. Furthermore, they are a sort of sister institutions, who are both working under the UM as a part of the political objective to act as the entrypoint and value adding partner for the Danish public. What distinguishes ICDK from the TC is that ICDK works as a collaboration between the UM and UFM, while the TC is only a part of the UM. This means that ICDK's primary focus is towards activities that have an innovative, research- and development, educational and/or knowledge creating orientation. That is not TC's purpose, since they focus their services primarily to Danish businesses within commercialisation and consumer market opportunities in China.



Based upon the above, the overall segment is the Danish entrepreneurs, in which ICDK is currently assisting two broad segments. The first consists of sector specific entrepreneurs within clean-tech, life-science, ICT as well as higher education and science. This segment has two primary sub segments being (Illustrated in model 1):

- A. Entrepreneurs within research, technology and development, innovative knowledge-creating solutions, that are looking for further development of their product, service or solution.
- B. Entrepreneurs with a commercial product/service that are relevant to become a remedy for China's challenges within related mentioned sectors.

The second segment is defined by entrepreneurs, who are merely looking for business opportunities in the Chinese market outside of ICDK's mentioned sectors. They also consist of two sub segments:

- C. Entrepreneurs within manufacturing/production businesses.
- D. Entrepreneurs, who sell consumer goods/services.

To differentiate themselves from TC and other directly related competitors, ICDK must target a more narrowly defined and specific group within the overall entrepreneurial ecosystem in Denmark. By defining a specific target group, ICDK have the ability to position themselves in a clear, coherent and well-balanced way. This is also a way to provide a stronger basis to argue for their relevance and existence in the market as well as develop their services to better fit the targeted entrepreneurs. It will also make it easier in terms of promotion activities that they know who they are specifically aiming to reach. Lastly, it also allows a closer relationship to develop and exist, since targeted entrepreneurs arguably will match ICDK's capabilities and purpose better. This enable an assessment of the

compatibility between ICDK, their services in the “Partnership Model” and the targeted Danish entrepreneurs (Hollensen, 2010, 287; Freytag & Clarke, 2001, 477).

### 6.3. Targeting

After dividing the market into segments, each segment are evaluated to enable the decision about how ICDK can position themselves to specifically relevant entrepreneurs (Kotler & Lee, 2006, 285). According to Hollensen, the targeting is “*the process of dividing a market into groups of potential customers who are similar in needs, expectations and response to marketing stimuli*” (Hollensen, 2010, 300). Since it is impossible to satisfy all of these segmented groups, ICDK must choose a few of them (Hollensen, 2015, 291, Freytag & Clarke, 2001). Based upon segmentation, target segments are chosen and an undifferentiated, differentiated or concentrated marketing targeting strategy developed (Hollensen, 2010, 302-303).

### 6.4. Targeting analysis

The following analysis involves the second step in Freytag & Clarke’s two step approach and develops from the macro-level segmentation analysis to a micro-level targeting perspective.

Despite being an interesting market with many opportunities, Shanghai is also very competitive. Given ICDK’s capabilities, purpose and aim to form mutually beneficial relationships with Danish entrepreneurs, this indicates that ICDK should narrow their target down to assist only the sector specific entrepreneurs A + B (Model 1). The merely commercially focused entrepreneurs within manufacturing and consumer goods is out of ICDK’s scope and risk to blur their image. By focusing on the sector specific R&D entrepreneurs, ICDK can create a better understanding of what the entrepreneurs actually need and can adjust their services accordingly to meet them. This synergy also provide a better incentive to create the long-term relationship that ICDK are aiming for.

It is feasible for ICDK to target entrepreneurs within relevant R&D markets in mentioned sectors through a concentrated (niche) marketing approach, that “*involves serving one or more segments, while not the largest, consist of substantial numbers of businesses seeking somewhat specialised benefits from a supplier*” (Hollensen, 2010, 303). The advantage of a concentrated marketing strategy is that every target group has their needs and wants satisfied to a larger degree than if ICDK used an undifferentiated strategy. The disadvantages are that it can be more time consuming and costly (Hollensen, 2010, 302).

In terms of characteristics that are similar in both R&D sub-target groups (A and B in model 1.), the entrepreneurs within sector relevant R&D businesses should be no more than five years old, have reached a certain size on the Danish market, have proof of concept and some financial resources available either in terms of funding or revenue from Denmark. Consequently, this will make them better suited to enter a competitive and complex market in Shanghai. Furthermore, they should be frontrunners in terms of developing solutions that can be a part of solving the challenges in China, for example in terms of sustainable energy, innovative healthcare system or tools to improve the education system. According to the Oxford Research report, ICDK currently support clients that have little or no prior experience in navigating in China (2015, 7). ICDK can add value by helping targeted R&D entrepreneurs both in sub-target group A + B in understanding the Chinese market and innovation systems. Moreover, they can introduce clients to relevant networks and provide the platform to establish joint collaboration with local businessmakers as well as research partners (Brandtoft, 41:11+ 47:06; Jensen et al., 2015, 7).

## 6.5. Positioning

When the target market has been identified, described and understood, a proper positioning can be developed (Hollensen, 2015, 303; Kotler & Lee, 2006, 286). Positioning is the process of creating a favourable image of ICDK and their entrepreneurial services, also compared to that of the competitors (Hollensen, 2010, 303). The positioning is therefore the perceived match between ICDK's services and the targeted Danish entrepreneurs, and is formed as the value proposition (Kotler & Lee, 2006, 286).

ICDK must describe the potential benefits the entrepreneurs receive when buying the services (Kotler & Lee, 2006, 285). The positioning strategy aims to create higher preference, a better image and thereby loyalty over competitors within the target group (Hollensen, 2015, 291). ICDK can appeal to the Danish entrepreneurs in the target segment by adjusting their services, prices, promotional campaigns and distribution channels in the marketing mix (Hollensen, 2015, 291).

The positioning can be aimed at an overall brand-level, where ICDK as institution is positioned, while also be at service-level, where the service packages are positioned (Hollensen, 2010, 303). By including an assessment of how competitors in the market are perceived relative to ICDK, they can get an understanding of how to position (or perhaps reposition) themselves to get a competitive advantage (Porter, 1985). The analysis of ICDK's positioning strategy has been incorporated into the marketing mix and is analysed in the section *Promotion, People & Process* (see chapter 7).

## CHAPTER 7.

### 7.1. Marketing Mix: the 7 P's

The marketing mix model is the tactical level that defines how ICDK can establish, develop and manage their relationship to the targeted R&D entrepreneurs. The original Marketing Mix by Porter consisted of four P's: *Product, Price, Promotion and Place* and was developed in 1985, as an effective tool for B2C manufacturing businesses to influence their customers (Porter, 1985; Hollensen, 2010, 360). However, B2B businesses depend much more on having a valuable relationship with their customers and often sell services instead of physical products. Booms & Bitner extended the original marketing mix model by adding three extra P's: *Participants, Physical Evidence* and *Process* to better match with B2B businesses that work within the relationship approach (Booms & Bitner, 1981). The following is a review of the key elements that affect ICDK and its Partnership Model and through the 7 P's evaluate whether the different elements are aligned and enable the position ICDK aims for.

### 7.2. Products/Services

The product/service P is defined as anything that can be sold or offered to a market to satisfy a want or need (Kotler & Lee, 2006, 33). There are three levels of the product: *core product, actual product and augmented product* (Kotler & Lee, 2006, 47-50). Product is referred to as service in the following. The *core service* consists of the highlighted benefits the target audience will get when acting. The *actual service* is the different aspects and features, such as quality, design, features, options, size and name associated with the service. The *augmented service* is any additional features, objects and/or services that ICDK can include to add perceived value to the service (Kotler & Lee, 2006, 47-50, 287). ICDK must consider all three product levels in their Partnership Model to Danish Entrepreneurs, while at the same time consider the intangible values and additional components that affect the Danish entrepreneurs such as atmosphere (Kotler & Lee, 2006, 34). The better consistency between the communicated quality and value of the service, with the actual quality and value the entrepreneurs feel they get, naturally create the most satisfaction (Hollensen, 2010, 395).

#### Product/services analysis

ICDK offers a wide array of different services to entrepreneurs that were recently structured in the "Partnership Model" (Appendix H). According to Brandtoft, the Partnership Model is a visualisation of the natural steps an entrepreneur must go through, and is in constant development based on customer and partnership feedback (39:26; Appendix G). The Partnership Model is very much

inspired and to some extent similar to the ScaleIt programme, which are offered by the Innovation Centre in Silicon Valley.

The actual services are divided into four modules; *Access*, *Explore*, *Engage*, and *Establish* (Appendix H). Each of these modules have specific services ranging from very early stage knowledge about the market in China towards assistance with an actual establishment in China. Furthermore, between each module there is a *go / no go* evaluation meant as an assessment of whether it makes sense to continue the process or not. The different names of the modules reveal what the foci are. Every service starts from the bottom of the module and move upwards in a constant evaluation of what makes sense for the entrepreneur to participate in and thereby spend money on. All of the different services can be found on their webpage. However, the information is very general and does not inform about the actual benefits that the entrepreneurs gain from buying them (Brandtoft, 40:14). This means that the entrepreneurs have to contact ICDK to find out what the core of the services have to offer in terms of benefits or increased value. Despite not being directly stated on their webpage, Brandtoft emphasizes their ambition to create relationships and provide additional value, "*we (ICDK) do not sell innovation-packages, we sell value creation*" (Appendix G).

The following is a short outline of the different modules and their foci based upon my understanding, the information on ICDK's webpage and the interview with Brandtoft.

The first module, *Access*, is the initial assessment of the attractiveness of the Chinese market and how the Danish entrepreneur's business potentially fits with the Chinese market.

In the second module, *Explore*, ICDK offers to conduct a more indepth analysis of the different market opportunities and barriers. If there is a larger degree of realistic opportunities compared to barriers, the ICDK offers to take the entrepreneurs on a so-called *Ecosystem Tours*, *Innovation Camps* or *One-To-One* in China. Furthermore, they also offer a *Value Proposition Testing* to see, whether the entrepreneur's business match or can be adjusted to the Chinese market.

The third module, *Engage*, has more sophisticated service offers. This is where the entrepreneur has learnt more about the Chinese market, as well as how to potentially pursue the business opportunities while minimizing the risks. ICDK offers a wide range of services in this module, where the first is a *Virtual Representation and/or Physical Incubation* in one of their few incubator spaces situated next to their office. The second layer is an evaluation and fine tuning of their *Business Model and Organisational Strategy*. Also, ICDK offers to identify potential partners and host matchmaking sessions between potential collaborative parties. The fourth layer of the Engage module is *Funding*

*and Strategy*, to evaluate funding opportunities. The top layer is the opportunity to get an *Advisory Board* that assists the Danish entrepreneur with knowledge and experience as to how to manoeuvre in the market.

The last module *Establish* is the actual establishment in China that hopefully happens as a result of ICDK's services and guidance. ICDK still acts as a supporting partner where needed, however this is where the entrepreneur must fly from the nest and accelerate the business on his/her own.

### **7.3. Price**

The Price P is the actual price of the product, but also includes what the Danish entrepreneur offer in the exchange process - meaning non-monetary costs such as time, efforts, psychological risks or any physical discomfort (Kotler & Lee, 2006, 34).

Customers in the B2B market are often very price and cost conscious, and ICDK must consider how to communicate the price of the services in the most optimal way (Hollensen, 2010, 453). Since finance is often the primary concern for young startups, they are most likely also very price sensitive.

#### **Price analysis**

It has not been possible to obtain information about the prices of the individual services, since it is individually determined based on how many of the services the entrepreneurs want and how many hours ICDK is going to spend. However, on their webpage, it states that some of the services are free, and the entrepreneurs can get a 70 % subsidy on some of the services such as an *Innovation Camp and Ecosystem Tour*.

In terms of non-monetary cost, the Danish entrepreneurs must be aware of the required amount of time as well as hard work it requires to become successful in Shanghai.

### **7.4. Place & Physical Evidence**

The Place P is the distribution channels, ICDK presents their services to the targeted R&D entrepreneurs (Kotler & Lee, 2006, 105, 287). The distribution channels are the *where, when and how* entrepreneurs access the offered services. Convenience of access is often one of the most important considerations for customers when deciding among competitive alternatives - both direct and indirect access (Kotler & Lee, 2006, 35, 287). Today, the internet has a global reach and is furthermore borderless, cost effective and can serve as a valuable medium to promote the services (Hollensen, 2010, 415). It also allows for institutions and customers to engage in many ways, which create data that can be very valuable to gather knowledge and measure the effect of the marketing

effort. Digital networks allow the institutions, such as ICDK, to engage with a much larger customer base, while also form a closer relationships and communicate with the customers (Hollensen, 2010, 415).

A service is to a great extent something intangible, as it is not possible to experience a service before it is delivered, unlike with physical products (Hollensen, 2010, 357). To accommodate the customers' hesitation to buy something they do not know the quality of beforehand, the ICDK must present physical evidence to convince the customers of the value they receive, when buying the service package. Arguably, the physical evidence, such as an impressive website or office space, are parts of creating reassurance and credibility of the services' value (Hollensen, 2010, 356; Booms & Bitner, 1981).

## **Place & Physical Evidence analysis**

The following is a fusion between the two P's; Place and Physical Evidence that is going to evaluate the usefulness of ICDK's current distribution channels that they use to sell their Partnership Model.

### **ICDK's webpage as primary distribution channel**

Currently, ICDK's webpage is the main distribution channel, where entrepreneurs can obtain some information about the services. At the front page of the general Innovation Centre Denmark webpage, there is a subpage under "*What we offer*" that is called "Entrepreneurship" with the text (ICDK, 2016c):

#### ***Entrepreneurship (headline)***

*We guide you to research and key players in order to grow*

#### ***Partners, funding and scaling opportunities (Sub headline)***

*We help you find partners, funding, and scaling opportunities in one or more of our six locations through meetings, seminars, and networking with key players. We assist you in managing your start-up business, raising capital, and adapting your technology and business model to a foreign market.*

Without further guidance where to find more information, interested entrepreneurs must go to another subpage called "*SMEs and startup tools*", to find additional information about the services ICDK offer (ICDK, 2016d). These are presented under sub-subpages called "*Innovation Growth*",



*“Innovation Package”, “Innovation Package”, and “Science and technology scouting delegation” (ICDK, 2016d).*

Every centre has an individual subpage for each of their global destinations. On the subpage page for the centre in Shanghai, there is a submenu in the left side, with information about “Activities”, “Newsletters”, “Innovation reports”, the “Partnership Model”, as well as their education- and career initiative “Top Talent Denmark” (ICDK, 2016e). At the subpage “Partnership Model”, there is an illustration of the Partnership Model aimed at Danish entrepreneurs and SME’s with a short text about how ICDK aims to assist “start-ups, spin-offs and SME’s to accelerate successful entry into the Chinese market” (ICDK, 2016e) (Appendix H). There is no additional information or links to follow, and interested entrepreneurs must either contact the ICDK in Shanghai directly or go (back) to the main page and find the specific services under above mentioned sub-subpage “SMEs and startup tools”.

### **Social media distribution channels**

Innovation Centre Denmark uses social media in terms of a LinkedIn page, where every centre has an individual showcase page to promote all of their activities and push general news about innovation related activities. ICDK in Shanghai post approximately 3-5 posts each month. In comparison, the Centre in Silicon Valley post almost every day and often with a larger focus on and relevance to entrepreneurship.

### **Other distribution channels**

ICDK has several other channels to use apart from their own webpage and LinkedIn, e.g. the Ministry of Foreign Affairs and Ministry of Higher Education and Science webpages. However, ICDK is not very active at promoting themselves here, at least not related to entrepreneurship.

### **Evaluation of Product, Place & Physical Evidence**

It can be discussed whether ICDK uses their distribution channels to the fullest potential in terms of creating a favourable positioning of themselves and whether they are doing it through the right channels to reach targeted R&D entrepreneurs.

The structure of their webpage appears very complex and it is up to the individual to find out how the different services and Partnership Model are connected. Since convenience is mentioned as one of the important aspects of a creating a favourable image, this level of complexity and lack of additional information about the services do not make a very strong value proposition. It appears too confusing to navigate in and as a consequence risks to discourage rather than spur interest from

potential clients. As a minimum, there should be some connecting links between the different subpages to improve transparency and ease of use. Since the Partnership Model is a “pick- and-choose” model, it would make sense to provide more detailed descriptions of each of the offered services, perhaps as a subpage to the Partnership Model. If they aim to position themselves as reliable, highly skilled and knowledgeable partners that sell services that is going to make it easier for Danish R&D entrepreneurs to enter the Chinese market, there is a gap between what they aim for and how they actually present it. Since the entrepreneurs do not know the quality of the services beforehand, their representation of the Partnership Model and services are a part of reassuring and convincing the potential customer about the level of quality. This also means, that the physical evidence to prove the value of the services, is actually part of the service (Hollensen, 2010, 356).

Entrepreneurs depend and work through networks. According to Alter, it takes time and careful planning to get involved in social media (2013). By knowing how the targeted R&D entrepreneurs act and what they expect from the Partnership Model, ICDK can choose the most optimal channels and leverage their effort to create the greatest return on investment (Alter, 2013). There is significant differences between different social media channels such as Facebook and LinkedIn. Facebook, for example, is a social network platform, that is designed to encourage people to share, network and communicate in various networks. LinkedIn on the other hand, has a reputation for being primarily aimed at the professional network between business professionals (Alter, 2013). Since LinkedIn generally appeals to a professional business community, job seekers and corporate recruiter, it might not be the optimal way to reach targeted entrepreneurs, create a voice and generate word-of-mouth (WOM) and word-of-web (WOW) promotion. Perhaps other channels, such as Facebook or science related entrepreneurial networks would be more effective for ICDK to use.

## **7.5. Promotion, People & Process**

The Promotion P is where *key messages*, *messengers* and *communication channels* are decided upon (Kotler & Lee, 2006, 288). This is where ICDK merges the knowledge from the other P's and secure coherence into how ICDK can communicate about their services to their targeted R&D entrepreneurs. The promotion is where ICDK informs, educates, and persuades Danish entrepreneurs and other involved stakeholders about the Partnership Model through communication (Hollensen, 2010, 491). In the relationship approach, communication is not one-way but two-way, as receiving feedback is just as important as sending messages. There is an increasing tendency for institutions to use integrated marketing communication (IMC), where the communications to different stakeholder groups are aligned, directly and indirectly, in a unified way. The communication efforts can be used to create *awareness*, *interest*, *desire* and thereby *action* with the customer (Hollensen,

2010, 491). This is also referred to as the AIDA model. According to this model, advertising can be strong enough to change people's attitudes to persuade them into buying the services (Hollensen, 2010, 493). However, the AIDA model does not take time, experience, history or brand image into consideration, which are also influencing the customer's decision making process (Hollensen, 2010, 492). Furthermore, the increasing amount of "noise" from competitors in the environment risks to dilute the message (Hollensen, 2010, 494). The mission is to ensure that the target audience knows about the offered service, believe that they get the benefits offered and are convinced to act (Kotler & Lee, 2006, 35).

The *People P* was originally called participants, but has been renamed to *People*. The People P defines the human actors that play an important part in the service delivery. Naturally, the employees of ICDK are a large part of influencing how Danish entrepreneurs are going to perceive ICDK and the services they offer. Since the services ICDK offer requires a high level of contact, it is important that they have the skills, knowledge and experience to meet the entrepreneur's expectations (Hollensen, 2010, 356, Brooms & Bitner, 1981).

The *Process P* is how the service is provided to the customers. It is the mechanisms, flows and procedures of activities that define how the service is acquired and when it is delivered (Hollensen, 2010, 356).

### **Promotion, People & Process analysis**

The following is an analysis and evaluation of the promotion strategy ICDK uses to promote themselves and their Partnership Model, and whether it makes sense for them to use a different approach (Kotler & Lee, 2005, 136, Hollensen, 2010, 495). The three P's Promotion, People and Process have been merged due to their interrelatedness, to provide the most coherent and in-depth understanding.

According to Kotler & Lee, the word, promotion, is used to create persuasive and effective communication (2006, 138), which is what ICDK should aim for, to ensure that the Danish entrepreneurs know about them and their services, believe they will achieve the benefits they are promised, and consequently are inspired to participate in the program.

According to Brandtoft, ICDK aims to create a closer relationship with the Danish entrepreneurs. Through the Partnership Model, they aspire to go into dialogue with the individual entrepreneur to enable identification and achievement of their goals and help them to success in China (Brandtoft, 29:53-33:57). ICDK is also indirectly doing this to achieve their goals to increase innovation and knowledge-sharing and create national growth for Denmark.

### **Positioning strategy and key messages**

According to the Henry, O'Connell, Teisen and Brandtoft it is important for the entrepreneurs to have a clear strategy to enter the market in Shanghai based on an in depth market analysis. Too many entrepreneurs do not do that and that will make it very difficult to achieve success in Shanghai. ICDK's key messages should be framed in such a way that will make the receivers believe that they can provide long-term value in terms of being a highly-skilled, knowledgeable, reliable and specialised partner (Brandtoft, 29:53-33:57). A partner, who opens all the right doors, has several years of experience in Shanghai and makes it possible to give the targeted Danish entrepreneurs the most optimal start in a complex and competitive market like Shanghai.

Moreover, ICDK should also communicate their value in terms of being part of a broad array of relevant networks and collaborate with various business liaisons, who can act as additional sparring for the Danish R&D entrepreneurs. Furthermore, they should present their unique setup of being a government supported institution that connects Danish R&D entrepreneurs with relevant Chinese counterparts in some of the innovative and knowledge intensive hotspots in Shanghai (ICDK, 2015, 8).

ICDK should also communicate how relevant they are in Shanghai right now. During the next five years, the Chinese Government is going to have a large focus on and investment in fostering innovation to create solutions to their national challenges (Li, 2016). Furthermore, they have emphasized their wish to collaborate with foreign entrepreneurs, especially within sectors that generate solutions to their challenges. This provides an excellent opportunity for ICDK to position themselves as the entry point to tap into a fast-paced development within sectors that is even supported by the CPC.

In terms of the services in the Partnership Model, ICDK should communicate how they can assist the entrepreneurs through a process that has a broader scope and long-term additional value creation (Brandtoft, 33:57). They should also communicate how the services can be customised to fit the individual R&D entrepreneur, to provide the most optimal way for them to achieve their ambitions in Shanghai. The different modules in the model are visualisations of the natural steps most entrepreneurs go through. ICDK could promote the services as a way for the entrepreneurs that prevents them from being derailed, due to the vast amount of different opportunities they are going to meet in Shanghai (Brandtoft, 39:26-42:35). Brandtoft refers to the business process an iterative process, where there is a constant evaluation to provide the most optimal solution for the

entrepreneurs (34:29). Another selling point is the price. Since ICDK is a government supported institution, it is possible to get a 70% subsidy on many of their services.

ICDK should be aware of what the two R&D sub-targeted groups (Model 1) actually want and need to become successful in Shanghai. This knowledge should be found through a thorough analysis of the target group and used to optimise their services to better fit these entrepreneurs. The entrepreneur is likely to be deeply personally engaged in their own business. According to Jens, many entrepreneurs have a lot personally invested and at risk in their businesses, which makes failing that much harder compared to e.g. being an employee in a large corporate business (Olesen, 17:19-17:51). That risk averseness and fear of failure might even be higher when it comes to considering a market like Shanghai. This is exactly what ICDK must frame in a way that positions them as the bridge between Denmark and China that knows all the critical elements of success and have a network that enables it. ICDK should position themselves as the partners to learn from and lean on to accommodate the fears and make the entrepreneurs less risk averse.

Since it is ICDK's ambition to sell themselves as a knowledgeable partner, they must also project such an image. This means, that the key messages mentioned above should be held in a wording to spur the interest of the entrepreneurs, while still be informative about the many opportunities in Shanghai. Presumably not many entrepreneurs are aware of the actual opportunities they can pursue within R&D in Shanghai or China.

## **Channels**

Following distribution channel decisions are evaluated based on *reach, frequency and impact* (Hollensen, 2010, 501). Since ICDK works as a collaboration between the Ministry of Foreign Affairs and Ministry of Science and higher Education, they already have a legitimate foundation to build upon. Furthermore, by being a public institution they also have many related networks within their disposal such as science parks, innovation hubs, university incubators and research clusters.

It is highly recommendable that ICDK considers to allocate some more resources to either update the content on their current webpage or find inspiration from the similar program "ScaleIt" that has a webpage aimed specifically towards relevant entrepreneurs and stakeholders. Assumably, this could accommodate some of the risks in having everything in one website and create a better match between ICDK's services and targeted entrepreneurs.

Entrepreneurs rely very much on their individual networks to get support, find information, capital, skill as well as employees (Greve & Salaff, 2003, 2+16). These social networks are in constant state of flux of changing patterns, participants and popularity, and ICDK could benefit by continuously evaluate what the most popular and relevant channels are to reach relevant entrepreneurs. ICDK

should consider to tap into relevant networks because of the useful properties they have. Moreover, the many different actors and stakeholders in these networks could provide useful feedback, for ICDK to improve their Partnership Model to create more value for entrepreneurs (Greve & Salaff, 2003, 3, 16).

Currently, ICDK uses social media in terms of a overall LinkedIn showcase page to post content on. The question is, whether the Danish entrepreneurs that ICDK aims to reach is using LinkedIn or might prefer other social media such as Facebook. As with their webpage, they should consider to investigate where the entrepreneurs are and how they use different social media for different purposes and social networks. If they made a webpage specifically aimed at promoting the Partnership Model, they should also make a social media profile in the most optimal network to post specifically about their services, success stories and about the many opportunities in Shanghai.

This is likely to create the image ICDK is looking for, while also enable a channel for feedback from entrepreneurs - in accordance with their ambition to create valuable relationships with entrepreneurs. Furthermore, such a channel would also position them favourably in relation to other interested stakeholder groups, such as collaboration partners and related institutions. It would be a part of giving them a valuable voice in the overall entrepreneurial ecosystem in Denmark and enable them to influence related parties within.

ICDK is already hosting some events in Denmark and should continue to do so in order to meet relevant R&D entrepreneurs and build relationships. Also, it would make sense to have some printed material to distribute at events and in relevant communities. The personal interaction between representatives from ICDK and the entrepreneur provides a powerful way to promote their Partnership Model (Kotler & Lee, 2006, 157).

## **Messengers**

*The primary messengers* should be employees from the ICDK office in Shanghai, as they are going to be the front figures in assisting the entrepreneurs. Naturally, the employees of ICDK are a large part of influencing how Danish entrepreneurs is going to perceive ICDK and the services offered. Furthermore, by having Chinese consultants they have the opportunity to create an even more credible image of being highly knowledgeable partners, since they also have a profound understanding of the cultural differences and language obstacles. Since the service ICDK offers requires a high level of contact, it is important that the employees have the skills, knowledge and experience to meet the customer's expectations (Hollensen, 2010, 356).

ICDK should also use their current network and collaborating partners, both in Denmark and in Shanghai to communicate about them and their services.

## 7.6. Positioning strategy & competitive advantage

### **Answer to subquestion 2: How can ICDK improve their position, and differentiate themselves from competitors that offer similar services?**

They should use mentioned key messages and channels as their unique selling proposition. By communicating these key messages, in those channels and by both primary and secondary messengers ICDK is likely to increase awareness, interest, desire and action from the entrepreneurs. This would also relate to a mass customization strategy, where ICDK customize their services to the individual entrepreneur to fit their needs better (Hollensen, 2010, 495). This communication strategy would support ICDK's marketing objectives, allow them to achieve their goals within a narrowly defined target group of entrepreneurs, as well as match their media channels and key messages with targeted entrepreneurs. All in all, they would be able to create a better alignment between their internal identity, vision and external image. Additionally, this would also be an integrated communication approach to ensure consistency and diminish inconsistencies. There is an increasing tendency for institutions to use integrated marketing communication (IMC), and ICDK could use IMC to communicate their messages in a unified way that is in coherence with their overall mission, marketing objectives and goals.

ICDK could differentiate themselves from TC and competitors, such as ChinaAccelerator, by specialising their services to be specifically aimed at relevant knowledge-intensive R&D entrepreneurs. This makes sense for several reasons: first because it is in line with their overall purpose. Second because they have an annual goal to assist 30 businesses, where only 15 of them should be entrepreneurs. Third, according to the national growth strategy to foster innovation and national growth, it also makes more sense to assist entrepreneurs that are searching for more sophisticated R&D related opportunities. Fourth, other accelerator services mainly target entrepreneurs, who are interested in a share of the B2C consumer market and ICDK might not be able to match their level of experience, capabilities or business network. Fifth, since ICDK will have a better understanding of what the R&D target group of entrepreneurs actually need, they can adjust their services accordingly. All in all, ICDK can strengthen their competitive position by assisting the R&D entrepreneurs because it differentiates them from most of the other competitors in the market, and thus matches with ICDK's current capabilities, purpose and resources allocated. Porter (1985) refers to this as generic competitive strategies; *Cost leadership, Differentiation, Cost focus as well as Differentiation focus* (in Hollensen, 2010, 307). For ICDK it is recommendable to use the cost focus. ICDK could gain competitive advantage by dedicating themselves to a narrow target group with R&D that may be missed or ignored by competitors such as ChinaAccelerator (Hollensen, 2010, 308).

ICDK can turn the competitive environment in their favour, by having an overview of the market, and by knowing where to get the information needed to do market study and help the entrepreneurs evaluate whether they are suited for the Chinese market. Shanghai has very dynamic and ever changing business environment (O'Connell, 05:28-05:52), which also means that ICDK has to continuously seek knowledge about the market to stay relevant and interesting for the Danish entrepreneurs.

## CHAPTER 8.

### 8.1. Evaluation & Measurement of effect

It is important to evaluate and monitor the effect of the marketing plan and communication effort to enable an assessment of what elements that worked well, and what could be improved or revised (Kotler & Lee, 2006, 266) According to Kotler & Lee, ICDK should start by matching their purpose, marketing objectives and goals against their targeted entrepreneurs to review the overall performance and quality of the services offered. There exist multiple ways to evaluate and measure effect, however Kotler & Lee provides some questions that ICDK should ask themselves in terms of measuring and evaluation their efforts towards assisting Danish R&D entrepreneurs. The questions are (2006, 266):

- *Why are ICDK conducting this measurement and for whom?*
- *What will they be measuring?*
- *How will they conduct these measurements?*
- *When will these measurements be done?*
- *How much will it cost?*

In terms of answering what ICDK will be measuring there are three distinctive measurement methods. The first is *output measures* that is defined by the marketing efforts and resources ICDK are going to track and report upon (Kotler & Lee, 2006, 268). These are the most simple measures and are often determined in a quantifiable result that is based upon the promotional outputs ICDK generate. This is where the marketing goals are monitored and evaluated upon to measure whether they achieved their goals, for example in terms of helping 15 entrepreneurs, host 6 events related to entrepreneurship or if they actively engage in 10 innovation networks (see chapter 5).

The second method is to *measure outcome* (Kotler & Lee, 2006, 269) in terms of how the entrepreneurs responded to ICDK's promotion activities related to the Partnership Model. The outcome measurement method is highly relevant for ICDK, since they aim to form long-term



relationships with the Danish entrepreneurs. By implementing feedback from the Danish R&D entrepreneurs and related stakeholders they can continuously match their objectives to their overall effectiveness and perceived image. Also, through surveys they can measure the level of satisfaction from both paying and non-paying customers (see chapter 5).

The last method is to measure whether their assistance and Partnership Model have had an *impact* on a social, economic or national level (Kotler & Lee, 2006, 270). For ICDK this is important because their whole existence is based upon their ability to assist Danish entrepreneurs in going to China for several reasons. First, to accommodate the Danish Government's ambition to foster frontier entrepreneurship in an international scale to stay on the forefront of global development within research related development. Second, to create the best opportunities for Danish businesses to grow large and thereby generate national growth. Third, as a part of maintaining and sustaining the good bilateral strategic partnership with China.

There are numerous ways to measure the *outputs, outcomes and impact*, such as databases, surveys, user-generated data content as well as more scientific and technical methods (Kotler & Lee, 2006, 272). ICDK should use several different methods to monitor and evaluate their efforts, to enable the most nuanced and valuable results.

## CHAPTER 9.

### 9.1. Budget

The budget outlines how much it is going to cost to develop the marketing plan and also implementing it (Kotler & Lee, 2006, 289). This overview should be based upon the cost related to the 7 P's in the marketing mix (Kotler & Lee, 2006, 289). It should furthermore include the cost of developing the Partnership Model and, pricing incentives and added cost costs in terms of distribution channel development and communication activities (Kotler & Lee, 2006, 289)

It is highly recommendable that ICDK allocate some resources to their marketing efforts towards Danish entrepreneurs. They currently do not have a specifically allocated resources to do marketing (Appendix G), however they might be able to apply for funds through the Ministry of Foreign Affairs. With their level of ambition to create relationship and create value for entrepreneurs, it is unlikely that they can do it without some more financial resources and time allocated for it. Especially since they also aim to assist larger businesses, individuals and institutions beside from entrepreneurs. They should also consider to get some professional help to create the adequate channels for the

promotion of their services to entrepreneurs, as it is considerably more effective and easier to position themselves favourably if they reach the entrepreneurs where they are most receptive to the messages. For entrepreneurs it is all about convenience.

## CHAPTER 10.

### 10.1. Conclusion

Through an abductive research approach, I have investigated *how Innovation Centre Denmark in Shanghai can position themselves to reach Danish entrepreneurs, who are interested in establishing/expanding their business related activities to Shanghai.*

The thesis have been structured in chapters that consist of the traditional steps in a marketing planning process, which have been modified to provide the theoretical frame to interpret, analyse, understand and evaluate ICDK's position on a strategic and tactical level. Each chapter depended on the previous in an increasingly sophisticated process with the ambition to interpret the different perceptions and understandings that exist about entrepreneurship in Denmark and China, especially within Shanghai, to provide the most valuable insights for ICDK to position themselves in a favourably way.

The analysis has a starting point in a macro-perspective at national level and how opportunity-driven entrepreneurship can contribute to national growth and development in the overall society. Through the SWOB analysis, the general national economic development in Denmark and China was analysed to find entrepreneur related opportunities and barriers.

#### Denmark

Copenhagen has developed a thriving entrepreneurial ecosystem, partially due to favourable legislative and regulatory policy as well as general public support resulting in increased interest in and ambition to become an entrepreneur. Despite that, very few start-ups have achieved to grow into large businesses that can contribute to national growth and job creation. Denmark has a small domestic market that hinders many startup businesses from growing into large and profitable businesses, which means they have to enter foreign markets. There is an increased focus from the Government to foster entrepreneurship in order to generate growth.

## **China**

China is the world's largest economy, both in terms of population and total economic outcome. However, China has experienced a declining growth. In the 13-5 plan, the CPC emphasize their ambition to develop China into an innovation-driven economy to secure a slower but more sustainable growth to overcome current national challenges. The CPC also acknowledge how foreign entrepreneurship can be a part of driving development, create innovative solutions and create jobs.

In conclusion to subquestion 1. The Danish entrepreneurs should consider going to Shanghai if they have a viable idea for the Chinese market and are geared for a fast-paced and increasingly competitive environment. Shanghai has some very interesting opportunities for Danish entrepreneurs. However, it is not recommended that danish entrepreneurs go there on their own or without having created a market study, since Shanghai is so competitive, different and complex to navigate in.

## **ICDK**

By having an entry point like ICDK in China it provides another way to strategically strengthen the sino-danish collaboration, especially within the areas of ICT, life-Science, and clean-tech. Moreover, it also acts as a way to ensure that Danish research and innovation is among the world leaders.

In relation to entrepreneurship, ICDK aims to position themselves as a highly specialised, knowledgeable and skilled partner, who can open the right doors and pave the way for Danish entrepreneurs to navigate in a complex, culturally different and highly competitive market like Shanghai. ICDK recently presented a new Partnership Model as a visualisation of the services they offer entrepreneurs. It is Brandtoft's ambition to increase the level of value ICDK provide to entrepreneurs through a relationship approach.

As analysed in the SWOB, ICDK have some significant strengths and resources available to them, 1) They are supported by the Government, 2) They are present in an interesting growth market, 3) They have skilled Chinese employees specialised within relevant sectors that are in high Chinese demand, along with 4) a large network of valuable collaborative partners.

However, ICDK has not formulated a specific marketing strategy or target group within the Danish entrepreneurs. Furthermore, I found several misalignments between their high ambitions and current capabilities and resources.

ICDK has a weakness in terms of being confused with the Trade Council as well as an overall weak competitive position. As a consequence they risk to assist entrepreneurs outside of their purpose and scope. Through a segmentation and targeting analysis, I conclude that ICDK should narrow their focus to target R&D entrepreneurs within ICDK's sectors. By using a concentrated targeting approach to target R&D entrepreneurs, ICDK have the ability to differentiate themselves, while at the same time position themselves in alignment with their capabilities and available resources. This is also a way to provide a stronger basis to customise their services to better fit the individual entrepreneur's needs and wants.

As a conclusion to subquestion 2, ICDK should use a differentiation focus strategy, where ICDK differentiate themselves from competitors in terms of sector specific offers within a narrow target market. Also, this is in line with their concentrated targeting approach. This makes sense for several reasons: first because it is in line with their overall purpose. Second because they have an annual goal to assist 30 businesses, where only 15 of them should be entrepreneurs. Third, according to the national growth strategy to foster innovation and national growth, it also makes more sense to assist entrepreneurs that are searching for more sophisticated R&D related opportunities. Fourth, other accelerator services mainly target entrepreneurs, who are interested in a share of the B2C consumer market and ICDK are not be able to match their level of experience, capabilities or business network.

### **Marketing objectives and goals**

Based upon the findings from the SWOB, their overall KPI's and targeting analysis, I propose four marketing objectives and nine marketing goals to enable a more focused and clear purpose with their "Partnership Model".

### **Positioning strategy**

Through the 7'P in the marketing mix, I analysed ICDK's *services, distribution channels, promotion efforts, participants, physical evidence* and *process*. This enables an evaluation of how ICDK can position themselves favourably towards entrepreneurs, make them believe they will achieve the benefits they are promised, and consequently are inspired to buy the services. I found several key messages ICDK could use to position themselves favourably.

Shanghai may be perceived to be too risky to do business in, due to a lack of market knowledge, complex legislative policies and many cultural and language differences. This is exactly what ICDK must frame in a way that position them as the specialised and knowledgeable partner, who knows all the critical elements of success. ICDK should position themselves as a reliable partner, in order

to accommodate the fear of failure. Moreover, ICDK could also communicate their value in terms network and collaboration with various business liaisons, which can act as additional sparring for the targeted Danish R&D entrepreneurs. Moreover, it is possible to get a 70% subsidy on many of their services, which may act as a selling point since many entrepreneurs are very price sensitive.

## **Channels**

ICDK does not use their distribution channels to the fullest potential. ICDK currently uses their webpage as their primary channel to communicate to entrepreneurs. The webpage has a very complex and intransparent structure, which makes it very hard to find information about the services. Furthermore the text does not clearly state, what intangible value ICDK is able to provide besides from assistance. I conclude that it does not provide the image they aim for. If they aim to position themselves as partners that sells services that is going to make it easier for Danish R&D entrepreneurs to enter the Chinese market, there is a lack of alignment between what they aim for and how they actually communicate it. Since the entrepreneurs do not know the quality of the services beforehand, their representation of the Partnership Model is a part of convincing the entrepreneur about the level of quality and outcome. It is highly recommendable that ICDK considers to allocate some more resources to either update the content on their current webpage or make a separate webpage aimed specifically towards relevant entrepreneurs and stakeholders.

ICDK uses social media in terms of LinkedIn. I conclude that other channels, such as Facebook or R&D related entrepreneurial networks, would be more effective for ICDK to use. If they made a separate webpage specifically aimed at promoting the Partnership Model, they should also make a social media profile to post specifically about their services and entrepreneurship. This would be a part of giving them a valuable voice in the entrepreneurial ecosystem and enable them to influence related parties. ICDK is already hosting some events and should continue to do so in order to meet relevant R&D entrepreneurs and build relationships.

If ICDK communicate their ambitions through the key messages to R&D entrepreneurs, while at the same time improve their distribution channels it would create a better alignment between their internal identity, purpose and external image. The use of integrated marketing communication is likely to provide a clearer image and create alignment between their level of ambition and capabilities. It is crucial that ICDK continuesly monitor, measure and evaluate their efforts in order to assess of what elements that works well, and what could be improved or revised.

## 10.2. Perspectivation

This thesis has analysed ICDK's position strategy in a strategic and tactical perspective. The next step for ICDK is to develop an actual implementation plan at an operational level. This is where they decide how and when to execute the marketing strategy. Furthermore, this includes measuring how the targeted Danish R&D entrepreneurs receive and respond to the messages (Cornelissen, 2011; Hollensen, 2010, 538). The team in ICDK must decide who is responsible for what tasks, what roles the individual team members have, and how they are going to structure the supervision process (Hollensen, 2011, 539; Kotler og Lee, 2006, 289).

The marketing implementation is just as crucial to achieve success as the strategic and tactical planning, since this is the phase where ICDK puts their strategy into action. Often, it is necessary to make changes or re-adjust the plan in order to achieve ambitions (Hollensen, 2010, 545).

Today, many companies face the challenge of making a brilliant strategy actually work in reality due to a lack of knowledge about the environment and customers that results in poor execution. According to Prahalad & Ramaswamy (2004), the customer has undergone a development from isolated to connected, from unaware to informed, from passive to active. Adrian et al (2008) suggest that *"by successfully managing value co-creation and exchange, companies can seek to maximize the lifetime value of desirable customer segments"* (Cited from West et al, 2015, 39).

According to West et al. there are four steps ICDK can use to control and execute their implementation plan (West et al, 2015):

1. *Set performance targets (goals or objectives)*
2. *Evaluate reality against these steps, i.e. failure or success*
3. *Take corrective or reinforcing action if required*
4. *Establish new targets in light of the situation.*

Bonoma (1984) argues that *"marketing functions often fail because of faulty management assumptions or inattention to marketing basics, while programs are often contradicted by a lack of capabilities or insufficient management attention"* (Cited from West et al. 2015, 483). Bonoma made a matrix, where strategy formulation and strategy implementation can range from poor to adequate, creating four different outcomes of either failure or success. Bonoma emphasizes the importance of an adequate corporate culture, which is geared to and interested in aiming for a successful strategy execution. Since the culture is so deeply embedded, it will be easier to change the strategy than the corporate culture.

According to West et al. there exist three overall factors that is deterministic for the success (or failure) of a strategy (2015, 136) :

- *The management of the business*
- *Its external environment*
- *The way the business management interacts with its external environment*

I have mentioned how ICDK should use an integrated marketing communication approach in order to create alignment between the danish entrepreneur's needs, ICDK's own ambition and capabilities to position themselves in the most coherent way. Since the customers has become more knowledgeable and active part of affecting the general opinion about the institution, it is important to create, maintain and project the short-term image and the long term reputation of ICDK (Cornelissen, 2011, 3). This can be done both in terms of internal alignment in communication and ambitions, as well as external communication and alignment with surroundings. According to Hatch and Schultz, one way to achieve legitimacy and become a successful organisation, is by integrating communication efforts and create alignment in the brand identity, the image and the reputation (Hatch & Schultz, 2008, 11-12). For this to happen the vision, image and culture must be constantly monitored to find potentially damaging inconsistencies (gaps) in the corporate identity.

Today, IMC has almost developed into a holy grail of marketing communications. However, whether it is possible and/or even desirable to create complete compliance and integration between the many different communication activities is still a subject of much debate (Hackley & Hackley, 2015, 11; Christensen & Cheney, 2014; Cornelissen, 2011). IMC makes good sense in a perfectly transparent world, however that is not the world we live in today. What IMC contributes with is the creation of a much broader definition of marketing, where the goal is still to create sales, but is just as much about creating a brand identity that enables a favourable and competitive long-term market position (Hackley & Hackley, 2015, 10). The question remains, whether it is possible for ICDK to create a meaningful dialogue with various different stakeholders, while at the same be able to satisfy all of its (sometimes) contrasting interests.

As a public institution that works both in a Chinese and Danish environment, they have to satisfy a lot of stakeholders such as Governments, large businesses, research and education institutions as well as entrepreneurs. Presumably this makes it hard - if not impossible to create complete transparency and alignment in their communication (Christensen & Cheney, 2014). Moreover, if this alignment is even desirable, given the many different interpretations that exist depending on the receiver.

Christensen & Cheney suggest, that instead of aiming for complete alignment, ICDK could use a polyphonic communication strategy (2014). Polyphony aims to create a cumulative identity of all the independent voices from employees and stakeholders. This may be perceived as projecting an

image that is more credible and sincere than an completely aligned identity. Eisenberg argues, that it can be advantageous to use strategic ambiguity to reach and convince a large and diverse stakeholder group (1984, 230).

ICDK should consider how they can communicate in a way to accommodate all of these stakeholder groups. As mentioned in the marketing mix analysis, ICDK appear to be biting over too big a cake and as a result have a complex, messy and non-differentiated webpage and social media channel. By trying to unify their communication to fit all target groups it risks to fit none, and especially not the Danish entrepreneurs. Danish entrepreneurs are accustomed to a high level of service and have many different offers to choose from.

Given ICDK's lack of marketing strategy and specifically aimed communication efforts towards entrepreneurs it can be questioned whether the entrepreneurs are even aware of ICDK's services. And if they are, whether ICDK makes a very impressive or lasting impression. If ICDK instead used a polyphonic communication and segregated its efforts towards Danish entrepreneurs from the general webpage, it would also enable a more customised and less governmental design, which presumably would create a better fit with the entrepreneurs. By creating a separate webpage aimed specifically at entrepreneurs, the Partnership Model and ambition towards Danish entrepreneurs would be isolated from ICDK's other business foci and activities. This is what Eisenberg refers to as unified diversity, where several (contradictory) stakeholder groups will be accommodated in the most appropriate way and ICDK appears consistent, credible and transparent as a result (1984, 230). Furthermore, with a polyphonic and ambiguous strategy, ICDK arguably stand a better chance at adjusting to ever changing market conditions in both Denmark and China, without having to worry about how to perfectly align all of their efforts before acting. However, it is still important for ICDK to coordinate their communication efforts to stay on par with all the different stakeholder groups. The polyphonic approach is much like an orchestra;

*If a lot of different instruments are playing without following the same notes it will make a horrible noise. However, if they follow the same notes and listen to each other, it can become the most impressive melody.*



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## Appendixes

### Appendix A: Transcribed interview with Max Henry

15 January 2016

Q = Interviewer

M = Max Henry

**Q** Can you start out by saying a little bit about your background and why you decided to go to China in the first place?

00:11

**M** I came here as a student. I was in—I did a French business school which brought me to Japan, where I was studying for a couple of months. And then I came to China in 1990 as a student temporarily for a few weeks and then end up in [??] business school in Hong Kong Singapore. And then I stayed on in Singapore and did my full year of internship in Singapore for about a year.

00:43

**M** And then after I graduated I was hired immediately in Hong Kong. So I was first in Hong Kong—I was first in Singapore for a year, stayed a couple of years, worked in Hong Kong for a number of years. Moved to Taiwan also for a few years. Went back to Hong Kong and then moved to China in '97.

01:04

**M** So I came to Shanghai in 97 right before then handover of Hong Kong. And then I have been here for the past 18-19 years. I was previously—I was working in media, trade media more specifically. I came up in 97, set up my first business, [??] consulting business. After 2½ I stopped. And then it was 99, so it was the internet bubble. Got involved with a B2B internet startup in Beijing which raised quite a lot of money and then worked for them in Beijing for a year. Then the company went nowhere, so I left.

01:54

**M** And then came back, started working in IT consulting. All in the field of supply chain management. And then about 12 years ago—my last [??] was with a logistics company, and then about 12 years ago I decided to set up my own organization. So my core business, actually, is in supply chain management. And I organize on the side some events on entrepreneurship.

02:21

**Q** And that is the Entrepnr—

02:22

M —That is The Entrepnr, yeah. That I manage for [??] for years now. Which again focuses on non-tech entrepreneurship. Not only in China, but we try to expand into Hong Kong and other cities in Asia.

02:39

**Q You already expanded or are currently—**

02:41

M We are doing—yeah, I'm starting to do events in Hong Kong now more regularly, and I will be doing more this year. And I'm also looking to Bangkok, Jakarta, Manila as well. As potential locations for events. I'm still testing [??], because I don't—you know, we run the Buffer [??] meetups every year. We don't really make money of this, and it's not really a money maker for me. But we start to make money on our larger events, so we start to organize conferences for entrepreneurs with different topics, different themes. And those are the events I want to take into South East Asia, yeah.

03:21

M I don't wanna be doing—because you can't do meetups forever. I mean, it's fun, it's interesting but at some point you need to turn it into a money making effort, because we spend quite a bit of time putting this together and promoting it. So that's what I am doing.

03:39

**Q What sort of event would that be—you know, the meetup you had two days ago. And then there's the startup conference on the 30<sup>th</sup>. That would be sort an event—**

03:50

M Yeah, those are the larger events where we try to raise a bit more cash. We also organize a conference around B2B and software [??]. We have one focusing on the logistics technology, which is a bit of a supply chain, a bit of entrepreneurship as well, because we have a number of startups. We have a concept called—which is more of a [??] conference, where we actually bring in delegates to the offices. Because—It's called OpenCo. So it's a different concept, so we call it a [??] conference. So those are the events I'm still fine-tuning.

04:33

M We'll see, we'll see. But again, my core business is in supply chain management, this is what I spend 2/3 of my time focusing on, because this is the money maker for me. Internal revenue. And our clients in supply chain management are very different. They tend to MNCs. You know, big corporations who have budgets to come to our events. You know, and sponsors and advertise and to get many different things for us.

05:03

**Q How do you perceive the startup ecosystem for entrepreneurship in Shanghai?**

05:10

M Well, I'm not very well connected with tech startup. I did try about 2 years ago. This was the reason for me to start the Entrepnr network. I went to a number of events and realized very quickly that [??] tech events were mainly attended by very young—you know, younger types of people. And it was not exactly the type of people I wanted to meet. I've been doing my business for over 10 years, I wanted to meet other entrepreneurs like me, who have—who are running a business, who are making money with it.

05:48

M So this why I decided to set up the Entrepnr network to bring together those business owners who have an existing running business to get together and meet each other again. So I'm not super connected. I watch it, I know what's happening... I think Shanghai's interesting, because—it's probably more interesting than Beijing, because you have, for me, a lot more different sectors and industries represented by entrepreneurs.

06:20

M You have people working in fashion, in trading, in consulting, in training, whatever. You have shops, restaurants—so it's much more diverse. Beijing entrepreneurship would be probably more tech-focused. So Shanghai is a business city, where people have to make money very quickly to stay—in order to stay alive. And Beijing is probably more driven by funding, and you know, people don't really make money, but they are good at raising money.

06:52

**Q So you think it's more business-oriented here in Shanghai?**

06:54

M Yeah, I think so, yeah. I think so. And it's more interesting, because you see the [??] entrepreneurs, especially the non-tech entrepreneurs, are the people who are making money. They are not always looking for funding, they are not trying to court VCs all the time. Some of them, of course, are interested in raising money, but it's not a majority. And when you go to those tech events, it's them, you know, this is [??] you get. You meet a lot of young, younger types of executives, which—the only reason to be in business is to raise money. And when you ask them, are you making money, they say, yeah, I'm raising money. And I say, no, are you making money?

07:33

M So in China there seems to be a very big confusion about raising and making. And that's even stronger in the tech world.

07:45

**Q How is the funding opportunity here in Shanghai compared to Beijing?**

07:51

M Again, I'm not very connected with the tech, but from what I read and from what I see it's drying up very quickly. Probably because investors have lost a lot in some of the financing they've made, and they realize that now, with what's happening with the stock market, the lack of IPO opportunities and the overall slow-down in the Chinese economy, that it's gonna get tougher and tougher for them to get some kind of return on their investment.

08:23

M So I think there's less and less funding happening. But the companies who are raising money tend to raise more. So—

**Q So fewer, but—**

M Fewer deals, but bigger funding.

08:37

M So [??] tend to focus on those companies who really have a tangible revenue model, and less—and tend to ignore those, you know—

**Q Fuzzy ideas.**

M Fuzzy ideas. Apps or whatever, which [??], but absolutely no way they can make money.

08:59

**Q How do you think entrepreneurship has developed here in China during your time here? So how was it when you first came, and—compared to now?**

09:14

M I think, you know, it changed in way where we have a lot more opportunities to meet each other for example. So meetups is something which has been really growing the past 2-3 years. The [??] phase that even 2-3 years ago you could barely go to. So there are a lot more platforms and ways for people to connect, exchange information, talk about common issues and problems.

09:41

M So I think entrepreneurs, if you know what you're doing, you are well-connected, and you go to those events, you can really save time. You avoid making a lot of mistakes you would have made 10 years ago, because at that time you had no chance to basically share it or be able to interact with others. So—but you have to make those efforts. I still know entrepreneurs, who basically stay in their own little office and basically refuse to go out. And fine, that's their call, but I think if you're smart, and you are well-informed and connected, and you go to those meetups and those events, you can really go much faster. In scale, in running your business, because you can [??] what others are doing and avoid a lot of mistakes.

10:32

**Q You mentioned it's more diverse, the environments for startups and entrepreneurs here in Shanghai—**

10:43

M Shanghai will always be [??], it's the nature of Shanghai, which is the business, basically, in China.

10:50

**Q But do you think there are some areas that are bigger or hold more opportunities than others here in Shanghai? I know the tech, but besides tech, what is evolving?**

11:08

M In term of industry—no, I don't really see there are pockets—I think it goes with the trends and what's hot and what's not. So certain years or certain times of a year you will see a number of similar industry startups suddenly popping up. So we've seen—in my field, which is more logistic—I've seen increasingly a lot of logistics companies raise a lot of money and be able to grow very quickly. Logistic technology companies at least.

11:40

M I think there are difficult markets, like if you are in retail today, or in the restaurant business, in Shanghai it's tough. Because real estate, rental is a big issue here in Shanghai. And it's not getting better. It's getting harder to find good locations; it's getting super expensive to rent any kind of property or shops or restaurant in town.

12:02

M So if you don't have a good viable concept, which is gonna drive not only Chinese but also foreigners to your place, you know—after a year you can go bankrupt, easily. So it really depends on trends. I don't see, frankly, and specific sectors or industries which are hot or more popular than the others. I think it's pretty diverse and pretty balanced here in Shanghai.

12:30

M But in Beijing it would be a different story. Beijing, because they are startup-driven and raising-driven, they will follow very much a trend of what's happening. So sometimes it's all about e-commerce and then next thing it's about [??] an next things it's about—someone is doing something around IOT or whatever, or virtual reality. So they very much follow the trends of what's happening in the US or in Europe, and try to set up companies to raise money to cap into one of the trends.

13:00

**Q Sort of more like the waves—and this is more like the devotion.**

13:02

M Yeah, the tech trends.

13:07

**Q How many startup hubs do you know here in Shanghai? Around Shanghai?**

13:18

M You're talking about co-working space and incubators.

**Q Incubators and communities, yeah.**

13:22

M There's a lot of them. I'm losing track frankly. Because you have not only—you have more of the foreign ones, which are like Naked Hub, and you have many, many local hubs that you've never heard about. I think every district in Shanghai have they own incubator or co-working space supported by the government. I think every school; universities have their own. There are so many. There's probably 30 or 40 of them, easily, in Shanghai.

13:58

M So depending on what you do, which school you come from, which district you are in or—you know, there's plenty of choice. But I can say, there are the very local ones, which you don't expect too much in terms of service and management. And support. And the more, I would say more international ones, which tend to be better quality and you get probably a bit more for what you pay.

14:26

**Q Maybe I'm wrong, please correct me if I am, but I sort of have the feeling that the South of Shanghai is more non-tech, and the North is more tech-related. Or is that—**

14:40

M I don't know... I'm not a South enough guy. I'm from the West... No, it's hard to say, because I think every district have their own initiatives and programs as well. So you can go to a place like [??]—and I'm sure they have their own incubators and programs for local companies and... yeah, it's hard to say, it's hard to say. Companies and business is [??] in Shanghai.

15:09

M The interesting thing is, that co-working space has now become very affordable. It's very trendy, also, for companies to move in. So what happening, I think, is you're seeing a lot more businesses getting out from their own office and moving into a space like this. Which is quite new. I mean, I was myself for 1 years in own office. So I recently came out. But it's not for everybody. Some people like it. I was interested in the concept; I wanted to try it.

15:39



M My first experience [??] was awful, so I spent 4-5 months really struggling being there. But—yeah, so I think you have to be very careful what you move in. And you might like it and you might not like it. It's comfortable to have your own little office, right. But in the end you get really disconnected and you don't really interact with anybody else.

16:06

**Q Yeah, it's easy to just sit there.**

M Yeah. But it's not also easy to go to an open space. Like here. And suddenly have all the noise and all the disturbance. You need to be able to focus and concentrate. That's why you have parts and you have open space here.

16:22

**Q How many seats do you have here?**

16:24

M We have open space here. We have a little bit outside. And the problem is when you have to have a larger company, then you have real disturbance. If it's open spaces where it's individual or all very small teams, it's okay. People kind of balance each other and respect each other. As soon as you have a larger company even, you have problems... So open space is again not for everybody.

16:51

**Q Do you think Shanghai is a suitable place for entrepreneurs and startups?**

17:00

M It's—I think it's still an exciting place, as long as you know what you're doing and you have a very strong specialty or expertise you can grow and scale into a business. Shanghai is—it's always been, but it's even more today, super competitive. So in [??] sector or industry—whatever idea you have, there's probably already a lot of people doing the same thing. So you have to be very careful with your market study and due diligence before you start anything.

17:42

M It is super competitive, it's also super expensive to operate, so you know—10 years ago you could hire people easily and move to a small office, things would be cheap. It is no longer. So hiring people is becoming complicated, it's becoming very expensive. You have to deal with a lot of contracts now, and HR issues, and benefits and—you know, things—everything is getting much closer to what Europe is in terms of HR policy and things. So things are more complex. So—I think if you still have a good idea and know what you're doing, it's still a good market.

18:20

**Q So Shanghai is catching up with the rest of the Western world?**

18:25

M Shanghai is becoming like any other Asian city [??] Singapore, which is like mature and expensive. So you cannot—you cannot be average in what you do. If you start anything you have to work very hard. You need to know you need to make money quickly. You need to be able to invoice customers very quickly. If you don't—and if you don't have the funding behind you, you can be out of business in six months.

18:51

**Q I see.**

M So there's no room for mama huhu, like you say in Chinese. [??]

19:02

M So—even if you do it in [??] you still have to pay your desk, and you have to pay your team. So there's a lot of costs associated with starting a business that you didn't have 10 years ago, 5 years go.

19:22

**Q How are the Chinese entrepreneurs compared to Western entrepreneurs, or foreign entrepreneurs?**

19:29

M They do it, probably, cheaper than us. We go to a place like People's Square and pay 1000 pr. desk. They bring people to their teams without actually giving contracts, so you can pay them without contracts and we don't get into all the complexities of hiring and recruiting people. So we have a lot of shortcuts, which are not always legal very legal, but it's the way a lot of companies are doing it here.

20:00

**Q But how is their mentality? Because you said they were not always sharing here.**

20:07

M They will go to local co-working office space just to be able to have an office space. They don't really care about the community-building. They are here because there's an office space, that's all. Because getting an office—you can still find a cheap office here in Shanghai, but you need to have a lease, you need to have a down payment. And for young, new startups it's not always easy to do that.

20:31

**Q So this is just a means to getting their way.**

20:39

M But yeah, Shanghai is getting tougher. It's definitely—you have to be careful whatever business you're in. And there's no room for mistakes. You have to really execute well. In the first year.

20:52

**Q So it's becoming more professional.**

20:54

M Yeah. Yeah, it's more like Hong Kong, Singapore. And I think probably within 3 to 5 years, Shanghai will be—it's already [???], but I think Shanghai will be as expensive as Hong Kong, Singapore when it comes to running the business. We're getting close now.

21:12

**Q What model do you think is suitable for the common entrepreneur here in Shanghai? I know that's probably a big question.**

21:26

M Whatever model suits your industry, and you sell it—I mean, there's no perfect model, I think.

21:34

**Q But do you see some that are more successful than others? Let's talk in a general perspective.**

21:42

M I think—I mean, in my case, I have a combination of offline and online. So I think striking the right balance between what you do online and offline. I always try to make online things, because it's easier, it's more scalable. But at the end of the day it doesn't always pay. Because there are so many free things you can get online now, these days. So you still need to have physical, offline service or a product you can sell to certain customers.

22:17

M So it's not easy. I, myself, was very much offline. The past few years I started to push online, but you know, I failed in a number of projects I had online, because I just could not generate income from it. They were nice to look at, great website, great apps, but we just couldn't make any money with it. Because nobody was paying for banners, nobody was paying for an online subscription anymore.

22:47

**Q Freemium—**

M Yeah, the freemium model was just not working. So it's not easy, it's not easy. I think a lot of companies are really struggling with this.

23:01

**Q I can imagine. Especially if the competition is so high.**

23:05

M Yeah, it is high.

23:07

**Q What are the main pitfalls for entrepreneurs here in Shanghai? The most common mistakes you meet.**

23:23

M I don't know many, but...

23:29

M I think probably doing things in a normal way—I don't see a lot of creativity in the way that people start a business. Sometimes they are not smart enough. I see entrepreneurs: [??] [...].

23:54

M Sometimes they're not very smart in the way they spend money. They budget too much, or they could save or they could do it much cheaper than the way they're doing it. And also thinking—a common mistake is not to really do proper, extensive market study before you do anything. Let's go back to what [??] was saying the other day. Do not spend any unless you have talked to 50 different types of potential customers.

24:24

M So a lot of people still think: Shanghai, lots of money, lots of opportunities. But what they don't know is that there are already 10 companies doing the same thing, and thinking, oh, I'm different, but actually they're not that different. And then they will end up competing on pricing, and you will have to compete with local companies, who tend to have a much more efficient PNL.

24:49

M So overestimating the market and overspending on things you could save a lot of money on. So there are a lot of ways now—it's not easy, and you have to really do your research. But there's ways you can launch a business without—I always recommend, and I think it's true—you don't need to [??] unless you are in business. Unless you start making money. And I still see entrepreneurs: oh, I'm gonna start a company, and next thing you know it's: oh, I'm setting up [WFOE]. Like, why the hell are you setting up WFOE you don't even have our first customer.

25:29

M So, it's like—I think what you don't realize is that it might sound easy and everything, but then maintaining a WFOE and closing a WFOE is a nightmare. So you can start by working from home and invoicing clients. [??]—you don't need to issue Fapiao—there's many ways you can test your business and figure out where you're going in the first year without having to pay tax or legally set up a company and those things. I think a lot of entrepreneurs don't get that.

26:13

**Q I think you're quite right. I'm quite into the whole entrepreneurship in Denmark, and it's very evolved, and we've been awarded as best startup country, city, in Europe. And I see a lot of people think they are so special that they don't do their research and they don't get into the market beforehand, they don't ask the customer, what do you actually want.**

26:44

M They don't validate their ideas well enough, they don't study their competition. Competition analysis is not done properly in China. And sometimes it's not done properly, because they compare themselves with other foreign companies. And they tend to forget about all the local players which are everywhere. So studying, research—yeah, can be definitely improved. They tend to rush in and—

27:18

**Q Skip the baby steps.**

M Yeah, and rush in—oh, I'm gonna open an office tomorrow, hire a team, and have my WFOE in process—and I say, hold on, are you sure you're gonna be able to make money from it.

27:34

**Q I see what you mean.**

M So that's a common mistake. But I think it's a mistake entrepreneurs make everywhere. Not only in Shanghai. In other Asian cities they probably do the same. The difference is that here, if you fail, you fail quick. Because you cannot afford to sustain operations for long. It's like in Hong Kong, Singapore, same story, the cost is so high, if you don't make money after six months, then forget it.

28:00

M So in a place like Bangkok and Manila you can afford to hang out, and sustain or whatever, live cheap and pay cheap and stay in a cheap office. Here it's like I said, there's no room for mistakes.

28:19

**Q That is very interesting. I think that's sort of it.**

28:30

M Again, my final recommendation would be, like I told you last time, I think Shanghai is an exciting place, but there are probably other exciting cities in Asia that entrepreneurs should look at and consider.

28:41

**Q** Would that be [???], [???]—

**M** No, I'm thinking outside of China.

**Q** Anything else in China.

**M** Outside China.

**Q** But stay in the Asian countries.

28:53

**M** Yeah, so I think if entrepreneurs from Europa are looking to come and start a business in Asia, I think they need to seriously look into Shanghai, but again, be very careful with research and competition and cost and everything. But they need to also seriously consider a place like Jakarta and Manila, Bangkok and even [???] and [???]. Ho Chi Minh in Vietnam. Because those cities offer a cheaper way to start to operate—

29:30

**Q** But are they matured enough to—

29:33

**M** Well, they are not as mature as Shanghai, but this is where the opportunities are. There's less competition, the cost of entry is lower. The operation cost is lower. Everything is easier. So if you have a good concept, a good idea, a good service, it's probably easier to make money in those cities than it is in Shanghai today.

29:57

**M** It's definitely less competitive in many industries and sectors. But it's not for everybody. Entrepreneurs—again, there are certain entrepreneurs who like the adventure of other city, because when you compare with Jakarta, it's not like Shanghai. It's polluted, it's messy, it's dirty, it's everything you can expect, right. And some entrepreneurs like it and some don't.

30:23

**Q** Does that also count for the second and third tier cities here in—

30:27

**M** The problem I have with second and third tier cities is that if you do that—I mean your customers need to be Chinese and local. My customers in what I do in supply chain tend to be MNCs. And most of the people—most of my clients tend to be English-speaking, Chinese executives working for fairly large companies. And most of them are here in Beijing or in Hong Kong. Some of them are in tier two cities, but they are not in tier three.

31:01

**M** So in my case, I'm in B2B, and I'm targeting MNCs, so for me it's just not attractive. But if your customers are very Chinese and you're more in B2C or you are in B2B with local companies, why not. But [???] and [???] and, you know—the rest could be interesting.

31:25

**Q** Because I went to a conference in [???]... they talk about being the new starting point on the Silk Road—

31:38

**M** [???] is big for trading and other companies who are—it's a fantastic place to do wholesale, sourcing. You can buy products, you can re-label them and put your own name tag on it and ship it out to whatever country. But it tends to be—it's more the cheaper type of products and smaller quantity. It think it's a great place. [???] is a big market, but there are other cities also. China is quite interesting; a lot of cities are specialized in a certain type of industry. So there are cities in [???] that are leaders—you know, the worldwide supplier of belts or shoes or whatever. And you go a city and you have hundreds of different companies doing the same product.

32:25

**M** So [???] is a good combination of everything. But you have a similar marketplace in [???]. You have some other cities like [???] and [???]. So yeah, for people who want trading and sourcing it's a good place. But in [???] you meet a lot of people from Africa, from Marabou and it's very—they tend to have a very strong—because more cheap products or more quantity, so they get shipped to the Middle East and Africa and those cities—those countries.

32:58

**Q** Fun fact, they are responsible—or they make 70% of the World's Christmas decorations worldwide. It's quite impressive. Well, thank you for your time.

33:16

## Appendix B: Interview with Steen Teisen

**27 January 2016**

Q = Interviewer

S = Steen Tiesen

**Q**                    **Welcome, Steen. [...] Can you tell me a little bit about your background and why you decided to go to China?**

00:30

S                    I am a cand.polit. An economist from the university. Graduated in 99. And I had a supplementary course in Chinese during my studies, so I had four years of sinology and culture a well. So I had sort of a Chinese background as well as a supplementary course and knowledge. Or capability or whatever. And after a startup—had a startup. After that I didn't have any money. I got a job and I tried to find something, and I was recommended to go to [??] at that time. And of course they had an investment in China from the eighties, from 1987. I think they felt it was a good mix to have a person with an economics background and Chinese language capabilities.

01:35

S                    So they hired me for the sales department. So I was taking care of East Asia, Australia, Africa for them. And I was also supporting the Chinese operations in China at that point. And when they experienced some difficulties in the market, the competition from other Danish companies, they decided to send me to China in 1994. So I could support both the Asia business, that means help exports from China to places like India Bangladesh, South Asia in general and South East Asia.

02:22

S                    So I stayed there and I met a girl and I got married. So I sort of got a connection to China. So when I left the company I felt that, ok, now we have an opportunity to talk to the other Danish companies who are not in China. And [??] at that point was very interested in going into China. So we decided to make a joint venture. And I would say, I made a joint venture also because—I had a lot of support also from my wife's family. So it became kind of a family project to start a company in China. So I felt quite confident that it could be successful, at least we could start up and we had already quite a good network to start on. I knew all the customers and my wife's family had good connections in Shanghai, of course they came from Shanghai. So we felt that ok, we were quite confident we could do something with [??].

03:38

**Q**                    **And that was in 1994?**

03:40

S                    That was in 1989. So I was already out here.

**Q**                    **You were settled.**

S                    I was already settled, yeah.

03:49

**Q**                    **It became Widex, and you worked for Widex for how many years?**

04:04

S                    So I started up Widex in 1989. And I left Widex in 2015. So it was 17 years I was working with Widex.

04:16

**Q**                    **And what now?**

04:17

S                    Well now we're running some shops. We have a chain of shops now. Almost 30 shops. In Shanghai and North China, Shanghai and Beijing. Some of the Northern provinces. And I'm involved in the startup with some of my friends here, Danish friends also. And I'm also a small minority shareholder in the company where I work as an advisor. And those two have something to do with furniture. Danish furniture, Danish design.

04:55

**Q** How far is the company, the startup company?

05:00

S We're still getting it—we haven't got the business license yet, so we are still forming it. But we have shareholders there, and we need to—we got the place of operation, we've got an address, and we've already made some decorations. So we are sort of on track. The train is moving on that business.

05:31

**Q** Do you have the business plan and everything ready?

05:33

S Yes. I mean, we've got customers and we know pretty much about our costs and so on. So yes. But we have not made a business plan that we are now presenting to—so it's more back of an envelope kind of thing. Of course, we have sort of a budget and so on, we've got those made out. But it's—it is what it is, a budget.

06:00

**Q** So, you've still got a lot of things on the drawing board.

06:05

S You could say that, yeah, quite a bit.

06:08

**Q** So, how do you perceive the startup ecosystem or environment for entrepreneurs here in Shanghai?

06:15

S Well... we went to this—to Lars [??] event. Did you go there?

**Q** Yes.

S And it was my first time there. There seems to be an infrastructure—emerging infrastructure for foreigners at least, who want to work with startups or to start their own companies. So that is kind of—but that is a very international environment there. I would say, for me personally, I mean—this was something happening around the [??]. We are discussing ideas and what can we do. And when I find myself in a situation where I don't need to—I'm work free. I don't need to show up in an office, I felt this could be fun. So I think that would be the same as if I did it in Denmark. The same kind of motivation I would have here. So from my own point of view I do not see any difficulty.

07:35

S And it is pretty straight forward to start companies, I think, in China. Of course there are rules, but it's possible. It's not like there's a lot of red tape. They don't want to discourage you from starting companies and starting activities.

07:55

**Q** Is it the same opportunities for foreigners and Chinese?

08:00

S No, it's not quite the same, not quite the same. You still have—for foreigners you cannot just start a company like that. It has to be foreign invested. It's a different bureau that takes care of it, so it's a little bit different from local companies. Of course, when I've been here for so many years, my bank account is not—my main bank account is in China, so I would invest from China. But when you start a foreign-invested company a foreigner, you need to invest from abroad, so you need some way of having money coming in from abroad.

08:40

S So that's, if you're Chinese, it's much more simple. But something like capital requirements and so on, they are much closer to each other, there's not much difference between foreigners and locals anymore, as far as I understand.

08:57

**Q** Do you think it's necessary to have sort of a Chinese business partner here to get around the system or know all the way to manage your business, get it settled and established?

09:11

S We started out with that but that is—we are backtracking on that idea now. Because it's—the person we were working with said he was committed, but then he was pretty hard to get a hold of. So we said no, he's not that interested in this business. So we sort of dropped that idea. But that would have been convenient for setting up

the company, that you have a business partner in China, for sure. Because then we could be much more—then we don't need to go through the international—the WFOE application process.

09:59

S The WFOE is the wholly foreign enterprise, right. That's a WFOE. So we could just start it as a local company.

10:11

**Q There's still some advantages—**

10:14

S Yeah, it's a little bit easier.

10:18

**Q How do you think this ecosystem or environment has developed? Now you've been her for quite some years.**

10:28

S I think there's a big difference in the different regions of China. In Shanghai, of course, you have sort of the top tier, because you have the MBA, the MBA education and so on. So you've got lots of people coming out with pretty much a Western mindset for entrepreneurship. And you have a lot of foreigners and entrepreneurs also, who are starting up big—thinking big from the start. Whereas if you go to [??] province you have more of a craftsmanship. An idea of 'I want to be boss of my own company', and everybody wants to be their own boss of a small company.

11:18

S So you have an entrepreneurship tradition, a local tradition in pretty much in [??] and [??] and South of China. Where here I think you have much more of the Silicon Valley DNA coming in. So you try to sort of model this entrepreneur environment according to what you're used to in the states, and in all these clusters you have in Europe, like London also.

11:51

**Q So it has a more international mindset?**

11:54

S I think so. Also, of course, you have all the important universities here, so you have lots of graduates. And also you have the international ones and the MBA.

12:04

**Q Do you think it's the same in Beijing?**

12:07

S Yeah, but traditionally—I mean, I'm not a Beijing person, so I wouldn't know much about it actually. But I mean the prejudices that Beijing is more for state-owned companies and the government and so on. And I think you see a lot of companies that formerly would start in Beijing, because you have some idea that you need [??], you need to have relationships to some of the ministries, that are mostly business based, they will just move to Shanghai because we have a nice market around Shanghai.

12:44

S Because we have a nice market around Shanghai. You have [??] province, you have [??] province, so you have a very affluent marketplace. So you are sort of exchanging the [??] idea for the business development idea. And I think you also have the perception that Shanghai is much less corrupt than you would find—just go a little bit outside Beijing, and it's getting really bad. It's our experience when we started shops there, that if you don't bribe, if you don't have some money, they won't help you, they won't service you in the government departments there, local government.

13:35

**Q Is it still like that today?**

13:37

S I don't know if it's still like that today. I think so. I think the further you get out, the more prevalent it would be. But definitely when you're in a place like Shanghai, you see very little of that. You see it's very clean cut and straightforward to start companies here.

13:57

**Q** You mentioned guanxi. Is that more important or is it the same importance here in Shanghai compared to some of the smaller tier two, tier three cities?

14:12

S I think—we started the company in 89 because we had a network here. So definitely guanxi, it's—I think it's just relationship building, really. So today the interpretation today—you know, guanxi, where it came from—I think it was a little bit like when you had a plan economy, then you had an economy that was not really monetarized, but everything was according to plan. So you would get goods from some company, and you would deliver to another company, right. After processing those things.

14:56

S And in order to get the goods—because you were only paying marginal for that—then you needed to have good connections to be able to be secure also that you got the goods. So it's not sort of a monetary exchange idea. It's if you've got goods, you've got power. If you've got materials, you got power... So I think that is sort of the origin of the guanxi, that comes from the planning system. But today you can say guanxi is the same as guanxi in Europe and the States. It is relationship. I know who you are, I trust you, you trust me. You build a trusting relationship and then you can do business together.

15:43

**Q** Is it difficult for you as a foreigner for you to get into the Chinese way of relationship building?

15:51

S Well, I had help, of course, from my family, you could say. But when it comes to the relationship I've built with our customers, I would say it has been an advantage to be a foreigner. Because you are more trustworthy from the outset.

16:22

**Q** That's really interesting... How many startup hubs do you know here in Shanghai?

S Startup hubs?

**Q** Startup hubs. Like the Naked Hub we went to.

16:36

S Yeah, I wouldn't know that. I haven't really had any chance to go to any. I wasn't really seeking that out. I think... because I've never been through the university system here. So I would say, who would go to a startup hub? It would be MBA students maybe. People, young people coming out and really want to have lots of creative ideas. Where I sort of had the career and built up a company, and now it's doing some things with your friends, having some fun. So I think I had my career.

17:18

**Q** You did it the other way around.

17:20

S In a way, you could say that. But it's also—I guess I would say I was an entrepreneur when I started the company here. Because, I got help, of course, from Denmark. Got products, and help with some money and so on, but the rest we did ourselves here. So I wasn't sent out here. I got the business from out here. I was boots on the ground already.

17:50

**Q** So you were not in an office per se, and you're not in a startup space?

17:56

S No, no. Mostly bars.

18:00

**Q** What do you think makes China different from other startup environments? Entrepreneur environments, other countries?

28:15

S I wouldn't be the right one to answer that question. It's—I get my information from The Economist or from the news on startup hubs in other countries. So I don't think I can really elaborate much on that.



18:38

**Q** Now you've had success out here. How big do you think the chances are of other entrepreneurs having success, coming today. You had success here when you came in 1994. Do you think there's the same level or chance of success?

19:00

S I think so. I think so. I think there's a lot of opportunities. I think there's a lot of opportunities. There's a lot of great products abroad, there's a lot of great... Our cultural background is different, so you've seen John Christensen with [??] making bread, you know, bakers, [??], making great bread. That's an opportunity here, a great opportunity, I think. Getting Danish bakers in here doing this. So I think there's a lot of the things we are used to abroad, that you definitely could say, this is something that would work for the Chinese. I mean, hotdogs—

19:47

**Q** Ryebread.

19:50

S Something like that. Lots of things, But I think also a lot of things. You always find people have a lot of good ideas for industrial products. And there are so many new products coming up that are opportunities. So I would say—now we're discussing, ok, maybe Chinese are not so interested in buying services, they want to buy hardware. It's not so easy to sell solutions, it's more easy to sell products. There's a lot of truth in that. But I think there's a lot of products out there that I think would be great for the Chinese market. So I think there's a lot of opportunities.

20:38

S And the money is there. The growth—the economy is totally different from the economy 10 years and 15 years ago. We see the size, the GDP per person, it's exploded. So there's a huge difference. So there's much more cash in the hands of people and in the hands of companies. So I think there's lots of opportunities. And people are also used to foreigners now. And you have more and more foreigners that are very good at speaking Chinese also. So I think definitely, there's a lot of opportunities.

21:20

**Q** What about the competitive environment? Because with opportunities along comes a lot of newcomers and entrepreneurs. Do you think the competitive environment is different now?

21:35

S I think it is more mature in a way. One of the problems before was also the IP protection and so on. That's a big issue. But it is not all businesses and all companies that are vulnerable to that. So I think there's still—and IP enforcement and awareness of the importance of IP is also growing a lot in China. Because now you have local companies that are innovative and don't like to be copied. So I think it is gradually changing to the better.

22:20

S So I think—what I experienced—I can tell you what I experienced from hearing aids. From hearing aids we had—the big international players were all in China. They're all competing the best they can in China. Then you have some local players that do some local products or have their own small developments. But they could never develop anything that was close to the, you could say, branded products from the big players. 'Cause we have huge R&D departments in Denmark, and they [??] Switzerland and Germany.

23:07

S So the companies here that are competing are very small companies. I mean, they are companies where they may have a couple of engineers. So it's just beyond their reach to compete with these on technology. But what they do is they buy some generic technology and put it together and they get some decent products, and they're willing to sell them very cheap. So definitely you have a part of the market, but it's for that kind of products. But we don't see them as a competitor threat.

23:40

**Q** Because they're in a different buying segment—

23:43

S Yeah, different price range, different—we could say they are sort of taking care of the very low end of the market. They are not necessarily doing bad products, because the generic products work fine. But they are just not—we just don't see them as competitive because they are—where we sell a lot on service and so on, they would just mostly sell on price. So even though the products may work okay, if you only sell on price, you don't get correct

fitting, and the people who sell it to you are not very well-educated. So you cannot really get—it's very hard to get a good result.

24:28

S So we do not really see that as a big threat for us. Because if you say, now we want to upgrade, you cannot just upgrade the product, you need to upgrade the service, you need to get people with skills. So then you need higher pay, you need to find some skilled people. They should want to work for those. And then the prices go up, because the prices go up. So we really don't see them as a big threat.

25:00

**Q Did you have any problems with copycats?**

S No.

**Q Not at all?**

S No.

25:06

S It makes no sense, because this is not a product that is prestigious. It's not an LV bag. It's not some—some people don't want to be seen wearing it.

25:18

**Q What are the main pitfalls or difficulties for an entrepreneur here in Shanghai?**

25:32

S ... I think you definitely need to have some advice from people you can trust. To find some people you really can trust. It can be a lawyer. It can be staff, main staff. Or a PA or whatever. I had my family, so I had some people that can go and tell me when this is a little bit over the top or you shouldn't do that or that. So we need some help. Definitely. We need some people to help us read the signs and understand a little bit more. We cannot just rely on ourselves.

26:22

**Q Why is that?**

26:25

S Recently there was a case like a Danish company that—people who had been here forever, like 15-16 years. And they rent a new factory space, and they get cheated by the people. So even though you have a lot of experience, it doesn't mean people don't try to—

**Q You're not foolproof.**

S No, definitely not.

26:57

S And even for us, we cannot read Chinese easily. Even though I've learned to speak Chinese and I speak it fairly well, reading is not so easy for me... So definitely we have some deficits on that skill. So there we need to rely on other people. So we need to find somebody we can trust. So I think that is definitely what I would suggest. That you find somebody you really can trust and can help you. And if you're an MBA student, you would have fellow students who are Chinese that you sort of get a relationship with, and they can help you out.

27:43

S But coming here alone and trying to do everything by yourself, I think that would be it of an uphill battle.

27:54

**Q There are so many startups out here. I tried to look into, where are all the clusters, and what sort of startups do we have in North and the South of just Shanghai. Now that you've worked in a very professional company and now a startup. How do you think the startups should brand themselves? What is the single most important thing to attract the attention customers?**

28:32

S I think you need to start with yourself. You need to start with yourself to find out, what is it you want to do. What is—I was talking about purpose yesterday. So I think you need to start with yourself. You need to say, what is exactly the need I need to fulfil, I need to satisfy. Who is my customer, who am I. You need to answer those questions first.

29:06

S And if you find out what your purpose is and what you really want to do, who you want to involve, who you want to engage in your product and service, I think pretty much the rest follows. I think it is—you don't have a lot of companies working that way, unfortunately. So this would be my suggestion. And it is like—I'm working with a company who is making furniture. Danish designed, vintage furniture. Very good quality, and it's priced sort of mid-priced, kind of, it's more expensive than Ikea, but it's cheaper than Danish import. But it is really original and it's manufactured here after good principles and so on.

30:06

S But who are our customers? Why would they buy our things? We need to answer all these questions first. And then I think, once we've found out, who are they, then I think we need to find a way of engaging them. For who would be interested in 50s-60s vintage design from Scandinavia? People need to learn about it. If you look at goods for a Chinese home, see what people with money are buying, they are buying stuff from very opulent, velvety, silver and gold—you show off things. Stuff you see in a Russian restaurant. Goods from Moscow, you see these huge chandeliers and stuff like that. And it's so terrible taste.

31:01

S So first of all we say, we need to tell people it's good taste. You've got the money. But now—you should move to the next—you've spent your money on showing off. The next thing you should spend your money on is showing that you have culture. And taste. And we can help you with that. How do we do that? How do we find—what is the platform we need to develop.

31:32

S So I think, once you start going in this direction, I think, ok, you find out what are the needs, what is the platform for meeting these people.

31:45

**Q So how do you do that?**

31:47

S I think it is a bit like—you need to educate the market. I think you need to start some kind of a social media, a social interaction. You need to start some peer group, who really can discuss amongst themselves, what is this, what is good. Sort of feed a little bit into that. Try to educate the public and let people talk between themselves. So I think we need to start some kind of platform for that.

32:21

**Q Is that in traditional Chinese social media?**

32:25

S Well, now we have some fantastic ones. WeChat is fantastic if we can use that or some blogs. I'm not a total expert on how to do that, on how we should do that. But I think—I follow several groups, and they're very enthusiastic about these things. So I think we can definitely—there's a huge opportunity in doing that, and also that you can engage a lot of people in actual selling for you. Because once you start educating, people get enthusiastic. You need to find some fire brands. You need to find some people who are really—who you can really engage and then let them help you move the product out.

33:08

S Because going in and starting advertising and so on, I think that doesn't really work. I think you need to have much more social media platform and strategy. So I believe in social media. In social media for that kind. Because you need to have education. And when I say my product is good it has no credibility. But when you say my product is good it has a lot of credibility.

33:38

**Q So the word of mouth out here is—**

33:40

S I think that is very important, yeah. But I think that is also—from product to product—because we see within every industry, right, you have a lot of differentiations between the products, and there are different things for different people, and you have different approaches. So definitely, you need to find what is your niche, what is your passion. And then try to be evangelical about that. Preach it for everybody.

34:10

**Q So when are you launching your product?**

34:15

S This is already—well, we have a launch in—it's not a proper launch as much as it is a company re-launch. A company re-launch. But we are going to do that in March this year. 'Cause there is a design exhibition in Shanghai. So we're going to do that.

34:35

**Q A good word of mouth.**

34:37

S Yes, exactly, yeah. Exactly. But—design exhibitions are visited by professionals, architects and so on, and people who already know something. But you have a big—a lot of people who don't know and who are not educated, and are still going for the opulent and for the show off kind of furniture. So I think we have a lot of opportunities in educating that part. But I think it's also like—I think in Europe and the States you went through a phase of people being new rich. You can see they are new rich, they are buying a lot posh things.

35:20

**Q The more is more—**

S Showing off—the more is more, right. And then after a while it turns out the other way. Less is more. So I think you will have the same kind of evolution here. I think you also see—if you just look at Chinese restaurants. You have those that look really like palaces, and then you have also another part that looks zen-like. And those that look zen-like and really sort of stylish and really simple, they are the much more expensive than the palace ones. The palace ones are the cheap ones.

35:56

**Q They are actually the cheap ones. The one with the kind of land in the ceiling, sitting on plastic chairs has often really good food. [...] So it's the same branding strategy. Because in Denmark—if you were an entrepreneur in Denmark you would also use social media and word of mouth and everything. Do you think you have to put more focus on social media out here to cut through the clutter in terms of a branding strategy?**

36:25

S Because it's much more credible.

**Q People don't believe in advertisement.**

S I know I don't.

36:38

Thank you for your time!

## **Appendix C: Interview with Darren O'Connell**

**4 February 2016**

Q = Interviewer

D = Darren O'Connell

D I'm from Cork in Ireland. So I did business degree and also a sports degree back in Ireland. So when I finished my business degree, I took the opportunity to get a master's degree in Global Entrepreneurship and Innovation. So it's a really interesting program. We came through EMLYON Business School in France—do you know this school? Maybe. So EMLYON Business School is one of the leading business schools in Europe that focus on entrepreneurship and entrepreneurship education.

00:37

D So the master's degree is geared in such a way that you spend 4 months in Lyon in France, then—

**Q Nice place.**

D Yeah, it's beautiful. And then you come to 4 months in Hangzhou in China, which is one hour away from Shanghai—have you been?

**Q Startup of Alibaba—**

D Yeah, they say it's the Silicon Valley of China. So that's how they describe the Zhejiang province, which is—it is a fantastic place.

01:00

D And then the final 4 months of the program was in Purdue University in North America. So basically the goal of the program—it's a master's degree, so what we do is we work on startup projects, so we work almost as business consultants for startups in France and China and America. We also have the opportunity to work on our own projects.

01:18

D So to start your own project. And I think entrepreneurship, and this is linked to my research as well, entrepreneurship is very much a learning sport. The more you practice it, the better you get at it. So when we were in France, myself and my team mates, we decided to work on our own projects, because if you have to be working on your own projects, you face more challenges. And again, you kind of—you learn by doing. Which is the best way of doing it.

01:43

D And the sports analogy—you know, you can watch YouTube on how to kick a soccer ball, but unless you go and kick it it's completely different. This learning by doing approach. So the whole course is built on—you're supposed to spend some time in France, see what's in France around Lyon that might not be in Hangzhou and vice versa. So bring some opportunities from France to China and backwards and forwards and just get into the environment, the ecosystem.

02:08

D So we are really supported by our university to get out of the class room, to go talk to people, go to networking events. Just be as out there as possible. So we did, and again, really, really valuable. The last thing about the course which makes it so strong is—and I'm not trying to sell the course—but the people that are on the program—s we are 44 students from 17 different countries, so really diverse. And working on such a diverse team, where people come from different backgrounds and different cultures, you really begin to challenge your own assumptions of how you've been brought up.

02:41

D You know, Chinese people drinking hot water, and you're like, cold water. But then they say it's body temperature, it's better for your body. And that makes sense. So you know, small things that seem like big challenges, that really do challenge your assumptions, which is fantastic.

02:58

D So that program finished last year. And I was really lucky at the time. When I was in Hangzhou I got to meet the people from Chinaccelerator. they were doing a networking thing, where they actually came to our university and did some games and activities. In order for us to meet each other. Because we're both entrepreneurship focused, both international, both willing to share things. Similar characteristics and traits.

03:23

D So when Chinaccelerator arrived at the university, Todd and William—Todd is the program manager, and William is the director of Chinaccelerator. They kind of presented about the accelerator, what they do, their goals, their focus. And in a really small world, Chinaccelerator is owned by a guy that's Cork in Ireland, where I'm from. I don't know him directly, but that's crazy. I'm in Hangzhou, I'm from a small place, you know—

03:51

D So I just connected with the guys, kept in touch during the program, when the program finished, and asked them if there were any opportunities. So I came back with an internship, which is almost finished now. And I'm gonna continue to stay on. So that was the end of my program. So moving on to my research and my thesis.

04:08

D My research is a comparison of business incubators and accelerators from around the world. So how the Chinaccelerator is different from an accelerator in Cork or an accelerator in Copenhagen or Canada or anywhere. So I'm really interested in, again, global entrepreneurship, and kind of figuring out why Chinaccelerator is slightly different than A, B and C. And at the end putting together best practices or the most common things used in an accelerator to challenge entrepreneurs to learn and to grow.

04:41

D So what I've seen so far in terms of the research is that A) accelerators have blown up in the last couple of years. There's the first launch in 2006 [???]. Right now I think there's—I don't know the exact number, but on GAN, which is Global Accelerator Network, there's over 200 accelerators. These are official ones. There's many unofficial ones as well.

**Q On GAN?**

D Yeah.

05:07

D It's G-A-N, Global Accelerator Network. You should check them out. It has the list of all the accelerators that are around, and I think there's over 200. So Chinaccelerator is a part of GAN. And there's the perks associated with this as well. But they only take specific—like, you have to have specific requirements, which is all on the website for you to research.

05:28

D So that's what I've done. I've looked at a business incubator and accelerator programs, seeing how they're different. And usually the differences come from two things. One is the culture, and second is the business environment. So Shanghai is a really active, dynamic, ever-changing business environment. Almost when a program starts and a program finishes in six months, things have changed in Shanghai so much that businesses need to—

**Q 10 new skyscrapers.**

05:52

D Yeah, exactly. You really need to stay on your toes in terms of innovation, pivoting, moving and in terms of entrepreneurship it's fascinating to see. So—yeah, culture and business environments. And the business environment is ever-changing, really different than the one back in Cork, where I'm from in Ireland. And obviously Copenhagen, which is slightly different again. And again, congratulations on winning one of most innovative places to start a company.

06:20

D Dublin, I presume, is very jealous... So yeah, that's kind of the research I'm doing. And now secondly to the research—so I'm comparing and contrasting, and that's actual—the research will have results and stuff. Secondly to that, I really talk about how sports and startups are almost identical. Or athletes and entrepreneurs. Actually, I only wrote this up yesterday. Everyone can be healthy, but not everyone can be an athlete. Just like everyone can be an entrepreneur, but not everybody can be successful. So everyone can do anything, but really to get to the top—like, there's only so much Mark Zuckerbergs, Elon Musks, just like there's only so much David Beckhams and top athletes. And I find this really interesting.

07:06

D So the characteristics between the two, like being a risk taker—if you don't shoot, you don't score. Being a risk taker in business is the same. Making quick decisions, so again, if you're rugby player and you take too much time, you're gonna get flattened by the opposition who's coming to tackle you, and in business. So decision-making, risk-taking, communicating, all of these characteristics and skills that are the same. But you can almost say that for anything. It doesn't really matter.

07:33

D So what I've done is I've looked at co-working spaces, business incubators and also accelerator programs and compared them to gyms and sports facilities.

**Q Interesting.**

D Exactly.

**Q And challenging also.**

07:47

D So I actually—I come from a background of personal training. I was a personal trainer for 3½ years. It was a part time job during college, the best part time job ever. But I decided to leave it, because I was—I don't know if you know, but in Ireland, every second person started becoming fitness enthusiasts. And my clients are becoming my competitors, and that's not sustainable—

**Q Same in Denmark, the whole health wave.**

D Which is good. If it makes the general population healthier I'm happy, but for a business I'm out.

08:15

**Q There must be quite a lot of things to do in China.**

08:17

D In fitness and health—yes, absolutely. But I've promised myself I'm going through a career change, and if I wanna make it sustainable I gotta stay focused. But I'm gonna come back to it, or if I'm moving forward I'm gonna bring it along with me, which is basically the thesis, sports and startups.

08:35

D So going back to the analogy. A business incubator—if you look at Copenhagen University, I can almost guarantee that they will have a business incubator associated with it. So this for me is like a hotel with a leisure center. So it's not the main, primary focus, it's a nice thing to have. And it's there as a value added service. It's not the main focus—it's not the main core business, if you understand. So that's the analogy, a university is like a hotel, where

people come and take their degree and go. And then the business incubator is associated with the university. It's like a leisure center where people come to challenge themselves, and usually they don't make it too sustainable, because incubators have high failure rates, because the it's such early stage—which is completely normal and natural.

09:24

D 10.000 times more successful than trying to do it on your own, guarantee that.

09:29

D An accelerator, then, is very much like a six month weight loss program. So if you look at Chinaccelerator. So we have this business environment, so this is like our gym floor. We have the resources, so having the necessary machines to come to the gym like a treadmill. So we have, I suppose the analogy, we have wifi, we have chairs, we have everything you need to do the work you need to do. Just like a gym has all the equipment to use while you're there.

09:55

D So again, with Chinaccelerator we have our core team, who are like personal trainers who come and run structured programs to challenge entrepreneurs to learn and to grow.

10:06

**Q How often are these programs—**

10:09

D Six months. Actually, I will go into very much detail of the program we do. I'll just wrap up the sports analogy. I think it's interesting. So this is very much like a gym because we've got mentors who are like personal trainers. They come and challenge entrepreneurs, they give their advice, they give their time. But at the end of the day, it's always up to the entrepreneurs themselves to continue to drive forwards, and again, there's no guarantee of being successful.

10:36

D But there is a lot of things you can do to maximize your chances. And we just try to facilitate the process, for them to maximize their chances of success. So I think that's the real analogy between sports and startups. That the only way of learning is by doing, secondly is the support structure. Like a gym, in terms of a management structure, is the same as our management structure here. There's many parallels I could continue to—but that's only my perspective and my mindset on it. I haven't seen anyone else come out with this approach yet, so it's really—I'm not saying rally innovative and really new, it's just—it's difficult for me to do it, because I'm just coming up with it as I go along.

11:16

**Q But then you could make an app and sort inspire people to be an entrepreneur, like motivational apps they have for running.**

11:26

D Yeah, exactly. That's 100% true. I completely agree. What I'm actually working on just before you came was putting together a structured program of how to—give it to a corporate business. A really large business met us recently and asked, how can you help us promote innovation or make our work place a more inspiring place or a more supportive place for entrepreneurship or intrapreneurship, so people within the company. And that's what I've been putting together because it's fun for me to do this kind of stuff.

12:02

D So yeah, we're doing those apps, the motivational apps for entrepreneurs. I think it's a great idea. And I think it could be an interesting thing to do as well. So you can do it. I don't have the—

12:11

**Q So do you also do—the Innovation Center has a sort of: we help you open some doors. Do you also work together with institutions that are helping people getting along the way?**

12:27

D At Chinaccelerator? Yeah, so let me got into more broader detail about Chinaccelerator, and then I can answer that question. If I forget to answer bring it up again. So Chinaccelerator itself is basically under the umbrella of a venture capitalist fund. SOS Ventures is venture capitalist fund that owns Chinaccelerator—

**Q On your shoulder?**

D Yeah, exactly.

12:52

D It also own 6 or 7 other accelerators around the world. So SOS Ventures is the guy from Cork I mentioned. Shawn O'Sullivan, who's also on Dragon's Den in Ireland. He comes every now and then. I've never met him, not yet.  
13:07

**Q You have Dragon's Den in Ireland?**

13:09

D Yeah, of course... So—one of my favorite shows.

**Q Me too.**

13:17

D So Chinaccelerator, our focus is software. Apps, websites, platforms, anything in which softwares assists as a service. And fintech, all these different things. So anything software related. One of our sister accelerators is in South China in [???], focus on hardware. So in robotics, drones, anything that you want to be Inter of Things connected—they can make that sort of stuff.

13:42

D Back in Cork there's IndieBio, which focuses on Bio Technology and also there's a sister one of those in San Francisco, so two IndieBios that focuses on stem cell research, kind of lab-based stuff. Really interesting, but goes over my head. It's too scientific. And then we have Mox. Mox is mobile only accelerator. So this one we launched last month. And our managing director here, William is ver there with half of our team running mobile only accelerator.

14:17

**Q In Shanghai?**

14:18

D No, it's actually in Taipei in Taiwan. So...

**Q Wow, you're very global.**

D Yeah, we're international.

14:25

D So that focuses on mobile. So again, games, apps, platforms, anything on a mobile phone. And they partner with G Mobi, which is—their kind of caption is going after the next 4 billion. Because G Mobi manufactures mobile phones, and in the last year they sold 100 mill. Mobile phones to emerging markets. So South America, India, South East Asia, these kind of really interesting places. So that's good value add in terms of Mox, it's amazing. And so far so good with them, I'm glad to say.

15:00

D The other two accelerators we have—the last two ones we have are in New York. So one focuses on food. You know, food-related businesses. And the most recent one, which I think should be in Shanghai and not in New York, focuses on smart and sustainable cities.

15:18

**Q It should definitely be in Shanghai—**

15:19

D Exactly. We can make anything here. We can make anything here. [???] I'm pretty sure the Shanghainese government would be happy for us to make more—

**Q It's a part of their political plan for the next five years, so—**

15:30

D Yeah. So I think they partner with BMW Mini in New York, and it's not open yet. But I think it was revealed very recently. Only like a week or two ago. So when I heard the news I was like, oh my god, we need this here. Or have a sister one like Cork and San Francisco. So that's SOS Ventures, and that's the accelerator programs we run. So as you can see, their focus is in different areas. So food, software, hardware, XYZ. And I think that's a great way.

15:57

D And going back to the sport analogy, when we see gyms—we now see gyms that are being more focused. So you have spinning only, you have yoga only, crossfit only. So you have these niches popping up, and also growing really quickly.

16:19



D So Chinaccelerator—we're software based. So secondly to that we are—our main focus is in two areas. The first area is helping international entrepreneurs come to China. But also Chinese entrepreneurs and startups that wish to go abroad. So we are very much cross-border. So that's why I'm happy to hear, that when you researched we were one of the first on the web. Because that's one of our main strengths, that's what we focus on, and that's our target market, essentially. And that's what differentiates us from other accelerators that are here in Shanghai and Beijing and China in general. Because that's difficult to do.

16:55

D But I think, given our international reach with SOS Ventures, it makes it easier for us to do, with the network associated with SOS Ventures. So that's our focus. So Chinaccelerator—so we've had 8 batches so far, moving on to batch 9. We run two batches a year. So Each batch lasts six months. The first 3 months is a structured program. And the second 3 months is incubation phase, so what we see right now.

17:26

D So of this structured program, it's broken down into 3 phases, essentially. One—

**Q The first 3 months is broken into 3 phases—**

D Yeah, exactly.

17:38

D So month 1 is kind of like lean startup approach. So whoever comes—so we generally take companies that have been established for a year two years. It's very dependent—but usually around the two-year mark. So it's not someone with a fresh idea, it's someone who has something. Someone that has traction and just wants to grow or become more focused. But we have taken people with strong ideas, but it's very much down to the people we take. Because ideas will change, but people are at the end of the day the drivers of business.

18:08

D So month 1 is kind of like the lean startup month. Build, measure, learn. Whatever you have, a working prototype, put it out there, talk to your customers, get as much feedback as you can, adapt it, change it, adapt it, change it. It's kind of like backwards and forwards. And Shanghai is a fantastic place for that, because a) we've got 30 million people here. B) is that there's a really active community, so using something like WeChat, it's really easy for me to find a focus group of, I don't know, teachers in China, in Shanghai. 'Cause there so many groups on WeChat, you can find almost anyone there really easy.

18:47

**Q It's an amazing network.**

18:47

D Yeah, exactly. So WeChat is definitely amazing. And secondly in Shanghai, another thing that's really useful in terms of software and development, is that you can develop something really quick, but also really cheap. So in contrast, Ireland or back in Copenhagen, if you were to develop an app it might take the same amount of time, but it's gonna cost you a lot more. And that expense you can save for marketing, PR, for anything. As a startup, burning cash will kill you.

19:17

D So that's also huge value added of being in Shanghai, not necessarily with Chinaccelerator, but being in China or Shanghai, that's essentially again a real value added. So, LEAN startup month. So when we welcome people here, we try to facilitate the process, help them with visas, help them find not necessarily pay for accommodation, just make the transition as easy as possible. Because international people coming here for the first time, it's a very different place.

**Q I remember it.**

19:50

Q Everything was upside down. Just crossing the street was a life-threatening experience.

D When you cross the street, what I've learned is—so green and red—green means reduced risk, red means high risk. So there's no guarantee you're not gonna get knocked down.

**Q And if you let someone know they've seen you and you've seen them, then they're not gonna...**

20:13

D So high and low risk. Entrepreneurship-related. So we try to facilitate the process, and just get them welcomed here. So then the second week of the program we do this thing called GOAT, it stands for Geeks On A Train. So all the people that are on the program, we jump on, we jump on one of the fast-speed trains, we go up to Beijing. So when we go to Beijing, we go and talk to some of the big companies up there like Tencent and, I don't know, what ever big companies. So we try to get guest speakers from the companies to talk about their business, just to get the

people that are on the program more of a sound knowledge of how software technology kind of works in China. And just a general introduction.

20:55

D But it's also really good for everyone on the program to bond as well, 'cause it's not a week's holiday, but it's a week where you don't focus on your work, you focus on getting to know each other. Networking as well, which is a huge strength, so networking in Beijing. And these kind of things. So after Beijing we come back to Shanghai, do the same thing, get around the environment, ecosystem, connecting the dots, meeting people, visiting the companies, asking questions, swapping business cards, laughing, dinners, nights out.

21:23

D And then finally we go to Hangzhou, same thing, Alibaba, some of the big companies, Zhejiang University, which is how I met Chinaccelerator. Just meeting people, like-minded people, entrepreneurs, getting to know people in the ecosystem. And then you come back to Shanghai afterwards, and then week three is game on essentially. So build, measure, learn, LEAN startup approach.

21:47

D We do events as well, like Fail Faster, it's kind like the startup weekend, where you go, you work on an idea, you present it at the end of the weekend to a panel of people, essentially. And I think these things are great, because in terms of the sports analogy, if you need to become a good presenter or a good communicator or someone that's good in terms of these skills, a good networker, you have to practice it, you have to keep doing it.

22:13

D So going on these networking trips, doing Fail Faster and some of these events sort of exposes the entrepreneurs and challenges them also to present their ideas in a minute or less, and really it gives them an opportunity to stand in front of a crowd and get used to it. Which is a great learning experience.

22:30

**Q I think the pitch training is very important. Because a lot of people can explain their idea, but it takes them a very long time, and sometimes if you're standing in front of an investor, you don't have half an hour or an hour.**

22:44

D Exactly, I can't—I suppose it's really interesting for me to be here, because I've seen—I now start to see both sides of the coin. Previously I was the entrepreneur sending cold emails and trying to get responses from people. Visiting incubators and just showing up on their doorsteps, knocking on doors. Which—high five, thumbs up, well done for that.

23:06

**Q Can be frightening.**

D Yeah. Exactly, of course. But now on the other side of things, I see it from their side. The other side of the coin. So now, all the people that come here, of course you can't welcome everyone, we can't take all applications, 'cause time is limited and especially for the directors of the program. Their time is especially limited, 'cause they're doing so much things, they're associated with so much companies that, literally, their schedule is hectic. Pretty packed.

23:35

D So that's why it's interesting for me to see both sides of the coin, but I will always have huge respect for people that do that kind of stuff, like show up at the door, 'cause I know both sides of the coin, rather than maybe one of my work colleagues that has just worked here and not done anything else. They're kind of like, no, I can't see them, so I'll always try to work with people.

23:54

**Q That's very nice of you.**

23:55

D Ah, it's ok. I think you learn from all types of people anyway. It's kind of like a problem shared, is a problem halved. And idea shared is an idea doubled. So the more people you meet, I don't see any drawbacks, essentially.

24:12

D So that's month one, build, measure, learn, essentially. Month two, then, is kind of like a continuation of build, measure, learn—

**Q How many people is on every batch?**

D We take 12 companies.

**Q 12 Companies.**

D And in each company we try to recommend 2 or 3 people from the team. So the CEO, the CTO, and maybe business development. Some teams have larger teams, some smaller. But I don't think we've taken someone that's going in alone. I think it's always been teams.

24:45

D But, yeah, just 12 teams. A) it's because we have—at the end of the day we're a venture capitalist fund, so we take a percentage of equity when people start. So we have a budget, so we can only take 12. We can't take 22, 36, whatever. And also space is limited here. Not just in our office, but Shanghai in general. So we have enough space to cater to this amount of people.

25:10

D So that's what we take. So month two, continue to build, measure, learn. But usually around month two, you've figured out where you're going in direction. Now it's about growth, getting sales, getting traction, getting customers. Still reviewing the feedback, but continuing to move forward. And in the final month, month three, is all geared up towards demo day. The whole program finishes with a demo day, where you stand in front of investors, present your idea, and hope to raise finance, essentially.

25:37

**Q Lion's Den.**

D Lion's Den—Dragon's Den.

**Q We call it Lion's—**

D Lion's in Copenhagen.

26:01

D So then the final month is all geared up towards demo day. So getting your stuff together, getting your pitch ready, getting ready to present to investors, show them that you've worked, show them that your team has a proof of concept, that you can do it, and that all you need is money so you can move forward. That's generally what investors like to hear. They also care that the problem—they don't necessarily care how you're solving it—well, they do care how you're solving it, but traction is everything. The people behind the ideas.

26:30

D So again, going back to the sports analogy, you sign up for a 3 month weight-loss program. The marathon is at the end of the 3 months, and you've gotta prepare yourself the whole way to be ready for that marathon. So that's the sports analogy all the way through. So in the beginning you've no idea what you're doing, it's your first time squatting, your first time running. You get—putting on your shoes, your socks, the resources. And then you get your mentor, which is your personal trainer who helps you, guides you, and then it's up to you. You've got to continue forward. And just working towards that 3 month goal of running the marathon or doing a demo day.

27:02

D So our last demo day was November 20<sup>th</sup>, which was 2 months ago, 2½ months ago. And I arrived the week before. And really good event really positive. We were basically full out, so we had some people from the media, we had a good lot of venture capitalists and people that work in investment banking, just to come and check the startups, and again, potentially invest afterwards.

27:29

**Q Do you have a portfolio of investor and funding?**

27:33

D We have a network. Not necessarily a portfolio, but a network, yeah. It's built over time, it continues to build, which is great. So that was the last demo day. I'm not sure—I think it's too early to say yet, who's got funding, who hasn't got funding yet. 'Cause usually the process takes a couple, a couple of months, and backwards, forwards meetings, while continuing—

**Q Relationship-building.**

D Yeah.

28:01

D While continuing to run your business. It must be challenging for the guys, but a necessary part of the process. So yeah, I finished with the demo day, and then afterwards—so that's the 3 months. And then the second 3 months we just welcome the teams to stay here, to use the office space. Usually the international teams move back to

their domestic markets. So the last batch—we had a team from Singapore who went back to Singapore. A team from Hong Kong who went back to Hong Kong. A team from New York went back to New York.

28:28

D They do come back now and then for business opportunities or talking with investors. Some people they deal with in terms of business here. But generally that's their—their domestic market is where they are, and that's where they should be, which is great.

28:41

D So what we see now is just a few of the China-related teams that have stayed here to continue to work in our space. So I suppose the core team of Chinaccelerator, we're just getting geared up to review applications for the next batch. So next batch starts March 7<sup>th</sup>. And the same process—

**Q March 7<sup>th</sup>.**

D March 7<sup>th</sup>. Are you still gonna be around? Maybe?

**Q Maybe. I hope to go back in either March or April.**

D So possibly.

29:14

D So that's when I suppose stuff kicks off here again. New batch, new entrepreneurs, new challenges, new everything. Which is great.

29:23

**Q And you're gonna be along with the next batch?**

29:27

D Yeah, so right now I'm working on getting my work permit. I have a business visa, but it expires in two weeks, so that's why I have to go to Taiwan, because it's basically to get my visa extended. But hopefully—'cause I applied for the work permit a week or two ago, and it's around Chinese New Year, so things are moving slowly, and didn't get it in time. So I'll go and come back.

29:51

**Q I hope you're gonna make it with Chinese New Year and everything.**

29:54

D Yeah, I think it should be okay. [??] But yeah, it should be fine. I can work out of my Taiwan office, so it should be okay. And that's general it. That's the six months. And then it's, start again, go again, and again. And then we try to—of the companies that come out of the batches, we do try to continue to support them. So it's not just thank you, see you again. 'Cause we invest in the companies as well. So our wages come from how good or bad these people do.

30:22

D And that's another thing that I really love. That's what separates incubators, the hotel's leisure centers versus us. So as a personal training studio, if our clients are unsuccessful, we're out of business. And that's very much the way we work. And we gotta help them best we can, we gotta help them learn to grow, to be successful. Can we guarantee it? Absolutely not. But can we do everything to make sure we give them everything they can, yes, we will. So that's generally what we do. And that's what I really like about the job, it's dynamic, changing all the time. We have to continue to stay on our toes to learn what's happening in the environment, ecosystem. Have to understand generally the business, the industries they work in. And then in six months it changes again. Back to square. You gotta start learning again.

31:12

D So, great space, the people that work here are fantastic. And then again, being in Shanghai is amazing.

**Q Shanghai is an amazing city.**

D Yeah.

**Q Things are happening here, that—it's not gonna happen in Denmark in the next 10-15 years.**

31:27

D Absolutely. The same in Ireland. When I went—a lot of people have a culture shock coming here. But also a lot of people have culture shock going home. When you live—originally I had a three-month internship. If I were to go home now, which was basically the end of my internship, I would have no idea what to do with myself when I get home. 'Cause I'm so—you build yourself up to work at a certain level, and this is an extremely high-paced working environment. And especially startups. They always move really quick, 'cause they have to. I don't think there's any other place in the world currently, that works as fast as Shanghai.

32:06

**Q Do you think it's the best place to start a business?**

32:10

D ... To register a business in China, maybe not. To start a business, yes. But that's only speaking from the places I've been, 'cause I can't—I've never been to Copenhagen, so I can't remark. But of all the places I've been, and what I've seen, for sure. Definitely. Because you need a certain amount of things in order to create a good environment. So I think one of the things you need is multicultural people.

32:39

D So when you have a diverse group of people it clashes heads, it challenges assumptions. Like I told about our program before, having many people from different areas of the world, they see problems differently, they try to solve problems differently. It kind of unlocks your mindset to look at things differently. So this is important for a business environment.

33:01

D Secondly, in Shanghai, you've got the financial trade zones. So you have access to [???], which again kills startups, so money—there is money here. Is it easy to get? Maybe not. Depends, if you're in—there is a bridge between Chinese investors and international investors, or Chinese entrepreneurs versus international entrepreneurs. Some Chinese investors won't back foreign entrepreneurs, that's just what they—

**Q Really?**

D Yeah, they'll only push someone into Chinese-owned ventures and stuff.

33:30

**Q So it's more difficult for international entrepreneurs here—**

33:33

D To raise finance, yeah. And also the language. If you don't have a Chinese business partner, it can make it increasingly difficult as well. But that's what I say—so I wouldn't—if I was a startup business, I wouldn't register the business in China. I would definitely try to have some local people—it depends where you're operating, but I would definitely try to have some local people that have local knowledge. Maybe local contacts and contacts as well in terms of marketing and stuff. So that's also a huge challenge for foreign entrepreneurs.

34:06

D Everyone thinks they and come to China really easy, but actually it's pretty much a school boy area. I think China is probably the most—actually it's not the most difficult place to start a business, but it certainly is the most difficult place to compete in business. The business environment, understanding the people, the culture, so many people, small business and large businesses alike, just get it wrong. And we talked about pitfalls and mouse traps before. And eventually it's gonna catch you at some stage. So that's why you have to keep moving forward, keep adapting, keep up with whatever WeChat is doing, you gotta stay on top of it. And yeah, no rest. If you rest, you slip and slide down the competitive ladder, so it's pretty much as simple as that.

34:53

D That's what I think. I don't know. I've never ran a business in China, it's just what I see and what I think. So this is very much my opinion. But I think it makes sense too.

35:05

**Q So did you run your own startup in Ireland?**

35:09

D Yeah, I had a personal training business for 2½-3 years. It was small, local. I absolutely loved it. Great clients, great people. Really difficult to leave. Because these people become a part of your week and you have them grow and be successful. Difficult to leave, but one of the most rewarding jobs, yeah. And that's why I—

**Q But that was your own?**

D Yeah, it was my own company. It's called Exclusive Physique. Originally I wanted to actually spend six months in Ireland—spend the Winter months in Ireland and the Summer months in the South of France. That's why I had a French kind of name, so I could do both. But it didn't happen, so—maybe, I'm not ruling it out yet, so maybe I'll come back out of retirement and get back into it.

35:48

**Q Do you speak Chinese?**

35:50

D No. Maybe five or six words. But I have good body language.

**Q You learn to have good—the whole mimics and everything.**

D Exactly. Yeah, of course. It's the best.

36:01

D So no, but I'm gonna try to—I always say when I find time, but I'm never gonna find time. I have to force time to learn Chinese, for sure. If I wanna stay here.

36:14

**Q How does it work with—the company comes here and Chinaccelerator helps you get started on all these ventures. How much do you take from the company?**

36:25

D So every company is different, but our general starting point is we invest 30.000 US dollars for 7% equity in a company. Some companies are bigger than others, some smaller. So that may vary. But rarely it goes over the the 7%. It will only come under maybe the 7%. So if you're got a larger company or a more well-established company that has already raised financing before, then we can negotiate terms and conditions. But that's generally what we take, 7% for 30.000 dollars. And then there's an option of convertible note—so that is through a convertible note. And then down the line, so after two or three months, there's a second option to get another 20.000 dollars, which brings up the total to 50.000 dollars.

37:10

D But I'm not too rehearsed on that yet, so it's just general understanding. Which again, if you look at Global Accelerator Network, most of the accelerators on GAN follow same procedure, same process. Sometimes it's more money, sometimes it's less, but also the equity s more or less as well. So I would say it's the general structure people have been following so far.

37:35

D But again, investing in startups, high riks, high reward. And of a batch of 12 companies, in three years three companies might be successful, the rest of them might have died. But of the three, one of them might be very successful which again covers the cost of the 12. But again, there's only so much you can really do.

38:00

**Q Do you work together with other startup hubs or start of events. Like Slush China?**

38:08

D I don't know Slush China, but we have—I know we have—Chinaccelrator sponsors some—[???].

**Q I've read about them. They have the ant for a logo.**

D We sponsor a lot of their events. So they are partners. We do have partnerships with incubators.

38:27

D I think Tech Node or—what was the one you visited recently?

**Q Naked Hub.**

D Maybe not Naked Hub, but one of them anyway. We have a partnership with one of the other incubators, and [???]. Yeah, we're signing up partnerships all the time. Only during the week have partnership with Startup Chile and [???].

38:49

D It's broken up into two sections. One person handles international collaborations and one person looks after domestic. Which is good. But I'm not completely—I'm not a 100% convinced of the partnerships yet, so...

39:12

**Q I went to something called InnoSpace, which is difficult, because they speak primarily Chinese.**

39:21

D Yeah—do you speak Chinese?

**Q No. Or very little. I can only say the everyday words and get by. But they were also very nice, but it was difficult to get to know what was really—what was their program about. And I don't think it's accelerating space—**

39:42

D No, I think it's a co-working space. And I think—that's why I mentioned GAN, Global Accelerator network. It's true accelerators. And then you might have places like InnoSpace—I don'tknow what they do, I'm just

naming it as an example. You will find co-working spaces that are co-working spaces, and they offer their own incubation seminars, and they offer their own accelerator programs, so you will see, not only in China, but across the world, where you can come, use the resources, and we can also invest in the company and stuff like this.

40:14

D So they will label themselves as an accelerator, but it's rarely what it is, because you can't be a co-working space, and incubator and an accelerator—I just don't think you can be all three.

40:27

**Q It didn't look as well-established as—**

40:30

D Chinaccelerator. That's good to hear.

40:34

**Q So do you work together with other accelerating programs?**

40:39

D Not that I know of, because we have our domestic—SOS Ventures has HAX and IndieBio and its own accelerators. So I don't think we have direct relationships, but I think we have some interactive partnerships with some. But I don't know the list of—I don't know the list of collaborations we have but our own. But it does make sense for us to partner more so with incubators rather than accelerators, because—not saying that they're competitors, but they're doing the same thing. So if you're a startup it might not be too valuable for you to go through an incubator in Copenhagen, then go through an accelerator, and then come through another accelerator in China.

41:22

D That may not make sense. But it is valuable to go through maybe an incubator and then come through our accelerator. I think that fits well. So not necessarily partnering with accelerators. A) Because SOS Ventures has its own, and B) because the value of the entrepreneurs—I don't know if they'll really benefit from it. But we don't rule it out. I would welcome an entrepreneur that has been through 10 accelerators if they wanted to come here, that's fine.

41:51

D Actually, the last batch, we had one team that was doing 3 accelerators at the exact same time. So one of their teammates was here focusing on China, through Chinaccelerator. Another one of their teammates was in an accelerator in Hong Kong. And another one was in Singapore. All at the same time, same six months. Which is definitely not recommended, but they did it, so it's good for them.

42:12

**Q They're gonna have a lot of different ways to do a lot of different things.**

42:18

D I think it's a good strategy, because—the girl that was here working for the team was focusing on the Chinese market. And then the guy that was working on the other team was focusing on the Hong Kong market. So it makes business sense, but you also have to be willing to give up a good percentage of your company for—I think the benefits are better than the drawbacks, so...

42:43

D When I heard it, I thought it was crazy. And then I thought about it again, and actually it's a good strategy. Because startups don't last long. It doesn't make sense to go through Chinaccelerator, then go through Hong Kong. Just do it all at once.

42:56

**Q Maybe you're a confused sports athlete. You're not really sure what you're good at.**

43:02

D Yeah, exactly. Do I play soccer, basketball and rugby at the same time? I can only do one. Even though underlying you need to be cardiovascularly fit, they're three different things. Three different sports. Three different arenas or business environments with three different rules and regulations. I don't think you can play all three at once. Which is—yeah, thank you for the analogy.

43:22

**Q [...] As such the Innovation Center does not have the resources to make the startup companies really get out of the ramp. But they can get the initial contact and startup contact. So I think what they're also**

**looking for is to get a business partner, where they find the Danish companies and then say: here, to the Chinaccelerator.**

44:04

D For me that makes sense. Going back to the sports analogy, it's kind of like having a talent spotter. So for me, 100% it makes sense. I don't know if we can do a deal where you get a percentage of the company if it comes through. But actually, within our own companies we get a lot of referrals for companies to come to the accelerator. And there's a high statistic, that there's more of referrals that get accepted into the program. That people [??] through different mediums. Which is interesting.

44:43

D But I think—and it's not something, but it is something that I'm mentioning now in my thesis. Having a talent spotter internationally is value added. And it makes for an interesting job if it was something you wanted to do. To go to different incubators, find out who's working on what, and try to connect the dots between incubators and accelerators. I think that makes great sense.

44:55

**Q Because the startups that we are selecting, they haven't done it as much yet, but they have it as sort of a service, they provide. So it was sort of my idea to say, shouldn't we make it a bit more specific and a bit more minded towards the startups, because I think it makes sense. When you're called the Innovation Center, you sort should also make that happen.**

45:20

**Q Because the Innovation Center is part of The Ministry of Foreign Affairs, so they would have a lot of governmental support.**

D Like money—like through—

**Q Exactly, so they would have sort some ways to make people go to China. Bu I think they need the—they would sort of just be the talent spotter.**

45:43

D 100%, it makes sense to me. I'll talk about two things. One is what I tried to do when I went back to Ireland and the reason I'm back in Shanghai. And the second one is an idea I had when I was here, to get—so we focus on international entrepreneurs. So I came up with something of how to get more international entrepreneurs or bridge the gap.

46:03

D So the first one—when I went back to Ireland after my program. Ireland is working on something called the EU2020 Strategy. It's basically making Ireland and Dublin the startup home of Europe. Because we have the big companies, we have talented people. We have the resources in terms of big companies and [???]. And then we have the resourcefulness of the people that are there. So the young people, old, whatever, people that want to solve problems. So we have the two.

46:30

D So the EU2020 Strategy is triangle in format. The bottom—there's three tiers—the bottom tier was focusing on entrepreneurship education. The second tier was about creating the right environment. And the final tier was about promoting role models. So in order to promote entrepreneurship this is the three things the Irish government wanted to do, and still are continuing to work on.

46:52

D So entrepreneurship education—I came up with a business plan, jus based on the foundation one, 'cause I think it's the most important. So, again sports-related, I came up with a program of—basically it was entrepreneurship education, training people to change the world. Because entrepreneurs are—they go out, they change things, they fix problems, which is great. We need more people that do this kind of stuff. And also they have fantastic characteristics, so they are good communicators, they are great leaders, inspiring people, XYZ.

47:20

D We need a lot more entrepreneurs. So I came up with a business plan, essentially, of working with primary schools and secondary schools and universities in Ireland. Having different programs for A, B, and C, the primary, which is young kids, secondary school, and the universities. Having a structured program for these people that you do while you're studying business or while you're doing a program. Like you did an external program that's not associated to your degree, essentially.

47:52



D So I wanted business incubators to be—to go to a place. They say they go to a place, but they're actually not really welcoming of people that are just interested in entrepreneurship. So going back to the sports analogy. If I—I've never played soccer before, but if I want to play soccer I can go to the local soccer club and I can start anywhere, and I can start training and stuff.

48:12

D If as an entrepreneur I've never done any business before, if I knock on the door of an incubator, they'll throw you away unless you have, not even an idea, you have to have a good enough idea. And I think this isn't really facilitating entrepreneurship. So that's what I wanted to do, is make a structured program of—do you know Coder Dojo?

48:31

D Coder Dojo—it teaches kids how to program from a young age. So they did a fantastic job of teaching programming to kids. And I wanted to do something similar. The guy is from Cork, James Whelton, did a fantastic job. Again, SOS Ventures backed him, and [??] Cork-based venture capitalist company. And did a really good job, put together a great program for kids, and now it's blown up across the world. SO I would be very surprised if it's not in Copenhagen.

48:58

D So I wanted to do something similar in terms entrepreneurship. Again, going back to the sports analogy, if I have a business idea, I go to an incubator. But as a student, even studying business I didn't know what an incubator was. I was never in this college incubator until I kind of got myself into that space, until I pushed myself to do more entrepreneurship classes, and we visited the space and I was kind of backwards and forwards.

49:22

D But I just think, that incubators think they're doing that kind of supportive job, but I think the market, or people from my experience, will say otherwise. So that's what I wanted to do, use the incubators as places to go in order to, if you have a business idea, to learn entrepreneurship skills, or just to have fun in general, just to learn these skills and characteristics, and again, have fun. Meet like-minded people, diverse people because they're not all gonna be business people, they can be tech people. Graphic designers, anyone. Anyone can go to this.

49:56

D Just like when you play a sport, it doesn't matter what background you come from, you can still come and play a sport. So I wanted to use the business incubators like this, and then you'd have different challenges and different support structures and systems. And I was willing to do it for free, I was gonna run the program for free. Just finished my degree, still had a—thinking entrepreneurial [???]. And of the three or four incubators I went to nobody was willing to run with it. So I was all the time losing energy, so I was like, ok, so I got back in contact with the guys here.

50:28

**Q No one was willing to try it out?**

50:31

D Yeah, exactly.

**Q Sort of proving your...**

D Maybe I wasn't presenting it right. I was kind asking them why—I think a) they didn't have the extra time or resources for them to do it themselves. All the funds they were getting were being used up for the software development you're doing. Which is granted, it's okay.

50:56

D But yeah, I talked to a couple of people. I was interested in doing it, but it just seemed that the support system wasn't necessarily there. So I came back to a place where they would support it, and that's why I'm back in Shanghai.

51:09

**Q How long are you gonna stay here?**

51:11

D As long as I survive. I'm going to stay here a couple of years, definitely. And while I stay I would like to continue working with startups and also work with some really large companies and try to foster innovation into the companies. So two sides of the spectrum. Fortune 500 companies and people that are just running it to start. These are the two I would like to help and support.

51:35

D So that's kind of where I'm at now. The second thing—so that was the first point I made. I can't remember the second thing I said I was gonna talk about. That's why I ended up back in Shanghai. Oh yeah, the second thing I was talking about was an idea I had for Chinaccelerator. Just wondering how would we find more international people. In Ireland we have something called Enterprise Ireland, which basically supports Irish companies that want to go abroad. But these are generally larger companies with over 1 million euro in revenue. [???].

52:09

D And I presume Copenhagen has also a government agency that's here, has an office. So Enterprise Ireland has offices around the world, and they have one here in Shanghai. And basically what I wanted—well, what I haven't done, but what could be nice to do is get partnerships with these types of people. Enterprise Ireland is small-medium businesses in Ireland. So anyone that anyone that wants to enter the Chinese market can come through Chinaccelerator if they're interested.

52:38

D So connecting the dots this way, though the government agencies, rather—well, you can also do the incubators as well, but this was just a different approach. So one is you can have someone in Copenhagen running around different business incubators scanning opportunities. Or two is you just have a connection with the local government that's based here in Shanghai that supports Irish companies coming into China. And Chinaccelerator also does this, but we just do it for startups and entrepreneurs.

53:06

D Is there a way we could maybe—not meet in the middle, 'cause we're not gonna take big companies to come through us, it's just doesn't work. We'll take startups or if someone has a very well-established business in Ireland and wants to abroad to China, then they can enter through the program and almost set up their own entity. Because Ireland and China's business environments are completely different. Whatever product you have in Ireland, unless it's [???], you almost have to adapt afterwards to get to the Chinese market.

53:35

D So for me coming here, even if you have a well-established business at home, it's gonna be like a new business. And you can see through companies like LinkedIn. Only some of the big, successful companies that have been really successful in China have done this approach. Todd, my program manager, describes it as the Navy Seal 16. So what we do—it's like a military operation.

53:56

D So you're back in Ireland, you've got a big company like LinkedIn. You have all the resources, you have talented people, you have a well-established, profitable business, and you want to go to China. So what you do is you build up your knowledge of China. You back a small team, give them all the resources they need, financially, anything, and you just drop them off in China, and you go back to Ireland. Your base continues to focus on Ireland, and you just need these 5-6 people to run around and connect the dots and hire local people, local talents and work from here.

54:30

D And LinkedIn did this strategy and it was successful. So LinkedIn is operational in China. Not because it's the same LinkedIn at home, in Copenhagen or across Western society. LinkedIn has basically been reprogrammed, recoded from the code up. So all LinkedIn—

54:49

D That's why it's not blocked, then.

54:51

D That's why not blocked, because it's on Chinese servers, it's a Chinese website. It's not actually LinkedIn, but they have made it identical to—yeah, exactly.

**Q Wow, okay...**

D So that's why I think, when you wanna come to China, this is the way you have to do it. And Navy Seal Six is fascinating. And I only learned this recently, so happy to share it. I think it's great.

55:17

Thank you very much for your time

## **Appendix D: Interview with Marc Alding**

**5 February 2016**

**Q = Interviewer**

**M = Marc Alding**

**Q Vil du fortælle lidt om din baggrund og hvorfor du har valgt tage til Kina?**

00:14

M Det var godt nok et bredt spørgsmål. Hvor langt tilbage skal jeg starte?

**Q Bare fortæl løs. Hvornår tog du herud og hvorfor.**

M Uddannelse også?

**Q Ja. Du behøver ikke starte helt tilbage fra folkeskolen.**

M Nej, nej...

00:37

M Jamen, jeg har læst lidt forskelligt. Jeg har læst bygningskonstruktør. Så har jeg læst HD i finansiering. Så har jeg læst en kandidat i strategi og finansiering. Og arbejdet med i byggebranchen som konsulent og i bankverdenen. Senest i bank og konsulent-verdenen. Og så har jeg også ved siden af haft en virksomhed med min bror, som handlede med skrot, sjovt nok. Som er sådan lidt et familieforetagende.

01:21

M Og min bror og jeg har i bund og grund altid været rimelig tætte og deler mange fælles interesser og livsanskuelser, selvom vi på papiret er meget forskellige. Og på et eller andet tidspunkt stod vi begge to uden job faktisk og havde overtaget det her skrotfima og arbejdet sammen. Og røvkede også. Dødsygt. Men det var lidt hårde tider, og det var ret vigtigt at få det her firma op at stå.

01:59

M Og det brugte vi to år på, og det gik egentlig fint, og vi har det stadigvæk i dag. Og forsørger også min bror primært. Jeg har haft det andet arbejde ved siden af. Og min familie ellers. Og så—jamen, undervejs der begyndte vi at kede os som sagt, og så mødte jeg en kammerat på et tidspunkt der synes det kunne være vildt spændende at åbne noget a la Joe & the Juice i Polen. Og det synes jeg også var vidt spændende. Så det var vores første restauranteventyr. Uden for Danmark. Vi har aldrig lavet restauranter i Danmark. Aldrig nogensinde.

02:43

**Q Så I gik fra—**

02:46

M Skrot til slot i Polen... Og så, jamen—det gik—det var et super cool koncept egentlig. Historien—det kort af det lange er, vi blev total snydt af min kammerat. En dansker. Og hans bror. Men konceptet virkede, og det var egentlig os der havde skabt det. Vi skulle ikke drive det, de skulle drive det. Det var ligesom aftalen. Men ja... de—det er en anden historie.

03:27

M Og så efter det gik der lidt tid. Jeg mener det var i 2010. Og jeg arbejder ligesom videre i en bank dengang. G min bror arbejder stadig for familievirksomheden. Og de vi var sammen var vi tre mand, men måtte sige én op, fordi vi prøvede at lave lidt et sats. Så han sad nu alene med det her og kedede sig lidt. Og s tog han til Kina. Sagde fuck det. Fordi virksomheden dikterede ikke at man skulle blive siddende i Danmark og drive den. Og vi havde været lidt i Kina før. Faktisk også dengang med det her Juice Nation, som det hed, og kigget på lokationer i Hong Kong faktisk dengang. Og var rimelig skræmte over prisniveauet, fordi det var allerede i 2010 hjernedødt dyrt.

04:33

**Q For restaurant eller?**

04:34

M Arh, retaillokationer. Så det... Så kom han herud. Og vi har egentlig altid haft en forkærlighed for branchen, tror jeg. Uden det rigtig har været italesat. Og så havde vi nogle kammerater der havde lavet noget der hed PurePharma, som er en ret succesfuld virksomhed i dag indenfor crossfit-verdenen. Der laver fiskeolie og sådan kosttilskud.

05:15

**Q Herude i Kina?**

05:16

M Nej. Vi skulle så tage det til Asien. Vi fik så agenturet for hele Kina... Og så havde vi noget der hed Jack's Cocoa Water, som faktisk også var i vores montrer.

05:32

**Q** Det er også det i har på—noget body butter—

05:36

**M** Nejnej, det er ikke body butter. Det er bare kokosolie. Man kan smøre det hvor hen du vil.

**Q** Det ligner sådan noget body butter.

05:46

**Q** Nu spørger jeg måske dumt, men hvad bruger man det til?

05:51

**M** I have no fucking clue, men de er ret glade for os, de der Jack's Cocoa, så vi køber deres kokosvand og deres chips. Og så kom de med det der. Vi har ikke betalt for det, de har bare sat det der.

06:06

**M** Men vi solgte to i går. De koster 200 sådan en bøtte der, så works fine with me.

06:18

**Q** Hvordan kom I fra fiskeolieprodukter til det her?

06:31

**M** Jamen, så som sagt har der altid været en forkærlighed, men jeg tror hele det her Polenseventyr havde lidt gjort restaurationsbranchen til en lidt kvalmende ting for os. Men så gik der lidt tid og så skiftede regeringen i Kina, og det gjorde det fuldstændig, helt og aldeles håbløst at importere noget ind i Kina. Særligt fordi det var på pilleform og i bund og grund pharmaceuticals. Jeg kan ikke huske om det var før eller efter eller på grund af det, men oveni hatten var der alle de her katastrofer med—

07:24

**Q** Modernælkserstatning.

**M** Nej, det det var—men GSK som fik et kæmpe sagsanlæg herude, og der var bare—det var håbløst at være taget til Kina for at sælge importeret—medicin var det jo ikke, men i hvert fald noget i pilleform.

07:42

**D** Så det endte med at det eneste som nærmest kunne sælges af det her, det var sådan noget importeret i en taske-agtigt, og så kunne man tage til Hong Kong og sælge det til alt muligt derovre. Det gav ingen mening. Så begyndte vi at kigge på det her, eller min bror gjorde. Jeg var så altid med på sidelinjen hjemme fra Danmark af. Og har været herude flittigt siden min bror har rykket herud. Og så blev det her koncept ligesom udviklet, og vi fik nogle investorer med. Det er ikke gratis.

08:21

**Q** Var det danske investorer, eller er det kinesiske?

08:23

**M** Det er ikke lokale. Og så åbnede den første butik. Vi brugte den samme designer vi havde brugt i Polen. En ukendt dansk designer. Og fik udviklet konceptet, og det koncept der er her, det er egentlig det samme vi havde ovre i Super Brand Mall, det er bare en federe lokation. Og så...

09:03

**M** Ja, og så... så åbnede vi der i maj 2014. Og så efter—ja, et langt stykke tid dernede, så åbnede vi her, som var butik nummer 2, i december 2015, nærmest halvandet år efter. Og undervejs så sad jeg derhjemme fra.

09:43

**Q** Du er stadig ikke kommet herud?

09:45

**M** Jeg var ikke kommet herud endnu—arh, jeg kom herud inden den her åbnede. Så sad jeg der hjemmefra og havde en del i det og... Men der kan godt være for mange kokke når man kun har én restaurant. Så mange mennesker kan man heller ikke løbe rundt oveni hinanden.

10:12

**M** Men så da det her skulle åbne, så var det sådan lidt skid eller stå af potten-agtigt. Jah... Så i juli i år—eller sidste år var det så. Juli 2015, så tog jeg herud for at være full-time. Så gav mit arbejde mig faktisk orlov i to år for at være selvstændig.

10:47

**Q** Oh, Det er da imponerende.

10:50

**M** Og så—

**Q** Så du har faktisk i princippet stadig dit andet job derhjemme.

**M** Ja, ja. Jeg laver ikke noget, får ikke nogen løn. Men de skulle give mig et arbejde, hvis jeg kommer hjem.

11:04

**Q** Det er da en perfekt ordening.

11:13

**M** Så—hvad så—ja, så åbnede—så kom jeg herud i juli, og så åbnede det her så i september. Og Global Harbor, den anden tæt på dg, åbnede i oktober. Så det var to byggeprocesser oveni hinanden, og... to åbninger mere eller mindre oveni hinanden også. Og etablering af noget centralkøkken her. Det var helt anden konceptkonstellation i forhold til før, hvor det bare var en cafe.

11:51

**Q** Hvordan med regeringen og sådan? Den politiske side af det. Var det svært at få tilladelse til at åbne restaurant her?

12:00

**M** Vi har ikke tilladelser pt.

**Q** Ah, ok. Så I har lavet det der soft launch.

**M** Soft opening.

12:13

**M** I bund og grund, når du åbner restaurant i Kina, så kan du ikke få din tilladelse, før din restaurant er bygget færdig. Fordi du har folk der skal komme og tjekke den fysisk ud. Udformning og layout. Men hvis du bygger noget så stort her eller betaler en husleje som er så stor som det her eller et andet sted, så har du ikke råd til at rende og pisse penge af i adskillige måneder, mens de der får fingeren ud og kommer ned og giver dig et stempel.

12:43

**M** Så de fleste, langt de fleste gør sådan her. Så er der nogle meget stringente mall operators som dikterer, at man skal have licenserne inden man åbner. Men de har så til gengæld også formentlig selv deres ting i orden, så tingene går lidt hurtigere. Så fx når man åbner sådan et sted her, så lige pludselig finder man ud af, den der 2. sal der har været på restauranten altid, den lige pludselig ikke eksisterer på papiret.

13:17

**M** Det er sådan noget man siger—derhjemme ville man have sagt, så skal du tjekke tingene igennem inden du skriver under, men sådan fungere verden bare ikke helt herude. Så man—det er bare svært. Men jo, det tager—det er en lang snørklet proces at få sine licenser og papirer i orden.

13:46

**Q** Og man skal tale kinesisk, eller kan man klare det—

13:48

**M** Man har agenter til det.

**Q** Ah, det har man.

13:54

**Q** Hvor lang tid siger man det tager at få sine [licenser]?

13:58

**M** Vi åbnede i september, og vi har ikke vores endnu. Vi skriver 5. februar i dag, vi regner med at have vores 1. maj, har jeg fået at vide.

14:13

**M** Nu skal det siges der er kinesisk nytår. Som nærmest er bare at tage en måned ud af livet. Der sker ingenting.

14:22

**Q** Jeg har godt hørt at det kommer til at stå fuldstændig stille her... Jeg tænker, du er også entreprenør. Hvordan ser du hele miljøet for det at være entreprenør herude?

14:40

M Det miljø jeg færdes i er jo ikke sådan et entreprenant miljø. Altså, jeg bruger ikke hver fredag og lørdag på at mødes med andre folk, der har haft den her idioti at åbne en virksomhed i Kina. Jeg kender faktisk ikke andre. Så det miljø jeg færdes i er mere et ekspatmiljø. Og det er det jo. Så man har selvfølgelig en masse lokal omgangskreds, men den lokale kultur er så langt fra hvad jeg kommer fra. Og det har måske også lidt at gøre med de mennesker man umiddelbart har, når man har vores størrelse, man ansætter i en restaurant. De er sådan—de er på et andet niveau end når man kommer hjemme fra Danmark af. Så deres livsanskuelse og deres erfaring og hverdag ligger meget langt fra det der har været ens hverdag og er ens hverdag.

15:45

M Så den lokale omgang uden for arbejde, den er næsten ikke eksisterende, så ens omgangskreds bliver meget et ekspatmiljø.

16:02

**Q Men kan du mærke at de så har en indstilling til at ville prøve at være entreprenant eller lave sin egen virksomhed herude?**

16:11

M Mine ansatte?

**Q Bare dit miljø her ude. Dit ekspatmiljø.**

M Nej. Overhovedet ikke.

16:18

M Folk der kommer herud, de har—økonomisk har de jo en helt anden pakke end man selv har. Shanghai er ekstremt dyr at leve i og etablere sig. Folk der kommer herud, de har housing og gode lønpakker og får betalt forsikring, får betalt alt muligt. Har et helt andet karriereforløb. Så folk kommer ikke herud med deres arbejde for at være nysgerrige og starte op. De kommer herud fordi de gerne vil herud, og så har de fundet et job der kan sende dem herud, eller også har de haft jobbet og så fik de tilbud om at komme herud, og så tog de det.

17:10

M Og så er der—det kunne være dig selv om 5 år—folk der har læst herude og synes Kina var interessant og så bare gerne vil være her og så fået noget job og den vej rundt blevet herude. Men jeg tror også på den front kommer der nok flere entreprenører herud. Fordi jeg tror helt klart den vestlige tilgang til at lave forretning og drive forretning er—jamen, den giver meget god mening i Kina. Og man kan også godt mærke at de ansatte og de folk man har i sin virksomhed sætter pris på at være i en vestlig virksomhed.

17:53

**Q Hvordan kan du mærke det?**

17:54

M Det er jo bare rent gæt, men jeg tror den måde en kinesisk virksomhed bliver drevet på... er måske knap så behagelig. Jeg tror der er sådan lidt mere—jeg tror bare de værdier jeg har i hvert fald hjemmefra i forhold til hvordan man behandler sine ansatte osv. måske står lidt i kontrast.

18:31

**Q Hvorfor valgte i Kina? Hvorfor valgte i ikke et hvilket som helt andet landet?**

18:39

M Vækstmarked. Det største der er.

**Q Det var de muligheder i så herude, eller hvad?**

M Ja. Det er egentlig ikke meget længere end det.

18:51

M Så—og har været lidt introduceret for det. Vi har haft lidt med Indien at gøre også på et tidspunkt, men det er—der er ikke de samme muligheder, tror jeg. Det er jo også et kæmpe land, men det går ikke ligeså stærkt på en eller anden måde. Der er ikke den der fra 0 til 100-fornemmelse der er i Kina. På ingen tid. Ja, det er egentlig det. Der er ikke så meget...

19:29

**Q Har du oplevet at Shanghai har ændret sig i forhold til det her med at du jo har startet en forretning—**

19:36

M Jeg har kun været her et halvt år.

Q **Ja, okay. Så—det kan jeg godt se.**

19:40

M Så jeg har besøgt Kina de sidste—siden 2012 eller sådan noget, har jeg måske ud over at have boet her det sidste halve år, været her 10 gange eller sådan noget... Om jeg kan mærke der er sket noget, det ved jeg sgu ikke. Jeg synes det der er sjovt, det er at kontrasterne herude er ret store. Fx kaffe i Kina og Shanghai. Jeg kan ikke få ligeså god kaffe, føler jeg nærmest, i Danmark, som jeg kan herude.

20:24

Q **Ok. Det tror jeg du er den første jeg har hørt sige.**

20:27

M Altså, jeg kan få rigtig meget lortekaffe. Men hvis jeg ved hvor jeg går hen, så kan jeg satme få god kaffe i Kina.

20:39

Q **Fordi udbuddet er så stort? Der er så mange, at...**

20:44

M Du ved, jeg tror der er sådan nogle nicher, hvor så falder man over et eller andet, og så får man virkelig trænet op. Fx sådan en kaffe som os. Vi er jo—ja, jeg synes vi er et cool koncept, men vi er jo ikke Waldorf Astoria, vel? Hverken på skills af vores ansatte eller vores lønninger eller så meget andet. Men når du kommer herind, så synes jeg du får en sindssyg god kop kaffe. Hvorimod hvis du går hjem i Danmark og går ind på—ja, hvad kan man sammenligne med? Bare Baresso fx—jeg synes ikke de laver en tilnærmelsesvis ligeså god kaffe. Eller Joe & The Juice som jeg faktisk før i tiden synes lavede en sindssyg god kaffe derhjemme. Det synes jeg ikke—det smagte ikke ligeså da jeg var hjemme henover Julen, som det plejede at gøre.

21:48

Q **Vil du sige Shanghai er et godt sted for entreprenører at starte deres virksomhed?**

22:00

M Øh... Der er ikke et miljø for det der er sådan specielt tilgivende. Jeg vil kun sige der er én ting der er godt ved det, det er hvis du laver et koncept der holder og folk kan lide det, så behøver du ikke bevæge dig særlig meget længere ud. Der bor 25 mio. mennesker, så alt efter hvad marked eller niche du rammer efter, så er markedet kæmpe stort bare i Shanghai alene. Du skal ikke så langt væk før du finder adskillige mio. oveni hatten også.

22:39

M Men sådan entreprenør eller noget er der ikke noget. Der bliver ikke gjort noget. Jeg har en jeg snakker lidt med som kommer hernede, en kineser, som har noget app-startupvirksomhed, IT-startupvirksomhed. Han har fortalt mig, at der rent faktisk findes nogle—sådant nogle startupkontorer, ligesom vi har det derhjemme, hvor man kan sidde i sådan nogle kontormiljøer og tingene er lidt billigere og man samler folk sammen. Så jeg tror det eksisterer. Men... Men det er hvad det er. Hvis man skulle gøre noget for startups, så skulle man jo gøre det lettere at etablere en virksomhed. Det er fuldstændig håbløst.

23:30

M Jeg har stadigvæk en virksomhed i Danmark som jeg kører derhjemme fra sammen med min bror, og det kan jeg jo sidde og gøre på nettet. Og det tager ingen tid. Fx har vi—her skal vi skifte adresser for holdingselskabet, og den proces har pt. været i gang i et halvt år. Tilfældigvis da vi flyttede fra Danmark skulle vi også skifte adresse, fordi virksomheden ikke længere lå på det kontor vi havde. Og det havde jeg glemt at gøre, så det klarede jeg over nettet på 5 min.

24:12

M Og når man så sidder og gør sådan noget parallelt, så finder man ud af hvor store kontrasterne er, og hvor meget lettere det er at være selvstændig i Danmark i forhold til Kina.

24:26

Q **Tror du der er stor succesrate herude?**

24:34

M Nej, jeg tror der er mindre. Langt, langt mindre.

Q **Så der er mange muligheder, men det er også sværere at bryde igennem.**

M

Ja.

24:46

M Fordi—jamen, prøv at gå hjem i Danmark og køb en avis. Jeg tror ikke man kan finde en dag hvor der ikke står et eller andet om Kina og vækstrater i Kina. Det kan man jo nærmest ikke. Og det kan man også godt mærke, når man skal etablere sig herude. Der er rigtig mange guldgravere, og selv inkluderet, så man tænker, nu skal vi bare til Kina og lave en kæmpe business. Men når man så begynder at skal etablere sig, så ved de jo også godt på den anden side, hvor mange der står i kø for at komme i gang. Så sådan noget som husleje, når man er i retail som os, det er helt vanvittigt, hvad tingene koster. Fuldstændig.

25:39

M Og man skal stadig huske på, at prislejet herude er jo—skal være sådan rimelig billigt, taget i betragtning af hvad tingene koster. Eller sagt på en anden måde, hvis du havde en restaurant derhjemme, så ville omkostningsstrukturen være en væsentlig anden end hvad den er herude. Folk herude er ikke dyre. Men du har helt klart brug for flere folk end du har derhjemme. Så antal hoveder, hvilket også gøre det mere komplekst.

26:21

**Q Hvad er gennemsnitslønnen pr. medarbejder?**

26:25

M Jeg ved sgu ikke hvad gennemsnittet er. Det ligger lidt spredt. Men vi har ikke nogen ansatte der tjener over 10.000... Og få der tjener over 5.

26:43

M Så det ligger nok på 4.000-et-eller-andet om måneden. Men så er der—men det er deres bruttoløn. Så er der titusindvis af tillæg og—jamen, jeg ved ikke hvad man siger man lægger i omkostninger fore en dansk medarbejder. Så hvis du får 10.000 i løn i Danmark, så koster det måske 15.000 eller 18.000 for din arbejdsgiver. Og det er formentlig det samme herude. Ja, men så igen, i Kina er der heller ikke noget der er sort-hvidt. Så nogle medarbejdere vil fx ikke have man giver dem social insurance, fordi så tager man også noget ud af deres løn, som de skal betale. Så det vil de ikke have. Og så må man lade være med det. Det er i bund og grund billigere for os, men det er også på den korte bane billigere for de ansatte. Men de får selvfølgelig brutto mindre ud af det.

28:08

**Q [???] Der er stor succesrate herude.**

28:15

M I vores branche her—der er sindssyg mange der prøver og lukker igen. Der er også meget crap, hvis man kan sige det sådan. Så det er selvfølgelig også en del af forklaringen.

28:38

**Q Lavede i markedsanalyse og sådan noget før i tog herud? Jeg tænker restaurationsmiljøet er meget kompetitivt herude. Virkelig mange restauranter.**

28:51

M Ja, ja, det er der. Men der er helt klart mange restauranter hvor du ville gå hen og spise aftensmad indenfor det vestlige, selvfølgelig. Vi sammenligner os ikke med det kinesiske. Men i forhold til det vi gør, et sted hvor man kommer hen all day, hangout, og du kan spise din morgenmad og det giver mening, og du kan spise frokost og det giver mening, og du kan komme ind og sidde og snakke og få et stykke kage, holde et møde eller noget. Der er faktisk ikke så meget.

29:31

M Du har selvfølgelig alle kaffebarerne—

**Q [??]**

M Næh, generelt, synes jeg. Du har Starbucks, du kan ikke få ordentlig mad i Starbucks. Du har Costa Coffee, samme, du kan ikke få noget ordentlig mad. Du kan heller ikke få ordentlig kage. Det er pisse ringe.

29:49

M Du kan heller ikke få god kaffe på Starbucks. Costa Coffee er en lille smule bedre. Der har du selvfølgelig det som vi ser som vores største konkurrent [???]. Som også er dansk. Som gør det sindssygt godt. Og [???] været de første.

30:08

**Q Har i taget noget inspiration fra dem?**

30:12



M Det er svært at sige. Jeg er vel fristet til at sige nej. Men hvis man kommer herud og kigger på os og kigger på dem, så vil mange nok sige, at det passer ikke. Men vi startede faktisk med at ville åbne det samme som vi gjorde i Polen, en Joe & The Juice-agtig. Juice og sandwiches. Men når vi kiggede lidt på det herude, så troede vi ikke på det kunne lade sig gøre. Fordi 1) juices er—kan du få rigtig meget herude. Og det koster ikke noget, og det der hardcore fokus på sundhed og juice, det er der ikke rigtig. Vi har stadig en ret stor juicemenu af en masse æbler selvfølgelig, rødbeder, ingefær—du ved, alle de der ting som er sunde.

31:17

M Hvorimod måske mere vanlige juice i Kina, det er måske appelsin, vandmelon, du ved, sådan lidt mere—

**Q De er slet ikke hoppet på den der fitnessbølge—**

M Så det er ikke rigtig kommet hertil.

31:31

M Og sandwich med brød og sådan lidt rugmel, det... det—ja, vi troede ikke rigtig det var klar herude. Så det var der vi startede, og langsomt begyndte vi at bygge mere og mere på. Og så startede vi ét sted og er endt her. Så oprindeligt fik vi faktisk også en kok til at designe vores menu, altså maden. Og så ud fra det designet lidt—layoutet af restauranten. Nu finder man ud af, at den måde vi sætter restauranten og baren op på, det er jo lidt det samme for alle vores steder.

32:30

**Q Så i havde ikke nogen plan før i stod i det, og så tog i beslutningerne som de kom?**

32:42

M Ja og nej. Anders var jo herude inden at det her kom på benene. Så han har jo gået rundt i det og har spist sig gennem Shanghai. Ikke måske med henblik på at lave noget i starten, men så gik der jo et langt forløb hvor man blev skarp på hvad konceptet var. Så der var et koncept om hvad det skulle være. Og det er sådan groft sagt det vi har nu. Men så bliver der jo prøvet en masse ting.

33:26

M Nu kører vi sådan et [??] koncept, sådan Madklubben-agtigt, hvor vi har to eller tre retter til en aftensmad og et sådan rimelig—det er jo ikke lille kort du har her. Det er ikke et lille spisekort, hvis man er i Danmark. Men for en kineser som er vant til at få stukket sådan en jumbo med 200 sider á forskellige risretter med grøntsager og kød og [??] og hvad det ellers er i hånden, så er det jo ikke en stor menu. Men sådan noget—det her det kommer sådan efterhånden. Fordi hvorfor ikke? Og det der er vigtigt, det er jo at finde ud af hvordan man får folk til at komme sine steder hele dagen, samtidig med at man ikke gør det for komplekst.

34:22

**Q Hvordan gør man det? Hvordan får man folk til at komme?**

34:24

M Have noget at få folk til at komme efter. Så—det er jo egentlig ikke raketvidenskab. Man kommer jo ikke på EQ til morgenmad, hvis der ikke er noget morgenmad. Man kommer der ikke til aftensmad, hvis man ikke rigtig har et aftentilbud. Og det—vi har meget af som folk virkelig kommer efter og godt kan lide. Det er vores buffet med salater og sandwich. Og vi er her altid pakket til frokost. Så det er der vi tjener flest vores penge. Og så tjener vi rigtig meget på kaffe og kage.

35:11

**Q Hvad havde du ønsket du havde vidst før i startede EQ?**

35:23

M Omkostningsstrukturen, hvordan den hænger sammen i Kina. Fordi det er virkelig informationer herude at få et overblik over, hvordan verden hænger sammen, er ekstremt uigennemsigtig i forhold til derhjemme. Så det kæmper jeg egentlig stadigvæk med. Så jeg har ikke sådan et overblik—det passer jo ikke—man har en ide, men det er sådan en—få en bedre indsigt i omkostningsstrukturen herude. Også fordi det er ikke så—tingene herude er ikke så firkantede. Og derhjemme er man jo vant til, hvis man skal gøre et eller andet derhjemme, så ved man, at hvis der er en regel, så skal man følge den. Og hvis man skal—ellers kan man ikke.

36:40

M Herude, hvis man skulle—jeg vil ikke sidde og sige jeg ikke følger reglerne, fordi det føler jeg egentlig jeg gør. Men man får kastet så mange underlige ting i hovedet hele tiden, som tit og ofte ingen mening giver. Jeg kan give et eksempel her: vi betaler for skraldehåndtering her til vores landlord. Og så her for leden kommer der så nogle

folk ind som siger de vil have 3000 kr. om måneden for at håndtere vores skrald. Oveni at vi betaler håndtering af skrald til vores landlord.

37:23

M Og så—det er jo helt grotesk 3000 kr. Det er hvad vores ansatte får i løn for en måned. Og så kigger man på den her ejendom som har en del restauranter og rigtig mange kontorer. Og så tænker jeg okay, hvis vi tager 3000 fra os, så må den her bygning ca. ligge nærmest en flere hundrede tusind hver eneste måned i skraldehåndtering. Og det kan jo bare ikke være rigtigt.

37:58

**Q Hvad gjorde i så?**

38:00

M Så snakker man med dem og siger, det kan vi ikke. Og så går de lidt igen og så snakker man lidt senere, og så finder man nok en eller anden ordning på et eller andet tidspunkt, og så snakker man med nogle andre og hører hvad fanden gør andre folk. Og så prøver man ligesom at finde ud af, hvor det der lander. Fordi det er sådan—der er mange ting der er ublu i mit hoved. Det kan godt være det er mig der er total amoralsk og alt muligt andet, men for mig er der meget der er ekstremt ublu i forhold til prissætning og hvad man forlanger folk skal og ikke skal.

38:42

M Så det bruger man faktisk rimelig meget tid på... Så 3000.

**Q Fuldstændig åndssvagt.**

38:57

**Q Tror du også det har noget at gøre med at du er foreigner? De tænker de godt lige kan se om de ikke kan...**

39:05

M Måske. Det kan godt være. Det er svært at sige. Jeg taler jo ikke kinesisk overhovedet. Og de tror jeg både er en god og en dårlig ting. Fordi jeg tror man bliver sparet for rigtig meget ballade. Men det betyder også at der er mange ting og nuancer du slet ikke forstår. Men alligevel kan man jo læse en del ud af folk og deres attitude.

39:45

**Q Hvad er det bedste ved at være entreprenør?**

M I Kina eller bare i det hele taget?

**Q Lad os starte med Kina.**

40:01

M [???]. Jamen... det går virkelig stærkt. Hvis du vil have noget til at ske, så kan det virkelig gå hurtigt på en eller anden underlig måde, selvom du har alle de her udfordringer og problemer, som man slet ikke kender til derhjemme. Og så sådan generelt er det jo bare, at det man opnår, det er jo frugten af ens eget arbejde. Det er ikke ligesom sådan et corporate hamsterhjul, hvor man sådan set bare kunne tage sin taske og gå og så ville tingene bare køre videre. Der føler man helt klart her, at hvis jeg tog min taske og gik, så ville der ikke være noget EQ. Det tror jeg er det mest—og når folk kommer ind, nu specifikt for branchen, det er også derfor man—jeg synes det er spændende, det er at man—det er sådan en branche hvor man møder folk hver dag, og det gør en forskel på folks umiddelbare humør.

41:18

M Og det kan være man læser om det på [???] eller på en app eller hvad det nu kan være. Så det er sådan branchen. Der synes jeg det er ret givende. I stedet for at lave powerpoint-slides.

41:44

**Q Skal du blive ved med at være entreprenør? Hvor stort skal det blive?**

41:50

M Åh, det ved jeg ikke... Altså, det har jeg egentlig ikke noget sådan tal på eller ambition om hvor stort det skal blive. Jeg tror ambitionen er at have noget der er godt. Og så når det er godt, så åbne endnu flere steder af det. Jeg synes ikke rigtig man er i en position lige nu, hvor jeg kan sige, jeg vil have 10 eller 5 eller 5000. Fordi det giver ikke rigtig nogen mening lige nu. Altså, i den her branche er sky's the limit. Og så har jeg læst, at Starbucks i år skal åbne 500 butikker i Kina. Og de har 1500. I Kina.

**Q Bare her i Kina?**

M Ja.

42:51

M Det er er to butikker hver eneste hverdag i hele året. Det er ret meget... Så i den betragtning, så er der jo masser at gøre. Nu er vi ikke Starbucks. Dels er Starbucks lettere at åbne i forhold til os. Vi kræver en væsentlig større investering. Og så er det mere komplekst, altså, de laver kaffe og sælger købekager. Vi laver ekstremt meget helt fra bunden... Så det er forskellige forretninger. Hvis du tager [??] og hele det konsortium. De har en 70 butikker, hvor langt størstedelen er i Shanghai. Så én butik ad gangen.

43:48

**Q Men de har jo—de får al deres mad lavet ét sted. Og så bliver det kørt ud til de forskellige butikker.**

43:58

M Det gør vi sådan set også nu. Vi laver alt her, og så kører vi det til Global Harbor.

44:17

## **Appendix E: Interview with Morten Brandtoft**

**19 March 2016**

**Q = Interviewer**

**M = Morten Brandtoft**

**Q Fortæl lidt om dig selv og hvorfor du er taget til Kina.**

00:27

M Jeg hedder Morten, og jeg er leder af Innovationscenteret i Shanghai. Og jeg har været i Kina i 8 måneder, og vi er typisk på 2-4-årige kontrakter i Udenrigsministeriet. Jeg kommer fra industrien og har arbejdet med innovativ forretningsudvikling og innovation i en række store virksomheder og har også selv været entreprenør og synes at de udfordringer der ligger i Innovationscenterets regi er rigtig interessant, og det har været en af mine bevæggrunde for at tage til Kina og så også at prøve at Udenrigsministeriet indefra. Og så har jeg jo så også haft som ambition at jeg vil give min familie en spændende oplevelse af at komme ud i noget helt andet og få udvidet deres horisont også.

01:19

**Q Hvad er din opfattelse af en entreprenør?**

01:33

M En entreprenør for mig er jo en der er iværksætter og sætter ting i gang, finder på nye måder, nye metoder, nye teknologier, som giver—som man så kaster sig ud i og realiserer og nyttiggør på den ene eller anden vis. Typisk i forhold til—de virksomheder vi hjælper—i forhold til at starte en virksomhed p. Men det kunne også være noget offentligt, noget socialt, som bare gør samfundet bedre og ikke nødvendigvis har det store økonomiske islæt i sig. Men den klassiske er jo at man har drømmen om at lave en stor virksomhed eller lykkes med at få mangfoldiggjort sin teknologi eller opfindelse.

02:28

**Q Hvordan påvirker det et samfund at have mange entreprenører?**

02:33

M Et entreprenant samfund med mange entreprenører og iværksættere, det er et samfund i udvikling, stadig udvikling. Og jeg tror for et land som Danmark er det utroligt vigtigt at vi har entreprenører i rå mængder, var jeg ved at sige, fordi det er det vi langt hen ad vejen skal leve fremover. Vi kan ikke leve på at lave ting billigere. Vi skal leve på at finde på nye spændende måder at gribe ting an på.

03:07

**Q Hvordan er det i forhold til Shanghai—det system der er ved at udvikle sig der, det fokus der er på entreprenører?**

03:18

M Langt hen ad vejen, kan man sige, selvom det jo er top down-dikteret fra politisk side, at innovation og entreprenørskab er højt på agendaen og med i den nye 5-års-plan, så er det jo også rigtig set af Kinas regering, at det er jo den vej man skal gå, hvis man vil op i værdikæden og udvikle samfundet fra lavkost-produktionsland til det her

innovative samfund, vidensbaserede samfund. Så det giver jo rigtig god mening. Men det er jo også noget af en mundfuld.

03:55

M Kina har nogle dynamikker i sig som gør, at det er måske ikke det mest oplagte sted at tænke på et land der lige pludselig skifter til et højt innovativt samfund på den måde. Meget kultur og meget—hele den problemstilling med IPR-rettigheder osv. Der er bare rigtig mange ting som er en udfordring for dem, men det har de jo en tradition for at komme efter og få udbedret stille og roligt.

04:29

**Q Hvordan opfatter du økosystemet for entreprenører i Shanghai?**

04:38

M Jeg tror man kan se, netop fordi der bliver satset rigtig meget på det oppefra, at gøre samfundet innovativt og entreprenør—mere entreprenøralsidigt, så bliver der jo investeret meget i infrastruktur, kan man sige, i forhold til [???] og inkubatorer osv. Der er ingen tvivl om, at der er masser af penge der bliver sat i spil for at underbygge den her udvikling af et entreprenørt og innovativt samfund i Shanghai. Men jeg tror også man må erkende, at det er et langt sejt træk.

05:16

M Nu fx indenfor venturekapitaldelen, der er nogle der er begyndt at lykkes. Alibaba og [???] og Tencent osv. Og de begynder også at reinvestere deres enorme summer, de har tjent, men jeg tror der mangler ligesom nu indenfor investor- og kapitaldelen, der mangler der nok en generation eller to erfaringsmæssigt i forhold til de her meget dygtige entreprenører der har prøvet det mange gange og er lykkes og fejlet osv.

05:49

M Det tror jeg, der skal man en generation eller to længere frem før man rigtig har en stor mængde som man ville kunne kalde et solidt fundament for et økosystem for entreprenørskab. Tilsvarende på venture kapitaldelen, jeg tror—generelt er holdningen nok, at der er mange penge i spil. Og risikovilligheden er også ok. Men man mangler igen den her modenhed i forhold til at få virkelig afdækket, hvad er det for nogle virksomheder der er rigtig potentielle, og vi ser også nogle valuations der er helt hen i vejret. Det er måske igen den der umodne venture kapital-marked.

06:35

M Så der er en masse ting der er undervejs, og der bliver kastet enorm meget energi og penge i hele udviklingen af hele økosystemet, men man må sige, det er stadigvæk umodent.

06:47

**Q Er det samme indstilling til internationale entreprenører som der er til lokale entreprenører?**

07:11

J Jeg tror meget at Kina tænker, at nu skal vi udvikle vores eget innovative samfund. Men de ved jo godt, at det at trække kompetencer ind udefra, det er også nødvendigt. Men jeg synes de støtteprogrammer der er, de målretter sig meget til kinesiske entreprenører som udgangspunkt. Man har så inviteret tilbage de her 1000 professorer fra USA bl.a. Altså, kinesiske PhD'er eller professorer, netop for at have folk inde i det kinesiske økosystem, som har prøvet det ude omkring fra og på den måde ligesom prøve at shortcutte den erfaringsopbygning, fx hvordan man laver spin-off-virksomheder ud af universitetsforskning eller demonstrationsprojekter eller ventureinvesteringer.

08:09

M Så man prøver jo at inddrage kompetencer udefra. Og man vil også rigtig gerne—det er et af Shanghais fokusområder, tiltrække [???] selskaber, som qua deres globale presense har en større erfaringsbase globalt set end at lave den her slags ting som corporate entrepreneurship.

08:32

**Q Så er der stadig en voksende tendens hen imod at internationale entreprenører også bliver en del af udviklingen i Shanghai?**

08:44

M Det tror jeg bestemt vi kommer til at se. Men det er også i takt med at det kinesiske marked bare er et total [???]. Større og større niches, så er det naturligt at det trækker de dygtige folk fra hele verden ind fra fx e-commerce eller hvad det nu måtte være, som Kina er helt på forkant med. Så er det her med, dygtige entreprenører kommer jo dertil de miljøer i verden, hvor der mulighederne er de rigtige, og der er spændende [???]-potentialer. Så

jeg tror vi kommer til at se det mere fremadrettet, fordi Kina stadigvæk vokser så voldsomt, og at der bare er mange muligheder i Kina.

09:24

**Q** **Hvad er det for nogle nicher du tror Shanghai bliver/er rigtig stærke ud i?**

09:30

M Det er måske svært at pege på nu her, men der er ingen tvivl om, at når man bor i Shanghai, så får man i hvert fald indtrykket af, at Shanghaiområdet er blandt de mere måske allermest åbne områder i Kina i forhold til andre områder.

09:58

M Men der er en vis åbenhed overfor at prøve ny teknologi. Det er et [???]. Måske det mest [???] i Kina. Man er vant til at omgås mange udefra, nye [???] og nye ting. Så jeg tror Shanghai kommer til at være det sted i Kina hvor der sker rigtig meget nyt, og hvor det er naturligt vi vil kigge til i forhold til at få prøvet nogle ting af. Specielt ud mod markedet og ikke så meget produktionsmæssigt.

10:32

**Q** **Hvorfor skal dansk entreprenører etablere sig i Shanghai?**

10:44

M Det skal de—

10:51

M Jeg synes jo det giver mening for danske entreprenører at orientere sig mod Kina, når de har—når deres produkt eller forretningside passer til det kinesiske marked. Der er nogle ting der bare efterspørges helt enormt i Kina meget mere end i andre steder af verden. Fx den her enorme fokus på uddannelse for de unge mennesker. Er man nu indenfor ed tech, så er det måske ét af de områder man så kan sige, det er helt naturligt man kigger på Kina og det enorme potentiale der er. Hvis man har et spændende produkt indenfor det. Men det kan også være hvis man har noget der kan ramme den kinesiske forbruger.

11:35

M Det kan være design, eller det kan være—jamen, vi ser jo restaurant—restauratører der er lykkedes med at lave kæder. Så det kan være rigtig mange ting hvor markedet bare er spændende.

11:48

**Q** **Så det bevæger sig lidt uden for nicher—hvad handler det så om?**

11:59

M Jeg tror meget det er et spørgsmål om, at enten skal man ramme der hvor der er et—hvor forbrugeren har [???]. Eller også skal man ramme nogle af de steder, der bare er enormt meget fokus på fra regeringens side. Fx i øjeblikket, hele den her clean tech-del, der ved vi det er et område der bliver prioriteret. Fx vandrensning, spildevandsrensning. Hvis man har nogle spændende danske løsninger der kan rense spildevand på en omkostningseffektiv måde, så er det jo også helt oplagt, at der er enormt behov og måske også et stort marked under opsejling, fordi nu har man sat sig for at man vil rense ud i den enorme forurening der er.

12:46

M Katalysatorer indenfor luftrensning, helt oplagt at [???] kigger til Kina. Nu er det selvfølgelig nogle lidt større virksomheder, men—hvad kunne det mere være—masser af store og små nicher, tænker jeg, som det er naturligt for at orientere sig mod Kina.

13:11

**Q** **Hvordan tror du økosystemet differentierer sig, Shanghai vs. København?**

13:24

M Jeg tror der er ved at være, og det er måske noget der er sket indenfor de sidste 10 år, at der er kommet de der forbilleder, også i Kina, med nogen der er lykkes. Nu er det igen de her store kendte som [???] osv. Men det er ligesom blevet mere acceptabelt at se entreprenørskab som en mulig karrierevej. Men jeg tror ikke det er så, endnu, så udviklet som det er herhjemme.

13:52

M Jeg tror stadigvæk dem der har evnerne og talentet for det vil naturligt tænke på at de skal ind i partiet og så skal de på den bedst mulige skole osv. Og det er den sikre karrierevej. Men jeg tror det bliver mere og mere naturligt at man tager den karrierevej, og mere og mere acceptabelt at man tager den karrierevej der hedder

entrepreneurship, fordi man netop har nogle forbilleder, som gør det—at man kan se der er nogle der er lykkedes. Men jeg tror stadigvæk man er lidt—jeg ved ikke om man skal sige man er en generation bagud på nogle områder.

14:28

M Fordi jeg tror også i Danmark, der har det også været—for bare en generation siden der var det her med at kaste sig ud som iværksætter jo ikke noget ret mange forældre ville have deres børn skulle gøre. Det tror jeg der er en helt anden holdning til i dag.

14:44

**Q Hvad med markedsmulighederne i forhold til Danmark—eller København og Shanghai?**

15:02

M Men så er vi måske lidt tilbage til at ramme de her ting der enten bliver prioriteret fra regeringen, helt ned til byniveau, fx mange cleantechløsninger der kan løse nogle af de enorme miljøproblemer der er. Eller også nogle af de markedsmuligheder ligger indenfor at ramme kinesiske forbrugere. Hvad enten det er mobile gaming eller uddannelse eller hvad det nu er. Ingen tvivl om, at ligesom alle mulige andre, når velstanden stiger, så går de også på cafe og laver alle mulige ting som vi andre sætter pris på.

15:46

**Q Så man kan godt mærke de er ved at bevæge sig være mere produktionsdrevet samfund til forbrugsdrevet samfund?**

15:53

M Ja, det synes jeg måske specielt man kan se i et bysamfund som Shanghai, hvor man er den største velstand i Kina, og hvor er man mere udadvendt, fordi der er så mange udenlandske folk der bor i byen og derfor bringer mange nye impulser ind i byen. Jeg tror det er nok der vi langt hen ad vejen kommer til at se en masse nye spændende teknologier og nye spændende forretningsmuligheder rulle sig ud først. Og så er Kina bare interessant fordi—Shanghai i sig selv er jo 25 mio. mennesker, så et kæmpe marked. Og kan man få bare en lille flig af det, så er der enormt potentiale. Og hvis man så ovenikøbet kan finde en forretningsmodel der kan skaleres til de hundredevis af andre millionbyer i Kina, så er sky's the limit. Kæmpe markedspotentiale.

16:44

**Q Tror du Shanghai bevæger sig hurtigere entreprenørsystemmæssigt end Beijing fx, eller nogle af de andre store byer—**

16:56

M Jeg tror de forskellige områder har forskellige styrkepositioner. Nede sydpå har man jo måske i forhold til prototypeudvikling og hurtig massereplikation og skalering en fordel på produktionssiden. Beijing har måske et stærkere venturekapitalmarked. Jeg tror på forbrugsdelen, der tror jeg at Shanghai er måske det sted hvor man er længst fremme. Hong Kong har måske et lidt stærkere juridisk system i forhold til at beskytte rettigheder. Så jeg tror man kan anlægge man forskellige strategier til hvordan man naturligt går i markedet. Så, ja, lidt forskel i styrkepositioner rundt omkring i Kina.

17:46

**Q Hvad er de største udfordringer for danske entreprenører der overvejer at tage til Shanghai?**

17:56

M Det er det her med, synes jeg, at det er så forskelligt. Alt lige fra kultur til beslutningsprocesser osv. Det—for mig at se, så de virksomheder der klarer sig godt, det er dem ligesom laver—enten er på markedet for at forstå hvordan man skal angribe det, eller tager sig ulejligheden til at forstå det inden man kaster sig ud i det. Eller også ser vi også nogle af de større innovative virksomheder, der sætter innovationsafdelinger op, Arla fx, for at forstå den kinesiske forbrugers smag indenfor oste, som de ser en masse potentiale i. LEGO for at forstå børns legemønstre i forhold til produkttilpasning til specifikt det kinesiske marked.

18:46

M Så jeg tror nøglen til succes er at få afdækket, hvad det er for nogle omgivelser man skal ind i, og hvordan netop både beslutningsstrukturer og forbrugere agerer, som kan være meget ens det vi har derhjemme, men i nogle tilfælde kan være utroligt forskelligt i andre tilfælde. Men den forståelse, den tror jeg er nøglen til succes.

19:09

**Q** Men det kræver så en mere dybdegående forståelse at tage til Shanghai end at etablere sig her i København, eller tror du det er det samme?

19:20

M Danske virksomheder ville jo helt naturligt på rygraden have en god fornemmelse af hvordan man rammer danske forbrugere osv. Og i forhold til at tage Silicon Valley eller London og hente kapital, så ville det også være meget anderledes at tage til Kina. Meget af håndværket, at lave en god forretningsplan og lave en god pitch ville være det samme. Men man løber bare ind i så mange anderledes udfordringer. Så ingen tvivl om at det er sværere for danske virksomheder at starte op og komme til Kina.

19:54

M Men jeg tror på den anden side, så skal man heller ikke lade sig skræmme, nødvendigvis. Fordi det er som sagt et spørgsmål om at få fundet—altså forstået markedet man skal begå sig i. Og så er vi lidt tilbage til det her med, at vi ser nu i Shanghai også danske entreprenører der starter restaurantkæder osv. Og det er jo ikke fordi det nødvendigvis behøver være så frygtelig anderledes end herhjemme. Folk vil gerne gå på cafe, og så lykkes det jo for dem. Og så lige pludselig har John Christensen 75 restauranter herude, eller hvad han har.

20:31

M Så jeg tror, man skal ikke være så bekymret for at kaste sig ud i det. Men man skal bare være indstillet på, at der er noget læring der skal på banen inden man lykkes.

20:43

**Q** Hvordan er funding mulighederne i Shanghai?

20:50

M Jeg synes stadigvæk vi mangler noget afdækning i forhold til hele seed-delen. Men vi hører jo, at der er masser af kapital i markedet. Både fra private og investorer som er kommet til penge, enten via [??] eller anden vej. Og vi hører der er en masse venturekapital i markedet. Vi hører også og kan læse os til, at der er støtteprogrammer i forhold til kinesiske entreprenører, i forhold til at få opstartslån, men det er ikke lige noget som danske entreprenører kan gøre brug. Som vi kan læse os til nu her.

21:31

M Så jeg tror der er masser af kapital i markedet, men det der med at finde vej til det, kan man sige. Og i forhold til danske entreprenører, så har vi så i [??] i Shanghai et kontor, og det er måske en god stepping stone i forhold til at få rejst kapital i markedet. Jeg tror det vi ser som udgangspunkt i forhold til startupvirksomheder, det er at man bringer noget kapital med sig hjemmefra, typisk seed eller egenkapital i den danske virksomhed, som så suppleres op med [??], og så måske først senere, hvor man har etableret en egentlig forretning og begynder at have noget omsætning i det, så kan man så rette sig mod kinesisk kapital, venturekapital. Jeg tror det er sådan den måske mest sandsynlige vej.

22:27

**Q** Men man kan ikke tage til Kina uden noget? Man skal have nogle midler med hjemmefra?

22:34

M Det ville jeg næsten sige, at det ville være måden at gøre det på. At man—og alene det at man skal regne med at man skal netop lære noget over et stykke tid, det kræver jo at man er på markedet og man afsætter tid til at gøre sin læring og møde de rigtige partnere. Det kan man selvfølgelig shortcutte lidt i forhold til at bruge Innovationscentrene. Men altså, jeg ville da sige, hvis man er helt lille nystarte virksomhed uden nogen midler og tænker man hurtigt skal til at have noget forretning, så er det måske ikke lige Kina man starte med at kigge på.

23:10

M Til gengæld, hvis man har en velfungerende forretning derhjemme, eller man er lykkes med at lave et vis salg og har så at virksomheden kan lige hænge sammen herhjemme, måske genererer et mindre overskud, så er det måske [??], man indenfor nogle nicheområder kigger på Kina fremfor USA eller Europa, fordi der er bare nogle ting der er meget mere fokus på derude.

23:32

**Q** Hvad for eksempel?

23:34

M Nu snakkede vi fx om det her med uddannelse. Familierne bruger op til 30% af deres indtægt på ekstraudannelse af deres børn, så de kan komme ind på de bedst mulige universiteter og skoler. Og bare at sige, indenfor det område [??] ... [??]. Der er nogle områder der bare er kæmpe marked, som ikke matches andre steder.

24:10

**Q** **Hvad med angel og private investorer—er der flere private investorer der er mere investeringsberedte end der er her i Danmark?**

24:38

M Jeg tænker lidt—for det første har vi stadigvæk det til gode at få afdækket det mere præcist og for fundet frem til de 50-100, whatever—1000—mest oplagte folk for at få at vide, hvad de er interesserede i. Så jeg tror der er en vis afdækning som vil være gavnlig for at kunne guide danske startups i den rigtig retning for at kunne få noget finansiering.

25:07

M Og så tror jeg der måske også det element som ligger i at en kinesisk investor, qua de måske stadig er en lille smule umodne som investorer, mange af dem i forhold til at lave startup eller ventureinvesteringer—det er at jeg tror man skal være måske en lille smule forsigtig med at hive for meget kinesisk kapital ind for tidligt, fordi vi ved også det her med at have delt ejerskab, det kan være en udfordring. Mange joint ventures er kuldsejlet typisk med mere modne virksomheder der laver samarbejder—men simpelthen fordi at kultur elementet gør at man måske bare har forskellige visioner for hvordan sådan en virksomhed skal udvikle sig.

25:51

M Så jeg tror man skal være en lille smule varsom med det. Medmindre man ved at man er nogenlunde på bølgelængde. For jeg tror, man kan hurtigt løbe ind i at det bliver—at man vil noget forskelligt. Og så er det jo træls at have en alt for tung investor inde, som ikke vil det samme.

26:12

**Q** **[...] Danske forbehold mod at tage til Kina er fordi systemet er uigennemskueligt, der er for store kulturforskelle, og så er de bange for at blive kopieret hvis de involverer sig med en kinesisk partner. Er det noget der er hold i, eller er det forkerte antagelser der reelt set bunder i uvidenhed?**

26:51

M Nej, jeg tror da—der er da noget om snakken indenfor alle områder. Der er da ingen tvivl om at man skal da lige lægge en god IPR-strategi inden man tager til Kina. Sørge for at man både er beskyttet i sine kerne patenter, men måske også sikre sin freedom to operate, så man ikke derefter kan komme i clinch med nogen der måske udvikler lidt op ad det man har lavet. Så der er da bestemt udfordringer indenfor det. Og jeg tror også rigtig mange—fx inden for cleantechvirksomheder, har måske lidt været ude i—jeg vil ikke sige de har brændt nallerne, men de har måske brugt rigtig meget tid på ikke rigtig at komme til noget forretning, fordi man har svært ved at gennemskue beslutningssystemet der ligger i det offentlige i forhold til at købe cleantechløsninger til vandrensning, luftrensning. Fordi det er en lidt tungere beslutningsproces som måske er svært at gennemskue.

27:58

M Men det er igen noget som setuppet ude i Kina med ambassade og vækstrådgivere og [??] kan være behjælpelige med at få fundet de rigtige beslutningstagere som gør at man kan komme meget tættere på egentlig konkrete projekter og forretningsmuligheder. Men ingen tvivl, der er garanteret en masse, specielt indenfor cleantech, der har brugt lang tid på at netværke og prøve at opbygge en forståelse, men ikke rigtig er kommet til noget forretning. Jeg tror det har noget at gøre med den fordom at det er svært at navigere derude, fordi det er så komplekst og svært at nå frem til den klare forståelse af, hvem er det man sender ind til, hvem er beslutningstagere, hvor bliver projektet scopet henne og alle de her ting

28:51

**Q** **Er det noget der har ændret sig i forhold til 5års-planen? At det er blevet lettere at etablere sig [...] eller tror du stadig der er lang vej igen?**

29:11

M Jeg tror det der har ændret sig nu, det er den her miljøbevidsthed. Så en ting er at man gerne vil opbygge et innovativt samfund, men jeg tror ligeså meget det er det her fokus der er på at lave kvalitativ vækst under hensyntagen til miljø og få ryddet op i noget luftforurening og vandforurening osv. Det gør at den enorme [??] der har været tidligere, det er lige blevet til egentlig efterspørgsel, fordi nu bliver man helt ned på byniveau målt på at nu skal der ske noget. Så en borgmester der vil lave karriere i partiet bliver målt på, hvordan og i hvor høj grad han er i stand til at rense luften i byerne og få rensset spildevandet osv.

29:53



M Og det gør at der er et helt andet træk på—eller efterspørgsel efter løsninger som kan gøre at man opnår de mål som er sat helt oppe fra hele vejen ned gennem systemet. Og det gør forhåbentligt også at det bliver lidt mere transparent i forhold til, hvordan får man så [???] til at enten blive bystyret eller regionens ansvarlige osv. Jeg synes også vi begynder som ambassade eller eksportråd at have en bedre forståelse af, hvordan vi går til. At det ikke kun er på øverste governmental niveau, men at vi skal helt ned og snakke med bystyret, lave nogle pilotprojekter osv., så vi kan bane vejen for nogle egentlige projekter, hvor danske virksomheder kan få en reference og få det første salg.  
30:46

M Så jeg tror også at vi er begyndt som Kina-organisation, at tænke meget mere businessagtigt i forhold til at finde de her projekter og ikke bare være oppe i helikopteren i Beijing. Så jeg tror vi skal nok nå derhen af. Og så en anden ting der er interessant. Vi ser også universiteterne, netop de her professorer der vender tilbage og har fået meget spændende positioner, at de har nu fået typisk 5-årige kontrakter, hvor de skal bevise at de kan få noget til at ske.  
31:21

M Og dvs. der er en helt anden efterspørgsel også hos mange af dem til at [???] med udenlandske virksomheder i forhold til at løse nogle af de her problemstillinger. Fordi de ved godt at hvis de skal nå at bevise noget indenfor den her 5-årige periode de har fået til det, så kan de ikke først til at opfinde nogle løsninger med kinesere der ikke har prøvet det før. Eller kinesiske virksomheder. Så er det meget et spørgsmål at få i hvert fald et demonstrationsprojekt [???] og få nogle der kan det på banen.  
31:49

M Og derfor kan vi se at der er efterhånden jo en del henvendelser til os og til danske virksomheder indenfor vores danske spidskompetencer, vandrensnings fx, netop for at få lavet og få bevist eksempelvis hvor rent man kan rense en enormt forurenet flod. Og når det ligesom er bevist, så kommer selvfølgelig den her meget spændende [???] skaleringsfase. Men man kan sige, har man først være inde og levere demonstrationsprojektet, så er vejen til skaleringsforretningspotentiallet rigtig fint stort.  
32:26

M Så jeg tror vi ser en mere operationel indsats fra både vores side, som vi håber gør at virksomhederne kommer meget nemmere til ordrer også indenfor cleantechdelen.  
32:40

**Q [Innovationscentret] Vil du ikke fortælle mere om hvordan det foregår og hvilke løsninger I har når en dansk entreprenør tager kontakt til jer? Altså processen.**

33:10

M Vi har jo tidligere lavet meget enkeltstående løsninger. Fx en partnersøgning eller en produktionsworkshop, hvor virksomhederne så har haft muligheden for at teste interessen for deres [???], deres teknologi. Hvad enten det har været ude i den mere universitetsakademiske verden eller ude i det forretningsmæssige. Men nu begynder vi i langt højere grad at arbejde med langsigtede forløb med virksomhederne der kommer ud til os. Men henblik på at få nået i land med en [???]. Det kan være virksomhedsetablering, det kan være funding, det kan være udvikling af den rigtige forretningsplan.  
33:57

M Hvor vi ligesom indgår i et tættere partnerskab med virksomhederne og dermed kan følge dem meget tættere i forhold til den afdækning der skal til og det forarbejde der skal laves inden man når en given fastsat målsætning. Det er nogle længere forløb, og det bliver med nogle rammeaftaler. Og vi kan se at det er noget som virksomhederne sætter pris på. Jeg tror er noget vi kommer til at arbejde mere på fremadrettet.  
34:25

**Q Hvad handler de her rammeaftaler om?**

34:29

M Det er som udgangspunkt en aftale vi laver med virksomhederne om, hvor vi på forhånd prøver at identificere, hvad for nogle behov har man, hvad er det for nogle ambitioner og mål man sætter sig. Hvad er det man vil arbejde på, hvad er nødvendigt at få afdækket inden man er klar til at etablere sig på det kinesiske marked. Og så er det i bund og grund en samarbejdsaftale, hvor Innovationscenteret er i stand til at—på forhånd, jeg vil sige i en lidt udefineret proces, for der er meget læring, en iterativ proces, og det er måske sværere at beskrive et år frem i tiden—men hvor vi ligesom har en forståelse af, at nu indenfor en given ramme, som vi kan støtte små og mellemstore virksomheder med en innovationspakke, at der er man hinandens partnere, og der kan vi sådan lidt under den her ramme så udføre forskellige opgaver efter behov med virksomhederne.

35:39

**Q Er det en opdelt proces? Blokvis eller en vej/måde at gøre det på?**

35:55

M Som udgangspunkt prøver vi at lave det meget tilpasset den enkelte startupvirksomheds behov. Men vi prøver også at indtænke nogle naturlige beslutningsgates, i forhold til at iværksætteren så hurtigt og omkostningseffektivt som muligt når til næste niveau af erkendelse for at beslutte om det giver mening at fortsætte undersøgelserne af, hvordan man kan gå ind på markedet og lave den rigtige tilpassede forretningsmodel. Eller om det ikke giver mening, eller det er for tidligt for virksomheden i Kina.

36:37

M Men forhåbentlig når de frem til, i forhold til en positiv afdækning, at nu er markedspotentialet bevist produktets value proposition indikerer at det rammer markedet godt, at de hurtigt vil være i stand til at [???] afklaringen, som gør virksomhedsbestyrelsen eller virksomheden selv, ejeren, er tryk ved at tage det næste skridt. Så altså, så hurtig afklaring som overhovedet muligt, så omkostningslet som overhovedet muligt. Det er—og så træfsikkert som muligt, det er lidt det vores ambition er ved at følge virksomhederne derude fra.

37:17

**Q Er det så individuelt pr. virksomhed, hvor mange konsulenttimer der skal bruges på det?**

37:23

M Ja, det er så det gode ved den her rammeaftalemodel vi har mulighed for at tilbyde virksomhederne. Det er for det første at de kan få tilskud som SME'er, og for det næste at de timer de så ikke bruger under den rammeaftale, dem bliver de ikke opkrævet. Så det giver en fleksibilitet, at man ved hvor mange timer det højst kan blive til, og derved hvor mange penge det højst kan komme til at koste, men også at man ligesom har et niveau at gå ud fra.

37:57

**Q Så det er individuelt timeantal—**

38:00

M Ja, og som sagt, vi etablerer en ramme med dem, og hvis den ikke bliver brugt, så er det ikke noget der bliver faktureret. Eller, når de et stykke hen i forløbet og når til erkendelse at Kina ikke var for dem endnu, så er der ikke noget de krav om at de skal udnytte resten af pakken. Så jeg synes det er en meget fleksibel ordning, som vi kan mærke at de sætter stor pris på.

38:23

**Q Bruger I stadig innovation camp og sådan noget?**

38:34

M Det er sådan måske lidt mere ovre i værktøjsdelen. Det er det her med hvordan man fx får taget et første markedsbesøg, om man gør det sammen med andre virksomheder i en camp eller man tager et markedsbesøg der er individuelt tilrettelagt. Hvem man ønsker at møde, om man skal have forståelse for hele økosystemet eller om det er noget specifikt, potentielle kunder, man skal have noget tilbagemelding [???], det kommer helt an på hvad behovet er. Men der griber vi lidt ned i værktøjsskassen og går til det egentlige behov som vi afklarer med virksomheden inden.

39:11

**Q Kommer de her rammepakker til at erstatte nogle af de andre tiltag/initiativer i har på jeres hjemmeside?**

39:26

M Nej, jeg tror måske mere det er en måde at visualisere de naturlige step og hvordan det hænger sammen. Og så er det også et værktøj for os til at visualisere den proces som vi naturligt ser virksomheden gå igennem. Fordi, igen, vi synes ikke altid de små virksomheder arbejder helt struktureret i forhold til de naturlige steps at tage. Og derfor prøver vi også at følge dem lidt på advisory board-plan, når de er kommet til den erkendelse at Kina kunne være spændende for dem, i forhold til at få lavet den rigtige strategi og den rigtige plan for at få udviklet forretningsmodellen, få fundet finansieringen osv.

40:14

M Og det kan vi gøre meget tættere, når vi er tæt inde i partnerskabet med virksomheden og kan følge dem løbende i advisory board-niveau. Så det er en af de måder vi prøver at arbejde med det. Men jeg synes, lidt tilbage til dit spørgsmål, jeg synes det der fremgår af vores hjemmeside, det er meget mere hvor man har visualiseret nogle af vores værktøjer og ikke så meget den værdi som kommer ud af det. Og det er det vi prøver måske at få puttet ind i de her modeller. For kunden er det måske ikke så afgørende for hvilket værktøj man hiver frem til den givne lejlighed, det er måske mere hvad man får ud af det og hvilken afregning man når frem til. Og hvordan forløbet naturligt kommer til at se ud.  
41:00

**Q Hvad er det for en slags entreprenører der tager kontakt til jer primært?**

41:11

M Jeg synes hovedparten af dem der tager kontakt til os er folk som måske har en ide om Kina. Det passer bare rigtig godt til dem. Måske har de været derude til en messe, eller måske er de blevet kontaktet af en tæt samarbejdspartner, om de kunne være interessant at komme derud. Så der er sådan en interesse for at Kina måske kunne potentielt være det helt rigtige sted for dem.

41:46

M Og så er det måske også typisk virksomheder der har et eller andet salg eller ongoing business i Danmark. Og nogle få af dem måske også ude i—har begyndt deres eksportrejse måske i nogle enkelte lande. Men som måske ser Kina som det helt oplagte [???]. Noget der bare passer rigtig godt til det som efterspørges på markedet. At det er ikke kun markedets størrelse i sig selv, det er det her med hvad er det der er fokus på i Kina.

42:26

**Q Hvornår har i senest haft en danske entreprenør igennem jeres proces eller pakkeløsning?**

42:35

M Ja, det var også en af grundene til vi begyndte at arbejde mere struktureret langsigtet med virksomhederne. Det var at, hidtil har vi primært hjulpet med enkeltstående ydelser, fx at etablere en workshop eller en ecosystem tour. Og vores oplevelse er lidt, at når vi så slipper virksomhederne, så går der noget tid inden de kommer videre, og nogle gange er [???] ... [STØJ] til vi ser dem igen. Og det er jo en af grundene til vi gerne vil meget tættere på dem, så vi både kan sikre de kommer hurtigere på vej men også gør det på den rigtige måde.

43:20

**Q Så de bliver båret lidt videre hen i forløbet eller hvad?**

43:23

M Ja, måske ikke båret, men måske får de input der gør at de bevæger sig fremad i et flot tempo og ikke tager alt for mange svinkeærinder undervejs i forhold til alle de muligheder der hele tiden opstår derude. Og som man selvfølgelig ikke skal lade sig afskrække fra, men hvis man flakker, så kommer man ingen vegne, og det er der altså mange af dem der gør. Fordi de har svært ved at vurdere hvilken nogle af de muligheder der opstår, som er seriøse og som egentlig underbygger den langsigtede plan.

43:59

**Q Hvad er de største udfordringer/forhindringer når danske entreprenører tager kontakt til dig? Hvad spørger de om, som de gerne vil vide mere om?**

44:15

M Det er alt fra noget helt generelt, om vi tror at det givne produkt de har, om det kunne passe godt til det kinesiske marked. Det kunne også være noget meget specifikt, at de står og har brug for en innovativ partnervirksomhed til at videreudvikle produktet eller levere en nøglekomponent til produktet. Så det kan være meget snævert, afgrænset, eller det kan være meget søgende. Det kan også være noget konkret med, at de har besluttet sig, at nu vil de til Kina for at afdække hvordan markedet er, og står med et konkret behov for at vi skal prøve at lave et [???] for dem og finde de partnere som de mener de har brug for, eller komme med indspark til hvem det kunne være.

45:14

**Q Hvor mange entreprenører har i haft igennem jeres services?**

45:23

M Nu måler vi ikke kun på entreprenørerne, vi måler på små og mellemstore virksomheder. Og jeg tror, sidste år havde vi—nu kan jeg lige knap huske nummeret, men jeg synes jeg kan huske 28 eller 56—det skal vi lige prøve at kigge på. Men det har vi i materialet et eller andet sted. Og der er nogle vi har hjulpet i grupper på camp, og nogle vi har hjulpet individuelt. Så det er sådan meget blandet, kan man sige, hvordan vi gør det.  
45:51

**Q Har i en målsætning for hvor mange i skal hjælpe igennem?**  
45:55

M Ja, det har vi. Typisk lidt flere end sidste år. Jeg kan ikke rigtig huske tallet. Men jeg vil sige, for Innovationscenteret, der er det værdiskabelse der er vigtigt. Og det er også derfor vi glæder os meget til at arbejde tættere med virksomhederne, startupvirksomhederne, over længere for vi er slet ikke i tvivl om at vi kan tilføje meget mere værdi end bare at lave enkeltstående workshops eller partnerarrangementer. Så det glæder vi os meget til. Fordi det er det der er i højsædet. At guide dem så succesfuldt som overhovedet muligt videre. Og også fortælle hvis det er kina ikke er noget for dem. Og så få det til at lykkes. Det er det ultimative, vores goal. Det vil vi rigtig gerne. Så det glæder vi os til at se, at vi via den her strukturerede proces kan få endnu flere hurtigere igennem til succesfuldt markeds entry.  
46:53

**Q Hvad er Innovationscenterets største udfordringer, når i skal vejlede de her henvendelser?**  
47:06

M Jeg synes vi har—hvis vi lige skal tage der hvor vi er rimelig godt funderet. Vi har nogle meget dygtige kinesiske konsulenter, som har en teknisk [???]. Vi er rigtig skarpe, synes jeg, til at finde de førende vidensmiljøer, hvis man har brug for en kinesisk partner til at videreudvikle sit produkt, eller den førende professor indenfor et område. Jeg synes også vi er godt kørende i forhold til at understøtte opnåelse af tilladelser og licenser og sådan det mere praktiske i forhold til at få mulighed for efterfølgende at komme ud på markedet.  
47:48

M Men ja, hvad er vores største udfordringer—jeg synes nogle gange, det her med—og det er noget af det vi arbejder på—at få det her dybere indblik i, hvor er det lige præcis vi guider dem hen, hvis man kommer med et kapitalbehov. Vi ved vi har [???], vi ved der er nogle forskellige som kun er muligheder, men det ville være rigtig fint for os, hvis vi yderligere havde indblik i, eller et endnu bedre netværk til kinesiske investorer, til de bedste inkubatorer, [???]-miljøer, til endnu flere superseje entreprenører som er lykkes, så vi kunne endnu hurtigere og endnu mere træfsikkert skabe de bedst mulige rammer for virksomhederne og guide dem det rigtige sted hen. Det ville vi rigtig gerne arbejde mere på. Og det synes jeg ikke vi måske helt har kunne.  
48:43

**Q Hvordan markedsfører i jer på nuværende tidspunkt over for entreprenører her i Danmark? Hvordan får i tiltrukket dem?**  
48:58

M Det er måske lidt det der er vores udfordring, fordi når vi nu er derude som udgangspunkt, så er vi ikke som sådan i miljøet herhjemme. Og vores headquarterfunktion i Udenrigsministeriet er måske en meget lille organisation på bare en 2-3 mennesker herhjemme. Vi prøver at gøre det ved at inspirere med de spændende markedsudviklinger der er derude af, som vi så prøver at formidle på diverse konferencer og startup—forskellige arrangementer herhjemme.  
49:29

M Og i det hele taget prøver vi sådan at få—når vi er hjemme—at komme rundt i de forskellige miljøer. Hvad enten det er væksthuse, eller det er inkubatormiljøer, [???]. Måske ikke så meget det sidste, men til arrangement—eller til bredere arrangementer, hvor man har mulighed for at få fortalt om de muligheder der er derude af. Men super skarp markedsføring synes jeg ikke vi har. Hverken på sådan fællescenterniveau eller som enkeltcentre.  
50:03

M Det vi nogle gange gør, fordi det kan være svært for os at finde tid, kan man sige, til at søge ind i virksomheder herhjemme—så prøver vi nogle gange at teame op med nogle af de innovationsnetværk der er eller brancheorganisationen og sammen med dem få afdækket hvordan vi kan få lavet nogle forløb. Et eksempel kunne være den her innovation camp vi havde indenfor mobile gaming sammen med producentforeningen og [???], hvor de

ligesom bliver vores samarbejdspartnere herhjemme i forhold til udvikling af konceptet og den camp, der nu skal udbydes til deres medlemsvirksomheder.

50:42

M Så det er sådan måske den lidt mere direkte tilgang til år vi sådan fornemmer, at her kunne de være noget spændene at udvikle sammen med nogen.

50:50

**Q Gav det god feedback for jer at fx lave den her mobile gaming camp?**

50:59

M Ingen tvivl om, at—jeg synes generelt de ting vi laver, dem får vi rigtig fin feedback fra. Så det er måske mere et spørgsmål om at få udviklet de rigtige koncepter sammen med de rigtige partnere. Og der er vi lidt udfordrede på den geografiske afstand. Men for mig at se er der en masse potentiale i, at både enkeltcentrene, altså Innovation Center Danmark i Shanghai, men også Innovationscentrene bredt kan forbedre markedsføringspotentiale og kommunikation, ja, markedsføringsindsats i det hele taget i Danmark.

51:36

M Men jeg tror det er stadig [???] med vi specifikt kan levere, og hvordan vi adskiller [???], og hvordan vi skal bruges rigtigt og hvad vi egentlig kan hjælpe dem med. Så der er en masse potentiale der.

51:47

**Q Nogen sidste kommentarer/bemærkninger?**

51:59

M Ikke andet end at min ambition, udover at være i stand til at guide en virksomhed til de rigtige samarbejdspartnere og i det hele taget guide dem til succes i Kina, det ville være at mange flere udnyttede de muligheder der er. Gerne via os eller hvem vi ellers kan få ti at hjælpe. Jeg synes det er ærgerligt, når man kan se at 30% af verdens vækst kommer til at ligge i Kina, hvis det at man er bekymret for at det er et besværligt marked—hvis det ligesom gør at der er for mange der holder igen og ikke kommer derud.

52:33

M Fordi Kina er bare for mig at se måske et helt naturligt skaleringsland indenfor en række områder, ligeså som at man vender øjne til Silicon Valley hvis man skal have kapital—så tænker jeg at Kina også kommer til at udvikle sig til et sted, man helt naturligt kan orientere, både i forhold til markedet, men også i forhold til forhåbentlig kapital og alle mulige andre elementer, efterhånden som Kina bliver endnu mere [???]. Så det kunne være min vision, at vi kunne være med til at trække flere relevante virksomheder til at starte op derude af.

53:03

## **Appendix F: Interview with Jens Reimer Olesen**

**1 April 2016**

**Q = Interviewer**

**J = Jens Reimer Olesen**

**Q Vil du fortælle om det du laver og det du brænder for?**

00:12

J Jeg hedder Jens. Jeg er 27 år gammel, som jeg lige regner os frem til. J sidder til dagligt som direktør i en sales [???], som laver dataanalyse til virksomheder omkring deres rekruttering. Og sidder så også i bestyrelsen i to andre selskaber. Graduateland som jobportal for nyuddannede. Og så Garnio som er en e-handelsvirksomhed for strikke- og garnudstyr. Og jeg tror det jeg brænder for er egentlig at se ting vokse og lykkes med det. Og hele processen i det. Det er nok det jeg brænder mest for.

00:53

J Så at se noget komme fra ingenting til nogen ting. Og hele den rejse. Det tror jeg at jeg er blevet mere og mere bevidst om de senere år, at målet i sig selv er sindssygt vigtigt. Men det er lige så meget rejsen man skal nyde. Og den rejse som—nu snakkede vi lidt om før, og nu har du også det også på record—det er meget om at sørge for at vi gør de rigtige ting med de rigtige mennesker og med de rigtige nødvendige resurser. Det er egentlig det jeg sørger for at gøre.

01:23

J Så det er rekruttering meget, det er at sørge for at vi har en god organisation, gode medarbejdere, glade medarbejdere. Sørge for at de har en meningsfuld hverdag. At de har et purpose med deres arbejde, de har en frihed. Og de har kompetencer til at kunne udfylde deres opgaver. Så er det at sørge for at vi har nok penge. Så det handler om at snakke meget med investorer, banker og sørge for at de er velinformerede omkring hvad vi laver, og at de hele tiden er med, så de føler sig som aktive roller i selskabet og ikke bare en sådan guldsko man malker engang i mellem.

01:59

J Men vigtigst af alt, så til sidst at sørge for at man får lagt nogle planer for hvad det er for et selskab. Og man får eksekveret nogle planer. Det er egentlig det som så. Så det er meget sådan A til Z. Det er lige fra det talmæssige til det—mindst lige så vigtige det bløde, det rekrutteringsmæssige og til det sådan mellemtingen, det strategiske, hvor begge ting bliver indkapslet.

02:20

**Q Formår du at lave det i alle dine virksomheder, eller blot i den ene af dem?**

02:25

J I alle fire virksomheder gør jeg det her på sådan overordnet niveau. I den sidste virksomhed er det også det, men der er det også meget mere lavpraktisk. Så der er jeg også ude at sælge til kunder. Der er jeg også ude at sørge for at vi får nye samarbejder. Der sidder jeg også og laver produktmockups nogle gange. Så det er meget mere lavpraktisk. Det gør jeg ikke i de andre.

02:50

J Og som vi også snakkede om lidt før, tror jeg kun man kan gøre det i én virksomhed og samtidig bevare fokus. Helt lavpraktisk, så stoppede jeg—jeg havde en 7-8 andre bestyrelser faktisk, eksterne bestyrelser. Stopped med dem alle sammen for et års tid siden, egentlig fordi jeg kunne se, at jeg kunne ikke bidrage med det jeg gerne ville kunne og afsætte den tid jeg gerne ville kunne for det.

03:11

**Q Du sad i nogle bestyrelser for andre—?**

03:14

J Ja. Så det har været alt lige fra en restaurantkæde med seks restauranter til et lille modefirma til et it-firma som lavede digitale advokatløsninger. Til konsulentfirma der hjalp arbejdsløse i job. Så det har været en meget bred vifte—også et lille arkitektfirma og byggefirma. Og det var egentlig ligeså meget for at komme ud og lære hvordan—jeg prøvede egentlig at finde nogle firmaer som ikke lavede det jeg gjorde til daglig.

03:44

**Q Du har haft fingrene ned i mange forskellige ting.**

03:50

J Ja, præcis. Og det man egentlig finder ud af, det er at—tilbage til mit mantra omkring de tre ting, man skal kunne. Det er de samme tre ting. Det handler om god planlægning, god strategi, rigtig finansiering og rette mennesker. Det er sådan set—du kan trække den ned over alle. Om det så er en onlineforretning eller om det er en cafe eller det er et konsulenthus. Det er det samme. Så det er ligeså meget for at få prøvet min egen tese omkring det, at det er samme måde man arbejder på. Og det er det.

04:19

J Så er der så forskellige mekanismer der spiller ind, og der er forskellige forretningsmodeller, og der er forskellig tidshorisonter og forskellige måder man ruller ting ud på. Men det er mere sådan operationelt. Men det har været som at få en gratis og i nogle tilfælde betalt uddannelse for det.

04:39

**Q Hvordan er fordelingen af medarbejdere i de fire virksomheder? Hvor mange er i?**

04:44

J Vi er i Graduateland 40. I Starfly er vi 18. I Garn er vi—hvad er vi der—vi er en 10-12. Og i [??] er vi 3. Men står lige nu og mangler—vi skal ud og rekruttere en 15-20 mennesker over det næste års tid. Og det er alt fra forretning, sådan operationelt, projektledelse, sørge for at det hele hænger sammen. Til teknik, udviklere, til online marketingsfolk. Indkøbere. Sælgere. Så det sådan en meget bred palette. Jeg har lige rekrutteret en recruiter som skal hjælpe mig. Fordi jeg sidder meget med det til dagligt også. Og det tager bare vanvittigt meget tid.

05:33

**Q** Jo flere mennesker i har brug for, jo mere tid skal du vel også lægge i det.

05:38

J Præcis. Det er tidskrævende.

**Q** Det kunne jeg forestille mig.

J Og det er ikke noget der må blive gjort med venstre hånd.

05:46

**Q** Det tror jeg der er mange der desværre er lidt for gode til.

05:49

J Ja, der tager den første og den bedste, ik.

**Q** Ja. Specielt hvis det skal vokse lidt hurtigt, så glemmer de lidt kvaliteten af det.

05:55

**Q** Hvad definerer i din optik en entreprenør?

06:02

J En entreprenør er en som, i mine øjne, som ser muligheder, og som har modet til at gå efter de muligheder. Og så er det en som, og det lægger jeg meget vægt på, en som skaber en eller anden form for værdi. Noget værditilvækst. Fordi jeg synes der er rigtig mange iværksættere som har det første med at de har modet, og de ser en mulighed. Men den værditilvækst de egentlig skaber i markedet er så lille, og ofte så lille at den er ligegyldig. Så det handler om muligheden og det man kan rykke, ændre ved ting for folk, skal være stort nok til at—i mit vedkommende—det er værd at gøre.

06:50

J Så eksempelvis starte en ny grønthandler eller starte en kiosk. Det er meget begrænset den inkrementale værditilvækst du rent faktisk skaber. Hvorimod hvis du skaber fx en jobportal fra studerende-nyuddannede, der stort set aldrig har været der før på internationalt plan. Så [??] for rigtig mange mennesker. Så en iværksætter er en der ser muligheder, griber muligheder og som skaber værdi for en eller anden aktør som ikke har været der i forvejen.

07:19

**Q** Behøver det så altid være innovativt? Skal det være nyt eller et hul man fylder?

07:26

J Nej, overhovedet ikke. Jeg tror mange af bedste virksomheder er ikke nødvendigvis de bedste til at innovere. Men de er de bedste til både at kommunikere og egentlig også forstå kunderne. Innovation er jo et sjovt begreb et eller andet sted. Fordi det er lidt tilbage til ham Newton, fordi han ligesom har bygget oven på andres værk og samlet det hele omkring tyngdekraft og alt sådan noget. Hvor han siger han har stået på andres skuldre. Så rigtig meget innovation sker jo på baggrund af noget der er blevet lavet før.

07:57

J Typisk de allerstørste succeser, det er jo noget—altså, google var ikke de første med søgemaskiner. Facebook var ikke det første sociale netværk, Uber var ikke de første med taxaer, og Airbnb var ikke de første med hoteludlejning. Men de gjorde bare ting bedre og de havde bare en bedre timing. Jeg så et langt studie omkring—det var en gut der havde analyseret 1000 firmaer i USA, hvor han havde kigget på fem faktorer for hvad der skulle til for at lykkes. Så han kiggede på teamet, han kiggede på forretningsmodellen. Han havde kigget på markedet. Han havde kigget på finansieringen. OG han havde kigget på timingen.

08:29

J Og det det var th decisive factor, the der virkelig slog ud i de her statistiske målinger, det var det eneste du ikke kunne styre for. Det var timingen. Det var det der var det vigtigste. Så du kunne have alle de andre parameter, men du kunne bare have en dårlig timing. Det kunne være du lancerede Airbnb for 8 år siden, før deleøkonomi—før folk var klar til deleøkonomi. Som en kæmpe maveplasker. Det kan være facebook var lanceret 4 md. før, og folk på Harvard havde været på vinterferie. I don't know. Det blev lanceret i februar. Der er så mange faktorer. Det er den sidste faktor du ikke kan styre. Og det er derfor iværksætteri er pisse svært at putte på formel.

09:10

**Q** Tænker du det ind når du har startet ny virksomhed, timing?

09:15

J Ja, det gør vi. Jeg tror vi er mindre binære iværksættere end mange andre. Og ment med det at vores forretninger har altid et eller andet form for element af omsætning tidligt. Fordi det validerer præcis min tese fra før omkring værdiskabelse. Jeg tror den bedste måde at måle værdiskabelse på, det er noget transaktionelt. Hvor der er en eller anden der giver dig noget, hvor du leverer ham noget i modpart. Hvis nu de købte et strikkesæt igennem Hobby. Det kunne være de købte et jobopslag hvor de fik ansøgere gennem Graduateland. Det kunne være de købte vores software i Ontame.

09:53

J Men der har været en værdiudveksling, og der har været en værditilførsel. Og vi kommer aldrig til at skabe—vi kommer aldrig til at lave en Whatsapp eller en Snapchat. Fordi der har du ikke det her element af værditilførsel rent økonomisk.

10:12

**Q Så det skal være noget man køber/sælger?**

10:15

J Jamen, et eller andet sted—og det er måden vi altid har lavet forretninger på. Og jeg siger ikke det er måden at lave forretninger på. Det er måden vi laver forretninger på. Det er at vi skal se revenue stort set fra dag 1 i vores forretninger. Fordi det mener vi, det nedsætter din risiko væsentligt. For at tage et eksempel: en af mine allerbedste venner og dygtigste tidligere kollegaer har lavet noget der hedder Heaps, du sikkert kender.

10:41

**Q Ja—eller hvad pokker er det nu—**

10:43

J Det er sådan Tinder for grupper. Hvis du skal ud i byen og du ikke ved—i sidder fire veninder og i vil gerne mødes med fem flotte fyre. Men i har ikke lige nogen i baghånden. Så kan i sige, vi skal ud på Islands Brygge og vi skal have drinks. Så kan det være der er andre i nærheden i kan mødes op med.

11:01

**Q Nå, okay—**

11:03

J Det er vildt sejt, og de har fået rigtig god traction på det, men det er en binær forretning, fordi hvis de ikke får 10 mio. brugere der bruger det, så er det ikke en skid værd. Hvis de får 100.000 brugere, så er det ikke en skid værd. Og den er binær i en sense. Og der tror jeg vi er for risiko adverse til at lave de forretninger. Ikke at vi ikke kan se værdien i det, ikke at vi ikke kan se at det er vildt fedt at andre laver det. Vi laver dem bare ikke. Så der ryger måske en vis grad af eksponentialitet i vores forretninger på nogle punkter. Fordi vi ikke gør det. Det er tilbage til omkring risiko[???].

11:41

**Q Ja, det er mit næste spørgsmål. Hvor risikovillig er du?**

11:49

J Det er sjovt, fordi vi har lige taget—Morten og jeg er lige røget i gennem i forbindelse med investering fra en af [???]. Der er vi røget igennem sådan en personlighedstest. Hvor risiko også er en af dem. Og på en skala fra 1-10, hvor 10 er rigtig risikovillig og 1 er knap nok tør gå ud for døren, der var jeg en 8'er og Morten var en 5'er eller 6'er. Hvilket passer meget godt. Jeg tror jeg er den mest risikovillige i vores stifterkreds. Og det kan jeg også mærke til dagligt. Men jeg er det stadig meget med—hvad skal man kalde det... et finansielt talmæssigt—et finansielt, talmæssigt perspektiv.

11:27

J Det skal hænge sammen for mig med tal. Jeg skal se noget evidens på at det kan betale sig at optimere risiko. Så helt lavpraktisk, i det vi rejser kapital i to af selskaberne nu, det gør vi for at vokse. Og når du vokser, så tager du også mere risiko ind i elementet, fordi der er noget der kan gå galt. Men vi har set at risikoen ved at gøre ting for langsomt, kontra risikoen ved at tage kapital ind og geare vores forretning, der er risikoen ved at gøre ting for langsomt, når der kommer andre konkurrenter, den er større end det andet tilfælde.

13:02

J Så dvs. vi arbejder rigtig meget med risici. Og risk mitigation. Det lyder vildt usexet, og det lyder som noget big corporate gør. Men jeg tror også det er noget startups burde gøre mere. Fordi det skal ind i din—det er en fucking SWOT-analyse. Der har du også nogle weaknesses, det interne, og du har nogle threats, det eksterne. Og en



weakness internet vil være, at du har for få penge til at få nok medarbejdere til at service under. Det vil være en weakness som vil gøre at du i sidste ende lukker forretningen.

13:35

J En threat vil være at vi har nogle konkurrenter lige nu, der gør det sindssygt godt på nogle markeder der vokser. Vi er nødt til at vokse hurtigere end dem. Og den threat vurderer vi til at være høj til at retfærdiggøre, at vi gearer vores forretning, putter større risiko på den.

13:51

**Q Så du balancerer de forskellige risici.**

13:54

J Ja, lige netop. Og det er tilbage til det første omkring at lægge den rigtige strategi. Jeg vil sige, det første man lærer på CBS, stort set, første uge, det er jo SWOT- og PEST-analyser. Og så fem år efter er der en masse der får arbejde i Mackenzie og BCG, og det er det samme de kommer ud og laver. De kalder det bare lidt noget andet. Så kalder de det TOWS eller de kalder det et eller andet flot—men it works. Og det er godt at bruge som diskussionsfundament i en forretningsledelse og en bestyrelse. Det er det virkelig. Fordi det summerer dine ting op, det sætter dine tanker på noget papir. Og det er vigtigt.

14:35

**Q Vi snakker lidt om risikovillighed. Hvad motiverer dig?**

14:43

J Det der motiverer mig, det tror jeg er—det er at nå nogle mål. Sætte sig nogle mål og nå dem. Men nå dem sammen med andre og skabe den her følelse af sammenhørighed omkring målet. Så jeg har altid dyrket holdsport. Jeg har så også spillet rigtig meget golf, men det kan man så også dyrke på holdniveau. Det er der meget få der ved. Det er også en holdsport langt hen ad vejen. I hvert fald når du spiller amatør-golf.

15:16

J Så det er egentlig at se en gruppe af mennesker lykkedes. Fordi uden den gruppe, der lykkedes du ikke. Langt hen ad vejen. Ikke på det stadie jeg gerne vil lykkes. Så tilbage til grønthandleren. Der kan jeg godt nok lykkedes alene. Men hvis jeg vil bygge en virksomhed som om fem år er den største garnforhandler i Europa, så er jeg nødt til at være 100 mennesker om fem år. Dvs. jeg er nødt til at få folk med på en rejse. Så det er egentlig at skitsere hele den her rejse op, få folk med på den her rejse, få folk til at tro på den her rejse, få folk til at lægge al deres blod, energi og tårer i den her rejse. Og sørge for at vi lykkedes hele den vej.

15:55

J Så det vil jeg sige, det er nogle mål. Sætte sig nogle mål, se nogle ting vokse ud fra noget der ikke var i forvejen.

16:03

**Q Sammen med andre.**

16:04

J Sammen med andre. Og så er det egentlig, jeg sætter en fornøjelse i at gøre ting som andre siger man ikke kan gøre. Bl.a. garn, fik vi at vide, at vi kunne ikke sælge garn. Det havde vi fået at vide af sindssygt mange mennesker. Men vi havde en anden approach til det, og det lykkes sindssygt godt. Så jeg tror det værste der kan blive sagt til mig, det er som til et lille barn: du kan ikke kravle op i det træ der.

16:27

**Q Bliver du sådan lidt obsessed—**

16:27

J Ja, fuldstændig. Det er meget primitivt. Men ja. Det er simpelthen det værste der kan ske for mig. Det er enten at jeg får at vide jeg ikke må gøre ting, eller endnu værre, at jeg ikke kan gøre ting.

**Q Ja, det er næsten det værste.**

J Det er det allerværste. Og jeg ved min partner har det på samme måde. Så det er altid derfor det er godt, at vi altid har en black hat i vores bestyrelse. Det er rigtig godt. En der ser risici, og der hele tiden er negativ på den gode måde. Negativ konstruktiv. Fordi det er en god modvægt til os. Og det motiverer os.

17:06

**Q Er du bange for at fejle? Følelsen af at fejle. Ikke risiko.**

17:19

J Ja. Ja. Der tror jeg mange iværksættere vil sige: næh, de er fucking ligeglade. Det tror jeg er noget bullshit. Det tror jeg seriøst. Jeg tror at fordi—som iværksætter er du så tæt på som du overhovedet kan komme på at have et liv og en tilstedeværelse som er ét. Og det er til at starte med faktisk et problem. Det er at det kan også tit pisse mig af—når jeg er ude i sociale sammenhænge med gamle venner, så spørger de tit—de spørger selvfølgelig hvordan jeg har det, men de kommer hurtigt ind på, hvordan går virksomheden?

17:51

J Så det er vigtigt for mig at sige, der er Jens, og så er der Jens der laver forretning. De to ting vil jeg gerne adskille. Og det er faktisk rigtig svært. Både for mig selv, men også for andre. Og jeg tror i det at Jens han fejler, ham der arbejder, den arbejdende Jens, ham alle kan forholde sig til, som er iværksætteren, der har gjort det ok—så er der også en del af Jens, den anden Jens, der fejler. Og det tror jeg unægtelig påvirker alle. Og jeg kender også—nu har vi heldigvis aldrig, 7-9-13, gået konkurs med ting. Der er mange der siger, det er fordi i ikke har prøvet hårdt nok. Det kan sagtens være. Det kan sagtens være. Og det er tilbage igen til spørgsmålet omkring risikovillighed.

18:33

J Det kan være vi ikke har spændt buen 120%, vi har bare spændt den 98%. Men det kan så også være det er derfor vi har en forretning der stadig fungerer. Så jeg tror, hvis jeg gik nedenunder med selskabet, ja, det ville være sindssygt hårdt for mig. Og det ville være hårdt for mig både personligt, men det ville ligeså meget være at jeg har skuffet de mennesker som vi snakkede om før, hvor jeg sagde: jeg tager dig med på den her rejse. Vi skal ud på den her rejse sammen. Og hvis vi ikke når derhen i syvende sidste, i hvert fald de selskaber hvor jeg er direktør i, så er det mit ansvar. At vi ikke når derover. Så jeg ville føle jeg skuffede mange. Så det ville være hårdt. Det ville det.

19:07

**Q Tror du det er en anden følelse man har om det, når det også et eller andet sted er ens hjertebarn. Du snakkede om at det var svært for en entreprenør at adskille den private og arbejdende Jens. Fordi man også investerer meget af sig selv, den private Jens, i det. Tror du det også har noget at gøre med, at følelsen af at fejle ville være proportionelt større?**

19:33

J Ja. Det tror jeg. Jeg tror det er meget korreleret. Og jeg tror også det derfor man ser, at de iværksættere som i min øjne er sindssygt risikovillige, det er enten—det er dem som enten laver nogle helt vanvittige geniale ting, eller som ender med at skylde 100 mio. i banken. Og som vi indledte med at snakke om, så tror jeg—jeg tror på den gyldne mellemvej. Jeg tror godt man kan gøre ting, hvor du stadig er hyper ambitiøs. Vi har ikke ambitioner om—jeg behøver ikke lave billion dollar business. Jeg behøver ikke lave en unicorn. Som alle andre idioter vil lave.

20:10

J Det er sådan—jeg hader fucking det udtryk, mand. Jeg har det fint med at lave en forretning vi kan sælge for et par 100 mio. kr. Det har jeg det fint med. Jeg behøver ikke lave en unicorn, og jeg behøver ikke komme på TechCrunch. Det behøver mit ego ikke. Jeg vil gerne se, at jeg stolt kan vise frem, at vi har nogle fede virksomheder, vi har nogle glade medarbejdere, vi holder en pissefed påskefrokost, folk er glade. Det er det jeg synes er fedt. Om det så er en unicorn, det er udelukkende for at folk kan pleje deres eget LinkedIn-CV.

20:44

J Så tilbage—nu kan jeg ikke engang huske hvad du spurgte om, men jo, jeg tror at så snart du har skin in the game selv, så påvirker det også din beslutningstagning. Både på risikosiden, men også på mulighedssiden. Det vil jeg sige.

21:00

**Q [Det danske økosystem for entreprenører]. Hvordan oplever du det her økosystem i Danmark?**

21:22

J Jeg synes der er sket rigtig meget de sidste 5-6 år. Da vi startede der i slutningen af 09, der var der ikke rigtig noget økosystem. Nu er der et fantastisk økosystem. Der er en stemme fra iværksætteri. Universiteterne har gjort rigtig meget for at fremme iværksætteri. Både i undervisningen og også bare at facilitere deres innovations labs, deres små incubators. Så der er sket sindssygt meget.

21:47

J Der er også sket rigtig meget fra det offentlige side. Jeg vil faktisk sige, at Danmark som helhed, der har du måske det bedste land i verden til at starte forretning op, rent frameworkmæssigt. Det er billigt at starte en forretning op. Du kan gøre det på nettet. Du kan få så meget gratis hjælp, du ikke fatter det. Du har et økosystem nu,

der kan tage dig ind, der kan nære dig. Det fungerer sindssygt godt. Så det at starte en virksomhed, det at etablere den, det at få off the ground er sindssygt let.

22:20

J Der er 2-3 problemer, jeg ser i dansk iværksætteri indenfor IT især. Nummer 1 er omkring mangel på arbejdskraft og mangel på fleksibilitet i forhold til medarbejdere og beskatning. Det er simpelthen—det er for dyrt at hyre medarbejdere, specialiserede medarbejdere i Danmark, og det er pga. vores indkomstskat. Så jeg tror alle iværksættere du kan spørge omkring det vil sige det er et problem.

22:46

J Sammen med det problem, og noget der faktisk er ved at blive ændret, vi har fået ændret ved at have en stemme sammen, det er omkring—tilbage til den her rejse, fordi folk vil gerne med på en rejse, og folk vil gerne lægge blod, sved og tårer. Men de vil også gerne kunne mærke, at de får et finansielt udbytte af det her. Så det at give warrants, altså aktieobligationer, er et fucking helvede at gøre i Danmark. Så hvis jeg vil give dig en del af min virksomhed, det er praktisk talt umuligt skattemæssigt, og det er sindssygt dårligt stillet for dig som modtager.

23:15

J Det er man ved at ændre nu. Dvs. det bliver meget mere fleksibelt, det bliver lettere at give dele af virksomheder til medarbejdere. Og de to ting har en vekselvirkning. Fordi det vil kunne gøre, at—du vil normalt sige, jeg koster 35 som nyuddannet, og jeg vil sige, du kan få 28, og så kan du få 1% af selskabet. Det er en måde at aflønne på. Så aflønning, det er et problem.

23:34

J Nummer 2 problem, det er ikke noget vi gør noget ved, men det er omkring vores marked i Danmark. Danmark er 6 mio. mennesker knap og nap. Så vores hjemmemarked er meget småt. Medmindre du laver noget indenfor gas og elektricitet, fødevarer eller tele. Så kan du ikke bygge store selskaber rigtigt, hvis du kun har Danmark som hjemmemarked. Så du er nødt til at tænke globalt. Du kan sagtens starte lokalt, starte skandinavisk, rulle ud. Men du er nødt til at tænke globalt, hvis du vil starte en stor virksomhed. Det er noget vi ikke kan gøre noget ved. Vi kan ikke gå ud og erobre nye lande og sige nu er det Danmark, nu snakker de dansk. Det er bare en forudsætning, sådan er det bare.

24:16

J Den sidste ting, det er omkring hele setuppet omkring private investorer og fonde i startups. Danmark er det land i verden, som faktisk pr. indbygger har det højeste andel af venturekapital pr. indbygger. Så der er vi rigtig well of. Vi er langt højere end USA, det er der bare ingen der ved. Alle folk læser TechCrunch-artikler og forholder sig rimelig blank til det. Der er rigtig mange penge i Danmark. Der hvor vi kunne få endnu flere penge og gøre det endnu bedre, det var at gøre det mere fordelagtigt for tidlige private investorer at skyde penge i startups. Det kunne 100.000 kr. fra min far, eller det kunne 300.000 fra min morfar, fra hans pension, eller whatever. Så sørge for at du har rigtig mange af de mindre formuer i danske hjem, der kan komme ind og arbejde i startupfirmaer.

25:13

J Og i England har man lavet nogle tax exemptions hvor du får fradrag for nogle ting—ligesom, håndværkerfradrag. Det er jo for at få folk i job. Så siger vi, der er problemer i byggesektoren, fordi der ikke bliver bygget. Nå, alle vil gerne have restaureret deres huse og have lavet et nyt badeværelse. Her, 30.000 i fradrag. Det er lidt at pisse i bukserne, ik, fordi så har alle lige pludselig bygget færdigt, og så hvad fanden, hvad skal vi så bygge?

35:37

J Hvad med i stedet for sige, der er faktisk nogle der bygger nogle virksomheder, der skaber nogle arbejdspladser og på langt sigt kan blive rigtig store. Hvad med at lave et fradrag her?

25:45

**Q Så det ville være, i stedet for at man investerede sine penge i mursten, så skulle man gøre det i viden og kloge hoveder.**

25:54

J THIS PART HAS BEEN REMOVED DUE TO CONFIDENTIAL INFORMATION

26:31

J Samtidig, han gør det jo fordi han gerne vil have flere børsnoteringer af små virksomheder i Danmark. Fordi du børsnoterer ikke nogen små virksomheder i Danmark. Du gør det i Sverige, og du gør det i England. Du børsnoterer dem ikke i Danmark. Der er ikke et miljø til det. Så der er sådan et gap i hele økosystemet. Fordi så snart du har bevist at du kan lave noget forretninger, og du har noget omsætning, så er der fint med penge i Danmark. Det er der. Og dem der ikke kan få penge i Danmark, det er måske også dem der ikke burde have penge i Danmark. For at sige det lidt groft.

27:01

J Så dem der render rundt og siger, det er umuligt at rejse kapital, de burde se sig selv et par gange mere i spejlet og se, at det er der nok en grund til. Men mit anke kunne være, fra politisk side, at an gjorde mere for at få de helt tidlige virksomheder, få dem inkuberet. Og gøre at de havde en reel chance til at nå det de reelt gerne ville nå.

27:26

**Q** **Hvad betyder det for økosystemet at man begyndte at arbejde i de her clusters, fx vi sidder lige nu her [...]**—hvad tror du det betyder for økosystemet, at det bliver samlet i klynger?

27:42

J Jeg tror det betyder to ting især. Det betyder en rigtig stor form for vidensdeling og netværk. Så det betyder at man langt hen ad vejen bliver klogere som organisme. I stedet for at vi går ud og laver de samme fejl som firmaet over på den anden side lige har gjort, så har vi snakket sammen med dem inden og har lært af hinanden. Så der er sindssygt meget læring og netværk som er vildt vigtigt.

28:05

J Og nummer 2, hvilket jeg tro er mindst ligeså vigtigt, de er at vi får en stemme. Så ligesom 3F er et forbund og Krifa og sådan noget, de kan snakke på vegne af arbejder og social sundhedshjælpere. Så er det her mere eller mindre en organisation som snakker på vegne af iværksættere. Og som snakker på et ret højt politisk plan. Det er sindssygt vigtigt. Fordi jf. før, de her rammevilkår. 75% af vejen har vi ikke noget at brokke os over. Der er vi fucking privilegerede. Og sådan typisk danskere, så brokker man sig hele tiden. Men der er få konstruktive ændringer der kan laves, og så bliver vi igen kåret som nummer 1 af Forbes, som bedste land at lave forretning i.

28:41

J Det er vi lige blevet kåret til, og det er vildt sejt. Men det kan blive endnu bedre. Så det er nok om at ikke lægge sig på den lade side og sige: vi er nummer 1, lad os bare blive nummer 1.

**Q** **Danmarks lykkeligste land.**

J Ja, Danmarks lykkeligste land.

28:57

J Så stemmen synes jeg er sindssygt vigtigt. Og der er nogle—jeg fatter ikke hvorfor de gør det, og jeg er så glad for at de gør det, jeg ville ikke selv have overskud til at gøre det. Men de ildsjæle, som knokler røven ud af bukserne for at skabe det her community, det er fucking sejt.

29:13

**Q** **På at skabe hvad?**

29:14

J På at skabe det her community, skabe den her sammenhørighed. Og jeg synes det er så sejt. Jeg beundrer dem så meget. De er fucking superhelte i min optik.

29:21

**Q** **Er det sådan noget som fx CPHFTW?**

29:24

J CPHFTW er en af dem, ja. Og så er der hele Farmers House, Xenia og Casper derovre. De arbejder hårdere end alle iværksætterfirmaerne. Det er jo et lille iværksætterprojekt i sig selv. De får ikke en skid i løn, og langt hen ad vejen hører de ikke andet end brok fra deres firmaer, fordi der ikke er en kaffemaskine der virker. Men de er bare rockerseje. Det er de virkelig. De er fucking vilde, det synes jeg.

29:48

**Q** **De har mange flere timer i døgnet end os andre.**

29:51

J Det har de. Jeg forstår ikke hvordan de får det til at hænge sammen. Men de er fantastisk seje. Det er de virkelig. Og de Tine gør os meget. Tine Thygesen.

**Q** **Hvad er det hun har lavet?**

J Hun har lavet Everplace og sådan noget. Lidt forskellige ting. Mellem os—hun har aldrig lavet de helt store ting iværksætterimæssigt, men hun er en sindssyg dygtig skribent-kommunikator-visionær Og er efterhånden blevet stemmen for Danmarks iværksætteri. Og Danmark har fantastisk stor glæde af det. Vi har glæde af det. Sindssygt meget. Så jeg støtter virkelig op om hende.

30:29

J Når vi engang skal have ny minister for erhverv, om 15 år, så stemmer jeg på Tine. Selvom hun stiller op for Enhedslisten. Det gør hun ikke, men...

30:40

**Q Hvordan tror du det påvirker samfundet at have så velfungerende og mulighedsrigt et entreprenørsystem?**

31:00

J Jeg vil sige, jeg tror ikke samfundet har forstået påvirkningen af det endnu. Og jeg tror det kræver at vi får nogle seriøse homeruns på nogle firmaer. Vi begynder stille og roligt at få det. Og det er egentlig af to årsager. Nummer 1 er, at man kan begynde at anerkende hele den arbejdstilvækst det vil skabe i form af arbejdspladser og flere kroner til skattekassen. Og nummer 2 er nok noget af det allervigtigste, også i forbindelse med det vi snakkede om før, det er at man på et tidspunkt, hvis der er nogle store selskaber der bliver solgt, så får du penge tilbage i økosystemet, og du får viden tilbage i økosystemet.

31:36

J Så hvis man ser på Stockholm. Stockholm er 5 år længere fremme end Danmark er. Og det er det af to grunde. De skabte et miljø tidligere fra universiteter og fra organisationsmæssigt perspektiv. Var sindssyg gode til at forbinde teknik med kommercielt. Universitetsmæssigt lave en incubator. Så fik de en stemme, Stockholm FTW—eller hvad fanden—[??] hedder den der. Identisk til CPHFTW. Men vigtigst af alt fik de solgt nogle rigtig store firmaer. Altså Skype, Tradera som var Den Blå Avis, Spotify, King mobilspil til 35 mia. kr. Jeg kan nævne de første 10 Stockholmselskaber som har gjort det sindssyg godt. [??] der lige er blevet solgt for 15 mia.

32:32

J Der er røget så sindssyg mange penge tilbage i private menneskers hænder. Det er mia. og mia. og mia. Der er røget tilbage. Og de ryger ud i systemet igen. Så det bliver en god spiral. Virkelig. Og hvis man ser herhjemme. Man har Just Eat, der lavede IPO i London. Det var London der hev de penge, ik. Så har vi Jesper Buch der solgte for tidligt, han hev måske 100 mio. Det er begrænset hvor meget det rykker. Så har du Zendesk, de lavede IPO i USA, de bor i USA. Så har du Unity... de kommer nok også til at sælge i USA. Så kan man håbe der er noget der ryger tilbage. [??] nu, det bliver så solgt til [??]. Og drengene er stadig langt hen ad vejen i Danmark. Det kommer til at betyde rigtig meget.

33:23

J Der kommer mia. i private hænder nu. Og de drenge der er pisseseje. Så det tror jeg kommer til at gavne helt vildt, helt vildt. Og jeg tror om en 3-5 år, så er vi der. Så er der noget af det her der er røget tilbage, og det kommer til at skabe en trampolineffekt.

33:46

**Q Hvordan er muligheden for funding, kapitalanskaffelse, i Danmark vs. udlandet? I internationalt perspektiv.**

34:04

J Det er et svært spørgsmål. Fordi nu kender jeg Nordeuropa godt. Så dvs. Skandinavien og London og Tyskland i forhold til kapital. Og det kommer an på hvilket stadie du er på. Hvis du er på rigtig tidligt stadie, så er de faktisk sværere og sværere. Så er det halvsvært at få kapital i Danmark. Men på de senere stadier, der er det ganske fint i Danmark. Jeg tror det jeg kunne savne nogle gange fra danske investorer, det var seriøs risikovillighed. Lidt tilbage til den her omkring binære vs. ikke lave binære investeringer. Jeg ved fra de rigtig dygtige fonde, de siger 20% af deres investeringer, 30%, det er binære investeringer. Så det er sådan noget i Candy Crush. Hvis vi lykkes med det, så bliver det en mia. Og hvis ikke så bliver det er nuller.

34:57

J Hvor de danske fonde kan godt lide den her mellemvejsmodel, med at de ser noget omsætning—de kan godt lide de modeller vi laver, men som sagt tidligere, så er det ikke de eneste modeller. Men jeg vil sige, Danmark er glimrende for funding her. Jeg synes ikke det er det der er det store problem. Man siger: vi tager til USA og så rejser vi penge, fordi vi får den tredobbelte valuation. Ja, det kan godt være i gør det. Men i rejser der over med alle andre idioter i samme flyver. Og der er ligeså meget konkurrence gange otte på det der.

35:27

J Plus at når i så sætter jer ned, og du skal have en lejlighed, du skal have et kontor, du skal hyre nogle ansatte, så er det [??]. Så det kan godt være du kan få 3 X på din investering. Og så kan du få lidt flere penge. Men det er sværere at fremskaffe kapital derovre, fordi du har meget større konkurrence, og det er bare dyrere at være

der. Så jeg tror du skal kigge mod USA og London når du har fået en vis størrelse. Og når du er oppe og har traction, når du er serie B—altså, når du er plus 100 mio. Plus 50 mio., nærmere. Så kigger du mod USA. En serie A, så skal du også kigge mod London og i hvertfald Stockholm for nogle internationale.

36:08

**Q** Gælder det også for seed?

36:10

J Typisk, så fonde i Danmark kan sagtens lave en seed. Må jeg lige tage den her—

**PAUSE PÅ INTERVIEW - FORTSÆTTES I NY OPTAGELSE**

**JENS REIMER OLESEN, PART B.**

**Q** Du deltog i det her i 2011 med Graduateland. Hvordan er dit indtryk af Innovationscenteret generelt? De er jo partnere på det.

00:30

J Sindssygt godt indtryk. Helt vildt. Jeg synes det var meget—vi vidste ikke rigtig hvad vi skulle forvente der. Vi var stadig meget nye og grønne der. Og da vi kom derover—først da jeg kom hjem, havde jeg egentlig forstået hvor vildt det havde været. De folk vi havde mødt og de ting vi havde været på. Det var meget overvældede på den rigtig fede måde. Og som jeg også snakkede om før, så tror jeg hele successen ved det arrangement afhang af nogle ildsjæle der var derovre. Fordi det var jo iværksætter—måske bare intraprenørship, der var blevet lavet.

01:03

J Og jeg ved helt lavpraktisk, hvad de har skabt—det er lige blevet annonceret i går, et firma her der bor på den anden side af nogle gode venner, der har det der hedder PlanDay, som lige har rejst 100 mio. kr. Det var jo på baggrund af en investor de mødte på [???]. Og vi har også fået nogle fantastiske forbindelser derovre til. Community. Plus, mindst ligeså meget—det er lidt sjovt, nogle gange skal man rejse ud for at møde andre danskere. Det er sådan lidt mærkeligt, ik. Man kender det også fra ferier.

01:33

**Q** Så er man pludselig rigtig gode venner.

01:34

J Ja, præcis. Du har en sammenhørighed i noget du har deltaget i sammen, ik. Det har været helt fantastisk. Jeg har ikke rigtig noget at sætte en finger på det. Jeg synes virkelig det var godt.

01:49

**Q** Hvordan foregik programmet, kort opsummeret?

01:49

J Jeg tror det var 5 dage. Og det var sådan rimelig pakket kalender, hvor du kun var ude at møde en masse. Alt lige fra investorer til inkubationsmiljøer til universiteter, til eksperter indenfor en masse områder. Så lavede man en masse pitches. Og så havde man også noget tid til at kunne planlægge sine egne møder derovre. Det kunne være mere specifikt på ens eget selskab. Så det var sådan en turisttur i Silicon Valley med rimelig meget dybde.

02:11

**Q** Så det var meget indledende marked—

02:13

J Det var meget indledende, ja. Det var mindst ligeså meget inspiration, vil jeg sige. Så senere er der lavet de her forskellige mere dybdegående programmer, lidt længerevarende programmer. [???] Night og Accelerate, tror jeg det hedder. Et eller andet. Hvor det sådan er mere på et senere stadie. Når du har besluttet dig for at drinke smagte godt, og du gerne vil have fuld bar. Det har vi så ikke været med på, fordi vi har ikke som forretningsmarked haft USA som noget target market. Men jeg ved de andre virksomheder, som har rigtig meget mod det amerikanske marked, de har [???].

02:41

**Q** Er det så også Innovationscenteret der kører de lidt længere programmer?

02:46

J Ja, det er det. Og dekører det som et samarbejde, tror jeg, med Søren's selskab, som de så hyrer ind som konsultantselskab. Så ja, det er dem der er afsender for [???].  
02:56

**Q Og de har også en helt separat hjemmeside til det, som ikke bærer så meget præg af at være en offentlig institutions.**

03:03

J Præcis. Mit touch point med dem derovre er total modsat det klassiske dogme omkring offentlige instanser. Og det er virke en kompliment. Folk var meget opsøgende, meget løsningsorienterede, meget proaktive. Det virkede som om det var en lille iværksættervirksomhed selv.  
03:28

**Q Så der var den stemning af iværksætter og passion.**

03:33

J Ja, helt vildt. Og man kan mærke, de elskede at hjælpe startups. Det var virkelig—altså, hvis man skal praise—det offentlige bliver hele tiden sablet i medie, fordi det også r let at sable halvanden hundrede mennesker og skære dem over en kam. Men jeg synes virelig det fungerede godt. Og jeg har også været inde—jeg har været i dialog med andre, både innovationsenheder og ambassader rundt omkring i Europa og også faktisk ude i Østen, hvor vi har fået sindssyg god rådgivning.  
03:59

03:59

J Bare sådan helt lavpraktisk i Norge—vi er ved at åbne op i et nyt marked der, og der er noget med toldtariffer og fragt, fordi de ikke er med i EU. Ringer bare op til ambassaden, Invest in Norway, eller hvad det hedder, og fik sindssyg god sparring. Fik en kanon folder tilsendt omkring e-commerce. Noget vi ikke kunne finde online. Så jeg synes satme det fungerer godt. De touch points vi har haft. Vi har også haft med innovationscenteret i Munchen, faktisk. Omkring... samme erfaring. Meget professionelt, meget proaktivt, meget hands on.  
04:39

04:39

**Q Godt at høre, fordi...Hvad fik du ud af at deltage?**

04:46

J Jeg tror jeg fik udvidet min horisont for, hvor lille Danmark er. Og hvor mange muligheder der er i USA. Samtidig fik jeg også skabt grobund for et netværk. Og tilhørsforhold til nogle mennesker derovre. Så det var sådan lidt two fold, at du ser hvad der er af muligheder. Og du ser også hvad der er af begrænsninger i forhold til dit eget setup lige nu. Men mest af alt tror jeg fik sådan noget ambitiøsitet i forhold til at tænke stort. Fordi det er amerikanerne fantastiske til. Det er either go big or go home. Og det kan jeg sgu godt lide. Der tit i Danmark, der er vi sgu lidt nogle krejlere der siger: fint at vi kan gøre det og det. I USA er det either you build big or you dont build. Det synes jeg er fedt.  
05:36

05:36

**Q Har du taget det med hjem til Danmark så?**

05:39

J Jeg tror vi har taget mere aggressivitet med hjem. Jeg tror altid vi har været sådan forholdsvis aggressive med rigtig risk. Har været ret aggressive med det vi gør. Men ja. Jeg tror jeg havde det i forvejen. Nu bliver den vækket lidt til livs den indre ild, der lå i. Du kan ikke tage derover og være ambitiøs og komme tilbage og være mere ambitiøs. Jeg tror nogle kan få et kulturchok derovre. Sådan for alvor. Jeg følte mig mere hjemme.  
06:06

06:06

**Q Du føler dig mere hjemme?**

06:07

J Ja, meget.

06:09

**Q Tror du det er muligt at overføre SCALEit-programmet til Innovationscenteret eller til Shanghai?**

06:25

J Jeg ved ikke så meget om Kina, for at være helt ærlig. Og endnu mindre ved jeg så om Shanghai. Ja, hvis man starter som udgangspunkt og kigger på kundegrundlaget. Er der kunder? Er der nogle virksomheder som

kunne være interesserede i at lære mere om Kina at kende? Ja. Helt vildt. Er der virksomheder som endnu ved for lidt om Kina i forhold til hvilke muligheder der er? Ja, endnu mere. Så ja, kundegundlaget er der.

06:54

J Hvordan det skulle modificeres afhænger af hvordan markedet er i Kina vs. Shanghai, vs. Beijing og andre steder. Men jeg tror man skulle drage på mange af de gode ting [??] har gjort, og så skulle du lave noget der var tilpasset det kinesiske marked og de virksomheder der bliver lavet, der tror jeg man skulle adskille det i måske forskellige spor. Nogle der tager derud for at købe ind i Kina og lave en supply chain til Kina, til [??], som ville være vores tilfælde. Og nogle der måske gerne vil etablere mere presense, sælge direkte i det kinesiske marked. Så nogle vil hente noget ind fra Kina og tage ud i Kina, andre vil gerne etablere i Kina og vokse i Kina.

07:27

J Vi vil være det første tilfælde, i hvert fald i vores garnforretning. Jeg tror måske det der er den største udfordring, det er at der skulle være mere omkring kulturelle forskelle og culture skulle der ind i det her. Fordi amerikanere og danskere, jo, der er culture clash. Men stadig, vi snakker samme sprog, vi er Western society, halvkapitalister. Nu skulle jeg til at sige civilized, men forstå mig ret. Der er noget kultursammenhørighed. Og der tror jeg at man skulle lægge mere vægt på forskelle og hvordan man ligesom kunne komme overens med de forskellige ting.

08:08

J SCALEit var faktisk gode til—også måden man pitcher på i USA er meget mere aggressiv, meget mere sell he dreams, service the nightmare. Du skal være total jubelidiot for at lave en god pitch i USA. Så det var en kommunikationsforskel du skulle lære. Det var sådan mere på det high end-kommunikative. At du bare skulle tænke større og [??]. Hvor jeg tror der er mange andre forskelle i Kina. Som er sindssyg vigtige for at lykkes. Det tror jeg. Det er mindst ligeså meget den her kulturforskel og sproglige barriere, som er vigtigt.

08:42

**Q I har noget forretning med den her garnimport. Har i oplevet de her clash?**

08:55

J Jeg ved vores agent derude har oplevet det. Men nok i bede stand til at håndtere det, fordi han bo derude og har boet derude i nogle år. Og det er især sådan noget på hvornår noget er en aftale, og hvornår man skal have noget på skrift. Og det skal man helst hele tiden. Og man skal være rigtig, rigtig klar på, at hvis ting ikke sker i forhold til en aftale, hvad er så konsekvenserne og alt sådan noget. Så jeg tror—

09:23

J Jeg kan huske tilbage fra mit studie på CBS i en teori omkring hvorfor at vesten og protestantismen havde været med til at skabe kapitalismen lagt hen ad vejen, var fordi man havde et utroligt trustworthy relationship med sin næste. Så det kunne være samarbejdspartnere, min kæreste, whatever. Man stolede utroligt meget på mennesker. Og det bærer det vestlige samfund, måske Europa, især Danmark—der er rigtig meget trust forretningsmæssigt. Og er et af de lande der ligger allerhøjest på trust.

09:52

J Og det tror jeg hurtigt, når man kommer til et andet land, der er det måske ikke trust som i danske termer, du har. Fordi danskere, modsat stort set alle andre folkefærd, der behøver du ikke have særlig meget på skrift. Vi har lavet ordrer med Novo og med Nordea og DONG, hvor de har betalt os penge uden at de har synderligt meget på skrift. Det får vi så senere hen. Men der er danskerne meget, vi stoler på dig. Vi har kendt dig i mange år, vi stoler på dig. Vi skal nok få noget på skrift. Du vil ikke røvsende os.

10:18

J Ikke at jeg siger kinesere røvsender folk, men jeg tror at du er nødt til at tage dine forudsætninger for at minimere risici. Og det er bare total lavpraktisk. Det kunne ligeså godt være sket i Italien eller Sverige.

10:34

**Q Er der andre kulturmæssige aspekter du tænker kan være en udfordring?**

10:42

J Godt spørgsmål. Idet at det er meget envejsforhold—altså, vi kommer til Kina, og så lægger du nogle penge og så får vi noget igen. Så tror jeg det allervigtigste er omkring det kontraktuelle. Omkring det at opretholde sine forpligtelser i forhold til det der bliver leveret. Jeg tror det er en helt anden udfordring når du skal gå ind på det kinesiske marked. Det kan jeg overhovedet ikke have inde i mit lille hoved, tror jeg, at man skulle tage højde for det. Det tror jeg er meget mere kompliceret. Jeg tror det er lidt mindre kompliceret at være i en supply chain end det er at gå ind i et marked. Især et som det kinesiske marked.



11:14

**Q** Mærker i nogen forhindringer i forhold til government policy i Kina, når i skal begynde at sætte det her [op]?

11:26

J Det ved jeg faktisk ikke. Ikke umiddelbart. Nej, det synes jeg ikke.

11:34

**Q** Jeg spørger, fordi de sidste år [13. 5-års-plan] [sindssyg vækst erstattes med langsom vækst] [...] Er det noget i mærker nu, selvom i ikke på samme måde etablerer jer i Kina?

12:34

J Det er ikke noget jeg har så meget mærket. Og det er heller ikke—det er forholdsvis lean, det vi har. Så det er ikke endnu. Det kan jeg ikke sige så meget om.

12:47

**Q** Hvor langt er i processen—

12:48

J Vi får varer derude fra, så der bliver sendt et par containers en gang om måneden. Det er fra 2-3 forskellige enten agenter eller direkte leverandører. Som så bliver varetager af min svoger som er vores agent. Og egentlig ham der står for hele kommunikationen. Så vi siger, vi skal have 15.000 hæklenuksæt, der skal være [???] på, der skal være den her kvalitet, det skal kunne det og det og det. Og så er det egentlig Jakob der står for resten derude. Og tager alt det—jeg ved han har haft nogle sindssyge struggles derude.

13:17

J Vi havde en ordre hvor leverancen var en måned forsinket. En måned hos os er rigtig mange penge vi taber i produktion og omsætning. Og der endte vi med at få 2/3-dele af vareleverancens omkostning retur, fordi han har fået det skrevet ned. Og det var egentlig bare erfaring af, at tidligere havde de lavet det samme, hvor vi ikke havde fået det skrevet ned. Så var det bare too bad. Fordi selvom kineseren—han var jo ligeglad. Han tænkte ikke så langt i det her. Så det gjorde det helt lavpraktisk. Efter han havde gjort det anden gang, så skiftede vi fabrik. Så han kom til at betale for—ligeså meget han heller ikke forstod, hvor vigtigt det var for os. Så den går jo to veje.

13:55

J Tit en misforståelse, det er both ways. Og når der flere gange sker misforståelser, også selvom man er klar på skrift, så tror jeg ikke det har så meget med kultur at gøre, så er det mere omkring noget menneskeligt. Fordi vores nye leverandør opholder alt på det plan. Så jeg tror ikke man nødvendigvis kan konkludere så meget på kultur. Fordi du kan også sagtens blive røvdreng i Danmark. Det betyder ikke danskere er idioter. Det betyder bare der er nogle brodne kar indimellem.

14:20

**Q** Skulle Innovationscenteret brande sig på en anden måde for at tiltrække dig, hvis du skulle til Kina?

14:41

J Ja, der tror jeg Innovationscenteret skulle lave det du gør nu. Og så skulle de tage rundt til 15-20 virksomheder, som enten havde interesser i Kina eller var i Kina. Så skulle de finde ud af: hvad er jeres problem? Hvad er jeres største udfordringer? Top 3 største udfordringer. Og så langt hen ad vejen ville man høre det samme. Fra mange af dem her. Så man skulle lave sit eget lille startup. Kundeudvikling. Finde ud af, hvad er der af problemer—før man begynder at etablere alt muligt andet. Fordi man er nødt til at forstå [???].

15:09

J Hvis produktet er nogle services derude, og en tur og et kendskabs[???] til Kina, så er du nødt til at forstå hvad er problemerne or danske virksomheder, hvad er mulighederne. I ved hvad mulighederne er, i ved nødvendigvis ikke hvordan man ser problemet i Danmark. Så man skulle være sindssyg skarp, ud og lave en masse interviews, ud og lave en masse kundeudvikling. Og hvis i kunne komme med et program til os, som sagde: vi tager jer med ud til en masse forskellige kinesiske organer derude, og vi tager jer med ud—måske laver en tur separat til produktionsvirksomheder, introducerer jer til nogle agenter, alt det her. Vi ville velkomme det med kyshånd.

15:43

J Så det er måske om at finde andre e-shops—du kan lave et e-shops-spor, der bare hed Varer Supply Chain Kina til Europa. Find 10-15 e-shops, interview dem. Det kunne være ét spor. Og så kunne der være en

omvendte: Etabler i Kina, Lav Forretning. Og dem kan jeg ikke tale på baggrund af, fordi vi har aldrig haft grunden til at gøre det endnu. 16:06

## Appendix G: Mail correspondence with Morten Brandtoft

**Subject: Additional questions related to ICDK's Partnership Model and services**

**Date: Wed, 27 Apr 2016**

**1) Først og fremmest skal jeg lige sikre mig at jeg forstår modellen rigtigt: De forskellige moduler (e.g. Engage modulet) har forskellige faser som starter "nedefra" altså med Virtual Representation og derefter bevæger sig opad og inkluderer e.g. Business Model Discovery og/eller Business plan & Org. Strategy?** Modellen er fuldstændig "pick-and-choose". Virksomhederne sammensætter sammen med os lige præcis den "pakke" der giver mening i forhold til deres entry behov og strategi. Modellen kan desuden tilgås på et hvilket som helst stadie og tidspunkt.

Vi har forsøgt at indbygge naturlige Go/No-Go beslutningsfaser i modellen, så virksomhederne hurtigt og omkostningslet, kan beslutte om det giver mening at gå videre til næste fase, baseret på den foregående fases findings. Med kortere decision gates/milestones, reduceres virksomhedernes indledende investeringer i mindre og overkommelige "bidder" = mindre risiko.

**2) Er der lavet et budget for jeres markedsføringsindsats over for de danske entreprenører - for eksempel at allokere nogle ressourcer til at få lavet en ekstern hjemmeside, der henvender sig mere specifikt til entreprenører, ligesom de har gjort med ScaleIT programmet eller lignende promoveringstiltag?** Nej, vi har rundt omkring i de individuelle innovationscentre ikke dedikerede markedsføringsbeløb afsat på budgetterne. Jeg kan sikkert finde lidt midler rundt omkring i mit budget til diverse og alm. kontorhold, men ellers tænker jeg, at der vil være muligheder for at søge om midler ifbm. vores Innovationsprojekter. Muligvis har HQ i Kbh. afsat dedikerede midler til mere generel markedsføring.

**3) Hvem skal planlægge og udføre de forskellige aktiviteter, som I tilbyder entreprenørerne?** Lige pt. er det mine kompetencer og erfaringer indenfor iværksætteri, funding og forretningsudvikling der driver værket, eftersom en snitfladerne i arbejdet er relateret til virksomhedernes danske interessenter. Så snart vi har med opgaver med en kinesisk snitflade at gøre (i.e. identifikation af kinesiske samarbejdspartnere, facilitering af møder til afdækning af potentielle kunders respons på de danske virksomheders value proposition mv.) kommer mine kinesiske konsulenter netværk, kulturforståelse osv. Naturligt mere i centrum. Heldigvis er min nye ICT Innovation Officer en dygtig forretningsmand, som også kan bidrage med konkret forretningsudvikling.

**5) Hvor meget af den danske vækst strategi for Kina (opdateret af Regeringen og UM i 2012) som bygger på den strategiske samarbejdsaftale, (indgået med Kina i 2008) skal indgå i målopfyldelsen hos Innovationscenteret?** Jo, meget af innovationscentrenes opdrag bygger da på strategiske prioriteringer og initiativer fra skiftende regeringer. Innovationscentrenes kommissorium og KPI'er ligger dog nogenlunde uforandret fast. Spørg evt. Anders om de ca. 10 KPI'er vi konkret skal levere på årligt

**6) Kalder I selve modellen med de forskellige moduler; access, explore, engage, establish for noget specifikt? e.g. ala ScaleIT** Nej, modellen har endnu ikke noget navn, men jeg overvejer at benævne den XploreIT China, og herigennem "piggy bagge" lidt på det Brand som Silicon Valley har opbygget. Faktisk indeholder Kina modellen elementer fra både XploreIT og ScaleIT, så hvis du kan komme på et nyt fancy Kina navn, er det meget velkomment.

**7) Tilbyder I på nuværende tidspunkt alle services i de forskellige moduler? er der nogen I er mere specialiserede i end andre?** Bestemt, vi er jo stadigvæk mere erfarne med enkeltstående arrangementer (innovation camps, workshops mv.) i forhold til tætte og længerevarende samarbejdsrelationer som kundens trusted lokale partner. Med min nye business minded ICT innovation consultant, Lu Yin, har jeg heldigvis fået tilført noget mere iværksætter og business power til innovationsteamet.

**8) Hænger de tilbudte services sammen med de andre services tilbudt på hjemmesiden under fanen entreprenørskab e.g. innovation camp, innovation growth, innovation package?** Ja, men jeg opfatter vores SMV støttemuligheder som værktøjer – ikke produkter. For mig er det langt mere vigtigt at kunne synliggøre vores værdiskabelse i de enkelte faser/"kasser", og så kan vi altid pakke det ind i de bedste støttepakker bagefter. Men specielt vores mulighed for at tildele virksomhederne en 100 timers innovationspakke i et længere framework tidsperiode (3-12 måneder) er naturligvis attraktivt ifht. at lukke aftalen med kunden. Men jeg sælger altså ikke innovationspakker, men værdiskabelse!

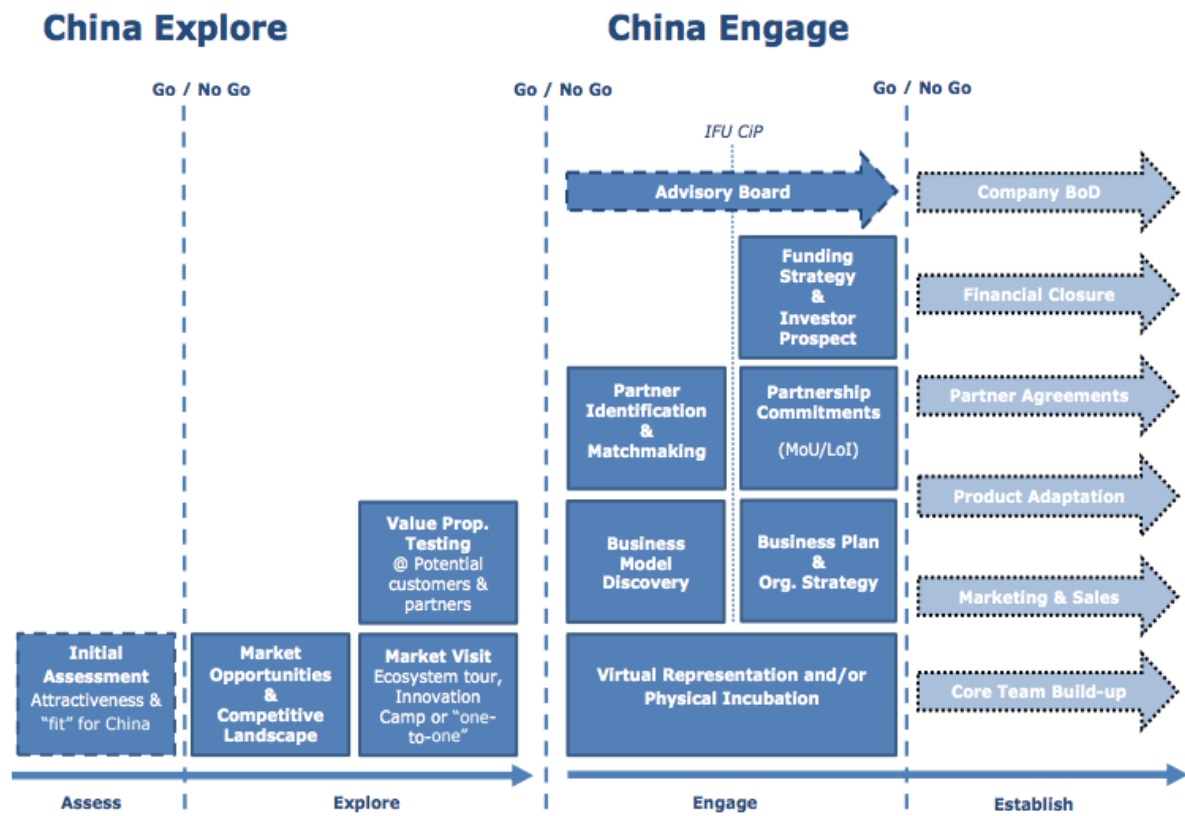
**9) Er der noget sted hvor jeg/entreprenørerne kan læse mere dybdegående om de forskellige services, hvad de indeholder, koster, potentielle outcome etc?** Nej, vi har ikke prissat de enkelte ydelser, eftersom det er knyttet op på faktisk tidsforbrug. Vi er dog ved at opbygge en god forståelse for, hvad de enkelte elementer typisk koster=tager af tid, eksempelvis vil en uges specialdesignet markedsbesøg typisk tage 5 timer at forberede pr. aktivitetsdag og 5-8 timer at facilitere/gennemføre = 25+25 til 40 timer osv.

**10) Hvordan markedsfører I jer på nuværende tidspunkt overfor danske entreprenører?** Vi laver jo blandt andet vores egne events ifbm. præsentation af innovationsprojekterne – enten vores egne eller fællesevents med de globale centre. Hver gang vi har et arrangement under planlægning forsøger vi at "ramme virksomhederne" via partnerorganisationer (med en bred medlemsskare/interessegruppe) i.e. Væksthusene, inkubationsmiljøerne, innovationsnetværkene, brancheorganisationerne mv. HQ i Kbh. understøtter med basal markedsføring, men det er generelt centrenes opfattelse, at der kunne laves en langt stærkere profilering af Innovationscentrene derhjemme fra.

**11) Hvordan fungerer processen når I kontaktes af entreprenører typisk?**

Vi tager typisk en indledende telco mhp. at få afdækket virksomhedens situation, value prop., ambitioner mv. ifht. at vurdere hvordan vi bedst vil kunne rådgive dem. En del af vores indledende salgsarbejde overfor virksomhederne er at etablere os selv som en stærk kompetencepartner, så virksomhederne er trygge ved at vi er de rette til at assistere dem succesfuldt videre på det kinesiske marked – eksempelvis ved at synliggøre vores kendskab til markedet, deres specifikke behov mv., inden det er muligt for os at lande en betalingsbelagt opgave hos os

## Appendix H: The Partnership Model



## Appendix I: Innovation Centre Denmark's overall KPI's

Overview of expected results: [Innovation centre name, year]		
Activity	Success criteria	End of year status
Number of <u>single</u> innovation projects and expected minimum number of participants in the following activity or outreach (please make a local estimate based on your experience)	2 Health Data Deep Dive into Shanghai Entrepreneurship Ecosystem	A) Full achievement of objectives, B) Partial achievement of objectives C) No achievement objectives
Number of <u>joint</u> innovation projects and expected minimum number of participants in the following activity or outreach (please make a local estimate based on your experience)	2 Industry 4.01 (Global project) Next 4 billion (Regional Project w/New Delhi & Sao Paulo)	A, B or C
Number of workshops and conferences held between Danish research institutions/researchers and local research institutions/researchers with the objective to promote bilateral collaboration and partnerships and also with the objective to market Danish positions of strengths	5	A, B or C
Number of unique companies, including SMEs, which have bought commercial innovation services	30 (hereof min. 15 SMEs)	A, B or C
Percentage of <u>paying</u> customers/users indicating a very high or high value of the services provided by the innovation center	75 %	A, B or C
Percentage of <u>non-paying</u> customers/users indicating a very high or high value of the services provided by the innovation center (Attaché assignments)	70 %	A, B or C
Number of science and higher education related tasks solved for researchers and also science and higher education institutions	15	A, B or C
Number of activities held for the exchange of talent and the attraction of talent to Danish higher education institutions	4	A, B or C
Number of "activated" Alumni interested/engaged in advisory, network guiding, angel investments and/or entrepreneurship activities for Danish Start-ups/SMEs	25	
Name one best case	2	A, B or C
Number of articles in foreign and Danish media, TV etc. with involvement of the relevant Danish ministers, if possible, to promote Denmark as a knowledge society	15	A, B or C
Earnings target commercial services (before deduction)	2.100.000 DKK	
<p>NOTE:</p> <p>*Innovation projects and other projects which you propose in this contract should, when relevant, reflect current government strategies such as the growth market strategy relevant for your country, the innovation strategy or the strategy for export and growth. Please explain in the comment boxes where and how the project is relevant to the strategies mentioned, please also include the Invest in Denmark strategy when relevant.</p> <p>(Note: based on the coming ICDK evaluation in Q1 of 2015 we will most likely engage in a strategic discussion early next year on the focus and activities of ICDK in order to make sure that we target and fulfill the relevant Danish government strategies in the work carried out at the innovation centres).</p> <p>** Three leads should be given to your local Invest In Denmark colleagues yearly</p> <p>*** Leads received from ICDK Copenhagen should be answered within 48 hours and case should be registered in CRM</p>		

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