The 'Orange Start Up Programme' (OSUP)
delivering 'Corporate Open Innovation'

(*part of* www.orangepartner.com)

MoCO 2008 – Moscow

Martin Duval – CEO bluenove

- '…Open innovation means that valuable ideas can come from inside or outside the company and can go to market from inside or outside the company as well. This approach places external ideas and external paths to market on the same level of importance as that reserved for internal ideas and paths to market during the Closed Innovation era.'

(Book 'Open Innovation', 2003, Henry Chesbrough, Harvard Business School Press)

- 'The smartest people always work for someone else'

(Bill Joy, co-founder of Sun Microsystems,1990)

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The 'Orange Start Up Programme'(OSUP) mission

- Deliver and implement a 'Corporate Open Innovation' programme :
  - ✓ By building a sustainable business and technological ecosystem around Orange and its platforms
  - ✓ Through the development of relationships and partnerships with Start-Up companies and Venture Capital funds (Worldwide)
  - ✓ Creating and launching innovative services/products/enablers and disruptive business models

- ✓ Mostly in the area of Mobile/Web 2.0 (communities, social networking, user generated content), social media, audience, advertising & entertainment related services (video, TV, music, games),

- Based on convergence (mobile, IPTV, web, content)

A unique 'partnership platform' delivering 'Open Innovation'

Objectives**:**

- A **'partnership platform'** based on the **'Corporate Open Innovation'** philosophy
- aiming at developing a dynamic and sustainable ecosystem around NExT.com, OAD and the greater Orange Group
- through the creation of a "**virtuous triangle**" to generate speed and value to Orange
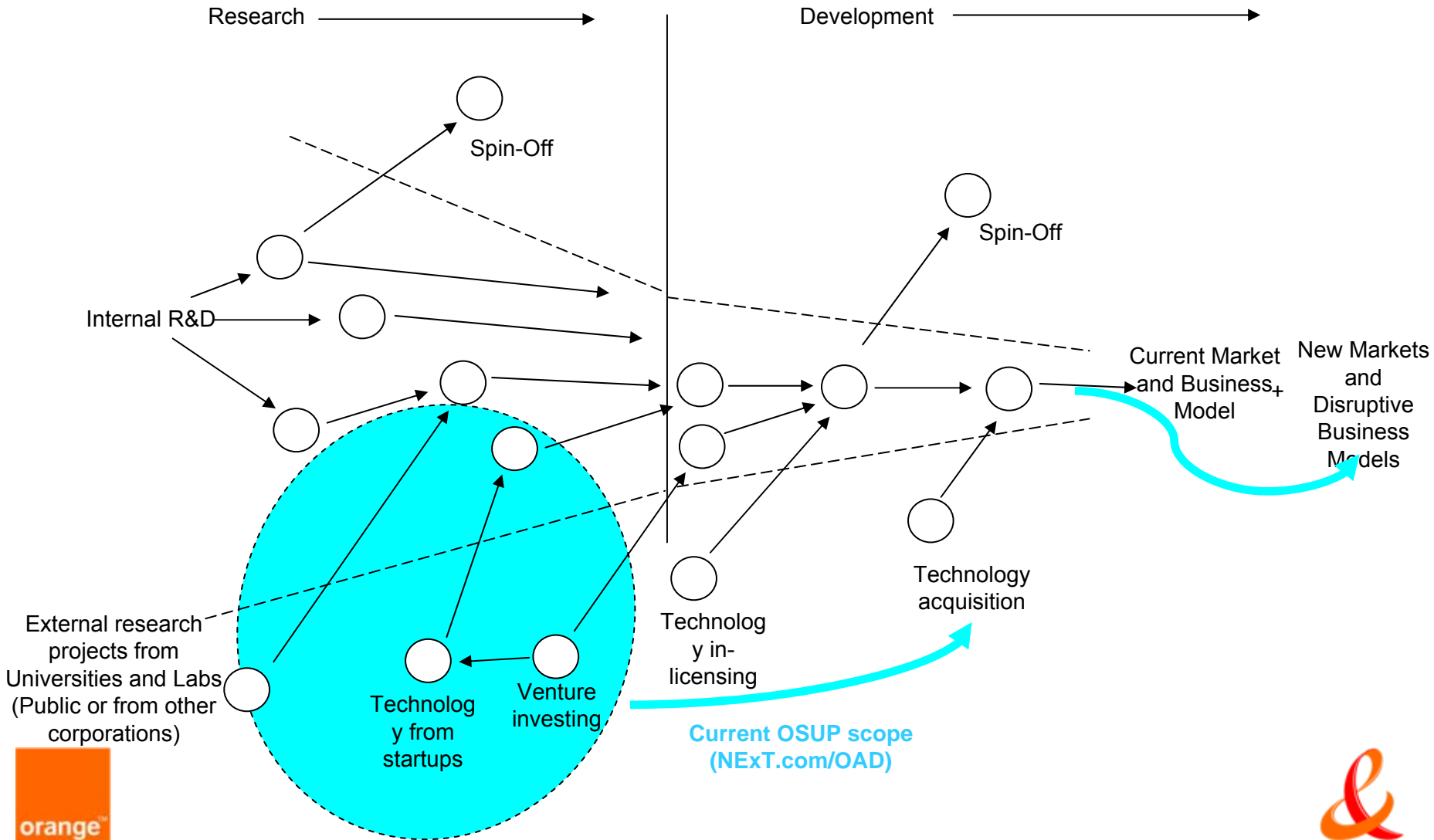
How does it work ?

- **Provide new product /service or be part of a new « mash-up » or enabler**
-**Share development and experiment of first launch & new business model**

Start-Up

Customers

FT-Orange

VCs
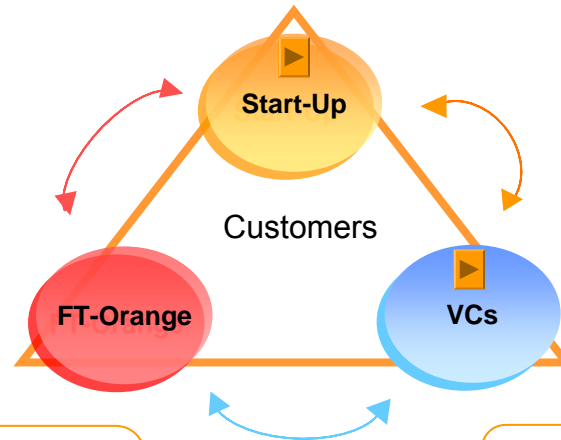
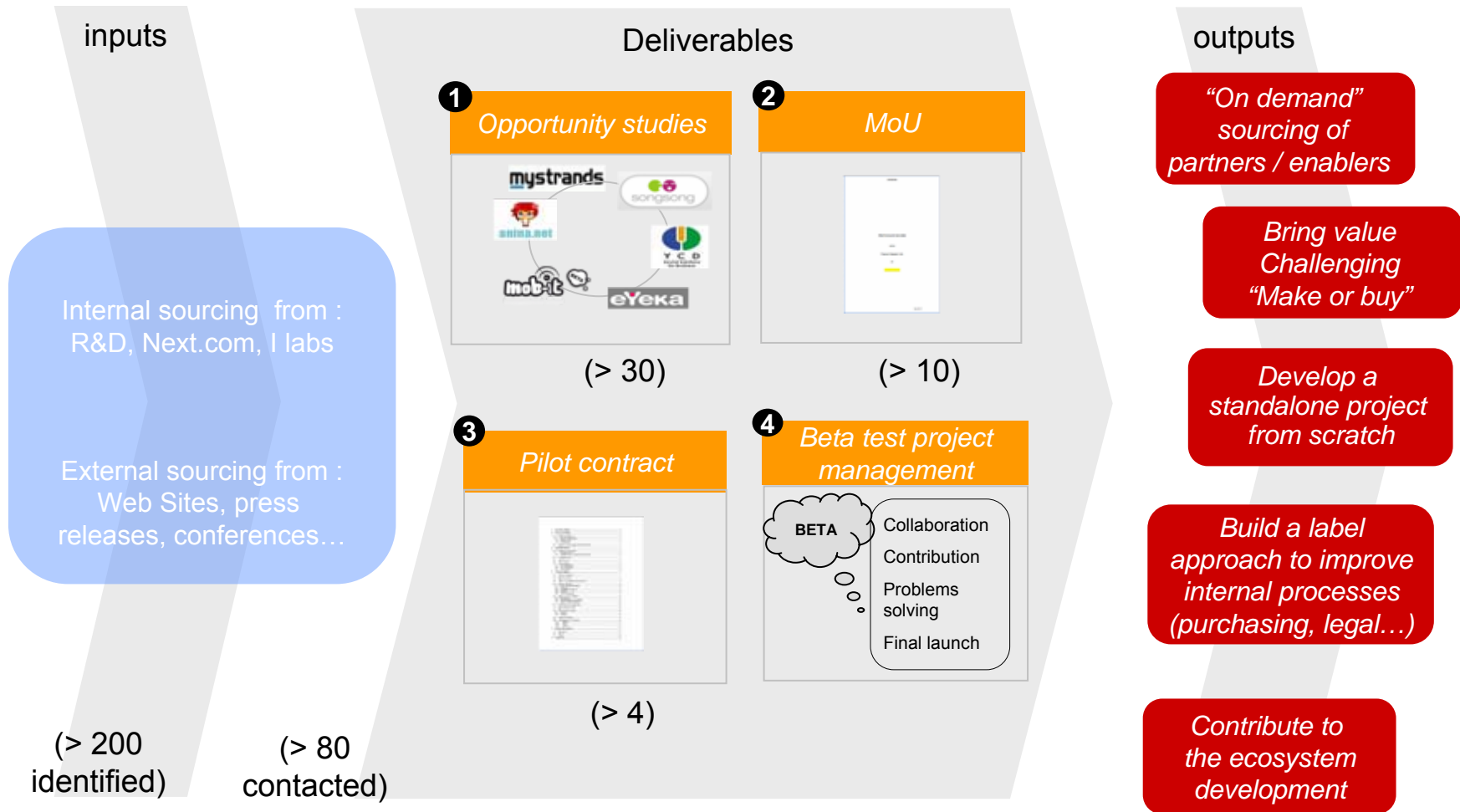- **Provide a first key pilot project /contract & international development potential**
-**Support early-stage fund raising**
- **M&A opportunities**

- **Provide funds to early-stage companies**
- **Or support for partnership with FT-Orange**
-**if already in their portfolio**

Close the Gap with external innovation

Research →

Development →

Spin-Off

Spin-Off

Internal R&D

Current Market and Business Model +

New Markets and Disruptive Business Models

External research projects from Universities and Labs (Public or from other corporations)

Technology from startups

Venture investing

Technology in-licensing

Technology acquisition

Current OSUP scope (NExT.com/OAD)

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Process et deliverables (pipeline 2007)

inputs

Deliverables

outputs

Internal sourcing from : R&D, Next.com, I labs

External sourcing from : Web Sites, press releases, conferences…

❶ Opportunity studies

(> 30)

❷ MoU

(> 10)

❸ Pilot contract

(> 4)

❹ Beta test project management

BETA

Collaboration

Contribution

Problems solving

Final launch

"On demand" sourcing of partners / enablers

Bring value Challenging "Make or buy"

Develop a standalone project from scratch

Build a label approach to improve internal processes (purchasing, legal…)

Contribute to the ecosystem development

(> 200 identified)

(> 80 contacted)

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Relying on a 'Innovation Partnership Platform'

6 layers of support, services and tools :

Support layers as key succes factors →

Programme *ROI tracking system*

Communication : internal and external (PR)

LIPPnet : collaborative intranet/extranet 2.0 and video content based knowledge management

Processes (MoU, monthly report,…) and *organization* (steering committee, interfaces with Purchasing, Legal,…), pipeline management

Know how: to attract, select, deal with and support the startups and their management team for the *projects take-off and management*

People & training : a team of 3/4 people to run the programme + training modules to deploy Open Innovation change (1-Open innovation, 2-Venture Project Management)

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Best practises / lessons learnt

- 1) a specifically designed partnership contract/MoU which is co-signed with the purchasing department to create momentum and speed very early in the partnership process

- 2) no exclusivity nor IP issues dealt during a first 'opportunity phase' of collaboration, again to create extra pressure on the Corporate organization to deliver faster Time To Market and first mover advantage

- 3) no direct investment, but rather support the startups to help them raise funds with third party VCs thus contributing to the development of sustainable partners within the ecosystem as well as initiate extra opportunity flows from the VC community

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OSUP case studies

- **After reviewing numerous start-ups, mob-it was considered as unique with many specificities :**

  - ✓ The ability to deliver a very efficient web-to-mobile experience
  - ✓ A generation on-the-fly of a widget app from a website, fully personalized
  - ✓ No pre-installation process, no configuration
  - ✓ Not another Widget universe, complex to understand for the users
  - ✓ Easy to transfer
  - ✓ A very simple idea : the mobile device, with its small screen, its presence in our pocket, is the natural « to go » extension of the web.

- **We are focusing at leveraging our services such as Pikeo**

- **As mob-it allows the mobilization of websites, through an installed application on the phone**

  - ✓ Pikeo could benefit from the technology to provide micro-albums

Processes and deliverables: in real life

inputs

Deliverables

outputs

3,5 months

❶ *Opportunity studies*

❷ *MoU*
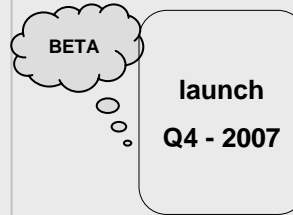
**6 months
public beta test**

Start-up screening from our 2.0 companies networks

**= 7 months
from meeting
To beta**

On your mobile

❸ *Pilot contract*

❹ *Beta test project management*

BETA

**launch

Q4 - 2007**

3,5 months

- a simple button on any album
- a click on the album, a phone number...

New message

Send : 17/01/2007 16:50
38006

Here is the adress of your mobile application :
http://wap.mob-it.eu/6936-7b43.jad

Env   Boîte d'env   Essais   Ann

✓ a SMS is then received on the mobile phone with a wap link (wap push)

✓ a click and the installation begins

✓ the application automatically launches...

✓ no prior installation or configuration

✓ virality through the click of a button

    (web to mobile + mobile to mobile)

Case Study: mob-it

- **OSUP MoU has been highly valuable for mob-it**

  - ✓ New prestigious clients : Universal Music, Marathon Group (TV production company), Canal+
  - ✓ Mob-it has been selected by Eureka for a 900 K€ public funding

- **As the pilot is being launched, OSUP is now providing support to mob-it team**

  - ✓ Communication on the product : Press Releases, Newsletters, Conferences and shows to present the company. As an example of the OSUP contribution, we invited to this conference the CEO, Jerome Chouraqui. (Feel free to share and meet with him)
  - ✓ Financial : the company is currently looking for 1 million €. OSUP is organizing meetings with VCs thus bringing credibility to the project.This conference is also an opportunity to meet VCs.

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- Vringo have developed a community video ringtone service relying on Web servers, scripts as well as mobile phone clients. It allows friends to configure the video ringtone which will play on their friends' phone when they call.

- Among other service providers (usually based on IMS), Vringo was considered unique :
  - Vringo's architecture does not require any modification to operator telecom systems or mobile phones radio stack.
  - Vringo have developed an end-to-end synchronization solution between their servers and a wide range of mobile phones already (Symbian Series 60, Windows Mobile, Sony Ericsson (≥JP7), Nokia S40 (≥5th edition).
  - They have filed a number of patents which FT R&D have verified

- Vringo can be seen as Personalisation 2.0 and its virality across mobile phones within a community of buddies could facilitate the roll-out of community services on mobile phones (MOC) as well as the uptake of the "Internet" options ("Internet Max" in France)
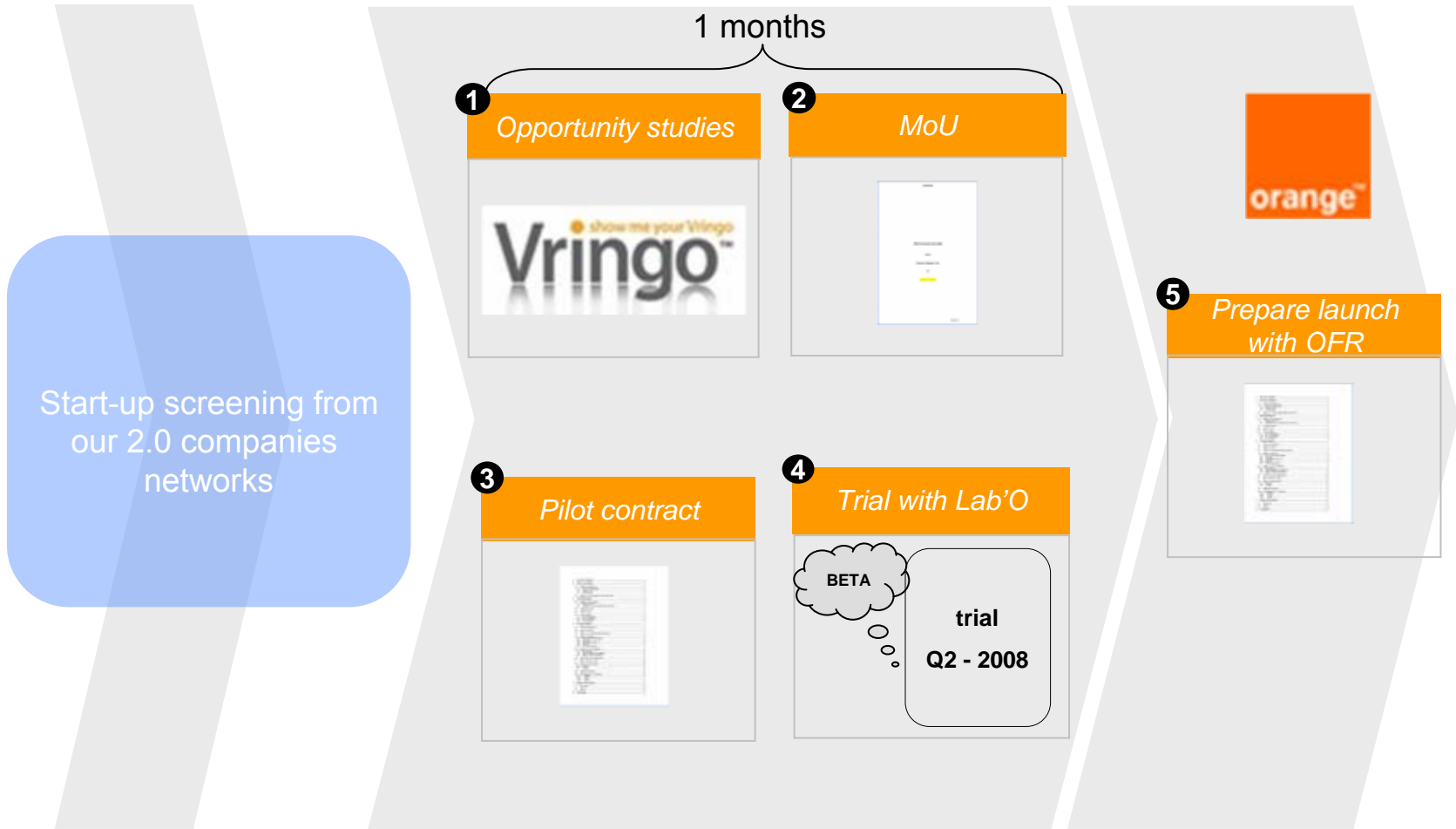
Processes and deliverables

inputs

Deliverables

outputs

1 months

1 *Opportunity studies*

2 *MoU*

3 *Pilot contract*

4 *Trial with Lab'O*

BETA

trial
Q2 - 2008

5 *Prepare launch with OFR*

Start-up screening from our 2.0 companies networks

Jan 2008

Mar 2008

Jun 2008

Jul/Aug 2008

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Orange & Vringo inputs & deliverables

- **Billing management**
  - Data – flat fee
  - UGC upload (if necessary)
  - Premium content
- Content (local & international partners)
- Free SMS routing to Orange customers to enable SMS wake-up
- Embedded clients signature (WM & J2ME) to enable SMS wake-up
- Devices selection to match user installed base
- Promotion of the service within MOC

And looking further into an advertising model…
  - Advertising network
  - Call Data Records (required to determine which video played on whose phone)

- **Service development**
  - Mobile clients
  - Web site
  - Mobile site
- Content (international outside of France Telecom / Orange partners)
- Interop with other operators (e.g. Bouygues & SFR in France)
- Promotion of MOC & mobile Internet bundle in Vringo invitations

Private alpha on :
http://orange.vringo.com

Case Study: V4x

- **V4x is a company selling authoring tools for Mobile Interactive TV**
  - ✓ The solution is designed to repurpose content for mobiles, allowing to add the interactive metadata on existing video content

- **Among other service providers, V4x was considered as unique :**
  - ✓ V4x's platform is a technology enabler that makes Mobile TV a compelling experience. Working with original content, "mixing" it best for the small screen, and distributing it through a range of channels, V4x are the company delivering real, "made-for-mobile" programmes.
  - ✓ They have a complete software suite in ASP mode, from creation of interactive metadata to publishing

- **Result?**
  - ✓ Lead to a proof of concept of an end-to-end mobile TV factory : from creation of interactive metadata, the end-to-end delivery on a unicast network and the browsing / rendering of this interactive info on a specific mobile

Case Study : V4x
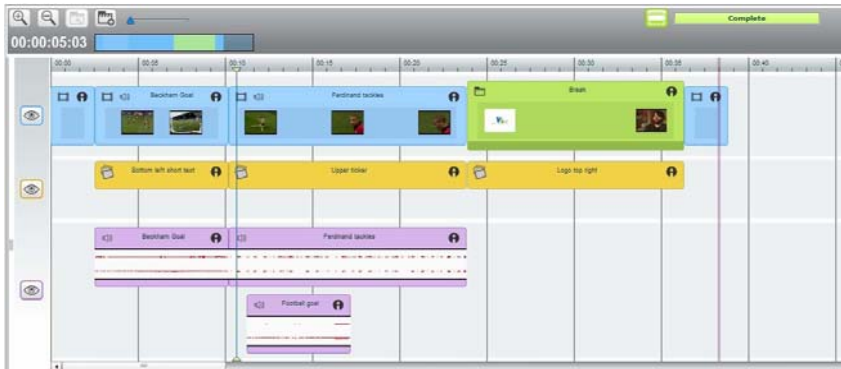
- A repurposing tool for video on mobile, bundled with an interactivity editing tool

- Interactivity information is added to the video stream, and displayed under the video picture

- Interactivity allows :
  - ➢ click-to-call
  - ➢ click-to-wap
  - ➢ click-to-SMS

- This will allow integration of voting, quizz, interactive ad banners into broadcast or unicast mobile TV

- This interactivity can be scheduled using a calendar or triggered manually during a live event

Ex : voting for the next clip on a music channel

thank you

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