



OI INSPIRATIONAL CASES



FROM LAB TO MARKET: A PATHWAY MATCHING MARKET OPPORTUNITY RECOGNITION WITH LEADING TECHNICAL EXPERTISE

Having matured their capacity to provide R&D services to large companies within an academic environment – traditionally the strength of their value proposition – this Swiss spin-off became a serial founder of new companies for niche markets, moving from a one-client business based on service delivery to a multi-client activity based on high-quality products. The hallmark of this evolutionary pathway was a positive attitude towards collaboration with third parties.

- Sensima Inspection was founded in 2009 as a spin-off from EPFL (Ecole Polytechnique Fédérale de Lausanne, Swiss Federal Institute of Technology in Lausanne).
- The founders had previous spin-out experience with a company acquired by a big player in 2014 for a value close to \$12 million.
- In recent years the company has been operating as a small-scale incubator; two companies have been spun out so far.
- Between them, Sensima and its two spin-outs register an annual turnover of around \$2.5 million and provide employment for 16 FTE.
- Five patents are held by two of the companies.

The Origin of the Open Innovation

This is the case of a research team from a Swiss Technology Institute made up of scientists and engineers from the microsystems group which was known for its leading role in the development of Hall effect sensors and probes. They decided to follow up on their long-standing R&D collaboration with a leading market player, in which they developed high-end solutions for non-destructive testing in the field of power generation, by creating a spin-off company to exploit their highly reputed expertise in other ways.

The success which they enjoyed with their first entrepreneurial experience, when the company was acquired by a large multinational player for around \$12 million and capital was raised from two venture capitalists to finance the diversification strategy, raised the team's awareness of the value that can be generated by combining high-end technical expertise with a market-pull approach. Sensima Inspection is the second company founded by the team to extract value from a patent which was deployed, thanks to their recognized expertise, in a market which was completely new to them.



External technical know-how and networking capacity will also be relevant for enhancing market uptake and for acquiring the necessary certifications and legal requirements for accessing the market and promoting the device among potential customers via acknowledged professional and sectoral organizations.

Impact of the OI Collaboration

The lessons learned from their past experience and the new knowledge gained from their recent business venture have been taken into account by Sensima's management to improve the company's business model. Given the need of industry (especially large private/public players) to collaborate on innovation projects with SME R&D performers with the right skills, the Sensima team has started to act as a small-scale incubator by developing new concepts with a view to exploiting other mature and promising technologies. To date the company has created two spin-outs for the purpose of commercializing new technologies.

In addition to its move from a technology-push approach, typical of research-oriented SMEs, to a market-driven logic, the company is planning to establish a technology fund fed by revenues from its own company exits to finance new innovation projects. To manage the innovation process effectively, the company has re-engineered its internal organization by assigning a project manager to each new innovation activity to take charge of coordinating the development process and engaging all the necessary skills, including any external capabilities and marketing expertise, to transform the users' needs and expectations into a viable product.

In January 2017 Sensima received a loan of CHF 3 million from SGS, the world's leading inspection, verification, testing and certification company, as part of a new partnership. The collaboration covers the development and implementation of permanent, sensor-based asset integrity management solutions for industrial applications, in particular for infrastructures. In this context, Sensima provides testing services and equipment using its proprietary core technology based on electromagnetic response measurements (Eddy Currents), for non-destructive testing applications.

BERNARDREVAZ
CEO



MARKET PULL APPROACH

R&D performing SMEs have more chance of succeeding in the market if they move from a technology-push to a market-pull approach.

CO-CREATION IS A WINNING STRATEGY IN NICHE MARKETS

When developing knowledge-intensive solutions, the engagement of potential customers ensures the development of a product which fits real needs.

FROM TECHNOLOGY SUPPLIER TO INNOVATIVE COMPANY

Frequently spin-out generation is pushed by a private business partner with a specific interest in ensuring high-tech services. Academic spin-offs often need to diversify their business by enlarging their customer base and leaving behind their initial one-client business.

OPEN INNOVATION IS A MUST IN HIGH-TECH DOMAINS

Open innovation collaborations throughout the whole industrial process are vital for bringing high-tech products to market.

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