



Innovation: making it happen in Italy



The Stone Age did not end for the lack of stones, but because humanity decided to take a **different direction and adopt **new** habits.**

A prehistoric landscape with a large fire in the background, a dinosaur, and a crocodile.

CHANGE

**FOR INDIVIDUALS, SOCIETY, STATES, BUSINESS
ADAPTING TO INCREASINGLY RAPID CHANGE
IS AN IMPERATIVE TO SURVIVE**



CHALLENGE



**ADAPTING TO CHANGE IS NOT ENOUGH TO WIN
THE COMPETITIVE CHALLENGE REQUIRES MORE
THAN SIMPLE ADAPTATION**



The OECD Oslo Manual for measuring innovation defines four types of **innovation**

PRODUCT INNOVATION: A **good or service** that is new or significantly improved. This includes significant improvements in technical specifications, components and materials, ***software in the product***, user friendliness or other functional characteristics.

PROCESS INNOVATION: A new or significantly improved **production or delivery method**. This includes significant changes in techniques, equipment and/or ***software***.

MARKETING INNOVATION: A new **marketing method** involving significant changes in product design or packaging, product placement, product promotion or pricing.

ORGANISATIONAL INNOVATION: A new **organizational method** in business practices, workplace organization or external relations.



What's happening in the world ?



DIGITALIZATION AND GLOBALIZATION

The *DIGITALIZATION and GLOBALIZATION* of the economy has :

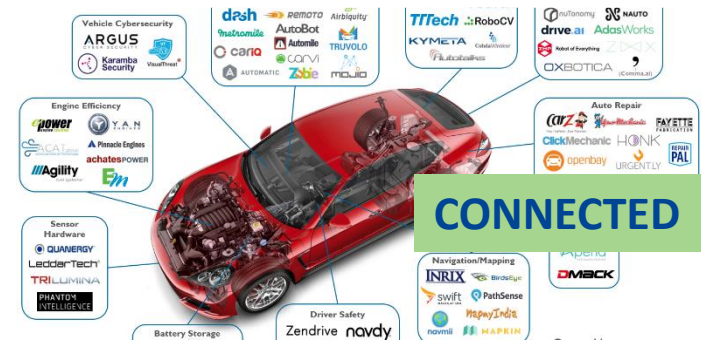
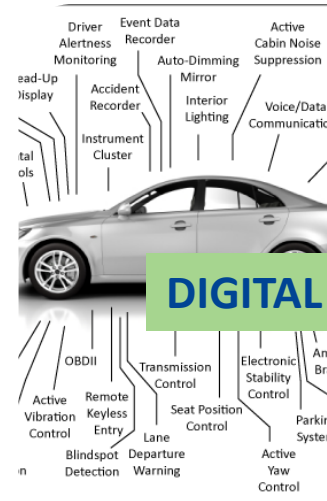
- ✓ **ERODED NATIONAL SOVEREIGNTY,**
- ✓ **RESHAPED CONCEPTIONS** of **MATERIALITY** and **PLACE**, and
- ✓ **FACILITATED NEW CIRCULATIONS** of **CULTURE, CAPITAL, COMMODITIES,** and **PEOPLE.**

«SOFTWARE IS EATING THE WORLD»

The **car industry** is the «queen of industries» discussing mass manufactured complex products.

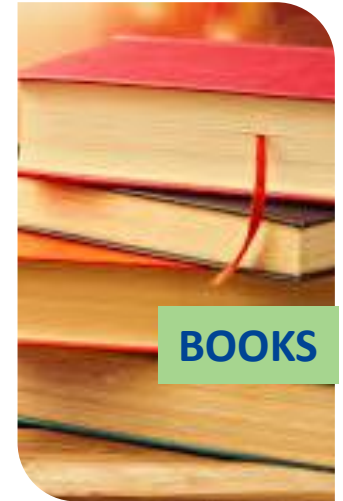
The «**Machine that changed the world**» a book first published in 1990 discussed the future of the automobile introducing the concept of «lean production».

Now is **innovation**, *not continuous improvement*, on the agenda.



DEMATERIALIZATION | 1/2

Dematerialization occurs when **digital content** becomes disengaged from its carrier and flows freely through networks and devices, while the carrier disappears.



DEMATERIALIZATION | 2/2

Together with these *information carriers*, a whole range of accompanying products is disappearing as well.

For *music* this includes CD-box and booklet, as well as **storage and display** products, like racks, shelves, cases. For *money*, products like **wallets**, purses, safe-deposit boxes and **cash registers**.



THE KEY DRIVER OF CHANGE

**DIGITIZATION & DEMATERIALIZATION
OF PRODUCTS AND PROCESSES**



PRODUCT LIFE CYCLE ACCELERATION



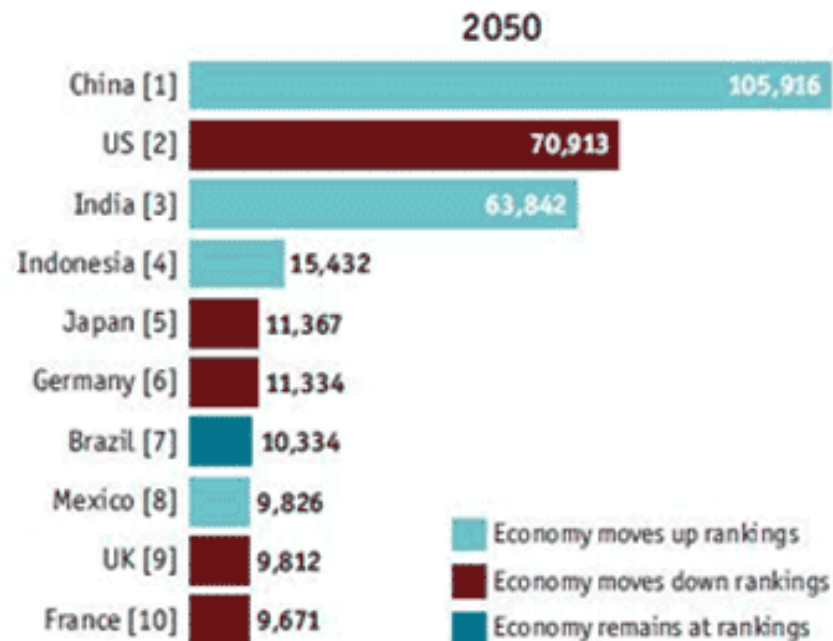
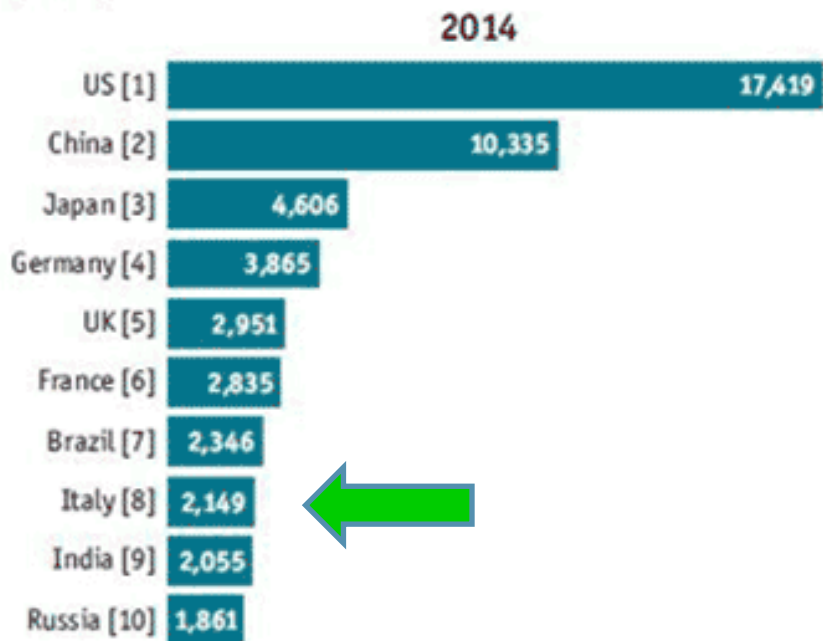
NEED FOR *CONTINUOUS* INNOVATION



Italy (still) a G7 country: the roots

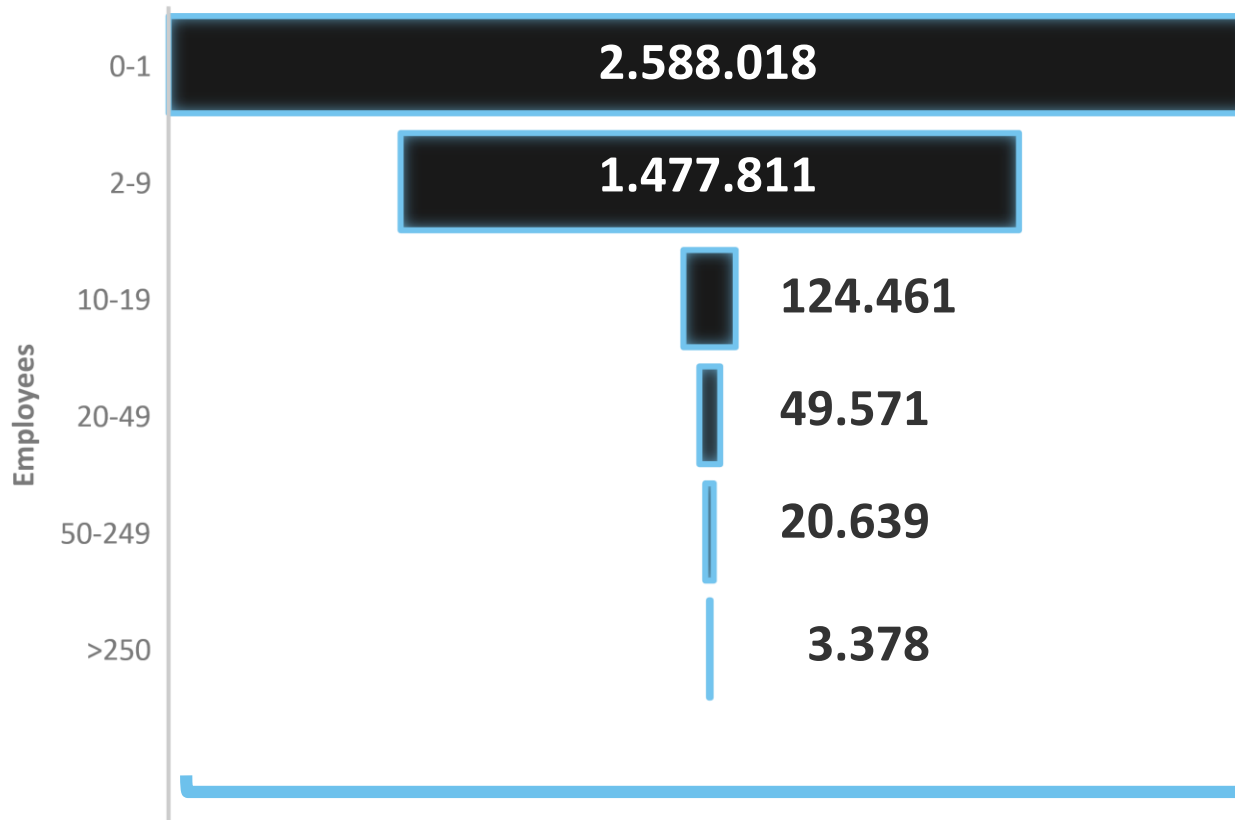
Italy is (still) a G7 country: 8th world largest economy by GDP (*with negative future outlook*)

Nominal GDP
(US\$ bn)



Source: The Economist Intelligence Unit.

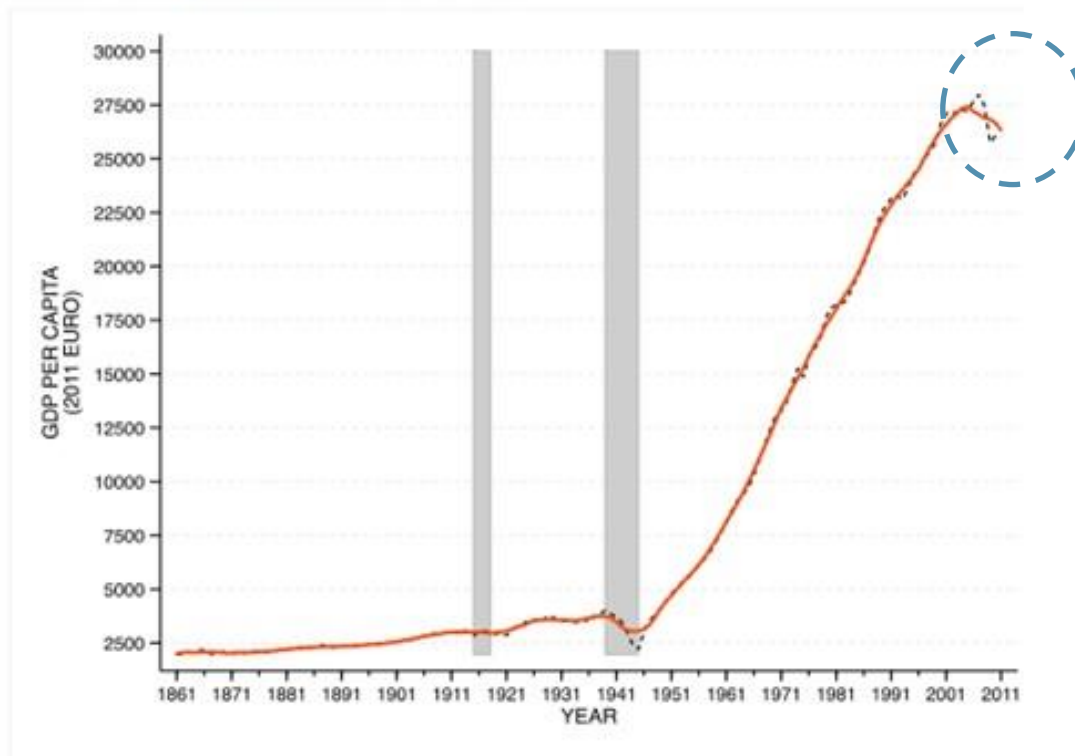
The Italian companies structure by employees class shows an entrepreneurial system of micro and small



TOTAL: 4.263.878 | Source: ISTAT (2014 data)

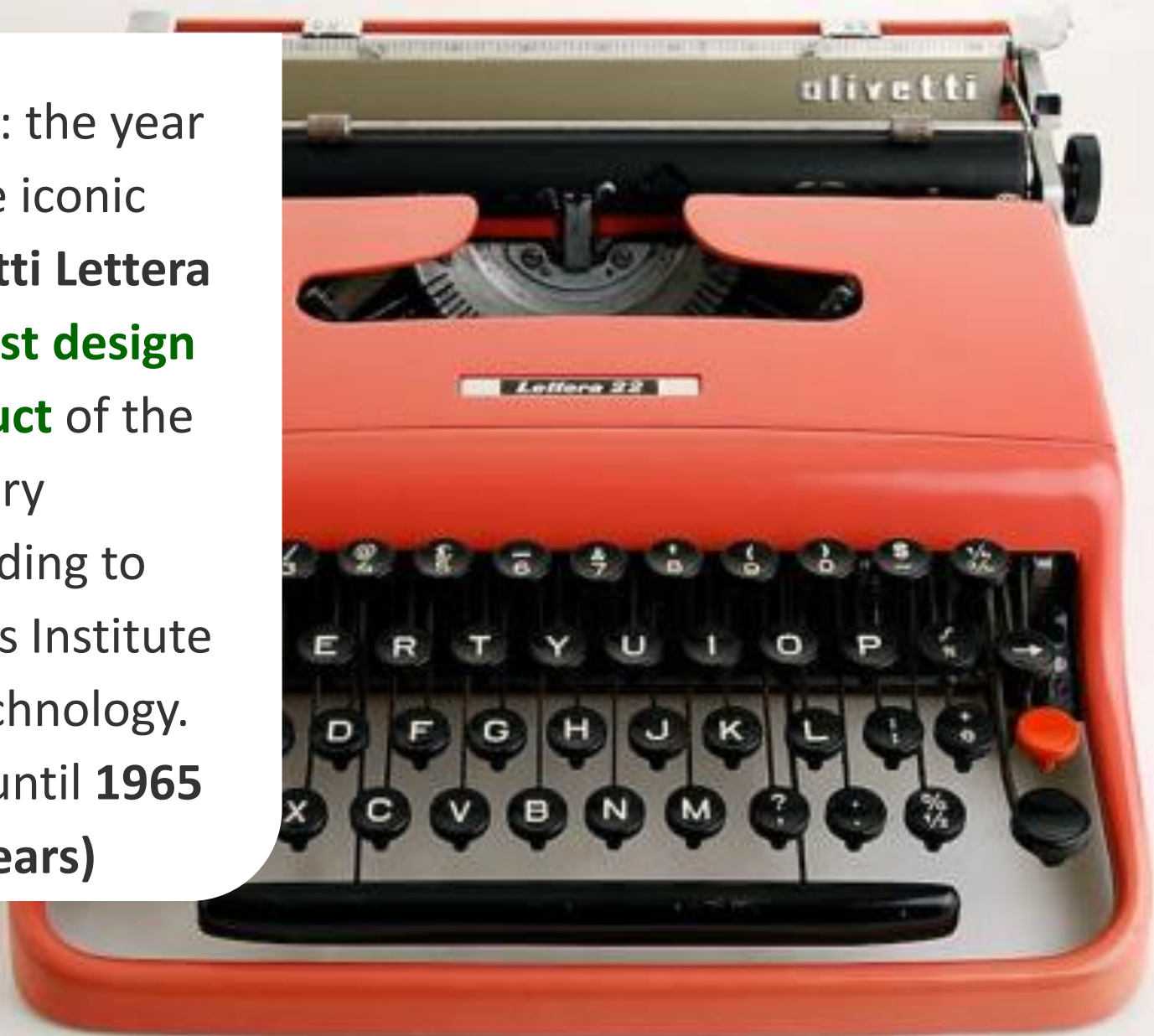
Post WW2 the Italian economy has been growing constantly up to the recent crisis

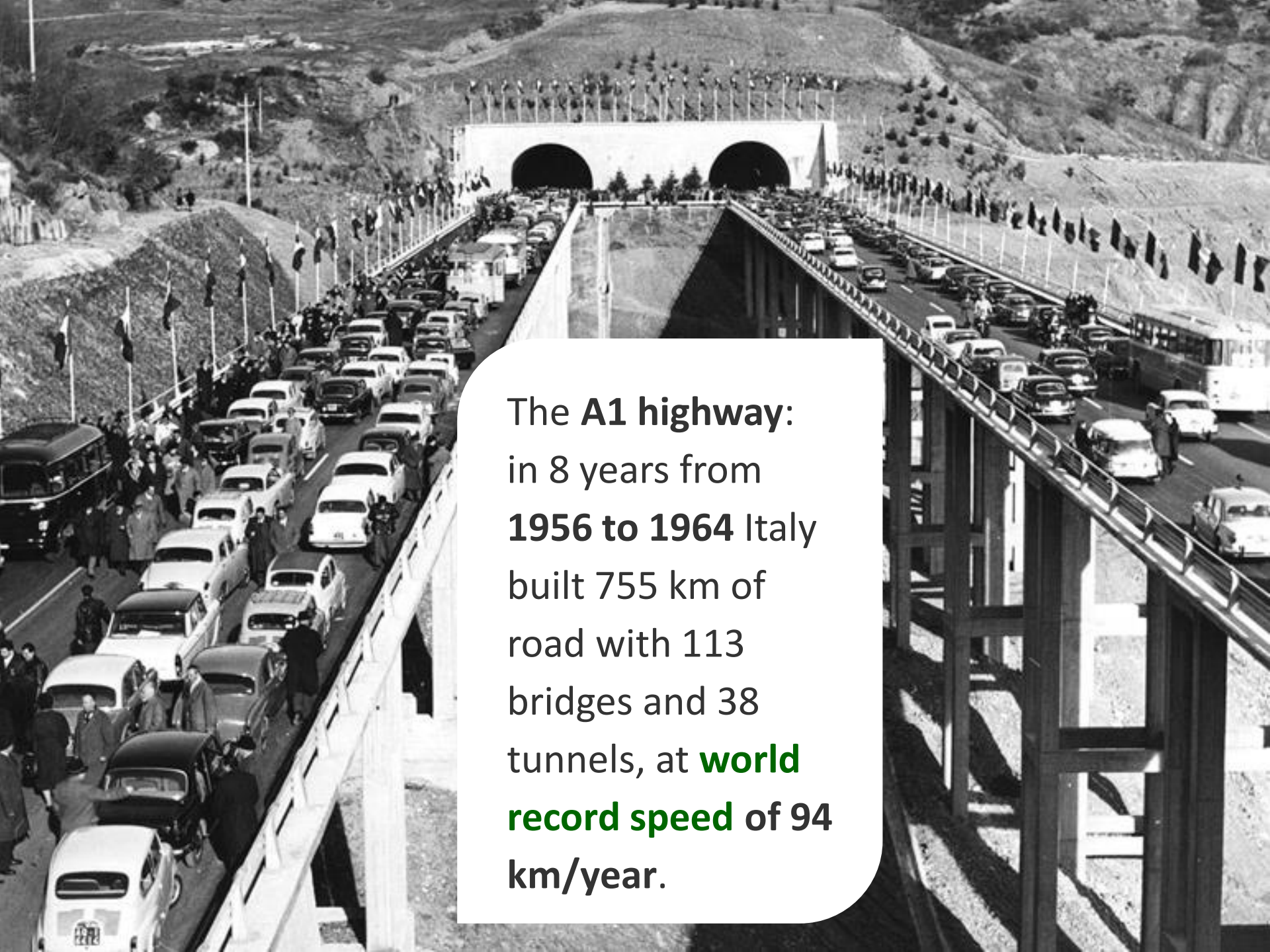
Figure 1. GDP per capita, Italy 1861-2011



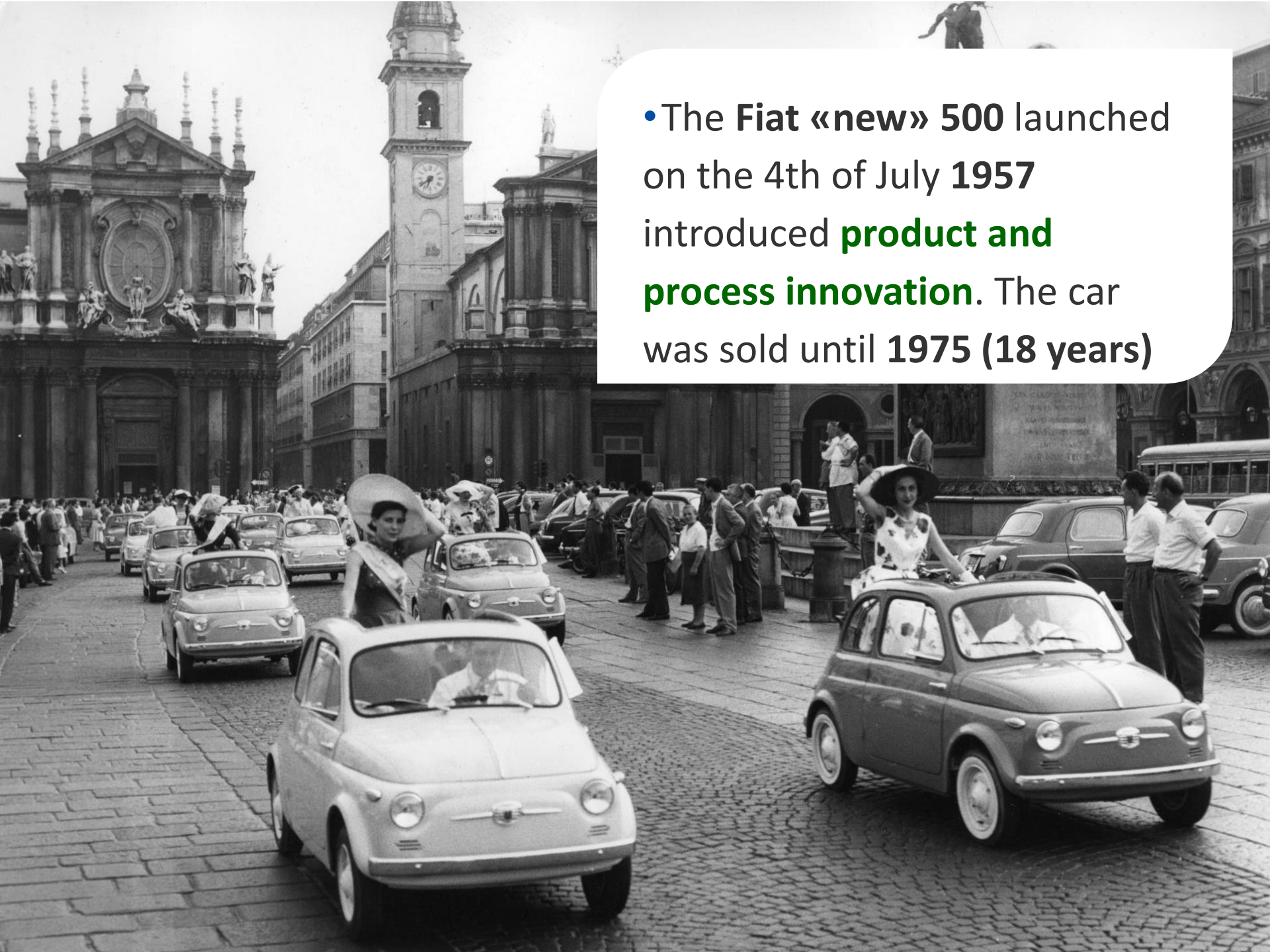
Notes: 2011 euros, present borders. Sources: Brunetti, Felice and Vecchi, "Income."

1950 : the year of the iconic **Olivetti Lettera 22 best design product** of the century according to Illinois Institute of Technology. Sold until **1965 (15 years)**






The **A1 highway**:
in 8 years from
1956 to 1964 Italy
built 755 km of
road with 113
bridges and 38
tunnels, at **world
record speed** of 94
km/year.



- The Fiat «new» 500 launched on the 4th of July 1957 introduced **product and process innovation**. The car was sold until 1975 (18 years)

1966 : with nearly 5 Million units of **domestic appliances** produced for domestic and export markets Italy was **third in the world by volume** after USA and Japan





Exhibition at New York's MoMA in **1972**, “**Italy: The New Domestic Landscape**”, Combining 180 **design** objects with 11 environmental situations

Product: Le Bambole («The Dolls»)
Designer : Mario Bellini
Producer: B&B

Parmalat: milk from a commodity product to a brand “milk (*later food*) for champions”

Parmalat innovation

in the 70's: a)

Process Ultra High

Temperature, b)

Packaging Tetra Pack,

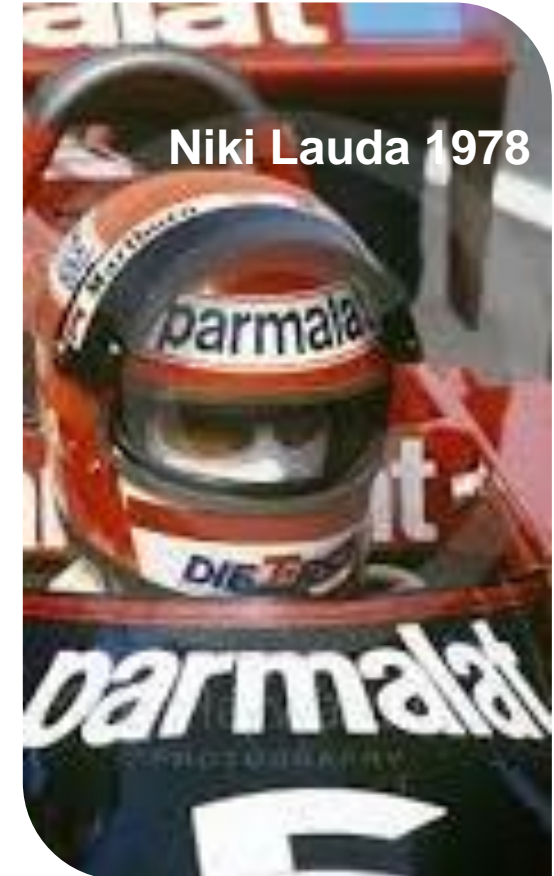
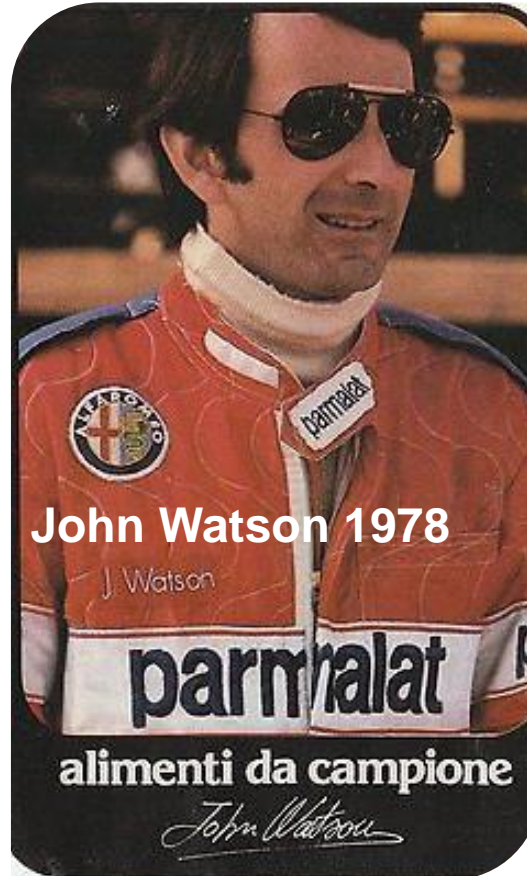
c) **Marketing** with

sport sponsorships to

transform a

commodity in a

brand



«Alimenti da Campione | Food for Champions»



1970s in Montebelluna (TV) development of the sky boots district with the **“full plastic” boot product and process innovation** with the brands TECNICA and NORDICA





Olivetti M20

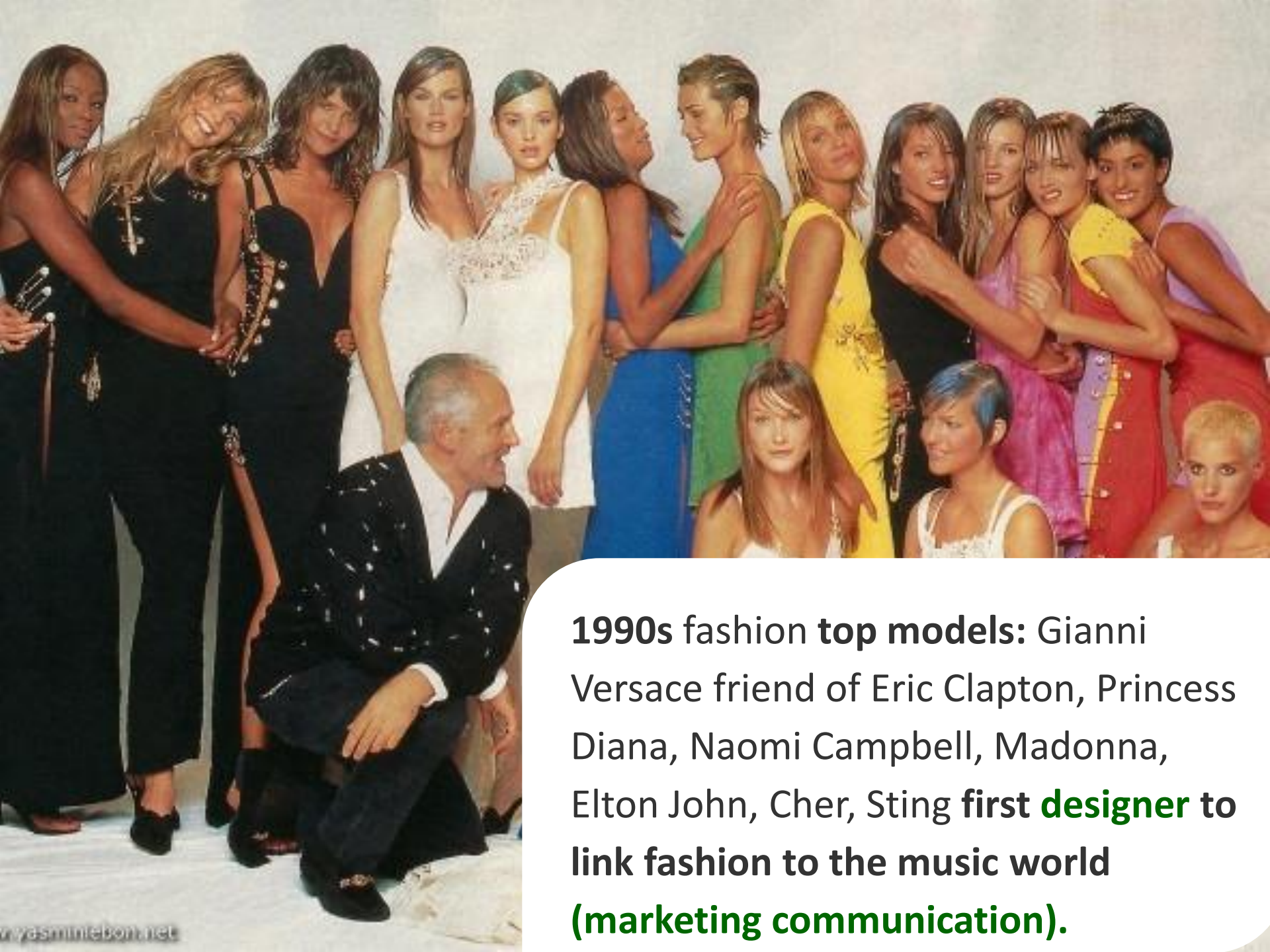
personal computer
launched **1982**
(proprietary OS)
was designed in
Cupertino
(California, USA).
Followed by the
Olivetti M24 (IBM
Compatible)
launched in 1983
with international
success

In **1985** the Harvard Business School presented the first case on **Benetton** the Italian apparel company that had greatly **innovated**: the **process** (dyeing, automated warehouse, branded store) and **marketing communication** (Oliviero Toscani's campaigns)



UNITED COLORS
OF BENETTON.

BENETTON



1990s fashion top models: Gianni Versace friend of Eric Clapton, Princess Diana, Naomi Campbell, Madonna, Elton John, Cher, Sting **first designer to link fashion to the music world (marketing communication).**

AMPHIBIOX GEOX

WATERPROOF | BREATHABLE

Founded in **1995** Geox
“breaths” shoes are based
on over 30 patented
innovations in chemistry,
physics, orthopaedics,
foot ergonomics applied
to **product and process**



Made in Italy is more, not only the 3F's of fashion, furniture and food

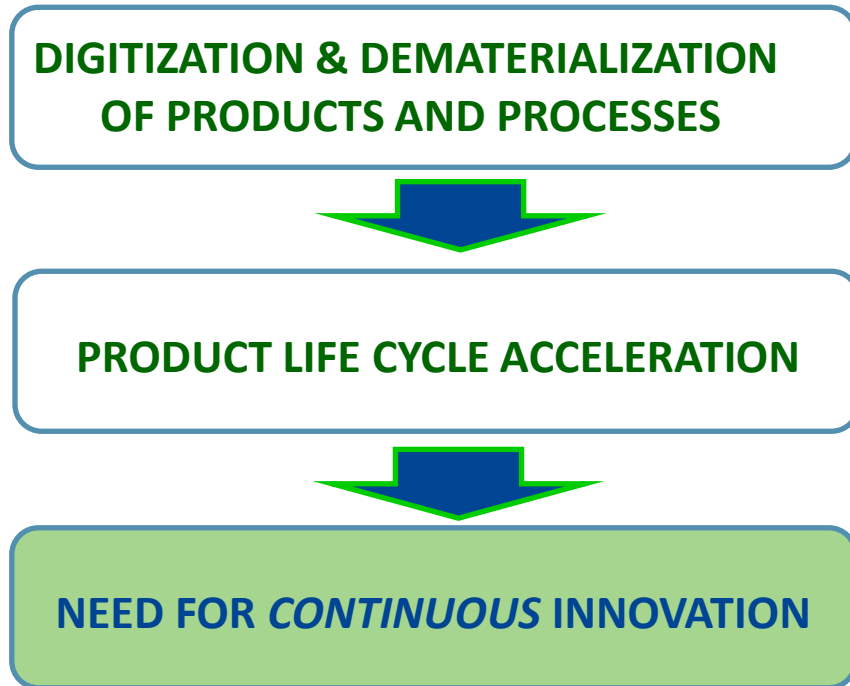
Italy is among other world leader in **major infrastructures, manufactured goods, machinery, pharmaceutical-biomedical products automotive and aerospace technologies.**



- ITALY IS A WORLD LEADER IN THE CREATION OF **MAJOR INFRASTRUCTURES** 1000 CONSTRUCTION SITES IN 90 COUNTRIES
- THE ITALIAN **AUTOMOTIVE** SECTOR NUMBERS 3200 COMPANIES, MORE THAN 1.2 MILLION EMPLOYEES AND SOME OF THE BEST BRANDS IN THE WORLD
- ITALY IS EUROPE'S SECOND LARGEST EXPORTER 100 BILLION EURO'S WORTH OF **MACHINERY AND CAPITAL GOODS**
- ITALY IS THE UNDISPUTED LEADER IN THE PRODUCTION OF **SUPER YACHTS** WITH 40% OF WORLD ORDERS
- ITALY IS HOME TO LEADING **AEROSPACE TECHNOLOGIES**. IT WAS THE THIRD COUNTRY IN THE WORLD TO SEND A SATELLITE INTO ORBIT
- ITALY HAS THE WORLD'S 5th LARGEST SURPLUS IN **MANUFACTURED GOODS**.

Italy: the need to change

THE ITALIAN SYSTEM IS TODAY GREATLY CHALLENGED



NEED FOR MORE

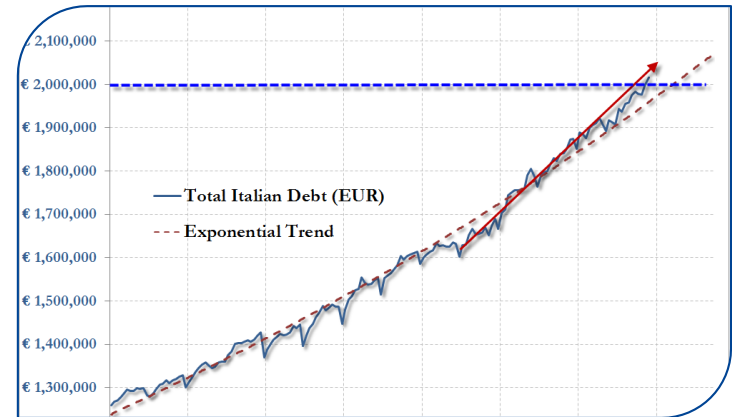
- KNOWLEDGE
- MARKET ACCELERATION
- FINANCIAL RESOURCES

+COMPANIES
SIZE

Italian Economic Key Challenges

HIGH PUBLIC DEBT: Italy has one of the highest pro-capita and % to GDP Public Debts in the world. In absolute terms the Italian Public Debt is the Trillion US \$ range.

HIGH UNEMPLOYMENT RATE: Italy has an higher than average unemployment rate with very high peaks in youth and south Italy





WE DO HAVE EXCELLENT DESIGN & MANUFACTURING, ...

- Italy is a **WORLD LEADING MANUFACTURING** country.
- Italy is a **LEADING DESIGN AND FASHION** country.
- Italy is an **ENTREPRENEURIAL** country.

...BUT..

- Italy is *only partially* an **advanced technology** country.

... ISSUES ARE ON THE AGENDA FOR ITALY

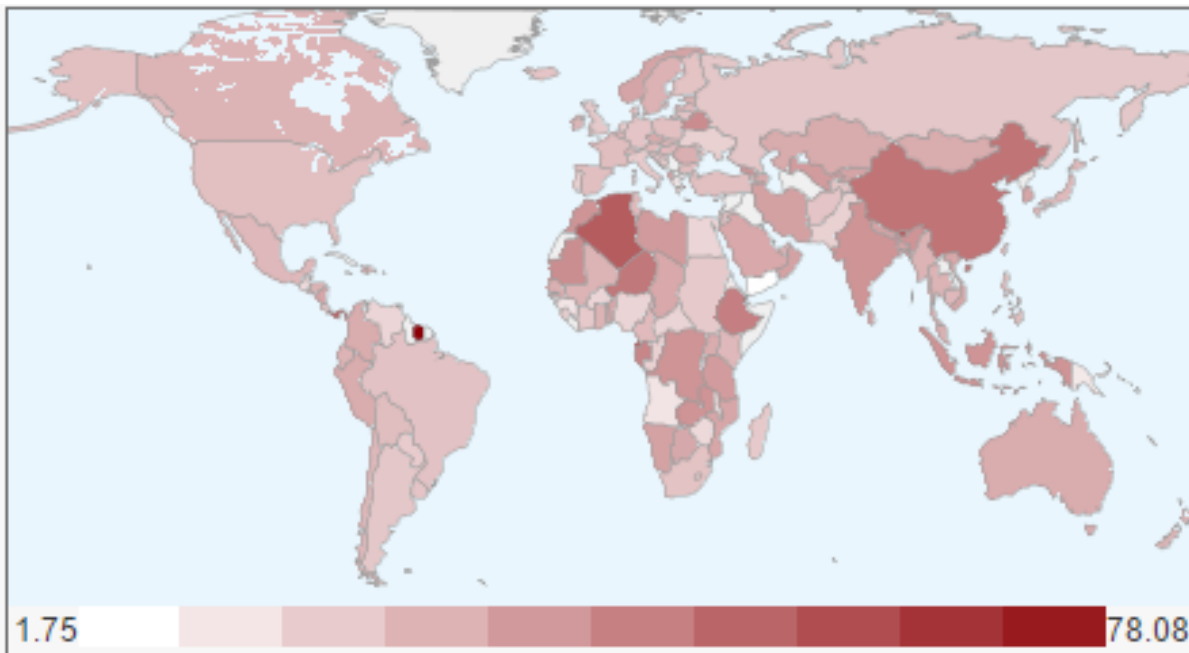
PRODUCTIVITY : “Productivity in Italy is stagnating because the system has not yet adapted sufficiently to the new **TECHNOLOGIES**, or to **GLOBALIZATION**.”

EDUCATION : “The **GAP** between the Italian **EDUCATION SYSTEM** and global best practices could depress the rate of GDP growth by as much as one percentage point in the long run”.

WOMEN PARTICIPATION : “Women’s **LOW LABOR MARKET PARTICIPATION** is a crucial weakness of the Italian economy”.



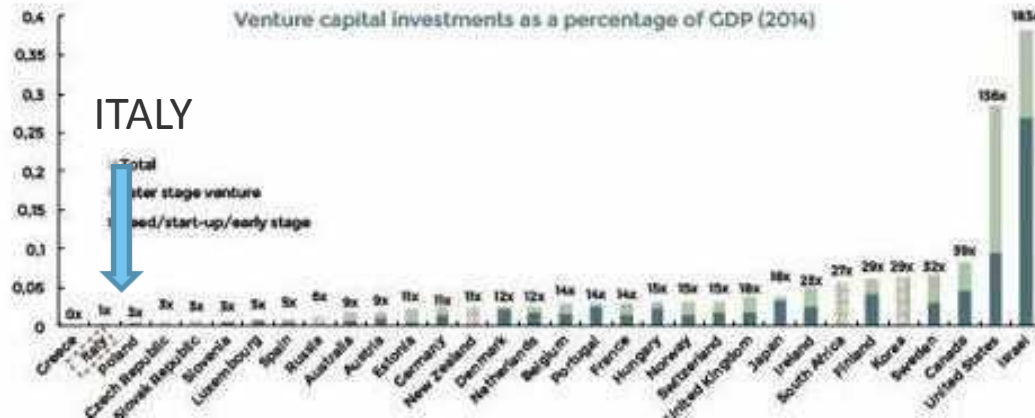
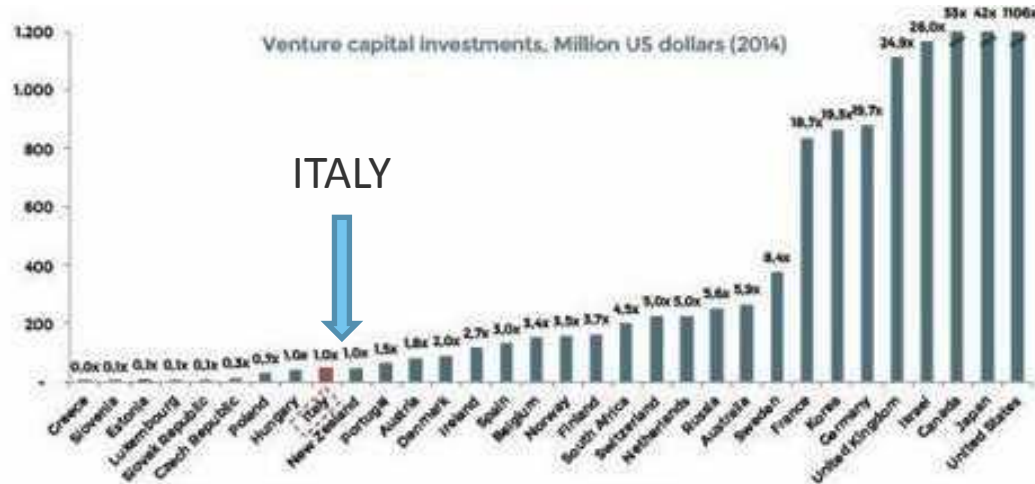
The **low Italian investments rate** in % of GDP is a strong single critical factor (16,7% VS. 20,12% G7)



Indicator: Investment (% of GDP) | Year: 2015

Data Source: International Monetary Fund (IMF)

Italy shows among the lowest venture capital investments in absolute terms and in % relative to GDP



Italians **HNWI** have a preference for **real estate** and to invest **outside Italy**

In 2014, **real estate was the largest asset class for Italian HNWIs**, with 25.6% of total HNWI assets, followed by equities with 17.8%, fixed-income with 16.3%, cash and deposits with 15.7%, business interests with 14.3% and alternatives with 10.3%.

Italian HNWIs held **38.2%** (US\$424.0 billion) of their wealth **outside their home country**, at the end of 2014; **significantly higher than the worldwide average of 20-30%**.

Source: *WealthInsight, Italy Wealth Report 2015*

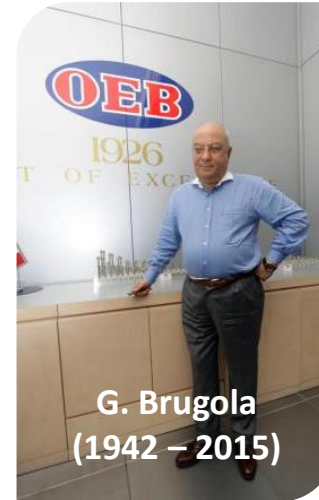


The old generation of Italian leading entrepreneurs is passing away

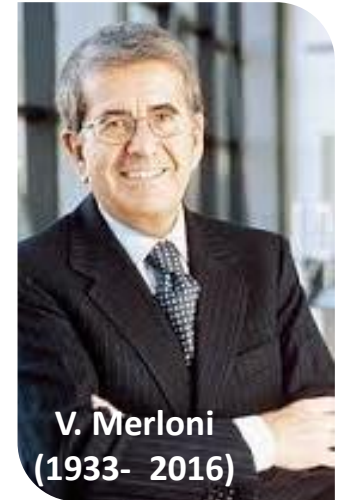
The generation of entrepreneurs that lived the Italian growth of the sixties is coming to the end of life.

- Enzo Ferrari (1898-1988)
- Gianni Agnelli, Fiat (1921-2003)
- Leopoldo Pirelli; Pirelli (1925-2007)
- Peppino Fumagalli, Candy (1928-**2015**)
- Michele Ferrero, Ferrero (1925-**2015**)
- Giannantonio Brugola, Brugola (1942-**2015**)
- Vittorio Merloni, Ariston (1933-**2016**)

There is a strong need to nurture a new generation of international entrepreneurs



G. Brugola
(1942 – 2015)



V. Merloni
(1933- 2016)



M. Ferrero
(1925 -2015)

Domestic appliances or white goods exemplify Italy's recent industrial decline.

In **2007**, Italy, once a world leader* in the sector, **produced 24 million** appliances.

By 2012, it was down to 13 million; output of washing machines, dishwashers, refrigerators and cookers was down by 52 per cent, 59 per cent, 55 per cent and 75 per cent.

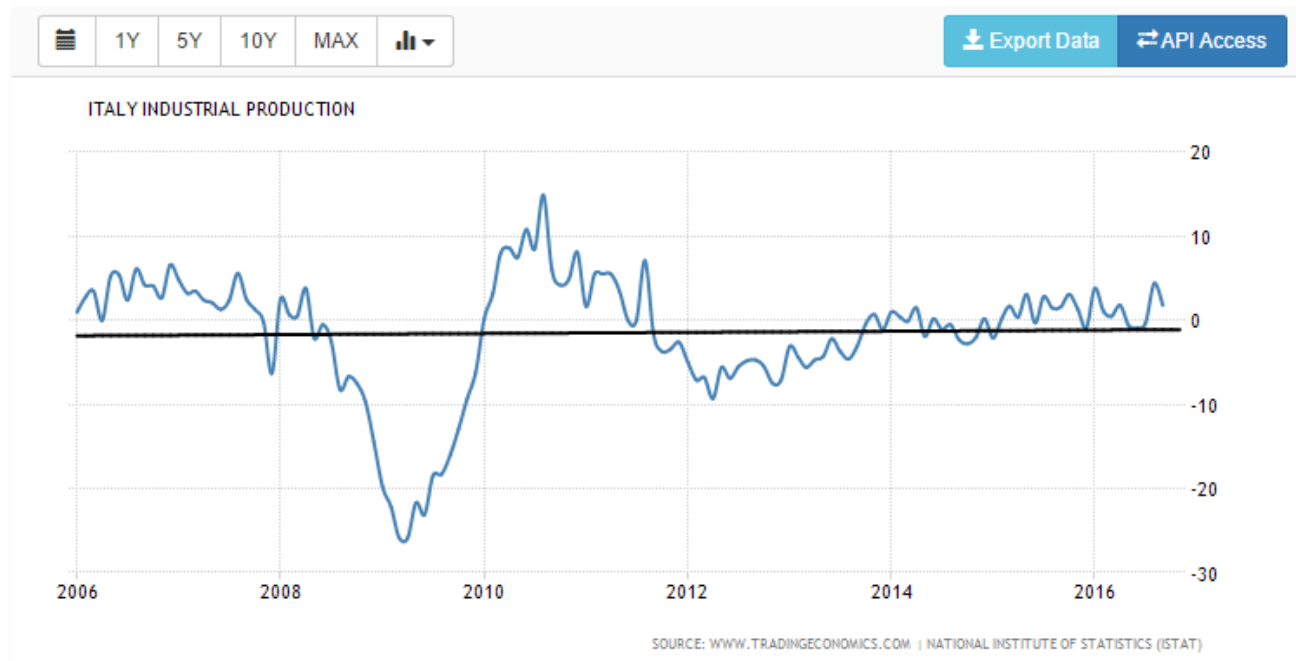
***PS:** in 1966 with **5 Million** appliances produced Italy was 3rd in the world.



The Italian economic crisis will not end without a cultural change

Italy Industrial Production 1991-2016 | Data | Chart | Calendar

Industrial Production in Italy increased 1.80 percent in September of 2016 over the same month in the previous year. Industrial Production in Italy averaged -0.15 percent from 1991 until 2016, reaching an all time high of 17.50 percent in August of 1994 and a record low of -25.90 percent in April of 2009.



Italy: the startup opportunity



**ITALIAN
REJUVENATION**



**«MAKE INNOVATIVE
COMPANIES GROW, AND
MAKE LARGE COMPANIES
INNOVATIVE»**



26TH MAY 2012 – OPEN DAY ITALIA STARTUP

On May 26th the Italian Minister of Economic Development listened to the #startup ecosystem community and a great effort of policy making started to help making Italy a “startup friendly” country. The effort has continued in the last four years from one government to the other together with the growth of the ecosystem.



RESTART ITALIA

The «Startup compact» is now a reality in Italy: visit the Ministry of Economic Development web site for updated information (In Italian is more complete)

The screenshot shows the official website of the Italian Ministry of Economic Development. The header includes the Italian coat of arms, the text 'MINISTRY OF ECONOMIC DEVELOPMENT', and navigation links for 'Minister', 'Ministry', 'News', 'Documents', and 'Contacts'. A search bar is also present. The main content area features a large banner with the text 'Start Up' and an image of business professionals. Below the banner, there is a section titled 'New Italian Legislation on Startups' with a sub-header 'Drawing from the *Restart, Italia! Report*, the Italian Startup Act (executive summary) represents a sound package of tools affecting all stages of business life cycle, creating the enabling conditions needed for a quick go-to-market and scaling up of high-tech startups.'




ITALIAN PUBLIC REGISTER OF INNOVATIVE STARTUPS

Contacts  

We are talking about companies that innovate

Learn how to become
an innovative startup
(available in Italian only)




Statistics 

Compare
startups and innovative SMEs
(available in Italian only)



Find out if your company
is an innovative SME
(available in Italian only)



Statistics 

Search for startups and innovative SMEs in the
official database of the Chambers of Commerce



http://startup.registroimprese.it/index_en.html

6.673 INNOVATIVE STARTUPS ARE IN THE REGISTER DECEMBER 2016

ITALY

6673



Download the List of
all Companies *



Download the Quarterly
Report/Dashboard *

-  3° quarter 2016
-  2° quarter 2016
-  1° quarter 2016
-  4° quarter 2015

FASHION: ON LINE BESPOKE MEN SUITS & MORE

LANIERI

ITALIANS DO FIT BETTER

HELP



STYLE IS AN ITALIAN JOB

La nuova collezione Autunno/Inverno 2016

SCOPRI



AEROSPACE: D-ORBIT IS A FIRST-MOVER IN THE MARKET OF DECOMMISSIONING DEVICES

The background of the slide is a composite image. It features a view of Earth from space, showing the blue atmosphere and white clouds. Overlaid on this are several large, semi-transparent, grey orbital paths that curve across the frame. A bright sun or star is visible in the upper left, creating a lens flare effect. The text 'D-ORBIT solutions for our future' is centered over the image.

D-ORBIT
solutions for our future

MEDICAL DEVICES: HIGH-TECH DIAGNOSTIC SYSTEMS FOR SIGHT-THREATENING PATHOLOGIES



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Eidon



Compass



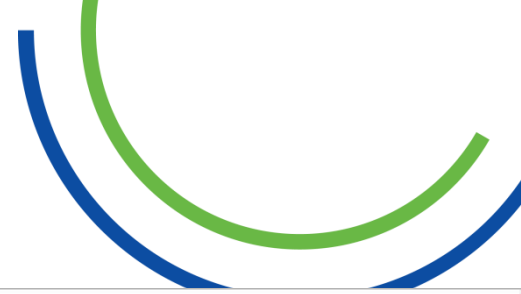
DRS



Maia



SOFTWARE: DATA CENTERS SOLUTION FOR HIGHER EFFICIENCY AND SIGNIFICANT ENERGY SAVINGS.



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INDUSTRY 4.0 : INDUSTRIAL INTERNET OF THINGS TECHNOLOGY & SOLUTIONS

Alleantia



FORRESTER

Reference vendor for IoT Gateways and IoT Platforms
(Forrester TechRadar Internet of Things 02.2016)

«A very relevant Industry 4.0 Company in Italy»
(Frost & Sullivan Industrial IoT Analyst, 10.2015)

FROST & SULLIVAN

ert Digital

ABIresearch
technology market intelligence

«One of the most forceful potential disruptors»
(Hot Tech Innovators – 02.2015)

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AEROSPACE



LAND



DRILLING



CFN-50A – Inertial Navigation System



CFN-50L FOG Land Navigator



CFA-100M



VISION : “TO BECOME A **WORLDWIDE** SUPPLIER OF INERTIAL NAVIGATION, GEO-REFERENCE AND STABILIZATION SOLUTIONS PROVIDER, FOR COMMERCIAL AND DUAL USE APPLICATIONS”

FOOD: 24-MONTH AGED PARMIGIANO REGGIANO BAKED CHIPS WITH OLIVE OIL



PRODOTTO

FORMATI

AZIENDA



TRADE

RICETTE

NEL MONDO



MARKETING EXECUTION CONTROL SOLUTION: CROWDSOURCING SOLUTION (process innovation)



Business

Eye

About us

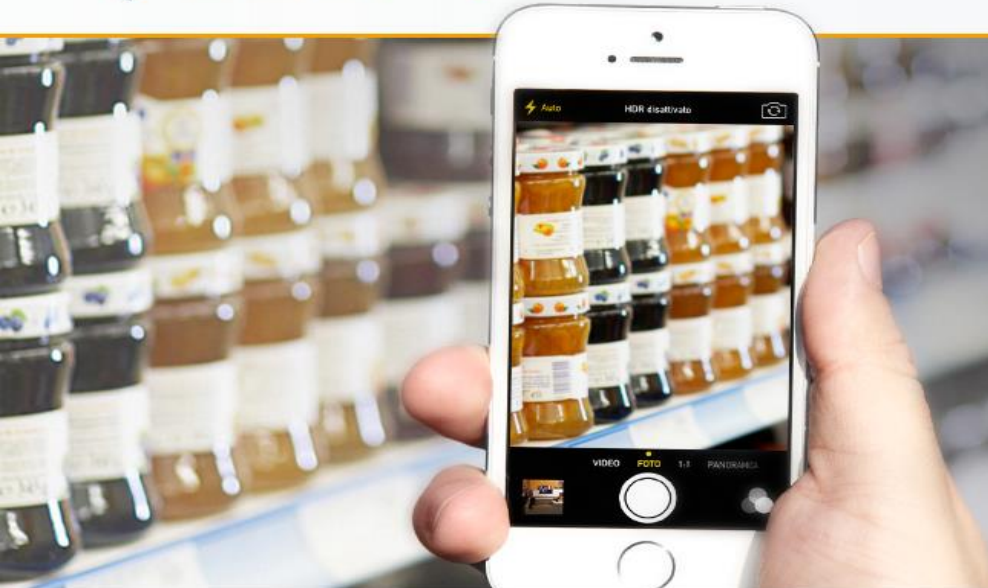
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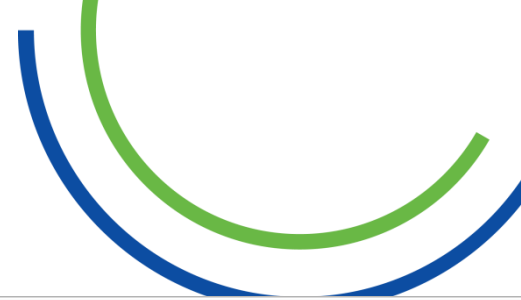
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Connecting businesses with Europe's largest
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VIDEO CREATIVE AGENCY: COLLABORATION PLATFORM FOR CREATORS AND BRANDS



ESSENTIALS

CPVPLUS

SONAR

COMPANY

LOGIN

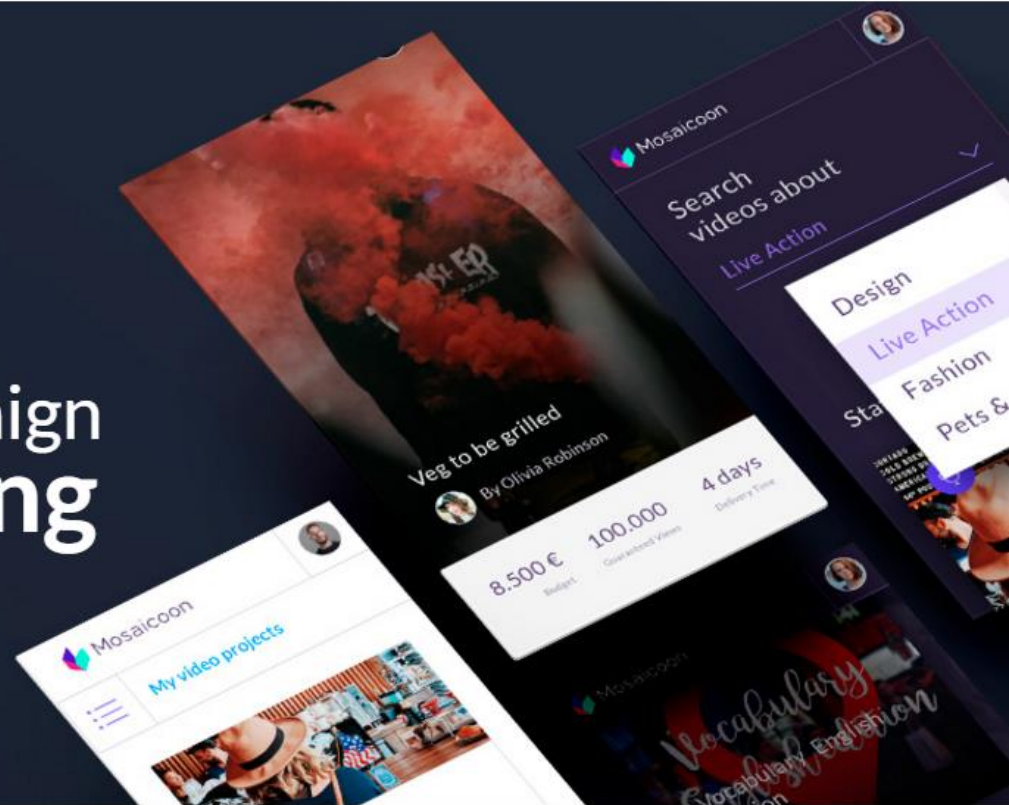
BECOME A CREATOR

Ita / Eng



Run a Mosaicoon Campaign The App is Coming

enjoy the preview



SHARING ENTERTAINMENT COMPANY. WE ARE A COLLABORATION PLATFORM ALLOWING CREATORS TO MONETIZE THEIR VIDEO PROJECTS WHILE ENABLING BRANDS TO REALIZE POWERFUL VIDEO STRATEGIES.

STARTUP TOP 100 IN ITALY (2015) AND MORE



WeBlog *Open Summit*

Ecco le 100 startup migliori del 2015 secondo noi

Sono le 100 startup che a nostro avviso (e delle decine di investitori e stakeholder sentiti in queste settimane) meritano di essere ricordate. Eccole



Redazione

14 dicembre 2015



47



CONCLUSIONS

THE OPPORTUNITY IS HERE

- A dramatic growth of startup entrepreneurial initiatives and ecosystem development happened in Italy in the last few years;
- Innovation is flourishing in **all industry sectors** of Italian excellence, creativity and competencies were not lost in the dark years;
- Competitiveness of Italian innovators has started to receive international recognition, prizes awarded and investments are starting to come;

INVESTORS AND ESTABLISHED ENTREPRENEURS CALL FOR ACTION

- Private investments from business angels and venture capital are still dramatically low, it is time for UHNWI and HNWI as well as institutional investors to act and invest in Italy. Very recent Government important increase in incentives package for investors is a strong call to action;
- Old and established entrepreneurs should respect and support more the new entrepreneurs starting, not trying to exploit them;



STARTUP ENTREPRENEURS CALL FOR ACTION

- Startup entrepreneurs in Italy need to scale up culturally and take more their community destiny in their own hands. Join and participate to Italia Startup work and help creating a truly vibrant community;
- Recognize that individualism, parochialism, lack of marketing and commercial vision, insufficient ambition and ability to attract international talents, arrogance are the worst enemies to grow the start-ups;



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Thanks for your attention!