Scaling innovations with incubation support

Small and medium enterprises, start-ups, consultancies and non-governmental organisations are leading the way in innovation. As these unconventional innovators start to drive the innovation landscape, this is where incubation support can make a real impact in transforming their ideas into sustainable solutions.

This is reflected in the VIA Water programme where more than 90% of VIA Water-supported innovations are led by these new players.

While many ideas are generated at the start of the innovation process, it is a challenge to transform them into commercial products or services that add value to a societal problem. Some innovators lack the necessary resources and expertise to develop an idea further, face technological issues and most importantly, experience gaps in funding.

For many unconventional innovators, their experience in innovation is limited and this is where incubation support can make a difference. It is a joint discovery on a winding road.

VIA Water: a unique incubation programme

VIA Water is a rather unique incubation support programme. Set up in 2014 with funding from the Netherlands Ministry of Foreign Affairs, the programme supports high-risk social water innovations that address pressing urban water challenges in eight African countries (Benin, Ethiopia, Ghana, Kenya, Mali, Mozambique, Rwanda, Senegal). The focus is on supporting early-stage innovations that do not yet have a proven concept. As a result, these risky innovative ideas would otherwise struggle in finding the necessary support and funding.

VIA Water’s incubation approach consists of four different stages: idea generation, application, piloting and scaling. Several different mechanisms are used to help local innovators pilot and test their ideas and concepts into a proof-of-concept that is ready for scaling in the long-term.

This series shares lessons learned from the VIA Water programme since its inception in 2014. Combining post-doctoral research findings based on the VIA Water project portfolio led by Dr Silas Mvulirwenande (IHE Delft Institute for Water Education) with on-the-ground experiences from the VIA Water team, this series offers insights to guide innovators, practitioners and policymakers.
There is a strong emphasis on combining ‘virtual’ online-based community support with physical learning exchange to strengthen local capacity to innovate.

By enabling innovators to openly learn and share their personal experiences, successes and failures with their peers, this creates an active innovation environment for ideas to thrive. This makes VIA Water an innovative force within the incubation landscape.

Preliminary research from post-doctoral researcher, Silas Mvulwenande (IHE Delft Institute for Water Education) suggests that VIA Water has been disruptive in its incubation approach. This has added value to existing incubation mechanisms and the programme has been successful in implementing a competitive market-driven incubation process whilst strengthening local innovation capabilities (in press).

With this infosheet, we share the details of our incubation approach over the past 5 years. We also reflect on what worked well and not so well. We hope that this will be a useful guide for others working in the water innovation landscape.

VIA Water’s working principles

1. Support high-risk innovations from African professionals into sustainable products or services that could lead to a breakthrough in pressing urban water challenges.

2. Target innovations from eight focus countries in Benin, Ethiopia, Ghana, Kenya, Mali, Mozambique, Rwanda and Senegal.

3. Focus on inclusive and pro-poor innovations that are centred on the future users and leaves no one behind.

4. Stimulate a ‘license to try’ approach by encouraging innovators to embrace failures as a source of learning. Since innovation rarely goes as planned, having a willingness to share openly with others is key.

5. High degree of flexibility in the application process to include innovative ideas that do not fit the entry criteria, but have high potential for impact or scaling.

6. Create an active online and offline learning space for learning and knowledge exchange between innovators.

7. Tailor support to innovators based on their needs and to address gaps in their capacity.

8. Determine a future scaling vision for all innovations from the beginning, so that they have a chance of imparting greater impact in the long-term.
Main achievements over the past 5 years:

Many innovations are continuing to grow in the foreseeable future. More than 50% of VIA Water projects have transformed their pilot with some ready to scale.

More than 50% of supported innovations were led by an African partner. This means that innovations were led by local knowledge and expertise. This is unique for a Dutch support programme and for most of the innovation funds operating in Africa.

A unique community of innovators has been able to grow in each focus country. This community is continuing to learn and exchange knowledge with each other in life after VIA Water.

All projects involved at least one African partner. This makes VIA Water projects locally embedded and locally driven.

Disruptive innovations have been developed. The majority of innovations have shown an above average level of disruptiveness (requiring changes in behavior, processes or systems).

New Dutch-African partnerships have been developed. The VIA Water portfolio has highly benefited from the combined expertise of working in partnership with others.
Incubation approach

The majority of supported innovations started their VIA Water incubation journey at different levels of advancement: some entered the programme with an untested new idea that needed further development, whereas others already had a tested proof-of-concept that required additional support. Irrespective of which level of advancement these innovations were in, all VIA Water-supported innovations received similar incubation support from start to finish.

VIA Water’s incubation approach consists of four distinct stages. Each of these stages provides a different level of incubation support to help innovators get the most out of the process.

Idea generation

All innovations start with a novel idea. Various activities were organised to bring together a diverse community of people to stimulate a pipeline of high-value, novel and creative ideas. Applicants submitted a short teaser describing their innovation, which was evaluated for impact, sustainability and scaling potential.

• **Idea generation workshops** were organised in most focus countries with potential innovators to stimulate and collect new ideas for innovation.

• **Two online Innovation Challenges** were organised to boost the inflow of innovative ideas. The sixteen winners from these challenges were invited to submit a full proposal detailing their innovation for VIA Water support. To assist in this process, they were provided with online training for proposal writing and business development to support them at this stage.

![Potential innovators come together at an organized workshop in Kenya to get creative and brainstorm new ideas.](image)

Lessons learned

• The idea generation workshops were not as effective as anticipated. Very few ideas generated from these workshops resulted in a VIA Water contract. Due to their innovation inexperience, many young graduates missed an integrated vision or presented highly complex and unrealistic concepts. It could be valuable at this stage to offer pre-incubation support (mentoring and training) to help potential innovators develop their initial ideas into sustainable innovations.

• Over 80% of submitted teasers came from African innovators. However, in many of these initial cases, there were severe gaps in knowledge and expertise that resulted in innovative ideas that needed improvement for long-term feasibility and impact.

• To combat their inexperience, young graduates should be encouraged to explore collaborations with other established organisations to address gaps in knowledge, expertise and resources. By doing so, this can help develop their ideas further and has proven to be beneficial in many VIA Water projects.
Application

Innovators were encouraged to apply for VIA Water support to build their social water innovation idea. Applicants that submitted eligible teasers were invited to submit a full proposal for innovation support. VIA Water provided feedback and input during this stage to help applicants develop a proposal that had a sustainable business and long-term scaling vision.

- **Invited proposals**: shortlisted innovations from the initial teasers were invited to submit a full proposal of their innovation.

- **External experts** were used to help screen and provide feedback on proposals to provide quality assurance.

- **New partnerships facilitated** for many innovations to address severe gaps in knowledge, expertise and resources to help improve the development of an innovation.

- **Co-development of proposals with innovators** to increase the chance of success for innovators, as well as to reduce the time spent on proposal writing. Regular constructive feedback was provided by VIA Water to innovators to better define the added value and feasibility of their innovation, improve their business concept and to focus on a future scaling vision for their innovation.

Lessons learned

- Co-developing proposals with shortlisted innovators was time-consuming. As VIA Water focuses on supporting the development of an idea to a proof-of-concept stage, many early-stage innovations had to pass a number of key steps before they had a final proposal ready. These steps included an exploration of what type of partnership they should work in, assessing the feasibility of the innovation, finding co-funders for the innovation and making realistic implementation and project budgeting plans. In typical innovation processes, this initial exploratory phase can consume a third of the innovation process and is a time-critical phase that innovators and incubators should be aware of. It is wise to plan ahead.

- The application process was open with no strict deadlines for applicants. This was intended to give innovators the time needed to develop a realistic and sustainable proposal. It is recommended to have a flexible process at this stage to allow proposals to be effectively co-developed.

- Many new African-Dutch partnerships were developed at this stage. More than half of the VIA Water portfolio highly benefited from the combined expertise, knowledge and perspectives, thus contributing to long lasting partner and trading relations.

- Most of the unconventional innovators within the VIA Water portfolio experienced gaps in funding, expertise and knowledge, which is critical for the success of an innovation at this stage. Perhaps a positive step forward would be for incubators to introduce financial and technical support to assist innovators with the initial requirements for research and development, market assessments or product feasibility during the proposal development stage.

Above: VIA Water innovators sit together during a training session on project planning to guide and develop their initial project plans.
Developing an idea into a sustainable solution requires new skills, learning from mistakes and inspiration. VIA Water created an active innovation environment to give innovators the confidence, support and guidance they needed to test and build their innovative ideas into a working proof-of-concept. How? By nurturing peer-to-peer learning and exchange and providing tailored support.

- **Sharing Skills Seminars** brings together innovators that have just been awarded VIA Water contracts. The seminar focuses on project management, communications, leadership, business development/marketing and peer-to-peer learning at the start of an innovation journey.

- **Country field visits from VIA Water** to monitor progress and implementation, and provide ongoing support.

- **Online virtual Community Hub** where innovators can learn and inspire each other. Here they can share their project updates and lessons learned from their innovation journey with each other.

- **Online webinar masterclasses** to provide skills development training in different key areas, such as in business development and marketing.

- **Social media platforms for knowledge exchange** and to allow innovators to share reflections and experiences from the innovation process in an informal space.

- **VIA Water Cafés** in the focus countries to bring together innovators from that particular country. Trainings are tailored following the needs identified by the innovators. An informal Café setting helps to promote the sharing and exchange of experiences and knowledge.

- **Tailor-made support and training to innovators** that matches their innovation needs and demands. This included capacity training and professional skills development, peer-to-peer exchange of experiences and business development support.

- **Regular encouragement to learn and exchange knowledge** within the VIA Water community, especially with regards to key learnings from innovation failures and successes to guide others.

- **Matchmaking to relevant networks, meetings and expertise** to facilitate knowledge exchange with others in the field and to help innovators access new approaches and methodologies to help their innovation.

**Lessons learned**

- Facilitating physical encounters between innovators - through meetings and training events - have proven to be extremely positive and effective in terms of building trust, fostering new relationships and stimulating open learning.

- The online virtual support mechanisms, such as the online communities and social media platforms have been challenging. Not all innovators have been willing to share their premature ideas or challenges in an open online space. A positive step forward could be to focus on smaller online groups based on members that have a shared field of expertise or common ground.
• In-country field visits to VIA Water projects have been extremely positive in building relationships and a foundation of trust between VIA Water and innovators. Having a local presence on-the-ground during these visits has enabled both parties to openly discuss progress and any challenges in order to develop tailor-made support.

• Given that VIA Water is based in the Netherlands, having local representation has been important. Local liaisons were used in Rwanda, Mozambique, Benin, Ghana and Mali. They scouted new projects and partnerships, coordinated support initiatives and conducted monitoring and learning activities. It is recommended to work closely with local liaisons throughout the programme.

• To help build local innovation capacity, VIA Water focused most support on the African innovators who were experiencing gaps in knowledge, expertise and access to networks. This meant that many of the Dutch innovators received less focused support and were less integrated into the programme. Even though different levels of support are required from both parties, we have learnt that an integration of both parties is key throughout the programme.

• For the more technical innovations, it would have been beneficial to pair innovators with technical experts to help them overcome the technical challenges that they faced. This could have better bridged the gaps in knowledge and expertise in a much more constructive and time-efficient way.

Left: VIA Water innovators in Mali come together at a VIA Water Cafe to visit and learn from a fellow innovator’s test site. These informal Cafes were held regularly to enable innovators working within each focus country to meet together, be part of a supportive community and to facilitate the exchange of knowledge and experiences with each other.

Right: VIA Water innovators share their lessons learned and innovation experiences at a ‘Fabulously Failing Forwards’ workshop in Ghana. Encouraging innovators to embrace their failures as a source of learning and to openly share these with their peers is a strong focus of VIA Water. This workshop aimed to create an open environment for innovators to personally connect with each other and to celebrate the valuable insights from past mistakes.
Scaling

Scaling a tested concept in the long-term and into a wider market is a challenging step for many new innovators. To help with this transition, VIA Water provides tailored business support services in marketing and business plan development, as well as assistance for other organizational challenges.

- **Capacity building for the future:** innovators approaching the end of their incubation support with VIA Water attended a week-long VIA GO training programme in the Netherlands to equip them with the necessary skills and expertise to scale their innovations in the future. Three VIA GO events were organised in the following cities: Amsterdam, Rotterdam and The Hague. Training workshops were focused on pitching, scaling strategies, business marketing and leadership, as well as peer-to-peer learning exchanges and tailored field visits to meet and learn from relevant Dutch expertise.

**Lessons learned**

- As VIA Water mainly focused on piloting an idea into a proof-of-concept, less time was invested in building a network that innovators could use to help them scale beyond the piloting phase. This is an area that would be greatly beneficial in the long-term and is something that is now being included in the new programme.

- Some innovators held expectations that being part of an incubation programme would lead to finding matching funds for scaling. As an incubator, we can provide support and guidance down this path, but innovators should always take the lead in this.

- Less time investment was spent on other external contributing factors to innovation. For example, connecting innovators to other local actors that could support them in their innovations and business development, or preparing these local support actors to take on such a role would have been beneficial for scaling.

**Above:** Innovators attend a workshop on how to pitch their projects at a VIA GO training week in Rotterdam, 2018.

**Case study:**
**Hydroponics Africa scaled with partnerships and customised business support, unlocking other funds**

Hydroponics Africa is a pioneer in the field of vertical horticulture for poor urban areas in Kenya. Their business wise system works with water and nutrients (instead of soil) and use 80% less water. Hydroponics Africa received a grant of €150k from VIA Water to translate research into a pro-poor model and received customised business support to scale. This enabled Hydroponics Africa to get follow-up financing from USAID Kenya Climate Fund and Securing Water for Food, to a joint total of €750k.
After 5 years of incubation support, what is the current status of VIA Water-supported innovations?

Innovators were invited to complete a survey at the end of the programme to share their personal reflections and perspectives of which stage they believed their innovation was currently at after VIA Water incubation.

More than 35% of innovators felt that their innovations had reached a sustainable phase with 10% of innovations at scaling phase. An additional 50% of innovators perceived themselves to still be within the piloting phase, with some needing additional support to bring them to scale in the future.

Future outlook
VIA Water has focused primarily on building the local capacity of the innovators and on testing a hybrid incubation approach. Based on our learnings and experience from the programme so far, a future outlook for VIA Water includes:

- Seeking more connection with existing in-country innovation ecosystems to strengthen our capacity to support local innovators
- Continuing to focus on supporting and developing early-stage innovations that have just emerged from the research phase
- Working with locally embedded innovations that are driven by African innovators who have an explorative and entrepreneurial spirit. These can be small and medium enterprises, knowledge institutes, civil society organizations or government authorities.

References: