

VENICE PROJECT CENTER

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FOSTERING THE ORGANIC GROWTH OF THE H3 FACTORY ECOSYSEM

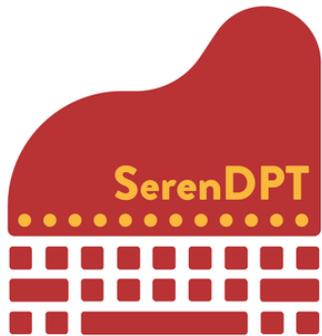
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INTRODUCTION



Venice is an Italian city long-appreciated for its historical significance. Its unique site and architecture, however, has also brought in **an influx of tourism that has shaped and ultimately dominated the economy**, and some of the consequences of the economic dependence on tourism are concerning. The residential population has been declining significantly since the 1950s, and the number of Venetians who reside in the city has been reduced to about one-third its original population. Tourism, which has an average salary of €20.000, does not support the average livable wage of Venice of about €30.000, and this inability to make a living wage encourages many Venetian residents to seek residency elsewhere. A decrease in residential housing to increase temporary housing for tourists has fostered a competitive, bid-like housing system, which inhibits the ability of even those with livable wages to remain in Venice.

SerenDPT, our project's sponsor, is an Italian benefit corporation that aims to repopulate the city of Venice by offering opportunities for a more diverse employment in non-tourist sectors and a better future to the inhabitants of the Venetian islands. The company was founded in 2017 to foster technology-driven solutions to social problems through the **H3 Factory, which is its startup incubator**. This project was conducted to assist in creating valuable programs, augment access to resources, and provide a third space for members of the H3 Factory.

THE H3 FACTORY

SERENDPT AND THE H3 FACTORY

SERENDPT

SerenDPT is a **benefit corporation founded in 2017 that aims to develop an ecosystem to foster an innovative and technological based solution to Venice's current issues**. As SerenDPT works to diversify the economy through occupational opportunities and enriching programs, it makes Venetian residents more qualified candidates, which leads to a more sustainable job market. By achieving its goal of diversifying the job market in Venice, SerenDPT could attract new residents and entice current Venetians to stay in Venice.

THE H3 FACTORY

The H3 Factory is a **physical startup incubator space** on the island of Giudecca in Venice. It facilitates innovation and helps supply the tools required to create and develop a successful startup. The main goal of the H3 Factory is to create solutions to the city's problems from Venetian startups and even export these ideas to other locations in the world. SerenDPT took over the space in 2018 when they won the proposal competition to revamp the complex with a goal to create a minimum of 100 well paid jobs before the 9 year time limit has ended (SerenDPT, n.d.-b).

PAST PROJECTS AND PARTNERS

SerenDPT has assisted and produced two initiatives. The first, known as **daAaB**, is an app that combines many different digital platforms to give the most considerable amount of travel information in one location. The second initiative is the **Jewelry Virtual Fair (JVF)**. This website hosts showrooms, exhibitors, exhibitions, and by working with the JVF, Venice is able to help turn some of the economy more towards the jewelry sector and away from tourism (SerenDPT, n.d.-b).

The logo for daAaB, featuring the lowercase letters 'da' and 'aB' in white, with a white location pin icon positioned between the two 'a's. The logo is set against a blue square background.

daAaB

The logo for Jewelry Virtual Fair (JVF), featuring the lowercase letters 'jvf' in white. The logo is set against a purple square background.

**Jewelry
Virtual Fair**

THE VENETIAN ECONOMY

The Venetian economy depends heavily on tourism; however, it is not sustainable for Venetian residents or the environment. Cruise ships and ferries to the city have heavily contributed to the canals and city base erosion pollution. Venetian residents are leaving Venice because they struggle to maintain a sustainable wage in this industry, making an average salary of €20.000 despite the average sustainable wage for Venice being roughly €30.000. The severe economic detriment suffered from significant decrease in tourism due to the COVID-19 pandemic has proven there is an instable, over-reliance on this industry. **In order to sustain the Venetian population and strengthen the city's economy, the need for Venice's economy to shift towards becoming less tourism-oriented has become apparent.**



HOW STARTUP ECOSYSTEMS CAN CATALYZE SUCCESS

BUILDING BROAD NETWORKS

Networking is at the heart of incubation and accelerator models. These networks support and facilitate startups, but they also build a network of potential stakeholders. Not only do stakeholders hold the potential to bear some of the financial burden commonly associated with startups. By concentrating an industry into social networks, **an organically forming ecosystem can grow as it becomes connected with the regional community** (Cohen, 2005).

Due to the interdisciplinarity of SEEs, partnering with **universities can provide a wide range of expertise** (Krajcik & Formanek, 2015). Government can also be helpful to incorporate into a network, because it has a significant influence in both local and global economies due to its power to foster preferable and entrepreneurial climates through its strong financial strength (Biermann et al., 2017).

CAPITAL

One of the biggest challenges for successful startups is finding startup capital. Large corporations can be instrumental in acquiring this capital for a new entrepreneurial ecosystem.

However, monetary capital often overshadows the crucial need for mindset. **Startup capital is necessary, but self-efficacy and general resolve to succeed to be just as imperative** (Baluku, 2016).

SITING

When fostering a successful entrepreneurial ecosystem (SEE), technology parks are most instrumental in building a collaborative, interactive atmosphere, and third places are beneficial for creating this innovative space. Creating the **third place can introduce collaboration and idea transfer between separate startup businesses within an economic ecosystem crucial to the ecosystem's success** (Rosenbaum et al., 2007).

Customers look for a space that is clean, well lit, has a pleasant smell, comfortable furniture, and includes an impressive or pleasant view of the outside (Waxman, 2008).

Community factors have great influence in the success of SEEs. The availability and cost of local real estate, both residential and commercial, can deter potential members of the startup ecosystem from becoming involved. A proper understanding of regional cultural factors allows a SEE to develop sustainability by following an agenda that **supports the community's interests** and as a result the SEE gains the community's support (Cohen, 2005).

COMPONENTS OF SUCCESSFUL STARTUP INCUBATORS

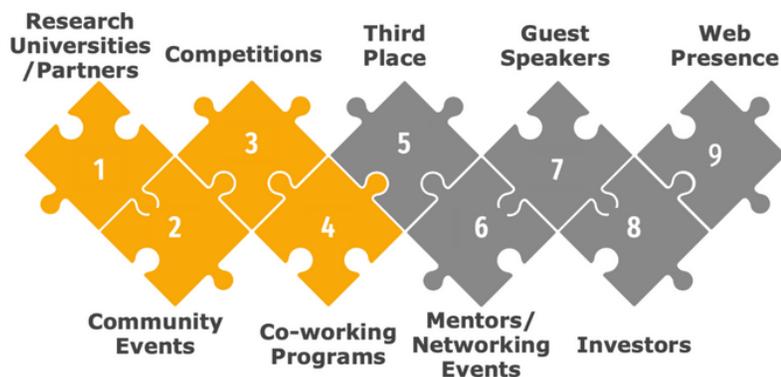
Methodology:

- Semi-structured interview with Curtis Abel, executive director of innovation and entrepreneurship at Worcester Polytechnic Institute
- Semi-structured interview with Monty Sharma, managing director of MassDigi (successful incubator of tech startups)
- Semi-structured interview with business owners and H3 members

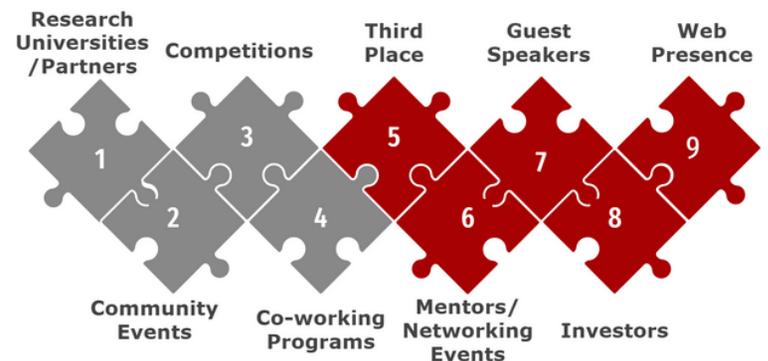
We recommend H3 acquire the following components of success:

- Research Universities/Partners
- Community Events
- Competitions
- Co-working Programs
- A Third Place
- Mentors/Networking Events
- Guest Speakers
- Investors
- Web Presence

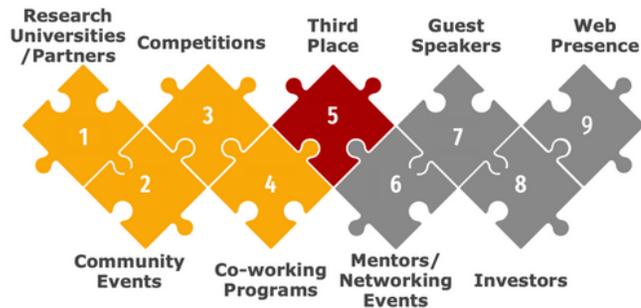
What H3 Already Has



What H3 Needs



Creating a Third Place



Methodology:

- Literature review
- In-person research: interview café owners, visual assessment of space
- Retrieve dimensions from "Physical Spaces" presentation and previous VPC projects
- Learn and use Sketchup to 3D model potential coffee shop designs
- Recieve sponsor feedback on design and redesign space



BEFORE

AFTER

We recommend the H3 Factory implement the following designs:

Features of the H3 cafeteria design (left):

- Whiteboard or chalkboard wall paint and bare walls, for collaborative brainstorming
- Bar seating to optimized seating/occupancy
- Eclectic selection of furniture; "home-y" atmosphere
- Retaining location of sink mitigates need for plumber
- Addition of overhead cabinetry maximizes vertical space usage

Features of the H3 cavana design (right):

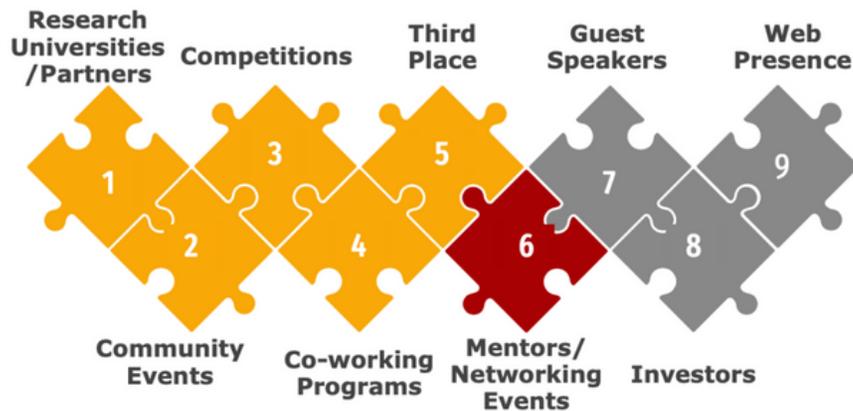
- Main ordering space
- Preservation of brick walls for history
- Local artwork showcased on walls of local artists, regularly changed to feature a variety of artists
- Seating caters to larger group interaction
- Movable whiteboard still encourages brainstorming and collaboration

BEFORE

AFTER



Planning and Developing Programs



The second objective is planning and developing programs to foster the components of success in an economic ecosystem based on interviews and research discussed in objective one. Using this information, the team has helped develop programs that will provide opportunities for candidates and participants to expand and enhance their skill sets.

Currently the ecosystem hosts hackathons, climathons, collabathons, and sometimes holds art exhibits. **Our team recommends that the H3 factory hold networking events, art exhibits, guest speaker events, pitch contests, mentorship programs, and look into hosting a TEDx event.**

Methodology

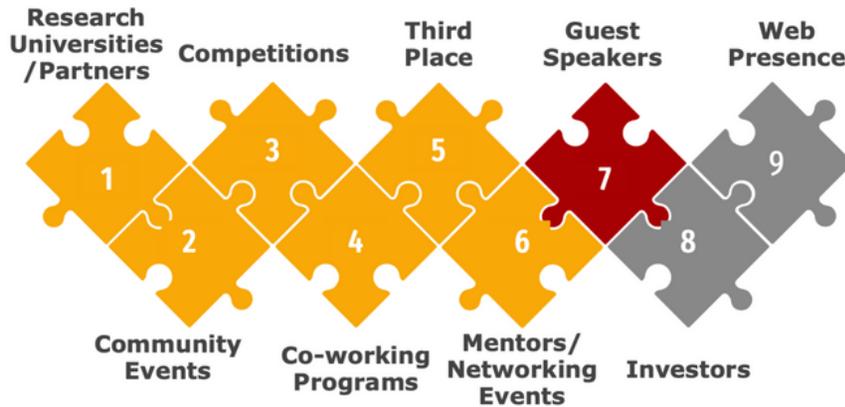
Interviews with incubator experts, entrepreneurship experts, and members of the H3 factory identified programs of interest. A literature review was conducted to develop these programs.

Mentorship Program

An important program that is essential to incorporate is a mentorship program. These will be comprised of people in three ranges: just entering startups, 5 to 15 years in the startup industry, and people with 15 or more years in the industry. The program would host a group event every other month and in the off months there will be smaller **groups of mentees and mentors and outside of organized events mentees and mentors will be expected to keep in contact** with each other. When the program meets as a whole the H3 space will use local restaurants to cater the event to help promote local Venetian restaurants. These events will also have guest speakers and speakers from within the mentorship group about their experiences in the startup world. The mentoring events would also utilize the networking events and programs.

Monthly Networking Events

H3 factory would benefit from hosting **networking events every other month**. These events will showcase local Venetian artists and will be catered by local restaurants. These events will feature a seminar or a guest speaker. These will help gain traction with the local community members and get them engaged in the H3 ecosystem.



Guest Speakers

So far, SerenDPT has had a few guest speakers but our team recommends that SerenDPT really focus on these guest speaker events. These **guest speaker events should coincide with the networking events and competitions** held in the space

TEDx

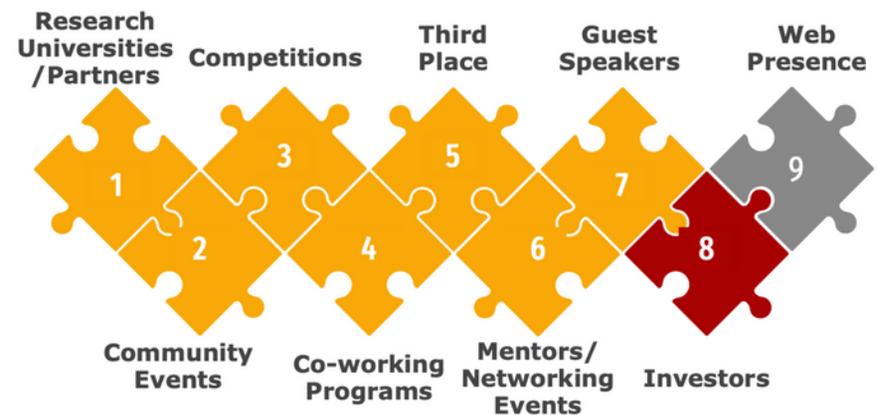
There are many types of TEDx events the H3 Factory can run but given the H3 Ecosystem **our team recommends running a Standard Event, a university event in tandem with Venice University, or a Business Event.**

TEDx events may not be used to promote spiritual or religious beliefs, commercial products or any kind of political agenda. TED does not grant licenses to individuals associated with controversial or extremist organizations. Organizers may not affiliate the TEDx or TED brand with other conferences, non-profits, NGOs, corporations or commercial endeavors.

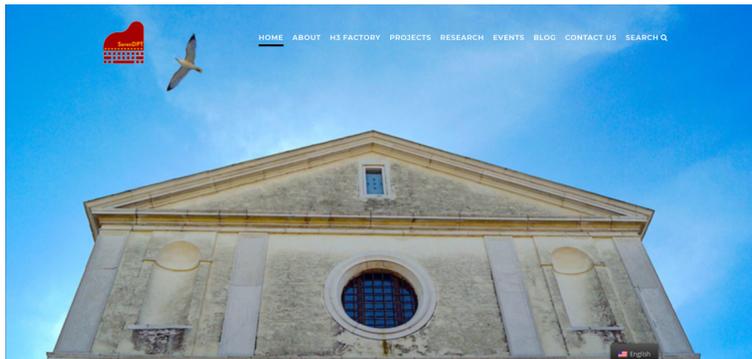
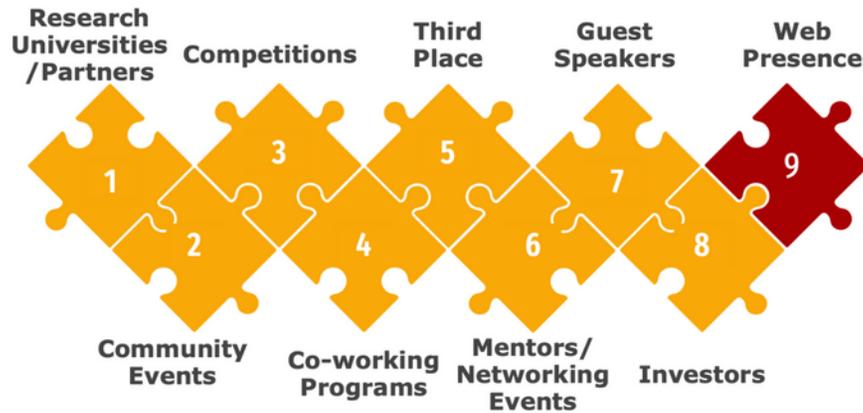
Pitch Contests Attract Investors

Currently SerenDPT invites investors to their current programs but by holding a pitch contest, which will be discussed as the next program, SerenDPT could really bolster their reputation as a place where investors can come to see proof of concept.

A pitch contest will provide a space where entrepreneurs can pitch new ideas in front of investors and other entrepreneurs to gain valuable feedback on their business ideas. These pitch contests will not only give a **great opportunity for participants to network** but the winner of the event would win a cash prize. This event will **create buzz for potential investors** and people thinking of becoming investors and would put SerenDPT on the map as a place where investors can go to look at new entrepreneurial ventures.



Creating Shareable Resources



Feel free to email us at contacts@serendpt.net or reach out to us on social media.



Shareable resources create community awareness of SerenDPT, its goals, and opportunities it offers. The maintenance and user-friendliness of SerenDPT's web presence allows its work to reach a larger population and connects SerenDPT with more resources and interested members of the community. **We recommend H3 utilize our social media plan and website.**

Methodology

The team interviewed our sponsor, SerenDPT, to assess the wants and needs of its online presence. The specifically interviewed Emanuele Wiltsch Barberio, Daniele Scarano, Luca Giuman, Filippo Rossi, Turku Hasturk, Robert Fizter, and Jennifer deWinter for guidance on the development of SerenDPT's new website.

Results

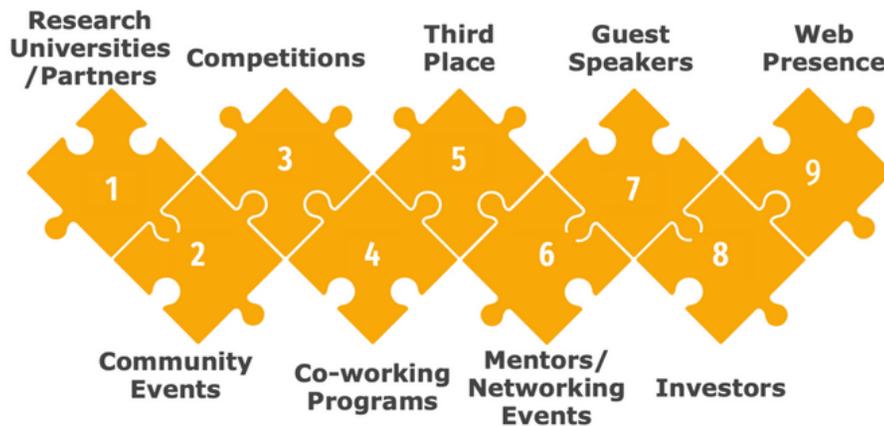
The team met and worked with social media intern Giulia Speri to develop a plan for social media. Meeting with public relations managers helped structure this social media plan.

Features of the new website:

<http://serendptdev.veniceprojectcenter.org/>

- Created on WordPress for easier future maintenance of site
 - Previous site was coded in Rube on Rails
 - Previously required background in software to maintain site
- Updated with current knowledge and general updates
- User-friendly interface linking all SerenDPT social media
- Clear and apparent option to translate website

CONCLUSION



The H3 Factory project aimed to build a **comprehensive understanding of the components of success in startup ecosystems**. This understanding was applied to our interviews involving the H3 Factory members to **design enriching programs and events** that foster the overall ecosystem's organic success within its surrounding community. By using our methodology, our team worked with our sponsor, SerenDPT, to develop these programs

and create plans to promote them through their web presence, which was also to be improved. Within the H3 Factory, startups and members will benefit from a **collaborative, innovative cafeteria space, which was designed to be a third place** that encourages collaborations. Overall, the team hopes the H3 Factory **project contributes to SerenDPT's long-term goal of mitigating the demographic decline** in Venice's resident population, and our team is very **grateful to have worked with SerenDPT and the Venice Project Center**.

See the [VE20-H3ECO Final Project Report](#) for references, appendices, and more on our team's project.